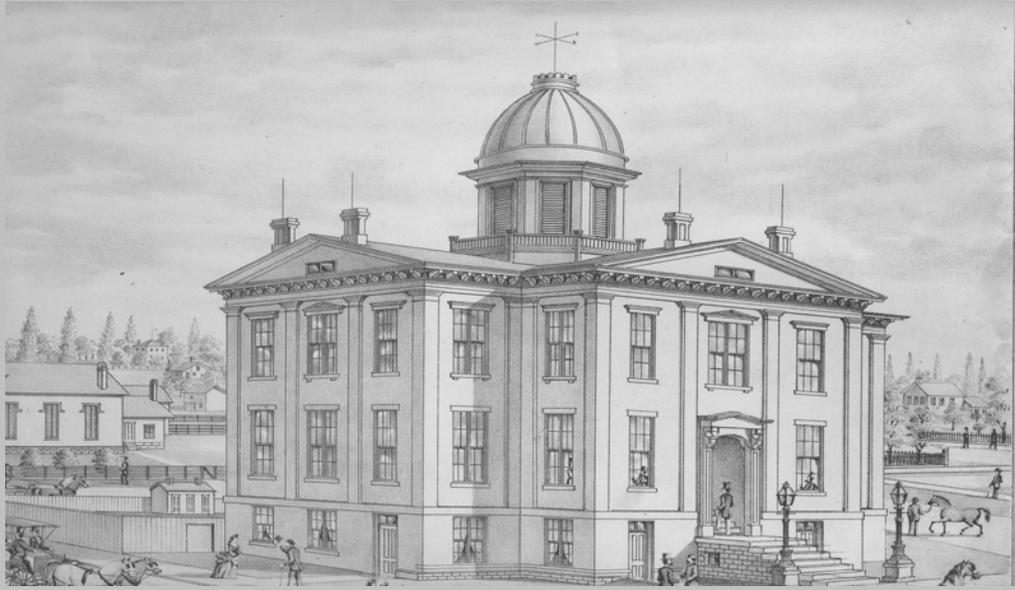
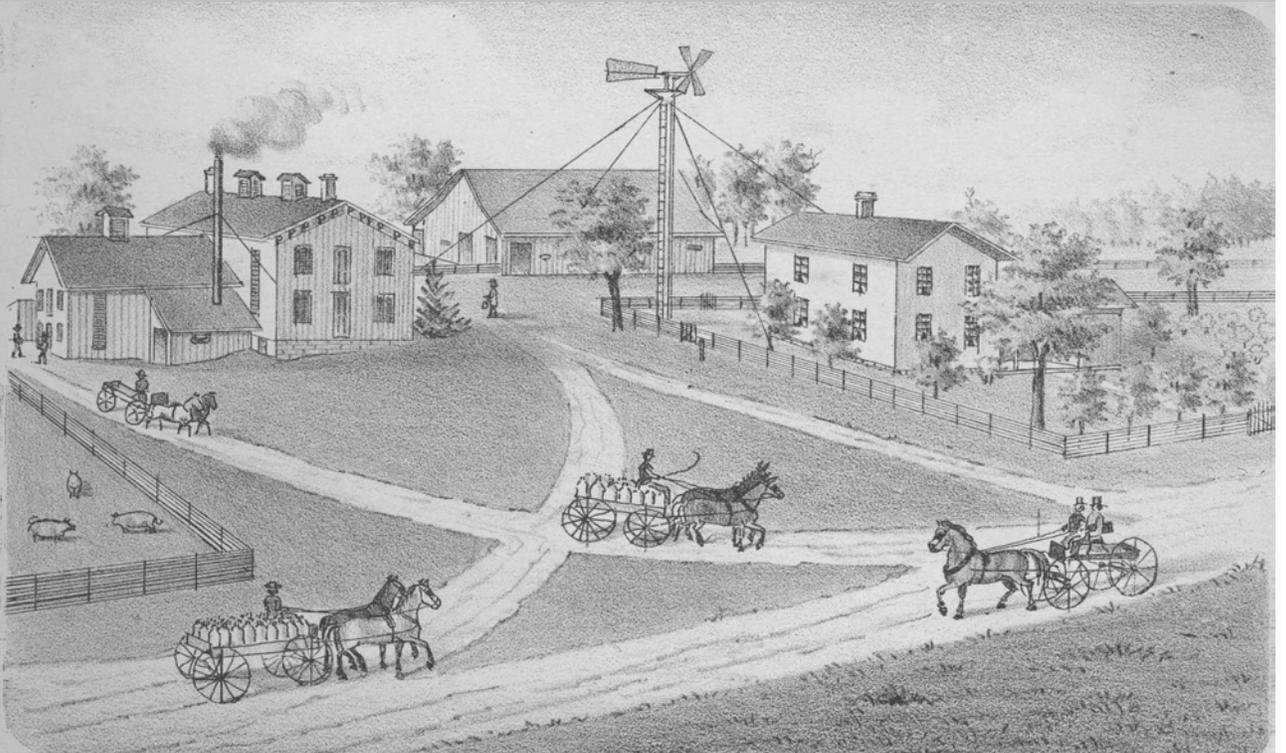


County of McHenry, Illinois



Early settlers, in search of land and farm sites, petitioned the Illinois legislature for the formation of the County of McHenry on January 16, 1836. This important date marks the 175th anniversary for the establishment of McHenry County.



*Comprehensive Annual Financial Report
For the Fiscal Year Ended November 30, 2011*

Early History on the County of McHenry

Frontiersmen

“The hearty frontiersmen who traveled at different periods over the fertile prairies now included in McHenry County, brought back glowing reports of the advantages to be had in this section of Illinois territory, but owing to Indian disturbances, no permanent settlements were made here until 1834.”¹

First Recorded Settlers

Although there had been a law prohibiting white settlers from locating before 1836 on newly ceded Indian lands, there were some bold pioneers who pushed their way into the new county earlier, and the year 1835 saw quite a number of white settlers located in various parts of the county. The earliest settlers came from New York, New England, and Virginia.

“James Gillilan came to what is now Algonquin Township in November 1834, bringing his family with him from West Virginia, and he was the first to locate here permanently. In 1835, two settlements were made in this county, one known as The Virginia Colony, located in what is now the eastern portion of Dorr Township; and The Pleasant Grove Colony, located on the present site of Marengo.”¹

County of McHenry Beginnings

Finding access to Cook County government difficult, they petitioned for the formation of a more local county seat. McHenry County was formed on January 16, 1836 from the northern portion of the original Cook County, and then included the territory now constituting two counties – Lake and McHenry. This was done by the Illinois Legislature which approved “An act to establish certain counties” and Section 1 read as follows:

“Be it enacted, that all that tract of country within the following boundaries, to wit: Beginning at a point on Lake Michigan where the township line dividing townships 42 and 43 strikes said lake and running thence west along said line to the east line of range number 4, east of the third principal meridian, thence north to the boundary line of the State, thence east to Lake Michigan thence east along the shore of said lake to place of beginning, **shall constitute a new county to be called McHenry.**”

Section 16 of the above mentioned act contained the following provision that....

“The county of McHenry shall continue to form a part of Cook (county) until it shall be organized; shall vote with the county of Cook in all general elections, until otherwise provided by law.”

A subsequent act by the Legislature set the first day of June, 1837, as election day, for the choosing of county officers.

The County was named in honor of Major William McHenry of White County, Illinois, an officer in the Blackhawk war, which was fought a few years earlier. Major McHenry marched through the territory to join General Atkinson at Ft. Atkinson, Wisconsin.

¹ These excerpts were taken from the History of McHenry County, Illinois – Volume 1 book that was published in 1922 and written by special authors and contributors. The book is available at the Internet Archive, which is a non-profit founded to build an Internet library for access to researchers, historians, scholars, people with disabilities, and the general public to historical collections that exist in digital format. <http://archive.org>

Other information was also obtained from the McHenry County Illinois 1832 – 1968 history book as published by the McHenry County Board of Supervisors in 1968.

County of McHenry, Illinois

Comprehensive Annual Financial Report

For the Year Ended November 30, 2011

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, 2011

COUNTY BOARD MEMBERS

Kenneth Koehler, Chairman
Robert "Bob" Bless
JS "Scott" Breeden
Randall Donley
Mary L. Donner
Sue Draffkorn
Diane Evertsen
John D. Hammerand
James L. Heisler
Tina Hill
John Jung, Jr.
Donna Kurtz

Mary T. McCann
Peter J. Merkel
Anna May Miller
Marc J. Munaretto
Robert "Bob" Nowak
Virginia Peschke
Nick Provenzano
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
Vacant

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



PAMELA PALMER
COUNTY AUDITOR

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

OFFICE OF
THE COUNTY AUDITOR

McHENRY COUNTY, ILLINOIS
2200 NORTH SEMINARY AVENUE
WOODSTOCK, ILLINOIS 60098

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

May 04, 2012

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended November 30, 2011 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 2011. The financial statements included in the CAFR conform with generally accepted accounting principles in the United States of America (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.

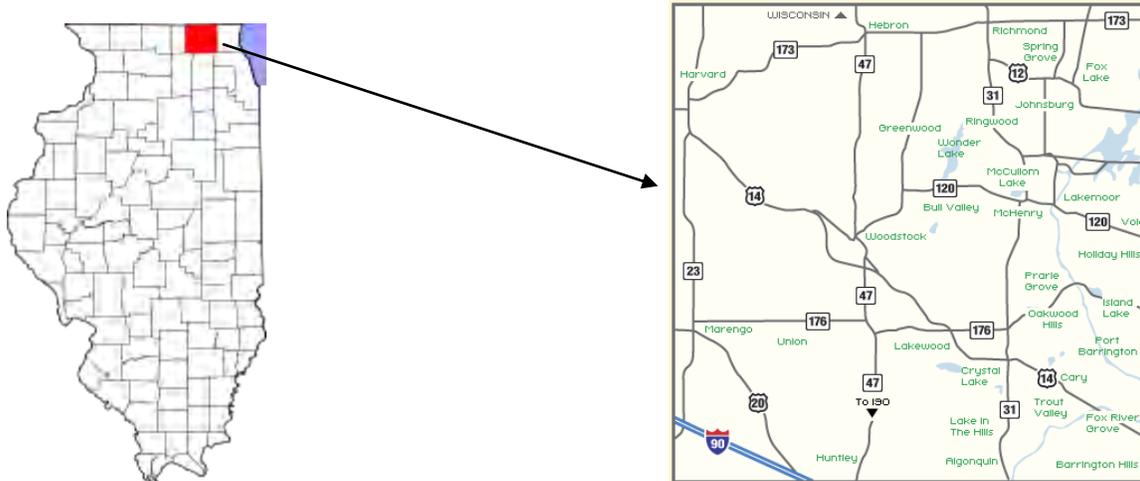
In addition, the Management of the County has the responsibility to establish and maintain accounting policies and procedures and other internal controls for the preparation of complete and accurate County financial statements in accordance with GAAP. Because the cost of internal controls should not 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 2011, and future initiatives of the County.

Profile and History of McHenry County, Illinois



McHenry County is located in the northeastern part of Illinois, and is adjacent to Walworth and Kenosha Counties in Wisconsin and the following counties in Illinois – Lake, Cook, Kane, DeKalb and Boone. The County covers a total area of 611 square miles consisting of 603 square miles of land and 8 square miles of water. The 2011 estimated population by the U.S. Census Bureau is 308,944 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. McHenry County government is based primarily out of Woodstock and County offices and the judicial facilities are located along Illinois Route 47. The Mental Health and Animal Control facilities are located in Crystal Lake. 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 in honor after Colonel William McHenry, who commanded a regiment during the Black Hawk War. Thus, McHenry County has now existed in formation for 175 years. On June 1, 1837, the Board of County Commissioners, consisting of three members who were duly elected on that day, met for the first time for the newly created County to plan its incorporation. A Sheriff, Coroner, Recorder and Surveyor were elected at that meeting. Another meeting was held on June 5, 1837 in which a Clerk, Secretary, and Treasurer were appointed. It was also ordered by the Court that Judges of Election be appointed in order to hold an election on June 10, 1837 for Justices of the Peace and Constables. These elections were held in the homes of the residents.

Originally, McHenry County stretched to Lake Michigan on the east until 1839, when voters were granted the right split the area and 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 to this day 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.



Map of Townships and Districts
Oct 2011

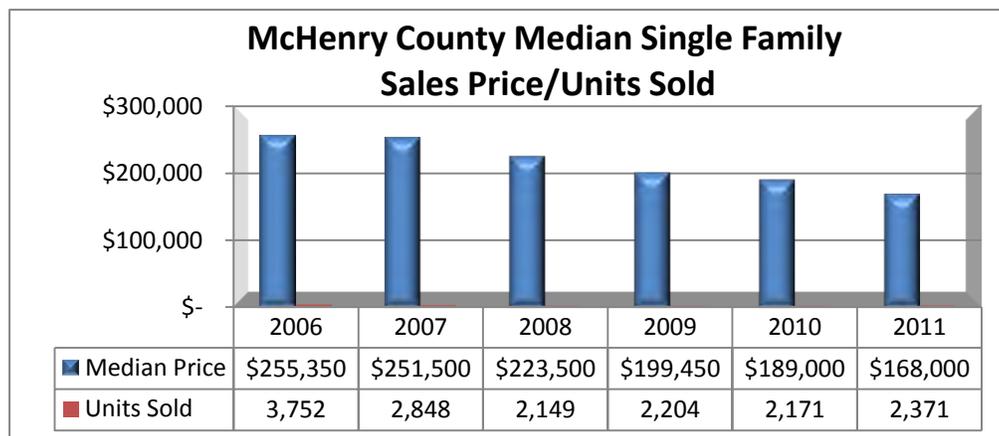
Besides the 17 townships that McHenry County is organized under, the County is divided into 6 County Board districts with 4 representatives elected from each district. Every two years, the County Board elects one of the members as Chairman of the County Board, along with a Vice-Chairman. There are also 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.

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

In 2011, McHenry County started to see signs of a slow recovery from the national recession, which began in December 2007 and lasted until mid 2009. A weak housing market, foreclosure activity, lower retail sales, and unemployment hampered the local economy. Sales of single family homes and the decreased median prices are reflected in market reports by the Illinois Association of Realtors. A view of single family home sales data before and during the recession reflects the decreases in the median price and sales volume as follows:



Source: Illinois Association of Realtors

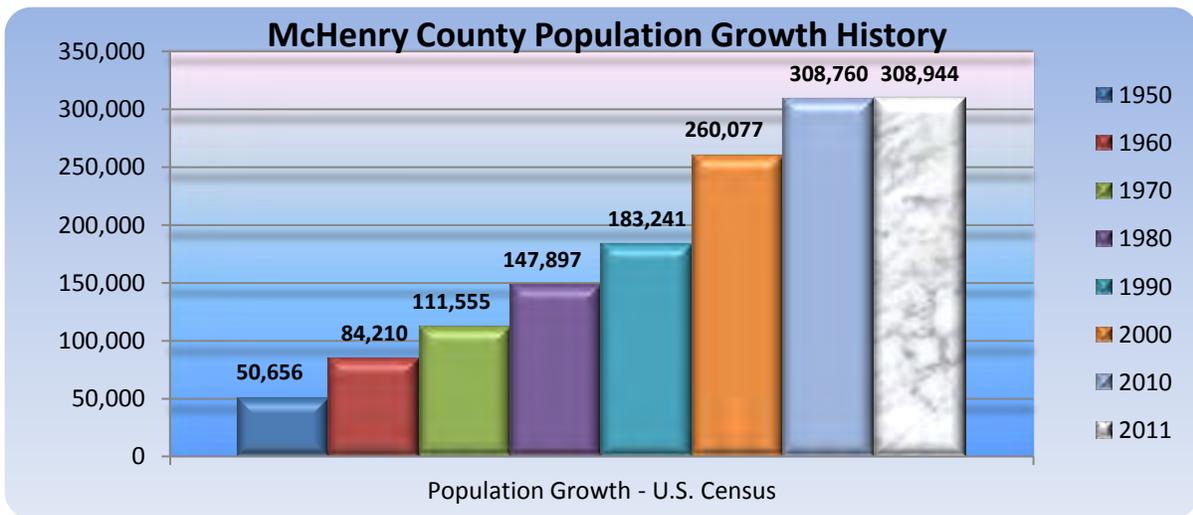
McHenry County has begun to see a slow upturn in the economy and remains cautious but optimistic in making decisions on both budgetary planning and spending. A monthly Sales Tax Analysis Report is prepared to track the revenues forwarded from the State of Illinois for the 1% and 0.25% sales tax rates. Although the sales tax is still below the highest year experienced in FY2006, increases have occurred since the low that was hit during FY2009. Single family home sales as reported by the Illinois Association of Realtors increased in volume by 9.2% from 2,171 homes in 2010 to 2,371 homes in 2011. However, the median price dropped 11.1% from \$189,000 in 2010 to \$168,000 in 2011.

The median household income as published by the U.S. Census Bureau for McHenry County was \$69,290 for 2010 as compared to the State of Illinois' median household income of \$52,967. In comparison, reported in 2009 was a County median household income of \$74,699 and the State of Illinois' at \$53,974. The County continues to have a low percentage of persons below the poverty level with the U.S. Census Bureau reporting 6.2% for 2010.

