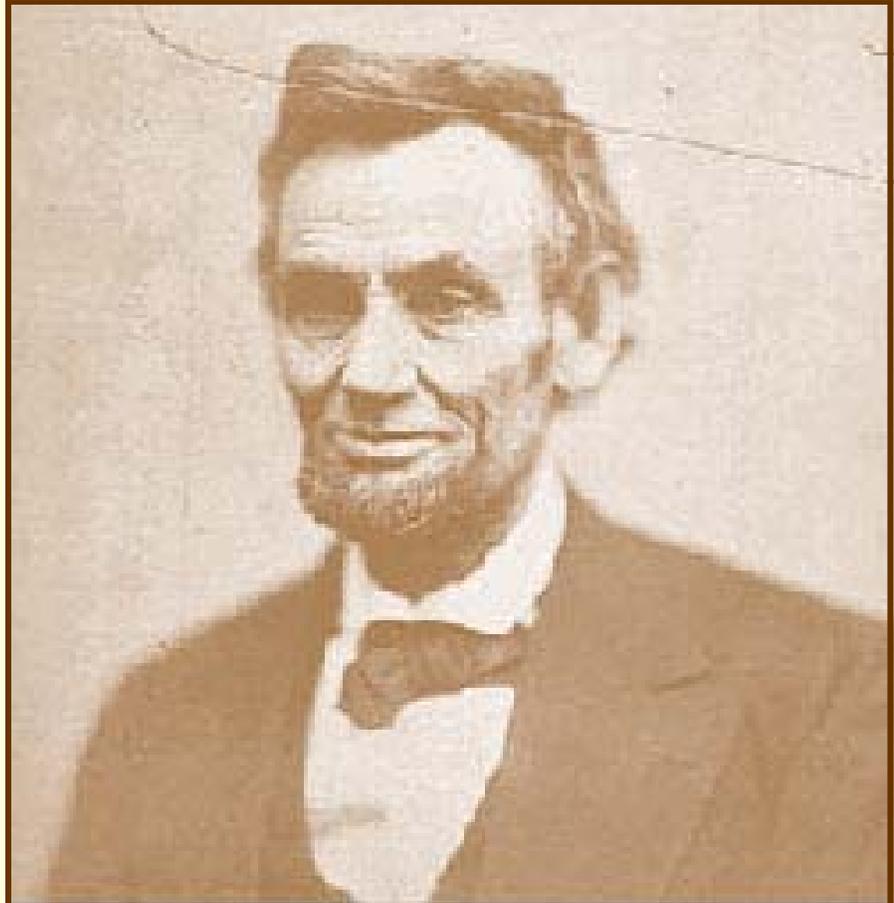


County of McHenry, Illinois

Comprehensive Annual Financial Report

For the Fiscal Year Ended November 30, 2009

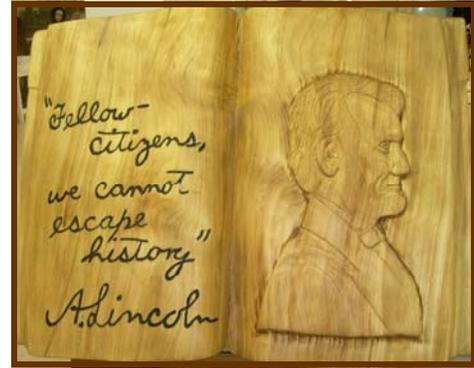
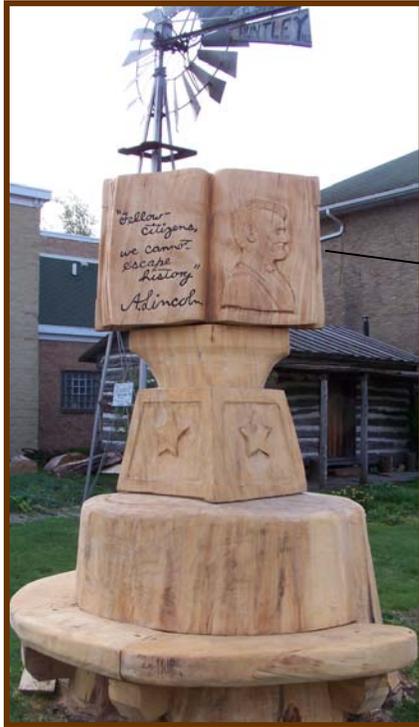


Abraham Lincoln

*“Give me six hours
to chop down a tree
and I will spend the
first four sharpen-
ing the axe.”*

Abraham Lincoln





During 2009, McHenry County celebrated the bicentennial birthday of our nation's 16th President, Abraham Lincoln, with many events. In addition, the McHenry County Historical Society, located in Union, Illinois, had a local carving artist transform the bases of two cottonwood trees (dating back to 1880) into two sculptures. Wind and lightning had taken their toll on the trees and sadly, they had to be chopped down in 2007. However, the Historical Society left 13-foot stumps in place for this project. Complete information on the carvings can be found on the Society's website at www.mchsonline.org.

One of the carved sculptures was in honor of President Lincoln. The Historical Society used the following quote from Lincoln, which was very appropriate based upon the Society's purpose.

"Fellow citizens, we cannot escape history."

There is another Lincoln quote that is very appropriate for matching the financial strength of McHenry County.

"Give me six hours to chop down a tree and I will spend the first four sharpening the axe."

The County Board, Elected Officials, Department Directors and the employees of McHenry County have worked very hard over the past few years to build up cash reserves or a "rainy day" fund. This diligence has prepared the County for the present economic downturn. A cooperative effort in working with maintenance budgets and through the careful analysis of supplemental budget requests has allowed this to be achieved. As we continue to "sharpen the axe" through these difficult times being experienced by many of our citizens, the County will be able to meet the needs of our community and accomplish our Mission Statement -

McHenry County government is dedicated to providing the highest quality services for the health, safety, and welfare of the County's residents and communities. We foster representative and transparent government to ensure social, economic, and environmental justice.

County of McHenry, Illinois

Comprehensive Annual Financial Report

For the Year Ended November 30, 2009

Prepared by the County Auditor's Office:

Pamela Palmer, County Auditor

James Bernier, CPA, CPFO, Financial Reporting Manager/Chief Deputy Auditor

INTRODUCTORY

County of McHenry, Illinois

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County of McHenry, Illinois

OFFICERS AND OFFICIALS

November 30, 2009

COUNTY BOARD MEMBERS

Kenneth Koehler, Chairman
Yvonne M Barnes
Robert "Bob" Bless
JS "Scott" Breeden
Randall Donley
Mary L. Donner
Sue Draffkorn
Ed Dvorak
John D. Hammerand
James Heisler
Tina Hill
James P. Kennedy

Mary T. McCann
Peter J. Merkel
Anna May Miller
Marc J. Munaretto
Lyn A. Orphal
Virginia Peschke
Daniel P. Ryan
Sandra Fay Salgado
Kathleen Bergan Schmidt
Ersel Schuster
Barbara Wheeler
Paula Yensen

ELECTED OFFICIALS

Pamela Palmer
Katherine M. Keefe
Marlene A. Lantz
Katherine C. Schultz
Phyllis K. Walters
Keith Nygren
Louis A. Bianchi
Gene Goeglein

William LeFew

Auditor
Clerk of the Circuit Court
Coroner
County Clerk
Recorder
Sheriff
State's Attorney
Superintendent of Educational
Service Region
Treasurer

ADMINISTRATIVE

Peter Austin

County Administrator



PAM PALMER
COUNTY AUDITOR

JAMES BERNIER, CPA, CPFO
FINANCIAL REPORTING
MANAGER/
CHIEF DEPUTY AUDITOR



PHONE: 815 334-4204
FAX: 815 334-4621

May 10, 2010

To the Chairman of the Board,
County Board Members, and the
Citizens of McHenry County, Illinois:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended November 30, 2009 as prepared by the McHenry County Auditor's Office and audited by the independent certified public accounting firm of Baker Tilly Virchow Krause, LLP. Illinois State Statutes require the County to produce a complete set of audited financial statements for each fiscal year. This CAFR is provided to fulfill that requirement for the fiscal year 2009. The financial statements included in the CAFR conform with generally accepted accounting principles in the United States of American (GAAP), as established by the Governmental Accounting Standards Board. The County is responsible for the accuracy and fairness of the financial statements and information presented in this report. I believe that the data presented conforms to that responsibility and enables readers of the report to gain an understanding of McHenry County's operations.

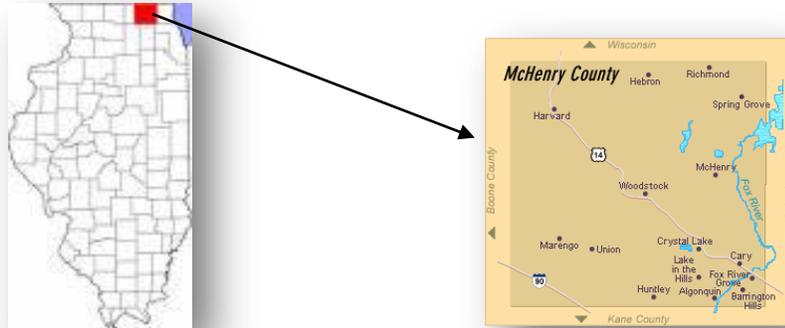
In addition, the Management of the County has the responsibility to establish and maintain accounting policies and procedures and other internal controls for the preparation of complete and accurate County financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designated to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. This CAFR is intended to be used as a source of financial information and data for the citizens of the County, board members and other elected officials, investors, creditors, and other readers. The Auditor's Office can be contacted with any questions concerning the CAFR, which can also be viewed (along with prior year CAFRs) via the Auditor's webpage at <http://www.co.mchenry.il.us/departments/auditor/Pages/annualRpts.aspx>

The County Board is required by Illinois state statute to adopt an operating budget before the start of a new fiscal year. The annual budget serves as the foundation for the County's financial planning and control. The budget is maintained on an object code basis (personnel services, contractual, commodities, capital, etc.) by department. Transfers of budgeted amounts between funds or any amendments to the originally approved budget by means of an emergency appropriation require approval by the County Board.

The CAFR also reports the activities of two component units, the Public Building Commission and the McHenry County Conservation District, as required by GASB Statement No. 14. For a detailed description of the relationship these organizations have with the County that require them to be reported as component units, see Note 1 of the Notes to Financial Statements.

In accordance with GAAP, this CAFR includes Management’s Discussion and Analysis (MD&A), which provides a narrative introduction and an overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The remainder of this transmittal letter will provide an overview of the County’s economic conditions and demographic information, along with accomplishments achieved during fiscal year 2009 and future initiatives of the County.

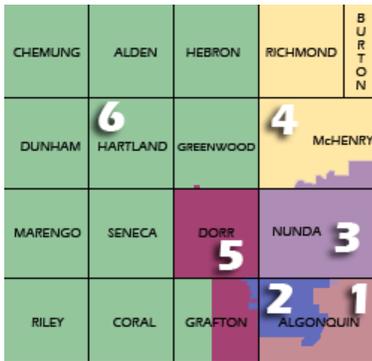
Profile and History of McHenry County, Illinois



McHenry County is located in the northeastern part of Illinois. The county covers a total area of 611 square miles consisting of 603 square miles of land and 8 square miles of water. The estimated population for 2009 is 320,961 and is discussed in more detail later in this letter. Over 30 communities cover the county with residential growth covering the eastern half and rolling countryside to the west. The County is approximately 50 miles northwest of Chicago and has access to I-90 in the southwest corner of the County. Several state highway routes transect the County (U.S. Highways 12, 14 and 20 and Illinois Routes 23, 31, 47, 62, 120, 173 and 176), making it accessible to areas in northern Illinois or southern Wisconsin. Adjacent counties include Walworth and Kenosha Counties in Wisconsin (north), Lake and Cook Counties (east), Kane and DeKalb Counties (south) and Boone County (west). McHenry County government is based primarily out of Woodstock and county offices and the judicial facilities are located along Illinois Route 47. There are also several state agencies with local offices in Woodstock.

The early beginning of the County resulted from people who moved out from the Chicago area in search of land and farm sites. They petitioned the Illinois legislature in 1836 to form a new local county. The new area was named after Major William McHenry, an Indian fighter who died in Vandalia in 1835. Originally, McHenry County stretched to Lake Michigan on the east until 1839, when voters were granted the right to form a new county called Lake County. The original county seat was located in the village of McHenry. However, a more central location was desired and Centerville was named the county seat in 1844. Centerville was renamed to Woodstock in 1845 and remains as the county seat. In December 1849, voters established a township system of government, in part to provide a better system for road taxation, due to the poor road systems in place. The introduction of railroads brought changes to the County as it enabled farmers the ability to ship their products to Chicago’s markets and provided transportation for commuting to city jobs. All of the changes made throughout the early years resulted in migration of residents who sought the rural lifestyle for raising their families while still having access to the city for their jobs. The result of this transformation was the growth and establishment of the towns, cities, and villages that exist today.

Besides the 17 townships that McHenry County is organized under, the County is divided into 6 County Board districts with 4 representatives elected from each district. Every two years, the County Board elects one of the members as Chairman of the County Board, along with a Vice-Chairman. There are also 9 other officials elected by the citizens of the county: Auditor, Circuit Clerk, Coroner, County Clerk, Recorder, Regional Superintendent of Schools, Sheriff, State's Attorney, and Treasurer. The County Board appoints the departmental directors after conducting a search for the best candidates. A County Administrator is the chief administrative officer and prepares and recommends the annual budget, implements policies and procedures, manages daily operations, and oversees department directors.



Map of Townships and Districts

The County provides a range of services for its citizens including law enforcement, construction and maintenance of roads and bridges, property assessment and tax collection, official records, elections, document recording, comprehensive planning and growth management, social service programs, judicial functions, health services, animal control services, emergency disaster and response planning, storm water management, environmental protection, groundwater protection, and the administrative functions to support all of these services.

Economic Condition of McHenry County, Illinois

Local Economy

McHenry County has experienced much of what other governmental bodies have with the economic slowdown, mainly attributed to the weak housing market and lagging consumer demand. According to market statistics maintained by the Illinois Association of Realtors, in the 4th quarter of 2009, the number of single family home sales in the County was up 47.2% from the 4th quarter of 2008, but the average sales price was down 18.4%, from \$253,323 to \$206,620, over the same period. Also for comparison, in the 4th quarter of 2005, the average single family home sales price was \$279,575. County sales tax collections have also been down for the past three fiscal years. FY 2009 collections are equivalent to the amounts that were received in FY2003.

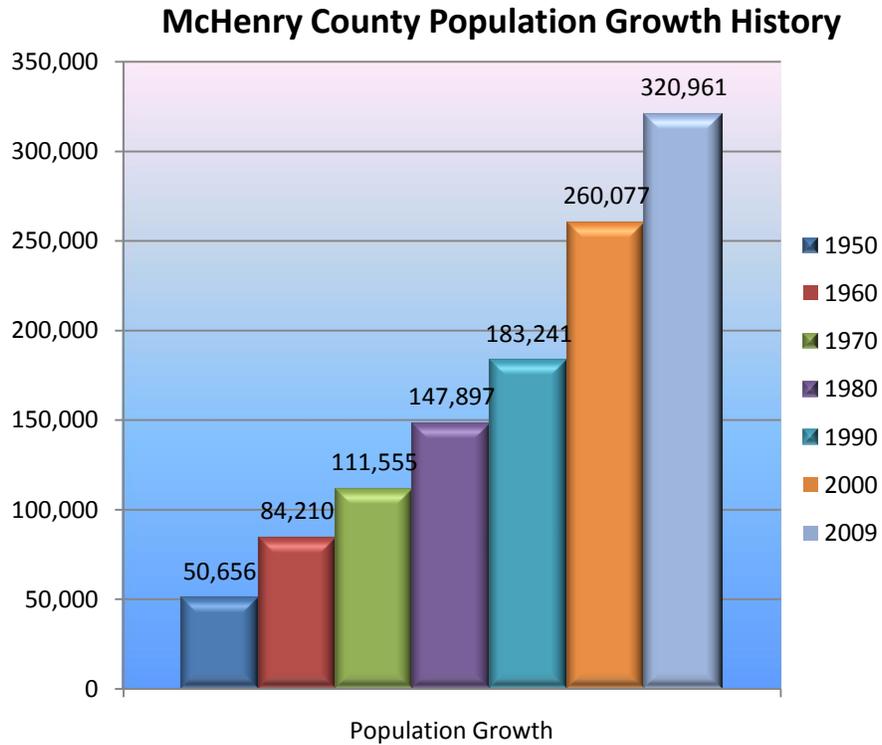
The median household income of \$79,656 for McHenry County in 2008 (up from \$74,115 in 2007), as published by the United States Department of Agriculture, is well above the State of Illinois median household income of \$56,230, at 141.7%. Also, per capita retail sales by retail stores in the County for 2007, the most recent period available, totaled \$11,644, as compared to the Northern Illinois Region total of \$12,956, based upon data from the Illinois Department of Revenue and Census estimates.

Agriculture continues to play a large part in McHenry County. According to a census issued by the U.S. Department of Agriculture of 2007 data, McHenry County had 1,035 farms with 215,584 acres in farmland. The market value of farm products sold in 2007 was \$156,524,000.

Population Growth

For July 1, 2009, the U.S. Census Bureau published the County's estimated population at 320,961, which places McHenry County as the sixth largest county in Illinois. For the population change from 2000 to 2009, the

County experienced a 23.4% increase and ranked fourth in the state with a population change of 60,884 residents over the nine year period. The State of Illinois has experienced a 3.95% population increase for the same nine year period. McHenry County ranks 197 out of the 3,068 counties in the U.S. for the 2009 population estimate. The following chart shows the population growth each 10 years starting with 1950 and includes the 2009 estimate:



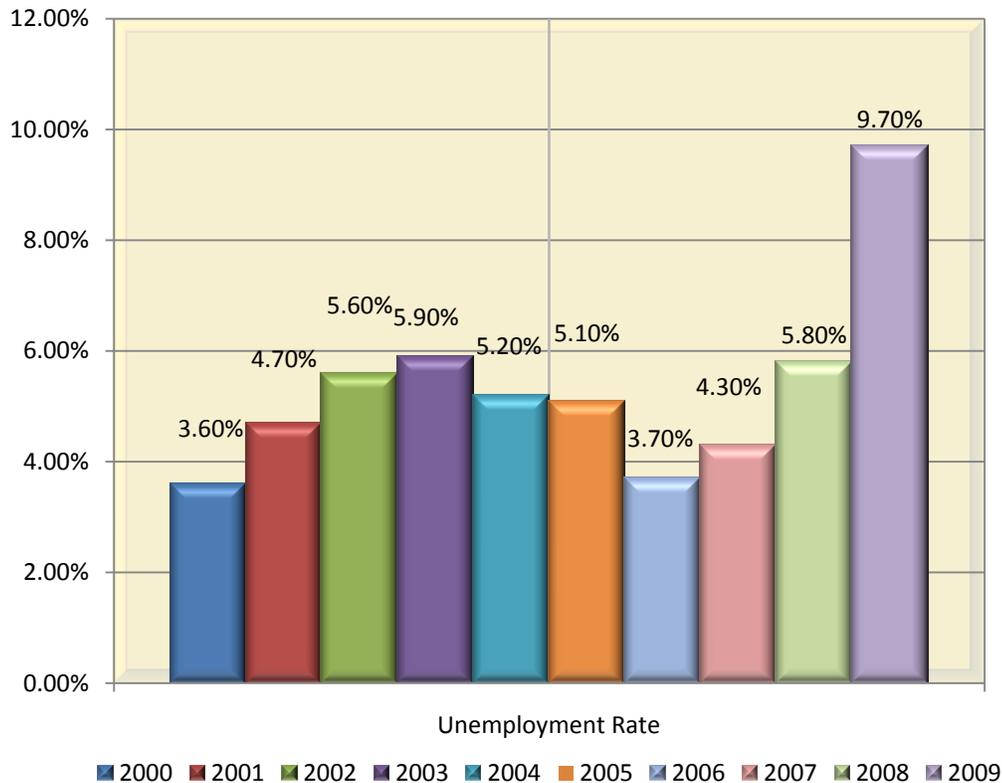
The County’s population growth was significant in the 1990’s with an overall increase of 41.9% from 1990 to 2000, but the rate has slowed down during the 2000’s. The County’s 2030 Land Use Plan, which was substantially completed in 2009 and subsequently approved by the County Board on April 20, 2010, projects that the County will reach a population of approximately 495,000 by the year 2030, a projected net increase of approximately 174,000 persons.

Unemployment

The County’s average annual unemployment rate was 9.7% for 2009 as compared to 5.8% average annual rate for 2008. For the State of Illinois, the unemployment rate was 10.1% for 2009 and 6.4% for 2008. In 2009, the total County labor force was 179,505, consisting of 162,160 employed and 17,345 unemployed. This compares to a total labor force of 180,940 with 10,565 unemployed in 2008. The chart below represents that average unemployment rate over the past ten years:

McHenry County Unemployment Rate History

Average Annual Rate



SOURCE: Illinois Department of Employment Security – LAUS Report

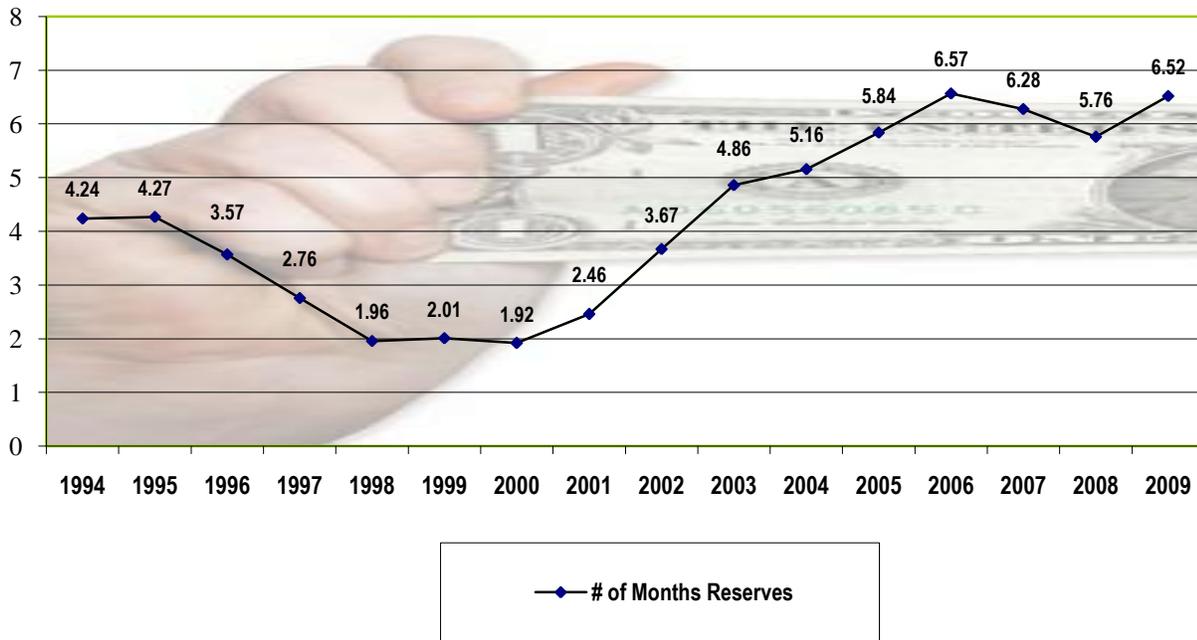
Long-term Financial Planning and Relevant Financial Policies

A key factor in the quality of the County’s current financial position is prudent financial management. A prime application that exemplifies the fiscal discipline the County strives to maintain is described in the following paragraph.

An important tool developed by the County’s administration in 2002 is the financial model for the General Fund, which is used to assess the County’s condition and to assist in making financial decisions. This model allows the County to manage the budget and conduct long-range planning based upon certain assumptions that are incorporated. The County Board has instructed Administration to maintain a five month unrestricted cash reserve as a benchmark. The County achieved this benchmark in fiscal year 2004 and has further strengthened the position through fiscal year 2009. Historically, the County dipped to under two months of unrestricted general fund cash reserves in the late 1990s and department heads were asked to make major cuts in their budgets. Through prudent financial operations, a maintenance budget for contractual services and commodities, and producing “what if” scenarios on the financial model for the evaluation of potential major expenditures or programs; the reserves have been built to a conservative level that prudently serves the taxpayers and residents of the County.

The following chart reflects the General Fund's unrestricted reserves from 1994 through 2009:

General Fund - History of Unrestricted Reserves



Budgetary Controls

McHenry County has operated on a “no growth” budget for the past several years, which means that each department starts out with the same appropriated budget from the prior year. This could vary depending on any one time only supplemental requests or expiring grant programs. Supplemental requests are reviewed during the budget process by County Administration, the Committee of the Whole, and the Finance and Audit Committee and ranked by priority based upon overall department needs and the importance. The purpose of the supplemental request in meeting the strategic and financial goals of the County is also considered and the decision to fund the request is based upon the amount of supplemental funds available. The County’s Financial Model (discussed in the paragraph above) is also used to determine the supplemental funds that are available.

Cash Management

McHenry County’s Investment Policy contains cash management and investment guidelines for the County Treasurer, who is responsible for the stewardship of all County funds, and the County Auditor, who is responsible for the accounting of said funds. The specific objectives of the policy include: 1) the safety and preservation of the principal, 2) sufficient liquidity to meet the County’s operating requirements, 3) maximization of interest income consistent with safety and liquidity, 4) diversification of account holdings in financial institutions with respect to the policy objectives of safety, liquidity, and income, 5) diversification of the types of depository and investments accounts with respect to the objectives of the policy, and 6) compliance with all applicable laws and regulations by which the Treasurer is bound.

Capital Plan

A five-year capital plan is prepared for building improvements and building construction projects, technology, vehicles, and equipment. These capital plans attributed to General Funds are made a part of the Financial Model in order to determine their impact on the fund balance.

Strategic Planning

McHenry County adopted its first Strategic Plan in November 1999. In a 2007 Strategic Planning Board Retreat, goals or action items were identified by County Board Members, Elected Officials, and Department Directors facilitated by Dr. Gregory Kuhn, Ph.D., a Research Associate with the Center for Governmental Studies at Northern Illinois University. In late 2008, a contract with Public Knowledge, LLC was signed to move strategic planning to a higher level. The County Board adopted a new Strategic Plan in May 2009. The Plan addresses the following six major areas: 1) Transportation and Infrastructure; 2) Growth and Planning; 3) Service Delivery; 4) Revenue and Demand; 5) Livability; and 6) Economic Development and Opportunity. In addition, twenty-one performance measures have been developed and are being tracked for the progress made towards the strategies set forth in the Plan. The Plan and a Performance Report Card are available on the County's website through the following link: <http://www.co.mchenry.il.us/departments/countyboard/Pages/index.aspx>

Major Initiatives

General and Administrative

- The County Board and County Administration continued their "Planning for the Future" philosophy in FY2009 by holding back on major expenses and working in partnership with County Offices and Departments to weather the economic storm. As the FY2010 Budget was being worked on in 2009, County Offices and Department voluntarily gave back \$1.2 million to the General Fund during the budget process. By year-end, approximately 30 fewer employees were on the payroll, which was accomplished without mandatory cutbacks or hiring freezes. Additionally, close attention was paid to the FY2009 budget and actual operating results through quarterly monitoring and presentations to the County Board. The Board also developed a new Strategic Plan methodology, which incorporates performance measurements. Important discussions were held in 2009 concerning Valley Hi's management and updated policies for improved operations, personnel management, and financial management were implemented. A former bank building located next to the government campus was purchased and work was done in FY2009 to prepare for a January 2010 move of the Treasurer's Office to their new office space. Lastly, the Groundwater Protection Action Plan, a multi-year study of ground water use and protection, was completed and forwarded all municipal governments in McHenry County for consideration near the end of FY2009.
- The County Auditor's Office was notified of their 11th consecutive year of being awarded the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting. In addition, a Popular Annual Financial Report (PAFR) was prepared for FY2008 and submitted to the GFOA for the Award for Outstanding Achievement. This award was received and made McHenry County the first county in the State of Illinois to achieve this distinction.
- Facility Management applied for an Energy Efficiency Conservation Block Grant through the American Recovery and Reinvestment Act (ARRA) with a total of 28 projects being identified. There were also numerous remodeling/renovation projects completed during the year as the County addresses the space needs of departments.

- Katherine Schultz, the McHenry County Clerk, unveiled an interactive, touch-screen kiosk designed to effectively educate voters step-by-step on important voting information. Other election-related enhancements included the use of the Statewide Voter Registration Database to locate and remove duplicate voter registrations and the addition of township maps of voting precincts to the County Clerk's website.
- The County Recorder's Office continues to work towards the back-file conversion of records back to 1839. This is expected to be completed by 2012 and will be the first office in the State to complete this task.
- The Treasurer presented town meetings throughout the County to educate taxpayers about property taxes and available exemptions. The Office also did planning in 2009 for their anticipated move of their office from the County Administration Building to a remodeled former banking facility at the corner of Rt. 47 and Russell Court.
- Information Technology (IT) plays a major role in the County government and 2009 brought many positive changes. This included a major redesign of the County's website, improvements within the email system and access, support on major new systems and upgrades, and work towards the reduction in paper generated through systems.
- Human Resources accomplishments included successful negotiations of collective bargaining agreements with unions and implementation of a new County Wellness Program to assist with controlling employee health insurance costs.

Transportation

- The McHenry County Division of Transportation (DOT) had their 2009-2013 Highway Improvement Program approved by the County Board during 2009. The five year program calls for the undertaking of 85 projects totaling an estimated \$247,000,000.
- In February 2009, DOT received the design approval for the Rakow Road Improvement Project from the Illinois Dept. of Transportation and the Federal Highway Administration.

Community Development

- Dennis Sandquist started as the new Planning & Development Director in December 2008. The Regional Planning Commission (RPC), made significant and extensive progress in writing the 2030 Comprehensive Land Use Plan during 2009 and was assisted by Mr. Sandquist and staff in preparing the Plan for adoption in FY2010.
- A McHenry County Housing Crisis Forum was held in February 2009 to discuss the housing crisis and to provide information on services and opportunities to help families and individuals.
- The County was the recipient of a \$3,085,695 Neighborhood Stabilization Program (NSP) grant through HUD. NSP, created under the Housing and Economic Recovery Act of 2008, allocates emergency funds for acquisition, rehabilitation, and resale of vacant foreclosed properties and offers the renovated homes to qualified low- to moderate-income homebuyers.
- The Geographical Information Systems (GIS) Department deployed an interactive map called "Athena" on the internet, which allows the general public access to the County's GIS. The department also assisted many other county departments with the creation of specialized maps for their data needs.

Public Safety

- The McHenry County Sheriff's Department continued work on the CALEA (Commission on Accreditation for Law Enforcement Agencies) process. The completion of the CALEA accreditation process enhances the professionalism, efficiency, and effectiveness of the department. Also, the PSIC (Public Safety Interoperable Communications) grant, in which McHenry County is the lead agency for a

Six-County Alliance of Police, Sheriffs, Fire and Emergency Management Local Government Agencies, administered part of a \$5.1 million grant for first responder communications equipment.

- The County's Emergency Management Agency (EMA) received several grants throughout 2009 to assist with emergency preparedness. They continued National Incident Management (NIMS) Training classes and implemented the NIMS concept of emergency procedures and plans.

Judiciary and Court Related

- The Clerk of the Circuit Court's Office successfully brought on-line the new ICIS (Integrated Case Management System) in May 2009. The Circuit Clerk also installed a new improved version of the electronic ticketing system (APS), which uses thermal printers in sheriff and police agency cars in McHenry County to issue tickets and to electronically download the information into the Circuit Clerk's case management system.
- Mr. Dan Wallis started in December 2008 as the new Court Administrator. Mr. Wallis has worked diligently on establishing policies and procedures, conducting surveys, improving the 22nd Judicial Circuit's website, preparing an informational newsletter for county employees and elected officials, and working with the Circuit Clerk's Office on the new ICIS system.
- The State's Attorney Office entered into a contract with Alliance One Receivable Management, Inc. to recover outstanding fines and fees owed by traffic and criminal offenders, due to McHenry County. There is no cost to taxpayers in this program as all the costs of collection shall be attributed to the delinquent offender.
- The Mental Health Court added Mr. Scott Block, who took over as Coordinator for the specialized court, which was started in 2007 to serve criminal offenders who are suffering from a mental illness and are involved in the criminal justice system of McHenry County.

Public Health and Welfare

- The Health Department had a very busy year with the initial planning, education, and implementation of the H1N1 immunization process in the County.
- The McHenry County Mental Health Department's SASS (Screening, Assessment and Supportive Services) Program was cited for Excellent Outcome Results by the Department of Human Services. Mental Health also launched a McHenry County "Think First" Chapter to promote awareness and prevention of traumatic brain injury in children.

Debt Management and Credit Rating

The County's Debt Issuance policy provides for guidelines and procedures to be used in the issuance and management of McHenry County's debt instruments, as well as an understanding of the tasks, duties and responsibilities of the participants. Included in the policy are how requests are handled, the development of the Five Year Capital Improvement Plan annually, the selection of consultants, counsel and underwriters, and arbitrage. In December 2008, the County issued \$4.5 million in General Obligation Long Term Debt Certificates for the acquisition and equipping of (i) approximately 30 acres of land at the corner of Route 47 and Ware Road for the expansion of the County campus and (ii) a facility located at Route 47 and Russell Court for use by the County Treasurer's office. The \$4.5 million debt was assigned an Aa1 rating by Moody's, which was the same rating that the County's other outstanding debt had been upgraded to by Moody's.

Subsequent Credit Rating Event

On April 16, 2010, Moody's Investors Service assigned an Aaa rating to McHenry County's debt issuances. This is the highest rating available and puts the County in the top tier of local governments in terms of financial

strength in both Illinois and nationally. Presently, McHenry County is one of three counties in the State of Illinois in sharing this honor (DuPage and Lake Counties are also rated Aaa). One of the County's organizational goals in the strategic plan has been to achieve this rating. The first bond rating by Moody's was in 2002 at an Aa3, followed by an upgrade to Aa2 in 2003. In September 2006, the rating was adjusted to Aa2+ and again upgraded to an Aa1 in June 2007. This rating will allow the County to issue debt at the lowest possible interest rate.

McHenry County 2030 Plan

The McHenry County Regional Planning Commission first met on November 9, 2006 to begin planning on the 2030 Land Use Plan. This updates the 2010 Land Use Plan that was adopted in October of 1993. The 2030 Plan was adopted subsequently in April 2010 and is intended to serve as a guide for regional planning and decision making over the next two decades.

Federal Legislative Program

McHenry County's Federal Legislative Program adopted in February 2009 for Federal Fiscal Year 2010 included recommendations on a variety of federal issues that were of significant importance at the local level. As a local government, the County depends on financial assistance from the state and federal governments to meet the needs of the estimated 321,000 county residents. \$1.3 million in Federal funding for road construction, groundwater protection, and job training was obtained through the Federal Legislative Agenda. Included in the legislative program adopted were the following:

- Ground Water/Stormwater Strategic Protection Plan
- Transportation
- Public Safety Communication
- Integrated Criminal Justice Information System
- F.A.S.T. Solutions – Workforce Needs

The program also includes several support initiatives for traffic improvements and commuter rail service, along with policy concerns addressing unfunded mandates, EPA and ADA requirements, and transportation funding.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to McHenry County for its CAFR for the fiscal year ended November 30, 2008. This was the eleventh consecutive year that the county has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. The GFOA award is valid for a period of one year. I believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to thank the entire Auditor's Office staff for their contributions to both the financial accounting process and their related work on the audit, especially Financial Reporting Manager Jim Bernier, who has made valuable contributions to the issuance of this report. I would also like to thank all of the elected officials and department directors, who along with their staff, cooperate in the gathering of information contained within

this report. We have also received valuable support from our independent auditors, Baker Tilly Virchow Krause, LLP, and appreciate their professional efforts in enabling us to complete this report.

Sincerely,

Pamela Palmer

Pamela Palmer

McHenry County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of McHenry
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
November 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized handwritten signature in black ink, consisting of several large, sweeping letters.

President

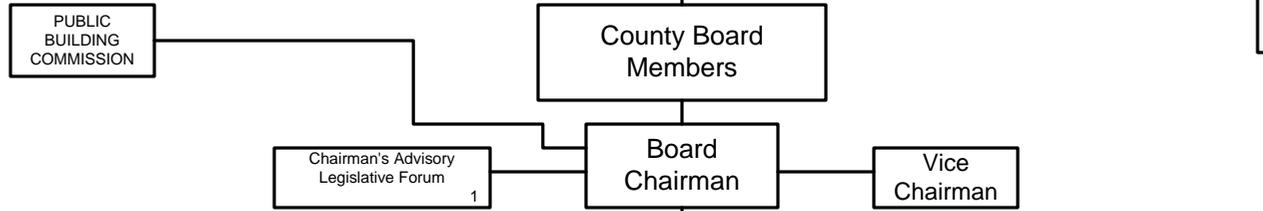
A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

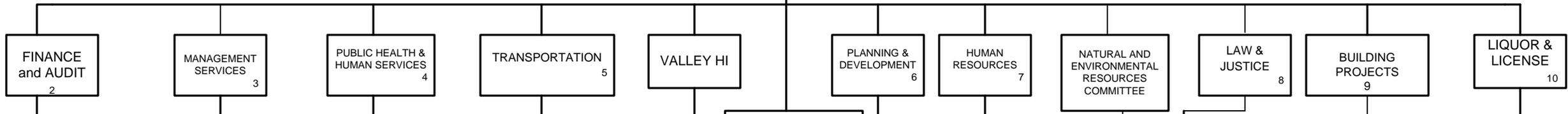


VOTERS of McHENRY COUNTY

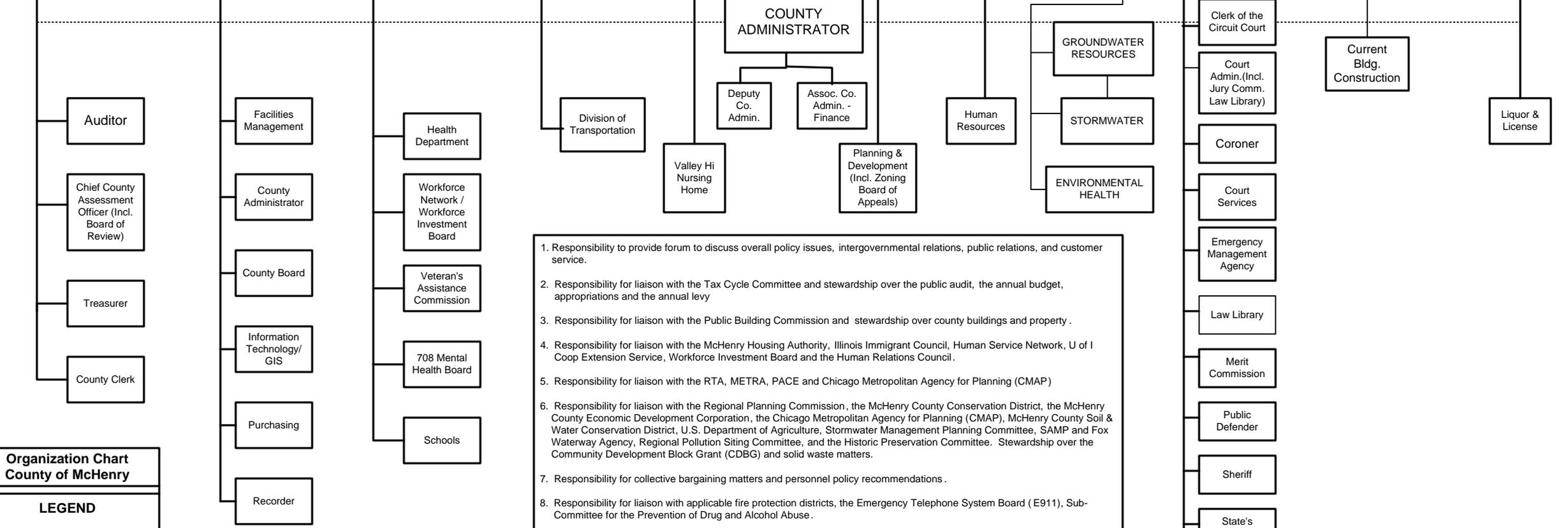
- ELECTED OFFICIALS**
- Auditor
 - Circuit Court Clerk
 - Coroner
 - County Clerk
 - Judges, 22nd Judicial Circuit
 - Recorder
 - Regional Supt. of Schools
 - Sheriff
 - States's Attorney
 - Treasurer



Standing Committees



COUNTY ADMINISTRATOR



1. Responsibility to provide forum to discuss overall policy issues, intergovernmental relations, public relations, and customer service.
2. Responsibility for liaison with the Tax Cycle Committee and stewardship over the public audit, the annual budget, appropriations and the annual levy
3. Responsibility for liaison with the Public Building Commission and stewardship over county buildings and property .
4. Responsibility for liaison with the McHenry Housing Authority, Illinois Immigrant Council, Human Service Network, U of I Coop Extension Service, Workforce Investment Board and the Human Relations Council.
5. Responsibility for liaison with the RTA, METRA, PACE and Chicago Metropolitan Agency for Planning (CMAP)
6. Responsibility for liaison with the Regional Planning Commission , the McHenry County Conservation District, the McHenry County Economic Development Corporation, the Chicago Metropolitan Agency for Planning (CMAP), McHenry County Soil & Water Conservation District, U.S. Department of Agriculture, Stormwater Management Planning Committee, SAMP and Fox Waterway Agency, Regional Pollution Siting Committee, and the Historic Preservation Committee. Stewardship over the Community Development Block Grant (CDBG) and solid waste matters.
7. Responsibility for collective bargaining matters and personnel policy recommendations .
8. Responsibility for liaison with applicable fire protection districts, the Emergency Telephone System Board (E911), Sub-Committee for the Prevention of Drug and Alcohol Abuse.
9. Responsibility for matters pertaining to legislative processes at the State and Federal levels.
10. Responsibility for enforcing County Liquor Control, Coin-Operated Amusement Devices, and Raffle Ordinances.

XVIII

**Organization Chart
County of McHenry**

LEGEND

— RESPONSIBILITY

..... COORDINATION/REVIEW

FINANCIAL

INDEPENDENT AUDITORS' REPORT



BAKER TILLY

Baker Tilly Virchow Krause, LLP
205 N Michigan Ave
Chicago, IL 60601-5927
tel 312 729 8000
fax 312 729 8199
bakertilly.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Chairman and
Members of the County Board
County of McHenry, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of McHenry, 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 the County of McHenry, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Building Commission's Debt Service Fund (Blended Component Unit), which represent .08 percent, .12 percent and .01 percent, respectively, of the assets, fund balances, and revenues of the other governmental funds. We also did not audit the financial statements of the Conservation District (Discretely Presented Component Unit), which represent 100 percent of the assets, net assets, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Building Commission's Debt Service Fund (Blended Component Unit) and the Conservation District (Discretely Presented Component Unit), is based on the reports of the other auditors. The prior year summarized comparative information has been derived from the County's 2008 financial statements and, in our report dated May 14, 2009, we and other auditors expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions. The financial statements of the Public Building Commission, a blended component unit of the County, reported as a Debt Service Fund of the County, were not audited in accordance with *Government Auditing Standards*.

To the Honorable Chairman and
Members of the County Board
County of McHenry, Illinois

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

As described in Note 1.B., the County of McHenry adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*, effective December 1, 2008.

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the County of McHenry, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, major fund budgetary comparison schedules, schedules of funding progress, and related notes, as listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of McHenry, Illinois' basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The "Letter of Transmittal" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of McHenry, Illinois. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such information.

Baker Tilly Vuchow Krause LLP
Chicago, Illinois
May 10, 2010



County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

This section of the County of McHenry, Illinois' (the "County") comprehensive annual financial report presents management's discussion and analysis (MD&A) of the financial activities of the County during the fiscal year ended November 30, 2009. Please read it in conjunction with the Transmittal Letter, located at the front of this report, and the basic financial statements, including the accompanying notes to financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Total assets of the County exceeded its liabilities by \$380.7 million, as of November 30, 2009. Of this amount, \$201.0 million represents net assets invested in capital assets, net of related debt, \$111.1 million represents net assets restricted for specific activities, and \$68.6 million represents unrestricted net assets. \$349.1 million represents net assets for governmental activities and \$31.6 million represents net assets for business-type activities.
- Net assets increased by \$24.6 million for governmental activities and increased by \$4.7 million for business-type activities, for the fiscal year ended November 30, 2009.
- The County's governmental funds reported combined ending fund balances of \$147.7 million, as of November 30, 2009. \$25.0 million represents reserved fund balance (legal restrictions on spending and resources not available for spending) and \$122.7 million represents unreserved fund balance (resources available for spending at the County's discretion).
- Unreserved fund balance for the General Fund was \$44.9 million, as of November 30, 2009, compared to \$38.8 million as of November 30, 2008, which represents an increase of \$6.1 million or 15.7%. The unreserved fund balance represents 59.7% of total General Fund expenditures of \$75.2 million for the fiscal year ended November 30, 2009.
- Governmental activities long-term obligations (excluding compensated absences, deferred debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) totaled \$73.1 million, as of November 30, 2009, compared to \$77.0 million as of November 30, 2008, which represents a decrease of \$3.9 million or 5.1%. During the year, debt certificates were issued in the amount of \$4.5 million for the acquisition of land and property adjacent to the County courthouse campus. Business-type activities long-term obligations (excluding compensated absences and other post-employment benefit obligation) totaled \$10.5 million as of November 30, 2009, compared to \$11.1 million as of November 30, 2008, which represents a decrease of \$0.6 million or 5.4%. The County is \$256.9 million below its authorized debt limit as of November 30, 2009.

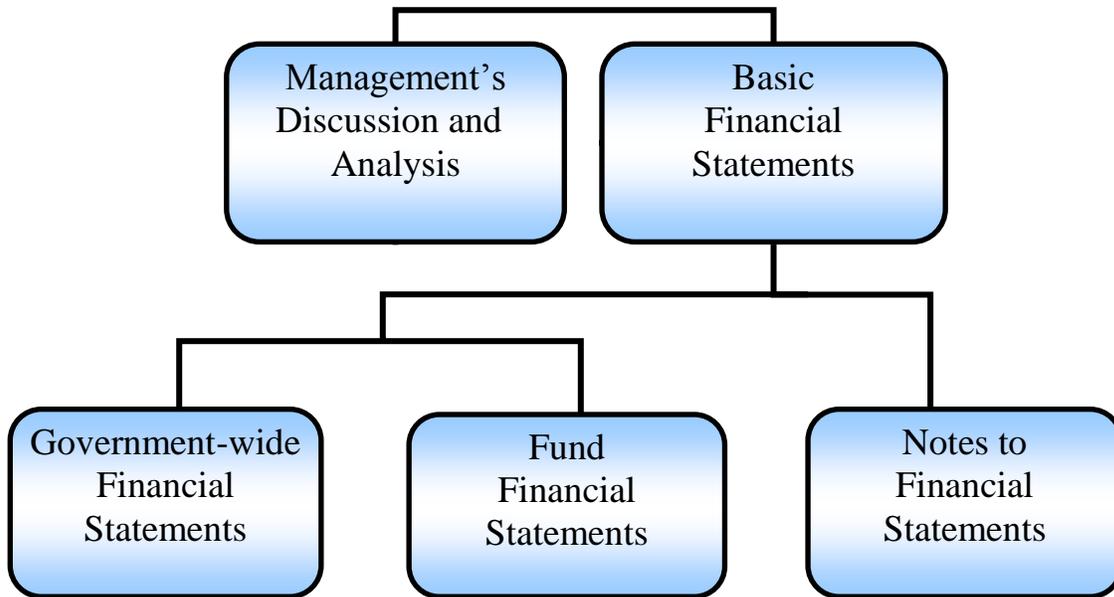
OVERVIEW OF THE FINANCIAL STATEMENTS

This section of MD&A is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements (see figure on following page). The basic financial statements present two different views of the County through the use of government-wide financial statements and fund financial statements.

In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial position of the County.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

Required Components of the Comprehensive Annual Financial Report



Basic Financial Statements (BFS)

The **BFS** include two kinds of statements and notes that present different perspectives of the County's financial activities.

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's overall financial status, in a manner similar to a private-sector business.

The next statements are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government and provide more detail than the government-wide financial statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes to Financial Statements**. The notes to financial statements include a summary of the County's significant accounting policies, as well as additional detail on various items contained in the financial statements.

After the notes are the following sections: **Required supplementary information** contains the budgetary comparison schedules for the general fund and major special revenue funds, as well as funding information about the County's pension plans and other post-employment benefits. **Supplementary information** is provided to show details about the County's individual non-major governmental funds and internal service funds, all of which are aggregated in a single column on the basic financial statements. Budgetary information required by State Statutes also can be found in this part of the comprehensive annual financial report. The **Statistical Section** presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the County's overall financial health.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

Government-wide Financial Statements (GWFS)

The GWFS are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The GWFS contains the *statement of net assets* and the *statement of activities*, described below:

The *Statement of Net Assets* presents information using the accrual basis of accounting, on all of the County's assets and liabilities (including capital assets and short-term and long-term liabilities), with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each of the County's functions/programs (hereafter referred to as activities). Direct expenses are those that are specifically associated with an activity and are clearly identified with that activity. Program revenues are from charges for services paid by recipients or operating/capital grants and contributions. The comparison of direct expenses with program revenues identifies the extent to which each activity is self-financing or draws from the general revenues of the County. General revenues include property taxes, sales taxes, state income taxes, tax transfer stamps, other taxes, and investment income. The governmental activities of the County include general and administrative, community development, transportation, public safety, judiciary and court related, and public health and welfare. The business-type activities of the County include the Valley Hi Nursing Home (public health and welfare) and the Emergency Telephone 911 operation (public safety). The government-wide financial statements also include legally separate component units – the Public Building Commission (a blended component unit) for which the County is financially accountable and the McHenry County Conservation District (a discretely presented component unit). Financial information for the discretely presented component unit is reported separately from financial information presented for the primary government itself.

The GWFS can be found on pages 1 - 4 of this report.

Fund Financial Statements (FFS)

A fund is a fiscal and accounting entity that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental FFS are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can be readily converted into cash, and what funds remain at year-end that will be available to expend in the next fiscal year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method has a current financial resources focus. As a result, the governmental fund financial statements give a detailed short-term view to assist the reader in determining if there are more or less financial resources available to finance the County's programs. The relationship between governmental activities (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for funds that are considered to be major funds. Governmental funds considered to be major for fiscal year 2009 are the General Fund, the Motor Fuel Tax Fund, and the County Mental Health Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section.

The governmental FFS can be found on pages 5 - 8 of this report.

Proprietary FFS The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Valley Hi nursing home and for the Emergency Telephone 911 system operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for risk management, employee healthcare, and retiree healthcare benefits. Services are allocated to governmental activities and business-type activities on the government-wide financial statements based upon the actual level of services provided to these activities.

Proprietary FFS provide more detailed information than the business-type activities on the government-wide financial statements. The proprietary fund financial statements provide separate information for enterprise funds that are considered to be major funds. The Enterprise fund considered to be major for fiscal year 2009 is the Valley Hi Fund. Data for the other enterprise fund, the 911 Fund, is considered to be nonmajor. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements in the supplementary information section.

The proprietary FFS can be found on pages 9 - 13 of this report.

Fiduciary FFS Fiduciary funds are used to account for resources held for the benefit of parties outside the County. 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.

The fiduciary FFS can be found on page 14 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the GWFS and FFS.

The notes to the financial statements can be found on pages 15 - 57 of this report.

Other information

The County adopts an annual appropriation budget for its general, special revenue, debt service, capital projects and permanent funds. Budgets are adopted on a basis consistent with generally accepted accounting principles and the budgetary comparison schedules are presented using the same format, language, and classifications as the legal budget document.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

The budgetary comparison schedules present four columns: 1) the original budget as adopted by the County Board; 2) the final budget as amended by the County Board; 3) the actual resources, charges to appropriations, and ending balances; and 4) the variance between the final budget and the actual resources and charges.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI), which consists of budgetary comparison schedules for the general fund and major special revenue funds, as well as funding information about the County's pension plans and other post-employment benefits. Following the RSI is the supplementary information section, which includes the combining statements, individual fund schedules, and budgetary comparison schedules for non-major governmental funds.

The RSI and supplementary information section can be found on pages 58 - 165 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of whether the financial position of the County is improving or deteriorating.

Total assets of the County exceeded its liabilities by \$380.7 million, as of November 30, 2009, as compared to net assets of \$351.4 million as of November 30, 2008; an increase of \$29.3 million or 8.3%. Of this amount, \$201.0 million represents net assets invested in capital assets, net of related debt. The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. \$111.1 million represents restricted net assets, which are resources that are subject to external restrictions on how they may be used. Finally, \$68.6 million represents unrestricted net assets. \$349.1 million represents net assets for governmental activities and \$31.6 million represents net assets for business-type activities.

The following table reflects the condensed Statement of Net Assets as of November 30, 2009:

**Statement of Net Assets
November 30, 2009**

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Assets						
Current assets	\$ 261,486,808	\$ 250,651,668	\$ 31,444,026	\$ 29,603,039	\$ 292,930,834	\$ 280,254,707
Capital assets	258,465,791	245,986,017	17,828,880	15,629,314	276,294,671	261,615,331
Other assets	297,679	305,971	150,248	168,448	447,927	474,419
Total assets	<u>520,250,278</u>	<u>496,943,656</u>	<u>49,423,154</u>	<u>45,400,801</u>	<u>569,673,432</u>	<u>542,344,457</u>
Liabilities						
Current liabilities	98,373,604	94,543,370	8,145,133	7,869,615	106,518,737	102,412,985
Noncurrent liabilities	72,739,668	77,883,552	9,720,148	10,649,098	82,459,816	88,532,650
Total liabilities	<u>171,113,272</u>	<u>172,426,922</u>	<u>17,865,281</u>	<u>18,518,713</u>	<u>188,978,553</u>	<u>190,945,635</u>
Net Assets						
Invested in capital assets, net of related debt	193,667,253	186,108,100	7,291,886	4,568,317	200,959,139	190,676,417
Restricted	110,628,189	94,814,206	492,746	41,191	111,120,935	94,855,397
Unrestricted	44,841,564	43,594,428	23,773,241	22,272,580	68,614,805	65,867,008
Total net assets	<u>\$ 349,137,006</u>	<u>\$ 324,516,734</u>	<u>\$ 31,557,873</u>	<u>\$ 26,882,088</u>	<u>\$ 380,694,879</u>	<u>\$ 351,398,822</u>

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

For more detailed information on the County's net assets, please refer to the Statement of Net Assets, found on pages 1 - 2.

The following table reflects the results of operations for governmental and business-type activities for the fiscal year ended November 30, 2009:

Changes in Net Assets
For the Fiscal Year Ended November 30, 2009

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues						
Charges for services	\$ 31,194,233	\$ 29,884,476	\$ 10,857,034	\$ 10,013,922	\$ 42,051,267	\$ 39,898,398
Operating grants and contributions	31,454,008	22,656,506	-	-	31,454,008	22,656,506
Capital grants and contributions	5,778,791	5,141,148	-	-	5,778,791	5,141,148
General Revenues						
Property taxes	67,859,666	63,395,685	5,994,282	5,932,935	73,853,948	69,328,620
Sales taxes	15,983,268	15,003,386	-	-	15,983,268	15,003,386
State income taxes	5,603,268	6,214,390	-	-	5,603,268	6,214,390
Tax transfer stamps	1,232,451	1,968,253	-	-	1,232,451	1,968,253
Other taxes	1,763,703	2,173,857	-	-	1,763,703	2,173,857
Investment income	584,228	4,577,645	182,350	547,973	766,578	5,125,618
Gain on sale of capital assets	44,558	-	-	-	44,558	-
Miscellaneous	565,895	357,931	-	-	565,895	357,931
Total Revenues	<u>162,064,069</u>	<u>151,373,277</u>	<u>17,033,666</u>	<u>16,494,830</u>	<u>179,097,735</u>	<u>167,868,107</u>
Expenses						
General and administrative	32,184,476	36,269,025	-	-	32,184,476	36,269,025
Community development	3,027,001	2,169,597	-	-	3,027,001	2,169,597
Transportation	18,281,173	13,292,664	-	-	18,281,173	13,292,664
Public safety	38,590,241	33,132,115	2,315,535	2,011,399	40,905,776	35,143,514
Judiciary and court related	13,604,193	13,518,255	-	-	13,604,193	13,518,255
Public health and welfare	28,574,453	27,184,973	10,042,346	9,541,020	38,616,799	36,725,993
Interest and fiscal charges	3,182,260	3,312,029	-	-	3,182,260	3,312,029
Total expenses	<u>137,443,797</u>	<u>128,878,658</u>	<u>12,357,881</u>	<u>11,552,419</u>	<u>149,801,678</u>	<u>140,431,077</u>
Changes in net assets	24,620,272	22,494,619	4,675,785	4,942,411	29,296,057	27,437,030
Net assets at beginning year	324,516,734	302,022,115	26,882,088	21,939,677	351,398,822	323,961,792
Net assets at end of year	<u>\$ 349,137,006</u>	<u>\$ 324,516,734</u>	<u>\$ 31,557,873</u>	<u>\$ 26,882,088</u>	<u>\$ 380,694,879</u>	<u>\$ 351,398,822</u>

For more detailed information on the operations of governmental and business-type activities, please refer to the Statement of Activities, found on pages 3 - 4.

Governmental activities:

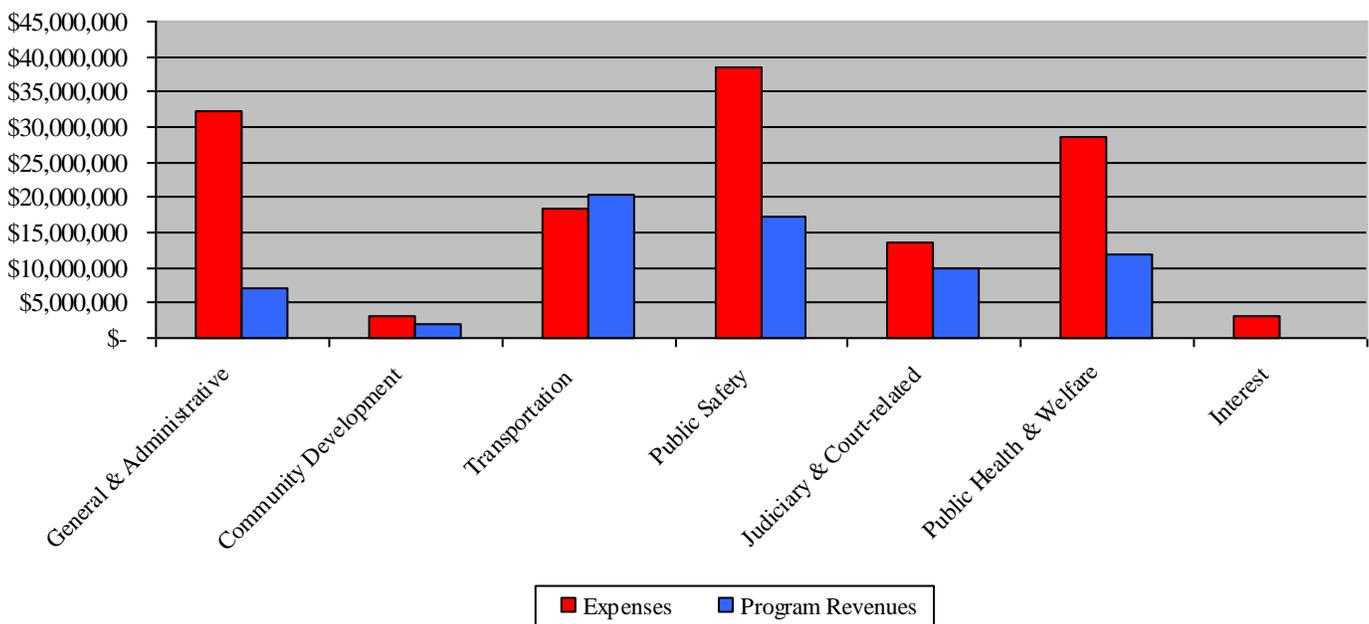
Net assets for governmental activities increased by \$24.6 million during fiscal year 2009. In total, revenues increased \$10.7 million or 7.1%, from \$151.4 million for fiscal year 2008 to \$162.1 million for fiscal year 2009. Noteworthy changes related to revenues were as follows: 1) Operating grants and contributions increased by \$8.8 million or 38.8%, 2) Property taxes increased by \$4.5 million or 7.1%, and 3) Investment income decreased by \$4.0 million or 87.0%. The reasons for these noteworthy changes are explained as follows:

County of McHenry, Illinois
 Management's Discussion and Analysis (MD&A) (Unaudited)
 For the Year Ended November 30, 2009

- Operating grants and contributions increased from \$22.7 million for fiscal year 2008 to \$31.5 million for fiscal year 2009; an increase of \$8.8 million or 38.8%. One significant reason for the increase is funds received through the Public Safety Interoperable Communications Grant (PSIC), which is for the purchase of radio equipment for the County Sheriff and other local public safety agencies. Grant revenue from PSIC was \$3.4 million for fiscal year 2009, compared to \$0.2 million for fiscal year 2008. Another significant increase is funding received from the Illinois Department of Transportation for cost-sharing on various road construction projects in the County, including \$1.6 million for the Western Algonquin Bypass, \$1.0 million for Rakow Rd, and \$0.8 million for Walkup Road.
- The County's total assessed valuation increased to \$10,526,644,418 for fiscal year 2009 from \$10,155,920,376 for fiscal year 2008, with tax levy rates of .701 and .687, per \$100 of assessed value, respectively. The County's total property tax levy for fiscal year 2009 was \$73,587,785 and total collections were \$73,429,747, a collection rate of 99.8%.
- Investment income decreased from \$4.6 million for fiscal year 2008 to \$0.6 million for fiscal year 2009; a decrease of \$4.0 million or 87.0%. The principal reason for the decrease in investment income was a steady decline in interest rates during fiscal year 2009. Since the County's investments consist primarily of certificates of deposit, changes in market interest rates can greatly impact the County's investment income. CDs returned an average of approximately 1.9% during fiscal year 2009, compared to 4.2% during fiscal year 2008. As of November 30, 2009, the average rate of return for a CD was only 0.7%.

The following chart depicts the expenses and related program revenues by function for the County's governmental activities for the fiscal year ended November 30, 2009:

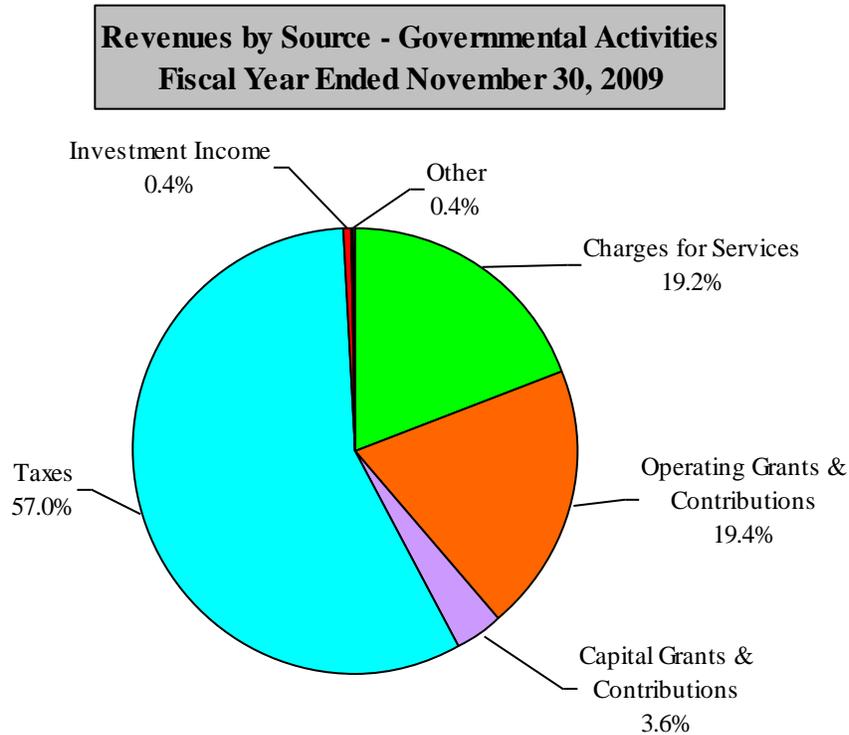
Expenses and Program Revenues - Governmental Activities
Fiscal Year Ended November 30, 2009



See analysis of governmental activities expenses on page XI.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

The following chart reflects revenues by source for governmental activities for the fiscal year ended November 30, 2009:



As previously mentioned, revenues from governmental activities totaled \$162.1 million for the fiscal year ended November 30, 2009. Taxes (\$92.4 million, or 57.0%) represent the largest revenue source. Property taxes and sales taxes represent the two largest sources of tax revenues. Property taxes totaled \$67.9 million or 73.5% of taxes and sales taxes totaled \$16.0 million or 17.3% of taxes, for a combined total of \$83.9 million or 90.8% of taxes. Other tax revenues include state income taxes, tax transfer stamps, and local use taxes.

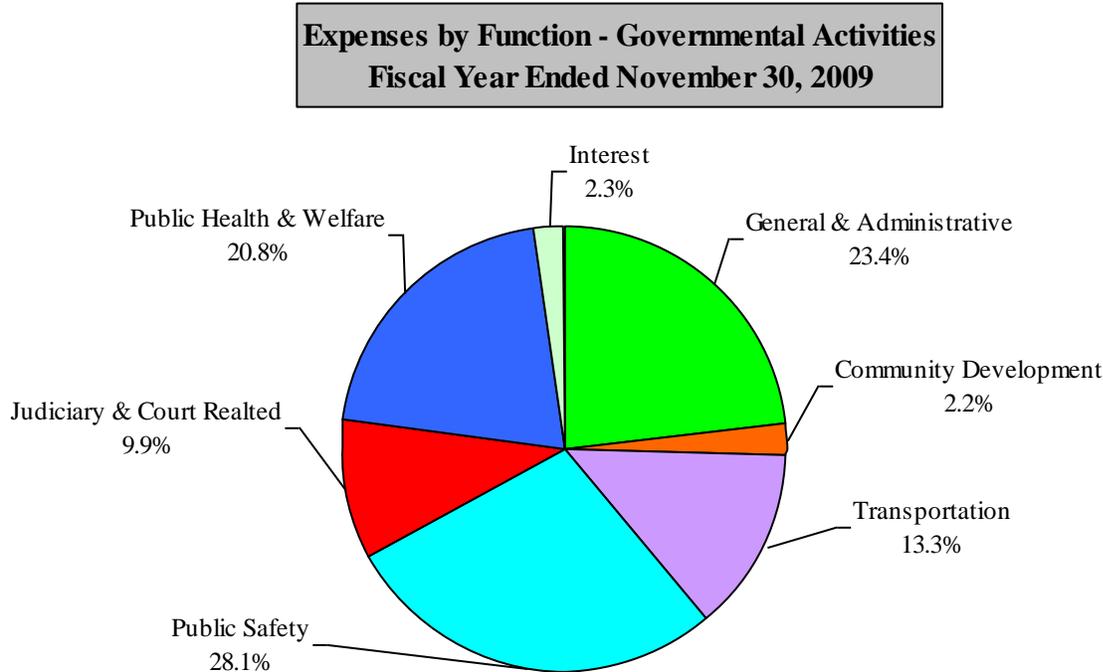
Operating grants and contributions (\$31.5 million, or 19.4%) represents the second largest revenue source. Operating grants and contributions consist of grants obtained by the following departments: Health Department, Mental Health Department, Workforce Network, Planning and Development, County Clerk, and the Sheriff's Office. In addition, the Motor Fuel Tax Fund and County Option Motor Fuel Tax Fund receive fees imposed on gasoline purchases to be used for highway maintenance and improvements.

Charges for services (\$31.2 million, or 19.2%) represents the third largest revenue source. Charges for services are derived mainly from recording fees, jail space rental, Circuit Clerk fees, penalties on delinquent taxes, cable franchise fees, court security fees, sale of animal control tags, and various fees collected for automation and document storage within the Recorder's Office and the Clerk of the Circuit Court Office.

Capital grants and contributions (\$5.8 million, or 3.6%) represent donations of land, highways, and other capital assets, primarily from developers. Significant contributions include \$3.8 million for roadway improvements on Pyott Road.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

The following chart reflects expenses by function for governmental activities for the fiscal year ended November 30, 2009:



The largest component of governmental activities expenses is public safety, which totaled \$38.6 million, or 28.1% of total governmental activities expenses. Expenses in this category include the operations of the Sheriff, Coroner, and Emergency Management offices. The Sheriff's Office represents the largest component of public safety and activities performed include patrol, detectives, narcotics, County jail, and County garage.

The second largest component of governmental activities expenses is general and administrative, which totaled \$32.2 million, or 23.4% of total governmental activities expenses. Expenses in this category include the following activities: County Board and administration, finance, accounting, treasury, purchasing, human resources, information technology, facility operations, elections, vital records, document recording and retrieval, assessments of real estate, and monitoring and administration of schools throughout the County.

The third largest component of governmental activities expenses is public health and welfare, which totaled \$28.6 million, or 20.8% of total governmental activities expenses. The Health Department and the Mental Health Department represent the largest components of the public health and welfare activity. Also included in this activity are the operations of the Workforce Network and Veteran's Assistance.

The fourth largest component of governmental activities expenses is transportation, which totaled \$18.3 million, or 13.3% of total governmental activities expenses. All transportation expenses are managed by the Division of Transportation.

The fifth largest component of governmental activities expenses is judiciary and court related, which totaled \$13.6 million, or 9.9% of total governmental activities expenses. Expenses for this activity include the Clerk of the Circuit Court, Court Administration, Court Services, Public Defender, and the State's Attorney.

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Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

The sixth largest component of governmental activities expenses is interest, which totaled \$3.2 million, or 2.3% of total governmental activities expenses. Interest represents payments on long-term obligations, including debt certificates and capital leases. See page XV for further discussion of long-term obligations.

The smallest component of governmental activities expenses is community development, which totaled \$3.0 million, or 2.2% of total governmental activities expenses. All community development expenses are managed by the Planning and Development Department.

Business-type Activities:

For the fiscal year ended November 30, 2009, net assets for business-type activities increased by \$4.7 million, from \$26.9 million at November 30, 2008 to \$31.6 million at November 30, 2009. Total revenues for business-type activities increased \$0.5 million, or 3.0%, from \$16.5 million in fiscal year 2008 to \$17.0 million in fiscal year 2009. Overall, revenues remained consistent with prior year levels, which met the County's expectations. Total expenses for business-type activities increased \$0.8 million or 6.9%, from \$11.6 million in fiscal year 2008 to \$12.4 million in fiscal year 2009. One reason for the increase in expenditures relates to efforts at the Valley Hi nursing home to decrease outside nursing costs by hiring additional staff. Accordingly, personnel costs at Valley Hi increase \$0.9 million, from \$5.3 million for fiscal year 2008 to \$6.2 million for fiscal year 2009.

For more detailed information, please refer to the Statement of Activities on pages 3 – 4.

MAJOR FUNDS FINANCIAL ANALYSIS

Governmental Funds

The General Fund is the primary operating fund of the County. The fund experienced an increase in fund balance of \$5.0 million in fiscal year 2009. Total revenues increased \$2.4 million or 3.1%, from \$78.1 million for fiscal year 2008 to \$80.5 million for fiscal year 2009. The largest increase in revenue is for charges for services, which increased \$5.5 million or 26.7%, from \$20.6 million for fiscal year 2008 to \$26.1 million for fiscal year 2009. Within the charges for services category, the most significant increase is for jail space rental, which increased \$4.8 million or 62.3%, from \$7.7 million for fiscal year 2008 to \$12.5 million for fiscal year 2009. The increase in jail space rental revenue is due to the timing of cash receipts, which allowed additional funds to meet the availability criteria for revenue recognition. Total expenditures decreased \$3.6 million or 4.6%, from \$78.8 million for fiscal year 2008 to \$75.2 million for fiscal year 2009. The most significant reason for the decrease in expenditures is capital outlay, which decreased \$6.1 million or 70.9%, from \$8.6 million for fiscal year 2008 to \$2.5 million for fiscal year 2009. Capital outlay in fiscal year 2008 included \$3.8 million for the acquisition for land and buildings, acquired through condemnation and \$2.0 million for the purchase of computer hardware and related technologies, acquired through capital lease. In fiscal year 2009, there were, in general, fewer planned capital projects, in light of the economic recession. For additional information, see general fund budgetary variances section below.

The Motor Fuel Tax Fund accounts for expenditures for highway maintenance and construction, which is funded by a tax on vehicle fuel purchases. The fund experienced an increase in fund balance of \$1.3 million in fiscal year 2009. Total revenues decreased \$1.5 million or 20.0%, from \$7.5 million for fiscal year 2008 to \$6.0 million for fiscal year 2009. Total expenditures decreased \$6.0 million or 46.9%, from \$12.8 million for fiscal year 2008 to \$6.8 million for fiscal year 2009. The primary reason for the decrease in expenditures is the timing of various road construction projects. In fiscal year 2008, expenditures included \$7.5 million for the widening of Algonquin Road from Randall Road to Route 47, which was substantially completed in fiscal year 2008.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

The County Mental Health Fund accounts for expenditures for administering approved mental health programs. The fund experienced an increase in fund balance of \$1.0 million in fiscal year 2009. Total revenues increased \$0.4 million or 3.4%, from \$11.9 million for fiscal year 2008 to \$12.3 million for fiscal year 2009. Total expenditures decreased \$0.6 million or 5.8%, from \$10.4 million for fiscal year 2008 to \$9.8 million for fiscal year 2009. The fund also experienced a decrease in transfers out, which are used to fund debt service payments and to provide financial support to other mental health programs primarily supported by grants. Transfers out decreased \$0.2 million or 11.8%, from \$1.7 million in fiscal year 2008 to \$1.5 million in fiscal year 2009. The primary reason for the decrease in expenditures and transfers out is variation in the level of support needed by grant-funded programs, based on the timing of cash receipts from grants.

Proprietary Funds

The Valley Hi Fund accounts for the activities of the Valley Hi nursing home. The fund experienced an overall increase in net assets of \$4.5 million for fiscal year 2009. However, when considering only the operating revenues and expenses of the fund, the fund experience an operating loss of \$1.2 million for fiscal year 2009, compared to an operating loss of \$2.2 million for fiscal year 2008. The major reason for the overall increase in net assets is nonoperating revenues, specifically property taxes. Property tax revenue was \$6.0 million for fiscal year 2009, which was more than sufficient to offset the operating loss. Therefore, the excess property tax revenue represented an increase to ending net assets. Voters approved a referendum in 2002 authorizing the Valley Hi fund to levy property taxes.

GENERAL FUND BUDGETARY VARIANCES

Revenue Budget: The revenue budget for the general fund was increased by \$0.6 million during fiscal year 2009, through budget amendments approved by the County Board, from the original budget of \$80.7 million to final budget of \$81.3 million. The most significant increase in budgeted revenues was for grants, contributions, and intergovernmental. The budgeted revenue in this category was amended when County departments received grant awards that were not included in the original budget. The Health Department received additional grant funding of \$0.4 million and the Sheriff's Office received additional grant funding of \$0.1 million during fiscal year 2009.

Appropriation Budget: The appropriation budget for the general fund was increased by \$1.8 million during fiscal year 2009, through emergency appropriations approved by the County Board, from the original budget of \$78.0 million to the final budget of \$79.8 million. The most significant increase to the appropriation budget was \$1.0 million for open encumbrances that rolled from fiscal year 2008 into fiscal year 2009. The amount of the encumbrance roll is equal to the amount of fund balance reserved for encumbrances as of November 30, 2008. Other increases to the appropriation budget include adjustments related to the items noted in the revenue budget section above: Grants in the Health Department for \$0.4 million and grants in the Sheriff's Office for \$0.1 million.

Budget to Actual – Revenue: Total revenues for the general fund were \$80.5 million, while the final budget totaled \$81.3 million, which is a variance of \$0.8 million. One significant revenue source that had actual revenue in excess of budgeted revenues was charges for services. Actual revenues for charges for services of \$26.1 million exceeded the budgeted revenues of \$21.6 million, which is a variance of \$4.5 million. As discussed previously, jail space rental revenue exceeded the budget, due to the timing of cash receipts, which allowed additional funds to meet the availability criteria for revenue recognition. One significant revenue source that had budgeted revenues in excess of actual revenue was investment income. Budgeted revenues for investment income was \$1.4 million, compared to actual revenues of \$0.2 million, which is a variance of \$1.2 million. As discussed previously, the County was impacted by a decline in market interest rates throughout fiscal year 2009.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

Budget to Actual – Expenditures: Actual expenditures for the general fund totaled \$75.2 million, while the final budget totaled \$79.8 million, which is a variance of \$4.6 million. The individual activity that had the most significant variance was general and administrative, which had expenditures of \$24.4 million compared to a final budget of \$27.2 million, which is a variance of \$2.8 million. Significant factors related to this variance is health insurance premiums for general fund employees, for which actual expenditures were \$9.1 million, while the final budgeted amount was \$9.5 million, which is a variance of \$0.4 million. Because the County is self-insured for health insurance claims, the budget is based on an estimate of prior years' experiences, but actual expenditures in any given year can vary based the actual volume and types of claims filed. Another significant variance was for open positions, for which there was \$0.7 million in unspent budget. Finally, for the purchase of tax transfer stamps from the Illinois Department of Revenue, expenditures totaled \$0.8 million, while the final budget totaled \$1.5 million, which is a variance of \$0.7 million. There was significantly less tax transfer stamp activity due to the nation-wide housing market decline and overall economic conditions.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets – As of November 30, 2009, capital assets, net of accumulated depreciation, totaled \$258.5 million for governmental activities and \$17.8 million for business-type activities, for a total of \$276.3 million for the County.

Capital Assets
(net of accumulated depreciation)
November 30, 2009

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	\$ 49,422,077	\$ 47,703,895	\$ 6,000	\$ 6,000	\$ 49,428,077	\$ 47,709,895
Construction in Progress	17,626,349	51,485,830	2,676,761	248,300	20,303,110	51,734,130
Buildings and Improvements	63,396,218	64,951,017	12,551,880	12,953,318	75,948,098	77,904,335
Land Improvements	-	-	238,356	252,256	238,356	252,256
Furniture and Fixtures	909,052	963,267	-	-	909,052	963,267
Machinery and Equipment	12,536,532	9,507,459	2,355,883	2,169,440	14,892,415	11,676,899
Transportation Equipment	982,580	980,727	-	-	982,580	980,727
Infrastructure	113,592,983	70,393,822	-	-	113,592,983	70,393,822
Total capital assets	\$ 258,465,791	\$ 245,986,017	\$ 17,828,880	\$ 15,629,314	\$ 276,294,671	\$ 261,615,331

Capital assets, net of accumulated depreciation, for governmental activities increased from \$246.0 million at November 30, 2008 to \$258.5 million at November 30, 2009; a net increase of \$12.5 million, or 5.1%. Capital asset additions totaled \$21.6 million and depreciation expense was \$9.1 million. Significant additions include \$8.8 million for road construction projects, of which \$2.8 million was for Algonquin Road from Randall Road to Route 47, \$1.7 million was for the Chapel Hill and Lincoln Road Intersection, and \$1.5 million was for Rakow Road, from Route 31 to Ackman Road. Other significant additions include \$5.5 million for developer donated new access and highway improvements, of which \$3.8 million was for improvements to Pyott Road, \$1.2 million for the purchase and remodeling of the new Treasurer's Office facility, and \$1.0 million for right of way acquisitions for the Walkup Road project. During fiscal year 2009, the following projects were placed in service and taken out of construction in progress: Algonquin Road from Randall Road to Route 47 for \$36.5 million, various other road projects in the amount of \$4.2 million, and the integrated justice software project for \$3.7 million.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

Capital assets, net of accumulated depreciation, for business-type activities increased from \$15.6 million at November 30, 2008 to \$17.8 million at November 30, 2009; a net increase of \$2.2 million, or 14.1%. Capital asset additions totaled \$3.1 million and depreciation expense was \$0.9 million. The most significant capital asset addition is \$2.7 million for the development of a new software package for the 911 system, which is in construction in progress at November 30, 2009.

For more detailed information on the County's capital assets, see Note 5 of the Notes to Financial Statements on pages 31 – 33.

Long-term Obligations – As of November 30, 2009, Long-term obligations outstanding (excluding compensated absences, deferred debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) totaled \$73.1 million for governmental activities and \$10.5 million for business-type activities, for a total of \$83.6 million.

Long-term Obligations
November 30, 2009

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Capital Leases	\$ 1,619,735	\$ 2,410,549	\$ 11,994	\$ 25,997	\$ 1,631,729	\$ 2,436,546
Debt Certificates	71,530,000	74,637,760	10,525,000	11,035,000	82,055,000	85,672,760
Total long-term obligations	\$ 73,149,735	\$ 77,048,309	\$ 10,536,994	\$ 11,060,997	\$ 83,686,729	\$ 88,109,306

Current year issuances for governmental activities were as follows: Debt certificates in the amount of \$4.5 million for the acquisition of land and property adjacent to the County courthouse campus and capital leases in the amount of \$0.2 million for the acquisition of computer hardware and related technology improvements.

There were no current year debt issuance for business-type activities.

Per state statute, the County is limited to issuing debt in an amount not to exceed 2.875% of the assessed value of the taxable property within the County. However, this limitation does not apply to debt issued for the purpose of building a County court house, jail, or other necessary County buildings and for the accommodation thereof. (50 ILCS 405 - Local Government Debt Limitation Act). As of November 30, 2009, the County's debt limit was \$302.6 million, while actual outstanding debt subject to the limit was \$45.7 million, leaving the County \$256.9 million under the debt limit.

The County's most recent bond rating by Moody's Investors Service was graded AAA. This highest level rating reduces the cost of raising capital for County projects, resulting in substantial savings for taxpayers.

For more detailed information on the County's long-term obligations, see Note 6 of the Notes to Financial Statements on pages 34 – 43.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2009

OTHER MATTERS

The following event occurred subsequent to year-end:

In March 2010, the County issued \$7,595,000 in debt certificates series 2010A and \$4,000,000 in series 2010B to finance the expansion of the Mental Health facility, various other capital projects, and to advance refund series 2002A debt certificates. The debt certificates are due in annual installments, interest at 0.75% to 5.55%, through December 2024.

ECONOMIC FACTORS

The major fund financial analysis and the government-wide financial analysis presented earlier in MD&A provide valuable insights into whether the County's near-term and overall financial position has improved or deteriorated. However, there is an even broader context that is necessary for a comprehensive evaluation of the County's financial health. Because the County doesn't exist in a vacuum, many different economic conditions and circumstances will ultimately affect the County's future financial position. Considering major economic factors can provide context for interpreting current financial information, as well as provide a basis for assessing the likelihood that the County's current financial position will improve or deteriorate in the future.