Population Growth

The U.S. Census Bureau's 2011 annual estimate of the County's population was released at 308,944, which continues to place McHenry County as the sixth largest county in Illinois out of a total of 102 counties. This estimate shows that the County's population has stayed even since the last federal census in 2010, with only an increase of 184 residents. The entire State of Illinois' population only increased by 38,625 residents, or 0.3%, since the 2010 census. McHenry County now ranks 209th in population out of all the United States counties. Statewide, sixty-six (66) of the counties experienced a population decrease of 10,051, with thirty-six (36) counties gaining 48,676 residents over the 2010 census.

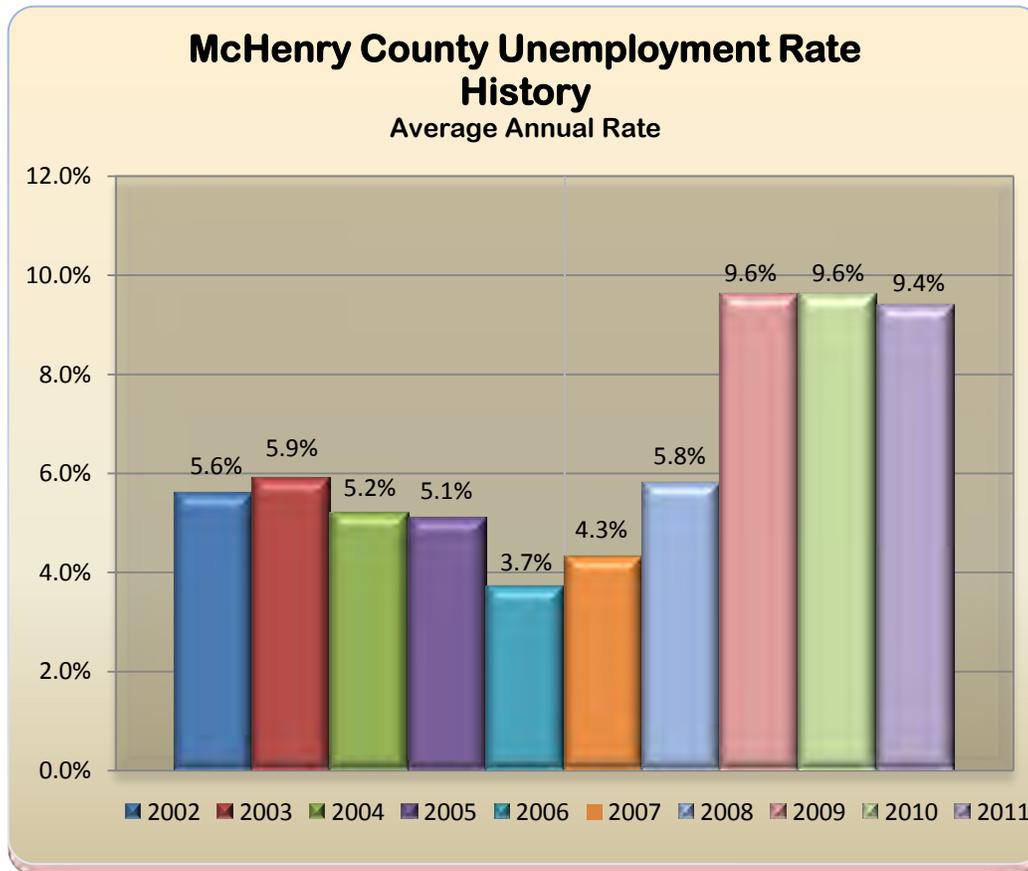
The following chart depicts the County's population growth in 10 year intervals starting with 1950 and also includes the data for the current calendar year 2011:



The County's population growth was significant in the 1990's with an overall increase of 41.9% from 1990 to 2000, slowing down to 18.8% for the period of 2000 to 2011.

Unemployment

The County's average annual unemployment rate was 9.4% for 2011, 9.6% for 2010, 9.6% in 2009, and 5.8% in 2008. For the State of Illinois, the average annual unemployment rates have been 9.8% (2011), 10.3% (2010), 10.0% (2009), and 6.4% (2008). The U.S. unemployment rate for 2011 was 9.0%. In 2011, the total County labor force was 174,781, consisting of 158,424 employed and 16,357 unemployed. The comparable statistics for 2010 relate to a somewhat higher total labor force of 180,783 with 163,497 employed and a higher number, 17,286, of unemployed individuals. The information presented in this section is contained within reports issued by the Illinois Department of Employment Security. The chart below represents that average unemployment rate over the past ten years:



SOURCE: Illinois Department of Employment Security – LAUS Report

The McHenry County Labor Report issued by the McHenry County Workforce Investment Board and Workforce Network along with the McHenry County Economic Development Corporation is predicting an estimated 3% growth in jobs in McHenry County from 2011 to 2015. The largest amount of this estimated increase was noted as being in the education and health services, leisure and hospitality, and professional and business services categories.

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. The County Board continues to address the weak revenue environment with corresponding controls on expenditures. 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 consistently stayed above the five month mark ever since. With the implementation of GASB 54 - ***Fund Balance Reporting and Governmental Fund Type Definitions*** in FY2011, the fund balances that are not restricted or otherwise constrained for specific uses are now referred to "unassigned". The County's formal policy requires that the general fund maintain an unassigned fund balance equal to five months of budgeted operating expenditures. As of November 30, 2011, the County had an unassigned general fund balance of \$48,567,345 as compared to \$85,416,253 in operating expenditures (FY 2012 budgeted), or a reserve of 6.8 months.

Budgetary Controls

McHenry County has operated on a "no growth" or maintenance budget for the past several years, which means that each department starts out with the same appropriated budget from the prior year. Supplemental requests from departments are received and reviewed during the budget process by County Administration, the Committee of the Whole, and the Finance and Audit Committee. These supplemental requests are 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 final 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 are made a part of the Financial Model in order to determine their impact on the fund balance.

Strategic Planning

The County developed a new Strategic Plan in May 2009 with the assistance of Public Knowledge, LLC. The Plan addressed 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. A report card was made available on the County's website to state the goals and the actions taken or progress made. Almost every goal that was set back in 2009 was accomplished. With most of the elements having been made within the major areas, plans were made to address the Strategic Plan in early 2012 to identify new goals for a one year period. A new multi-year plan will be established in early 2013.

Major Initiatives

General and Administrative

- County Administration continued to conduct financial updates throughout the year to the County Board to keep members informed on operational results. Also, Administration implemented a new ADP ETime system which will make the payroll process completely electronic and create efficiencies in the time recording process.
- The County Auditor's Office was notified of the 13th consecutive year of receiving an award from the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. Another report, the Popular Annual Financial Report (PAFR), received a third consecutive GFOA Award for Outstanding Achievement for the FY2010 report. McHenry County is the first and only county in the State of Illinois to achieve this distinction for the PAFR.
- Facility Management finished most their projects on the Energy Efficiency Conservation Block Grant (EECBG) through the American Recovery and Reinvestment Act (ARRA), during FY2011. Since the program began to utilize the funds, the County has already benefitted by savings of over \$200,000 in energy efficiency. Also, McHenry County was featured on NACO's (National Association of Counties) website with a three minute video on the EECBG grant shown at their Energy Efficiency and Renewable Energy Forum in January 2011. Facility Management also completed the construction of an Archive Storage Facility, which came in under budget.
- The County's Human Resource Department introduced their newest wellness program, entitled "Feel Like a Million", which focused on reducing stress and developing new habits. This program was in addition to on-site fitness classes, employee health fairs, and other opportunities for discounted fitness memberships. The County has embarked on a wellness program to assist with keeping employee healthcare costs down. A Health Risk Assessment Program is also held annually for employees to participate in.
- The McHenry County Ethics Commission Policies and Procedures were revised, enhanced, and approved by the Ethics Commission in January 2011. The revised policy also includes steps for reporting and training for employees and Elected Officials.
- The County received an "A+" rating from the Sunshine Review, a nonprofit group promoting disclosure of government information. The County has a variety of information available for citizens and interested parties on the County's website – www.co.mchenry.il.us.

Transportation

- The McHenry County Division of Transportation (DOT) entered into an intergovernmental agreement with the McHenry County Conservation District for the Crystal Lake-Woodstock Bike Trail Crossing of Walkup Road. Also, work continued during 2011 on improvements to Rakow Road. This project involves the widening of the road due to the tremendous growth in traffic.

- A “Pilot Program” with PACE Suburban Bus Service was renamed “McRide” and results from over five (5) years of planning. Approximately \$800,000 in Federal funding has been obtained, along with grant funding from the Senior Services Grant Fund. The new program combines four (4) dial-a-ride programs into one (1) program. The City of Crystal Lake, the City of McHenry, the City of Woodstock, and the County have agreed to provide services in and throughout these communities under one contract with PACE. This program is administered by the Transportation Planner staff of DOT.
- The County is participating in a Regional project for a full interchange at Illinois Route 47 at the Interstate 90 interchange as part of the Highway Improvement Plan. The project is being conducted via a master intergovernmental agreement between five (5) entities; the Illinois Tollway, the Illinois Department of Transportation (IDOT), the Village of Huntley, Kane County, and McHenry County. This project will greatly benefit McHenry County as it will cut travel times by businesses and residents.

Community Development

- Work continued during 2011 with selected vendor Camiros, LTD for development of a Unified Development Ordinance, which will update and consolidate the Zoning Ordinance, Subdivision Ordinance, Sign Ordinance, and miscellaneous development-related ordinances into a comprehensive ordinance for the regulation of land.
- The County was the recipient of a \$3,085,695 Neighborhood Stabilization Program (NSP) grant through HUD in 2010. These funds are being used for the purpose of acquiring and redeveloping foreclosed properties that have negatively impacted the neighborhoods that they exist in. Since its inception, fifteen (15) houses were purchased and rehabbed, with 10 being sold or rented during 2011.

Public Safety

- The McHenry County Sheriff’s Department successfully completed the multi-year process to attain internationally acknowledged recognition by the Commission on Accreditation for Law Enforcement Agencies (CALEA) and was officially recognized for the certification on March 26, 2011 in Bethesda, Maryland.
- Barry Valentine, the County’s Emergency Management Agency (EMA) Director since 1994 and had worked for the Agency for 32 years, retired in May 2011. The Board appointed David Christensen to the position, well-known both locally and nationally with EMA agencies.

Judiciary and Court Related

- Work continued on enhancements to the ICIS (Integrated Case Management System) that was placed on-line in May 2009. During 2011, planning was conducted for the next phase of implementing a case management system.
- The 22nd Judicial Circuit Drug Court Program was kicked off during December 2011. This program works with individuals who qualify for the program to get the personal treatment needed from drug counselors, intensive probation counselors, nurses and other treatment providers. The program also received an additional boost from a \$305,000 implementation grant from the Bureau of Justice Assistance.

Public Health and Welfare

- The McHenry County Mental Health 708 Board broke ground during 2011 on a two-story addition to the existing facility. When completed in 2012, this addition will provide needed space for existing staff and programs and to allow agencies and groups to have spaces to meet.
- McHenry County was ranked high in an annual *County Health Rankings*, released in March 2011 by the University of Wisconsin Population Health Institute and the Robert Wood Johnson Foundation. The

County received a rank of “4” (out of 102 counties in Illinois) for “health outcomes” and a rank of “7” for “health factors”.

- The Health Department, as part of the Northern Illinois Public Health Consortium, won an award from the National Public Health Information Coalition (NPHIC) for excellence in public health communication. This was for their *Websites and News Media* development during the flu pandemic.
- In July 2011, Jeffrey J. Poynter was appointed as the Director of the Workforce Investment Board after the retirement of Carl Marten. This position is required for the County to receive any funds under the Workforce Investment Act. Mr. Poynter surpassed all requirements of this position.

Legislative

- The Legislative Committee was in charge of the groundwork for the redistricting process. The process was long and labor intensive, but new maps were completed and approved at the June 21, 2011 County Board meeting.

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. During 2011, three new capital leases in the amount of \$2.9 million were issued for the acquisition of computer equipment. Further information on the County’s outstanding debt can be found in the Management Discussion and Analysis and the Notes to Financial Statements.

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. Historically, the first bond rating by Moody’s was in 2002 with 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 attained rating will allow the County to issue debt at the lowest possible interest rate.

McHenry County 2030 Plan

The 2030 Plan was adopted on April 20, 2010 by the County Board and is intended to serve as a guide for regional planning and decision making over the next two decades. The *McHenry County 2030 Comprehensive Plan* establishes a vision for McHenry County as well as a set of actionable goals and objectives that serve as a road map to realizing that vision. It provides long-range policy recommendations for the development and redevelopment of the County’s built form and physical assets as well as for the maintenance and enhancement of the County’s valued natural resources.

Federal Legislative Program

The McHenry County Board adopted a Federal Legislative Program on February 1, 2011 for Federal Fiscal Year 2012. The major points of the program includes seeking the following: 1) \$550,000 for Stormwater Management to complete comprehensive watershed and flood mitigation plans for the Lower Nippersink Creek Watershed and the Upper Fox River Watershed; 2) \$1,000,000 to build a highway bypass by adding

capacity to sections of Charles J. Miller Road, River Road, and Chapel Hill Road through adding one additional lane in each direction, adequate turn lanes at other intersections, and bicycle and pedestrian improvements as needed; 3) \$1,000,000 to add capacity to Randall Road from Ackman Road to County Line Road by adding on additional through lanes in each direction, a continuous flow intersection at the Algonquin Road intersection, adequate turn lanes at other intersections, and bicycle and pedestrian improvements as needed to support future bus transit services; 4) \$300,000 for federal technology funds for the Sheriff's Office to share data across departments; and 5) \$400,000 to fund the *Educational C.L.I.M.M.B. Initiative*, which would provide the County's workforce with the development of career pathways.

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, 2010. This was the thirteenth 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 Fiscal Year 2011 CAFR continues to meet the Certificate of Achievement Program's requirements and it is being submitting to the GFOA to determine its eligibility for another certificate award.

I would like to express my sincere thanks to the entire Auditor's Office staff for their dedicated and efficient services throughout the year with the financial accounting, auditing, and reporting processes. Special recognition goes to Financial Reporting Manager James Bernier, who works diligently and efficiently in the timely preparation of quarterly and year-end financial reports, as well as managing the accounting process during the fiscal year. I also extend my appreciation to all of the elected officials and department directors, who along with their staff, cooperate in the gathering of information contained within this report. The valuable support and external audit work from our independent auditors, Baker Tilly Virchow Krause, LLP, is also greatly appreciated.

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, 2010

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.