One key factor that affects the County's operating results is population growth. The County's population has increased steadily from 183,241 in 1990, to 260,077 in 2000, and to 320,961 in 2009. A growing population requires the County to expand its operations, in order to provide essential services to the citizens of the County. Accordingly, the number of County full-time equivalent employees has increased steadily as well, from 877 in 2000 to 1,261 in 2009.

For more detailed statistical information, see the statistical section on pages 166 – 189.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors 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, contact the County of McHenry, Illinois, Auditor's Office, 2200 North Seminary Avenue, Woodstock, Illinois, 60098. This report can also be found on the County website at: <http://www.co.mchenry.il.us/departments/auditor/Pages/annualRpts.aspx>

BASIC FINANCIAL STATEMENTS

County of McHenry, Illinois

STATEMENT OF NET ASSETS

November 30, 2009

(With Comparative Totals - Primary Government for November 30, 2008)

	Primary Government				Component Unit
	Governmental Activities	Business- Type Activities	Totals		
			2009	2008	
ASSETS					
Current					
Cash and equivalents	\$ 162,430,661	\$ 23,723,451	\$ 186,154,112	\$ 181,481,090	\$ 54,654,742
Cash restricted	-	649,434	649,434	203,234	-
Receivables					
Property taxes	70,684,871	6,120,076	76,804,947	75,115,825	17,985,101
Accounts	-	1,461,940	1,461,940	1,589,455	-
Other	1,858,854	722,975	2,581,829	3,113,982	174,632
Due from other governments	23,892,327	-	23,892,327	17,863,125	1,060,309
Internal balances	1,415,189	(1,415,189)	-	-	-
Prepaid expenses	-	181,339	181,339	272,582	-
Inventory	1,204,906	-	1,204,906	615,414	-
Total current assets	<u>261,486,808</u>	<u>31,444,026</u>	<u>292,930,834</u>	<u>280,254,707</u>	<u>73,874,784</u>
Noncurrent					
Capital Assets					
Land	49,422,077	6,000	49,428,077	47,709,895	174,518,583
Construction in progress	17,626,349	2,676,761	20,303,110	51,734,130	1,884,869
Capital assets, net of depreciation	<u>191,417,365</u>	<u>15,146,119</u>	<u>206,563,484</u>	<u>162,171,306</u>	<u>14,698,837</u>
Net Capital Assets	258,465,791	17,828,880	276,294,671	261,615,331	191,102,289
Deferred charges	<u>297,679</u>	<u>150,248</u>	<u>447,927</u>	<u>474,419</u>	<u>1,035,466</u>
Total noncurrent assets	<u>258,763,470</u>	<u>17,979,128</u>	<u>276,742,598</u>	<u>262,089,750</u>	<u>192,137,755</u>
Total Assets	<u>520,250,278</u>	<u>49,423,154</u>	<u>569,673,432</u>	<u>542,344,457</u>	<u>266,012,539</u>

	Primary Government				Component Unit
	Governmental Activities	Business- Type Activities	Totals		
			2009	2008	
LIABILITIES					
Current					
Accounts payable	\$ 9,225,147	\$ 263,724	\$ 9,488,871	\$ 9,300,660	\$ 467,105
Accrued expenses	3,449,135	297,866	3,747,001	3,604,338	1,590,829
Unearned revenue	69,990,337	6,000,000	75,990,337	74,692,785	18,065,401
Due to grantees	953,471	-	953,471	998,970	-
Other liabilities	409,571	540,638	950,209	1,008,372	-
Current portion of long-term obligations	<u>14,345,943</u>	<u>1,042,905</u>	<u>15,388,848</u>	<u>12,807,860</u>	<u>4,282,143</u>
Total current liabilities	98,373,604	8,145,133	106,518,737	102,412,985	24,405,478
Noncurrent					
Noncurrent portion of long-term obligations	<u>72,739,668</u>	<u>9,720,148</u>	<u>82,459,816</u>	<u>88,532,650</u>	<u>154,694,257</u>
Total Liabilities	<u>171,113,272</u>	<u>17,865,281</u>	<u>188,978,553</u>	<u>190,945,635</u>	<u>179,099,735</u>
NET ASSETS					
Invested in capital assets, net of related debt	193,667,253	7,291,886	200,959,139	190,676,417	65,947,405
Restricted for					
Grant programs	6,125,032	-	6,125,032	5,886,147	-
Transportation systems	78,573,610	-	78,573,610	62,795,910	-
Public welfare programs	11,872,092	-	11,872,092	10,630,608	-
Employee benefits	8,604,600	-	8,604,600	10,486,388	-
Technology improvements	2,381,226	-	2,381,226	1,913,130	-
Judiciary and court related	2,199,650	-	2,199,650	2,161,363	-
Debt service	-	492,746	492,746	43,776	916,392
Tort liability	-	-	-	-	190,361
Working cash - permanently restricted	800,568	-	800,568	800,568	-
Other	71,411	-	71,411	137,507	13,987
Unrestricted	<u>44,841,564</u>	<u>23,773,241</u>	<u>68,614,805</u>	<u>65,867,008</u>	<u>19,844,659</u>
Total Net Assets	<u>\$ 349,137,006</u>	<u>\$ 31,557,873</u>	<u>\$ 380,694,879</u>	<u>\$ 351,398,822</u>	<u>\$ 86,912,804</u>

See accompanying notes to financial statements.

County of McHenry, Illinois

STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2009

(With Comparative Totals - Primary Government for the Year Ended November 30, 2008)

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General and administrative	\$ 32,184,476	\$ 6,265,612	\$ 425,550	\$ 295,000
Community development	3,027,001	526,487	1,519,561	-
Transportation	18,281,173	86,869	14,755,383	5,483,791
Public safety	38,590,241	12,637,154	4,668,306	-
Judiciary and court related	13,604,193	9,716,466	156,698	-
Public health and welfare	28,574,453	1,961,645	9,928,510	-
Interest and fiscal charges	3,182,260	-	-	-
Total Governmental Activities	137,443,797	31,194,233	31,454,008	5,778,791
Business-Type Activities				
Public health and welfare	10,042,346	8,196,650	-	-
Public safety	2,315,535	2,660,384	-	-
Total Business-Type Activities	12,357,881	10,857,034	-	-
Total Primary Government	\$ 149,801,678	\$ 42,051,267	\$ 31,454,008	\$ 5,778,791
Component Unit				
Conservation District	\$ 16,502,841	\$ 908,508	\$ -	\$ 1,122,990
General Revenues				
Taxes				
Property taxes				
Sales taxes				
State income taxes - not restricted to specific programs				
Tax transfer stamps				
Other taxes				
Investment income				
Contributions				
Miscellaneous				
Gain on sale of capital assets				
Total General Revenues				
Change in Net Assets				
Net Assets - Beginning of Year				
Net Assets - End of Year				

See accompanying notes to financial statements.

Net (Expenses) Revenues and
Changes in Net Assets
Primary Government

Governmental Activities	Business-Type Activities	Totals		Component Unit
		2009	2008	
\$ (25,198,314)	\$ -	\$ (25,198,314)	\$ (30,681,921)	\$ -
(980,953)	-	(980,953)	(729,283)	-
2,044,870	-	2,044,870	3,810,403	-
(21,284,781)	-	(21,284,781)	(20,298,929)	-
(3,731,029)	-	(3,731,029)	(3,555,703)	-
(16,684,298)	-	(16,684,298)	(16,429,066)	-
<u>(3,182,260)</u>	<u>-</u>	<u>(3,182,260)</u>	<u>(3,312,029)</u>	<u>-</u>
<u>(69,016,765)</u>	<u>-</u>	<u>(69,016,765)</u>	<u>(71,196,528)</u>	<u>-</u>
-	(1,845,696)	(1,845,696)	(2,750,693)	-
<u>-</u>	<u>344,849</u>	<u>344,849</u>	<u>1,212,196</u>	<u>-</u>
<u>-</u>	<u>(1,500,847)</u>	<u>(1,500,847)</u>	<u>(1,538,497)</u>	<u>-</u>
<u>(69,016,765)</u>	<u>(1,500,847)</u>	<u>(70,517,612)</u>	<u>(72,735,025)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,471,343)</u>
67,859,666	5,994,282	73,853,948	69,328,620	17,536,668
15,983,268	-	15,983,268	15,003,386	-
5,603,268	-	5,603,268	6,214,390	-
1,232,451	-	1,232,451	1,968,253	-
1,763,703	-	1,763,703	2,173,857	194,194
584,228	182,350	766,578	5,125,618	2,554,548
-	-	-	-	826,930
565,895	-	565,895	357,931	214,685
<u>44,558</u>	<u>-</u>	<u>44,558</u>	<u>-</u>	<u>-</u>
<u>93,637,037</u>	<u>6,176,632</u>	<u>99,813,669</u>	<u>100,172,055</u>	<u>21,327,025</u>
24,620,272	4,675,785	29,296,057	27,437,030	6,855,682
<u>324,516,734</u>	<u>26,882,088</u>	<u>351,398,822</u>	<u>323,961,792</u>	<u>80,057,122</u>
<u>\$ 349,137,006</u>	<u>\$ 31,557,873</u>	<u>\$ 380,694,879</u>	<u>\$ 351,398,822</u>	<u>\$ 86,912,804</u>

County of McHenry, Illinois

BALANCE SHEET

GOVERNMENTAL FUNDS

November 30, 2009

	General Fund	Motor Fuel Tax Fund	County Mental Health Fund	Other Governmental Funds	Totals
ASSETS					
Cash and equivalents	\$ 44,348,369	\$ 22,405,004	\$ 6,818,362	\$ 73,605,670	\$ 147,177,405
Property taxes receivable	34,956,997	-	12,634,865	19,132,959	66,724,821
Other receivables	286,548	47,680	431,138	1,093,488	1,858,854
Due from other governments	8,042,155	1,123,743	-	14,726,429	23,892,327
Due from other funds	113,041	-	385,036	113,015	611,092
Inventory	170,681	996,324	7,253	30,648	1,204,906
Advance to other funds	2,153,683	-	-	-	2,153,683
Total Assets	\$ 90,071,474	\$ 24,572,751	\$ 20,276,654	\$ 108,702,209	\$ 243,623,088
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 751,653	\$ 848,152	\$ 649,025	\$ 6,888,394	\$ 9,137,224
Accrued payroll	1,118,035	-	31,649	1,112,325	2,262,009
Deferred revenues	38,211,399	693,003	12,389,821	28,126,507	79,420,730
Due to other funds	809,211	65,200	21,460	680,889	1,576,760
Advance from other funds	-	-	-	2,153,683	2,153,683
Due to grantees	-	-	-	953,471	953,471
Other liabilities	409,571	-	-	-	409,571
Total Liabilities	41,299,869	1,606,355	13,091,955	39,915,269	95,913,448
Fund Balances					
Reserved for					
Encumbrances	729,895	5,177,990	-	12,427,616	18,335,501
Inventory	170,681	996,324	7,253	30,648	1,204,906
Non-current receivables	2,153,683	-	121,710	990,738	3,266,131
Grant programs	304,617	-	-	517,865	822,482
Sheriff's Office	1,511	-	-	-	1,511
Recorder's Office	27,282	-	-	-	27,282
State's Attorney	18,726	-	-	-	18,726
Mental Health Court	483,660	-	-	-	483,660
Debt service	-	-	-	81,343	81,343
Working cash	-	-	-	800,568	800,568
Unreserved					
Designated for subsequent year's expenditures	359,454	-	-	-	359,454
Undesignated, reported in					
General fund	44,522,096	-	-	-	44,522,096
Special revenue funds	-	16,792,082	7,055,736	53,677,344	77,525,162
Capital project funds	-	-	-	260,818	260,818
Total Fund Balances	48,771,605	22,966,396	7,184,699	68,786,940	147,709,640
Total Liabilities and Fund Balances	\$ 90,071,474	\$ 24,572,751	\$ 20,276,654	\$ 108,702,209	\$ 243,623,088

See accompanying notes to financial statements.

County of McHenry, Illinois
RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS
TO STATEMENT OF NET ASSETS
November 30, 2009

Total Fund Balances - Governmental Funds	\$ 147,709,640
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the governmental funds.	258,465,791
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the governmental funds.	13,310,393
Issuance costs, premiums, and discounts associated with the issuance of long-term debt represent expenditures or other financing sources (uses) in governmental funds in the year that the debt is issued. In the Statement of Net Assets, these costs are deferred and amortized over the life of the debt. This is the amount of unamortized issuance costs, premiums, and discounts included in governmental activities in the Statement of Net Assets.	167,550
Internal service funds are used by management to charge insurance costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets.	9,275,589
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of:	
Accrued interest	(1,168,307)
Compensated absences	(4,363,932)
Capital leases	(1,619,735)
Debt certificates	(71,530,000)
Other post-employment benefit obligation	<u>(1,109,983)</u>
Total Net Assets - Governmental Activities	<u>\$ 349,137,006</u>

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended November 30, 2009

	General Fund	Motor Fuel Tax Fund	County Mental Health Fund	Other Governmental Funds	Totals
REVENUES					
Charges for services	\$ 26,104,567	\$ -	\$ -	\$ 4,355,891	\$ 30,460,458
Licenses and permits	1,062,579	-	-	84,723	1,147,302
Fines and forfeitures	1,309,208	-	-	18,862	1,328,070
Grants, contributions, and intergovernmental	4,442,349	5,738,191	56,980	17,204,215	27,441,735
Property taxes	31,549,668	-	12,232,725	20,081,110	63,863,503
Sales taxes	7,894,021	-	-	8,158,247	16,052,268
State income taxes	4,703,268	-	-	-	4,703,268
Tax transfer stamps	1,232,451	-	-	-	1,232,451
Other taxes	1,658,959	-	-	120,744	1,779,703
Investment income	192,751	222,290	22,845	295,752	733,638
Miscellaneous	357,450	-	9,626	243,377	610,453
Total Revenues	80,507,271	5,960,481	12,322,176	50,562,921	149,352,849
EXPENDITURES					
Current					
General and administrative	24,444,462	-	-	2,614,874	27,059,336
Community development	1,322,492	-	-	1,706,675	3,029,167
Transportation	-	4,312,324	-	14,396,333	18,708,657
Public safety	28,811,983	-	-	7,667,097	36,479,080
Judiciary and court related	10,403,579	-	-	3,498,102	13,901,681
Public health and welfare	6,766,557	-	9,775,158	12,090,975	28,632,690
Capital outlay	2,475,097	2,497,807	-	6,181,676	11,154,580
Debt service					
Principal retirement	905,049	-	-	7,643,203	8,548,252
Interest and fiscal charges	80,654	-	-	3,183,972	3,264,626
Total Expenditures	75,209,873	6,810,131	9,775,158	58,982,907	150,778,069
Excess (deficiency) of revenues over expenditures	5,297,398	(849,650)	2,547,018	(8,419,986)	(1,425,220)
OTHER FINANCING SOURCES (USES)					
Transfers in	3,796,640	5,232,976	-	21,585,676	30,615,292
Transfers out	(4,236,937)	(3,097,888)	(1,519,663)	(21,760,804)	(30,615,292)
Debt certificates issued	-	-	-	4,480,000	4,480,000
Premium on debt issuance	-	-	-	28,416	28,416
Capital leases issued	169,678	-	-	-	169,678
Total Other Financing Sources (Uses)	(270,619)	2,135,088	(1,519,663)	4,333,288	4,678,094
Net Change in Fund Balances	5,026,779	1,285,438	1,027,355	(4,086,698)	3,252,874
Fund Balance - Beginning of Year	43,744,826	21,680,958	6,157,344	72,873,638	144,456,766
Fund Balance - End of Year	\$ 48,771,605	\$ 22,966,396	\$ 7,184,699	\$ 68,786,940	\$ 147,709,640

See accompanying notes to financial statements.

County of McHenry, Illinois
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2009

Net Change in Fund Balances - Governmental Funds \$ 3,252,874

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

Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements.	11,154,580
Some items reported as capital outlay are not capitalized in the government-wide financial statements.	(913,102)
Some items that are capitalized are reported as functional expenses in the fund financial statements.	5,557,718
Some items that are capitalized represent contributed assets.	5,778,791
Depreciation is reported in the government-wide financial statements.	(9,098,213)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds (or were reported in the prior year), as follows:

Charges for services	(1,741,597)
Operating grants and contributions	4,475,210
Sales taxes	(69,000)
State income taxes	900,000
Other taxes	(16,000)
Investment income	(154,328)

Internal service funds are used by management to charge insurance costs to individual funds. 2,709,204

Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets. 8,548,252

Debt issued is an other financing source in the governmental funds, but is recorded as a liability in the Statement of Net Assets. (4,678,094)

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. 8,292

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	(50,114)
Decrease in accrued interest	65,782
Increase in other post-employment benefit obligation	<u>(1,109,983)</u>

Change in Net Assets - Governmental Activities \$ 24,620,272

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
November 30, 2009

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds <u></u>
ASSETS				
Current Assets				
Cash and equivalents	\$ 21,978,690	\$ 1,744,761	\$ 23,723,451	\$ 15,253,256
Cash and equivalents - restricted	649,434	-	649,434	-
Property taxes receivable	6,120,076	-	6,120,076	3,960,050
Accounts receivable	1,461,940	-	1,461,940	-
Other receivables	9,855	713,120	722,975	-
Due from other funds	-	-	-	1,299,215
Prepaid expenses	-	181,339	181,339	-
	<u>30,219,995</u>	<u>2,639,220</u>	<u>32,859,215</u>	<u>20,512,521</u>
Total Current Assets				
Noncurrent Assets				
Capital Assets				
Land	6,000	-	6,000	-
Construction in progress	-	2,676,761	2,676,761	-
Buildings and improvements	14,529,570	-	14,529,570	-
Land improvements	277,996	-	277,996	-
Equipment	845,455	4,530,959	5,376,414	-
Less: accumulated depreciation	<u>(2,358,799)</u>	<u>(2,679,062)</u>	<u>(5,037,861)</u>	<u>-</u>
Net Capital Assets	13,300,222	4,528,658	17,828,880	-
Deferred charges	<u>150,248</u>	<u>-</u>	<u>150,248</u>	<u>-</u>
	<u>13,450,470</u>	<u>4,528,658</u>	<u>17,979,128</u>	<u>-</u>
Total Noncurrent Assets				
Total Assets	<u>\$ 43,670,465</u>	<u>\$ 7,167,878</u>	<u>\$ 50,838,343</u>	<u>\$ 20,512,521</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds <u></u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 95,890	\$ 167,834	\$ 263,724	\$ 87,923
Accrued payroll	135,855	5,323	141,178	18,819
Unearned revenue	6,000,000	-	6,000,000	3,880,000
Due to other funds	287,575	3,291	290,866	42,681
Other liabilities	540,638	-	540,638	-
Compensated absences	53,957	6,954	60,911	4,831
Claims and judgments	-	-	-	4,272,223
Capital leases payable	11,994	-	11,994	-
Debt certificates payable	970,000	-	970,000	-
Liabilities payable from restricted assets				
Interest payable	<u>156,688</u>	<u>-</u>	<u>156,688</u>	<u>-</u>
Total Current Liabilities	<u>8,252,597</u>	<u>183,402</u>	<u>8,435,999</u>	<u>8,306,477</u>
Noncurrent Liabilities				
Compensated absences	107,914	13,907	121,821	9,661
Claims and judgments	-	-	-	4,045,117
Debt certificates payable	9,555,000	-	9,555,000	-
Other post-employment benefit obligation	<u>41,716</u>	<u>1,611</u>	<u>43,327</u>	<u>-</u>
Total Noncurrent Liabilities	<u>9,704,630</u>	<u>15,518</u>	<u>9,720,148</u>	<u>4,054,778</u>
Total Liabilities	<u>17,957,227</u>	<u>198,920</u>	<u>18,156,147</u>	<u>12,361,255</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,763,228	4,528,658	7,291,886	-
Restricted for debt service	492,746	-	492,746	-
Unrestricted	<u>22,457,264</u>	<u>2,440,300</u>	<u>24,897,564</u>	<u>8,151,266</u>
Total Net Assets	<u>\$ 25,713,238</u>	<u>\$ 6,968,958</u>	32,682,196	<u>\$ 8,151,266</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(1,124,323)</u>	
Net Assets of Business-Type Activities			<u>\$ 31,557,873</u>	

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - PROPRIETARY FUNDS
For the Year Ended November 30, 2009

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 8,185,555	\$ 2,660,384	\$ 10,845,939	\$ 15,232,299
Insurance recoveries	-	-	-	229,684
Other	<u>11,095</u>	<u>-</u>	<u>11,095</u>	<u>-</u>
Total Operating Revenues	<u>8,196,650</u>	<u>2,660,384</u>	<u>10,857,034</u>	<u>15,461,983</u>
OPERATING EXPENSES				
Personnel services	6,220,296	274,600	6,494,896	897,570
Contractual services	1,824,122	1,579,253	3,403,375	16,102,708
Commodities	822,314	42,631	864,945	12,859
Depreciation	498,804	393,123	891,927	-
Amortization	<u>18,200</u>	<u>-</u>	<u>18,200</u>	<u>-</u>
Total Operating Expenses	<u>9,383,736</u>	<u>2,289,607</u>	<u>11,673,343</u>	<u>17,013,137</u>
Operating Income (Loss)	<u>(1,187,086)</u>	<u>370,777</u>	<u>(816,309)</u>	<u>(1,551,154)</u>
NONOPERATING REVENUES (EXPENSES)				
Property taxes	5,994,282	-	5,994,282	3,996,163
Investment income	158,828	23,522	182,350	4,918
Interest expense	(420,908)	-	(420,908)	-
Loss on disposal of capital assets	<u>(4,353)</u>	<u>-</u>	<u>(4,353)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>5,727,849</u>	<u>23,522</u>	<u>5,751,371</u>	<u>4,001,081</u>
Net Change in Net Assets	4,540,763	394,299	4,935,062	2,449,927
Net Assets - Beginning of Year	<u>21,172,475</u>	<u>6,574,659</u>		<u>5,701,339</u>
Net Assets - End of Year	<u>\$ 25,713,238</u>	<u>\$ 6,968,958</u>		<u>\$ 8,151,266</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(259,277)</u>	
Change in Net Assets of Business-Type Activities			<u>\$ 4,675,785</u>	

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2009

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 8,195,022	\$ 2,975,325	\$ 11,170,347	\$ 15,125,570
Cash received from insurance recoveries	-	-	-	229,684
Payments to employees	(6,173,521)	(271,179)	(6,444,700)	(893,166)
Payments to third party administrator	-	-	-	(14,651,984)
Payments to suppliers	<u>(2,825,911)</u>	<u>(1,396,293)</u>	<u>(4,222,204)</u>	<u>(1,707,206)</u>
Net Cash Flows From Operating Activities	<u>(804,410)</u>	<u>1,307,853</u>	<u>503,443</u>	<u>(1,897,102)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes received	5,976,163	-	5,976,163	3,992,581
Interfund payments	<u>132,858</u>	<u>8,848</u>	<u>141,706</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>6,109,021</u>	<u>8,848</u>	<u>6,117,869</u>	<u>3,992,581</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(41,310)	(3,054,536)	(3,095,846)	-
Principal payments - capital leases	(14,003)	-	(14,003)	-
Principal payments - debt certificates	(510,000)	-	(510,000)	-
Interest paid	<u>(426,263)</u>	<u>-</u>	<u>(426,263)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(991,576)</u>	<u>(3,054,536)</u>	<u>(4,046,112)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash receipts from investment income	<u>198,703</u>	<u>23,522</u>	<u>222,225</u>	<u>4,918</u>
Net Cash Flows From Investing Activities	<u>198,703</u>	<u>23,522</u>	<u>222,225</u>	<u>4,918</u>
Net Change in Cash and Equivalents	4,511,738	(1,714,313)	2,797,425	2,100,397
Cash and Equivalents - Beginning of Year	<u>18,116,386</u>	<u>3,459,074</u>	<u>21,575,460</u>	<u>13,152,859</u>
Cash and Equivalents - End of Year	<u>\$ 22,628,124</u>	<u>\$ 1,744,761</u>	<u>\$ 24,372,885</u>	<u>\$ 15,253,256</u>
RECONCILIATION OF CASH AND EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS				
Cash and Equivalents	\$ 21,978,690	\$ 1,744,761	\$ 23,723,451	\$ 15,253,256
Cash and Equivalents - Restricted	<u>649,434</u>	<u>-</u>	<u>649,434</u>	<u>-</u>
Cash and Equivalents - End of Year	<u>\$ 22,628,124</u>	<u>\$ 1,744,761</u>	<u>\$ 24,372,885</u>	<u>\$ 15,253,256</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,187,086)	\$ 370,777	\$ (816,309)	\$ (1,551,154)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	498,804	393,123	891,927	-
Amortization	18,200	-	18,200	-
Change in assets and liabilities				
Accounts receivable	127,515	-	127,515	-
Other receivables	-	314,941	314,941	208,850
Due from other funds	-	-	-	(151,955)
Prepaid expenses	-	91,243	91,243	-
Accounts payable	(221,191)	132,737	(88,454)	56,573
Accrued payroll	34,614	1,005	35,619	3,310
Due to other funds	-	-	-	36,376
Other liabilities	(129,143)	-	(129,143)	(200,000)
Compensated absences	12,161	2,416	14,577	1,094
Claims and judgments	-	-	-	(300,196)
Other post-employment benefit obligation	41,716	1,611	43,327	-
Net Cash Flows From Operating Activities	<u>\$ (804,410)</u>	<u>\$ 1,307,853</u>	<u>\$ 503,443</u>	<u>\$ (1,897,102)</u>

NON-CASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES:

None

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2009

ASSETS

Cash and equivalents	\$ 11,154,483
Due from other governments	<u>110,315</u>
Total Assets	<u>11,264,798</u>

LIABILITIES

Accounts payable	3,165
Due to residents	39,381
Bond escrow	3,124,286
Due to other governments	7,121,170
Other liabilities	<u>976,796</u>
Total Liabilities	<u>11,264,798</u>

NET ASSETS

\$ -

See accompanying notes to financial statements.

County of McHenry, Illinois
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November 30, 2009

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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the County of McHenry, Illinois (County) conform to accounting principles generally accepted in the United States of America, as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of significant accounting policies:

A. Reporting Entity

The reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The accompanying financial statements present the County (the primary government) and its component units. The financial data of the component units are included in the County's reporting entity because of their operational significance or financial relationships with the County. The governing bodies of these component units are appointed by the County Board.

Blended Component Unit

Although the Public Building Commission (Commission) is a legally separate entity from the County, the Commission is blended as if it were part of the County because its sole purpose is to manage the County's building activities. The County Board has the ability to significantly influence operations and the Commission is fiscally dependent on the County. Accordingly, the Commission is included as a blended component unit of the County and is reported as a Debt Service Fund. The Commission has a fiscal year that ends on November 30, the same as the County. Separately audited financial statements for the Commission may be obtained from the Public Building Commission, 2200 N. Seminary Avenue, Woodstock, Illinois, 60098-2367.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Unit

The McHenry County Conservation District (District) is a legally separate entity from the County, and the County Board appoints all of the District's Board. The District acquires and maintains land as open space for preservation, education and recreation within McHenry County. The County began approving the District's annual operating budget during fiscal year 2000, in accordance with state statute 70/ILCS 410/13. Accordingly, the County is financially accountable for the District and the District is reported as a discretely presented component unit within the County's report. The District has a fiscal year that ends on March 31. The latest financial statements as reflected in this report are for the year ended March 31, 2009. Separately audited financial statements may be obtained from the McHenry County Conservation District, 18410 U.S. Highway 14, Woodstock, Illinois, 60098.

Related Organizations

Certain organizations have their board members appointed by the County Board. However, the County is not financially accountable for these organizations. Accordingly, these organizations are not part of the financial reporting entity. Such organizations include the following:

Fire Protection Districts	Crystal Lake Drainage District
McHenry County Housing Authority	Hebron Drainage District
Lake in the Hills Sanitary District	Marengo Rescue Squad
Greenwood Drainage District	Human Relations Council

B. Government-Wide and Fund Financial Statements

Government-wide Financial Statements: The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the County. Eliminations have been made to minimize the double-counting of internal activities of the County. The financial activities of the County consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from the discretely presented component unit.

The Statement of Activities demonstrates the degree to which the direct expenses of each County function (general and administrative, community development, transportation, public safety, judiciary and court related, and public health and welfare) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The County does not allocate indirect expenses to the functions in the statement of activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees) and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements: Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund balance, revenues, and expenses/expenditures. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary fund statements. An emphasis is placed on major funds within the governmental and proprietary fund statements. A fund is considered major if it is the primary operating fund of the County or if it meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

The County administers the following major governmental funds:

General Fund – This is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds. Services which are administered by various departments and accounted for in the general fund include general and administrative, community development, public safety, judiciary and court related, and public health and welfare.

Motor Fuel Tax Fund – This fund accounts for allotments received from the State of Illinois and expenditures for highway construction and maintenance.

County Mental Health Fund – This fund accounts for expenditures for administering approved mental health programs. Revenue is primarily from property taxes.

The County administers the following major enterprise fund:

Valley Hi Fund – This fund accounts for the activities of the Valley Hi nursing home.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis. The County administers the following internal service funds:

Insurance Loss Fund – This fund accounts for general liability, property, worker’s compensation, and unemployment compensation insurance premiums and claims.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Health Insurance Fund – This fund accounts for employee medical, dental, and prescription insurance premiums and claims.

Additionally, the County administers fiduciary (agency) funds for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

In June 2004, the GASB issued statement No. 45 - Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions (OPEB). This statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and required supplementary information in the financial reports of state and local governmental employers. The County has implemented this standard effective December 1, 2008. For detailed information on OPEB, see note 8 on page 46.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and the discretely presented component unit. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Agency funds also follow the accrual basis of accounting, but do not have a measurement focus.

Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues, and various State, Federal, and local grants. On an accrual basis, revenues from taxes are recognized when the County has a legal claim to the resources. Grants, entitlements, State shared revenues, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures are recorded when the related liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The County has elected not to follow private sector standards issued after November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary funds' principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Equivalents

For purposes of the statement of cash flows, the County's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

E. Investments

Investments are reported at fair value. Fair value is based on quoted market prices.

F. Inventory

Inventories are valued at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

G. Restricted Assets

Restricted cash represents resources accumulated for future debt service payments on the Series 2003B debt certificates. The balance of restricted cash totaled \$649,434 as of November 30, 2009.

H. Capital Assets

Capital assets, which include land, land improvements, roads and bridges, traffic signals and lighting projects, buildings and improvements, furniture and fixtures, machinery and equipment, and transportation equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$250,000 for infrastructure assets, \$1 for land, \$5,000 for other capital assets, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are presented as capital outlay expenditures in the governmental funds.

Assets which are acquired and held for the County's use are stated at historical cost. Donated capital assets are recorded at their fair market value at the date of donation.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

For proprietary funds, interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. There was no interest expense capitalized by proprietary funds during 2009.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the statement of net assets and is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Roads and bridges	40
Traffic signals and lighting projects	10
Buildings and improvements	10 – 40
Land improvements	15 – 40
Furniture and fixtures	5 – 10
Machinery and equipment	5 – 20
Transportation equipment	4 – 5

Gains or losses from sales or retirements of capital assets are included in the Statement of Activities.

I. Deferred Revenue

The County reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the County has a legal claim to them, as when grant monies are received before all eligibility requirements imposed by the provider have been met. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for the deferred revenue is removed from the balance sheet and revenue is recognized. Proprietary funds only report deferred revenue for resources that have been received, but not yet earned. Therefore, deferred revenue in proprietary funds is reported as unearned revenue.

J. Compensated Absences

County employees accumulate vacation, sick pay, and compensatory time off for subsequent use or for payment upon termination, death, or retirement. Employees are allowed to accrue up to 150% of their annual vacation accrual, and at no time shall their balance exceed the 150% maximum limit. Employees may not receive vacation pay in lieu of time off unless the department head requests that the employee waive vacation to avoid a hardship on the department. Accrued compensatory time off, earned for hours worked in excess of the employee's regular work schedule, may accumulate up to a maximum of 240 hours, with any excess paid out by the County. Accumulated sick leave is not paid out at termination of employment.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Compensated Absences (Continued)

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation leave balances and unused compensatory time balances for County employees and is determined using current salary rates and includes salary related payments.

A liability for compensated absences is reported in the individual governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate these liabilities. Vested or accumulated vacation leave and accumulated compensatory time of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

District (component unit) employees earned vacation pay to a maximum of 30 working days and a percentage (based on length of employment) of sick leave may be paid upon termination of employment.

K. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities and proprietary fund statement of net assets. Premiums and discounts from long-term debt issuances are deferred and amortized over the life of the issuance using the effective interest method. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize issuance premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Debt service funds are used to account for and service the long-term obligations issued for governmental funds. Enterprise funds individually account for and service the applicable debt that benefit those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed with available financial resources is reported as a liability of a governmental fund.

L. Capital Contributions

Capital contributions in the government-wide financial statements represent donations of land, highways, and other capital assets, primarily from developers. Capital contributions reported in the enterprise funds, if any, represent transfers of equipment from governmental funds and capital contributions from outside parties.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized in governmental fund types to reserve fund balance for outstanding amounts under purchase orders, contracts, and other commitments. Encumbrances outstanding at year-end are reported as reserved fund balance and do not constitute expenditures or liabilities. Outstanding encumbrances at the end of the fiscal year generally result in an increase to the budget for the subsequent year.

N. Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

O. Interfund Transactions

The County has the following types of transactions between funds:

Loans and Advances – amounts provided with a requirement for repayment. In the fund financial statements, interfund loans are reported as due from other funds and due to other funds, when repayment is expected within one year. When repayment is not expected within one year, interfund loans are reported as advances to other funds and advances from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported as internal balances in the government-wide statement of net assets.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the governmental fund balance sheets or proprietary fund statements of net assets.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as nonoperating revenues and expenses. Transfers between governmental activities and business-type activities are presented as offsetting transfers, under general revenues and transfers, in the government-wide statement of activities.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Claims and Judgments

Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. Refer to Note 10 on risk management.

Q. Equity Classifications

Government-Wide Financial Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of related bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental funds classify equity as fund balance. Fund balance is further classified as either reserved or unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which is labeled "designated". The remaining balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide financial statements.

R. Prior Period Information

Comparative total data for the prior year have been presented for the government-wide statements in order to provide an understanding of the changes in the financial position and operations of the County, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended November 30, 2008. Comparative data by fund has not been presented in all statements, since its inclusion would make the statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 2 – Legal Compliance – Budgets

The County adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

In October, the County Administrator, Associate County Administrator of Finance, and Finance Committee Chairman submit to the County Board a proposed operating budget for the fiscal year commencing on December 1. The operating budget includes proposed expenditures and the means of financing them.

The operating budget is then posted in the Office of the County Clerk for a period of 15 days for public inspection. Prior to November 30, the budget is adopted by passage of a resolution by the County Board.

Budgetary control over expenditures is maintained on an object code basis (personnel services, contractual, commodities, etc.) by department. Transfers of budgeted amounts between funds or any amendments to the originally approved budget by means of an emergency appropriation require approval by the County Board members. During the year, several emergency appropriations were made. Expenditures may not legally exceed appropriations within each fund. Appropriations lapse at year-end.

Budgets for governmental fund types and internal service funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Enterprise funds are adopted on a modified basis in that depreciation is not budgeted and capital outlay, and debt principal retirements, are budgeted. Budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Permanent, Enterprise, and Internal Service Funds.

Excess of Expenditure/Expenses Over Budget

The following fund has an excess of expenditures over budget for the year ended November 30, 2009:

<u>Fund</u>	<u>Excess</u>
Debt Service Fund - Public Building Commission Debt Fund (blended component unit)	\$ (10,804)

Note 3 – Deposits and Investments

A. Primary Government and Fiduciary Funds

Permitted Deposits and Investments - The County's formal investment policy, which is more restrictive than State Statutes, authorizes the County to make deposits/invest in commercial banks, obligations of the U.S. Treasury or other securities guaranteed by the full faith and credit of the United States of America, savings and loan institutions, and the Illinois Funds Investment Pool.

The County's deposits and investments are categorized to show exposure to applicable risk categories as of November 30, 2009.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 3 – Deposits and Investments (Continued)

A. Primary Government and Fiduciary Funds (Continued)

As of November 30, 2009, the County had the following investments:

Investment Type	Fair Value		Weighted Average Maturity (Months)
	Primary Government	Fiduciary Funds	
Illinois Funds	\$ <u>1,410,789</u>	\$ <u>11,743</u>	<u>1.06</u>

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer. Oversight is provided by the Auditor General of the State of Illinois. Illinois Funds is not registered with the SEC. The fair value of the position in the Pool is the same as the value of the Pool shares.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's formal investment policy requires the Treasurer to determine the maturity of investments, so as to enable sufficient cash for all County operating purposes. Investments may be purchased with maturities to match cash flow needs, future projects, or liability requirements.

Credit risk. As stated above, the County's formal investment policy is more restrictive than State Statutes. In addition, the policy requires the Treasurer to maintain current statements of condition for each financial institution holding County funds to review for any evidence of deterioration. If deterioration is noted, the policy permits the County to withdraw its funds and remove said institutions from the list of approved financial institutions. This policy ensures that the County's investments are only maintained with the most creditworthy issuers. As of November 30, 2009, the County's investment in Illinois Funds was rated AAAM by Standard and Poor's.

Custodial credit risk. As of November 30, 2009, none of the County's investments were exposed to custodial credit risk. The County's formal investment policy does not permit any investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name.

As of November 30, 2009, the County (primary government) had deposits with a book balance of \$185,381,582 and a bank balance of \$185,841,212 and the fiduciary funds had deposits with a book balance of \$11,141,140 and a bank balance of \$11,994,101. As of November 30, 2009, none of the above deposits were exposed to custodial credit risk. The County's formal investment policy manages custodial credit risk for deposits by requiring that all funds in excess of FDIC insurance be secured by collateral held in the County's name.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 3 – Deposits and Investments (Continued)

A. Primary Government and Fiduciary Funds (Continued)

A reconciliation of cash and investments as shown on the Statement of Net Assets and the Statement of Fiduciary Net Assets is as follows:

Cash and investments, as disclosed in Note 3:

	Primary Government	Fiduciary Funds
Cash on hand	\$ 11,175	\$ 1,600
Carrying amount of deposits	185,381,582	11,141,140
Carrying amount of investments	1,410,789	11,743
 Total cash and investments, as disclosed in Note 3	 \$ 186,803,546	 \$ 11,154,483

Cash and investments, as reported in the financial statements:

	Primary Government	Fiduciary Funds
Cash and equivalents	\$ 186,154,112	\$ 11,154,483
Cash restricted	649,434	-
 Total cash and investments, as reported in the financial statements	 \$ 186,803,546	 \$ 11,154,483

B. District (Component Unit)

The District's investment policy authorizes the District to invest in obligations issued by the United States Government, investments constituting direct obligations of any bank, short-term commercial paper of U.S. corporations with assets exceeding \$500 million, short-term obligations issued by the Federal National Mortgage Association, shares or other securities issued by saving and loan associations, share accounts of credit unions chartered in the United States with its principal office located in Illinois, and securities issued by Illinois Funds.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price for which the investment could be sold.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 3 – Deposits and Investments (Continued)

B. District (Component Unit) (Continued)

It is the policy of the District to invest its funds in a manner consistent which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are; legality, safety (preservation of capital and protection of investment principal), liquidity, and yield. The Board of Trustee’s policy requires collateralization at 105% of the aggregate balance of principal and accrued interest on deposits in financial institutions.

1. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District’s deposits may not be returned to it. The District’s investment policy requires pledging of collateral in the name of the District.