Linda C. Davison

President

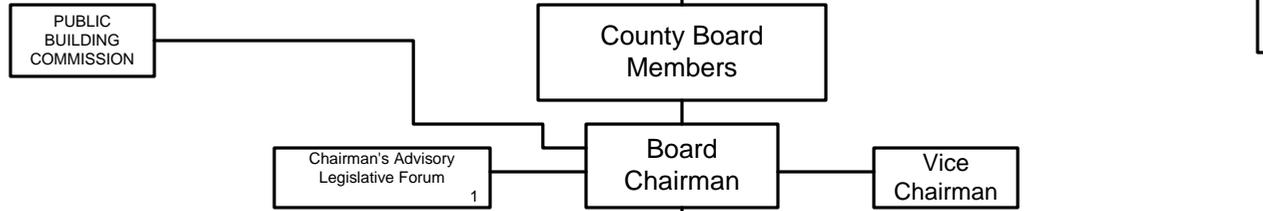
Jeffrey R. Emer

Executive Director

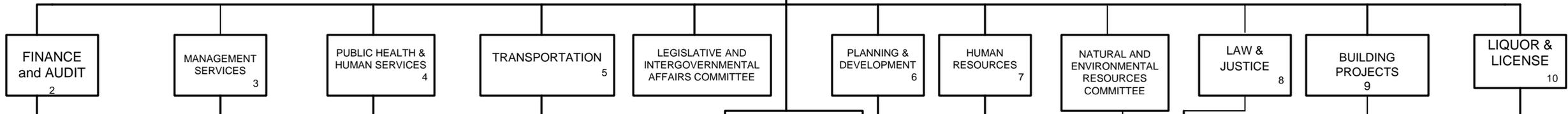


VOTERS of McHENRY COUNTY

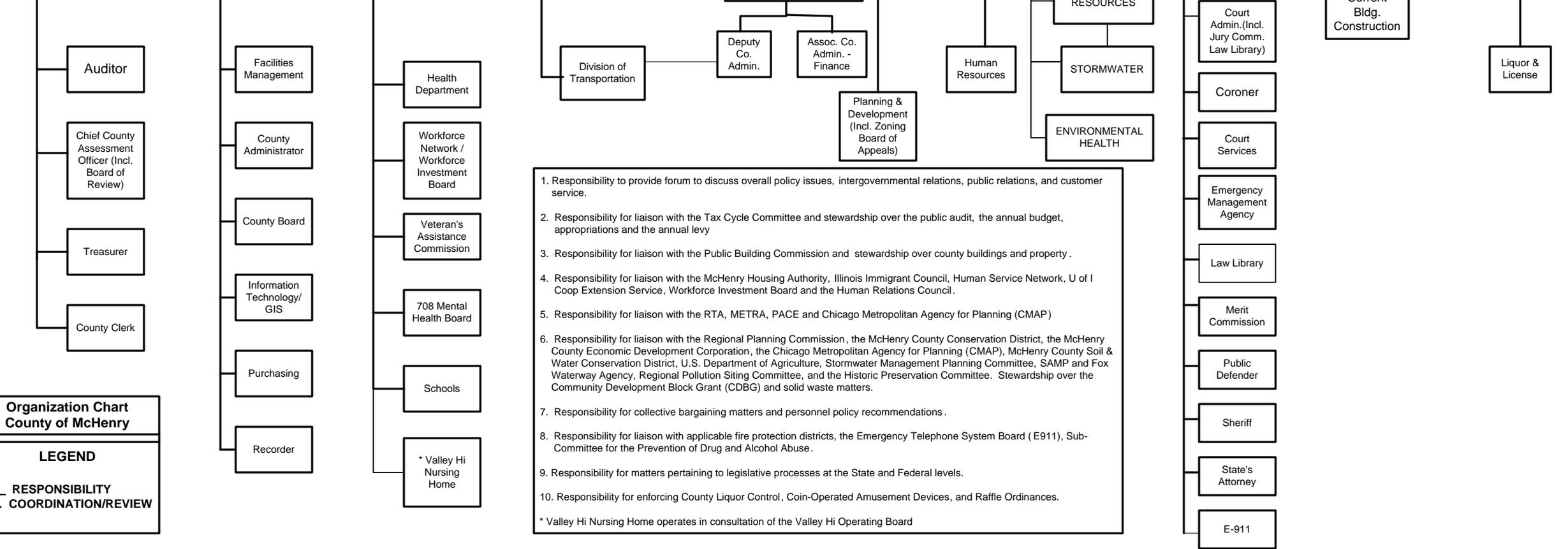
- ELECTED OFFICIALS**
- Auditor
 - Circuit Court Clerk
 - Coroner
 - County Clerk
 - Judges, 22nd Judicial Circuit
 - Recorder
 - Regional Supt. of Schools
 - Sheriff
 - States's Attorney
 - Treasurer



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.
- * Valley Hi Nursing Home operates in consultation of the Valley Hi Operating Board

XVII

**Organization Chart
County of McHenry**

LEGEND

— RESPONSIBILITY
 COORDINATION/REVIEW

FINANCIAL

INDEPENDENT AUDITORS' REPORT



Baker Tilly Virchow Krause, LLP
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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, 2011, 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 Special Revenue Fund (Blended Component Unit), which represents .05 percent, .07 percent and .00 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 Special Revenue 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 2010 financial statements and, in our report dated April 29, 2011, 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 (blended component unit) and the Conservation District (discretely presented component unit) were not audited in accordance with *Government Auditing Standards*.

In our opinion, based on our audit and the reports of other auditors, the financial statements previously 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, 2011, 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 D, the county adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective December 1, 2010.

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

As described in Note 17, transactions of the Insurance Loss Fund that were previously reported as an internal service fund have been reclassified and are now being reported as a special revenue fund.

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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and by other auditors. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Out 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 "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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
May 4, 2012



County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2011

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, 2011. 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 \$422.7 million, as of November 30, 2011. Of this amount, \$231.4 million represents net assets invested in capital assets, net of related debt, \$117.5 million represents net assets restricted for specific activities, and \$73.8 million represents unrestricted net assets. \$380.3 million represents net assets for governmental activities and \$42.4 million represents net assets for business-type activities.
- Net assets increased by \$15.8 million for governmental activities and increased by \$6.3 million for business-type activities, for the fiscal year ended November 30, 2011.
- The County's governmental funds reported combined ending fund balances of \$166.6 million, as of November 30, 2011, compared to \$169.6 million at November 30, 2010, which represents a decrease of \$3.0 million or 1.8%.
- The General Fund reported ending fund balance of \$53.9 million, as of November 30, 2011, compared to \$52.1 million at November 30, 2010, which represents an increase of \$1.8 million or 3.5%.
- Beginning in fiscal year 2011, fund balance is displayed using new categories that describe the nature and extent of constraints on the use of resources that the County is bound to observe. The new categories are nonspendable, restricted, committed, assigned, and unassigned. See the notes to financial statements for a detailed description of the new categories and a table showing the major purposes for which fund balance is categorized.
- Governmental activities long-term obligations (excluding compensated absences, deferred debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) totaled \$66.1 million, as of November 30, 2011, compared to \$72.7 million as of November 30, 2010, which represents a net decrease of \$6.6 million or 9.1%. During the year, three new capital leases were issued for the purchase of computer equipment. Business-type activities long-term obligations (excluding compensated absences and other post-employment benefit obligation) totaled \$9.0 million as of November 30, 2011, compared to \$9.6 million as of November 30, 2010, which represents a decrease of \$0.6 million or 6.3%. The County is \$244.0 million below its authorized debt limit as of November 30, 2011.

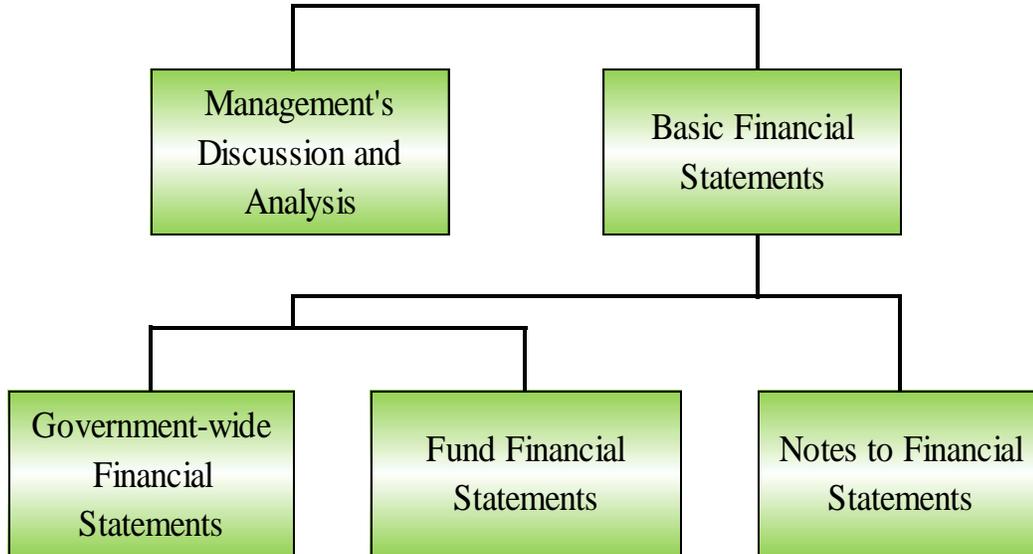
OVERVIEW OF THE FINANCIAL STATEMENTS

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, 2011

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 details 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, which are aggregated in a single column on the basic financial statements, and to show details about individual proprietary funds and fiduciary funds. 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, 2011

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. Governmental funds are reported using the modified accrual basis of accounting, which has a measurement focus of current financial resources. 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 difference between assets and liabilities in governmental funds is reported as fund balance, which is presented in categories that describe the nature and extent of constraints on the use of resources that the County is bound to observe. 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, 2011

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 2011 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 one internal service fund to account for employee 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 2011 is the Valley Hi Fund. Data for the other enterprise fund, the 911 Fund, is considered to be nonmajor. Conversely, when multiple internal service funds are used, they are combined into a single, aggregated presentation in the proprietary fund financial statements.

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 to financial statements 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 - 58 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, 2011

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, as well as various statements and schedules for proprietary funds and fiduciary funds.

The RSI and supplementary information section can be found on pages 59 - 169 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 \$422.7 million, as of November 30, 2011, as compared to net assets of \$400.7 million as of November 30, 2010; an increase of \$22.0 million or 5.5%. Of this amount, \$231.4 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. \$117.5 million represents restricted net assets, which are resources that are subject to external restrictions on how they may be used. Finally, \$73.8 million represents unrestricted net assets. \$380.3 million represents net assets for governmental activities and \$42.4 million represents net assets for business-type activities.

The following table reflects the condensed Statement of Net Assets as of November 30, 2011:

**Statement of Net Assets
November 30, 2011**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets						
Current assets	\$ 263,747,819	\$ 268,184,289	\$ 41,643,931	\$ 35,755,651	\$ 305,391,750	\$ 303,939,940
Capital assets	281,748,881	269,123,910	16,658,101	17,264,277	298,406,982	286,388,187
Other assets	379,063	431,239	125,208	137,728	504,271	568,967
Total assets	<u>545,875,763</u>	<u>537,739,438</u>	<u>58,427,240</u>	<u>53,157,656</u>	<u>604,303,003</u>	<u>590,897,094</u>
Liabilities						
Current liabilities	100,721,047	100,193,429	7,518,537	7,952,579	108,239,584	108,146,008
Noncurrent liabilities	64,838,713	72,996,664	8,553,110	9,101,973	73,391,823	82,098,637
Total liabilities	<u>165,559,760</u>	<u>173,190,093</u>	<u>16,071,647</u>	<u>17,054,552</u>	<u>181,631,407</u>	<u>190,244,645</u>
Net Assets						
Invested in capital assets, net of related debt	223,693,448	209,424,352	7,685,488	7,709,277	231,378,936	217,133,629
Restricted	116,754,427	107,121,300	707,422	693,237	117,461,849	107,814,537
Unrestricted	39,868,128	48,003,693	33,962,683	27,700,590	73,830,811	75,704,283
Total net assets	<u>\$ 380,316,003</u>	<u>\$ 364,549,345</u>	<u>\$ 42,355,593</u>	<u>\$ 36,103,104</u>	<u>\$ 422,671,596</u>	<u>\$ 400,652,449</u>

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2011

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, 2011:

Changes in Net Assets
For the Fiscal Year Ended November 30, 2011

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for services	\$ 30,692,876	\$ 31,027,556	\$ 12,537,524	\$ 10,921,674	\$ 43,230,400	\$ 41,949,230
Operating grants and contributions	25,326,118	32,636,359	-	-	25,326,118	32,636,359
Capital grants and contributions	-	1,206,453	-	-	-	1,206,453
General Revenues						
Property taxes	70,755,868	68,390,469	5,912,097	5,919,050	76,667,965	74,309,519
Sales taxes	17,481,700	16,704,187	-	-	17,481,700	16,704,187
State income taxes	5,139,609	4,880,880	-	-	5,139,609	4,880,880
Tax transfer stamps	1,123,002	1,203,780	-	-	1,123,002	1,203,780
Other taxes	1,955,665	1,744,807	-	-	1,955,665	1,744,807
Investment income	342,007	423,535	95,932	121,309	437,939	544,844
Miscellaneous	675,704	837,572	-	-	675,704	837,572
Total Revenues	153,492,549	159,055,598	18,545,553	16,962,033	172,038,102	176,017,631
Expenses						
General and administrative	31,708,738	34,857,021	-	-	31,708,738	34,857,021
Community development	4,770,885	7,364,952	-	-	4,770,885	7,364,952
Transportation	18,281,227	17,782,366	-	-	18,281,227	17,782,366
Public safety	38,737,004	38,047,322	2,765,086	2,331,714	41,502,090	40,379,036
Judiciary and court related	13,943,432	13,778,713	-	-	13,943,432	13,778,713
Public health and welfare	27,557,830	28,710,653	9,527,978	10,085,088	37,085,808	38,795,741
Interest and fiscal charges	2,726,775	3,102,232	-	-	2,726,775	3,102,232
Total expenses	137,725,891	143,643,259	12,293,064	12,416,802	150,018,955	156,060,061
Changes in net assets	15,766,658	15,412,339	6,252,489	4,545,231	22,019,147	19,957,570
Net assets at beginning year	364,549,345	349,137,006	36,103,104	31,557,873	400,652,449	380,694,879
Net assets at end of year	\$ 380,316,003	\$ 364,549,345	\$ 42,355,593	\$ 36,103,104	\$ 422,671,596	\$ 400,652,449

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.

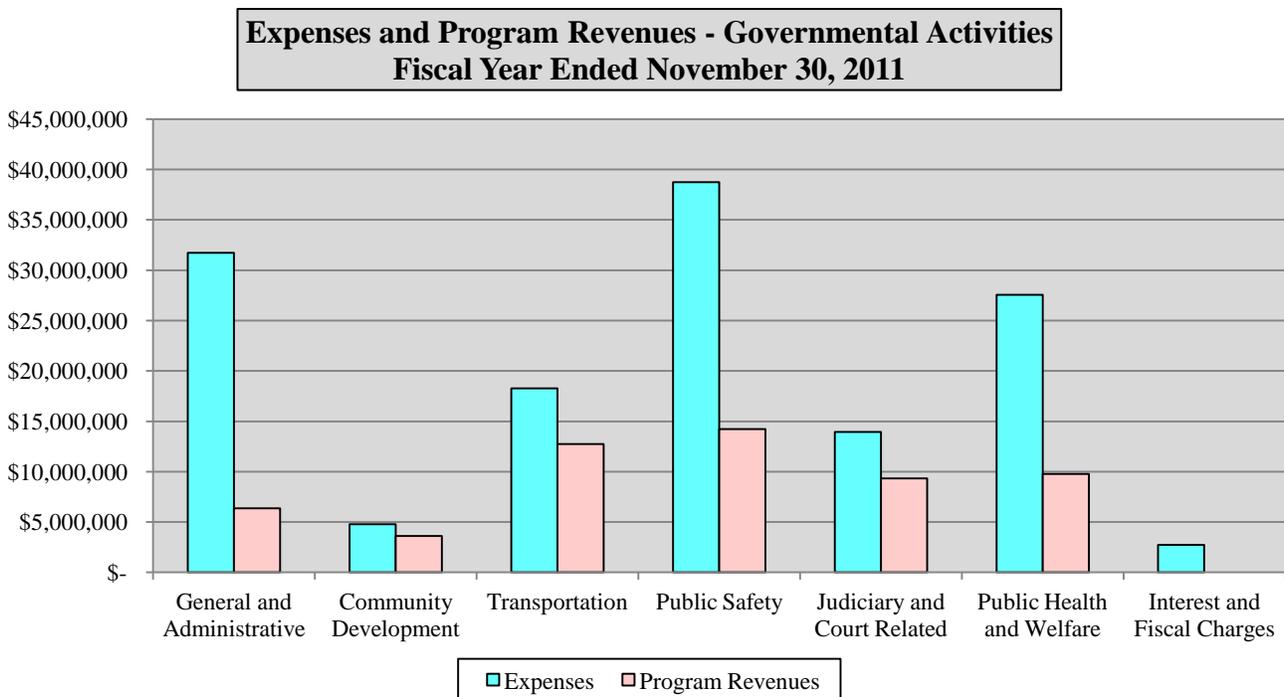
Governmental Activities

Net assets for governmental activities increased by \$15.8 million during fiscal year 2011. In total, revenues decreased \$5.6 million or 3.5%, from \$159.1 million for fiscal year 2010 to \$153.5 million for fiscal year 2011. Noteworthy changes related to revenues were as follows: 1) Operating grants and contributions decreased by \$7.3 million or 22.4%, 2) Capital grants and contributions decreased by \$1.2 million or 100.0%, and 3) Sales taxes increased by \$0.8 million or 4.8%. The reasons for these noteworthy changes are as follows:

County of McHenry, Illinois
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 For the Year Ended November 30, 2011

- Operating grants and contributions decreased from \$32.6 million for fiscal year 2010 to \$25.3 million for fiscal year 2011; a decrease of \$7.3 million or 22.4%. In 2010, the County received a significant amount of grant revenue from the American Recovery and Reinvestment Act (ARRA). A decrease in this special funding in 2011 is the primary reason for the overall decrease in this category. ARRA grants included the Energy Efficiency and Conservation Block Grant (EECBG) and the Homelessness Prevention and Rapid Re-housing Program (HPRP).
- Capital grants and contributions decreased from \$1.2 million for fiscal year 2010 to \$0 for fiscal year 2011. Capital grants and contributions represent donations of land, highways, and other capital assets, primarily from developers. The amount of revenue in this category can vary significantly, depending on the number and significance of assets donated to the County in a given year. There were no capitalizable contributions in 2011, which is a reflection of the weak local housing market, where new subdivision development is at historic lows.
- Sales taxes increased from \$16.7 million for fiscal year 2010 to \$17.5 million for fiscal year 2011; an increase of \$0.8 million or 4.8%. A key factor that influences sales taxes is the unemployment rate. The unemployment rate for the County was 9.4% in fiscal year 2011, compared to 9.6% in fiscal year 2009 and 2010. The slight improvement in the unemployment rate means more residents of the County had disposable income, which corresponds to the increase in sales taxes.

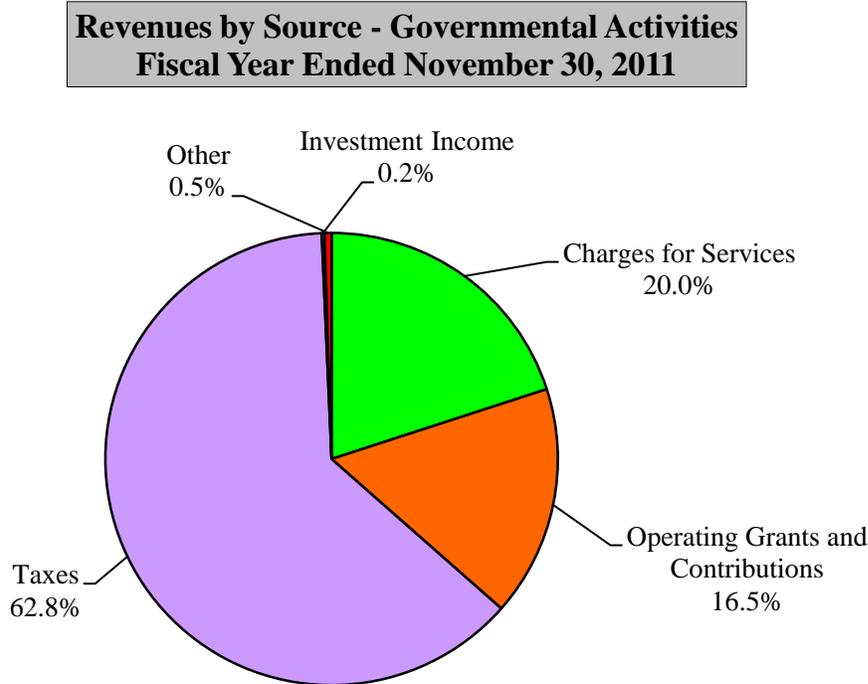
The following chart depicts the expenses and related program revenues by function for the County's governmental activities for the fiscal year ended November 30, 2011:



See analysis of governmental activities expenses on page XI.

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Management's Discussion and Analysis (MD&A) (Unaudited)
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The following chart reflects revenues by source for governmental activities for the fiscal year ended November 30, 2011:



As previously mentioned, revenues from governmental activities totaled \$153.5 million for the fiscal year ended November 30, 2011. Taxes (\$96.5 million, or 62.8%) represent the largest revenue source. Property taxes and sales taxes represent the two largest sources of tax revenues. Property taxes totaled \$70.8 million or 73.4% of taxes and sales taxes totaled \$17.5 million or 18.1% of taxes, for a combined total of \$88.3 million or 91.5% of taxes. Other tax revenues include state income taxes, tax transfer stamps, and local use taxes.

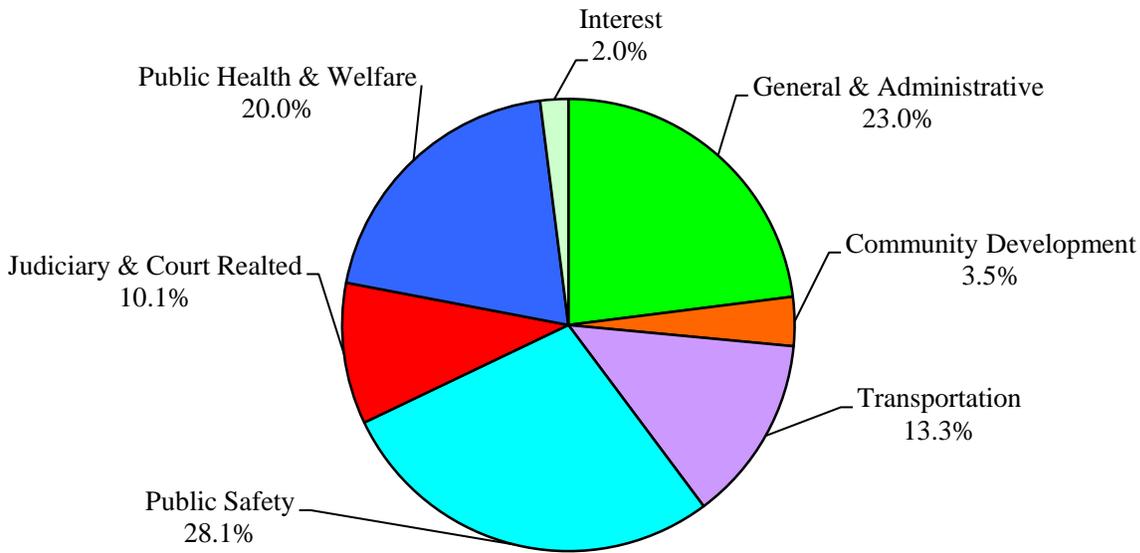
Charges for services (\$30.7 million, or 20.0%) represents the second largest revenue source. Charges for services are derived mainly from recording fees, jail space rental, Circuit Clerk fees, penalties on delinquent taxes, cable franchise fees, court security fees, sale of animal control tags, and various fees collected for automation and document storage within the Recorder's Office and the Clerk of the Circuit Court Office.

Operating grants and contributions (\$25.3 million, or 16.5%) represents the third 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, Facilities Management, 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.

County of McHenry, Illinois
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For the Year Ended November 30, 2011

The following chart reflects expenses by function for governmental activities for the fiscal year ended November 30, 2011:

**Expenses by Function - Governmental Activities
Fiscal Year Ended November 30, 2011**



The largest component of governmental activities expenses is public safety, which totaled \$38.7 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 \$31.7 million, or 23.0% 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 \$27.6 million, or 20.0% 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 represent the operations of the Division of Transportation.

The fifth largest component of governmental activities expenses is judiciary and court related, which totaled \$13.9 million, or 10.1% 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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The sixth largest component of governmental activities expenses is community development, which totaled \$4.8 million, or 3.5% of total governmental activities expenses. Expenses in this category totaled \$7.4 million for fiscal year 2010; a decrease of \$2.6 million or 35.1%. A decrease in ARRA funding is the primary reason for the decrease in expenses in this category. All community development expenses represent the operations of the Planning and Development Department.

The smallest component of governmental activities expenses is interest, which totaled \$2.7 million, or 2.0% 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.

Business-type Activities

For the fiscal year ended November 30, 2011, net assets for business-type activities increased by \$6.3 million, from \$36.1 million at November 30, 2010 to \$42.4 million at November 30, 2011. Total revenues for business-type activities increased from \$17.0 million for fiscal year 2010 to \$18.5 million for fiscal year 2011; an increase of \$1.5 million or 8.8%. The increase in total revenue is primarily due to an increase in Medicare and Medicaid payments received by the Valley Hi Nursing Home. Total expenses for business-type activities decreased from \$12.4 million for fiscal year 2010 to \$12.3 million for fiscal year 2011; a decrease of \$0.1 million or 0.8%. The consistent level of expenses from fiscal year 2010 to fiscal year 2011 reflects a lack of significant changes, capital projects, or other activities that may otherwise cause an increase or decrease in total expenses.

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 \$1.8 million for fiscal year 2011. Total revenues increased \$1.1 million or 1.3%, from \$83.6 million for fiscal year 2010 to \$84.7 million for fiscal year 2011. The largest increase in revenue is for property taxes, which increased \$1.8 million or 5.3%, from \$33.9 million for fiscal year 2010 to \$35.7 million for fiscal year 2011. The increase in property taxes is due to an increase in the amount of the County's property tax levy, which is limited by law to the lesser of five percent or the increase in the national consumer price index (CPI), which was 2.7% for 2011. The general fund property tax levy increased from \$34.3 million for fiscal year 2010 to \$36.3 million for fiscal year 2011, an increase of \$2.0 million or 5.8%. A small portion of property tax revenue represents collections from prior year levies, but most collections are for the current year levy. In 2011, the County experienced a collection rate of 99.8% of the current year levy. Total expenditures increased \$3.6 million or 4.7%, from \$76.8 million for fiscal year 2010 to \$80.4 million for fiscal year 2011. The overall increase in expenditures is mainly due to an increase in capital outlay expenditures, which increased \$3.6 million or 514.3%, from \$0.7 million for fiscal year 2010 to \$4.3 million for fiscal year 2011. The increase in capital outlay is due to a few significant purchases in 2011, including three new capital leases for computer equipment totaling \$2.9 million and new vehicle purchases totaling \$0.4 million. For additional information, see the general fund budgetary variances section below.

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For the Year Ended November 30, 2011

The Motor Fuel Tax Fund accounts for expenditures for highway maintenance and construction, which is funded by a charge on vehicle fuel purchases. The fund experienced a decrease in fund balance of \$1.4 million for fiscal year 2011. Total revenues decreased \$0.2 million or 2.9%, from \$6.9 million for fiscal year 2010 to \$6.7 million for fiscal year 2011. Total expenditures decreased \$1.6 million or 22.5%, from \$7.1 million for fiscal year 2010 to \$5.5 million for fiscal year 2011. The primary reason for the decrease in expenditures is the timing of various road construction projects. As of November 30, 2011, encumbrances for contractual commitments related to on-going road projects totaled \$5.6 million.

The County Mental Health Fund accounts for expenditures for administering approved mental health programs. The fund experienced an increase in fund balance of \$0.6 million for fiscal year 2011. Total revenues increased \$0.3 million or 2.4%, from \$12.7 million for fiscal year 2010 to \$13.0 million for fiscal year 2011. Total expenditures decreased \$0.3 million or 2.7%, from \$11.1 million for fiscal year 2010 to \$10.8 million for fiscal year 2011. The fund also provides transfers to other funds, which gives financial support to other mental health programs, which are primarily supported by grants. Transfers out totaled \$1.6 million in fiscal year 2010 and fiscal year 2011. Total expenditures and transfers out vary based on the level of support needed by grant-funded programs and the timing of cash receipts from grantors.

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 \$6.3 million for fiscal year 2011. However, when considering only the operating revenues and expenses of the fund, the fund experience operating income of \$0.7 million for fiscal year 2011, compared to an operating loss of \$1.0 million for fiscal year 2010. The major reason for the overall increase in net assets is nonoperating revenues, specifically property taxes. Property tax revenue was \$5.9 million for fiscal year 2011, which represents 93.7% of the overall increase in 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 \$1.0 million during fiscal year 2011, through budget amendments approved by the County Board, from the original budget of \$83.3 million to the final budget of \$84.3 million. One category is responsible for virtually the entire increase; 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, including the Health Department, which received additional grant funding of \$0.4 million, and the Sheriff's Office, which received additional grant funding of \$0.3 million.

Appropriation Budget: The appropriation budget for the general fund was increased by \$7.3 million during fiscal year 2011, through emergency appropriations approved by the County Board, from the original budget of \$79.4 million to the final budget of \$86.7 million. The most significant increase to the appropriation budget was for capital outlay, which increased \$5.5 million or 550.0%, from the original budget of \$1.0 million to the final budget of \$6.5 million. Individual increases within the capital outlay budget include \$2.9 million for three new capital leases for computer equipment, \$1.5 million for a new software program to be developed for the Public Defender and State's Attorney, and \$0.9 million for open encumbrances that rolled from fiscal year 2010 into fiscal year 2011. Other increases to the appropriation budget include expenditures for the additional grant funding of \$0.4 million for the Health Department and \$0.3 million in the Sheriff's Office.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2011

Budget to Actual – Revenue: Total revenues for the general fund were \$84.7 million, while the final budget totaled \$84.3 million, which is a variance of \$0.4 million. One significant revenue source that had actual revenue in excess of budgeted revenues was sales taxes. Actual revenues for sales taxes of \$8.8 million exceeded the budgeted revenues of \$8.5 million, which is a variance of \$0.3 million. As previously noted, an improvement in the unemployment rate in 2011 helped to create higher than anticipated sales taxes. One significant revenue source that had budgeted revenues in excess of actual revenue was fines and forfeitures. Budgeted revenues for fines and forfeitures was \$1.4 million, compared to actual revenues of \$1.1 million, which is a variance of \$0.3 million. The variance is due to judiciary fines and bond forfeitures, which had actual revenue of \$1.0 million, compared to the final budget of \$1.3 million, which is a variance of \$0.3 million. The total number of cases filed with the Clerk of the Circuit Court decreased from 90,367 in 2010 to 81,058 in 2011.

Budget to Actual – Expenditures: Actual expenditures for the general fund totaled \$80.4 million, while the final budget totaled \$86.7 million, which is a variance of \$6.3 million. The activity that had the largest variance was general and administrative, which had expenditures of \$25.3 million, compared to a final budget of \$27.6 million, which is a variance of \$2.3 million. Significant factors related to this variance include \$0.8 million in leftover contingency budget, which is designed to provide the County with sufficient budget to cover unforeseen events and circumstances. Another variance was for health insurance premiums for general fund employees, for which actual expenditures were \$10.3 million, while the final budgeted amount was \$10.6 million, which is a variance of \$0.3 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 and other related personnel budget, for which there was \$0.3 million in unspent budget. Finally, the Elections division of the County Clerk's Office had actual expenditures of \$0.8 million, compared to the final budget of \$1.0 million, which is a variance of \$0.2 million. There was only one election in 2011 and actual expenditures were less than anticipated.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets – As of November 30, 2011, capital assets, net of accumulated depreciation/amortization, totaled \$281.7 million for governmental activities and \$16.7 million for business-type activities, for a total of \$298.4 million for the County.

Capital Assets
(net of accumulated depreciation/amortization)
November 30, 2011

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land	\$ 59,955,376	\$ 58,891,305	\$ 6,000	\$ 6,000	\$ 59,961,376	\$ 58,897,305
Construction in Progress	34,934,368	22,587,388	-	3,000,632	34,934,368	25,588,020
Buildings and Improvements	62,152,625	62,969,903	11,752,868	12,150,442	73,905,493	75,120,345
Land Improvements	-	-	234,907	224,456	234,907	224,456
Furniture and Fixtures	770,994	840,395	245,746	294,565	1,016,740	1,134,960
Machinery and Equipment	15,241,267	11,400,705	1,062,485	1,217,702	16,303,752	12,618,407
Computer Software	3,785,684	4,059,105	3,335,930	362,860	7,121,614	4,421,965
Transportation Equipment	1,010,920	1,276,342	20,165	7,620	1,031,085	1,283,962
Infrastructure	103,897,647	107,098,767	-	-	103,897,647	107,098,767
Total capital assets	\$ 281,748,881	\$ 269,123,910	\$ 16,658,101	\$ 17,264,277	\$ 298,406,982	\$ 286,388,187

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2011

Capital assets, net of accumulated depreciation/amortization, for governmental activities increased from \$269.1 million at November 30, 2010 to \$281.7 million at November 30, 2011; a net increase of \$12.6 million, or 4.7%. Capital asset additions totaled \$23.5 million and depreciation/amortization expense was \$10.3 million. Significant additions include \$11.0 million for road and bridge construction projects, of which \$6.5 million was for Rakow Road, \$1.0 million was for Walkup Road, and \$0.9 million was for Miller Road. Other significant additions include \$3.7 million for the Mental Health facility expansion, \$2.9 million for computer equipment acquired through three new capital leases, \$1.4 million for right of way acquisitions, and \$0.9 million for Courtroom remodeling and expansion. During fiscal year 2011, various projects were placed in service and taken out of construction in progress. Projects placed in service included \$2.2 million for computer hardware, \$1.7 million for energy efficient building projects, and \$1.0 million for the new archive building facility.

Capital assets, net of accumulated depreciation/amortization, for business-type activities decreased from \$17.3 million at November 30, 2010 to \$16.7 million at November 30, 2011; a net decrease of \$0.6 million, or 3.5%. Capital asset additions totaled \$0.5 million and depreciation/amortization expense was \$1.1 million. The most significant capital asset addition was \$0.3 million for the development of a new software package for the 911 system, which was completed and placed in service during 2011.

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, 2011, Long-term obligations (excluding compensated absences, deferred debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) totaled \$66.1 million for governmental activities and \$9.0 million for business-type activities, for a total of \$75.1 million.

Long-term Obligations
November 30, 2011

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Capital Leases	\$ 2,607,332	\$ 647,074	\$ 57,613	\$ -	\$ 2,664,945	\$ 647,074
Debt Certificates	63,540,000	72,045,000	8,915,000	9,555,000	72,455,000	81,600,000
Total long-term obligations	\$ 66,147,332	\$ 72,692,074	\$ 8,972,613	\$ 9,555,000	\$ 75,119,945	\$ 82,247,074

Current year issuances for governmental activities were as follows: Three new capital leases in the amount of \$2.9 million were issued for the acquisition of computer equipment.

Current year issuance for business-type activities was as follows: One new capital lease in the amount of \$57,613 was issued for the acquisition of computer equipment.

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, 2011, the County's debt limit was \$279.7 million, while actual outstanding debt subject to the limit was \$35.7 million, leaving the County \$244.0 million under the debt limit.

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For the Year Ended November 30, 2011

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 – 44.

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, to 308,760 in 2010, and to 308,944 in 2011. 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 934 in 2002 to 1,235 in 2011.

For more detailed statistical information, see the statistical section on pages 170 – 193.