2. Investments

The following table presents the investments & maturities of the District's debt securities as of March 31, 2009:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
		<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater than 10</u>
US Treasury obligations	\$ 19,997,918	\$ 8,011,352	\$ 11,986,566	\$ -	\$ -
Illinois Funds	9,385,782	9,385,782	-	-	-
	<u>\$ 29,383,700</u>	<u>\$ 17,397,134</u>	<u>\$ 11,986,566</u>	<u>\$ -</u>	<u>\$ -</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed with a budgetary or economic cycle. The investment policy does not strictly limit the maximum maturity lengths of investments.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The District limits its exposure to credit risk by primarily investing in Illinois Funds, which is rated AAAM by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investment that are in possession of an outside party. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the District has a high percentage of its investments invested in one type of investment. The District’s investment policy requires diversification of investments to avoid unreasonable risk. At March 31, 2009, the District has greater than five percent of its overall portfolio invested in the Illinois Funds. This is in accordance with the District’s investment policy.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 5 – Capital Assets

A summary of changes in capital assets for governmental activities of the County (primary government) is as follows:

	<u>Balance</u> <u>December 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>November 30</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 47,703,895	\$ 1,718,182	\$ -	\$ 49,422,077
Construction in progress	<u>51,485,830</u>	<u>11,388,229</u>	<u>(45,247,710)</u>	<u>17,626,349</u>
Total Capital Assets Not Being Depreciated	<u>99,189,725</u>	<u>13,106,411</u>	<u>(45,247,710)</u>	<u>67,048,426</u>
Other Capital Assets				
Roads and bridges	89,755,878	46,164,337	-	135,920,215
Traffic signals and lighting projects	940,523	-	-	940,523
Buildings and improvements	94,435,066	872,717	-	95,307,783
Furniture and fixtures	2,980,049	152,782	-	3,132,831
Machinery and equipment	27,056,429	6,009,154	(161,903)	32,903,680
Transportation equipment	<u>5,258,671</u>	<u>520,296</u>	<u>(444,987)</u>	<u>5,333,980</u>
Total Other Capital Assets	<u>220,426,616</u>	<u>53,719,286</u>	<u>(606,890)</u>	<u>273,539,012</u>
Less Accumulated Depreciation for:				
Roads and bridges	(19,687,197)	(2,916,124)	-	(22,603,321)
Traffic signals and lighting projects	(615,382)	(49,052)	-	(664,434)
Buildings and improvements	(29,484,049)	(2,427,516)	-	(31,911,565)
Furniture and fixtures	(2,016,782)	(206,997)	-	(2,223,779)
Machinery and equipment	(17,548,970)	(2,980,081)	161,903	(20,367,148)
Transportation equipment	<u>(4,277,944)</u>	<u>(518,443)</u>	<u>444,987</u>	<u>(4,351,400)</u>
Total Accumulated Depreciation	<u>(73,630,324)</u>	<u>(9,098,213)</u>	<u>606,890</u>	<u>(82,121,647)</u>
Other Capital Assets, Net	<u>146,796,292</u>	<u>44,621,073</u>	<u>-</u>	<u>191,417,365</u>
Governmental Activities Capital Assets, Net	<u>\$ 245,986,017</u>	<u>\$ 57,727,484</u>	<u>\$ (45,247,710)</u>	<u>\$ 258,465,791</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 5 – Capital Assets (Continued)

Depreciation expense for governmental activities was charged to functions as follows:

General and administrative	\$	3,463,724
Community development		13,821
Transportation		3,663,835
Public safety		1,163,640
Judiciary and court related		491,201
Public health and welfare		<u>301,992</u>
 Total Depreciation Expense – Governmental Activities	 \$	 <u><u>9,098,213</u></u>

A summary of changes in capital assets for business-type activities of the County (primary government) is as follows:

	<u>Balance</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u>
	<u>December 1</u>						<u>November 30</u>
Business-Type Activities							
Capital Assets Not Being Depreciated							
Land	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000
Construction in progress	<u>248,300</u>	<u>2,825,461</u>	<u>(397,000)</u>	<u>2,676,761</u>	<u>2,676,761</u>	<u>2,676,761</u>	<u>2,676,761</u>
 Total Capital Assets Not Being Depreciated	 <u>254,300</u>	 <u>2,825,461</u>	 <u>(397,000)</u>	 <u>2,682,761</u>	 <u>2,682,761</u>	 <u>2,682,761</u>	 <u>2,682,761</u>
 Other Capital Assets							
Buildings and improvements	14,529,570	-	-	14,529,570	-	-	14,529,570
Land improvements	277,996	-	-	277,996	-	-	277,996
Equipment	<u>4,723,332</u>	<u>667,385</u>	<u>(14,303)</u>	<u>5,376,414</u>	<u>(14,303)</u>	<u>5,376,414</u>	<u>5,376,414</u>
 Total Other Capital Assets	 <u>19,530,898</u>	 <u>667,385</u>	 <u>(14,303)</u>	 <u>20,183,980</u>	 <u>(14,303)</u>	 <u>20,183,980</u>	 <u>20,183,980</u>
 Less Accumulated Depreciation for:							
Buildings and improvements	(1,576,252)	(401,438)	-	(1,977,690)	-	-	(1,977,690)
Land improvements	(25,740)	(13,900)	-	(39,640)	-	-	(39,640)
Equipment	<u>(2,553,892)</u>	<u>(476,589)</u>	<u>9,950</u>	<u>(3,020,531)</u>	<u>9,950</u>	<u>9,950</u>	<u>(3,020,531)</u>
 Total Accumulated Depreciation	 <u>(4,155,884)</u>	 <u>(891,927)</u>	 <u>9,950</u>	 <u>(5,037,861)</u>	 <u>9,950</u>	 <u>9,950</u>	 <u>(5,037,861)</u>
 Other Capital Assets, Net	 <u>15,375,014</u>	 <u>(224,542)</u>	 <u>(4,353)</u>	 <u>15,146,119</u>	 <u>(4,353)</u>	 <u>15,146,119</u>	 <u>15,146,119</u>
 Business-Type Activities Capital Assets, Net	 <u>\$ 15,629,314</u>	 <u>\$ 2,600,919</u>	 <u>\$ (401,353)</u>	 <u>\$ 17,828,880</u>	 <u>\$ (401,353)</u>	 <u>\$ 17,828,880</u>	 <u>\$ 17,828,880</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 5 – Capital Assets (Continued)

Depreciation expense for business-type activities was charged to functions as follows:

Public health and welfare	\$	498,804
Public safety		<u>393,123</u>
 Total Depreciation Expense – Business-Type Activities	 \$	 <u><u>891,927</u></u>

A summary of changes in capital assets of the District (component unit) is as follows:

	<u>Balance April 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 156,169,559	\$ 18,349,024	\$ -	\$ 174,518,583
Construction in progress	<u>1,962,346</u>	<u>1,496,855</u>	<u>(1,574,332)</u>	<u>1,884,869</u>
 Total Capital Assets Not Being Depreciated	 <u>158,131,905</u>	 <u>19,845,879</u>	 <u>(1,574,332)</u>	 <u>176,403,452</u>
Other Capital Assets				
Land improvements and roads	14,069,561	1,404,452	(25,000)	15,449,013
Buildings and improvements	9,168,738	101,915	(93,600)	9,177,053
Furniture and equipment	1,273,609	226,057	-	1,499,666
Office equipment	125,659	195,128	(5,948)	314,839
Vehicles	<u>1,425,447</u>	<u>143,111</u>	<u>(44,828)</u>	<u>1,523,730</u>
 Total Other Capital Assets	 <u>26,063,014</u>	 <u>2,070,663</u>	 <u>(169,376)</u>	 <u>27,964,301</u>
Less accumulated depreciation for:				
Land improvements and roads	(6,846,719)	(641,907)	2,500	(7,486,126)
Buildings and improvements	(3,199,704)	(381,468)	88,920	(3,492,252)
Furniture and equipment	(855,808)	(87,132)	-	(942,940)
Office equipment	(74,485)	(18,957)	4,858	(88,584)
Vehicles	<u>(1,200,554)</u>	<u>(96,419)</u>	<u>41,411</u>	<u>(1,255,562)</u>
 Total Accumulated Depreciation	 <u>(12,177,270)</u>	 <u>(1,225,883)</u>	 <u>137,689</u>	 <u>(13,265,464)</u>
 Other Capital Assets, Net	 <u>13,885,744</u>	 <u>844,780</u>	 <u>(31,687)</u>	 <u>14,698,837</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 172,017,649</u>	 <u>\$ 20,690,659</u>	 <u>\$ (1,606,019)</u>	 <u>\$ 191,102,289</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 6 – Long-Term Obligations

The following is a summary of long-term obligation activity for the County (primary government) associated with governmental activities for the year:

	Balance December 1	Issuances	Retirements	Balance November 30	Due Within One Year
Compensated absences	\$ 4,327,216	\$ 3,938,875	\$ 3,887,667	\$ 4,378,424	\$ 1,459,475
Capital leases	2,410,549	169,678	960,492	1,619,735	972,661
Debt certificates	74,637,760	4,480,000	7,587,760	71,530,000	7,625,000
Add: deferred debt certificate issuance premiums	118,297	28,416	16,584	130,129	16,584
Claims and judgments	8,617,536	14,716,980	15,017,176	8,317,340	4,272,223
Other post-employment benefit obligation	-	1,372,317	262,334	1,109,983	-
	<u>\$ 90,111,358</u>	<u>\$ 24,706,266</u>	<u>\$ 27,732,013</u>	<u>\$ 87,085,611</u>	<u>\$ 14,345,943</u>

Compensated absences and other post-employment benefit obligation will be liquidated primarily by the general fund. Claims and judgments will be liquidated by the insurance loss and health insurance internal service funds.

The following is a summary of long-term obligation activities for the County (primary government) associated with business-type activities for the year:

	Balance December 1	Issuances	Retirements	Balance November 30	Due Within One Year
Compensated absences	\$ 168,155	\$ 196,912	\$ 182,335	\$ 182,732	\$ 60,911
Capital leases	25,997	-	14,003	11,994	11,994
Debt certificates	11,035,000	-	510,000	10,525,000	970,000
Other post-employment benefit obligation	-	64,147	20,820	43,327	-
	<u>\$ 11,229,152</u>	<u>\$ 261,059</u>	<u>\$ 727,158</u>	<u>\$ 10,763,053</u>	<u>\$ 1,042,905</u>

Compensated absences and other post-employment benefit obligation will be liquidated by the Valley Hi fund and the 911 fund.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 6 – Long-Term Obligations (Continued)

The following is a summary of long-term obligation transactions for the District (component unit):

	Balance April 1	Issuances	Retirements	Balance March 31	Due Within One Year
Compensated absences	\$ 508,023	\$ 544,714	\$ 508,023	\$ 544,714	\$ 544,714
General obligation bonds	153,340,000	-	3,285,000	150,055,000	3,655,000
Add: deferred bond issuance premiums	2,665,911	-	160,092	2,505,819	160,092
Less: deferred charge on refunding	(518,075)	-	(77,794)	(440,281)	(77,663)
Installment contract	6,300,000	-	-	6,300,000	-
Other post-employment benefit obligation	-	11,148	-	11,148	-
	<u>\$ 162,295,859</u>	<u>\$ 555,862</u>	<u>\$ 3,875,321</u>	<u>\$ 158,976,400</u>	<u>\$ 4,282,143</u>

Long-term obligations outstanding (excluding compensated absences, deferred debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) of the County (primary government) are as follows:

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
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Capital Leases – Governmental Activities

Avaya Lease (1)

\$250,254 capital lease; monthly principal and interest payments of \$5,539 through September 2010; interest imputed at 3%

General	\$ 132,806	\$ -	\$ 71,535	\$ 61,271
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HP Server Lease II (1)

\$1,546,358 capital lease due in annual installments of \$410,348; interest at 4.13% through October 15, 2010

General	772,547	-	378,464	394,083
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HP Laptop Lease (1)

\$580,374 capital lease due in annual installments of \$193,458; interest at 0% through January 2010

General	386,916	-	193,458	193,458
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HP Desktop Lease (1)

\$1,274,279 capital lease due in annual installments of \$278,252; interest at 4.59% through January 2012

General & Workforce Network	996,027	-	232,487	763,540
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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Capital Leases – Governmental Activities (Continued)					
HP Recorder Lease (1)					
\$165,409 capital lease due in annual installments of \$43,156; interest at 2.92% through June 2011	Recorder Automation	\$ 122,253	\$ -	\$ 39,583	\$ 82,670
Panasonic Toughbook Lease (1)					
\$169,678 capital lease due in annual installments of \$44,965; interest at 4.03% through August 2012	General	-	169,678	44,965	124,713
Total Capital Leases		<u>\$ 2,410,549</u>	<u>\$ 169,678</u>	<u>\$ 960,492</u>	<u>\$ 1,619,735</u>

Capital leases have resulted in the acquisition of \$4,770,417 of capital assets (equipment), which have accumulated depreciation of \$2,493,814.

Debt Certificates – Governmental Activities

McHenry County General Obligation (2)

\$4,250,000 Limited Tax Debt Certificate Series 2001, due in annual installments of \$350,000 to \$510,000; interest at 4.235% to 4.65% through May 1, 2011

Debt Service	\$ 1,470,000	\$ -	\$ 470,000	\$ 1,000,000
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McHenry County General Obligation (3)

\$1,575,000 Limited Tax Debt Certificate Series 2001-A, due in semi-annual installments of \$28,700 to \$36,100; interest at 2.25% to 4.89%, balloon payment due December 30, 2011

Debt Service	637,760	-	637,760	-
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McHenry County General Obligation (4)

\$6,085,000 McHenry County Debt Certificates Series 2002A, due in annual installments of \$145,000 to \$560,000; interest at 2.5% to 4.3% through January 2018

Debt Service	4,625,000	-	370,000	4,255,000
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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)					
McHenry County General Obligation (5) \$5,000,000 McHenry County Debt Certificate Series 2003A, due in annual installments of \$185,000 to \$765,000; interest at 2.5% to 4.75% through January 2022	Debt Service	\$ 4,155,000	\$ -	\$ 230,000	\$ 3,925,000
McHenry County General Obligation (6) \$4,600,000 McHenry County Debt Certificate Series 2003C, due in annual installments of \$440,000 to \$610,000, Interest at 4% to 5.5% through January 2014	Debt Service	3,245,000	-	480,000	2,765,000
McHenry County General Obligation (6) \$1,895,000 McHenry County Debt Certificate Series 2005A, due in annual installments of \$230,000 to \$355,000, Interest at 3.5% to 3.65% through January 2015	Debt Service	1,895,000	-	-	1,895,000
McHenry County General Obligation (6) \$1,205,000 McHenry County Debt Certificate Series 2005B, due in annual installments of \$75,000 to \$300,000; Interest at 3.4% to 4.65% through January 2010	Debt Service	375,000	-	300,000	75,000
McHenry County General Obligation (8) \$8,280,000 McHenry County Debt Certificate Series 2006A, due in annual installments of \$40,000 to \$1,400,000; Interest at 3.85% to 4.0% through January 2022	Debt Service	7,850,000	-	410,000	7,440,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)					
McHenry County General Obligation (9) \$4,885,000 McHenry County Debt Certificate Series 2007A, due in annual installments of \$440,000 to \$575,000; Interest at 3.85% to 4.15% through January 2017	Debt Service	\$ 4,445,000	\$ -	\$ 420,000	\$ 4,025,000
McHenry County General Obligation (10) \$50,000,000 McHenry County Debt Certificate Series 2007B, due in annual installments of \$4,060,000 to \$6,060,000; Interest at 4.0% to 4.5% through January 2017	Debt Service	45,940,000	-	4,270,000	41,670,000
McHenry County General Obligation (11) \$4,480,000 McHenry County Debt Certificate Series 2008, due in annual installments of \$380,000 to \$520,000; Interest at 3.0% to 4.25% through January 2019	Debt Service	-	4,480,000	-	4,480,000
Total Debt Certificates		\$ <u>74,637,760</u>	\$ <u>4,480,000</u>	\$ <u>7,587,760</u>	\$ <u>71,530,000</u>

Capital Leases – Business-Type Activities

Avaya Lease (1) \$59,934 capital lease; monthly principal and interest payments of \$1,216 through September 2010; interest imputed at 3%	Valley Hi	\$ <u>25,997</u>	\$ -	\$ <u>14,003</u>	\$ <u>11,994</u>
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Capital leases have resulted in the acquisition of \$54,934 of capital assets (equipment), which have accumulated depreciation of \$41,201.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Business-Type Activities					
Valley Hi (7)					
\$10,000,000 Valley Hi Series 2003B, due in annual installments of \$445,000 to \$995,000; Interest at 3.05% to 4.35% through January 2022	Valley Hi	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000
Valley Hi (7)					
\$2,500,000 Series 2004, due in annual installments of \$480,000 to \$525,000; Interest at 1.8% to 3.1% through January 2006	Valley Hi	<u>1,035,000</u>	<u>-</u>	<u>510,000</u>	<u>525,000</u>
Total Debt Certificates		<u>\$ 11,035,000</u>	<u>\$ -</u>	<u>\$ 510,000</u>	<u>\$ 10,525,000</u>

Long-term obligations outstanding (excluding compensated absences, deferred bond issuance premiums, deferred charge on refunding, and other post-employment benefit obligation) of the District (component unit) are as follows:

General Obligation Bonds – Governmental Activities (District)

McHenry County Conservation District (12)					
\$20,330,000 General Obligation Limited Bonds Series 1998A, due in annual installments; interest at 4.7% to 5.25% through February 1, 2018	District Debt Service	\$ 7,485,000	\$ -	\$ 125,000	\$ 7,360,000
McHenry County Conservation District (12)					
\$68,500,000 General Obligation Bonds Series 2001A, due in annual installments; interest at 4.25% to 5.625% Through February 1, 2021	District Debt Service	6,455,000	-	1,840,000	4,615,000
McHenry County Conservation District (12)					
\$12,235,000 General Obligation Limited Refunding Bonds Series 2001B, due in Annual installments; interest at 4.25% to 5.0% through February 1, 2016	District Debt Service	6,980,000	-	1,175,000	5,805,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
General Obligation Bonds – Governmental Activities (District) (Continued)					
McHenry County Conservation District (12)					
\$58,825,000 General Obligation Refunding Bonds Series 2005A, due in annual installments; interest at 3.0% to 5.0% through February 1, 2021	District Debt Service	\$ 58,120,000	\$ -	\$ 145,000	\$ 57,975,000
McHenry County Conservation District (12)					
\$1,315,000 General Obligation Refunding Tax Bonds Series 2005B, due in annual installments; interest at 3.5% to 4.0% through February 1, 2014	District Debt Service	1,300,000	-	-	1,300,000
McHenry County Conservation District (12)					
\$73,000,000 General Obligation Bonds Series 2007, due in annual installments; interest at 4.0% to 5.125% through February 1, 2027	District Debt Service	73,000,000	-	-	73,000,000
Total General Obligation Bonds		\$ <u>153,340,000</u>	\$ <u>-</u>	\$ <u>3,285,000</u>	\$ <u>150,055,000</u>

Installment Contract – Governmental Activities (District)

McHenry County Conservation District (13)					
\$6,300,000 Installment Contract, dated November 16, 2006, interest at 2.5% due in semi-annual installments; balloon payment of principal and interest due November 1, 2016	District Debt Service	\$ <u>6,300,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,300,000</u>

Notes for Long-Term Obligations

- (1) The proceeds from capital leases were used for the purchase of computer hardware and related technology improvements. The capital leases will be repaid from the General fund, Workforce Network fund, Recorder Automation fund, and Valley Hi fund.
- (2) The proceeds were used for the construction of a new facility for the Division of Transportation. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the County Highway fund, the Highway Department Relocation fund, and the County Option Motor Fuel Tax fund.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 6 – Long-Term Obligations (Continued)

Notes for Long-Term Obligations (Continued)

- (3) The proceeds were used for the construction of a new facility for the Mental Health Board. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the County Mental Health fund and the Mental Health Capital Development Fund.
- (4) The proceeds were used for the construction of a new administration building. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General fund.
- (5) The proceeds were used for the judicial center conversion project, which included the remodeling of the government center and Annex A. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General fund.
- (6) The proceeds were used for renovating the County jail. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General fund.
- (7) The proceeds were used for the construction of the new Valley Hi facility. Funding will be provided by transfers in from the Valley Hi fund.
- (8) The proceeds were used to advance refund Series 2002B debt certificates. In addition, proceeds were used for the purchase and construction of a new animal control facility and for energy saving renovations at the government center. Funding will be provided by transfers in from the General fund.
- (9) The proceeds are for the purchase and implementation of a new radio system for the Sheriff's Office. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General fund.
- (10) The proceeds are for highway engineering, construction, and maintenance costs. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the Motor Fuel Tax fund, County Option Motor Fuel Tax fund, Matching fund, and Bridge fund.
- (11) The proceeds are for the acquisition of land and property adjacent to the County courthouse campus. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.
- (12) The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bonds.
- (13) The District issued an installment contract payable in order to acquire certain land.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the County (primary government) for capital leases and debt certificates are as follows:

Fiscal Year	Governmental Activities		
	Capital Leases		Totals
	Principal	Interest	
2010	\$ 972,661	\$ 59,633	\$ 1,032,294
2011	337,822	28,550	366,372
2012	309,252	13,965	323,217
	<u>\$ 1,619,735</u>	<u>\$ 102,148</u>	<u>\$ 1,721,883</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 6 – Long-Term Obligations (Continued)

Debt Service Requirements to Maturity (Continued)

Fiscal Year	Business-Type Activities			
	Capital Leases		Totals	
	Principal	Interest		
2010	\$ 11,994	\$ 166	\$ 12,160	

Fiscal Year	Governmental Activities		Business-Type Activities	
	Debt Certificates		Debt Certificates	
	Principal	Interest	Principal	Interest
2010	\$ 7,625,000	\$ 2,907,486	\$ 970,000	\$ 402,912
2011	7,930,000	2,593,400	640,000	377,588
2012	7,745,000	2,264,400	660,000	353,987
2013	8,105,000	1,917,336	685,000	326,231
2014	8,470,000	1,551,336	710,000	298,363
2015-2019	27,875,000	2,900,810	4,010,000	1,038,081
2020-2022	3,780,000	282,775	2,850,000	189,199
	<u>\$ 71,530,000</u>	<u>\$ 14,417,543</u>	<u>\$ 10,525,000</u>	<u>\$ 2,986,361</u>

Annual debt service requirements to maturity for the District (component unit) for general obligation bonds and installment contracts for governmental type activities are as follows:

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2010	\$ 3,655,000	\$ 7,411,204
2011	4,045,000	7,247,554
2012	4,475,000	7,057,004
2013	4,915,000	6,863,104
2014	5,415,000	6,610,379
2015-2019	35,620,000	28,576,838
2020-2024	52,765,000	18,137,093
2025-2027	39,165,000	4,031,355
	<u>\$ 150,055,000</u>	<u>\$ 85,934,531</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 6 – Long-Term Obligations (Continued)

Debt Service Requirements to Maturity (Continued)

<u>Fiscal Year</u>	<u>Installment Contract</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ -	\$ 157,500
2011	-	157,500
2012	-	157,500
2013	-	157,500
2014	-	157,500
2015-2017	<u>6,300,000</u>	<u>407,342</u>
	<u>\$ 6,300,000</u>	<u>\$ 1,194,842</u>

There are a number of limitations and restrictions contained in various bond indentures and loan agreements. The County believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

Advance Refunding of Debt

In prior years, The County advance refunded debt certificates, by placing funds in an irrevocable trust with an escrow agent for the purpose of paying all future debt service payments. As a result, the advance refunded debt certificates are considered to be defeased and the liability is not included in the statement of net assets.

As of November 30, 2009, \$3,315,000 of defeased debt is still outstanding. The defeased debt is scheduled to be repaid in full on its call date of January 15, 2011.

Advance Refunding of Debt - District (Component Unit)

In prior years, the District advanced refunded bonded debt by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on previously refunded debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements.

As of March 31, 2009, a total of \$57,200,000 of defeased debt is still outstanding.

Industrial Revenue Bonds (Conduit Debt)

The County has participated in the issuance of Industrial Revenue Bonds in the amount of \$2,675,000. These bonds were issued for the purpose of constructing privately operated manufacturing and other related facilities within the County. These bonds are not direct or contingent liabilities of the County. Revenue from lease agreements and property purchased with the bond proceeds is pledged for the total payment of principal and interest on the bonds, and the bondholders can look only to these sources for repayment. Outstanding bonds are scheduled to mature in 2013.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 7 – Defined Benefit Pension Plans

A. Plan Description

The County and District's defined benefit pension plans provide retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The County and District's plans are 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 or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

B. Funding Policy

As set by statute, plan members are required to contribute a percentage of their annual salary. Plan member contribution rates are 4.5% for the Regular Plan, 7.5% for the Sheriff's Law Enforcement Personnel Plan (SLEP), and 4.5% for the District plan. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rates for calendar year 2008 were 8.43% of annual covered payroll for the Regular Plan, 20.35% of annual covered payroll for the SLEP Plan, and 11.20% of annual covered payroll for the District plan. The County and District also contribute 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 and set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

C. Annual Pension Cost

For calendar year 2008, the County's annual pension costs of \$3,755,590 for the Regular Plan and \$2,258,720 for the SLEP plan were equal to the County's required and actual contributions. The District's annual pension cost of \$410,967 was equal to the District's required and actual contribution.

D. Actuarial Assumptions

The required contributions for calendar year 2008 were 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) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 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 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 plans' unfunded actuarial accrued liability are being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006 valuation was 24 years for the Regular Plan, 24 years for the SLEP plan, and 28 years for the District plan.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 7 – Defined Benefit Pension Plans (Continued)

E. Funded Status and Funding Progress

a. Regular Plan

As of December 31, 2008, the most recent actuarial valuation date, the Regular Plan was 84.11% funded. The actuarial accrued liability for benefits was \$82,892,396 and the actuarial value of assets was \$69,717,859, resulting in an underfunded actuarial accrued liability (UAAL) of \$13,174,537. The covered payroll (annual payroll of active employees covered by the plan) was \$44,550,297 and the ratio of the UAAL to the covered payroll was 29.57%.

b. SLEP Plan

As of December 31, 2008, the most recent actuarial valuation date, the SLEP Plan was 50.85% funded. The actuarial accrued liability for benefits was \$43,151,340 and the actuarial value of assets was \$21,943,584, resulting in an underfunded actuarial accrued liability (UAAL) of \$21,207,756. The covered payroll (annual payroll of active employees covered by the plan) was \$11,099,363 and the ratio of the UAAL to the covered payroll was 191.07%.

c. District Plan

As of December 31, 2008, the most recent actuarial valuation date, the District Plan was 65.24% funded. The actuarial accrued liability for benefits was \$6,142,502 and the actuarial value of assets was \$4,007,472, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,135,030. The covered payroll (annual payroll of active employees covered by the plan) was \$3,669,347 and the ratio of the UAAL to the covered payroll was 58.19%.

The schedule of funding progress, presented as required supplementary information (RSI), following the notes to 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.

F. Trend Information

	Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Regular Plan	12/31/08	\$ 3,755,590	100 %	\$ -
	12/31/07	3,576,716	100	-
	12/31/06	3,489,750	100	-
SLEP	12/31/08	\$ 2,258,720	100 %	\$ -
	12/31/07	2,111,412	100	-
	12/31/06	1,950,068	100	-

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 7 – Defined Benefit Pension Plans (Continued)

F. Trend Information (Continued)

	<u>Actuarial Valuation Date</u>		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>		<u>Net Pension Obligation</u>
District	12/31/08	\$	410,967	100 %	\$	-
	12/31/07		376,178	100		-
	12/31/06		334,259	100		-

Note 8 – Other Post Employment Benefits (OPEB)

A. Plan Description

a. County Plan

In addition to the pension benefits described above, the County also provides health and dental insurance benefits (OPEB) to eligible retirees and their spouses (plan members). The OPEB plan is a single-employer defined benefit OPEB plan and is administered by the County. The County is required by state statute to offer health and dental insurance benefits to eligible retirees and their spouses at the same premium-equivalent rate as active employees. The County utilizes premium-equivalents, as it is self-insured for health and dental claims, see note 10, Risk Management. The County's OPEB plan does not issue a stand-alone financial report.

b. District Plan

In addition to the pension benefits described above, the District also provides post employment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the District and can be amended by the District through its personnel manual and union contracts. Certain benefits are controlled by state laws and can only be changed by the Illinois Legislature. The District plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the District plan. The District plan does not issue a separate report.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 8 – Other Post Employment Benefits (OPEB) (Continued)

B. Funding Policy

a. County Plan

The County Board establishes the level of health and dental benefits offered, as well as the level of retiree contributions and employer contributions. The County Board may amend the level of health and dental benefits offered or the contribution rates, by modifying the County's personnel policy or by negotiating the terms of union contracts. Plan members who are non-Medicare eligible are required to contribute between 63-80% of insurance premium-equivalents, while plan members who are Medicare eligible are required to contribute 100% of the premium-equivalents. The County finances employer contributions on a pay-as-you-go basis, meaning the County only contributes an amount equal to the employer's share of current year premium-equivalents, which range between 20-37% of premium-equivalents for members who are non-Medicare eligible and 0% of premium-equivalents for plan members who are Medicare eligible. For fiscal year 2009, plan members contributed \$879,039 and, on an age-adjusted basis, the County contributed \$283,154.

b. District Plan

The District provides pre and post Medicare post employment health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the District's retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the District's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

The District is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

C. Annual OPEB Cost and Net OPEB Obligation

a. County Plan

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 8 – Other Post Employment Benefits (OPEB) (Continued)

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

a. County Plan (Continued)

Annual required contribution (ARC)	\$	1,436,464
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
		-
Annual OPEB cost (expense)		1,436,464
Contributions made		(283,154)
		1,153,310
Increase in net OPEB obligation		1,153,310
Net OPEB obligation - beginning of year		-
		-
Net OPEB obligation - end of year	\$	1,153,310

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
11/30/09	\$ 1,436,464	\$ 283,154	19.71 %	\$ 1,153,310

b. District Plan

The District first had an actuarial valuation performed for the District plan as of March 31, 2008 to determine the funded status of the District plan as of that date, as well as to determine the District's annual required contribution (ARC) for the fiscal year ended March 31, 2009. The District's annual OPEB cost (expense) of \$15,263 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of March 31, 2008. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 8 – Other Post Employment Benefits (OPEB) (Continued)

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

b. District Plan (Continued)

Annual required contribution (ARC)	\$	15,263
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
		-
Annual OPEB cost (expense)		15,263
Contributions made		(4,115)
		11,148
Increase in net OPEB obligation		11,148
Net OPEB obligation - beginning of year		-
		-
Net OPEB obligation - end of year	\$	11,148

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009 was as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Contributions</u>	<u>Percentage</u> <u>of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
3/31/09	\$ 15,263	\$ 4,115	26.96 %	\$ 11,148

D. Funded Status and Funding Progress

a. County Plan

As of August 1, 2007, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$12,127,965 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,127,965. The covered payroll (annual payroll of active employees covered by the plan) was \$55,354,688, and the ratio of the UAAL to the covered payroll was 21.91%.

b. District Plan

As of March 31, 2008, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$131,224 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$131,224. The covered payroll (annual payroll of active employees covered by the plan) was \$4,046,737, and the ratio of the UAAL to the covered payroll was 3.24%.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 8 – Other Post Employment Benefits (OPEB) (Continued)

D. Funded Status and Funding Progress (Continued)

The schedule of funding progress, presented as required supplementary information (RSI), following the notes to 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. For 2009, the initial actuarial valuation is the only data available to present.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

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

a. County Plan

In the August 1, 2007 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 5.0% investment rate of return (net of administrative expenses), an annual healthcare cost trend rate of 10.0% initially, reduced by decrements to an ultimate rate of 5.0% after 5 years, projected salary increases of 4.0% a year, and annual inflation of 4.0%. Since the County is only financing employer contributions on a pay-as-you-go basis, the actuarial value of assets is \$0. The UAAL is being amortized using level dollar amounts on an open basis. The remaining amortization period as of August 1, 2007 was 30 years.

b. District Plan

In the March 31, 2008 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include no investment rate of return, an annual healthcare cost trend rate of 10.0% initially, reduced by decrements to an ultimate rate of 4.5%, projected salary increases of 4.0% a year, and annual inflation of 3.0%. The actuarial value of assets was not determined, as the District has not advanced funded its obligation. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period as of March 31, 2008 was 30 years.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 9 – Contingent Liabilities

The County (primary government) is a defendant in various lawsuits, wherein substantial amounts are claimed. Although the outcome of these lawsuits is not presently determinable, the resolution of these matters could have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The Valley Hi Fund receives Medicaid payments from the Illinois Department of Healthcare and Family Services (HFS). HFS began using a new payment method in October 2006. The new method requires Valley Hi to repay HFS approximately 40% of the monthly payment amount. Net amounts received from HFS under the new method, including initial amounts received during the transition to the new method, are subject to audit and adjustment, which may constitute a liability of funds received. The amount, if any, of revenue that may be adjusted by HFS cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Note 10 – Risk Management

The County and District are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; health care and injuries to employees; and natural disasters. The County accounts for its risk financing in the Health Insurance and Insurance Loss Funds (internal service funds).

The Insurance Loss Fund provides coverage for up to a maximum of \$500,000 for each worker's compensation claim, \$250,000 for each general liability claim, and \$25,000 for each liability or property damage claim. The County purchases commercial insurance for claims in excess of coverage provided and for other risks of loss. All funds of the County are covered by the Insurance Loss Fund.

The County is self-insured for health and dental claims, which are accounted for in the Health Insurance Fund. The County has \$150,000 stop-loss coverage for individual health claims with an aggregate stop-loss of 125% of total expected annual claims. The County utilizes a third-party administrator to process the claims. The County reimburses the third-party administrator for the claims plus a processing fee. The Health Insurance Fund is supported by payments from other County funds, those that account for personnel costs, based on estimated premium-equivalent amounts.

The claims and judgments liability of \$8,317,340 reported in the Internal Service Funds is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability for claims and judgments also includes an estimate of the claims incurred but not reported. The County does not allocate overhead costs or other nonincremental costs to the claims liability.

Settled claims have not exceeded the excess commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the previous year.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 10 – Risk Management (Continued)

Changes in claims and judgments liability in fiscal year 2009 and 2008 were:

	<u>Balance</u> <u>December 1</u>	<u>Incurred</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>November 30</u>
2008 - 2009	\$ 8,617,536	\$ 14,716,980	\$ 15,017,176	\$ 8,317,340
2007 - 2008	\$ 5,104,596	\$ 17,286,810	\$ 13,773,870	\$ 8,617,536

The District participates in the Park District Management Agency (PDRMA). PDRMA is a public entity risk pool whose members are Illinois governments. PDRMA manages and funds first party property losses, third party liability claims, boiler and machinery claims, workers' compensation claims, and public officials' liability claims of its members.

Each member assumes the first \$1,000 of property claims each occurrence and has self-insurance retentions at various amounts. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer. The District does not exercise any control over the activities of PDRMA beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's expenditures as defined in the bylaws of PDRMA, assessment factors based on past member experience, and the funding needs for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure that adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

At December 31, 2008, the total equity of PDRMA was \$7,828,505. For the year ended December 31, 2008, the net loss of PDRMA was \$199,429. The District made \$165,118 of payments to PDRMA during the year ended March 31, 2009.

In the event of a liability loss exceeding \$16,500,000 per occurrence, self-insured and reinsurance limit, the members would be responsible for funding the excess amount.

The District purchases employee health insurance from third-party insurance company providers.

Settled claims have not exceeded the excess commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the previous year.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 11 – Contractual Commitments

As of year-end, the County had entered into various contracts for road construction and repairs, building projects, and other projects, as shown below. No future financing is required.

	Contract Amount	Remaining Balance
Road and bridge construction and repairs	\$ 39,618,095	\$ 15,592,393
Building projects	863,270	211,538
Other projects	8,439,318	3,885,787
	\$ 48,920,683	\$ 19,689,718

Note 12 – Enterprise Funds – Segment Information

The County maintains one major enterprise fund which accounts for the activities of the Valley Hi Nursing Home. The fund is intended to be self-supporting through resident fees, intergovernmental revenues (mainly Medicare), and real estate taxes.

The other enterprise fund maintained by the County is the 911 fund which is supported by charges to participating members. Since the 911 fund is the only nonmajor Enterprise Fund, segment information was not presented. All the 911 fund information is included in the basic financial statements.

Note 13 – Fund Balance Reserved for Future Grant/Program Expenditure

The County receives grant funds from various government agencies. The funds are restricted until expended in accordance with the various restrictions imposed by the grantor.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 14 – Interfund Balances and Transfers

A. Interfund Balances

Individual interfund balances for the County (primary government) at November 30, 2009 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due From/To Other Funds Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Nonmajor Governmental Funds	\$ 109,925	\$ -
General Fund	Valley Hi Fund	3,019	-
General Fund	911 Fund	97	-
County Mental Health Fund	Nonmajor Governmental Funds	385,036	-
Nonmajor Governmental Funds	General Fund	14,480	-
Nonmajor Governmental Funds	Motor Fuel Tax Fund	65,200	-
Nonmajor Governmental Funds	County Mental Health Fund	1,100	-
Nonmajor Governmental Funds	Internal Service Funds	32,235	-
Internal Service Funds	General Fund	794,731	-
Internal Service Funds	County Mental Health Fund	20,360	-
Internal Service Funds	Nonmajor Governmental Funds	185,928	-
Internal Service Funds	Other Internal Service Funds	10,446	-
Internal Service Funds	Valley Hi Fund	284,556	-
Internal Service Funds	911 Fund	3,194	-
	Subtotal - Fund Financial Statements	1,910,307	\$ <u><u>-</u></u>
Less:	Fund eliminations	(3,773,124)	
Add:	Internal service fund activities related to enterprise funds	1,124,323	
Add:	Advance from general fund to nonmajor governmental funds	<u>2,153,683</u>	
	Total Internal Balances - Government-Wide Statement of Net Assets	<u>\$ 1,415,189</u>	

The principal reason for these interfund balances is a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The General Fund is advancing funds to two non-major special revenue funds, for the purchase and development of a judiciary and court related project. Under the agreement, the General Fund may advance up to \$3,500,000. The advances are non-interest bearing, with quarterly repayments of \$106,027 to \$107,143, beginning January 2008, through December, 2015. The amount of the advance outstanding at November 30, 2009 is \$2,153,683.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 14 – Interfund Balances and Transfers (Continued)

B. Transfers

Interfund transfers for the year ended November 30, 2009 are as follows:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Nonmajor Governmental Funds	\$ 17,140	Administrative expenses
General Fund	Nonmajor Governmental Funds	3,779,500	Reimbursement of expenditures from debt certificate proceeds
Motor Fuel Tax Fund	Nonmajor Governmental Funds	5,232,976	Funding of expenditures with debt certificate proceeds
Nonmajor Governmental Funds	General Fund	3,369,573	Debt service payments
Nonmajor Governmental Funds	General Fund	867,364	General fund contribution for capital project
Nonmajor Governmental Funds	Motor Fuel Tax Fund	3,097,888	Debt service payments
Nonmajor Governmental Funds	County Mental Health Fund	583,329	Debt service payments
Nonmajor Governmental Funds	County Mental Health Fund	936,334	County support of grant programs
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	9,016,405	Funding of expenditures with debt certificate proceeds and sales taxes
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	<u>3,714,783</u>	Debt service payments
Subtotal - Governmental Fund Financial Statements		30,615,292	
Less: Fund eliminations		<u>(30,615,292)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ -</u></u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 15 – Net Assets

Net assets reported on the government-wide statement of net assets at November 30, 2009 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Land	\$ 49,422,077
Construction in progress	17,626,349
Other capital assets, net of accumulated depreciation	191,417,365
Less: related long-term debt outstanding	<u>(64,798,538)</u>
Total invested in capital assets, net of related debt	<u>193,667,253</u>
Restricted	
Grant programs	6,125,032
Transportation systems	78,573,610
Public welfare programs	11,872,092
Employee benefits	8,604,600
Technology improvements	2,381,226
Judiciary and court related	2,199,650
Working cash - permanently restricted	800,568
Other	<u>71,411</u>
Total restricted	<u>110,628,189</u>
Unrestricted	<u>44,841,564</u>
Total governmental activities net assets	<u>\$ 349,137,006</u>

Business-Type Activities

Invested in capital assets, net of related debt	
Land	\$ 6,000
Construction in progress	2,676,761
Other capital assets, net of accumulated depreciation	15,146,119
Less: related long-term debt outstanding	<u>(10,536,994)</u>
Total invested in capital assets, net of related debt	7,291,886
Restricted	
Debt service	492,746
Unrestricted	<u>23,773,241</u>
Total business-type activities net assets	<u>\$ 31,557,873</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

Note 16 - Fund Deficits

The following funds reported a deficit as of November 30, 2009:

<u>Fund</u>	<u>Deficit Amount</u>
(1) Special Revenue Fund - Mental Health Grant Fund	\$ (926,444)
(1) Special Revenue Fund - Prairie Shield Grant Fund	(455,550)
(2) Special Revenue Fund - Circuit Court Document Storage Fund	(372,904)
(2) Special Revenue Fund - Circuit Court Automation Fund	(709,115)

(1) Fund deficit is due to revenue and expenditure timing differences. The fund deficit will be eliminated with future revenues. (2) Fund deficit is due to capital outlay financed by an advance from the general fund. The fund deficit will be eliminated as future revenues are used to repay the advance through 2015. See note 14 for more detail on the advance.

Note 17 – Capital Contributions

Capital contributions of \$5,778,791 consist of land, roads, and groundwater wells received from developers and other governmental agencies for the year ended November 30, 2009. These contributed assets have been recorded in the Statement of Activities as capital contributions.

Note 18 - Subsequent Event

In March 2010, the County issued \$7,595,000 in debt certificates series 2010A and \$4,000,000 series 2010B to finance the expansion of the Mental Health facility, various other capital projects, and to advance refund series 2002A debt certificates. The debt certificates are due in annual installments, interest at 0.75% to 5.55%, through December 2024.

Note 19 – New Governmental Accounting Standards

Following is a summary of select statements issued by the Governmental Accounting Standards Board (GASB), that the County will have to implement in upcoming fiscal years:

Statement No. 51 - "Accounting and Financial Reporting for Intangible Assets." Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. This Statement requires that all intangible assets not specifically excluded by the standard be classified as capital assets. Accordingly, existing authoritative guidance for capital assets should be applied to these intangible assets. Additionally, this Statement establishes an approach to recognizing intangible assets that are internally generated. This Statement also establishes guidance for the amortization of intangible assets. The provisions of this Statement generally are required to be applied retroactively, except for those considered to have indefinite useful lives and those that are considered internally generated. The County is required to implement this statement for the year ending November 30, 2010.