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, 2011

(With Comparative Totals - Primary Government for November 30, 2010)

	Primary Government				Component Unit
	Governmental Activities	Business- Type Activities	Totals		
			2011	2010	
ASSETS					
Current					
Cash and equivalents	\$ 169,131,308	\$ 32,352,880	\$ 201,484,188	\$ 198,747,836	\$ 20,856,438
Cash restricted	-	845,117	845,117	838,732	-
Receivables					
Property taxes	72,809,995	6,000,000	78,809,995	77,807,910	18,775,623
Accounts	-	3,915,788	3,915,788	1,297,486	-
Other	2,759,435	44,823	2,804,258	2,903,992	447,888
Due from other governments	16,623,748	-	16,623,748	21,304,210	1,110,554
Internal balances	1,664,755	(1,664,755)	-	-	-
Prepaid expenses	-	150,078	150,078	192,376	-
Inventory	758,578	-	758,578	847,398	-
Total current assets	263,747,819	41,643,931	305,391,750	303,939,940	41,190,503
Noncurrent					
Capital Assets					
Land	59,955,376	6,000	59,961,376	58,897,305	201,250,064
Construction in progress	34,934,368	-	34,934,368	25,588,020	3,389,163
Capital assets, net of depreciation/amortization	186,859,137	16,652,101	203,511,238	201,902,862	22,222,360
Net Capital Assets	281,748,881	16,658,101	298,406,982	286,388,187	226,861,587
Deferred charges	379,063	125,208	504,271	568,967	894,996
Total noncurrent assets	282,127,944	16,783,309	298,911,253	286,957,154	227,756,583
Total Assets	545,875,763	58,427,240	604,303,003	590,897,094	268,947,086

	Primary Government				Component Unit
	Governmental Activities	Business- Type Activities	Totals		
			2011	2010	
LIABILITIES					
Current					
Accounts payable	\$ 8,367,674	\$ 292,995	\$ 8,660,669	\$ 8,990,662	\$ 570,382
Accrued expenses	4,288,635	332,669	4,621,304	4,637,145	1,540,278
Unearned revenue	73,230,352	6,000,000	79,230,352	78,394,404	19,175,689
Due to grantees	-	-	-	276,022	-
Other liabilities	550,281	160,001	710,282	1,099,675	-
Current portion of long-term obligations	<u>14,284,105</u>	<u>732,872</u>	<u>15,016,977</u>	<u>14,748,100</u>	<u>4,751,361</u>
Total current liabilities	100,721,047	7,518,537	108,239,584	108,146,008	26,037,710
Noncurrent					
Noncurrent portion of long-term obligations	<u>64,838,713</u>	<u>8,553,110</u>	<u>73,391,823</u>	<u>82,098,637</u>	<u>146,474,395</u>
Total Liabilities	<u>165,559,760</u>	<u>16,071,647</u>	<u>181,631,407</u>	<u>190,244,645</u>	<u>172,512,105</u>
NET ASSETS					
Invested in capital assets, net of related debt	223,693,448	7,685,488	231,378,936	217,133,629	78,570,784
Restricted for					
General and administrative	16,993,093	-	16,993,093	3,016,561	-
Community development	43,453	-	43,453	2,434	-
Transportation	74,468,069	-	74,468,069	77,803,254	-
Public safety	355,311	-	355,311	391,476	-
Judiciary and court related	2,308,435	-	2,308,435	2,425,654	-
Public health and welfare	16,546,732	-	16,546,732	16,168,491	-
Employee benefits	5,174,758	-	5,174,758	6,439,741	-
Public Building Commission	64,008	-	64,008	73,121	-
Debt service	-	707,422	707,422	693,237	871,862
Tort liability	-	-	-	-	194,624
Land acquisition and site improvement	-	-	-	-	742,980
Other	-	-	-	-	15,086
Working cash - permanently restricted	800,568	-	800,568	800,568	-
Unrestricted	<u>39,868,128</u>	<u>33,962,683</u>	<u>73,830,811</u>	<u>75,704,283</u>	<u>16,039,645</u>
Total Net Assets	<u>\$ 380,316,003</u>	<u>\$ 42,355,593</u>	<u>\$ 422,671,596</u>	<u>\$ 400,652,449</u>	<u>\$ 96,434,981</u>

See accompanying notes to financial statements.

County of McHenry, Illinois

STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2011

(With Comparative Totals - Primary Government for the Year Ended November 30, 2010)

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General and administrative	\$ 31,708,738	\$ 5,550,919	\$ 798,545	\$ -
Community development	4,770,885	474,634	3,126,513	-
Transportation	18,281,227	63,040	12,681,233	-
Public safety	38,737,004	13,465,305	763,718	-
Judiciary and court related	13,943,432	9,122,454	211,157	-
Public health and welfare	27,557,830	2,016,524	7,744,952	-
Interest and fiscal charges	<u>2,726,775</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>137,725,891</u>	<u>30,692,876</u>	<u>25,326,118</u>	<u>-</u>
Business-Type Activities				
Public health and welfare	9,527,978	9,980,585	-	-
Public safety	<u>2,765,086</u>	<u>2,556,939</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>12,293,064</u>	<u>12,537,524</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 150,018,955</u>	<u>\$ 43,230,400</u>	<u>\$ 25,326,118</u>	<u>\$ -</u>
Component Unit				
Conservation District	<u>\$ 17,260,938</u>	<u>\$ 1,584,796</u>	<u>\$ 2,123</u>	<u>\$ 832,136</u>
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
		2011	2010	
\$ (25,359,274)	\$ -	\$ (25,359,274)	\$ (25,905,544)	\$ -
(1,169,738)	-	(1,169,738)	(1,062,244)	-
(5,536,954)	-	(5,536,954)	(1,722,670)	-
(24,507,981)	-	(24,507,981)	(24,611,121)	-
(4,609,821)	-	(4,609,821)	(4,095,814)	-
(17,796,354)	-	(17,796,354)	(18,273,266)	-
<u>(2,726,775)</u>	<u>-</u>	<u>(2,726,775)</u>	<u>(3,102,232)</u>	<u>-</u>
<u>(81,706,897)</u>	<u>-</u>	<u>(81,706,897)</u>	<u>(78,772,891)</u>	<u>-</u>
-	452,607	452,607	(1,655,248)	-
<u>-</u>	<u>(208,147)</u>	<u>(208,147)</u>	<u>160,120</u>	<u>-</u>
<u>-</u>	<u>244,460</u>	<u>244,460</u>	<u>(1,495,128)</u>	<u>-</u>
<u>(81,706,897)</u>	<u>244,460</u>	<u>(81,462,437)</u>	<u>(80,268,019)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,841,883)</u>
70,755,868	5,912,097	76,667,965	74,309,519	18,427,173
17,481,700	-	17,481,700	16,704,187	-
5,139,609	-	5,139,609	4,880,880	-
1,123,002	-	1,123,002	1,203,780	-
1,955,665	-	1,955,665	1,744,807	191,065
342,007	95,932	437,939	544,844	181,039
-	-	-	-	290,156
675,704	-	675,704	837,572	60,530
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,397</u>
<u>97,473,555</u>	<u>6,008,029</u>	<u>103,481,584</u>	<u>100,225,589</u>	<u>19,188,360</u>
15,766,658	6,252,489	22,019,147	19,957,570	4,346,477
<u>364,549,345</u>	<u>36,103,104</u>	<u>400,652,449</u>	<u>380,694,879</u>	<u>92,088,504</u>
<u>\$ 380,316,003</u>	<u>\$ 42,355,593</u>	<u>\$ 422,671,596</u>	<u>\$ 400,652,449</u>	<u>\$ 96,434,981</u>

County of McHenry, Illinois
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2011

	General Fund	Motor Fuel Tax Fund	County Mental Health Fund	Other Governmental Funds	Totals
ASSETS					
Cash and equivalents	\$ 51,002,552	\$ 17,375,865	\$ 7,917,285	\$ 89,889,259	\$ 166,184,961
Property taxes receivable	37,005,000	-	12,779,995	23,025,000	72,809,995
Other receivables	304,237	35,473	1,127,415	1,292,310	2,759,435
Due from other governments	8,461,242	806,265	-	7,356,241	16,623,748
Due from other funds	36,347	-	70	4,091,155	4,127,572
Inventory	135,482	565,998	15,005	42,093	758,578
Advance to other funds	1,305,469	-	-	-	1,305,469
Total Assets	\$ 98,250,329	\$ 18,783,601	\$ 21,839,770	\$ 125,696,058	\$ 264,569,758
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,512,479	\$ 148,549	\$ 774,318	\$ 5,929,325	\$ 8,364,671
Accrued payroll	1,693,973	-	42,543	1,490,268	3,226,784
Deferred revenues	38,799,477	280,548	13,167,801	26,218,106	78,465,932
Due to other funds	1,798,729	-	84,967	4,174,682	6,058,378
Advance from other funds	-	-	-	1,305,469	1,305,469
Other liabilities	550,281	-	-	-	550,281
Total Liabilities	44,354,939	429,097	14,069,629	39,117,850	97,971,515
Fund Balances (deficit)					
Nonspendable	1,440,951	565,998	15,005	842,661	2,864,615
Restricted	929,636	17,788,506	7,755,136	84,683,912	111,157,190
Committed	-	-	-	1,892,753	1,892,753
Assigned	2,957,458	-	-	-	2,957,458
Unassigned	48,567,345	-	-	(841,118)	47,726,227
Total Fund Balances	53,895,390	18,354,504	7,770,141	86,578,208	166,598,243
Total Liabilities and Fund Balances	\$ 98,250,329	\$ 18,783,601	\$ 21,839,770	\$ 125,696,058	\$ 264,569,758

See accompanying notes to financial statements.

County of McHenry, Illinois
RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS
TO STATEMENT OF NET ASSETS
November 30, 2011

Total Fund Balances - Governmental Funds	\$ 166,598,243
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.	281,748,881
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the governmental funds.	5,235,580
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.	(105,772)
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.	4,562,769
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	(1,061,851)
Compensated absences	(4,640,698)
Capital leases	(2,607,332)
Debt certificates	(63,540,000)
Claims and judgments	(2,768,592)
Other post-employment benefit obligation	<u>(3,105,225)</u>
Total Net Assets - Governmental Activities	<u>\$ 380,316,003</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, 2011

	General Fund	Motor Fuel Tax Fund	County Mental Health Fund	Other Governmental Funds	Totals
REVENUES					
Charges for services	\$ 24,357,896	\$ -	\$ -	\$ 4,244,861	\$ 28,602,757
Licenses and permits	1,010,334	-	-	58,033	1,068,367
Fines and forfeitures	1,137,097	-	-	21,957	1,159,054
Grants, contributions, and intergovernmental	5,049,497	6,653,074	459,283	16,518,074	28,679,928
Property taxes	35,743,142	-	12,520,952	22,491,774	70,755,868
Sales taxes	8,833,467	-	-	8,648,233	17,481,700
State income taxes	5,139,609	-	-	-	5,139,609
Tax transfer stamps	1,123,002	-	-	-	1,123,002
Other taxes	1,821,922	-	-	133,743	1,955,665
Investment income	110,260	46,615	9,150	174,255	340,280
Miscellaneous	352,060	-	26,404	341,275	719,739
Total Revenues	84,678,286	6,699,689	13,015,789	52,632,205	157,025,969
EXPENDITURES					
Current					
General and administrative	25,259,205	-	-	5,601,770	30,860,975
Community development	1,448,876	-	-	3,290,541	4,739,417
Transportation	-	5,461,644	-	13,373,552	18,835,196
Public safety	31,463,930	-	-	4,771,577	36,235,507
Judiciary and court related	9,980,742	-	-	3,764,338	13,745,080
Public health and welfare	6,928,522	-	10,802,402	9,855,576	27,586,500
Capital outlay	4,316,804	65,603	23,160	14,024,407	18,429,974
Debt service					
Principal retirement	904,239	-	-	8,564,546	9,468,785
Interest and fiscal charges	49,871	-	-	2,959,808	3,009,679
Total Expenditures	80,352,189	5,527,247	10,825,562	66,206,115	162,911,113
Excess (deficiency) of revenues over expenditures	4,326,097	1,172,442	2,190,227	(13,573,910)	(5,885,144)
OTHER FINANCING SOURCES (USES)					
Transfers in	49,628	-	-	24,024,167	24,073,795
Transfers out	(5,473,537)	(2,543,876)	(1,599,664)	(14,456,718)	(24,073,795)
Capital leases issued	2,924,043	-	-	-	2,924,043
Total Other Financing Sources (Uses)	(2,499,866)	(2,543,876)	(1,599,664)	9,567,449	2,924,043
Net Change in Fund Balances	1,826,231	(1,371,434)	590,563	(4,006,461)	(2,961,101)
Fund Balance - Beginning of Year (as previously stated)	52,069,159	19,725,938	7,179,578	77,910,373	156,885,048
Restatement (See Note 17)	-	-	-	12,674,296	12,674,296
Fund Balance - Beginning of Year (as restated)	52,069,159	19,725,938	7,179,578	90,584,669	169,559,344
Fund Balance - End of Year	\$ 53,895,390	\$ 18,354,504	\$ 7,770,141	\$ 86,578,208	\$ 166,598,243

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, 2011

Net Change in Fund Balances - Governmental Funds \$ (2,961,101)

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.	18,429,974
Some items reported as capital outlay are not capitalized in the government-wide financial statements.	(574,241)
Some items that are capitalized are reported as functional expenses in the fund financial statements.	5,628,243
Depreciation/amortization are reported in the government-wide financial statements.	(10,253,270)
In the government-wide financial statements, the loss on disposal of capital assets is affected by the remaining net book value of disposed assets.	(605,735)

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	(137,302)
Operating grants and contributions	(2,972,421)
Investment income	(2,867)

Internal service funds are used by management to charge insurance costs to individual funds. 1,276,928

Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets. 9,468,785

Debt issued is an other financing source in the governmental funds, but is recorded as a liability in the Statement of Net Assets. (2,924,043)

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. 9,612

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	(100,564)
Decrease in accrued interest	221,116
Decrease in claims and judgments	2,624,263
Increase in other post-employment benefit obligation	<u>(1,360,719)</u>

Change in Net Assets - Governmental Activities \$ 15,766,658

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
November 30, 2011

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund <u> </u>
ASSETS				
Current Assets				
Cash and equivalents	\$ 30,131,045	\$ 2,221,835	\$ 32,352,880	\$ 2,946,347
Cash and equivalents - restricted	845,117	-	845,117	-
Property taxes receivable	6,000,000	-	6,000,000	-
Accounts receivable	3,273,405	642,383	3,915,788	-
Other receivables	44,823	-	44,823	-
Due from other funds	-	-	-	2,319,826
Prepaid expenses	-	150,078	150,078	-
	<u>40,294,390</u>	<u>3,014,296</u>	<u>43,308,686</u>	<u>5,266,173</u>
Noncurrent Assets				
Capital Assets				
Land	6,000	-	6,000	-
Buildings and improvements	14,529,570	-	14,529,570	-
Land improvements	302,971	-	302,971	-
Furniture and fixtures	472,332	15,857	488,189	-
Machinery and equipment	396,032	1,994,693	2,390,725	-
Transportation equipment	71,164	37,668	108,832	-
Computer software	38,253	4,390,272	4,428,525	-
Less: accumulated depreciation/ amortization	<u>(3,311,613)</u>	<u>(2,285,098)</u>	<u>(5,596,711)</u>	<u>-</u>
Net Capital Assets	12,504,709	4,153,392	16,658,101	-
Deferred charges	<u>125,208</u>	<u>-</u>	<u>125,208</u>	<u>-</u>
Total Noncurrent Assets	<u>12,629,917</u>	<u>4,153,392</u>	<u>16,783,309</u>	<u>-</u>
Total Assets	<u>\$ 52,924,307</u>	<u>\$ 7,167,688</u>	<u>\$ 60,091,995</u>	<u>\$ 5,266,173</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund <u>Fund</u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 128,751	\$ 164,244	\$ 292,995	\$ 3,003
Accrued payroll	185,842	9,132	194,974	-
Unearned revenue	6,000,000	-	6,000,000	-
Due to other funds	376,451	12,569	389,020	-
Other liabilities	160,001	-	160,001	-
Compensated absences	51,398	7,842	59,240	-
Claims and judgments	-	-	-	1,976,136
Capital leases payable	13,632	-	13,632	-
Debt certificates payable	660,000	-	660,000	-
Liabilities payable from restricted assets				
Interest payable	<u>137,695</u>	<u>-</u>	<u>137,695</u>	<u>-</u>
Total Current Liabilities	<u>7,713,770</u>	<u>193,787</u>	<u>7,907,557</u>	<u>1,979,139</u>
Noncurrent Liabilities				
Compensated absences	102,796	15,683	118,479	-
Capital leases payable	43,981	-	43,981	-
Debt certificates payable	8,255,000	-	8,255,000	-
Other post-employment benefit obligation	<u>131,088</u>	<u>4,562</u>	<u>135,650</u>	<u>-</u>
Total Noncurrent Liabilities	<u>8,532,865</u>	<u>20,245</u>	<u>8,553,110</u>	<u>-</u>
Total Liabilities	<u>16,246,635</u>	<u>214,032</u>	<u>16,460,667</u>	<u>1,979,139</u>
NET ASSETS				
Invested in capital assets, net of related debt	3,532,096	4,153,392	7,685,488	-
Restricted for debt service	707,422	-	707,422	-
Unrestricted	<u>32,438,154</u>	<u>2,800,264</u>	<u>35,238,418</u>	<u>3,287,034</u>
Total Net Assets	<u>\$ 36,677,672</u>	<u>\$ 6,953,656</u>	43,631,328	<u>\$ 3,287,034</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(1,275,735)</u>	
Net Assets of Business-Type Activities			<u>\$ 42,355,593</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, 2011

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 9,969,813	\$ 2,556,818	\$ 12,526,631	\$ 16,926,892
Other	<u>10,772</u>	<u>121</u>	<u>10,893</u>	<u>-</u>
Total Operating Revenues	<u>9,980,585</u>	<u>2,556,939</u>	<u>12,537,524</u>	<u>16,926,892</u>
OPERATING EXPENSES				
Personnel services	6,618,641	349,445	6,968,086	-
Contractual services	1,227,586	1,741,356	2,968,942	15,536,346
Commodities	877,225	124,724	1,001,949	4,478
Depreciation	509,020	226,580	735,600	-
Amortization	<u>12,520</u>	<u>329,487</u>	<u>342,007</u>	<u>-</u>
Total Operating Expenses	<u>9,244,992</u>	<u>2,771,592</u>	<u>12,016,584</u>	<u>15,540,824</u>
Operating Income (Loss)	<u>735,593</u>	<u>(214,653)</u>	<u>520,940</u>	<u>1,386,068</u>
NONOPERATING REVENUES (EXPENSES)				
Property taxes	5,912,097	-	5,912,097	-
Investment income	90,575	5,357	95,932	4,594
Interest expense	(371,905)	-	(371,905)	-
Loss on disposal of capital assets	<u>(18,309)</u>	<u>-</u>	<u>(18,309)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>5,612,458</u>	<u>5,357</u>	<u>5,617,815</u>	<u>4,594</u>
Net Change in Net Assets	<u>6,348,051</u>	<u>(209,296)</u>	<u>6,138,755</u>	<u>1,390,662</u>
Net Assets - Beginning of Year (as previously stated)	30,329,621	7,162,952		9,162,939
Restatement (See Note 17)	<u>-</u>	<u>-</u>		<u>(7,266,567)</u>
Net Assets - Beginning of Year (as restated)	<u>30,329,621</u>	<u>7,162,952</u>		<u>1,896,372</u>
Net Assets - End of Year	<u>\$ 36,677,672</u>	<u>\$ 6,953,656</u>		<u>\$ 3,287,034</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>113,734</u>	
Change in Net Assets of Business-Type Activities			<u>\$ 6,252,489</u>	

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2011

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund <u>Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 7,483,530	\$ 2,523,512	\$ 10,007,042	\$ 15,688,586
Payments to employees	(6,523,288)	(343,423)	(6,866,711)	-
Payments to third party administrator	-	-	-	(15,646,347)
Payments to suppliers	<u>(2,180,080)</u>	<u>(1,721,470)</u>	<u>(3,901,550)</u>	<u>(46,916)</u>
Net Cash Flows From Operating Activities	<u>(1,219,838)</u>	<u>458,619</u>	<u>(761,219)</u>	<u>(4,677)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes received	5,912,097	-	5,912,097	-
Interfund payments	<u>90,723</u>	<u>8,965</u>	<u>99,688</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>6,002,820</u>	<u>8,965</u>	<u>6,011,785</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(104,823)	(301,925)	(406,748)	-
Principal payments - capital leases	(12,859)	-	(12,859)	-
Principal payments - debt certificates	(640,000)	-	(640,000)	-
Interest paid	<u>(379,705)</u>	<u>-</u>	<u>(379,705)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(1,137,387)</u>	<u>(301,925)</u>	<u>(1,439,312)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash receipts from investment income	<u>93,392</u>	<u>5,357</u>	<u>98,749</u>	<u>4,594</u>
Net Cash Flows From Investing Activities	<u>93,392</u>	<u>5,357</u>	<u>98,749</u>	<u>4,594</u>
Net Change in Cash and Equivalents	3,738,987	171,016	3,910,003	(83)
Cash and Equivalents - Beginning of Year	<u>27,237,175</u>	<u>2,050,819</u>	<u>29,287,994</u>	<u>2,946,430</u>
Cash and Equivalents - End of Year	<u>\$ 30,976,162</u>	<u>\$ 2,221,835</u>	<u>\$ 33,197,997</u>	<u>\$ 2,946,347</u>
RECONCILIATION OF CASH AND EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS				
Cash and Equivalents	\$ 30,131,045	\$ 2,221,835	\$ 32,352,880	\$ 2,946,347
Cash and Equivalents - Restricted	<u>845,117</u>	<u>-</u>	<u>845,117</u>	<u>-</u>
Cash and Equivalents - End of Year	<u>\$ 30,976,162</u>	<u>\$ 2,221,835</u>	<u>\$ 33,197,997</u>	<u>\$ 2,946,347</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 735,593	\$ (214,653)	\$ 520,940	\$ 1,386,068
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	509,020	226,580	735,600	-
Amortization	12,520	329,487	342,007	-
Change in assets and liabilities				
Accounts receivable	(1,975,919)	-	(1,975,919)	-
Other receivables	-	(33,427)	(33,427)	-
Due from other funds	-	-	-	(1,238,306)
Prepaid expenses	-	42,298	42,298	-
Accounts payable	(75,269)	102,312	27,043	3,003
Accrued payroll	30,350	1,623	31,973	-
Other liabilities	(521,136)	-	(521,136)	-
Compensated absences	4,545	2,193	6,738	-
Claims and judgments	-	-	-	(155,442)
Other post-employment benefit obligation	60,458	2,206	62,664	-
Net Cash Flows From Operating Activities	<u>\$ (1,219,838)</u>	<u>\$ 458,619</u>	<u>\$ (761,219)</u>	<u>\$ (4,677)</u>
NON-CASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES:				
Capital leases issued	<u>\$ 70,472</u>			

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2011

ASSETS

Cash and equivalents	\$ 20,357,592
Due from other governments	<u>89,926</u>
Total Assets	<u>\$ 20,447,518</u>

LIABILITIES

Accounts payable	\$ 107,403
Due to residents	50,437
Bond escrow	3,590,238
Due to other governments	14,610,674
Other liabilities	<u>2,088,766</u>
Total Liabilities	<u>\$ 20,447,518</u>

See accompanying notes to financial statements.

County of McHenry, Illinois
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November 30, 2011

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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

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 Special Revenue 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.

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, 2011. Separately audited financial statements may be obtained from the McHenry County Conservation District, 18410 U.S. Highway 14, Woodstock, Illinois, 60098.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

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.

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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 1 – Summary of Significant Accounting Policies (Continued)

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

- 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 fund:

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.

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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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. In general, the County considers revenues for this purpose to be available if they are collected within 60 days of the end of the current fiscal year. However, the County also judgmentally uses an extended period of time, mainly due to unusual delays in payments from the State of Illinois, to avoid artificially distorting normal revenue patterns.

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, pension expenditures, and other post employment benefit costs, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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. New Accounting Standards Implemented

The GASB has issued Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions. This statement establishes new fund balance classifications, which are based primarily on the extent to which the County is bound to observe constraints on the use of the resources reported in governmental funds. The statement also clarifies existing governmental fund type definitions. The County has implemented this standard effective December 1, 2010. For more information, see note 15 about the new fund balance categories and note 17 about a fund reclassification.

The GASB has issued Statement No. 66 - Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62. This statement resolves conflicting guidance on several matters. A key section is the removal of a provision that previously limited fund-based reporting of an entity's risk financing activities to the general fund or internal service fund. The County has implemented this standard effective December 1, 2010. As a result, the County has reclassified the Insurance Loss Fund from an internal service fund to a special revenue fund. For more information, see note 17.

E. 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.

F. Investments

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 1 – Summary of Significant Accounting Policies (Continued)

G. 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.

H. Restricted Assets

Restricted cash represents resources accumulated for future debt service payments on the Series 2003B debt certificates. The balance of restricted cash totaled \$845,117 as of November 30, 2011.

I. Capital Assets

Capital assets, which include tangible assets (land, land improvements, roads, bridges, and related infrastructure, buildings and improvements, furniture and fixtures, machinery and equipment, and transportation equipment) and intangible assets (computer software) 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, \$50,000 for computer software, and \$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.

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 2011.

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/amortization of capital assets is recorded in the Statement of Activities with accumulated depreciation/amortization 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, bridges, and related infrastructure	10 – 40
Buildings and improvements	10 – 40
Land improvements	15 – 40
Furniture and fixtures	5 – 20
Machinery and equipment	5 – 25
Computer software	5 – 10
Transportation equipment	4 – 10

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 1 – Summary of Significant Accounting Policies (Continued)

J. 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 also 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.

K. 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.

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.

L. 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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Long-Term Obligations (Continued)

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.

M. 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.

N. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end do not constitute expenditures or liabilities and generally result in an increase to the budget for the subsequent year. See note 11 for a summary of encumbrances outstanding at year-end.

O. 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.

P. 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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Interfund Transactions (Continued)

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.

Q. Claims and Judgments

Claims and judgments are recorded as liabilities if it is probable that a loss has been incurred and the amount in question can be reasonably estimated. The liability and expenditure for claims and judgments is only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred and the above conditions are met. For addition information on claims and judgments, see note 10 - Risk Management.

R. Net Assets/Fund Balance

Government-Wide Financial Statements

In the government-wide financial statements, the difference between assets and liabilities is reported as net assets and is displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation/amortization 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

For governmental funds, the difference between assets and liabilities is reported as fund balance and is displayed in the following categories, which describe the nature and extent of constraints on the use of resources that the County is bound to observe:

- a. Nonspendable - Represents fund balance that cannot be spent because it is not in spendable form or legally required to be maintained intact.
- b. Restricted - Represents fund balance with constraints placed on its use, either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Net Assets/Fund Balance (Continued)

- c. Committed - Represents fund balance with constraints placed on its use, imposed internally by formal action (resolution or ordinance) of the County's highest level of decision making authority, the County Board, separate from the authorization to raise the underlying revenue. Committed fund balance may be redeployed for other purposes, but requires additional formal action by the County Board. The formal action to commit fund balance must occur prior to the end of the reporting period.
- d. Assigned - Represents fund balance that is not considered to be restricted or committed, but is constrained by the County's intent to use resources for specific purposes. Also, remaining positive fund balance amounts, in governmental funds other than the general fund, that are not classified as nonspendable, restricted, or committed are reported as assigned.
- e. Unassigned - Represents fund balance in the general fund that does not meet the definition of nonspendable, restricted, committed, or assigned fund balance. The general fund is the only fund that should report a positive unassigned fund balance amount. Other governmental funds may report negative unassigned fund balance if expenditures incurred for a specific purpose exceed the resources that are restricted, committed, or assigned to that purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the County's policy to use restricted fund balance first, then unrestricted fund balance as necessary. Additionally, it is the County's policy to first use committed fund balance, then assigned fund balance, and finally unassigned fund balance when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The County has a minimum fund balance policy. The policy states that the County should maintain in the general fund, minimum unassigned fund balance equal to five months of budgeted operating expenditures. As of November 30, 2011, the general fund reserve was 6.8 months.

For proprietary funds, the difference between assets and liabilities is reported as net assets, and is displayed in the same format as in the government-wide financial statements.

S. 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, 2010. 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, 2011

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. During the year, several emergency appropriations were approved. 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/amortization 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, 2011:

<u>Fund</u>	<u>Excess</u>
Nonmajor Special Revenue Fund	
Public Building Commission Fund (blended component unit)	\$ (11,305)

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2011

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, 2011.

As of November 30, 2011, the County had the following investments:

Investment Type	Fair Value		Weighted Average Maturity (Months)
	Primary Government	Fiduciary Funds	
Illinois Funds	\$ <u>2,482</u>	\$ <u>797</u>	<u>1.10</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, 2011, the County's investment in Illinois Funds was rated AAAM by Standard and Poor's.

Custodial credit risk. As of November 30, 2011, 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, 2011, the County (primary government) had deposits with a book balance of \$202,319,048 and a bank balance of \$200,774,848 and the fiduciary funds had deposits with a book balance of \$20,355,195 and a bank balance of \$23,443,234. As of November 30, 2011, 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, 2011

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	\$ 7,775	\$ 1,600
Carrying amount of deposits	202,319,048	20,355,195
Carrying amount of investments	2,482	797
Total cash and investments, as disclosed in Note 3	\$ 202,329,305	\$ 20,357,592

Cash and investments, as reported in the financial statements:

	Primary Government	Fiduciary Funds
Cash and equivalents	\$ 201,484,188	\$ 20,357,592
Cash restricted	845,117	-
Total cash and investments, as reported in the financial statements	\$ 202,329,305	\$ 20,357,592

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.

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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 3 – Deposits and Investments (Continued)

B. District (Component Unit) (Continued)

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 and maturities of the District's debt securities as of March 31, 2011:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 - 5	6 - 10	Greater than 10
Illinois Funds	\$ 4,963,308	\$ 4,963,308	\$ -	\$ -	\$ -
Money market mutual fund	8,427,240	8,427,240	-	-	-
	<u>\$ 13,390,548</u>	<u>\$ 13,390,548</u>	<u>\$ -</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 and the money market mutual fund 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, 2011, the District has greater than five percent of its overall portfolio invested in the Illinois Funds and the money market mutual fund. This is in accordance with the District’s investment policy.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 4 – Property Taxes/Receivables

The County's property tax is levied each calendar year on all taxable real property located in the County. Since the 2011 property tax levy is levied to finance the operations of fiscal year 2012, the 2011 property tax levy is recorded as a receivable and deferred revenue as of November 30, 2011. The 2010 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2011. The County must file its tax levy by the last Tuesday of December each year.

The township assessors are responsible for assessment of all taxable real property within McHenry County, except for certain railroad and pollution control property which is assessed directly by the State. The County Clerk computes the annual tax of each parcel of real property and prepares tax books used by the County Collector as a basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector/Treasurer, who remits to the units their respective share of the collections. The 2010 property tax levy became due and payable in two installments in June 2011 and September 2011. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.

Revenues of the County are reported net of uncollectible amounts. The allowance for uncollectible amounts related to revenues of the current period is as follows:

Allowance for uncollectible amounts - business-type activities:	\$ <u>150,000</u>
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Governmental funds report deferred revenue in connections with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds and governmental activities were as follows:

Property taxes - unearned	\$ 72,809,995
Grants receivable - unearned	44,677
Other receivables - unearned	<u>375,680</u>
Total unearned revenue - governmental funds and governmental activities	<u>73,230,352</u>
Grants receivable - unavailable	3,021,303
Other receivables - unavailable	<u>2,214,277</u>
Total deferred revenue - governmental funds	<u>5,235,580</u>
Total deferred/unearned revenue - governmental funds	\$ <u>78,465,932</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 5 – Capital Assets

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

	Balance <u>December 1</u>	Additions	Deletions	Balance <u>November 30</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 58,516,861	\$ 1,438,515	\$ -	\$ 59,955,376
Construction in progress	<u>22,798,982</u>	<u>17,021,372</u>	<u>(4,885,986)</u>	<u>34,934,368</u>
Total Capital Assets Not Being Depreciated	<u>81,315,843</u>	<u>18,459,887</u>	<u>(4,885,986)</u>	<u>94,889,744</u>
Other Capital Assets				
Roads, bridges, and related infrastructure	133,537,222	-	-	133,537,222
Buildings and improvements	97,365,146	2,294,083	(3,662,208)	95,997,021
Furniture and fixtures	3,358,252	84,068	(268,420)	3,173,900
Machinery and equipment	30,664,004	6,546,940	(3,414,903)	33,796,041
Computer software	7,977,808	374,250	-	8,352,058
Transportation equipment	<u>5,559,560</u>	<u>610,734</u>	<u>(495,706)</u>	<u>5,674,588</u>
Total Other Capital Assets	<u>278,461,992</u>	<u>9,910,075</u>	<u>(7,841,237)</u>	<u>280,530,830</u>
Less Accumulated Depreciation/Amortization for:				
Roads, bridges, and related infrastructure	(26,275,605)	(3,363,970)	-	(29,639,575)
Buildings and improvements	(34,395,243)	(2,509,490)	3,060,337	(33,844,396)
Furniture and fixtures	(2,517,857)	(153,469)	268,420	(2,402,906)
Machinery and equipment	(18,761,424)	(3,204,389)	3,411,039	(18,554,774)
Computer software	(3,918,703)	(647,671)	-	(4,566,374)
Transportation equipment	<u>(4,785,093)</u>	<u>(374,281)</u>	<u>495,706</u>	<u>(4,663,668)</u>
Total Accumulated Depreciation/Amortization	<u>(90,653,925)</u>	<u>(10,253,270)</u>	<u>7,235,502</u>	<u>(93,671,693)</u>
Other Capital Assets, Net	<u>187,808,067</u>	<u>(343,195)</u>	<u>(605,735)</u>	<u>186,859,137</u>
Governmental Activities Capital Assets, Net	<u>\$ 269,123,910</u>	<u>\$ 18,116,692</u>	<u>\$ (5,491,721)</u>	<u>\$ 281,748,881</u>