Statement No. 54- "Fund Balance Reporting and Governmental Fund Type Definitions." This statement requires the use of new fund balance classifications and clarifies existing governmental fund type definitions. The new fund balance classifications are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources. The current reserved component of fund balance will be eliminated, in favor of a restricted classification, which will enhance the consistency between information reported in the government-wide statements and information in the governmental fund financial statements. The clarifications of the governmental fund type definitions will reduce uncertainty about which resources can or should be reported in the respective fund types. The County is required to implement this statement for the year ending November 30, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 21,561,121	\$ 21,593,839	\$ 26,104,567	\$ 4,510,728
Licenses and permits	1,360,500	1,360,500	1,062,579	(297,921)
Fines and forfeitures	1,621,000	1,621,000	1,309,208	(311,792)
Grants, contributions, and intergovernmental	4,344,807	4,944,337	4,442,349	(501,988)
Property taxes	31,080,000	31,080,000	31,549,668	469,668
Sales taxes	9,125,000	9,125,000	7,894,021	(1,230,979)
State income taxes	6,000,000	6,000,000	4,703,268	(1,296,732)
Tax transfer stamps	2,025,000	2,025,000	1,232,451	(792,549)
Other taxes	1,900,000	1,900,000	1,658,959	(241,041)
Investment income	1,440,500	1,440,500	192,751	(1,247,749)
Miscellaneous	243,500	243,500	357,450	113,950
Total Revenues	80,701,428	81,333,676	80,507,271	(826,405)
EXPENDITURES				
Current				
General and administrative	27,630,985	27,242,786	24,444,462	2,798,324
Community development	1,406,208	1,475,594	1,322,492	153,102
Public safety	29,203,742	29,470,764	28,811,983	658,781
Judiciary and court related	10,482,035	10,835,419	10,403,579	431,840
Public health and welfare	6,592,339	7,091,775	6,766,557	325,218
Capital outlay	1,734,699	2,709,548	2,475,097	234,451
Debt service				
Principal retirement	875,954	920,919	905,049	15,870
Interest and fiscal charges	80,656	80,656	80,654	2
Total Expenditures	78,006,618	79,827,461	75,209,873	4,617,588
Excess of revenues over expenditures	<u>2,694,810</u>	<u>1,506,215</u>	<u>5,297,398</u>	<u>3,791,183</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	72,474	72,474	3,796,640	3,724,166
Transfers out	(3,272,921)	(4,310,285)	(4,236,937)	73,348
Capital leases issued	-	169,700	169,678	(22)
Total Other Financing Sources (Uses)	(3,200,447)	(4,068,111)	(270,619)	3,797,492
Net Change in Fund Balance	\$ <u>(505,637)</u>	\$ <u>(2,561,896)</u>	5,026,779	\$ <u>7,588,675</u>
Fund Balance - Beginning of Year			<u>43,744,826</u>	
Fund Balance - End of Year			<u>\$ <u>48,771,605</u></u>	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 6,815,978	\$ 6,815,978	\$ 5,738,191	\$ (1,077,787)
Investment income	<u>1,000,000</u>	<u>1,000,000</u>	<u>222,290</u>	<u>(777,710)</u>
Total Revenues	<u>7,815,978</u>	<u>7,815,978</u>	<u>5,960,481</u>	<u>(1,855,497)</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	130,687	130,687	130,687	-
Contractual services	3,504,000	6,044,838	3,243,829	2,801,009
Commodities	1,776,000	1,803,350	937,808	865,542
Capital outlay	<u>8,175,000</u>	<u>12,576,442</u>	<u>2,497,807</u>	<u>10,078,635</u>
Total Expenditures	<u>13,585,687</u>	<u>20,555,317</u>	<u>6,810,131</u>	<u>13,745,186</u>
Deficiency of revenues over expenditures	<u>(5,769,709)</u>	<u>(12,739,339)</u>	<u>(849,650)</u>	<u>11,889,689</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,387,500	7,387,500	5,232,976	(2,154,524)
Transfers out	<u>(3,097,888)</u>	<u>(3,097,888)</u>	<u>(3,097,888)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>4,289,612</u>	<u>4,289,612</u>	<u>2,135,088</u>	<u>(2,154,524)</u>
Net Change in Fund Balance	<u>\$ (1,480,097)</u>	<u>\$ (8,449,727)</u>	1,285,438	<u>\$ 9,735,165</u>
Fund Balance - Beginning of Year			<u>21,680,958</u>	
Fund Balance - End of Year			<u>\$ 22,966,396</u>	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY MENTAL HEALTH FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 300,000	\$ 300,000	\$ 56,980	\$ (243,020)
Property taxes	12,244,416	12,244,416	12,232,725	(11,691)
Investment income	77,000	77,000	22,845	(54,155)
Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>9,626</u>	<u>(15,374)</u>
 Total Revenues	 <u>12,646,416</u>	 <u>12,646,416</u>	 <u>12,322,176</u>	 <u>(324,240)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,627,709	1,627,709	1,433,025	194,684
Contractual services	8,772,056	8,772,056	8,253,327	518,729
Commodities	167,921	167,921	88,806	79,115
Capital outlay	15,000	15,000	-	15,000
Debt service				
Interest and fiscal charges	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
 Total Expenditures	 <u>10,585,686</u>	 <u>10,585,686</u>	 <u>9,775,158</u>	 <u>810,528</u>
 Excess of revenues over expenditures	 2,060,730	 2,060,730	 2,547,018	 486,288
OTHER FINANCING USES				
Transfers out	<u>(1,905,852)</u>	<u>(2,302,852)</u>	<u>(1,519,663)</u>	<u>783,189</u>
 Net Change in Fund Balance	 <u>\$ 154,878</u>	 <u>\$ (242,122)</u>	 1,027,355	 <u>\$ 1,269,477</u>
 Fund Balance - Beginning of Year			 <u>6,157,344</u>	
 Fund Balance - End of Year			 <u>\$ 7,184,699</u>	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND
November 30, 2009

Regular Plan							UAAAL as a
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAAL as a Percentage of Covered Payroll ((2-1)/3)	
12/31/2008	\$ 69,717,859	\$ 82,892,396	\$ 13,174,537	84.11 %	\$ 44,550,297	29.57 %	
12/31/2007	81,125,258	80,139,699	(985,559)	101.23	41,301,574	(2.39)	
12/31/2006	72,662,657	72,898,658	236,001	99.68	37,686,288	0.63	
12/31/2005	64,315,033	65,315,467	1,000,434	98.47	34,406,368	2.91	
12/31/2004	60,393,684	63,333,487	2,939,803	95.36	32,248,235	9.12	
12/31/2003	57,414,076	55,692,335	(1,721,741)	103.09	28,791,841	(5.98)	
12/31/2002	54,731,222	49,994,236	(4,736,986)	109.48	26,720,024	(17.73)	
12/31/2001	55,266,681	45,465,691	(9,800,990)	121.56	24,669,142	(39.73)	
12/31/2000	52,431,520	42,363,133	(10,068,387)	123.77	23,285,495	(43.24)	
12/31/1999	44,331,834	38,958,244	(5,373,590)	113.79	22,608,892	(23.77)	

Sheriff's Law Enforcement Personnel Plan (SLEP)

Sheriff's Law Enforcement Personnel Plan (SLEP)							UAAAL as a
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAAL as a Percentage of Covered Payroll ((2-1)/3)	
12/31/2008	\$ 21,943,584	\$ 43,151,340	\$ 21,207,756	50.85 %	\$ 11,099,363	191.07 %	
12/31/2007	28,010,321	41,050,615	13,040,294	68.23	10,739,633	121.42	
12/31/2006	23,537,231	37,103,030	13,565,799	63.44	10,119,707	134.05	
12/31/2005	23,063,831	35,063,778	11,999,947	65.78	9,711,808	123.56	
12/31/2004	21,752,530	31,037,611	9,285,081	70.08	9,452,233	98.23	
12/31/2003	24,403,588	29,950,460	5,546,872	81.48	8,762,956	63.30	
12/31/2002	24,463,263	29,539,503	5,076,240	82.82	8,233,075	61.66	
12/31/2001	22,270,021	25,576,720	3,306,699	87.07	7,278,410	45.43	
12/31/2000	19,615,611	23,611,081	3,995,470	83.08	7,056,504	56.62	
12/31/1999	17,172,006	22,339,571	5,167,565	76.87	6,883,060	75.08	

Component Unit's Plan - Conservation District

Component Unit's Plan - Conservation District							UAAAL as a
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAAL as a Percentage of Covered Payroll ((2-1)/3)	
12/31/2008	\$ 4,007,472	\$ 6,142,502	\$ 2,135,030	65.24 %	\$ 3,669,347	58.19 %	
12/31/2007	3,779,647	5,542,087	1,762,440	68.20	3,388,994	52.00	
12/31/2006	3,106,899	4,756,881	1,649,982	65.31	3,038,721	54.30	
12/31/2005	3,020,937	4,511,798	1,490,861	66.96	2,948,830	50.56	
12/31/2004	2,514,944	3,716,034	1,201,090	67.68	2,540,270	47.28	
12/31/2003	2,094,537	3,179,461	1,084,924	65.88	2,357,941	46.01	
12/31/2002	1,897,867	2,820,714	922,847	67.28	2,150,203	42.92	
12/31/2001	1,579,222	2,367,171	787,949	66.71	1,997,873	39.44	
12/31/2000	1,246,214	1,959,916	713,702	63.59	1,830,668	38.99	
12/31/1999	883,531	1,655,509	771,978	53.37	1,619,524	47.67	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS (OPEB)
November 30, 2009

County Plan							UAAAL as a
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll		Percentage of Covered Payroll ((2-1)/3)
8/1/2007	\$ -	\$ 12,127,965	\$ 12,127,965	- %	\$ 55,354,688		21.91 %
District Plan							UAAAL as a
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll		Percentage of Covered Payroll ((2-1)/3)
3/31/2008	\$ -	\$ 131,224	\$ 131,224	- %	\$ 4,046,737		3.24 %

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2009

Note 1 – Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. All unexpended annual appropriations lapse at fiscal year-end.

Note 2 – Excess of Expenditures Over Budget

No major funds had an excess of expenditures over budget for fiscal year 2009.

Note 3 – IMRF Information

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$51,066,060 for the Regular Plan, \$12,487,556 for the SLEP Plan, and \$2,953,574 for the District Plan. On a market basis, the funded ratio would be 61.61% for the Regular Plan, 28.94% for the SLEP Plan, and 48.08% for the District Plan.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

GENERAL FUND

To account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
General and Administrative				
County clerk fees	\$ 185,000	\$ 185,000	\$ 168,790	\$ (16,210)
Tax redemption fees	130,000	130,000	156,672	26,672
Recording fees	1,510,000	1,510,000	1,246,715	(263,285)
Penalties/fees on delinquent taxes	1,794,780	1,794,780	2,040,353	245,573
Cable television franchise fees	388,000	388,000	504,598	116,598
Assessor's salary reimbursement	50,196	50,196	25,000	(25,196)
Other fees and charges	13,700	13,700	19,145	5,445
Community Development				
Subdivision review fees	30,000	30,000	5,365	(24,635)
Flood plain investigation fees	175,000	175,000	92,110	(82,890)
Maps and publications fees	6,000	6,000	5,118	(882)
Other fees and charges	11,500	11,500	12,485	985
Public Safety				
Coroner fees	9,000	9,000	9,925	925
Sheriff fees - circuit court	440,000	440,000	424,670	(15,330)
Sheriff fees - photocopies	10,000	10,000	6,681	(3,319)
Sheriff fees - foreign courts	65,000	65,000	66,333	1,333
Foreclosures	15,000	15,000	29,747	14,747
Court security fees	950,000	950,000	904,547	(45,453)
Jail space rental	8,100,000	8,100,000	12,463,503	4,363,503
Payphones	260,000	260,000	302,376	42,376
Dispatching fee	218,417	218,417	239,335	20,918
Squad car replacement fee	50,000	50,000	45,879	(4,121)
Other fees and charges	44,642	72,365	128,117	55,752
Judiciary and Court Related				
10% bond earnings	356,000	356,000	334,427	(21,573)
Circuit clerk fees	3,471,900	3,471,900	3,725,024	253,124
County court fees	572,102	572,102	533,522	(38,580)
Court services salary reimbursements	927,000	927,000	783,452	(143,548)
State's attorney salary reimbursements	138,500	138,500	84,395	(54,105)
State's attorney fees	65,000	65,000	76,791	11,791
Public aid	100,000	100,000	116,291	16,291
Periodic imprisonment fees	15,000	15,000	20,943	5,943
Public defender salary reimbursement	97,000	97,000	62,636	(34,364)
Public defenders fees	60,000	60,000	100,136	40,136
Other fees and charges	29,000	29,000	35,277	6,277

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
CHARGES FOR SERVICES (Continued)				
Public Health and Welfare				
Animal control tags	\$ 552,000	\$ 552,000	\$ 699,102	\$ 147,102
Veterinary fees	61,000	61,000	56,884	(4,116)
Nursing fees	108,500	113,495	92,577	(20,918)
Health review fees	10,000	10,000	4,875	(5,125)
Health promotion	37,959	37,959	15,693	(22,266)
Vital record fees	42,000	42,000	49,938	7,938
Subdivision review fees	18,000	18,000	7,319	(10,681)
Medicare	87,000	87,000	68,586	(18,414)
Public aid	135,300	135,300	164,872	29,572
Private pay	10,000	10,000	9,489	(511)
Vision and hearing fees	85,500	85,500	49,456	(36,044)
Other fees and charges	126,125	126,125	115,418	(10,707)
	<u>21,561,121</u>	<u>21,593,839</u>	<u>26,104,567</u>	<u>4,510,728</u>
LICENSES AND PERMITS				
General and Administrative				
Liquor licenses	124,000	124,000	119,700	(4,300)
Amusement licenses	12,000	12,000	10,110	(1,890)
Community Development				
Building permits	540,000	540,000	330,017	(209,983)
Zoning permits	100,000	100,000	67,479	(32,521)
Hauler license fees	9,500	9,500	3,700	(5,800)
Public Health and Welfare				
Septic and well permits	140,000	140,000	94,498	(45,502)
Health licenses	435,000	435,000	437,075	2,075
	<u>1,360,500</u>	<u>1,360,500</u>	<u>1,062,579</u>	<u>(297,921)</u>
FINES AND FORFEITURES				
Community Development				
Planning fines	13,000	13,000	10,213	(2,787)
Judiciary and Court Related				
Fines and bond forfeitures	1,438,000	1,438,000	1,158,269	(279,731)
County drug fines	135,000	135,000	111,955	(23,045)
Public Health and Welfare				
Veterinary fines	35,000	35,000	28,771	(6,229)
	<u>1,621,000</u>	<u>1,621,000</u>	<u>1,309,208</u>	<u>(311,792)</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
GRANTS, CONTRIBUTIONS, AND INTERGOVERNMENTAL				
General and Administrative				
Election reimbursements	\$ 51,000	\$ 65,440	\$ 262,241	\$ 196,801
Other grants	108,354	108,354	193,309	84,955
Public Safety				
Sheriff's Office - grants	782,839	858,431	714,471	(143,960)
Emergency Management - grants	129,542	210,842	82,885	(127,957)
Coroner - grants	-	4,415	4,415	-
Judiciary and Court Related				
Dependent children care reimbursements	28,000	28,000	29,238	1,238
Dependent children/parent reimbursements	62,000	62,000	37,414	(24,586)
State's Attorney - grants	27,500	27,500	27,500	-
Public Health and Welfare				
Health department grants -				
Nursing	2,548,084	2,907,014	2,579,495	(327,519)
Environmental	146,488	207,341	206,808	(533)
Administration	61,000	65,000	63,441	(1,559)
IDPH vaccines	400,000	400,000	241,132	(158,868)
Total Grants, Contributions, and Intergovernmental	4,344,807	4,944,337	4,442,349	(501,988)
PROPERTY TAXES	31,080,000	31,080,000	31,549,668	469,668
SALES TAXES	9,125,000	9,125,000	7,894,021	(1,230,979)
STATE INCOME TAXES	6,000,000	6,000,000	4,703,268	(1,296,732)
TAX TRANSFER STAMPS	2,025,000	2,025,000	1,232,451	(792,549)
OTHER TAXES				
Local use tax	850,000	850,000	823,095	(26,905)
Personal property replacement tax	750,000	750,000	665,838	(84,162)
Inheritance tax	200,000	200,000	63,769	(136,231)
Off track betting	100,000	100,000	106,257	6,257
Total Other Taxes	1,900,000	1,900,000	1,658,959	(241,041)
INVESTMENT INCOME				
Interest	1,440,500	1,440,500	192,751	(1,247,749)

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
MISCELLANEOUS				
General and Administrative				
Tax sale indemnity proceeds	\$ 175,000	\$ 175,000	\$ 222,420	\$ 47,420
Proceeds from sale of capital assets	40,000	40,000	44,558	4,558
Other income	<u>28,500</u>	<u>28,500</u>	<u>90,472</u>	<u>61,972</u>
Total Miscellaneous	<u>243,500</u>	<u>243,500</u>	<u>357,450</u>	<u>113,950</u>
TOTAL REVENUES	<u>\$ 80,701,428</u>	<u>\$ 81,333,676</u>	<u>\$ 80,507,271</u>	<u>\$ (826,405)</u>

(Concluded)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE				
Administration				
Personnel services	\$ 508,975	\$ 544,446	\$ 544,440	\$ 6
Contractual services	21,232	30,004	29,794	210
Commodities	<u>30,120</u>	<u>21,615</u>	<u>17,746</u>	<u>3,869</u>
Total Administration	<u>560,327</u>	<u>596,065</u>	<u>591,980</u>	<u>4,085</u>
Auditor				
Personnel services	278,572	288,299	288,294	5
Contractual services	8,810	7,810	6,998	812
Commodities	<u>10,739</u>	<u>11,739</u>	<u>11,096</u>	<u>643</u>
Total Auditor	<u>298,121</u>	<u>307,848</u>	<u>306,388</u>	<u>1,460</u>
County Board and Liquor Commission				
Personnel services	575,843	580,938	580,933	5
Contractual services	75,532	75,532	42,717	32,815
Commodities	<u>44,350</u>	<u>44,350</u>	<u>35,731</u>	<u>8,619</u>
Total County Board and Liquor Commission	<u>695,725</u>	<u>700,820</u>	<u>659,381</u>	<u>41,439</u>
County Clerk				
Personnel services	380,031	389,279	389,273	6
Contractual services	9,095	9,095	8,319	776
Commodities	<u>11,260</u>	<u>11,260</u>	<u>7,969</u>	<u>3,291</u>
Total County Clerk	<u>400,386</u>	<u>409,634</u>	<u>405,561</u>	<u>4,073</u>
County Clerk - Elections				
Personnel services	532,423	561,826	561,820	6
Contractual services	269,525	273,965	251,788	22,177
Commodities	<u>253,500</u>	<u>263,500</u>	<u>257,718</u>	<u>5,782</u>
Total County Clerk - Elections	<u>1,055,448</u>	<u>1,099,291</u>	<u>1,071,326</u>	<u>27,965</u>
Educational Service Region				
Personnel services	169,932	176,358	176,353	5
Contractual services	30,200	30,200	24,679	5,521
Commodities	<u>13,606</u>	<u>13,606</u>	<u>7,168</u>	<u>6,438</u>
Total Educational Service Region	<u>213,738</u>	<u>220,164</u>	<u>208,200</u>	<u>11,964</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE (Continued)				
Facilities Management				
Personnel services	\$ 1,017,954	\$ 1,074,575	\$ 1,074,570	\$ 5
Contractual services	1,692,126	1,968,872	1,960,769	8,103
Commodities	<u>118,793</u>	<u>118,793</u>	<u>109,324</u>	<u>9,469</u>
Total Facilities Management	<u>2,828,873</u>	<u>3,162,240</u>	<u>3,144,663</u>	<u>17,577</u>
Human Resources				
Personnel services	246,477	256,914	256,909	5
Contractual services	269,130	274,130	195,030	79,100
Commodities	<u>6,250</u>	<u>6,250</u>	<u>1,985</u>	<u>4,265</u>
Total Human Resources	<u>521,857</u>	<u>537,294</u>	<u>453,924</u>	<u>83,370</u>
Information Technology				
Personnel services	1,573,255	1,609,740	1,609,736	4
Contractual services	1,366,879	1,427,916	1,376,968	50,948
Commodities	<u>76,477</u>	<u>78,052</u>	<u>71,728</u>	<u>6,324</u>
Total Information Technology	<u>3,016,611</u>	<u>3,115,708</u>	<u>3,058,432</u>	<u>57,276</u>
Merit Commission				
Personnel services	5,100	5,100	1,317	3,783
Contractual services	54,000	54,000	42,590	11,410
Commodities	<u>900</u>	<u>900</u>	<u>414</u>	<u>486</u>
Total Merit Commission	<u>60,000</u>	<u>60,000</u>	<u>44,321</u>	<u>15,679</u>
Purchasing				
Personnel services	235,534	245,875	245,870	5
Contractual services	13,330	13,330	12,668	662
Commodities	<u>372,735</u>	<u>372,735</u>	<u>367,327</u>	<u>5,408</u>
Total Purchasing	<u>621,599</u>	<u>631,940</u>	<u>625,865</u>	<u>6,075</u>
Recorder				
Personnel services	1,184,359	1,184,359	1,080,819	103,540
Contractual services	41,765	41,765	21,101	20,664
Commodities	<u>1,557,695</u>	<u>1,557,695</u>	<u>840,224</u>	<u>717,471</u>
Total Recorder	<u>2,783,819</u>	<u>2,783,819</u>	<u>1,942,144</u>	<u>841,675</u>
Supervisor of Assessments				
Personnel services	769,386	795,643	795,638	5
Contractual services	132,375	132,375	70,483	61,892
Commodities	<u>22,500</u>	<u>22,500</u>	<u>18,707</u>	<u>3,793</u>
Total Supervisor of Assessments	<u>924,261</u>	<u>950,518</u>	<u>884,828</u>	<u>65,690</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE (Continued)				
Treasurer				
Personnel services	\$ 574,364	\$ 504,364	\$ 504,354	\$ 10
Contractual services	112,456	112,456	112,456	-
Commodities	<u>8,900</u>	<u>8,900</u>	<u>8,899</u>	<u>1</u>
Total Treasurer	<u>695,720</u>	<u>625,720</u>	<u>625,709</u>	<u>11</u>
Non-Departmental				
Personnel services	1,460,456	843,840	-	843,840
Contractual services	11,393,694	11,197,535	10,421,740	775,795
Commodities	<u>100,350</u>	<u>350</u>	<u>-</u>	<u>350</u>
Total Non-Departmental	<u>12,954,500</u>	<u>12,041,725</u>	<u>10,421,740</u>	<u>1,619,985</u>
Total General and Administrative	<u>27,630,985</u>	<u>27,242,786</u>	<u>24,444,462</u>	<u>2,798,324</u>
COMMUNITY DEVELOPMENT				
Planning and Development				
Personnel services	1,173,317	1,173,317	1,138,119	35,198
Contractual services	171,721	241,107	140,847	100,260
Commodities	<u>61,170</u>	<u>61,170</u>	<u>43,526</u>	<u>17,644</u>
Total Planning and Development	<u>1,406,208</u>	<u>1,475,594</u>	<u>1,322,492</u>	<u>153,102</u>
Total Community Development	<u>1,406,208</u>	<u>1,475,594</u>	<u>1,322,492</u>	<u>153,102</u>
PUBLIC SAFETY				
County Sheriff				
Personnel services	24,038,005	24,115,273	23,811,146	304,127
Contractual services	3,447,448	3,457,981	3,365,542	92,439
Commodities	<u>914,777</u>	<u>988,985</u>	<u>879,763</u>	<u>109,222</u>
Total County Sheriff	<u>28,400,230</u>	<u>28,562,239</u>	<u>28,056,451</u>	<u>505,788</u>
Emergency Management				
Personnel services	227,163	232,987	232,982	5
Contractual services	96,290	166,046	27,242	138,804
Commodities	<u>13,723</u>	<u>25,267</u>	<u>14,395</u>	<u>10,872</u>
Total Emergency Management	<u>337,176</u>	<u>424,300</u>	<u>274,619</u>	<u>149,681</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY (Continued)				
County Coroner				
Personnel services	\$ 307,029	\$ 314,003	\$ 313,998	\$ 5
Contractual services	140,075	151,875	150,986	889
Commodities	19,232	18,347	15,929	2,418
Total County Coroner	<u>466,336</u>	<u>484,225</u>	<u>480,913</u>	<u>3,312</u>
Total Public Safety	<u>29,203,742</u>	<u>29,470,764</u>	<u>28,811,983</u>	<u>658,781</u>
JUDICIARY AND COURT RELATED				
Clerk of the Circuit Court				
Personnel services	1,852,328	1,932,739	1,932,734	5
Contractual services	34,407	60,224	57,861	2,363
Commodities	71,328	45,511	28,174	17,337
Total Clerk of the Circuit Court	<u>1,958,063</u>	<u>2,038,474</u>	<u>2,018,769</u>	<u>19,705</u>
Court Administration				
Personnel services	630,979	680,749	640,080	40,669
Contractual services	849,848	981,098	873,982	107,116
Commodities	63,250	92,000	87,007	4,993
Total Court Administration	<u>1,544,077</u>	<u>1,753,847</u>	<u>1,601,069</u>	<u>152,778</u>
Court Services				
Personnel services	2,337,329	2,457,260	2,457,255	5
Contractual services	938,050	766,050	547,408	218,642
Commodities	39,055	39,055	20,046	19,009
Total Court Services	<u>3,314,434</u>	<u>3,262,365</u>	<u>3,024,709</u>	<u>237,656</u>
Public Defender				
Personnel services	881,145	918,417	918,411	6
Contractual services	10,750	10,750	6,446	4,304
Commodities	10,929	10,929	7,044	3,885
Total Public Defender	<u>902,824</u>	<u>940,096</u>	<u>931,901</u>	<u>8,195</u>
State's Attorney				
Personnel services	2,521,861	2,587,861	2,585,816	2,045
Contractual services	157,776	214,376	204,501	9,875
Commodities	83,000	38,400	36,814	1,586
Total State's Attorney	<u>2,762,637</u>	<u>2,840,637</u>	<u>2,827,131</u>	<u>13,506</u>
Total Judiciary and Court Related	<u>10,482,035</u>	<u>10,835,419</u>	<u>10,403,579</u>	<u>431,840</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC HEALTH AND WELFARE				
Health Department				
Personnel services	\$ 5,100,103	\$ 5,225,394	\$ 5,225,387	\$ 7
Contractual services	519,832	785,514	662,782	122,732
Commodities	<u>972,404</u>	<u>1,080,867</u>	<u>878,388</u>	<u>202,479</u>
Total Health Department	<u>6,592,339</u>	<u>7,091,775</u>	<u>6,766,557</u>	<u>325,218</u>
Total Public Health and Welfare	<u>6,592,339</u>	<u>7,091,775</u>	<u>6,766,557</u>	<u>325,218</u>
Total Expenditures - Current	<u>75,315,309</u>	<u>76,116,338</u>	<u>71,749,073</u>	<u>4,367,265</u>
CAPITAL OUTLAY	<u>1,734,699</u>	<u>2,709,548</u>	<u>2,475,097</u>	<u>234,451</u>
DEBT SERVICE				
Principal retirement	875,954	920,919	905,049	15,870
Interest and fiscal charges	<u>80,656</u>	<u>80,656</u>	<u>80,654</u>	<u>2</u>
Total Debt Service	<u>956,610</u>	<u>1,001,575</u>	<u>985,703</u>	<u>15,872</u>
TOTAL EXPENDITURES	<u>\$ 78,006,618</u>	<u>\$ 79,827,461</u>	<u>\$ 75,209,873</u>	<u>\$ 4,617,588</u>

(Concluded)

**NONMAJOR GOVERNMENTAL FUNDS -
COMBINING STATEMENTS**

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2009

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
ASSETS					
Cash and equivalents	\$ 71,795,676	\$ 82,457	\$ 924,329	\$ 803,208	\$ 73,605,670
Property taxes receivable	19,132,959	-	-	-	19,132,959
Other receivables	1,093,152	336	-	-	1,093,488
Due from other governments	14,726,429	-	-	-	14,726,429
Due from other funds	80,780	-	32,235	-	113,015
Inventory	30,648	-	-	-	30,648
	<u>106,859,644</u>	<u>82,793</u>	<u>956,564</u>	<u>803,208</u>	<u>108,702,209</u>
TOTAL ASSETS	\$ <u>106,859,644</u>	\$ <u>82,793</u>	\$ <u>956,564</u>	\$ <u>803,208</u>	\$ <u>108,702,209</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 6,648,475	\$ 1,450	\$ 238,469	\$ -	\$ 6,888,394
Accrued payroll	1,112,325	-	-	-	1,112,325
Deferred revenues	28,126,507	-	-	-	28,126,507
Due to other funds	678,249	-	-	2,640	680,889
Advance from other funds	2,153,683	-	-	-	2,153,683
Due to grantees	953,471	-	-	-	953,471
	<u>39,672,710</u>	<u>1,450</u>	<u>238,469</u>	<u>2,640</u>	<u>39,915,269</u>
Total Liabilities	<u>39,672,710</u>	<u>1,450</u>	<u>238,469</u>	<u>2,640</u>	<u>39,915,269</u>
Fund Balances					
Reserved for encumbrances	11,970,339	-	457,277	-	12,427,616
Reserved for inventory	30,648	-	-	-	30,648
Reserved for non-current receivables	990,738	-	-	-	990,738
Reserved for grant programs	517,865	-	-	-	517,865
Reserved for debt service	-	81,343	-	-	81,343
Reserved for working cash	-	-	-	800,568	800,568
Unreserved - undesignated	53,677,344	-	260,818	-	53,938,162
	<u>67,186,934</u>	<u>81,343</u>	<u>718,095</u>	<u>800,568</u>	<u>68,786,940</u>
Total Fund Balances	<u>67,186,934</u>	<u>81,343</u>	<u>718,095</u>	<u>800,568</u>	<u>68,786,940</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>106,859,644</u>	\$ <u>82,793</u>	\$ <u>956,564</u>	\$ <u>803,208</u>	\$ <u>108,702,209</u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended November 30, 2009

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES					
Charges for services	\$ 4,355,891	\$ -	\$ -	\$ -	\$ 4,355,891
Licenses and permits	84,723	-	-	-	84,723
Fines and forfeitures	18,862	-	-	-	18,862
Grants, contributions, and intergovernmental	17,204,215	-	-	-	17,204,215
Property taxes	20,081,110	-	-	-	20,081,110
Sales taxes	8,158,247	-	-	-	8,158,247
Other taxes	120,744	-	-	-	120,744
Investment income	245,559	7,106	40,447	2,640	295,752
Miscellaneous	243,377	-	-	-	243,377
Total Revenues	<u>50,512,728</u>	<u>7,106</u>	<u>40,447</u>	<u>2,640</u>	<u>50,562,921</u>
EXPENDITURES					
Current					
General and administrative	2,509,492	10,804	94,578	-	2,614,874
Community development	1,706,675	-	-	-	1,706,675
Transportation	14,393,333	-	3,000	-	14,396,333
Public safety	7,667,097	-	-	-	7,667,097
Judiciary and court related	3,498,102	-	-	-	3,498,102
Public health and welfare	12,090,975	-	-	-	12,090,975
Capital outlay	4,627,001	-	1,554,675	-	6,181,676
Debt service					
Principal retirement	55,443	7,587,760	-	-	7,643,203
Interest and fiscal charges	3,570	3,180,402	-	-	3,183,972
Total Expenditures	<u>46,551,688</u>	<u>10,778,966</u>	<u>1,652,253</u>	<u>-</u>	<u>58,982,907</u>
Excess (deficiency) of revenues over expenditures	<u>3,961,040</u>	<u>(10,771,860)</u>	<u>(1,611,806)</u>	<u>2,640</u>	<u>(8,419,986)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	9,952,739	10,765,573	867,364	-	21,585,676
Transfers out	(4,881,154)	-	(16,877,010)	(2,640)	(21,760,804)
Debt certificates issued	-	-	4,480,000	-	4,480,000
Premium on debt issuance	-	-	28,416	-	28,416
Total Other Financing Sources (Uses)	<u>5,071,585</u>	<u>10,765,573</u>	<u>(11,501,230)</u>	<u>(2,640)</u>	<u>4,333,288</u>
Net Change in Fund Balances	9,032,625	(6,287)	(13,113,036)	-	(4,086,698)
Fund Balances - Beginning of Year	<u>58,154,309</u>	<u>87,630</u>	<u>13,831,131</u>	<u>800,568</u>	<u>72,873,638</u>
Fund Balances - End of Year	<u>\$ 67,186,934</u>	<u>\$ 81,343</u>	<u>\$ 718,095</u>	<u>\$ 800,568</u>	<u>\$ 68,786,940</u>

NONMAJOR SPECIAL REVENUE FUNDS

Veterans' Assistance Commission Bus Fund – to account for expenditures related to the purchase of buses used to transport veterans.

Veterans' Assistance Commission Fund – to account for expenditures to assist veterans. Revenue is from property taxes.

Illinois Municipal Retirement Fund – To account for expenditures for municipal retirement expenses for the County's employees. Revenue is primarily from property taxes.

Social Security Fund – to account for expenditures related to Social Security payments to the United States government. Revenue is from property taxes.

Highway Department Relocation Fund – to account for all expenditures and funds received on deposit for the sale of property and relocation of the Highway Department.

County Highway Fund – to account for expenditures for highway maintenance and construction. Revenues are from property taxes and charges for services.

Matching Fund – to account for expenditures for road construction. Revenue is from property taxes.

County Bridge Fund – to account for expenditures to construct and maintain County bridges. Revenue is from property taxes.

County Option Motor Fuel Tax Fund – To account for the collection of an optional gasoline tax to be used for road maintenance and repair.

Tuberculosis Care and Treatment Fund – to account for expenditures for the administration of the tuberculosis care program. Revenue is from property taxes.

Maintenance and Child Support Collection Fund – to account for fees charged to obligors to process child support payments.

County Clerk Automation Fund – to account for fees collected to be used for the automation of the County Clerk's Office.

Recorder Automation Fund – to account for Recorder's automation fees to be used to improve the capabilities of the Recorder's office through the application of new technology.

Animal Shelter Fund – to account for expenditures for the maintenance of the animal shelter. Revenue is from contracts with various municipalities.

County Treasurer Automation Fund – to account for the collection of a fee for the upgrading of equipment and programs necessary to assist in the collection and distribution of taxes. The funds are also used for advanced recordkeeping and to microfiche all office records.

Workforce Network Fund – to account for funds received under the Workforce Investment Act (WIA) used for various employment and training programs and services, which help eligible individuals become economically self-sufficient.

Law Library Fund – to account for the operations of the law library. Revenues are from a fee charged on civil court cases.

Mental Health Capital Development Fund – to account for a loan returned to the Department of Mental Health by Memorial Hospital.

Mental Health Grant Fund – to account for funds made available through the Title XX and Community Services Block Grant programs and various other grant programs through the Illinois Departments of Human Services and Children and Family Services.

Circuit Court Document Storage Fund – to account for the collection of document storage fees to be used to establish and maintain a document storage system in the office of the Clerk of the Circuit Court.

Probation Service Fee Fund – to account for probation service fees collected from persons sentenced to probation.

HUD Grants Fund – to account for grant funds received from the U.S. Department of Housing and Urban Development (HUD). Grant programs include Community Development Block Grants (CDBG), Home Investment Partnership Program (HOME), Neighborhood Stabilization Program (NSP), and Homelessness Prevention and Rapid Re-Housing Program (HPRP). Funds are used to assist communities in meeting their greatest economic and community development needs, with an emphasis upon persons with low to moderate income.

Dental Care Clinic Fund – to account for funds used in the operation of the County Dental Care Clinic.

Circuit Court Automation Fund – to account for the collection of court automation fees to be used to establish and maintain automated recordkeeping systems of the Clerk of the Circuit Court.

Illinois Criminal Justice Authority Fund – to account for funds used in the Multi-Jurisdictional Drug Prosecution Program. This program is designed to prosecute all felony narcotics cases, including any correlative forfeiture actions.

Circuit Court Admin Fund – to account for fees that are restricted to the Circuit Clerk's Office.

EMDT Fund – to account for funds used for the purpose of providing drug and alcohol testing along with electronic monitoring services.

Treasurer's Passport Services Fund – to account for the collection of fees and processing of passport applications in the Treasurer's Office.

Prairie Shield Grant Fund - to account for a grant received from the Illinois Emergency Management Agency for the acquisition of interoperable communication equipment.

DUI Conviction Fund – to account for DUI conviction fines allocated to the County by the Illinois vehicle code to be used for the procurement of law enforcement equipment.

Geographic Information Systems Fund – to account for the collection of fees to be used for the implementation and maintenance of the County's Geographic Information System.

Revolving Loan Fund – to account for monies received from the State of Illinois for community development loans under the Community Development Block Grant Program. The principal and interest repaid on these loans is kept by the County and used to make new community development loans.

Health Scholarship Fund – to account for monies donated for use by the County Board and the Health Department for support of a Public Health Scholarship and research activities.

Senior Services Fund – to account for the revenues and expenditures of the social services – senior citizens tax levy.