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

General and administrative	\$ 3,833,035
Community development	13,206
Transportation	4,078,969
Public safety	1,451,112
Judiciary and court related	594,806
Public health and welfare	<u>282,142</u>
Total Depreciation/Amortization Expense – Governmental Activities	<u>\$ 10,253,270</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 5 – Capital Assets (Continued)

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

	<u>Balance</u>		<u>Balance</u>
	<u>December 1</u>	<u>Additions</u>	<u>November 30</u>
Business-Type Activities			
Capital Assets Not Being Depreciated			
Land	\$ 6,000	\$ -	\$ 6,000
Construction in progress	3,000,632	301,925	-
	<u>3,006,632</u>	<u>301,925</u>	<u>6,000</u>
Total Capital Assets Not Being Depreciated			
	<u>3,006,632</u>	<u>301,925</u>	<u>6,000</u>
Other Capital Assets			
Buildings and improvements	14,529,570	-	14,529,570
Land improvements	277,996	24,975	302,971
Furniture and fixtures	488,189	-	488,189
Machinery and equipment	2,336,677	129,875	(75,827)
Computer software	2,520,994	3,302,557	(1,395,026)
Transportation equipment	88,387	20,445	-
	<u>20,241,813</u>	<u>3,477,852</u>	<u>22,248,812</u>
Total Other Capital Assets			
	<u>20,241,813</u>	<u>3,477,852</u>	<u>22,248,812</u>
Less Accumulated Depreciation/Amortization for:			
Buildings and improvements	(2,379,128)	(397,574)	-
Land improvements	(53,540)	(14,524)	-
Furniture and fixtures	(193,624)	(48,819)	-
Machinery and equipment	(1,118,975)	(266,783)	57,518
Computer software	(2,158,134)	(329,487)	1,395,026
Transportation equipment	(80,767)	(7,900)	-
	<u>(5,984,168)</u>	<u>(1,065,087)</u>	<u>1,452,544</u>
Total Accumulated Depreciation/Amortization			
	<u>(5,984,168)</u>	<u>(1,065,087)</u>	<u>1,452,544</u>
Other Capital Assets, Net	<u>14,257,645</u>	<u>2,412,765</u>	<u>16,652,101</u>
Business-Type Activities Capital Assets, Net	<u>\$ 17,264,277</u>	<u>\$ 2,714,690</u>	<u>\$ (3,320,866)</u>
	<u>\$ 17,264,277</u>	<u>\$ 2,714,690</u>	<u>\$ 16,658,101</u>

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

Public health and welfare	\$ 509,020
Public safety	<u>556,067</u>
Total Depreciation/Amortization Expense – Business-Type Activities	<u>\$ 1,065,087</u>

Business-type activities had additional amortization expense of \$12,520, charged to public health and welfare, related to deferred charges.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 5 – Capital Assets (Continued)

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

	<u>Balance</u> <u>April 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>March 31</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 186,610,945	\$ 14,639,119	\$ -	\$ 201,250,064
Construction in progress	<u>7,204,833</u>	<u>5,316,999</u>	<u>(9,132,669)</u>	<u>3,389,163</u>
Total Capital Assets Not Being Depreciated	<u>193,815,778</u>	<u>19,956,118</u>	<u>(9,132,669)</u>	<u>204,639,227</u>
Other Capital Assets				
Land improvements and roads	17,096,019	3,814,034	(40,000)	20,870,053
Buildings and improvements	8,864,705	4,325,406	(515,310)	12,674,801
Furniture and equipment	1,625,952	-	(25,661)	1,600,291
Office equipment	323,979	-	-	323,979
Vehicles	<u>1,622,673</u>	<u>420,961</u>	<u>(101,952)</u>	<u>1,941,682</u>
Total Other Capital Assets	<u>29,533,328</u>	<u>8,560,401</u>	<u>(682,923)</u>	<u>37,410,806</u>
Less accumulated depreciation for:				
Land improvements and roads	(8,161,177)	(724,919)	6,167	(8,879,929)
Buildings and improvements	(3,743,477)	(326,543)	236,835	(3,833,185)
Furniture and equipment	(1,038,053)	(111,403)	24,602	(1,124,854)
Office equipment	(124,798)	(31,991)	-	(156,789)
Vehicles	<u>(1,155,815)</u>	<u>(137,949)</u>	<u>100,075</u>	<u>(1,193,689)</u>
Total Accumulated Depreciation	<u>(14,223,320)</u>	<u>(1,332,805)</u>	<u>367,679</u>	<u>(15,188,446)</u>
Other Capital Assets, Net	<u>15,310,008</u>	<u>7,227,596</u>	<u>(315,244)</u>	<u>22,222,360</u>
Governmental Activities Capital Assets, Net	<u>\$ 209,125,786</u>	<u>\$ 27,183,714</u>	<u>\$ (9,447,913)</u>	<u>\$ 226,861,587</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

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:

	<u>Balance</u> <u>December 1</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance</u> <u>November 30</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Compensated absences	\$ 4,540,134	\$ 4,483,178	\$ 4,382,614	\$ 4,640,698	\$ 1,546,899
Capital leases	647,074	2,924,043	963,785	2,607,332	903,598
Debt certificates	72,045,000	-	8,505,000	63,540,000	8,410,000
Add: deferred debt certificate issuance premiums	546,623	-	61,788	484,835	61,788
Claims and judgments	7,524,433	14,047,868	16,827,573	4,744,728	3,361,820
Other post-employment benefit obligation	<u>1,744,506</u>	<u>1,572,567</u>	<u>211,848</u>	<u>3,105,225</u>	<u>-</u>
	<u>\$ 87,047,770</u>	<u>\$ 23,027,656</u>	<u>\$ 30,952,608</u>	<u>\$ 79,122,818</u>	<u>\$ 14,284,105</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 fund (special revenue fund) and the health insurance fund (internal service fund).

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

	<u>Balance</u> <u>December 1</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance</u> <u>November 30</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Compensated absences	\$ 170,981	\$ 192,325	\$ 185,587	\$ 177,719	\$ 59,240
Capital leases	-	70,472	12,859	57,613	13,632
Debt certificates	9,555,000	-	640,000	8,915,000	660,000
Other post-employment benefit obligation	<u>72,986</u>	<u>72,419</u>	<u>9,755</u>	<u>135,650</u>	<u>-</u>
	<u>\$ 9,798,967</u>	<u>\$ 335,216</u>	<u>\$ 848,201</u>	<u>\$ 9,285,982</u>	<u>\$ 732,872</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, 2011

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	\$ 629,801	\$ 300,516	\$ 294,013	\$ 636,304	\$ 276,361
General obligation bonds	146,400,000	-	4,045,000	142,355,000	4,475,000
Add: deferred bond issuance premiums	2,345,727	-	160,092	2,185,635	-
Less: deferred charge on refunding	(362,618)	-	(77,518)	(285,100)	-
Installment contract	6,300,000	-	-	6,300,000	-
Other post-employment benefit obligation	22,438	11,479	-	33,917	-
	<u>\$ 155,335,348</u>	<u>\$ 311,995</u>	<u>\$ 4,421,587</u>	<u>\$ 151,225,756</u>	<u>\$ 4,751,361</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	Balance December 1	Issuances	Retirements	Balance November 30
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Capital Leases – Governmental Activities

HP Desktop Lease

\$1,274,279 capital lease due in annual installments of \$278,252; interest at 4.59% through January 2012. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund and the Workforce Network Fund.

\$	520,371	\$	-	\$	254,342	\$	266,029
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HP Recorder Lease

\$165,409 capital lease due in annual installments of \$43,156; interest at 2.92% through June 2011. Proceeds were used for the purchase of computer equipment. The capital lease was repaid by the Recorder Automation Fund.

41,930	-	41,930	-
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Panasonic Toughbook Lease

\$169,678 capital lease due in annual installments of \$44,965; interest at 4.03% through August 2012. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.

84,773	-	41,550	43,223
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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Capital Leases – Governmental Activities (Continued)				
Laptop Lease 11-15				
<p>\$663,004 capital lease due in annual installments of \$172,639; interest at 2.50% through April 2014. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund and the Workforce Network Fund.</p>				
	\$ -	\$ 663,004	\$ 169,884	\$ 493,120
Avaya Lease 11-16				
<p>\$321,039 capital lease; monthly principal and interest payments of \$5,761 through December 2015; interest imputed at 3.0%. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.</p>				
	-	321,039	58,579	262,460
Server Lease 11-16				
<p>\$1,940,000 capital lease due in annual installments of \$409,240; interest at 2.42% through October 2015. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.</p>				
	-	1,940,000	397,500	1,542,500
Total Capital Leases - Governmental Activities	\$ <u>647,074</u>	\$ <u>2,924,043</u>	\$ <u>963,785</u>	\$ <u>2,607,332</u>

Capital leases have resulted in the acquisition of \$4,533,409 of capital assets (equipment), which have accumulated depreciation of \$1,694,164.

Debt Certificates – Governmental Activities

McHenry County General Obligation

\$4,250,000 Limited Tax Debt Certificates Series 2001, due in annual installments of \$350,000 to \$510,000; interest at 4.235% to 4.65% through May 1, 2011. The proceeds were used for the construction of a new facility for the Division of Transportation. Principal and interest payments were reported in a Debt Service fund. Funding was provided by transfers in from the County Highway Fund and the County Option Motor Fuel Tax Fund.

\$	510,000	\$	-	\$	510,000	\$	-
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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)				
McHenry County General Obligation				
\$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. The proceeds were used for the construction of a new administration building. Principal and interest payments were reported in a Debt Service fund. Funding was provided by transfers in from the General Fund.	\$ 410,000	\$ -	\$ 410,000	\$ -
McHenry County General Obligation				
\$5,000,000 McHenry County Debt Certificates Series 2003A, due in annual installments of \$185,000 to \$765,000; interest at 2.5% to 4.75% through January 2022. 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.	3,690,000	-	245,000	3,445,000
McHenry County General Obligation				
\$4,600,000 McHenry County Debt Certificates Series 2003C, due in annual installments of \$440,000 to \$610,000, Interest at 4.0% to 5.5% through January 2014. 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.	2,265,000	-	525,000	1,740,000
McHenry County General Obligation				
\$1,895,000 McHenry County Debt Certificates Series 2005A, due in annual installments of \$230,000 to \$355,000, Interest at 3.5% to 3.65% through January 2015. 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.	1,665,000	-	310,000	1,355,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)				
McHenry County General Obligation				
\$8,280,000 McHenry County Debt Certificates Series 2006A, due in annual installments of \$40,000 to \$1,400,000; Interest at 3.85% to 4.0% through January 2022. 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. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	\$ 7,005,000	\$ -	\$ 450,000	\$ 6,555,000
McHenry County General Obligation				
\$4,885,000 McHenry County Debt Certificates Series 2007A, due in annual installments of \$440,000 to \$575,000; Interest at 3.85% to 4.15% through January 2017. The proceeds were used 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.	3,590,000	-	455,000	3,135,000
McHenry County General Obligation				
\$50,000,000 McHenry County Debt Certificates Series 2007B, due in annual installments of \$4,060,000 to \$6,060,000; Interest at 4.0% to 4.5% through January 2017. The proceeds were used 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 County Highway Fund, Motor Fuel Tax Fund, and County Option Motor Fuel Tax Fund.	37,215,000	-	4,635,000	32,580,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)				
McHenry County General Obligation				
\$4,480,000 McHenry County Debt Certificates Series 2008, due in annual installments of \$380,000 to \$520,000; Interest at 3.0% to 4.25% through January 2019. The proceeds were used 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.	\$ 4,100,000	\$ -	\$ 390,000	\$ 3,710,000
McHenry County General Obligation				
\$7,595,000 McHenry County Debt Certificates Series 2010A, due in annual installments of \$185,000 to \$1,125,000; Interest at 1.5% to 4.5% through December 2019. The proceeds are for various capital projects, including the construction of a new County archive facility, the purchase of a new local area network, the buildout of a courtroom, the purchase of a new storage area network, and the partial advanced refunding of the Series 2002 A debt certificates. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	7,595,000	-	510,000	7,085,000
McHenry County General Obligation				
\$4,000,000 McHenry County Debt Certificates (Recovery Zone Economic Development Bonds) Series 2010B, due in annual installments of \$65,000 to \$350,000; Interest at 0.75% to 5.55% through December 2024. The County will receive a reimbursement from the Federal Government equal to 45% of each scheduled interest payment. The proceeds are for the expansion of the County mental health facility. 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.	4,000,000	-	65,000	3,935,000
Total Debt Certificates - Governmental Activities	\$ <u>72,045,000</u>	\$ <u>-</u>	\$ <u>8,505,000</u>	\$ <u>63,540,000</u>

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Capital Leases – Business-Type Activities				
Avaya Lease 11-16				
\$70,472 capital lease; monthly principal and interest payments of \$1,264 through December 2015; interest imputed at 3.0%. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the Valley Hi Fund.	\$ <u> -</u>	\$ <u> 70,472</u>	\$ <u> 12,859</u>	\$ <u> 57,613</u>

Capital leases have resulted in the acquisition of \$70,472 of capital assets (equipment), which have accumulated depreciation of \$14,094.

Debt Certificates – Business-Type Activities

Valley Hi

\$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. The proceeds were used for the construction of the new Valley Hi facility. Principal and interest payments are reported in the Valley Hi Fund.

	\$ <u> 9,555,000</u>	\$ <u> -</u>	\$ <u> 640,000</u>	\$ <u> 8,915,000</u>
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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

\$20,330,000 General Obligation Limited Bonds Series 1998A, due in annual installments of \$115,000 to \$1,785,000; interest at 4.7% to 5.5% through February 1, 2018. The proceeds were used for the acquisition and construction of major capital facilities. Principal and interest payments will be reported in the District Debt Service Fund.

	\$ 7,225,000	\$ -	\$ 140,000	\$ 7,085,000
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McHenry County Conservation District

\$68,500,000 General Obligation Bonds Series 2001A, due in annual installments of \$1,040,000 to \$2,470,000; interest at 4.25% to 5.625% through February 1, 2021. The proceeds were used for the acquisition and construction of major capital facilities. Principal and interest payments were reported in the District Debt Service Fund.

	2,470,000	-	2,470,000	-
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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
General Obligation Bonds – Governmental Activities (District) (Continued)				
McHenry County Conservation District				
\$12,235,000 General Obligation Limited Refunding Bonds Series 2001B, due in annual installments of \$150,000 to \$1,410,000; interest at 4.25% to 5.0% through February 1, 2016. The proceeds were used to refund prior general obligation bonds. Principal and interest payments will be reported in the District Debt Service Fund.	\$ 4,580,000	\$ -	\$ 1,280,000	\$ 3,300,000
McHenry County Conservation District				
\$58,825,000 General Obligation Refunding Bonds Series 2005A, due in annual installments of \$135,000 to \$9,850,000; interest at 3.0% to 5.0% through February 1, 2021. The proceeds were used to refund prior general obligation bonds. Principal and interest payments will be reported in the District Debt Service Fund.	57,825,000	-	155,000	57,670,000
McHenry County Conservation District				
\$1,315,000 General Obligation Refunding Tax Bonds Series 2005B, due in periodic installments of \$5,000 to \$1,295,000, beginning in 2013; interest at 3.5% to 4.0% through February 1, 2014. The proceeds were used to refund prior general obligation bonds. Principal and interest payments will be reported in the District Debt Service Fund.	1,300,000	-	-	1,300,000
McHenry County Conservation District				
\$73,000,000 General Obligation Bonds Series 2007, due in periodic installments of \$5,000 to \$13,695,000, beginning in 2012; interest at 4.0% to 5.125% through February 1, 2027. The proceeds were used for the acquisition and construction of major capital facilities. Principal and interest payments will be reported in the District Debt Service Fund.	<u>73,000,000</u>	<u>-</u>	<u>-</u>	<u>73,000,000</u>
Total General Obligation Bonds - Governmental Activities (District)	\$ <u>146,400,000</u>	\$ <u>-</u>	\$ <u>4,045,000</u>	\$ <u>142,355,000</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Installment Contract – Governmental Activities (District)				
McHenry County Conservation District				
<p>\$6,300,000 Installment Contract, dated November 16, 2006, interest at 2.5% due in semi-annual installments, beginning in 2016; balloon payment of principal and interest due November 1, 2016. The proceeds were used for the acquisition of land. Principal and interest payments will be reported in the District Debt Service Fund.</p>				
	\$ <u>6,300,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,300,000</u>

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 - Minimum Future Lease Payments		
	Principal	Interest	Totals
2012	\$ 903,598	\$ 70,625	\$ 974,223
2013	609,235	41,770	651,005
2014	624,500	26,505	651,005
2015	467,509	10,855	478,364
2016	2,490	6	2,496
	\$ <u>2,607,332</u>	\$ <u>149,761</u>	\$ <u>2,757,093</u>
Fiscal Year	Business-Type Activities		
	Capital Leases - Minimum Future Lease Payments		
	Principal	Interest	Totals
2012	\$ 13,632	\$ 1,542	\$ 15,174
2013	14,047	1,127	15,174
2014	14,474	700	15,174
2015	14,914	260	15,174
2016	546	1	547
	\$ <u>57,613</u>	\$ <u>3,630</u>	\$ <u>61,243</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 6 – Long-Term Obligations (Continued)

Debt Service Requirements to Maturity (Continued)

Fiscal Year	Governmental Activities		Business-Type Activities	
	Debt Certificates		Debt Certificates	
	Principal	Interest	Principal	Interest
2012	\$ 8,410,000	\$ 2,513,272	\$ 660,000	\$ 353,987
2013	8,935,000	2,154,049	685,000	326,231
2014	9,310,000	1,769,114	710,000	298,363
2015	9,065,000	1,383,044	740,000	270,712
2016	9,090,000	1,000,829	765,000	241,075
2017-2021	15,225,000	1,713,202	4,360,000	693,852
2022-2025	3,505,000	192,457	995,000	21,641
	<u>\$ 63,540,000</u>	<u>\$ 10,725,967</u>	<u>\$ 8,915,000</u>	<u>\$ 2,205,861</u>

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

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2012	\$ 4,475,000	\$ 7,057,004
2013	4,915,000	6,863,104
2014	5,415,000	6,610,379
2015	5,940,000	6,351,604
2016	6,510,000	6,050,779
2017-2021	42,105,000	24,947,443
2022-2026	59,300,000	12,693,591
2027	13,695,000	701,869
	<u>\$ 142,355,000</u>	<u>\$ 71,275,773</u>

Fiscal Year	Installment Contract	
	Principal	Interest
2012	\$ -	\$ 157,500
2013	-	157,500
2014	-	157,500
2015	-	157,500
2016	-	157,500
2017	6,300,000	92,342
	<u>\$ 6,300,000</u>	<u>\$ 879,842</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 6 – Long-Term Obligations (Continued)

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. The total balance of defeased debt of \$6,770,000 was repaid in full on January 15, 2011. Accordingly, there is no defeased debt outstanding as of November 30, 2011.