RTA Sales Tax Fund – to account for the collection of a sales tax, which is restricted for use on transportation and public safety programs.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2009

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	Illinois Municipal Retirement Fund	Social Security Fund
ASSETS				
Cash and equivalents	\$ 6,512	\$ 1,194,696	\$ 6,014,125	\$ 3,393,197
Property taxes receivable	-	371,208	4,580,050	3,300,033
Other receivables	-	-	-	-
Due from other governments	-	10,000	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	<u>\$ 6,512</u>	<u>\$ 1,575,904</u>	<u>\$ 10,594,175</u>	<u>\$ 6,693,230</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ -	\$ 12,740	\$ -	\$ -
Accrued payroll	-	4,636	845,014	87,791
Deferred revenues	-	360,000	4,500,000	3,250,000
Due to other funds	-	3,355	-	-
Advance from other funds	-	-	-	-
Due to grantees	-	-	-	-
Total Liabilities	<u>-</u>	<u>380,731</u>	<u>5,345,014</u>	<u>3,337,791</u>
Fund Balances (Deficit)				
Reserved for encumbrances	-	21,200	-	-
Reserved for inventory	-	-	-	-
Reserved for non-current receivables	-	-	-	-
Reserved for grant programs	-	13,924	-	-
Unreserved - undesignated	6,512	1,160,049	5,249,161	3,355,439
Total Fund Balances (Deficit)	<u>6,512</u>	<u>1,195,173</u>	<u>5,249,161</u>	<u>3,355,439</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 6,512</u>	<u>\$ 1,575,904</u>	<u>\$ 10,594,175</u>	<u>\$ 6,693,230</u>

Highway Department Relocation Fund	County Highway Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund
\$ -	\$ 4,878,193	\$ 15,366,176	\$ 4,031,008	\$ 14,612,253	\$ 296,671
-	6,492,380	1,070,047	1,020,014	-	488,704
-	100,264	374	-	669	-
-	12,484	1,458,663	697,962	3,125,475	-
-	65,200	-	-	-	-
-	29,407	-	-	-	-
<u>\$ -</u>	<u>\$ 11,577,928</u>	<u>\$ 17,895,260</u>	<u>\$ 5,748,984</u>	<u>\$ 17,738,397</u>	<u>\$ 785,375</u>
\$ -	\$ 51,743	\$ 288,104	\$ 273,881	\$ 1,227,169	\$ 3,633
-	83,436	-	-	-	4,693
-	6,365,000	2,459,037	1,697,962	2,953,215	480,697
-	134,154	-	-	-	8,593
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>6,634,333</u>	<u>2,747,141</u>	<u>1,971,843</u>	<u>4,180,384</u>	<u>497,616</u>
-	1,067,864	2,602,344	1,712,931	6,365,117	-
-	29,407	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,846,324	12,545,775	2,064,210	7,192,896	287,759
<u>-</u>	<u>4,943,595</u>	<u>15,148,119</u>	<u>3,777,141</u>	<u>13,558,013</u>	<u>287,759</u>
<u>\$ -</u>	<u>\$ 11,577,928</u>	<u>\$ 17,895,260</u>	<u>\$ 5,748,984</u>	<u>\$ 17,738,397</u>	<u>\$ 785,375</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2009

	Maintenance and Child Support Collection Fund	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund
ASSETS				
Cash and equivalents	\$ 293,115	\$ 94,571	\$ 707,144	\$ 43,463
Property taxes receivable	-	-	-	-
Other receivables	-	-	674	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	<u>\$ 293,115</u>	<u>\$ 94,571</u>	<u>\$ 707,818</u>	<u>\$ 43,463</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ -	\$ 556	\$ 19,073	\$ -
Accrued payroll	2,801	-	4,795	-
Deferred revenues	-	-	674	-
Due to other funds	1,410	-	2,962	25,000
Advance from other funds	-	-	-	-
Due to grantees	-	-	-	-
Total Liabilities	<u>4,211</u>	<u>556</u>	<u>27,504</u>	<u>25,000</u>
Fund Balances (Deficit)				
Reserved for encumbrances	-	-	-	-
Reserved for inventory	-	-	-	-
Reserved for non-current receivables	-	-	-	-
Reserved for grant programs	-	-	-	-
Unreserved - undesignated	288,904	94,015	680,314	18,463
Total Fund Balances (Deficit)	<u>288,904</u>	<u>94,015</u>	<u>680,314</u>	<u>18,463</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 293,115</u>	<u>\$ 94,571</u>	<u>\$ 707,818</u>	<u>\$ 43,463</u>

County Treasurer Automation Fund	Workforce Network Fund	Law Library Fund	Mental Health Capital Development Fund	Mental Health Grant Fund	Circuit Court Document Storage Fund
\$ 316,077	\$ 173,005	\$ 336,865	\$ 126,626	\$ 262,882	\$ 860,031
-	-	-	-	-	-
-	433	-	-	-	-
-	2,554,089	-	-	1,528,237	-
-	-	-	1,100	-	-
-	-	-	-	1,241	-
<u>\$ 316,077</u>	<u>\$ 2,727,527</u>	<u>\$ 336,865</u>	<u>\$ 127,726</u>	<u>\$ 1,792,360</u>	<u>\$ 860,031</u>
\$ 5,993	\$ 174,469	\$ 5,930	\$ 2,255	\$ 311,474	\$ 162
357	27,907	881	-	21,010	4,425
-	1,859,522	-	-	1,243,379	-
-	15,138	-	-	397,388	-
-	-	-	-	-	1,228,348
-	-	-	-	745,553	-
<u>6,350</u>	<u>2,077,036</u>	<u>6,811</u>	<u>2,255</u>	<u>2,718,804</u>	<u>1,232,935</u>
2,328	-	-	-	-	167,300
-	-	-	-	1,241	-
-	-	-	-	-	-
-	487,402	-	-	16,539	-
<u>307,399</u>	<u>163,089</u>	<u>330,054</u>	<u>125,471</u>	<u>(944,224)</u>	<u>(540,204)</u>
<u>309,727</u>	<u>650,491</u>	<u>330,054</u>	<u>125,471</u>	<u>(926,444)</u>	<u>(372,904)</u>
<u>\$ 316,077</u>	<u>\$ 2,727,527</u>	<u>\$ 336,865</u>	<u>\$ 127,726</u>	<u>\$ 1,792,360</u>	<u>\$ 860,031</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2009

	<u>Probation Service Fee Fund</u>	<u>HUD Grants Fund</u>	<u>Dental Care Clinic Fund</u>	<u>Circuit Court Automation Fund</u>
ASSETS				
Cash and equivalents	\$ 994,862	\$ 161,530	\$ 358,729	\$ 306,637
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Due from other governments	-	194,796	94,855	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 994,862</u>	<u>\$ 356,326</u>	<u>\$ 453,584</u>	<u>\$ 306,637</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ 5,308	\$ 240,015	\$ 6,412	\$ 82,607
Accrued payroll	-	5,035	5,383	5,179
Deferred revenues	-	29,819	14,855	-
Due to other funds	5,120	2,712	28,726	2,631
Advance from other funds	-	-	-	925,335
Due to grantees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>10,428</u>	<u>277,581</u>	<u>55,376</u>	<u>1,015,752</u>
Fund Balances (Deficit)				
Reserved for encumbrances	-	-	-	15,000
Reserved for inventory	-	-	-	-
Reserved for non-current receivables	-	-	-	-
Reserved for grant programs	-	-	-	-
Unreserved - undesignated	984,434	78,745	398,208	(724,115)
	<u>984,434</u>	<u>78,745</u>	<u>398,208</u>	<u>(709,115)</u>
Total Fund Balances (Deficit)	<u>984,434</u>	<u>78,745</u>	<u>398,208</u>	<u>(709,115)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 994,862</u>	<u>\$ 356,326</u>	<u>\$ 453,584</u>	<u>\$ 306,637</u>

Illinois Criminal Justice Authority Fund	Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	Prairie Shield Grant Fund	DUI Conviction Fund
\$ 3,075	\$ 70,995	\$ 44,852	\$ 58,384	\$ 745,987	\$ 42,618
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,053,467	-
-	-	-	-	14,480	-
-	-	-	-	-	-
<u>\$ 3,075</u>	<u>\$ 70,995</u>	<u>\$ 44,852</u>	<u>\$ 58,384</u>	<u>\$ 3,813,934</u>	<u>\$ 42,618</u>
\$ -	\$ 7,475	\$ -	\$ 3,408	\$ 3,601,219	\$ -
-	-	-	82	-	-
-	-	-	-	460,347	-
2,038	-	14,500	-	-	-
-	-	-	-	-	-
-	-	-	-	207,918	-
<u>2,038</u>	<u>7,475</u>	<u>14,500</u>	<u>3,490</u>	<u>4,269,484</u>	<u>-</u>
-	-	-	-	-	6,205
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,037</u>	<u>63,520</u>	<u>30,352</u>	<u>54,894</u>	<u>(455,550)</u>	<u>36,413</u>
<u>1,037</u>	<u>63,520</u>	<u>30,352</u>	<u>54,894</u>	<u>(455,550)</u>	<u>42,618</u>
<u>\$ 3,075</u>	<u>\$ 70,995</u>	<u>\$ 44,852</u>	<u>\$ 58,384</u>	<u>\$ 3,813,934</u>	<u>\$ 42,618</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2009

	<u>Geographic Information Systems Fund</u>	<u>Revolving Loan Fund</u>	<u>Health Scholarship Fund</u>	<u>Senior Services Fund</u>
ASSETS				
Cash and equivalents	\$ 1,322,117	\$ 643,269	\$ 37,233	\$ 3,043,050
Property taxes receivable	-	-	-	1,810,523
Other receivables	-	990,738	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,322,117</u>	<u>\$ 1,634,007</u>	<u>\$ 37,233</u>	<u>\$ 4,853,573</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ 12,199	\$ -	\$ 500	\$ 312,150
Accrued payroll	8,900	-	-	-
Deferred revenues	-	-	-	1,775,000
Due to other funds	4,522	-	30,000	-
Advance from other funds	-	-	-	-
Due to grantees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>25,621</u>	<u>-</u>	<u>30,500</u>	<u>2,087,150</u>
Fund Balances (Deficit)				
Reserved for encumbrances	10,050	-	-	-
Reserved for inventory	-	-	-	-
Reserved for non-current receivables	-	990,738	-	-
Reserved for grant programs	-	-	-	-
Unreserved - undesignated	1,286,446	643,269	6,733	2,766,423
	<u>1,296,496</u>	<u>1,634,007</u>	<u>6,733</u>	<u>2,766,423</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 1,322,117</u>	<u>\$ 1,634,007</u>	<u>\$ 37,233</u>	<u>\$ 4,853,573</u>

RTA Sales Tax Fund		Totals
\$ 10,955,728	\$ 71,795,676	
-	19,132,959	
-	1,093,152	
1,996,401	14,726,429	
-	80,780	
-	30,648	
<u>\$ 12,952,129</u>	<u>\$ 106,859,644</u>	

\$ -	\$ 6,648,475
-	1,112,325
677,000	28,126,507
-	678,249
-	2,153,683
-	953,471
<u>677,000</u>	<u>39,672,710</u>

-	11,970,339
-	30,648
-	990,738
-	517,865
<u>12,275,129</u>	<u>53,677,344</u>
<u>12,275,129</u>	<u>67,186,934</u>
<u>\$ 12,952,129</u>	<u>\$ 106,859,644</u>

(Concluded)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2009

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	Illinois Municipal Retirement Fund	Social Security Fund
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	42,729	-	-
Property taxes	-	559,517	3,996,163	2,497,667
Sales taxes	-	-	-	-
Other taxes	-	-	120,744	-
Investment income	11	54	12,182	7,020
Miscellaneous	125	100	-	-
	<u>136</u>	<u>602,400</u>	<u>4,129,089</u>	<u>2,504,687</u>
Total Revenues				
EXPENDITURES				
Current				
General and administrative	-	-	654,399	487,977
Community development	-	-	96,490	73,184
Transportation	-	-	249,764	184,786
Public safety	-	-	2,439,547	1,370,621
Judiciary and court related	-	-	730,943	536,869
Public health and welfare	-	567,837	922,462	768,522
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>-</u>	<u>567,837</u>	<u>5,093,605</u>	<u>3,421,959</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	<u>136</u>	<u>34,563</u>	<u>(964,516)</u>	<u>(917,272)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	136	34,563	(964,516)	(917,272)
Fund Balances (Deficit) - Beginning of Year	<u>6,376</u>	<u>1,160,610</u>	<u>6,213,677</u>	<u>4,272,711</u>
Fund Balances (Deficit) - End of Year	<u>\$ 6,512</u>	<u>\$ 1,195,173</u>	<u>\$ 5,249,161</u>	<u>\$ 3,355,439</u>

Highway Department Relocation Fund	County Highway Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund
\$ -	\$ 2,146	\$ -	\$ -	\$ -	\$ 11,750
-	84,723	-	-	-	-
-	-	-	-	-	-
-	83,814	-	811,719	4,844,173	-
-	6,358,899	3,496,763	999,096	-	399,698
-	-	-	-	-	-
-	-	-	-	-	-
743	7,854	43,314	6,026	72,220	356
-	141,457	-	-	-	-
<u>743</u>	<u>6,678,893</u>	<u>3,540,077</u>	<u>1,816,841</u>	<u>4,916,393</u>	<u>411,804</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	6,658,493	1,837,876	1,358,688	4,103,726	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	278,792
-	737,519	75,756	157,031	3,212,707	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>7,396,012</u>	<u>1,913,632</u>	<u>1,515,719</u>	<u>7,316,433</u>	<u>278,792</u>
<u>743</u>	<u>(717,119)</u>	<u>1,626,445</u>	<u>301,122</u>	<u>(2,400,040)</u>	<u>133,012</u>
-	1,151,871	1,169,647	1,054,347	5,640,540	-
(205,439)	(78,970)	-	-	(3,340,374)	-
<u>(205,439)</u>	<u>1,072,901</u>	<u>1,169,647</u>	<u>1,054,347</u>	<u>2,300,166</u>	<u>-</u>
(204,696)	355,782	2,796,092	1,355,469	(99,874)	133,012
<u>204,696</u>	<u>4,587,813</u>	<u>12,352,027</u>	<u>2,421,672</u>	<u>13,657,887</u>	<u>154,747</u>
<u>\$ -</u>	<u>\$ 4,943,595</u>	<u>\$ 15,148,119</u>	<u>\$ 3,777,141</u>	<u>\$ 13,558,013</u>	<u>\$ 287,759</u>

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2009

	Maintenance and Child Support Collection Fund	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund
REVENUES				
Charges for services	\$ 136,072	\$ 13,380	\$ 863,782	\$ 10,739
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	633	173	2,517	34
Miscellaneous	-	-	-	-
	<u>136,705</u>	<u>13,553</u>	<u>866,299</u>	<u>10,773</u>
Total Revenues				
EXPENDITURES				
Current				
General and administrative	-	3,648	483,881	-
Community development	-	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	164,179	-	-	-
Public health and welfare	-	-	-	9,956
Capital outlay	22,311	12,630	14,999	-
Debt service				
Principal retirement	-	-	39,583	-
Interest and fiscal charges	-	-	3,570	-
	<u>186,490</u>	<u>16,278</u>	<u>542,033</u>	<u>9,956</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	<u>(49,785)</u>	<u>(2,725)</u>	<u>324,266</u>	<u>817</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(49,785)	(2,725)	324,266	817
Fund Balances (Deficit) - Beginning of Year	<u>338,689</u>	<u>96,740</u>	<u>356,048</u>	<u>17,646</u>
Fund Balances (Deficit) - End of Year	<u>\$ 288,904</u>	<u>\$ 94,015</u>	<u>\$ 680,314</u>	<u>\$ 18,463</u>

<u>County Treasurer Automation Fund</u>	<u>Workforce Network Fund</u>	<u>Law Library Fund</u>	<u>Mental Health Capital Development Fund</u>	<u>Mental Health Grant Fund</u>	<u>Circuit Court Document Storage Fund</u>
\$ 87,521	\$ -	\$ 226,657	\$ -	\$ -	\$ 756,420
-	-	-	-	-	-
-	-	-	-	-	-
-	3,576,928	-	-	2,421,967	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,725	327	534	2,436	901	1,690
-	99,103	-	-	1,092	-
<u>89,246</u>	<u>3,676,358</u>	<u>227,191</u>	<u>2,436</u>	<u>2,423,960</u>	<u>758,110</u>
189,769	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	147,382	-	-	738,144
-	3,270,072	-	12,800	4,063,193	-
-	20,338	-	218,965	-	-
-	15,860	-	-	-	-
-	-	-	-	-	-
<u>189,769</u>	<u>3,306,270</u>	<u>147,382</u>	<u>231,765</u>	<u>4,063,193</u>	<u>738,144</u>
<u>(100,523)</u>	<u>370,088</u>	<u>79,809</u>	<u>(229,329)</u>	<u>(1,639,233)</u>	<u>19,966</u>
-	-	-	-	936,334	-
-	-	-	(90,000)	-	-
-	-	-	(90,000)	936,334	-
(100,523)	370,088	79,809	(319,329)	(702,899)	19,966
<u>410,250</u>	<u>280,403</u>	<u>250,245</u>	<u>444,800</u>	<u>(223,545)</u>	<u>(392,870)</u>
<u>\$ 309,727</u>	<u>\$ 650,491</u>	<u>\$ 330,054</u>	<u>\$ 125,471</u>	<u>\$ (926,444)</u>	<u>\$ (372,904)</u>

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2009

	Probation Service Fee Fund	HUD Grants Fund	Dental Care Clinic Fund	Circuit Court Automation Fund
REVENUES				
Charges for services	\$ 317,722	\$ -	\$ 44,603	\$ 804,254
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	1,544,561	421,636	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	1,814	-	619	758
Miscellaneous	-	-	-	-
	<u>319,536</u>	<u>1,544,561</u>	<u>466,858</u>	<u>805,012</u>
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Community development	-	1,534,553	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	276,415	-	-	774,161
Public health and welfare	-	-	378,527	-
Capital outlay	42,286	-	17,460	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>318,701</u>	<u>1,534,553</u>	<u>395,987</u>	<u>774,161</u>
Excess (deficiency) of revenues over expenditures	<u>835</u>	<u>10,008</u>	<u>70,871</u>	<u>30,851</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	835	10,008	70,871	30,851
Fund Balances (Deficit) - Beginning of Year	<u>983,599</u>	<u>68,737</u>	<u>327,337</u>	<u>(739,966)</u>
Fund Balances (Deficit) - End of Year	<u>\$ 984,434</u>	<u>\$ 78,745</u>	<u>\$ 398,208</u>	<u>\$ (709,115)</u>

Illinois Criminal Justice Authority Fund	Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	Prairie Shield Grant Fund	DUI Conviction Fund
\$ -	\$ 71,898	\$ 15,269	\$ 77,817	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	18,862
62,546	-	-	-	3,394,142	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22	253	-	90	1,251	-
-	-	-	-	-	-
<u>62,568</u>	<u>72,151</u>	<u>15,269</u>	<u>77,907</u>	<u>3,395,393</u>	<u>18,862</u>
-	-	-	18,643	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,854,490	2,439
83,394	46,615	-	-	-	-
-	-	-	-	-	-
-	94,999	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>83,394</u>	<u>141,614</u>	<u>-</u>	<u>18,643</u>	<u>3,854,490</u>	<u>2,439</u>
<u>(20,826)</u>	<u>(69,463)</u>	<u>15,269</u>	<u>59,264</u>	<u>(459,097)</u>	<u>16,423</u>
-	-	-	-	-	-
-	-	(14,500)	-	-	-
-	-	(14,500)	-	-	-
(20,826)	(69,463)	769	59,264	(459,097)	16,423
<u>21,863</u>	<u>132,983</u>	<u>29,583</u>	<u>(4,370)</u>	<u>3,547</u>	<u>26,195</u>
<u>\$ 1,037</u>	<u>\$ 63,520</u>	<u>\$ 30,352</u>	<u>\$ 54,894</u>	<u>\$ (455,550)</u>	<u>\$ 42,618</u>

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2009

	Geographic Information Systems Fund	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund
REVENUES				
Charges for services	\$ 915,861	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	1,773,307
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	2,147	59,389	13	5,382
Miscellaneous	-	1,500	-	-
	<u>918,008</u>	<u>60,889</u>	<u>13</u>	<u>1,778,689</u>
EXPENDITURES				
Current				
General and administrative	671,175	-	-	-
Community development	-	2,448	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	-	1,818,814
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>671,175</u>	<u>2,448</u>	<u>-</u>	<u>1,818,814</u>
Excess (deficiency) of revenues over expenditures	<u>246,833</u>	<u>58,441</u>	<u>13</u>	<u>(40,125)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	246,833	58,441	13	(40,125)
Fund Balances (Deficit) - Beginning of Year	<u>1,049,663</u>	<u>1,575,566</u>	<u>6,720</u>	<u>2,806,548</u>
Fund Balances (Deficit) - End of Year	<u>\$ 1,296,496</u>	<u>\$ 1,634,007</u>	<u>\$ 6,733</u>	<u>\$ 2,766,423</u>

RTA Sales Tax Fund	Totals
\$ -	\$ 4,355,891
-	84,723
-	18,862
-	17,204,215
-	20,081,110
8,158,247	8,158,247
-	120,744
13,071	245,559
-	243,377
<u>8,171,318</u>	<u>50,512,728</u>
-	2,509,492
-	1,706,675
-	14,393,333
-	7,667,097
-	3,498,102
-	12,090,975
-	4,627,001
-	55,443
-	3,570
<u>-</u>	<u>46,551,688</u>
<u>8,171,318</u>	<u>3,961,040</u>
-	9,952,739
<u>(1,151,871)</u>	<u>(4,881,154)</u>
<u>(1,151,871)</u>	<u>5,071,585</u>
7,019,447	9,032,625
<u>5,255,682</u>	<u>58,154,309</u>
<u>\$ 12,275,129</u>	<u>\$ 67,186,934</u>

(Concluded)

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VETERANS' ASSISTANCE COMMISSION BUS FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 250	\$ 250	\$ 11	\$ (239)
Miscellaneous	<u>-</u>	<u>-</u>	<u>125</u>	<u>125</u>
Total Revenues	<u>250</u>	<u>250</u>	<u>136</u>	<u>(114)</u>
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	1,000	1,000	-	1,000
Commodities	<u>550</u>	<u>550</u>	<u>-</u>	<u>550</u>
Total Expenditures	<u>1,550</u>	<u>1,550</u>	<u>-</u>	<u>1,550</u>
Net Change in Fund Balance	<u>\$ (1,300)</u>	<u>\$ (1,300)</u>	136	<u>\$ 1,436</u>
Fund Balance - Beginning of Year			<u>6,376</u>	
Fund Balance - End of Year			<u>\$ 6,512</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VETERANS' ASSISTANCE COMMISSION FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ 49,100	\$ 42,729	\$ (6,371)
Property taxes	560,000	560,000	559,517	(483)
Investment income	200	200	54	(146)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>100</u>	<u>(900)</u>
Total Revenues	<u>561,200</u>	<u>610,300</u>	<u>602,400</u>	<u>(7,900)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	252,249	252,249	226,501	25,748
Contractual services	268,380	351,132	319,125	32,007
Commodities	<u>50,591</u>	<u>34,691</u>	<u>22,211</u>	<u>12,480</u>
Total Expenditures	<u>571,220</u>	<u>638,072</u>	<u>567,837</u>	<u>70,235</u>
Net Change in Fund Balance	<u>\$ (10,020)</u>	<u>\$ (27,772)</u>	34,563	<u>\$ 62,335</u>
Fund Balance - Beginning of Year			<u>1,160,610</u>	
Fund Balance - End of Year			<u>\$ 1,195,173</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 4,000,000	\$ 4,000,000	\$ 3,996,163	\$ (3,837)
Other taxes				
Personal property replacement tax	100,000	100,000	120,744	20,744
Investment income	<u>156,800</u>	<u>156,800</u>	<u>12,182</u>	<u>(144,618)</u>
Total Revenues	<u>4,256,800</u>	<u>4,256,800</u>	<u>4,129,089</u>	<u>(127,711)</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	665,343	665,343	654,399	10,944
Community development	98,104	98,104	96,490	1,614
Transportation	253,941	253,941	249,764	4,177
Public safety	2,480,343	2,480,343	2,439,547	40,796
Judiciary and court related	743,167	743,167	730,943	12,224
Public health and welfare	<u>937,888</u>	<u>937,888</u>	<u>922,462</u>	<u>15,426</u>
Total Expenditures	<u>5,178,786</u>	<u>5,178,786</u>	<u>5,093,605</u>	<u>85,181</u>
Net Change in Fund Balance	<u>\$ (921,986)</u>	<u>\$ (921,986)</u>	(964,516)	<u>\$ (42,530)</u>
Fund Balance - Beginning of Year			<u>6,213,677</u>	
Fund Balance - End of Year			<u>\$ 5,249,161</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SECURITY FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 2,500,000	\$ 2,500,000	\$ 2,497,667	\$ (2,333)
Investment income	<u>111,025</u>	<u>111,025</u>	<u>7,020</u>	<u>(104,005)</u>
Total Revenues	<u>2,611,025</u>	<u>2,611,025</u>	<u>2,504,687</u>	<u>(106,338)</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	536,749	536,749	487,977	48,772
Community development	80,499	80,499	73,184	7,315
Transportation	203,255	203,255	184,786	18,469
Public safety	1,507,612	1,507,612	1,370,621	136,991
Judiciary and court related	590,528	590,528	536,869	53,659
Public health and welfare	<u>845,334</u>	<u>845,334</u>	<u>768,522</u>	<u>76,812</u>
Total Expenditures	<u>3,763,977</u>	<u>3,763,977</u>	<u>3,421,959</u>	<u>342,018</u>
Net Change in Fund Balance	<u>\$ (1,152,952)</u>	<u>\$ (1,152,952)</u>	(917,272)	<u>\$ 235,680</u>
Fund Balance - Beginning of Year			<u>4,272,711</u>	
Fund Balance - End of Year			<u>\$ 3,355,439</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HIGHWAY DEPARTMENT RELOCATION FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 5,000	\$ 5,000	\$ 743	\$ (4,257)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	5,000	5,000	743	(4,257)
OTHER FINANCING USES				
Transfers out	<u>(220,713)</u>	<u>(220,713)</u>	<u>(205,439)</u>	<u>15,274</u>
Net Change in Fund Balance	<u>\$ (215,713)</u>	<u>\$ (215,713)</u>	(204,696)	<u>\$ 11,017</u>
Fund Balance - Beginning of Year			<u>204,696</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY HIGHWAY FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 7,000	\$ 7,000	\$ 2,146	\$ (4,854)
Licenses and permits	120,000	120,000	84,723	(35,277)
Grants, contributions, and intergovernmental	78,876	78,876	83,814	4,938
Property taxes	6,365,000	6,365,000	6,358,899	(6,101)
Investment income	92,000	92,000	7,854	(84,146)
Miscellaneous	87,000	87,000	141,457	54,457
Total Revenues	<u>6,749,876</u>	<u>6,749,876</u>	<u>6,678,893</u>	<u>(70,983)</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	4,703,424	4,703,424	4,417,203	286,221
Contractual services	655,923	2,668,961	1,634,636	1,034,325
Commodities	685,687	727,175	606,654	120,521
Capital outlay	655,000	1,360,469	737,519	622,950
Total Expenditures	<u>6,700,034</u>	<u>9,460,029</u>	<u>7,396,012</u>	<u>2,064,017</u>
Excess (deficiency) of revenues over expenditures	<u>49,842</u>	<u>(2,710,153)</u>	<u>(717,119)</u>	<u>1,993,034</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,000,000	1,151,871	(848,129)
Transfers out	(78,970)	(78,970)	(78,970)	-
Total Other Financing Sources (Uses)	<u>(78,970)</u>	<u>1,921,030</u>	<u>1,072,901</u>	<u>(848,129)</u>
Net Change in Fund Balances	<u>\$ (29,128)</u>	<u>\$ (789,123)</u>	355,782	<u>\$ 1,144,905</u>
Fund Balance - Beginning of Year			<u>4,587,813</u>	
Fund Balance - End of Year			<u>\$ 4,943,595</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MATCHING FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 1,130,000	\$ 1,130,000	\$ -	\$ (1,130,000)
Property taxes	3,500,000	3,500,000	3,496,763	(3,237)
Investment income	<u>260,000</u>	<u>260,000</u>	<u>43,314</u>	<u>(216,686)</u>
Total Revenues	<u>4,890,000</u>	<u>4,890,000</u>	<u>3,540,077</u>	<u>(1,349,923)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	2,671,000	4,271,000	1,837,876	2,433,124
Capital outlay	<u>2,000,000</u>	<u>3,646,254</u>	<u>75,756</u>	<u>3,570,498</u>
Total Expenditures	<u>4,671,000</u>	<u>7,917,254</u>	<u>1,913,632</u>	<u>6,003,622</u>
Excess (deficiency) of revenues over expenditures	219,000	(3,027,254)	1,626,445	4,653,699
OTHER FINANCING SOURCES				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>1,169,647</u>	<u>669,647</u>
Net Change in Fund Balance	<u>\$ 719,000</u>	<u>\$ (2,527,254)</u>	2,796,092	<u>\$ 5,323,346</u>
Fund Balance - Beginning of Year			<u>12,352,027</u>	
Fund Balance - End of Year			<u>\$ 15,148,119</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY BRIDGE FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 1,100,000	\$ 1,100,000	\$ 811,719	\$ (288,281)
Property taxes	1,000,000	1,000,000	999,096	(904)
Investment income	<u>50,000</u>	<u>50,000</u>	<u>6,026</u>	<u>(43,974)</u>
Total Revenues	<u>2,150,000</u>	<u>2,150,000</u>	<u>1,816,841</u>	<u>(333,159)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	1,510,000	2,223,448	1,358,688	864,760
Capital outlay	<u>580,000</u>	<u>580,000</u>	<u>157,031</u>	<u>422,969</u>
Total Expenditures	<u>2,090,000</u>	<u>2,803,448</u>	<u>1,515,719</u>	<u>1,287,729</u>
Excess (deficiency) of revenues over expenditures	60,000	(653,448)	301,122	954,570
OTHER FINANCING SOURCES				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>1,054,347</u>	<u>554,347</u>
Net Change in Fund Balance	<u>\$ 560,000</u>	<u>\$ (153,448)</u>	1,355,469	<u>\$ 1,508,917</u>
Fund Balance - Beginning of Year			<u>2,421,672</u>	
Fund Balance - End of Year			<u>\$ 3,777,141</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY OPTION MOTOR FUEL TAX FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 8,031,413	\$ 8,031,413	\$ 4,844,173	\$ (3,187,240)
Investment income	<u>500,000</u>	<u>500,000</u>	<u>72,220</u>	<u>(427,780)</u>
Total Revenues	<u>8,531,413</u>	<u>8,531,413</u>	<u>4,916,393</u>	<u>(3,615,020)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	7,424,413	9,204,920	4,029,326	5,175,594
Commodities	148,000	196,076	74,400	121,676
Capital outlay	<u>7,115,000</u>	<u>11,422,465</u>	<u>3,212,707</u>	<u>8,209,758</u>
Total Expenditures	<u>14,687,413</u>	<u>20,823,461</u>	<u>7,316,433</u>	<u>13,507,028</u>
Deficiency of revenues over expenditures	(6,156,000)	(12,292,048)	(2,400,040)	9,892,008
OTHER FINANCING SOURCES (USES)				
Transfers in	7,387,500	7,387,500	5,640,540	(1,746,960)
Transfers out	<u>(3,328,338)</u>	<u>(3,340,374)</u>	<u>(3,340,374)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>4,059,162</u>	<u>4,047,126</u>	<u>2,300,166</u>	<u>(1,746,960)</u>
Net Change in Fund Balances	<u>\$ (2,096,838)</u>	<u>\$ (8,244,922)</u>	(99,874)	<u>\$ 8,145,048</u>
Fund Balance - Beginning of Year			<u>13,657,887</u>	
Fund Balance - End of Year			<u>\$ 13,558,013</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TUBERCULOSIS CARE AND TREATMENT FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 8,000	\$ 8,000	\$ 11,750	\$ 3,750
Property taxes	400,000	400,000	399,698	(302)
Investment income	<u>3,500</u>	<u>3,500</u>	<u>356</u>	<u>(3,144)</u>
Total Revenues	<u>411,500</u>	<u>411,500</u>	<u>411,804</u>	<u>304</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	234,775	234,775	223,963	10,812
Contractual services	83,725	83,725	38,683	45,042
Commodities	<u>42,300</u>	<u>42,300</u>	<u>16,146</u>	<u>26,154</u>
Total Expenditures	<u>360,800</u>	<u>360,800</u>	<u>278,792</u>	<u>82,008</u>
Net Change in Fund Balance	<u>\$ 50,700</u>	<u>\$ 50,700</u>	133,012	<u>\$ 82,312</u>
Fund Balance - Beginning of Year			<u>154,747</u>	
Fund Balance - End of Year			<u>\$ 287,759</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAINTENANCE AND CHILD SUPPORT COLLECTION FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 165,000	\$ 165,000	\$ 136,072	\$ (28,928)
Investment income	<u>8,500</u>	<u>8,500</u>	<u>633</u>	<u>(7,867)</u>
Total Revenues	<u>173,500</u>	<u>173,500</u>	<u>136,705</u>	<u>(36,795)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	148,413	148,413	139,179	9,234
Contractual services	25,087	25,087	25,000	87
Capital outlay	<u>-</u>	<u>22,311</u>	<u>22,311</u>	<u>-</u>
Total Expenditures	<u>173,500</u>	<u>195,811</u>	<u>186,490</u>	<u>9,321</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (22,311)</u>	(49,785)	<u>\$ (27,474)</u>
Fund Balance - Beginning of Year			<u>338,689</u>	
Fund Balance - End of Year			<u>\$ 288,904</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK AUTOMATION FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 15,000	\$ 15,000	\$ 13,380	\$ (1,620)
Investment income	<u>2,500</u>	<u>2,500</u>	<u>173</u>	<u>(2,327)</u>
Total Revenues	<u>17,500</u>	<u>17,500</u>	<u>13,553</u>	<u>(3,947)</u>
EXPENDITURES				
Current				
General and administrative				
Contractual services	10,000	10,000	3,648	6,352
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>12,630</u>	<u>2,370</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>16,278</u>	<u>8,722</u>
Net Change in Fund Balance	<u>\$ (7,500)</u>	<u>\$ (7,500)</u>	(2,725)	<u>\$ 4,775</u>
Fund Balance - Beginning of Year			<u>96,740</u>	
Fund Balance - End of Year			<u>\$ 94,015</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECORDER AUTOMATION FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 786,000	\$ 786,000	\$ 863,782	\$ 77,782
Investment income	15,000	15,000	2,517	(12,483)
Total Revenues	801,000	801,000	866,299	65,299
EXPENDITURES				
Current				
General and administrative				
Personnel services	413,388	413,388	238,182	175,206
Contractual services	284,450	333,545	216,699	116,846
Commodities	95,600	95,600	29,000	66,600
Capital outlay	136,500	136,500	14,999	121,501
Debt service				
Principal retirement	39,583	39,583	39,583	-
Interest and fiscal charges	3,570	3,570	3,570	-
Total Expenditures	973,091	1,022,186	542,033	480,153
Excess (deficiency) of revenues over expenditures	(172,091)	(221,186)	324,266	545,452
OTHER FINANCING USES				
Transfers out	(27,974)	(27,974)	-	27,974
Net Change in Fund Balance	\$ (200,065)	\$ (249,160)	324,266	\$ 573,426
Fund Balance - Beginning of Year			356,048	
Fund Balance - End of Year			\$ 680,314	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ANIMAL SHELTER FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 4,000	\$ 4,000	\$ 10,739	\$ 6,739
Investment income	<u>500</u>	<u>500</u>	<u>34</u>	<u>(466)</u>
Total Revenues	4,500	4,500	10,773	6,273
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>10,000</u>	<u>10,000</u>	<u>9,956</u>	<u>44</u>
Net Change in Fund Balance	<u>\$ (5,500)</u>	<u>\$ (5,500)</u>	817	<u>\$ 6,317</u>
Fund Balance - Beginning of Year			<u>17,646</u>	
Fund Balance - End of Year			<u>\$ 18,463</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY TREASURER AUTOMATION FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 127,985	\$ 127,985	\$ 87,521	\$ (40,464)
Investment income	<u>9,300</u>	<u>9,300</u>	<u>1,725</u>	<u>(7,575)</u>
Total Revenues	<u>137,285</u>	<u>137,285</u>	<u>89,246</u>	<u>(48,039)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	116,000	116,000	104,235	11,765
Contractual services	73,300	81,070	81,070	-
Commodities	66,984	66,984	4,464	62,520
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Expenditures	<u>256,285</u>	<u>264,055</u>	<u>189,769</u>	<u>74,286</u>
Net Change in Fund Balance	<u>\$ (119,000)</u>	<u>\$ (126,770)</u>	(100,523)	<u>\$ 26,247</u>
Fund Balance - Beginning of Year			<u>410,250</u>	
Fund Balance - End of Year			<u>\$ 309,727</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKFORCE NETWORK FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 1,688,665	\$ 3,178,411	\$ 3,576,928	\$ 398,517
Investment income	10,000	10,000	327	(9,673)
Miscellaneous	<u>134,000</u>	<u>134,000</u>	<u>99,103</u>	<u>(34,897)</u>
Total Revenues	<u>1,832,665</u>	<u>3,322,411</u>	<u>3,676,358</u>	<u>353,947</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,064,699	1,696,062	1,686,670	9,392
Contractual services	662,081	1,477,188	1,476,779	409
Commodities	88,385	106,661	106,623	38
Capital outlay	1,600	26,600	20,338	6,262
Debt service				
Principal retirement	<u>15,900</u>	<u>15,900</u>	<u>15,860</u>	<u>40</u>
Total Expenditures	<u>1,832,665</u>	<u>3,322,411</u>	<u>3,306,270</u>	<u>16,141</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	370,088	<u>\$ 370,088</u>
Fund Balance - Beginning of Year			<u>280,403</u>	
Fund Balance - End of Year			<u>\$ 650,491</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 190,000	\$ 190,000	\$ 226,657	\$ 36,657
Investment income	-	-	534	534
Total Revenues	<u>190,000</u>	<u>190,000</u>	<u>227,191</u>	<u>37,191</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	32,929	32,929	32,714	215
Contractual services	3,900	3,900	260	3,640
Commodities	<u>115,200</u>	<u>115,200</u>	<u>114,408</u>	<u>792</u>
Total Expenditures	<u>152,029</u>	<u>152,029</u>	<u>147,382</u>	<u>4,647</u>
Net Change in Fund Balance	<u>\$ 37,971</u>	<u>\$ 37,971</u>	79,809	<u>\$ 41,838</u>
Fund Balance - Beginning of Year			<u>250,245</u>	
Fund Balance - End of Year			<u>\$ 330,054</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MENTAL HEALTH CAPITAL DEVELOPMENT FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment income	\$ 5,000	\$ 5,000	\$ 2,436	\$ (2,564)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	29,000	29,000	12,800	16,200
Capital outlay	295,000	295,000	218,965	76,035
Total Expenditures	324,000	324,000	231,765	92,235
Deficiency of revenues over expenditures	(319,000)	(319,000)	(229,329)	89,671
OTHER FINANCING SOURCES (USES)				
Transfers in	90,000	90,000	-	(90,000)
Transfers out	(90,000)	(90,000)	(90,000)	-
Total other financing sources (uses)	-	-	(90,000)	(90,000)
Net Change in Fund Balance	\$ (319,000)	\$ (319,000)	(319,329)	\$ (329)
Fund Balance - Beginning of Year			444,800	
Fund Balance - End of Year			\$ 125,471	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND DEFICIT - BUDGET AND ACTUAL
MENTAL HEALTH GRANT FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 2,810,852	\$ 2,860,092	\$ 2,421,967	\$ (438,125)
Investment income	2,500	2,500	901	(1,599)
Miscellaneous	<u>47,000</u>	<u>47,000</u>	<u>1,092</u>	<u>(45,908)</u>
Total Revenues	<u>2,860,352</u>	<u>2,909,592</u>	<u>2,423,960</u>	<u>(485,632)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,521,685	1,572,755	1,240,798	331,957
Contractual services	2,908,563	2,914,396	2,717,248	197,148
Commodities	149,878	150,451	105,147	45,304
Capital outlay	<u>19,167</u>	<u>19,167</u>	<u>-</u>	<u>19,167</u>
Total Expenditures	<u>4,599,293</u>	<u>4,656,769</u>	<u>4,063,193</u>	<u>593,576</u>
Deficiency of revenues over expenditures	(1,738,941)	(1,747,177)	(1,639,233)	107,944
OTHER FINANCING SOURCES				
Transfers in	<u>1,715,794</u>	<u>1,724,030</u>	<u>936,334</u>	<u>(787,696)</u>
Net Change in Fund Balance	<u>\$ (23,147)</u>	<u>\$ (23,147)</u>	(702,899)	<u>\$ (679,752)</u>
Fund Deficit - Beginning of Year			<u>(223,545)</u>	
Fund Deficit - End of Year			<u>\$ (926,444)</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND DEFICIT - BUDGET AND ACTUAL
CIRCUIT COURT DOCUMENT STORAGE FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 768,000	\$ 768,000	\$ 756,420	\$ (11,580)
Investment income	<u>23,500</u>	<u>23,500</u>	<u>1,690</u>	<u>(21,810)</u>
Total Revenues	<u>791,500</u>	<u>791,500</u>	<u>758,110</u>	<u>(33,390)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	194,572	194,572	186,636	7,936
Contractual services	<u>596,928</u>	<u>748,428</u>	<u>551,508</u>	<u>196,920</u>
Total Expenditures	<u>791,500</u>	<u>943,000</u>	<u>738,144</u>	<u>204,856</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (151,500)</u>	19,966	<u>\$ 171,466</u>
Fund Deficit - Beginning of Year			<u>(392,870)</u>	
Fund Deficit - End of Year			<u>\$ (372,904)</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROBATION SERVICE FEE FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 360,000	\$ 360,000	\$ 317,722	\$ (42,278)
Investment income	<u>25,000</u>	<u>25,000</u>	<u>1,814</u>	<u>(23,186)</u>
Total Revenues	<u>385,000</u>	<u>385,000</u>	<u>319,536</u>	<u>(65,464)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	130,885	130,885	82,309	48,576
Contractual services	271,614	271,614	184,018	87,596
Commodities	40,800	40,800	10,088	30,712
Capital outlay	<u>42,300</u>	<u>42,300</u>	<u>42,286</u>	<u>14</u>
Total Expenditures	<u>485,599</u>	<u>485,599</u>	<u>318,701</u>	<u>166,898</u>
Net Change in Fund Balance	<u>\$ (100,599)</u>	<u>\$ (100,599)</u>	835	<u>\$ 101,434</u>
Fund Balance - Beginning of Year			<u>983,599</u>	
Fund Balance - End of Year			<u>\$ 984,434</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HUD GRANTS FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 3,007,098	\$ 7,597,986	\$ 1,544,561	\$ (6,053,425)
EXPENDITURES				
Current				
Community development				
Personnel services	223,079	526,611	193,883	332,728
Contractual services	2,780,019	7,143,031	1,327,798	5,815,233
Commodities	4,000	20,858	12,872	7,986
Total Expenditures	<u>3,007,098</u>	<u>7,690,500</u>	<u>1,534,553</u>	<u>6,155,947</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (92,514)</u>	10,008	<u>\$ 102,522</u>
Fund Balance - Beginning of Year			<u>68,737</u>	
Fund Balance - End of Year			<u>\$ 78,745</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DENTAL CARE CLINIC FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 63,000	\$ 63,000	\$ 44,603	\$ (18,397)
Grants, contributions, and intergovernmental	148,000	198,000	421,636	223,636
Investment income	<u>5,000</u>	<u>5,000</u>	<u>619</u>	<u>(4,381)</u>
Total Revenues	<u>216,000</u>	<u>266,000</u>	<u>466,858</u>	<u>200,858</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	268,311	275,311	275,292	19
Contractual services	110,100	117,200	79,038	38,162
Commodities	14,800	24,800	24,197	603
Capital outlay	<u>-</u>	<u>25,900</u>	<u>17,460</u>	<u>8,440</u>
Total Expenditures	<u>393,211</u>	<u>443,211</u>	<u>395,987</u>	<u>47,224</u>
Net Change in Fund Balance	<u>\$ (177,211)</u>	<u>\$ (177,211)</u>	70,871	<u>\$ 248,082</u>
Fund Balance - Beginning of Year			<u>327,337</u>	
Fund Balance - End of Year			<u>\$ 398,208</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND DEFICIT - BUDGET AND ACTUAL
CIRCUIT COURT AUTOMATION FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 840,000	\$ 840,000	\$ 804,254	\$ (35,746)
Investment income	<u>21,000</u>	<u>21,000</u>	<u>758</u>	<u>(20,242)</u>
Total Revenues	<u>861,000</u>	<u>861,000</u>	<u>805,012</u>	<u>(55,988)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	254,503	254,503	235,781	18,722
Contractual services	617,634	617,131	537,877	79,254
Commodities	-	503	503	-
Capital outlay	<u>-</u>	<u>40,312</u>	<u>-</u>	<u>40,312</u>
Total Expenditures	<u>872,137</u>	<u>912,449</u>	<u>774,161</u>	<u>138,288</u>
Net Change in Fund Balance	<u>\$ (11,137)</u>	<u>\$ (51,449)</u>	30,851	<u>\$ 82,300</u>
Fund Deficit - Beginning of Year			<u>(739,966)</u>	
Fund Deficit - End of Year			<u>\$ (709,115)</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS CRIMINAL JUSTICE AUTHORITY FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 83,394	\$ 83,394	\$ 62,546	\$ (20,848)
Investment income	<u>-</u>	<u>-</u>	<u>22</u>	<u>22</u>
Total Revenues	83,394	83,394	62,568	(20,826)
EXPENDITURES				
Current				
Judiciary and court related Personnel services	<u>83,394</u>	<u>83,394</u>	<u>83,394</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(20,826)	<u>\$ (20,826)</u>
Fund Balance - Beginning of Year			<u>21,863</u>	
Fund Balance - End of Year			<u>\$ 1,037</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CIRCUIT COURT ADMIN FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 82,000	\$ 82,000	\$ 71,898	\$ (10,102)
Investment income	<u>1,600</u>	<u>1,600</u>	<u>253</u>	<u>(1,347)</u>
Total Revenues	<u>83,600</u>	<u>83,600</u>	<u>72,151</u>	<u>(11,449)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	6,500	10,701	9,559	1,142
Commodities	45,000	40,799	37,056	3,743
Capital outlay	<u>-</u>	<u>95,000</u>	<u>94,999</u>	<u>1</u>
Total Expenditures	<u>51,500</u>	<u>146,500</u>	<u>141,614</u>	<u>4,886</u>
Net Change in Fund Balance	<u>\$ 32,100</u>	<u>\$ (62,900)</u>	(69,463)	<u>\$ (6,563)</u>
Fund Balance - Beginning of Year			<u>132,983</u>	
Fund Balance - End of Year			<u>\$ 63,520</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMDT FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 14,500	\$ 14,500	\$ 15,269	\$ 769
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	14,500	14,500	15,269	769
OTHER FINANCING USES				
Transfers out	<u>(14,500)</u>	<u>(14,500)</u>	<u>(14,500)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	769	<u>\$ 769</u>
Fund Balance - Beginning of Year			<u>29,583</u>	
Fund Balance - End of Year			<u>\$ 30,352</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
TREASURER'S PASSPORT SERVICES FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 94,860	\$ 94,860	\$ 77,817	\$ (17,043)
Investment income	<u>3,300</u>	<u>3,300</u>	<u>90</u>	<u>(3,210)</u>
Total Revenues	<u>98,160</u>	<u>98,160</u>	<u>77,907</u>	<u>(20,253)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	85,865	85,865	8,682	77,183
Contractual services	69,000	69,000	5,480	63,520
Commodities	49,000	49,000	4,481	44,519
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Expenditures	<u>203,866</u>	<u>203,866</u>	<u>18,643</u>	<u>185,223</u>
Net Change in Fund Balance	<u>\$ (105,706)</u>	<u>\$ (105,706)</u>	59,264	<u>\$ 164,970</u>
Fund Deficit - Beginning of Year			<u>(4,370)</u>	
Fund Balance - End of Year			<u>\$ 54,894</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
PRAIRIE SHIELD GRANT FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ -	\$ 3,394,142	\$ 3,394,142
Investment income	-	-	<u>1,251</u>	<u>1,251</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>3,395,393</u>	<u>3,395,393</u>
EXPENDITURES				
Current				
Public safety				
Contractual services	-	4,791,967	3,753,231	1,038,736
Commodities	-	<u>137,484</u>	<u>101,259</u>	<u>36,225</u>
Total Expenditures	<u>-</u>	<u>4,929,451</u>	<u>3,854,490</u>	<u>1,074,961</u>
Net Change in Fund Balance	<u>-</u>	<u>\$ (4,929,451)</u>	(459,097)	<u>\$ 4,470,354</u>
Fund Balance - Beginning of Year			<u>3,547</u>	
Fund Deficit - End of Year			<u>\$ (455,550)</u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 DUI CONVICTION FUND
 For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 18,862	\$ (6,138)
EXPENDITURES				
Current				
Public safety				
Commodities	<u>20,234</u>	<u>20,234</u>	<u>2,439</u>	<u>17,795</u>
Net Change in Fund Balance	<u>\$ 4,766</u>	<u>\$ 4,766</u>	16,423	<u>\$ 11,657</u>
Fund Balance - Beginning of Year			<u>26,195</u>	
Fund Balance - End of Year			<u>\$ 42,618</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GEOGRAPHIC INFORMATION SYSTEMS FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 1,106,560	\$ 1,106,560	\$ 915,861	\$ (190,699)
Investment income	<u>28,000</u>	<u>28,000</u>	<u>2,147</u>	<u>(25,853)</u>
Total Revenues	<u>1,134,560</u>	<u>1,134,560</u>	<u>918,008</u>	<u>(216,552)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	525,170	525,170	422,612	102,558
Contractual services	165,050	289,203	226,980	62,223
Commodities	<u>37,650</u>	<u>37,650</u>	<u>21,583</u>	<u>16,067</u>
Total Expenditures	<u>727,870</u>	<u>852,023</u>	<u>671,175</u>	<u>180,848</u>
Net Change in Fund Balance	<u>\$ 406,690</u>	<u>\$ 282,537</u>	246,833	<u>\$ (35,704)</u>
Fund Balance - Beginning of Year			<u>1,049,663</u>	
Fund Balance - End of Year			<u>\$ 1,296,496</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REVOLVING LOAN FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 41,779	\$ 41,779	\$ 59,389	\$ 17,610
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>1,500</u>
Total Revenues	41,779	41,779	60,889	19,110
EXPENDITURES				
Current				
Community development				
Contractual services	<u>133,939</u>	<u>133,939</u>	<u>2,448</u>	<u>131,491</u>
Net Change in Fund Balance	<u>\$ (92,160)</u>	<u>\$ (92,160)</u>	58,441	<u>\$ 150,601</u>
Fund Balance - Beginning of Year			<u>1,575,566</u>	
Fund Balance - End of Year			<u>\$ 1,634,007</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HEALTH SCHOLARSHIP FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 300	\$ 300	\$ 13	\$ (287)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>5,500</u>
Net Change in Fund Balance	<u>\$ (5,200)</u>	<u>\$ (5,200)</u>	13	<u>\$ 5,213</u>
Fund Balance - Beginning of Year			<u>6,720</u>	
Fund Balance - End of Year			<u>\$ 6,733</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SENIOR SERVICES FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 1,775,000	\$ 1,775,000	\$ 1,773,307	\$ (1,693)
Investment income	<u>76,000</u>	<u>76,000</u>	<u>5,382</u>	<u>(70,618)</u>
Total Revenues	1,851,000	1,851,000	1,778,689	(72,311)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>1,775,000</u>	<u>1,827,500</u>	<u>1,818,814</u>	<u>8,686</u>
Net Change in Fund Balance	<u>\$ 76,000</u>	<u>\$ 23,500</u>	(40,125)	<u>\$ (63,625)</u>
Fund Balance - Beginning of Year			<u>2,806,548</u>	
Fund Balance - End of Year			<u>\$ 2,766,423</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RTA SALES TAX FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales taxes	\$ 9,400,000	\$ 9,400,000	\$ 8,158,247	\$ (1,241,753)
Investment income	<u>-</u>	<u>-</u>	<u>13,071</u>	<u>13,071</u>
Total Revenues	9,400,000	9,400,000	8,171,318	(1,228,682)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	9,400,000	9,400,000	8,171,318	(1,228,682)
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(4,000,000)</u>	<u>(1,151,871)</u>	<u>2,848,129</u>
Net Change in Fund Balance	<u>\$ 9,400,000</u>	<u>\$ 5,400,000</u>	7,019,447	<u>\$ 1,619,447</u>
Fund Balance - Beginning of Year			<u>5,255,682</u>	
Fund Balance - End of Year			<u>\$ 12,275,129</u>	

NONMAJOR DEBT SERVICE FUNDS

Series 2001 Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2001 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2002 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2003 C Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs for the County jail expansion project.

Series 2003 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2005 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2005 B Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2006 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2007 A Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2007 B Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Series 2008 Certificate Fund – to account for the accumulation of resources and the payment of general obligation limited tax debt certificates principal, interest, and related costs.

Public Building Commission Debt Fund – to account for the accumulation of resources and the payment of Public Building Commission Revenue Refunding Bonds principal, interest, and related cost.

County of McHenry, Illinois
BALANCE SHEET
NONMAJOR DEBT SERVICE FUND
November 30, 2009

	Public Building Commission Debt Fund
ASSETS	
Cash and equivalents	\$ 82,457
Other receivables	<u>336</u>
TOTAL ASSETS	<u>\$ 82,793</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 1,450
Fund balance	
Reserved for debt service	<u>81,343</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 82,793</u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended November 30, 2009

	Series 2001 Certificate Fund	Series 2001 A Certificate Fund	Series 2002 A Certificate Fund	Series 2003 C Certificate Fund
REVENUES				
Investment income	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Debt service				
Principal retirement	470,000	637,760	370,000	480,000
Interest and fiscal charges	56,467	35,569	173,938	158,233
Total Expenditures	526,467	673,329	543,938	638,233
Deficiency of revenues over expenditures	(526,467)	(673,329)	(543,938)	(638,233)
OTHER FINANCING SOURCES				
Transfers in	526,467	673,329	543,938	638,233
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ -	\$ -	\$ -	\$ -

Series 2003 A Certificate Fund	Series 2005 A Certificate Fund	Series 2005 B Certificate Fund	Series 2006 A Certificate Fund	Series 2007 A Certificate Fund	Series 2007 B Certificate Fund
\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
230,000	-	300,000	410,000	420,000	4,270,000
174,503	67,548	10,513	304,037	173,873	1,926,204
404,503	67,548	310,513	714,037	593,873	6,196,204
(404,503)	(67,544)	(310,513)	(714,037)	(593,873)	(6,196,204)
404,503	64,959	310,513	714,037	593,873	6,196,204
-	(2,585)	-	-	-	-
-	2,585	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended November 30, 2009

	Series 2008 Certificate Fund	Public Building Commission Debt Fund	Totals
REVENUES			
Investment income	\$ -	\$ 7,102	\$ 7,106
EXPENDITURES			
Current			
General and administrative	-	10,804	10,804
Debt service			
Principal retirement	-	-	7,587,760
Interest and fiscal charges	99,517	-	3,180,402
Total Expenditures	99,517	10,804	10,778,966
Deficiency of revenues over expenditures	(99,517)	(3,702)	(10,771,860)
OTHER FINANCING SOURCES			
Transfers in	99,517	-	10,765,573
Net Change in Fund Balances	-	(3,702)	(6,287)
Fund Balances - Beginning of Year	-	85,045	87,630
Fund Balances - End of Year	\$ -	\$ 81,343	\$ 81,343

(Concluded)

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2001 CERTIFICATE FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	470,000	470,000	470,000	-
Interest and fiscal charges	<u>59,683</u>	<u>59,683</u>	<u>56,467</u>	<u>3,216</u>
Total Expenditures	<u>529,683</u>	<u>529,683</u>	<u>526,467</u>	<u>3,216</u>
Deficiency of revenues over expenditures	(529,683)	(529,683)	(526,467)	3,216
OTHER FINANCING SOURCES				
Transfers in	<u>529,683</u>	<u>529,683</u>	<u>526,467</u>	<u>(3,216)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2001 A CERTIFICATE FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	157,555	641,664	637,760	3,904
Interest and fiscal charges	32,445	32,445	35,569	(3,124)
Total Expenditures	190,000	674,109	673,329	780
Deficiency of revenues over expenditures	(190,000)	(674,109)	(673,329)	780
OTHER FINANCING SOURCES				
Transfers in	190,000	674,109	673,329	(780)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2002 A CERTIFICATE FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	370,000	370,000	370,000	-
Interest and fiscal charges	173,988	173,988	173,938	50
Total Expenditures	543,988	543,988	543,938	50
Deficiency of revenues over expenditures	(543,988)	(543,988)	(543,938)	50
OTHER FINANCING SOURCES				
Transfers in	543,988	543,988	543,938	(50)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2003 C CERTIFICATE FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	480,000	480,000	480,000	-
Interest and fiscal charges	158,283	158,283	158,233	50
Total Expenditures	638,283	638,283	638,233	50
Deficiency of revenues over expenditures	(638,283)	(638,283)	(638,233)	50
OTHER FINANCING SOURCES				
Transfers in	638,283	638,283	638,233	(50)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2003 A CERTIFICATE FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	230,000	230,000	230,000	-
Interest and fiscal charges	174,553	174,553	174,503	50
Total Expenditures	404,553	404,553	404,503	50
Deficiency of revenues over expenditures	(404,553)	(404,553)	(404,503)	50
OTHER FINANCING SOURCES				
Transfers in	404,553	404,553	404,503	(50)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2005 A CERTIFICATE FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 4	\$ 4
EXPENDITURES				
Debt service				
Interest and fiscal charges	<u>67,598</u>	<u>67,598</u>	<u>67,548</u>	<u>50</u>
Deficiency of revenues over expenditures	(67,598)	(67,598)	(67,544)	54
OTHER FINANCING SOURCES				
Transfers in	<u>67,598</u>	<u>67,598</u>	<u>64,959</u>	<u>(2,639)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(2,585)	<u>\$ (2,585)</u>
Fund Balance - Beginning of Year			<u>2,585</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SERIES 2005 B CERTIFICATE FUND
 For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	300,000	300,000	300,000	-
Interest and fiscal charges	10,563	10,563	10,513	50
Total Expenditures	310,563	310,563	310,513	50
Deficiency of revenues over expenditures	(310,563)	(310,563)	(310,513)	50
OTHER FINANCING SOURCES				
Transfers in	310,563	310,563	310,513	(50)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2006 A CERTIFICATE FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	410,000	410,000	410,000	-
Interest and fiscal charges	304,063	304,063	304,037	26
Total Expenditures	714,063	714,063	714,037	26
Deficiency of revenues over expenditures	(714,063)	(714,063)	(714,037)	26
OTHER FINANCING SOURCES				
Transfers in	714,063	714,063	714,037	(26)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2007 A CERTIFICATE FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	420,000	420,000	420,000	-
Interest and fiscal charges	173,873	173,873	173,873	-
Total Expenditures	593,873	593,873	593,873	-
Deficiency of revenues over expenditures	(593,873)	(593,873)	(593,873)	-
OTHER FINANCING SOURCES				
Transfers in	593,873	593,873	593,873	-
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2007 B CERTIFICATE FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	4,270,000	4,270,000	4,270,000	-
Interest and fiscal charges	1,926,226	1,926,226	1,926,204	22
Total Expenditures	6,196,226	6,196,226	6,196,204	22
Deficiency of revenues over expenditures	(6,196,226)	(6,196,226)	(6,196,204)	22
OTHER FINANCING SOURCES				
Transfers in	6,196,226	6,196,226	6,196,204	(22)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2008 CERTIFICATE FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Interest and fiscal charges	<u>-</u>	<u>100,000</u>	<u>99,517</u>	<u>483</u>
Deficiency of revenues over expenditures	-	(100,000)	(99,517)	483
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>100,000</u>	<u>99,517</u>	<u>(483)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 PUBLIC BUILDING COMMISSION DEBT FUND
 For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 7,102	\$ 7,102
EXPENDITURES				
Current				
General and administrative	<u>-</u>	<u>-</u>	<u>10,804</u>	<u>(10,804)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(3,702)</u>	<u>\$ (3,702)</u>
Fund Balance - Beginning of Year			<u>85,045</u>	
Fund Balance - End of Year			<u>\$ 81,343</u>	

NONMAJOR CAPITAL PROJECT FUNDS

Animal Control / Performance Contract Fund - to account for the purchase and construction of a new animal control facility and for energy saving renovations at the government center. Resources for the fund were provided by proceeds from Series 2006 A debt certificates.

Sheriff Radio System Fund - to account for the purchase and implementation of a new radio system for the Sheriff's Office. Resources for the fund were provided by proceeds from Series 2007 A debt certificates.

Road Improvement Project Fund – to provide funding for highway engineering, construction, and maintenance costs. Resources for the fund were provided by proceeds from Series 2007 B debt certificates.

Property Acquisition Project Fund - to account for the acquisition of land and property adjacent to the County courthouse campus. Resources for the fund were provided by proceeds from Series 2008 debt certificates.

Treasurer's Office Remodeling Fund - to account for the remodeling of the new Treasurer's Office facility. Resources for the fund were provided by transfers in from the general fund.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
November 30, 2009

	Animal Control / Performance Contract Fund	Sheriff Radio System Fund	Road Improvement Project Fund	Property Acquisition Project Fund
ASSETS				
Cash and equivalents	\$ 181,375	\$ 336,896	\$ 7,937	\$ 7,422
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 181,375</u>	<u>\$ 336,896</u>	<u>\$ 7,937</u>	<u>\$ 7,422</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 6,169
Fund Balances				
Reserved for encumbrances	1,620	244,119	-	-
Unreserved - undesignated	<u>179,755</u>	<u>92,777</u>	<u>7,937</u>	<u>1,253</u>
Total Fund Balances	<u>181,375</u>	<u>336,896</u>	<u>7,937</u>	<u>1,253</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 181,375</u>	<u>\$ 336,896</u>	<u>\$ 7,937</u>	<u>\$ 7,422</u>

Treasurer's Office Remodeling Fund		Totals
<u> </u>	<u> </u>	<u> </u>
\$ 390,699	\$ 924,329	
<u>32,235</u>	<u>32,235</u>	
<u>\$ 422,934</u>	<u>\$ 956,564</u>	
<u>\$ 232,300</u>	<u>\$ 238,469</u>	
211,538	457,277	
<u>(20,904)</u>	<u>260,818</u>	
<u>190,634</u>	<u>718,095</u>	
<u>\$ 422,934</u>	<u>\$ 956,564</u>	

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended November 30, 2009

	Animal Control / Performance Contract Fund	Sheriff Radio System Fund	Road Improvement Project Fund	Property Acquisition Project Fund
REVENUES				
Investment income	\$ 337	\$ 901	\$ 38,468	\$ 741
EXPENDITURES				
Current				
General and administrative	-	-	-	27,828
Transportation	-	-	3,000	-
Capital outlay	-	244,119	-	700,576
Total Expenditures	-	244,119	3,000	728,404
Excess (deficiency) of revenues over expenditures	337	(243,218)	35,468	(727,663)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(13,097,510)	(3,779,500)
Debt certificates issued	-	-	-	4,480,000
Premium on debt issuance	-	-	-	28,416
Total Other Financing Sources (Uses)	-	-	(13,097,510)	728,916
Net Change in Fund Balances	337	(243,218)	(13,062,042)	1,253
Fund Balances - Beginning of Year	181,038	580,114	13,069,979	-
Fund Balances - End of Year	\$ 181,375	\$ 336,896	\$ 7,937	\$ 1,253

Treasurer's Office Remodeling Fund	Totals
\$ <u> -</u>	\$ <u> 40,447</u>
66,750	94,578
-	3,000
<u>609,980</u>	<u>1,554,675</u>
<u>676,730</u>	<u>1,652,253</u>
(676,730)	(1,611,806)
867,364	867,364
-	(16,877,010)
-	4,480,000
<u> -</u>	<u> 28,416</u>
<u>867,364</u>	<u>(11,501,230)</u>
190,634	(13,113,036)
<u> -</u>	<u> 13,831,131</u>
<u>\$ 190,634</u>	<u>\$ 718,095</u>

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 ANIMAL CONTROL / PERFORMANCE CONTRACT FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 337	\$ 337
EXPENDITURES				
Current				
General and administrative				
Contractual services	<u>-</u>	<u>1,620</u>	<u>-</u>	<u>1,620</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (1,620)</u>	337	<u>\$ 1,957</u>
Fund Balance - Beginning of Year			<u>181,038</u>	
Fund Balance - End of Year			<u>\$ 181,375</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHERIFF RADIO SYSTEM FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 901	\$ 901
EXPENDITURES				
Capital outlay	<u>-</u>	<u>488,239</u>	<u>244,119</u>	<u>244,120</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (488,239)</u>	(243,218)	<u>\$ 245,021</u>
Fund Balance - Beginning of Year			<u>580,114</u>	
Fund Balance - End of Year			<u>\$ 336,896</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD IMPROVEMENT PROJECT FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 500,000	\$ 500,000	\$ 38,468	\$ (461,532)
EXPENDITURES				
Current				
Transportation				
Contractual services	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Excess of revenues over expenditures	500,000	497,000	35,468	(461,532)
OTHER FINANCING USES				
Transfers out	<u>(15,775,000)</u>	<u>(15,772,000)</u>	<u>(13,097,510)</u>	<u>2,674,490</u>
Net Change in Fund Balance	\$ <u><u>(15,275,000)</u></u>	\$ <u><u>(15,275,000)</u></u>	(13,062,042)	\$ <u><u>2,212,958</u></u>
Fund Balance - Beginning of Year			<u>13,069,979</u>	
Fund Balance - End of Year			\$ <u><u>7,937</u></u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROPERTY ACQUISITION PROJECT FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 741	\$ 741
EXPENDITURES				
Current				
General and administrative				
Contractual services	-	27,828	27,828	-
Capital outlay	-	701,088	700,576	512
Total Expenditures	-	728,916	728,404	512
Deficiency of revenues over expenditures	-	(728,916)	(727,663)	1,253
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(3,779,500)	(3,779,500)	-
Debt certificates issued	-	4,480,000	4,480,000	-
Premium on debt issuance	-	28,416	28,416	-
Total Other Financing Sources (Uses)	-	728,916	728,916	-
Net Change in Fund Balance	\$ -	\$ -	1,253	\$ 1,253
Fund Balance - Beginning of Period			-	
Fund Balance - End of Period			\$ 1,253	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TREASURER'S OFFICE REMODELING FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General and administrative				
Contractual services	-	76,534	66,750	9,784
Capital outlay	-	790,830	609,980	180,850
Total Expenditures	-	867,364	676,730	190,634
Deficiency of revenues over expenditures	-	(867,364)	(676,730)	190,634
OTHER FINANCING SOURCES				
Transfers in	-	867,364	867,364	-
Net Change in Fund Balance	\$ -	\$ -	190,634	\$ 190,634
Fund Balance - Beginning of Period			-	
Fund Balance - End of Period			\$ 190,634	

NONMAJOR PERMANENT FUNDS

Working Cash I and II Funds – to account for funds raised through property tax levies and interest income. Funds are available for loans to other funds. The principal portion of the fund may not be expended.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
November 30, 2009

	<u>Working Cash No. 1 Fund</u>	<u>Working Cash No. 2 Fund</u>	<u>Totals</u>
ASSETS			
Cash and equivalents	\$ <u>333,070</u>	\$ <u>470,138</u>	\$ <u>803,208</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other funds	\$ 1,775	\$ 865	\$ 2,640
Fund Balances			
Reserved for working cash	<u>331,295</u>	<u>469,273</u>	<u>800,568</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 333,070</u>	<u>\$ 470,138</u>	<u>\$ 803,208</u>

County of McHenry, Illinois
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
For the Year Ended November 30, 2009

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
REVENUES			
Investment income	\$ 1,775	\$ 865	\$ 2,640
EXPENDITURES	-	-	-
Excess of revenues over expenditures	1,775	865	2,640
OTHER FINANCING USES			
Transfers out	(1,775)	(865)	(2,640)
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning of Year	331,295	469,273	800,568
Fund Balances - End of Year	\$ 331,295	\$ 469,273	\$ 800,568

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH NO. 1 FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 10,000	\$ 10,000	\$ 1,775	\$ (8,225)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	10,000	10,000	1,775	(8,225)
OTHER FINANCING USES				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(1,775)</u>	<u>8,225</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>331,295</u>	
Fund Balance - End of Year			<u>\$ 331,295</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH NO. 2 FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 20,000	\$ 20,000	\$ 865	\$ (19,135)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	20,000	20,000	865	(19,135)
OTHER FINANCING USES				
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(865)</u>	<u>19,135</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>469,273</u>	
Fund Balance - End of Year			<u>\$ 469,273</u>	

ENTERPRISE FUNDS

Major Fund:

Valley Hi Fund – to account for the activities of the Valley Hi nursing home.

Nonmajor Fund:

911 Fund (Emergency Telephone Services Board Fund) – to account for funds raised through a telephone surcharge tax on each telephone line in the County. The money collected is distributed to this fund net of a small collection charge retained by the telephone company. The funds are used to operate and equip a 911 telephone dispatch center within the County area.

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND EXPENSES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
VALLEY HI FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 7,150,878	\$ 7,150,878	\$ 8,185,555	\$ 1,034,677
Other	<u>6,000</u>	<u>6,000</u>	<u>11,095</u>	<u>5,095</u>
Total Operating Revenues	<u>\$ 7,156,878</u>	<u>\$ 7,156,878</u>	<u>\$ 8,196,650</u>	<u>\$ 1,039,772</u>
OPERATING EXPENSES				
Personnel services	\$ 6,671,506	\$ 6,671,506	\$ 6,220,296	\$ 451,210
Contractual services	2,184,960	1,976,318	1,824,122	152,196
Commodities	<u>761,255</u>	<u>961,255</u>	<u>822,314</u>	<u>138,941</u>
Total operating expenses before capital outlay	<u>9,617,721</u>	<u>9,609,079</u>	<u>8,866,732</u>	<u>742,347</u>
Capital outlay	38,210	48,105	41,310	6,795
Less: assets capitalized	<u>-</u>	<u>(41,310)</u>	<u>(41,310)</u>	<u>-</u>
Adjusted capital outlay	<u>38,210</u>	<u>6,795</u>	<u>-</u>	<u>6,795</u>
Total Operating Expenses (excluding depreciation and amortization)	<u>\$ 9,655,931</u>	<u>\$ 9,615,874</u>	<u>\$ 8,866,732</u>	<u>\$ 749,142</u>
NONOPERATING REVENUES				
Property taxes	\$ 6,000,000	\$ 6,000,000	\$ 5,994,282	\$ (5,718)
Investment income	<u>452,000</u>	<u>452,000</u>	<u>158,828</u>	<u>(293,172)</u>
Total Nonoperating Revenues	<u>\$ 6,452,000</u>	<u>\$ 6,452,000</u>	<u>\$ 6,153,110</u>	<u>\$ (298,890)</u>
NONOPERATING EXPENSES				
Interest expense	\$ 426,299	\$ 426,299	\$ 420,908	\$ 5,391
Loss on disposal of capital assets	<u>-</u>	<u>-</u>	<u>4,353</u>	<u>(4,353)</u>
	<u>\$ 426,299</u>	<u>\$ 426,299</u>	<u>\$ 425,261</u>	<u>\$ 1,038</u>

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND EXPENSES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
911 FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 2,245,000	\$ 2,245,000	\$ 2,660,384	\$ 415,384
OPERATING EXPENSES				
Personnel services	\$ 324,513	\$ 324,513	\$ 274,600	\$ 49,913
Contractual services	2,450,725	3,608,984	1,579,253	2,029,731
Commodities	232,500	232,500	42,631	189,869
Total operating expenses before capital outlay	<u>3,007,738</u>	<u>4,165,997</u>	<u>1,896,484</u>	<u>2,269,513</u>
Capital outlay	153,000	3,132,431	3,054,536	77,895
Less: assets capitalized	<u>-</u>	<u>(3,054,536)</u>	<u>(3,054,536)</u>	<u>-</u>
Adjusted capital outlay	<u>153,000</u>	<u>77,895</u>	<u>-</u>	<u>77,895</u>
Total Operating Expenses (excluding depreciation)	<u>\$ 3,160,738</u>	<u>\$ 4,243,892</u>	<u>\$ 1,896,484</u>	<u>\$ 2,347,408</u>
NONOPERATING REVENUES				
Investment income	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 23,522</u>	<u>\$ (66,478)</u>

INTERNAL SERVICE FUNDS

Insurance Loss Fund – to account for general liability, property, worker’s compensation, and unemployment compensation insurance premiums and claims.

Health Insurance Fund – to account for employee medical, dental, and prescription insurance premiums and claims.

County of McHenry, Illinois
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
November 30, 2009

	<u>Insurance Loss</u>	<u>Health Insurance</u>	<u>Totals</u>
ASSETS			
Current			
Cash and equivalents	\$ 12,403,393	\$ 2,849,863	\$ 15,253,256
Property taxes receivable	3,960,050	-	3,960,050
Due from other funds	<u>285,055</u>	<u>1,014,160</u>	<u>1,299,215</u>
Total Assets	<u>16,648,498</u>	<u>3,864,023</u>	<u>20,512,521</u>
LIABILITIES			
Current			
Accounts payable	86,213	1,710	87,923
Accrued payroll	18,819	-	18,819
Unearned revenue	3,880,000	-	3,880,000
Due to other funds	42,681	-	42,681
Compensated absences	4,831	-	4,831
Claims and judgments	2,196,222	2,076,001	4,272,223
Noncurrent			
Compensated absences	9,661	-	9,661
Claims and judgments	<u>4,045,117</u>	<u>-</u>	<u>4,045,117</u>
Total Liabilities	<u>10,283,544</u>	<u>2,077,711</u>	<u>12,361,255</u>
NET ASSETS - UNRESTRICTED	<u>\$ 6,364,954</u>	<u>\$ 1,786,312</u>	<u>\$ 8,151,266</u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended November 30, 2009

	<u>Insurance Loss</u>	<u>Health Insurance</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 285,055	\$ 14,947,244	\$ 15,232,299
Insurance recoveries	<u>229,684</u>	<u>-</u>	<u>229,684</u>
Total Operating Revenues	<u>514,739</u>	<u>14,947,244</u>	<u>15,461,983</u>
OPERATING EXPENSES			
Personnel services	897,570	-	897,570
Contractual services	2,327,261	13,775,447	16,102,708
Commodities	<u>12,024</u>	<u>835</u>	<u>12,859</u>
Total Operating Expenses	<u>3,236,855</u>	<u>13,776,282</u>	<u>17,013,137</u>
Operating income (loss)	<u>(2,722,116)</u>	<u>1,170,962</u>	<u>(1,551,154)</u>
NONOPERATING REVENUES			
Property taxes	3,996,163	-	3,996,163
Investment income	<u>454</u>	<u>4,464</u>	<u>4,918</u>
Total Nonoperating Revenues	<u>3,996,617</u>	<u>4,464</u>	<u>4,001,081</u>
Net Change in Net Assets	1,274,501	1,175,426	2,449,927
Net Assets - Beginning of Year	<u>5,090,453</u>	<u>610,886</u>	<u>5,701,339</u>
Net Assets - End of Year	<u>\$ 6,364,954</u>	<u>\$ 1,786,312</u>	<u>\$ 8,151,266</u>

County of McHenry, Illinois
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended November 30, 2009

	Insurance Loss	Health Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 247,787	\$ 14,877,783	\$ 15,125,570
Cash received from insurance recoveries	229,684	-	229,684
Payments to employees	(893,166)	-	(893,166)
Payments to third party administrator	(1,249,114)	(13,402,870)	(14,651,984)
Payments to suppliers	(1,690,696)	(16,510)	(1,707,206)
Net Cash Flows from Operating Activities	<u>(3,355,505)</u>	<u>1,458,403</u>	<u>(1,897,102)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes received	<u>3,992,581</u>	<u>-</u>	<u>3,992,581</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from investment income	<u>454</u>	<u>4,464</u>	<u>4,918</u>
Net Increase in Cash and Equivalents	637,530	1,462,867	2,100,397
Cash and Equivalents - Beginning of Year	<u>11,765,863</u>	<u>1,386,996</u>	<u>13,152,859</u>
Cash and Equivalents - End of Year	<u>\$ 12,403,393</u>	<u>\$ 2,849,863</u>	<u>\$ 15,253,256</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (2,722,116)	\$ 1,170,962	\$ (1,551,154)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Change in assets and liabilities			
Other receivables	208,850	-	208,850
Due from other funds	(82,494)	(69,461)	(151,955)
Accounts payable	55,913	660	56,573
Accrued payroll	3,310	-	3,310
Due to other funds	36,376	-	36,376
Other liabilities	(200,000)	-	(200,000)
Compensated absences	1,094	-	1,094
Claims and judgments	(656,438)	356,242	(300,196)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (3,355,505)</u>	<u>\$ 1,458,403</u>	<u>\$ (1,897,102)</u>

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND
EXPENSES - BUDGET AND ACTUAL
INSURANCE LOSS FUND
For the Year Ended November 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 204,595	\$ 204,595	\$ 285,055	\$ 80,460
Insurance recoveries	<u>95,000</u>	<u>95,000</u>	<u>229,684</u>	<u>134,684</u>
	<u>\$ 299,595</u>	<u>\$ 299,595</u>	<u>\$ 514,739</u>	<u>\$ 215,144</u>
OPERATING EXPENSES				
Personnel services	\$ 963,547	\$ 963,547	\$ 897,570	\$ 65,977
Contractual services	2,729,310	3,160,410	2,327,261	833,149
Commodities	<u>15,250</u>	<u>15,250</u>	<u>12,024</u>	<u>3,226</u>
Total Operating Expenses	<u>\$ 3,708,107</u>	<u>\$ 4,139,207</u>	<u>\$ 3,236,855</u>	<u>\$ 902,352</u>
NONOPERATING REVENUES				
Property taxes	\$ 4,000,000	\$ 4,000,000	\$ 3,996,163	\$ (3,837)
Investment income	<u>2,200</u>	<u>2,200</u>	<u>454</u>	<u>(1,746)</u>
Total Nonoperating Revenues	<u>\$ 4,002,200</u>	<u>\$ 4,002,200</u>	<u>\$ 3,996,617</u>	<u>\$ (5,583)</u>

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND
EXPENSES - BUDGET AND ACTUAL
HEALTH INSURANCE FUND
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ <u>15,704,059</u>	\$ <u>15,704,059</u>	\$ <u>14,947,244</u>	\$ <u>(756,815)</u>
OPERATING EXPENSES				
Contractual services	\$ 15,704,059	\$ 15,704,059	\$ 13,775,447	\$ 1,928,612
Commodities	<u>5,000</u>	<u>5,000</u>	<u>835</u>	<u>4,165</u>
Total Operating Expenses	\$ <u>15,709,059</u>	\$ <u>15,709,059</u>	\$ <u>13,776,282</u>	\$ <u>1,932,777</u>
NONOPERATING REVENUES				
Investment income	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,464</u>	\$ <u>4,464</u>

AGENCY FUNDS

Treasurer Fund – to account for the funds held by the Treasurer as an agent responsible for drainage districts, the inheritance tax account, protested taxes, tax sales escrow, and interest earned on real estate taxes.

Clerk of the Circuit Court Fund – to account for the funds held by the Clerk of the Circuit Court as an agent for the courts.

Highway Fund – to account for township motor fuel tax funds held by the Division of Transportation.

Valley Hi Resident Fund – to account for the funds held by Valley Hi Nursing Home as an agent for residents and donations made for the benefit of the residents.

County Clerk Redemption Fund – to account for the funds held by the County Clerk as an agent for delinquent tax payers.

Collector Fund – to account for the funds held by the County as an agent responsible for collecting property taxes.

Illinois Housing Surcharge Fund - to account for the rental housing support program surcharge that is collected for the recording of real estate documents and remitted to the State.

County of McHenry, Illinois
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
November 30, 2009

	<u>Treasurer Fund</u>	<u>Clerk of the Circuit Court Fund</u>	<u>Highway Fund</u>	<u>Valley Hi Resident Fund</u>
ASSETS				
Cash and equivalents	\$ 1,991,495	\$ 3,949,830	\$ 788,045	\$ 39,381
Due from other governments	<u>-</u>	<u>-</u>	<u>110,315</u>	<u>-</u>
Total Assets	<u>\$ 1,991,495</u>	<u>\$ 3,949,830</u>	<u>\$ 898,360</u>	<u>\$ 39,381</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 3,165	\$ -
Due to residents	-	-	-	39,381
Bond escrow	-	3,124,286	-	-
Due to other governments	1,991,495	520,819	895,195	-
Other liabilities	<u>-</u>	<u>304,725</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 1,991,495</u>	<u>\$ 3,949,830</u>	<u>\$ 898,360</u>	<u>\$ 39,381</u>

County Clerk Redemption Fund	Collector Fund	Illinois Housing Surcharge Fund	Totals
\$ 672,071	\$ 3,677,787	\$ 35,874	\$ 11,154,483
<u>-</u>	<u>-</u>	<u>-</u>	<u>110,315</u>
<u>\$ 672,071</u>	<u>\$ 3,677,787</u>	<u>\$ 35,874</u>	<u>\$ 11,264,798</u>
\$ -	\$ -	\$ -	\$ 3,165
-	-	-	39,381
-	-	-	3,124,286
-	3,677,787	35,874	7,121,170
<u>672,071</u>	<u>-</u>	<u>-</u>	<u>976,796</u>
<u>\$ 672,071</u>	<u>\$ 3,677,787</u>	<u>\$ 35,874</u>	<u>\$ 11,264,798</u>

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2009

	Balance December 1, 2008	Additions	Deductions	Balance November 30, 2009
Treasurer Fund				
ASSETS				
Cash and equivalents	\$ 1,362,899	\$ 3,930,596	\$ 3,302,000	\$ 1,991,495
LIABILITIES				
Due to other governments	\$ 1,362,899	\$ 3,930,596	\$ 3,302,000	\$ 1,991,495
Clerk of the Circuit Court Fund				
ASSETS				
Cash and equivalents	\$ 4,505,372	\$ 28,264,635	\$ 28,820,177	\$ 3,949,830
LIABILITIES				
Bond escrow	\$ 3,294,909	\$ 5,506,697	5,677,320	\$ 3,124,286
Due to other governments	600,105	16,757,060	16,836,346	520,819
Other liabilities	610,358	6,000,878	6,306,511	304,725
Total Liabilities	\$ 4,505,372	\$ 28,264,635	\$ 28,820,177	\$ 3,949,830
Highway Fund				
ASSETS				
Cash and equivalents	\$ 982,396	\$ 1,080,020	\$ 1,274,371	\$ 788,045
Due from other governments	67,306	43,009	-	110,315
Total Assets	\$ 1,049,702	\$ 1,123,029	\$ 1,274,371	\$ 898,360
LIABILITIES				
Accounts payable	\$ 311,132	\$ 906,636	\$ 1,214,603	\$ 3,165
Due to other governments	738,570	1,063,261	906,636	895,195
Total Liabilities	\$ 1,049,702	\$ 1,969,897	\$ 2,121,239	\$ 898,360
Valley Hi Resident Fund				
ASSETS				
Cash and equivalents	\$ 58,012	\$ 14,826	\$ 33,457	\$ 39,381
LIABILITIES				
Due to residents	\$ 58,012	\$ 14,826	\$ 33,457	\$ 39,381

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended November 30, 2009

	Balance December 1, 2008	Additions	Deductions	Balance November 30, 2009
County Clerk Redemption Fund				
ASSETS				
Cash and equivalents	\$ 735,653	\$ 16,150,781	\$ 16,214,363	\$ 672,071
LIABILITIES				
Other liabilities	\$ 735,653	\$ 16,150,781	\$ 16,214,363	\$ 672,071
Collector Fund				
ASSETS				
Cash and equivalents	\$ 3,008,892	\$ 749,734,916	\$ 749,066,021	\$ 3,677,787
LIABILITIES				
Due to other governments	\$ 3,008,892	\$ 749,734,916	\$ 749,066,021	\$ 3,677,787
Illinois Housing Surcharge Fund				
ASSETS				
Cash and equivalents	\$ 25,785	\$ 494,019	\$ 483,930	\$ 35,874
LIABILITIES				
Due to other governments	\$ 25,785	\$ 494,019	\$ 483,930	\$ 35,874
Totals				
ASSETS				
Cash and equivalents	\$ 10,679,009	\$ 799,669,793	\$ 799,194,319	\$ 11,154,483
Due from other governments	67,306	43,009	-	110,315
Total Assets	\$ 10,746,315	\$ 799,712,802	\$ 799,194,319	\$ 11,264,798
LIABILITIES				
Accounts payable	\$ 311,132	\$ 906,636	\$ 1,214,603	\$ 3,165
Due to residents	58,012	14,826	33,457	39,381
Bond escrow	3,294,909	5,506,697	5,677,320	3,124,286
Due to other governments	5,736,251	771,979,852	770,594,933	7,121,170
Other liabilities	1,346,011	22,151,659	22,520,874	976,796
Total Liabilities	\$ 10,746,315	\$ 800,559,670	\$ 800,041,187	\$ 11,264,798

(Concluded)

STATISTICAL

County of McHenry, Illinois
INTRODUCTION TO THE STATISTICAL SECTION
November 30, 2009

STATISTICAL SECTION

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	167 - 174
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate the County's most significant own-source revenue, property taxes.	175 - 179
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	180 - 184
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	185 - 186
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	187 - 189

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

County of McHenry, Illinois
NET ASSETS - BY COMPONENT
Last Seven Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 107,715,887	\$ 134,784,412	\$ 145,163,278	\$ 154,597,466
Restricted	57,666,190	51,379,812	61,238,252	72,186,833
Unrestricted	<u>30,047,980</u>	<u>31,772,567</u>	<u>39,567,120</u>	<u>44,583,626</u>
Total Governmental Activities	<u>\$ 195,430,057</u>	<u>\$ 217,936,791</u>	<u>\$ 245,968,650</u>	<u>\$ 271,367,925</u>
Business-Type Activities				
Invested in capital assets, net of related debt	\$ 2,083,807	\$ 2,833,585	\$ 2,960,686	\$ 5,061,542
Restricted	-	-	-	-
Unrestricted	<u>4,551,688</u>	<u>6,842,523</u>	<u>10,931,627</u>	<u>13,770,255</u>
Total Business-Type Activities	<u>\$ 6,635,495</u>	<u>\$ 9,676,108</u>	<u>\$ 13,892,313</u>	<u>\$ 18,831,797</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 109,799,694	\$ 137,617,997	\$ 148,123,964	\$ 159,659,008
Restricted	57,666,190	51,379,812	61,238,252	72,186,833
Unrestricted	<u>34,599,668</u>	<u>38,615,090</u>	<u>50,498,747</u>	<u>58,353,881</u>
Total Primary Government	<u>\$ 202,065,552</u>	<u>\$ 227,612,899</u>	<u>\$ 259,860,963</u>	<u>\$ 290,199,722</u>

Note: Government-wide information is available back to 2003, the year GASB Statement 34 was implemented.

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 168,077,235	\$ 186,108,100	\$ 193,667,253
83,884,874	94,814,206	110,628,189
<u>50,060,006</u>	<u>43,594,428</u>	<u>44,841,564</u>
<u>\$ 302,022,115</u>	<u>\$ 324,516,734</u>	<u>\$ 349,137,006</u>
\$ 4,531,583	\$ 4,568,317	\$ 7,291,886
411,176	41,191	492,746
<u>16,996,918</u>	<u>22,272,580</u>	<u>23,773,241</u>
<u>\$ 21,939,677</u>	<u>\$ 26,882,088</u>	<u>\$ 31,557,873</u>
\$ 172,608,818	\$ 190,676,417	\$ 200,959,139
84,296,050	94,855,397	111,120,935
<u>67,056,924</u>	<u>65,867,008</u>	<u>68,614,805</u>
<u>\$ 323,961,792</u>	<u>\$ 351,398,822</u>	<u>\$ 380,694,879</u>

County of McHenry, Illinois
CHANGES IN NET ASSETS
Last Seven Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
EXPENSES							
Governmental Activities							
General and administrative	\$ 23,676,820	\$ 27,646,469	\$ 28,374,915	\$ 33,304,143	\$ 28,649,900	\$ 36,269,025	\$ 32,184,476
Community development	3,218,942	3,179,212	3,554,274	2,678,785	3,449,524	2,169,597	3,027,001
Transportation	11,338,648	10,959,478	10,246,229	10,997,498	12,260,312	13,292,664	18,281,173
Public safety	20,217,208	22,165,042	24,600,341	28,854,125	30,956,789	33,132,115	38,590,241
Judiciary and court related	9,666,987	9,959,549	10,056,275	10,916,010	12,829,189	13,518,255	13,604,193
Public health and welfare	17,433,720	19,546,619	21,190,249	23,454,095	24,368,771	27,184,973	28,574,453
Interest and fiscal charges	816,003	1,051,569	1,125,887	1,257,230	2,149,414	3,312,029	3,182,260
Total Governmental Activities	<u>86,368,328</u>	<u>94,507,938</u>	<u>99,148,170</u>	<u>111,461,886</u>	<u>114,663,899</u>	<u>128,878,658</u>	<u>137,443,797</u>
Business-Type Activities							
Public health and welfare	6,758,361	6,983,097	7,374,613	7,515,927	9,737,659	9,541,020	10,042,346
Public safety	<u>1,282,811</u>	<u>1,423,930</u>	<u>1,443,884</u>	<u>1,652,536</u>	<u>1,979,992</u>	<u>2,011,399</u>	<u>2,315,535</u>
Total Business-Type Activities	<u>8,041,172</u>	<u>8,407,027</u>	<u>8,818,497</u>	<u>9,168,463</u>	<u>11,717,651</u>	<u>11,552,419</u>	<u>12,357,881</u>
Total Primary Government	<u>\$ 94,409,500</u>	<u>\$ 102,914,965</u>	<u>\$ 107,966,667</u>	<u>\$ 120,630,349</u>	<u>\$ 126,381,550</u>	<u>\$ 140,431,077</u>	<u>\$ 149,801,678</u>
PROGRAM REVENUES							
Governmental Activities							
Charges for services							
General and administrative	\$ 6,484,995	\$ 5,987,596	\$ 5,969,389	\$ 6,283,160	\$ 5,778,519	\$ 5,135,160	\$ 6,265,612
Community development	1,507,319	1,424,704	1,445,958	1,518,472	1,075,295	804,410	526,487
Transportation	311,211	185,824	124,566	114,214	135,169	96,965	86,869
Public safety	3,867,254	4,792,507	4,029,496	9,641,669	10,488,124	12,064,091	12,637,154
Judiciary and court related	6,784,695	7,237,267	8,335,964	8,339,350	9,595,094	9,745,480	9,716,466
Public health and welfare	1,696,503	1,796,044	1,737,788	1,818,859	1,964,354	2,038,370	1,961,645
Operating grants and contributions	15,462,135	16,274,639	22,196,108	18,505,216	23,600,690	22,656,506	31,454,008
Capital grants and contributions	<u>2,462,830</u>	<u>3,172,853</u>	<u>1,050,053</u>	<u>2,223,295</u>	<u>3,800,048</u>	<u>5,141,148</u>	<u>5,778,791</u>
Total Governmental Activities	<u>38,576,942</u>	<u>40,871,434</u>	<u>44,889,322</u>	<u>48,444,235</u>	<u>56,437,293</u>	<u>57,682,130</u>	<u>68,427,032</u>
Business-Type Activities							
Charges for services							
Public health and welfare	\$ 5,415,908	\$ 5,429,848	\$ 5,513,459	\$ 5,475,126	\$ 6,702,116	\$ 6,790,327	\$ 8,196,650
Public safety	<u>1,854,087</u>	<u>1,932,388</u>	<u>1,966,275</u>	<u>2,032,278</u>	<u>2,209,926</u>	<u>3,223,595</u>	<u>2,660,384</u>
Total Business-Type Activities	<u>7,269,995</u>	<u>7,362,236</u>	<u>7,479,734</u>	<u>7,507,404</u>	<u>8,912,042</u>	<u>10,013,922</u>	<u>10,857,034</u>
Total Primary Government	<u>\$ 45,846,937</u>	<u>\$ 48,233,670</u>	<u>\$ 52,369,056</u>	<u>\$ 55,951,639</u>	<u>\$ 65,349,335</u>	<u>\$ 67,696,052</u>	<u>\$ 79,284,066</u>

County of McHenry, Illinois
CHANGES IN NET ASSETS (Continued)
Last Seven Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
NET (EXPENSE)/REVENUE							
Governmental Activities	\$ (47,791,386)	\$ (53,636,504)	\$ (54,258,848)	\$ (63,017,651)	\$ (58,226,606)	\$ (71,196,528)	\$ (69,016,765)
Business-Type Activities	<u>(771,177)</u>	<u>(1,044,791)</u>	<u>(1,338,763)</u>	<u>(1,661,059)</u>	<u>(2,805,609)</u>	<u>(1,538,497)</u>	<u>(1,500,847)</u>
Total Primary Government	\$ <u>(48,562,563)</u>	\$ <u>(54,681,295)</u>	\$ <u>(55,597,611)</u>	\$ <u>(64,678,710)</u>	\$ <u>(61,032,215)</u>	\$ <u>(72,735,025)</u>	\$ <u>(70,517,612)</u>
GENERAL REVENUES AND TRANSFERS							
Governmental Activities							
Property taxes	\$ 39,737,955	\$ 46,269,635	\$ 51,157,800	\$ 56,249,505	\$ 60,175,903	\$ 63,395,685	\$ 67,859,666
Sales taxes	7,784,840	8,581,519	8,956,331	9,580,333	9,533,202	15,003,386	15,983,268
State income taxes	4,221,606	4,317,250	5,057,081	5,465,713	5,875,908	6,214,390	5,603,268
Tax transfer stamps	4,138,288	4,399,145	5,025,204	4,631,095	3,264,738	1,968,253	1,232,451
Other taxes	5,828,875	6,717,627	6,582,582	6,575,678	1,804,030	2,173,857	1,763,703
Investment income	974,181	1,102,691	2,669,378	5,006,956	6,713,449	4,577,645	584,228
Miscellaneous	366,062	695,973	491,906	792,329	610,444	357,931	565,895
Gain on sale of capital assets	43,200	29,538	-	115,317	71,889	-	44,558
Transfers	-	-	-	-	831,233	-	-
Total Governmental Activities	<u>63,095,007</u>	<u>72,113,378</u>	<u>79,940,282</u>	<u>88,416,926</u>	<u>88,880,796</u>	<u>93,691,147</u>	<u>93,637,037</u>
Business-Type Activities							
Property taxes	2,999,731	3,998,695	5,320,288	5,996,097	5,998,876	5,932,935	5,994,282
Investment income	57,517	86,709	234,680	479,999	745,846	547,973	182,350
Transfers	-	-	-	-	(831,233)	-	-
Total Business-Type Activities	<u>3,057,248</u>	<u>4,085,404</u>	<u>5,554,968</u>	<u>6,476,096</u>	<u>5,913,489</u>	<u>6,480,908</u>	<u>6,176,632</u>
Total Primary Government	\$ <u>66,152,255</u>	\$ <u>76,198,782</u>	\$ <u>85,495,250</u>	\$ <u>94,893,022</u>	\$ <u>94,794,285</u>	\$ <u>100,172,055</u>	\$ <u>99,813,669</u>
CHANGE IN NET ASSETS							
Governmental Activities	\$ 15,303,621	\$ 18,476,874	\$ 25,681,434	\$ 25,399,275	\$ 30,654,190	\$ 22,494,619	\$ 24,620,272
Business-Type Activities	<u>2,286,071</u>	<u>3,040,613</u>	<u>4,216,205</u>	<u>4,815,037</u>	<u>3,107,880</u>	<u>4,942,411</u>	<u>4,675,785</u>
Total Primary Government	\$ <u>17,589,692</u>	\$ <u>21,517,487</u>	\$ <u>29,897,639</u>	\$ <u>30,214,312</u>	\$ <u>33,762,070</u>	\$ <u>27,437,030</u>	\$ <u>29,296,057</u>

Note: Government-wide information is available back to 2003, the year GASB Statement 34 was implemented.

County of McHenry, Illinois
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund					
Reserved	\$ 1,046,551	\$ 1,676,686	\$ 2,149,583	\$ 1,160,301	\$ 903,109
Unreserved	<u>9,598,370</u>	<u>14,421,573</u>	<u>18,927,542</u>	<u>25,203,850</u>	<u>31,409,259</u>
Total General Fund	<u>\$ 10,644,921</u>	<u>\$ 16,098,259</u>	<u>\$ 21,077,125</u>	<u>\$ 26,364,151</u>	<u>\$ 32,312,368</u>
All Other Governmental Funds					
Reserved	\$ 1,597,681	\$ 3,285,658	\$ 9,628,742	\$ 12,815,996	\$ 11,692,162
Unreserved					
Special revenue funds	37,197,812	41,475,770	48,977,382	43,737,269	39,168,190
Capital projects funds	<u>-</u>	<u>107,664</u>	<u>365,968</u>	<u>83,390</u>	<u>7,335,205</u>
Total All Other Governmental Funds	<u>\$ 38,795,493</u>	<u>\$ 44,869,092</u>	<u>\$ 58,972,092</u>	<u>\$ 56,636,655</u>	<u>\$ 58,195,557</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$	981,546	\$ 1,841,063	\$ 3,367,690	\$ 4,896,687	\$ 3,890,055
	<u>35,354,484</u>	<u>39,680,368</u>	<u>42,525,921</u>	<u>38,848,139</u>	<u>44,881,550</u>
\$	<u><u>36,336,030</u></u>	<u><u>41,521,431</u></u>	<u><u>45,893,611</u></u>	<u><u>43,744,826</u></u>	<u><u>48,771,605</u></u>
\$	10,994,326	\$ 15,815,383	\$ 17,104,118	\$ 21,158,012	\$ 21,152,055
	50,058,502	54,420,402	64,119,701	66,212,656	77,525,162
	<u>3,935,868</u>	<u>3,605,068</u>	<u>32,098,411</u>	<u>13,341,272</u>	<u>260,818</u>
\$	<u><u>64,988,696</u></u>	<u><u>73,840,853</u></u>	<u><u>113,322,230</u></u>	<u><u>100,711,940</u></u>	<u><u>98,938,035</u></u>

County of McHenry, Illinois
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
REVENUES					
Charges for services	\$ 8,763,988	\$ 10,767,595	\$ 11,279,473	\$ 17,038,547	\$ 17,102,573
Licenses and permits	1,761,695	1,983,801	2,130,028	2,265,291	2,218,767
Fines and forfeitures	1,177,429	1,470,894	1,626,846	1,391,334	1,596,750
Grants, contributions, and intergovernmental	19,236,618	21,401,173	23,192,356	16,131,921	16,293,271
Property taxes	29,839,769	32,669,964	34,303,278	37,253,009	42,270,940
Sales taxes	8,467,350	8,250,168	8,236,730	7,784,840	8,581,519
State income taxes	3,417,870	4,015,588	4,468,725	4,221,606	4,317,250
Tax transfer stamps	2,729,338	3,194,504	3,500,919	4,138,288	4,399,145
Other taxes	1,800,970	1,598,733	1,521,692	5,889,875	6,667,627
Investment income	2,663,024	2,430,418	1,185,448	972,077	1,099,717
Miscellaneous	881,333	813,303	741,935	409,262	790,720
Total Revenues	<u>80,739,384</u>	<u>88,596,141</u>	<u>92,187,430</u>	<u>97,496,050</u>	<u>105,338,279</u>
EXPENDITURES					
Current					
General and administrative	18,980,988	21,450,579	24,271,274	19,616,747	22,446,128
Community development	-	-	-	3,312,053	3,244,591
Transportation	4,798,834	6,581,914	6,608,470	8,238,014	10,312,253
Public safety	13,594,448	14,664,024	15,149,990	19,084,234	20,672,454
Judiciary and court related	6,792,147	7,218,297	7,596,915	9,576,539	9,886,552
Public health and welfare	12,686,930	13,773,514	14,776,174	17,514,954	19,394,949
Retirement	4,543,788	4,698,886	4,519,566	-	-
Capital outlay	3,642,363	7,340,660	7,433,557	13,057,462	18,946,483
Debt service					
Principal retirement	4,792,152	5,071,764	9,115,516	5,581,736	1,996,101
Interest and fiscal charges	863,773	734,850	817,140	737,564	894,418
Total Expenditures	<u>70,695,423</u>	<u>81,534,488</u>	<u>90,288,602</u>	<u>96,719,303</u>	<u>107,793,929</u>
Excess (deficiency) of revenues over expenditures	<u>10,043,961</u>	<u>7,061,653</u>	<u>1,898,828</u>	<u>776,747</u>	<u>(2,455,650)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	247,168	1,091,364	960,054	1,878,972	2,866,871
Transfers out	(733,862)	(1,670,743)	(1,099,347)	(2,397,170)	(2,866,871)
Refunding debt certificates issued	-	-	-	-	-
Other debt issued	-	4,710,910	15,993,669	300,000	9,962,769
Payment to bond escrow agent	-	-	-	-	-
Proceeds from sale of capital assets	-	-	2,604,805	-	-
Total Other Financing Sources (Uses)	<u>(486,694)</u>	<u>4,131,531</u>	<u>18,459,181</u>	<u>(218,198)</u>	<u>9,962,769</u>
Net Change in Fund Balances	<u>\$ 9,557,267</u>	<u>\$ 11,193,184</u>	<u>\$ 20,358,009</u>	<u>\$ 558,549</u>	<u>\$ 7,507,119</u>
Debt service as a percentage of noncapital expenditures	<u>% 8.4</u>	<u>% 7.8</u>	<u>% 12.0</u>	<u>% 7.6</u>	<u>% 3.3</u>

Note: Upon implementation of GASB 34 in 2003, a new function was added (community development), an existing function was removed (retirement) and various other reclassifications were made. These changes cause the new categories to not be comparable to the old categories in years prior to implementation.

	2005	2006	2007	2008	2009
\$	17,777,743	\$ 23,884,511	\$ 26,105,579	\$ 24,538,491	\$ 30,460,458
	2,215,929	2,161,925	1,762,656	1,422,286	1,147,302
	1,621,631	1,561,136	1,629,982	1,534,686	1,328,070
	23,587,863	17,920,531	23,172,332	22,599,354	27,441,735
	46,421,825	50,749,521	54,626,949	58,945,966	63,863,503
	8,956,331	9,530,333	9,533,202	14,392,386	16,052,268
	5,057,081	5,465,713	5,875,908	6,214,390	4,703,268
	5,025,204	4,631,095	3,264,738	1,968,253	1,232,451
	6,527,582	6,558,678	2,143,030	2,173,857	1,779,703
	2,663,286	4,995,957	6,407,385	4,650,860	733,638
	491,906	870,873	650,032	364,393	610,453
	<u>120,346,381</u>	<u>128,330,273</u>	<u>135,171,793</u>	<u>138,804,922</u>	<u>149,352,849</u>
	24,134,700	26,806,604	26,984,381	26,373,070	27,059,336
	3,605,047	2,692,960	3,428,328	2,163,939	3,029,167
	8,397,687	9,546,135	12,599,577	13,937,579	18,708,657
	23,844,358	27,347,522	29,912,573	31,495,112	36,479,080
	10,169,039	10,819,640	13,497,931	15,791,493	13,901,681
	21,513,474	23,560,643	24,679,407	27,189,292	28,632,690
	-	-	-	-	-
	19,558,629	15,134,089	32,474,800	27,344,905	11,154,580
	1,587,517	2,252,439	3,220,206	7,798,926	8,548,252
	1,032,157	1,140,762	1,090,312	3,507,908	3,264,626
	<u>113,842,608</u>	<u>119,300,794</u>	<u>147,887,515</u>	<u>155,602,224</u>	<u>150,778,069</u>
	<u>6,503,773</u>	<u>9,029,479</u>	<u>(12,715,722)</u>	<u>(16,797,302)</u>	<u>(1,425,220)</u>
	2,576,516	6,331,432	24,521,463	31,671,737	30,615,292
	(2,592,516)	(6,331,432)	(24,521,463)	(31,671,737)	(30,615,292)
	-	3,592,000	-	-	-
	4,013,563	4,938,254	56,569,279	2,038,227	4,678,094
	-	(3,522,175)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,997,563</u>	<u>5,008,079</u>	<u>56,569,279</u>	<u>2,038,227</u>	<u>4,678,094</u>
\$	<u>10,501,336</u>	<u>14,037,558</u>	<u>43,853,557</u>	<u>(14,759,075)</u>	<u>3,252,874</u>
%	<u>2.8</u> %	<u>3.3</u> %	<u>3.9</u> %	<u>9.2</u> %	<u>8.8</u> %

County of McHenry, Illinois
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Levy Years

Fiscal Year	Real Property					Railroad Property and Other	Total Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Total Assessed Value as a % of Estimated Actual Value
	Farm	Residential	Commercial	Industrial	Other					
2000	\$ 190,548,431	\$ 3,975,664,595	\$ 574,369,403	\$ 262,237,552	\$ 10,484,900	\$ 3,355,628	\$ 5,016,660,509	\$ 15,049,981,527	\$ 0.648	33.3 %
2001	190,246,427	4,250,167,036	618,316,972	283,951,849	10,820,134	3,444,369	5,356,946,787	16,070,840,361	0.644	33.3
2002	192,152,981	4,613,464,093	667,318,750	302,957,636	10,914,005	3,610,091	5,790,417,556	17,371,252,668	0.638	33.3
2003	195,335,290	5,109,673,949	724,761,093	319,815,302	12,561,726	4,258,627	6,366,405,987	19,099,217,961	0.673	33.3
2004	201,634,517	5,710,037,487	780,498,796	326,803,649	13,193,732	4,590,449	7,036,758,630	21,110,275,890	0.715	33.3
2005	209,598,061	6,266,193,513	863,041,722	347,842,544	13,756,505	5,115,632	7,705,547,977	23,116,643,931	0.735	33.3
2006	227,318,495	7,010,406,096	946,541,231	359,681,646	15,933,834	4,780,696	8,564,661,998	25,693,985,994	0.728	33.3
2007	242,284,601	7,739,948,744	1,042,482,191	378,488,761	15,210,290	5,075,587	9,423,490,174	28,270,470,522	0.706	33.3
2008	255,194,149	8,360,880,272	1,125,071,165	395,468,291	14,396,994	4,909,505	10,155,920,376	30,467,761,128	0.687	33.3
2009	270,049,021	8,639,858,959	1,186,655,676	410,478,144	14,245,656	5,356,962	10,526,644,418	31,579,933,254	0.701	33.3

Source: McHenry County Assessor's Office.

Note: Property in McHenry County is reassessed annually. The County assesses property at approximately 33.3% of actual value. Estimated actual value is calculated by dividing total assessed value by that percentage. Tax rates are per \$100 of assessed value.

County of McHenry, Illinois
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Levy Years

	Year Taxes Payable				
	2000	2001	2002	2003	2004
DIRECT RATES - COUNTY					
General	0.221	0.226	0.230	0.250	0.250
Highway	0.054	0.051	0.050	0.046	0.057
County Bridge	0.002	0.002	0.002	0.002	0.003
Matching	0.013	0.013	0.013	0.012	0.014
Mental Health	0.125	0.124	0.123	0.118	0.121
Tuberculosis Care and Treatment	0.003	0.003	0.003	0.002	0.003
Illinois Municipal Retirement	0.055	0.052	0.043	0.040	0.066
Veterans' Assistance	0.005	0.005	0.005	0.005	0.009
Loss Prevention and Protection	0.044	0.044	0.044	0.039	0.057
Debt Service	0.089	0.083	0.078	0.071	0.011
Social Security	0.037	0.041	0.047	0.041	0.043
Senior Services	-	-	-	-	0.025
Nursing Home	-	-	-	0.047	0.057
Total County	0.648	0.644	0.638	0.673	0.715
OVERLAPPING RATES					
Municipalities	0.165 - 1.454	0.228 - 1.578	0.227 - 1.565	0.221 - 1.526	0.202 - 1.512
Unit School Districts	3.651 - 4.726	3.638 - 4.826	3.954 - 4.910	3.905 - 4.920	3.522 - 4.791
Elementary School Districts	2.013 - 3.245	2.078 - 3.359	2.099 - 3.355	2.023 - 3.360	2.029 - 3.498
High School Districts	1.616 - 2.178	1.713 - 2.178	1.878 - 2.225	1.815 - 2.157	1.759 - 2.093
Community College Districts	0.282 - 0.417	0.340 - 0.416	0.335 - 0.440	0.318 - 0.438	0.301 - 0.453
Conservation District	0.128	0.125	0.181	0.173	0.166
Township and Road Districts	0.152 - 0.512	0.140 - 0.511	0.134 - 0.862	0.128 - 0.744	0.118 - 0.736
Park Districts	0.188 - 0.637	0.028 - 0.630	0.289 - 0.629	0.025 - 0.592	0.025 - 0.577
Fire Protection Districts	0.140 - 0.590	0.142 - 0.644	0.142 - 0.646	0.138 - 0.658	0.134 - 0.656
Library Districts	0.082 - 0.458	0.083 - 0.469	0.084 - 0.469	0.082 - 0.446	0.080 - 0.429
Sanitary Districts	0.045 - 0.091	0.045 - 0.081	0.047 - 0.077	0.047 - 0.066	0.044 - 0.061
Cemetery Districts	0.002 - 0.010	0.002 - 0.010	0.001 - 0.010	0.001 - 0.010	0.001 - 0.009
Rescue Squad District	0.096	0.098	0.099	0.096	0.093

Source: McHenry County Clerk's Office.

Notes: Rates are per \$100 of assessed valuation.

The County's ability to change rates is limited by the Property Tax Extension Limitation Law (PTELL). Increases in rates are limited to the lesser of 5 percent or the increase in the national consumer price index (CPI) for the year preceding the levy year. For the 2008 levy (payable in 2009), the increase was limited to the CPI increase of 4.1%.

Year Taxes Payable

2005	2006	2007	2008	2009
0.247	0.250	0.250	0.285	0.300
0.055	0.060	0.064	0.060	0.060
0.003	0.002	0.004	0.010	0.009
0.013	0.012	0.028	0.034	0.033
0.125	0.121	0.118	0.114	0.116
0.003	0.002	0.002	0.003	0.004
0.075	0.070	0.056	0.037	0.038
0.008	0.007	0.006	0.006	0.005
0.062	0.064	0.059	0.044	0.038
-	-	-	-	-
0.052	0.049	0.036	0.017	0.024
0.023	0.021	0.019	0.018	0.017
0.069	0.070	0.064	0.059	0.057
0.735	0.728	0.706	0.687	0.701

0.191 - 1.472	0.184 - 1.467	0.180 - 1.426	0.175 - 1.409	0.178 - 1.447
3.654 - 4.738	3.587 - 4.517	3.446 - 4.677	3.378 - 4.609	3.172 - 4.693
1.941 - 3.743	1.862 - 3.683	1.919 - 3.754	1.869 - 3.714	1.891 - 3.794
1.970 - 2.035	1.659 - 2.086	1.599 - 2.154	1.552 - 2.149	1.559 - 2.241
0.301 - 0.450	0.256 - 0.447	0.274 - 0.491	0.263 - 0.478	0.258 - 0.436
0.158	0.149	0.143	0.174	0.173
0.110 - 0.701	0.105 - 0.664	0.102 - 0.644	0.098 - 0.629	0.099 - 0.647
0.028 - 0.553	0.300 - 0.534	0.031 - 0.524	0.032 - 0.508	0.029 - 0.528
0.132 - 0.660	0.126 - 0.635	0.189 - 0.623	0.184 - 0.612	0.188 - 0.638
0.078 - 0.418	0.074 - 0.400	0.071 - 0.395	0.069 - 0.383	0.071 - 0.392
0.044 - 0.060	0.045 - 0.057	0.044 - 0.056	0.049 - 0.054	0.056 - 0.057
0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008
0.091	0.088	0.200	0.195	0.199

County of McHenry, Illinois
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

Taxpayer	2009			1999		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Inland Real Estate Corp.	\$ 21,579,353	1	0.19 %	\$ -	-	- %
Wal-Mart Stores, Inc.	18,217,227	2	0.16	-	-	-
Centro Bradley	11,061,509	3	0.10	-	-	-
Target Corp. (Dayton Hudson)	10,412,445	4	0.09	4,638,458	7	0.09
Sky Ridge Partners LP	10,385,450	5	0.09	-	-	-
Rubloff	9,412,240	6	0.08	-	-	-
Menard Inc.	9,024,865	7	0.08	-	-	-
DDR McHenry SQ	8,956,388	8	0.08	-	-	-
Meijer Stores	8,641,365	9	0.08	-	-	-
Terra Cotta Realty Co.	8,371,502	10	0.07	5,830,588	6	0.11
Motorola	-	-	-	26,170,497	1	0.52
Freed Joseph J/Assoc Inc.	-	-	-	9,258,681	2	0.18
Bradley Real Estate	-	-	-	7,556,057	3	0.15
Fountains Crystal Lake LP	-	-	-	6,531,485	4	0.13
Cunat Bros. Inc.	-	-	-	6,016,325	5	0.12
Home Depot USA Inc.	-	-	-	4,563,763	8	0.09
AMLI Commercial Properties Ltd	-	-	-	4,549,840	9	0.09
Wells Manufacturing Co.	-	-	-	4,525,458	10	0.09
	<u>\$ 116,062,344</u>		<u>1.02 %</u>	<u>\$ 79,641,152</u>		<u>1.57 %</u>

Source: McHenry County Assessor's Office.

County of McHenry, Illinois
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collected to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2000	\$ 32,518,035	\$ 31,732,277	97.58 %	\$ 677,748	\$ 32,410,025	99.67 %
2001	34,498,825	34,433,985	99.81	-	34,433,985	99.81
2002	36,942,911	36,826,757	99.69	-	36,826,757	99.69
2003	42,814,112	42,737,686	99.82	-	42,737,686	99.82
2004	50,333,994	50,268,332	99.87	-	50,268,332	99.87
2005	56,605,027	56,478,087	99.78	-	56,478,087	99.78
2006	62,333,680	62,245,602	99.86	-	62,245,602	99.86
2007	66,273,418	66,174,779	99.85	-	66,174,779	99.85
2008	69,497,238	69,328,620	99.76	-	69,328,620	99.76
2009	73,587,785	73,429,748	99.79	-	73,429,748	99.79

Source: McHenry County Treasurer's Office.

County of McHenry, Illinois
RATIOS OF OUTSTANDING DEBT - BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Debt Certificates	Capital Leases	Installment Notes	Debt Certificates	Revenue Bonds	Capital Leases			
2000	\$ 13,330,000	\$ -	\$ 1,035,269	\$ 753,742	\$ -	\$ 900,000	\$ -	\$ 16,019,011	0.18 %	\$ 61.59
2001	9,380,000	4,250,000	755,165	507,993	-	765,000	-	15,658,158	0.17	57.89
2002	5,180,000	14,843,651	1,188,545	340,414	-	765,000	-	22,317,610	0.24	80.36
2003	770,000	14,417,072	919,158	164,644	-	625,000	-	16,895,874	0.17	59.06
2004	-	23,433,077	804,464	-	12,500,000	325,000	-	37,062,541	0.36	125.05
2005	-	25,589,569	1,074,018	-	12,500,000	325,000	-	39,488,587	0.37	129.90
2006	-	28,840,473	785,929	-	12,020,000	165,000	52,774	41,864,176	0.36	134.02
2007	-	81,460,136	1,348,872	-	11,535,000	-	39,586	94,383,594	0.77	298.74
2008	-	74,637,760	2,410,549	-	11,035,000	-	25,997	88,109,306	0.71	276.52
2009	-	71,530,000	1,619,735	-	10,525,000	-	11,994	83,686,729	0.68	260.74

Note: Details regarding the County's outstanding debt can be found in the notes to financial statements.
See Demographic and Economic Statistics at page 185 for and personal income and population data.

County of McHenry, Illinois
RATIOS OF OUTSTANDING GENERAL BONDED DEBT
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt				Percentage of Estimated Actual Value of Property	Per Capita
	General Obligation Bonds	Debt Certificates	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt		
2000	\$ 13,330,000	\$ -	\$ (1,136,658)	\$ 12,193,342	0.08 %	\$ 46.88
2001	9,380,000	4,250,000	(769,708)	12,860,292	0.08	47.54
2002	5,180,000	14,843,651	(244,459)	19,779,192	0.11	71.22
2003	770,000	14,417,072	(136,608)	15,050,464	0.08	52.61
2004	-	35,933,077	-	35,933,077	0.17	121.24
2005	-	38,089,569	-	38,089,569	0.16	125.30
2006	-	40,860,473	-	40,860,473	0.16	130.81
2007	-	92,995,136	-	92,995,136	0.33	294.34
2008	-	85,672,760	-	85,672,760	0.28	268.87
2009	-	82,055,000	-	82,055,000	0.26	255.65

Note: Details regarding the County's outstanding debt can be found in the notes to financial statements.
 See Assessed Value and Estimated Actual Value of Taxable Property Schedule at page 175 for property value data.
 See Demographic and Economic Statistics at page 185 for population data.

County of McHenry, Illinois
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
November 30, 2009

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct			
County of McHenry	\$ 73,280,000	100.0 %	\$ 73,280,000
Overlapping			
Municipalities	132,312,000	5.8 - 100.0	113,196,000
Unit School Districts	908,982,000	0.1 - 100.0	397,126,000
Elementary School Districts	106,543,000	93.7 - 100.0	104,250,000
High School Districts	78,936,000	98.6 - 100.0	78,514,000
Community College Districts	327,985,000	0.1 - 96.7	13,409,000
Conservation District	158,421,000	100.0	158,421,000
Township and Road Districts	7,263,000	100.0	7,263,000
Park Districts	42,254,000	82.9 - 100.0	38,743,000
Fire Protection Districts	15,933,000	7.4 - 100.0	11,699,000
Library Districts	25,628,000	2.2 - 100.0	8,870,000
Total Overlapping			<u>931,491,000</u>
Total Direct and Overlapping Debt			<u>\$ 1,004,771,000</u>

Sources: Assessed value data used to estimate applicable percentages provided the County Clerk's Office. Debt outstanding data obtained from annual financial reports submitted to the Illinois Comptroller or Illinois State Board of Education or from individual comprehensive annual financial reports.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses of the County should be taken into account. However, this does not mean that every taxpayer of the County is a taxpayer of each of the above overlapping districts and responsible for bearing the repayment of the long-term debt of each overlapping district.

The percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another district's assessed value that is within the County's boundaries and dividing it by that district's total assessed value.

Amounts are rounded to the nearest thousand.

County of McHenry, Illinois
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 144,228,990	\$ 154,012,220	\$ 166,474,505	\$ 183,034,172	\$ 202,306,811	\$ 221,534,504	\$ 246,234,032	\$ 270,925,343	\$ 291,982,711	302,641,027
Less: total debt applicable to limit	<u>(1,789,011)</u>	<u>(1,263,158)</u>	<u>(1,528,959)</u>	<u>(1,083,802)</u>	<u>(804,464)</u>	<u>(1,074,018)</u>	<u>-</u>	<u>(54,885,000)</u>	<u>(50,385,000)</u>	<u>(45,695,000)</u>
Legal debt margin	\$ <u>142,439,979</u>	\$ <u>152,749,062</u>	\$ <u>164,945,546</u>	\$ <u>181,950,370</u>	\$ <u>201,502,347</u>	\$ <u>220,460,486</u>	\$ <u>246,234,032</u>	\$ <u>216,040,343</u>	\$ <u>241,597,711</u>	<u>256,946,027</u>
Total debt applicable to limit as a percentage of debt limit	% <u>1.24</u> %	% <u>0.82</u> %	% <u>0.92</u> %	% <u>0.59</u> %	% <u>0.40</u> %	% <u>0.48</u> %	% <u>-</u> %	% <u>20.26</u> %	% <u>17.26</u> %	% <u>15.10</u> %

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed valuation (2008 tax year)	\$ <u>10,526,644,418</u>
Debt limitation (2.875% of assessed valuation)	<u>302,641,027</u>
Debt outstanding	
Debt Certificates	82,055,000
Capital Leases	<u>1,631,729</u>
Subtotal	83,686,729
Less: debt not subject to limitation	<u>(37,991,729)</u>
Total debt applicable to limit	<u>45,695,000</u>
Debt limit margin	\$ <u>256,946,027</u>

Note: Per state statute, the County is limited to issuing debt in an amount not to exceed 2.875% of the assessed value of the taxable property within the County. However, this limitation does not apply to debt issued for the purpose of building a County court house, jail, or other necessary County buildings and for the accommodation thereof. (50 ILCS 405 - Local Government Debt Limitation Act)

County of McHenry, Illinois
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

911 Fund Revenue Bonds							
Fiscal Year	Charges for Services	Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2000	\$ 820,046	\$ 44,129	\$ 586,185	\$ 277,990	\$ 130,000	\$ 39,112	1.64
2001	1,489,078	38,453	1,006,893	520,638	135,000	34,563	3.07
2002	1,985,406	41,838	795,253	1,231,991	-	29,702	41.48
2003	1,841,241	59,734	1,070,032	830,943	140,000	24,823	5.04
2004	1,932,388	47,455	1,213,330	766,513	300,000	18,785	2.40
2005	1,966,275	72,133	1,232,169	806,239	-	13,195	61.10
2006	2,032,278	104,103	1,332,078	804,303	160,000	7,035	4.82
2007	2,209,926	135,558	1,517,913	827,571	165,000	300	5.01
2008	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements. Operating expenses do not include interest, depreciation, or amortization expenses. 911 Fund revenue bonds are backed by charges for services, which represent monthly telephone surcharges paid on telephone lines within the County. This issue was paid off in 2007.

County of McHenry, Illinois
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) School Enrollment	(3) Number of Teachers	(4) Unemployment Rate	
2000	260,077	\$ 8,731,257,000	\$ 33,572	44,999	3,280	3.6	%
2001	270,504	9,020,494,000	33,347	46,460	3,460	4.7	
2002	277,710	9,284,767,000	33,433	48,356	3,475	5.6	
2003	286,091	9,707,351,000	33,931	50,097	3,654	5.9	
2004	296,389	10,333,931,000	34,866	51,535	3,638	5.2	
2005	303,990	10,745,175,000	35,347	53,235	3,350	5.1	
2006	312,373	11,684,785,000	37,407	53,917	3,142	3.7	
2007	315,943	12,291,318,000	38,904	54,256	3,523	4.3	
2008	318,641	12,392,686,000	38,892	54,350	3,742	5.8	
2009	320,961	12,221,779,000	38,079	54,080	3,648	9.7	

Sources:

- (1) US Census Bureau.
- (2) Bureau of Economic Analysis, US Department of Commerce.
- (3) Regional Superintendent of Schools.
- (4) Illinois Department of Employment Security.

County of McHenry, Illinois
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	2009			2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Centegra Health System	3,450	1	2.13 %	2,078	2	1.42 %
Wal-Mart	1,700	2	1.05	-	-	-
Jewel Osco	1,400	3	0.86	-	-	-
County of McHenry	1,400	4	0.86	1,200	3	0.82
Follett Library Resources	1,378	5	0.85	850	6	0.58
Catalent Pharma Solutions	830	6	0.51	-	-	-
Brown Printing	727	7	0.45	-	-	-
Snap-on Tools Co.	650	8	0.40	-	-	-
Sage Products, Inc.	551	9	0.34	-	-	-
Knaack LLC	500	10	0.31	580	9	0.40
Motorola, Inc.	-	-	-	4,400	1	3.01
Intermatic Inc.	-	-	-	1,100	4	0.75
Dana Corp/Brake Parts Inc.	-	-	-	1,050	5	0.72
Precision Twist Drill Co.	-	-	-	775	7	0.53
Tru Serv Corp	-	-	-	750	8	0.51
Elementary School District #15	-	-	-	557	10	0.38
	<u>12,586</u>		<u>7.76 %</u>	<u>13,340</u>		<u>9.14 %</u>

Source: Principal employers obtained from the annual McHenry County Book of Lists, compiled by the McHenry County Business Journal. Total County employment obtained from the Illinois Department of Employment Security.

County of McHenry, Illinois
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES - BY FUNCTION
Last Ten Fiscal Years

FUNCTION/PROGRAM	Full-time Equivalent Employees as of November 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General and administrative	161.2	172.5	179.3	184.0	195.7	196.8	201.7	203.9	213.3	208.2
Community development	24.0	25.0	26.0	23.0	22.0	20.0	23.6	25.1	23.5	27.0
Transportation	34.0	35.0	33.0	36.0	38.0	48.0	50.5	56.5	59.5	57.4
Public safety	268.6	271.8	285.5	296.5	316.9	377.5	382.5	394.2	404.9	400.1
Judiciary and court related	164.8	170.4	177.0	173.6	175.1	175.0	194.8	211.5	212.1	208.4
Public health and welfare	224.7	238.7	233.6	252.0	267.9	270.3	300.1	302.6	312.2	359.6
	<u>877.3</u>	<u>913.4</u>	<u>934.4</u>	<u>965.1</u>	<u>1,015.6</u>	<u>1,087.6</u>	<u>1,153.2</u>	<u>1,193.8</u>	<u>1,225.5</u>	<u>1,260.7</u>

Source: McHenry County Department of Human Resources.

Note: A full-time employee is scheduled to work 37.5 hours per week, which is equal to 1950 hours per year (52 weeks * 37.5 hours/week). Full-time equivalent employment is calculated by dividing total labor hours by 1950.

County of McHenry, Illinois
OPERATING INDICATORS - BY FUNCTION
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General and administrative										
Documents recorded	71,902	96,268	123,271	173,421	115,446	110,544	96,602	86,224	65,141	63,309
Real estate transfer declarations	9,757	10,323	10,903	11,774	11,225	11,886	9,550	6,811	4,661	3,847
Birth certificates issued	1,891	1,936	1,954	1,859	2,109	2,264	2,213	2,062	2,066	2,020
Parcels assessed	122,477	125,657	127,665	130,547	133,137	136,646	140,899	142,521	147,007	148,679
Registered voters	161,637	165,112	169,530	172,648	186,394	184,315	186,323	189,386	199,378	200,205
Tax bills mailed	117,247	120,129	121,954	124,597	126,796	130,266	134,047	137,723	136,597	137,746
Passports issued	4,412	4,273	3,670	3,188	2,627	1,774	2,018	2,528	1,603	1,359
Teachers certified	3,280	3,460	3,475	3,654	3,638	3,350	3,142	3,523	3,742	3,648
Community development										
Building permit applications	1,632	1,990	2,117	1,885	1,798	1,636	1,421	1,430	1,387	1,246
Zoning petitions filed	89	89	106	127	131	140	96	100	79	58
Transportation										
Permits (access, facility, & utility)	87	53	161	181	140	104	114	159	108	90
Lane miles resurfaced	18.1	13.7	11.7	24.0	22.1	15.3	15.7	15.9	27.3	21.3
Public safety										
Incoming 911 calls	19,131	22,113	31,456	32,694	30,701	31,735	33,187	36,148	35,215	34,597
Arrests	2,671	2,648	2,750	2,907	3,095	3,006	2,556	3,690	3,827	3,622
Citations issued	8,617	8,170	7,636	8,238	10,344	11,223	12,215	14,085	13,294	14,527
Inmates processed	6,208	7,021	5,939	6,509	6,615	6,966	8,513	9,796	10,378	10,216
Hazardous material and other emergency responses	55	48	41	53	73	51	55	50	55	50
Judiciary and court related										
Judges	12	12	12	12	12	12	13	15	16	16
Total cases filed	77,959	79,259	88,808	91,418	89,332	93,338	96,769	105,502	103,207	93,849
Jury trials	44	42	47	37	36	30	37	60	81	84
Defendants appointed to public defender	2,933	3,541	4,209	4,487	4,906	4,826	4,213	4,306	4,979	5,124
Charges disposed by public defender	6,009	7,025	8,159	8,811	10,736	10,450	9,078	8,750	9,914	10,128
Public health and welfare										
Food establishment inspections	3,652	3,975	3,973	4,169	4,485	5,479	5,753	5,680	5,765	4,205
Vision screenings	12,849	10,879	13,184	11,969	12,915	12,577	12,095	11,114	9,629	9,028
Hearing screenings	13,937	12,135	14,152	13,479	15,254	13,989	13,255	13,272	13,126	13,063
Nursing home - resident days	40,728	41,254	41,829	41,027	40,528	40,695	41,181	43,406	44,450	45,186
Veterans assistance cases	485	533	496	469	439	474	523	470	590	703

Sources: County Departments.

County of McHenry, Illinois
CAPITAL ASSET STATISTICS - BY FUNCTION
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General and administrative										
Primary buildings	1	1	1	2	2	2	2	2	2	2
Transportation										
Lane miles	495	495	495	495	495	495	495	502	490	495
Street lights	112	112	112	114	114	209	233	267	363	363
Traffic signals	21	22	23	24	24	25	27	29	31	32
Bridges	37	37	37	37	37	37	37	37	38	38
Vehicles	57	57	56	61	68	68	69	75	79	76
Public safety										
Jail inmate capacity	325	325	325	325	325	325	620	632	666	666
Sheriff vehicles	118	119	124	145	144	146	165	173	172	186
Sheriff boats	6	6	6	6	6	6	6	6	6	5
Judiciary and court related										
Courtrooms	12	12	12	13	13	13	13	16	16	16
Public health and welfare										
Nursing home capacity	117	117	117	117	117	117	117	127	128	128
Vehicles - veterans assistance	3	3	3	4	4	4	4	4	5	5

Sources: County Departments.