Conduit Debt

The County has participated in the issuance of Industrial Revenue Bonds and Recovery Zone Facility Bonds. These bonds were issued for various third parties 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. As of November 30, 2011, the balance of conduit debt outstanding is \$11,755,475.

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.

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 required employer contribution rates for calendar year 2010 were 10.13% of annual covered payroll for the Regular Plan, 22.97% of annual covered payroll for the SLEP Plan, and 11.35% 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 2010, the County's annual pension costs of \$4,949,907 for the Regular Plan and \$2,768,536 for the SLEP plan were equal to the County's required and actual contributions. The District's annual pension cost of \$463,838 was equal to the District's required and actual contribution.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 7 – Defined Benefit Pension Plans (Continued)

D. Actuarial Assumptions

The required contributions for calendar year 2010 were determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 7.50% 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 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of 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. Each plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

E. Funded Status and Funding Progress

a. Regular Plan

As of December 31, 2010, the most recent actuarial valuation date, the Regular Plan was 80.41% funded. The actuarial accrued liability for benefits was \$97,995,090 and the actuarial value of assets was \$78,797,858, resulting in an underfunded actuarial accrued liability (UAAL) of \$19,197,232. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$48,863,841 and the ratio of the UAAL to the covered payroll was 39.29%.

b. SLEP Plan

As of December 31, 2010, the most recent actuarial valuation date, the SLEP Plan was 51.99% funded. The actuarial accrued liability for benefits was \$50,979,092 and the actuarial value of assets was \$26,503,330, resulting in an underfunded actuarial accrued liability (UAAL) of \$24,475,762. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$12,052,832 and the ratio of the UAAL to the covered payroll was 203.07%.

c. District Plan

As of December 31, 2010, the most recent actuarial valuation date, the District Plan was 66.80% funded. The actuarial accrued liability for benefits was \$7,966,498 and the actuarial value of assets was \$5,321,250, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,645,248. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$4,086,677 and the ratio of the UAAL to the covered payroll was 64.73%.

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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 7 – Defined Benefit Pension Plans (Continued)

F. Trend Information

	Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Regular Plan	12/31/10	\$ 4,949,907	100%	\$ -
	12/31/09	3,887,521	100%	-
	12/31/08	3,755,590	100%	-
SLEP	12/31/10	\$ 2,768,536	100%	-
	12/31/09	2,268,910	100%	-
	12/31/08	2,258,720	100%	-
District	12/31/10	\$ 463,838	100%	-
	12/31/09	455,587	100%	-
	12/31/08	410,967	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, 2011

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 65-80% 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 20-35% 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 2011, plan members contributed \$1,027,283 and, on an age-adjusted basis, the County contributed \$221,603.

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 No. 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.

Annual required contribution (ARC)	\$ 1,666,711
Interest on net OPEB obligation	90,875
Adjustment to annual required contribution	<u>(112,600)</u>
Annual OPEB cost (expense)	1,644,986
Contributions made	<u>(221,603)</u>
Increase in net OPEB obligation	1,423,383
Net OPEB obligation - beginning of year	<u>1,817,492</u>
Net OPEB obligation - end of year	<u><u>\$ 3,240,875</u></u>

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2011

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

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

a. County Plan (Continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were 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>
11/30/11	\$ 1,644,986	\$ 221,603	13.47%	\$ 3,240,875
11/30/10	1,494,130	829,948	55.55	1,817,492
11/30/09	1,436,464	283,154	19.71	1,153,310

b. District Plan

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.

Annual required contribution (ARC)	\$ 15,220
Interest on net OPEB obligation	1,122
Adjustment to annual required contribution	<u>(748)</u>
Annual OPEB cost (expense)	15,594
Contributions made	<u>(4,115)</u>
Increase in net OPEB obligation	11,479
Net OPEB obligation - beginning of year	<u>22,438</u>
Net OPEB obligation - end of year	<u>\$ 33,917</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were 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>
3/31/11	\$ 15,594	\$ 4,115	26.39%	\$ 33,917
3/31/10	15,405	4,115	26.71	22,438
3/31/09	15,263	4,115	26.96	11,148

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

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

D. Funded Status and Funding Progress

a. County Plan

As of August 1, 2009, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$14,687,870 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$14,687,870. The covered payroll (annual payroll of active employees covered by the plan) was \$62,919,438, and the ratio of the UAAL to the covered payroll was 23.34%.

b. District Plan

As of March 31, 2009, 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%.

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 (RSI), 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 liability 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, 2009 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 7.0% initially, reduced to an ultimate rate of 5.0% after 7 years, projected salary increases of 3.5% a year, and annual inflation of 3.5%. 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 30 year basis.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

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

E. Actuarial Methods and Assumptions (Continued)

b. District Plan

In the March 31, 2009 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 5.0% investment rate of return, an annual healthcare cost trend rate of 8.0% initially, reduced to an ultimate rate of 6.0%, projected salary increases of 5.0% 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 30 year basis.

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.

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 Fund (internal service fund) and Insurance Loss Fund (special revenue fund).

The Insurance Loss Fund provides coverage for up to a maximum of \$550,000 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 \$195,000 stop-loss coverage for individual health claims with an aggregate stop-loss of 135% 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 \$4,744,728 is based on the requirements of GASB 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, 2011

Note 10 – Risk Management (Continued)

Changes in claims and judgments liability in fiscal years 2011 and 2010 were:

		<u>Balance</u> <u>December 1</u>		<u>Incurring</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>
2010 - 2011	\$	7,524,433	\$	14,047,868	\$	16,827,573	\$	4,744,728
2009 - 2010	\$	8,317,340	\$	17,000,104	\$	17,793,011	\$	7,524,433

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, 2010, the total equity of PDRMA was \$30,394,424. For the year ended December 31, 2010, the increase in net assets of PDRMA was \$787,923. The District made \$195,995 of payments to PDRMA during the year ended March 31, 2011.

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, 2011

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	\$ 58,179,290	\$ 27,434,315
Building projects	4,369,538	478,097
Other projects	9,011,325	2,587,414
	\$ 71,560,153	\$ 30,499,826

As of year-end, encumbrances for contractual commitments is summarized as follows:

General Fund	\$ 946,877	\$ 701,662
Motor Fuel Tax Fund	13,707,716	5,604,929
County Mental Health Fund	67,850	67,850
Nonmajor Governmental Funds	52,506,551	23,651,491
Valley Hi Fund	103,432	95,833
911 Fund	4,227,727	378,061
	\$ 71,560,153	\$ 30,499,826

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 is not presented. All the 911 fund information is included in the basic financial statements.

Note 13 – Fund Balance Restricted 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, 2011

Note 14 – Interfund Balances and Transfers

A. Interfund Balances

Individual interfund balances for the County (primary government) as of November 30, 2011 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	\$ 35,907	\$ -
General Fund	Valley Hi Fund	339	-
General Fund	911 Fund	101	-
County Mental Health Fund	Nonmajor Governmental Funds	70	-
Nonmajor Governmental Funds	General Fund	1,027	-
Nonmajor Governmental Funds	County Mental Health Fund	38,582	-
Nonmajor Governmental Funds	Valley Hi Fund	190,408	-
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	3,861,138	-
Internal Service Fund	General Fund	1,797,702	-
Internal Service Fund	County Mental Health Fund	46,385	-
Internal Service Fund	Nonmajor Governmental Funds	277,567	-
Internal Service Fund	Valley Hi Fund	185,704	-
Internal Service Fund	911 Fund	<u>12,468</u>	<u>-</u>
Subtotal - Fund Financial Statements		6,447,398	\$ <u><u>-</u></u>
Less: Fund eliminations		(7,363,847)	
Add: Internal service fund activities related to enterprise funds		1,275,735	
Add: Advance from general fund to nonmajor governmental funds		<u>1,305,469</u>	
Total Internal Balances - Government-Wide Statement of Net Assets		\$ <u><u>1,664,755</u></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 as of November 30, 2011 is \$1,305,469.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 14 – Interfund Balances and Transfers (Continued)

B. Transfers

Interfund transfers for the year ended November 30, 2011 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	\$ 15,267	Closeout of capital project funds
General Fund	Nonmajor Governmental Funds	1,367	Working Cash transfers
General Fund	Nonmajor Governmental Funds	32,994	Administrative expenses
Nonmajor Governmental Funds	General Fund	4,473,537	Debt service payments
Nonmajor Governmental Funds	General Fund	1,000,000	General Fund support
Nonmajor Governmental Funds	Motor Fuel Tax Fund	2,543,876	Debt service payments
Nonmajor Governmental Funds	County Mental Health Fund	273,959	Debt service payments
Nonmajor Governmental Funds	County Mental Health Fund	1,325,705	County support of grant programs
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	365,998	County support of transit program
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	9,868,882	Funding of expenditures with restricted sales taxes
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	4,172,210	Debt service payments
Subtotal - Governmental Fund Financial Statements		24,073,795	
Less: Fund eliminations		<u>(24,073,795)</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, 2011

Note 15 – Net Assets/Fund Balance

Net assets reported on the government-wide statement of net assets as of November 30, 2011 includes the following:

Governmental Activities

Invested in capital assets, net of related debt

Land	\$ 59,955,376
Construction in progress	34,934,368
Other capital assets, net of accumulated depreciation/amortization	186,859,137
Less: related long-term debt outstanding	<u>(58,055,433)</u>

Total invested in capital assets, net of related debt 223,693,448

Restricted

General and administrative	16,993,093
Community development	43,453
Transportation	74,468,069
Public safety	355,311
Judiciary and court related	2,308,435
Public health and welfare	16,546,732
Employee benefits	5,174,758
Public Building Commission	64,008
Working cash - permanently restricted	<u>800,568</u>

Total restricted 116,754,427

Unrestricted

39,868,128

Total governmental activities net assets \$ 380,316,003

Business-Type Activities

Invested in capital assets, net of related debt

Land	\$ 6,000
Other capital assets, net of accumulated depreciation/amortization	16,652,101
Less: related long-term debt outstanding	<u>(8,972,613)</u>

Total invested in capital assets, net of related debt 7,685,488

Restricted

Debt service	707,422
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Unrestricted

33,962,683

Total business-type activities net assets \$ 42,355,593

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 15 – Net Assets/Fund Balance (Continued)

Fund balance reported on the governmental funds balance sheet as of November 30, 2011 includes the following:

	General Fund	Motor Fuel Tax Fund	County Mental Health Fund	Nonmajor Governmental Funds	Total
Nonspendable					
Not in spendable form					
Inventory	\$ 135,482	\$ 565,998	\$ 15,005	\$ 42,093	\$ 758,578
Advance to other funds	1,305,469	-	-	-	1,305,469
Legally required to be maintained intact					
Working cash principal	-	-	-	800,568	800,568
	<u>1,440,951</u>	<u>565,998</u>	<u>15,005</u>	<u>842,661</u>	<u>2,864,615</u>
Restricted					
General and administrative	76,352	-	-	16,916,238	16,992,590
Community development	-	-	-	43,453	43,453
Transportation	-	17,788,506	-	54,704,292	72,492,798
Public safety	152,198	-	-	93,937	246,135
Judiciary and court related	567,908	-	-	1,719,260	2,287,168
Public health and welfare	133,178	-	7,755,136	5,480,147	13,368,461
Employee benefits	-	-	-	5,174,758	5,174,758
Public Building Commission	-	-	-	64,008	64,008
Capital projects	-	-	-	487,819	487,819
	<u>929,636</u>	<u>17,788,506</u>	<u>7,755,136</u>	<u>84,683,912</u>	<u>111,157,190</u>
Committed					
General and administrative	-	-	-	155,612	155,612
Community development	-	-	-	1,737,141	1,737,141
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,892,753</u>	<u>1,892,753</u>
Assigned					
Subsequent year's budget	1,861,710	-	-	-	1,861,710
General and administrative	730,111	-	-	-	730,111
Community development	279,682	-	-	-	279,682
Public safety	67,597	-	-	-	67,597
Judiciary and court related	15,000	-	-	-	15,000
Public health and welfare	3,358	-	-	-	3,358
	<u>2,957,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,957,458</u>
Unassigned (deficit)					
	<u>48,567,345</u>	<u>-</u>	<u>-</u>	<u>(841,118)</u>	<u>47,726,227</u>
Total fund balance	<u>\$ 53,895,390</u>	<u>\$ 18,354,504</u>	<u>\$ 7,770,141</u>	<u>\$ 86,578,208</u>	<u>\$ 166,598,243</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 16 - Fund Deficits

The following funds reported a deficit as of November 30, 2011:

Fund	Deficit Amount
Special Revenue Fund - Circuit Court Document Storage Fund	(587,706)
Special Revenue Fund - Circuit Court Automation Fund	(253,412)

Both fund deficits are due to capital outlay financed by an advance from the general fund. The fund deficits 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 – Fund Reclassifications and Restatement of Beginning Fund Balance/Net Assets

In connection with the implementation of GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions, the County has made the following adjustment. The Public Building Commission Fund (blended component unit), previously reported as a nonmajor debt service fund, has been reclassified to a nonmajor special revenue fund. Since both classifications represent governmental fund-types, there is no resulting restatement of beginning fund balance or net assets.

In connection with the implementation of GASB Statement No. 66 - Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62, the County has made the following adjustment. The Insurance Loss Fund, previously reported as an internal service fund, has been reclassified to a nonmajor special revenue fund. The restatement of beginning fund balance/net assets as a result of this adjustment is as follows:

Net assets - November 30, 2010, as previously reported	\$ 7,266,567
Adjustment for change in accounting method from accrual basis to modified accrual basis	5,407,729
Fund balance - November 30, 2010, as restated	\$ 12,674,296

Note 18 – 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. 61- “The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34”. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. Additionally, this Statement amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. Also, this Statement clarifies the reporting of equity interests in legally separate organizations. The County is required to implement this statement for the year ending November 30, 2013.

Statement No. 63 – “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

Note 18 – New Governmental Accounting Standards (Continued)

Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The County is required to implement this statement for the year ending November 30, 2013.

Statement No. 65 – “Items Previously Reported as Assets and Liabilities”. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The County is required to implement this statement for the year ending November 30, 2014.

Note 19 – Subsequent Events

In January 2012, the County repaid in full the outstanding balance of the Valley Hi Series 2003B debt certificates in the amount of \$8,915,000. The debt certificates were to be repaid in annual installments through January 2022. By repaying the balance in full, the County will avoid interest payments over the next 10 years of approximately \$2.0 million.

In April 2012, the County issued debt certificates Series 2012A for \$1,220,000 and Series 2012B for \$4,245,000 to refund debt certificates Series 2003A, Series 2003C, and Series 2005A. The new debt certificates are due in annual installments, beginning in 2013, interest at 0.75% to 2.35%, through January 2022.

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 24,339,396	\$ 24,383,742	\$ 24,357,896	\$ (25,846)
Licenses and permits	1,053,000	1,053,000	1,010,334	(42,666)
Fines and forfeitures	1,410,500	1,410,500	1,137,097	(273,403)
Grants, contributions, and intergovernmental	3,805,946	4,707,712	5,049,497	341,785
Property taxes	35,675,000	35,675,000	35,743,142	68,142
Sales taxes	8,520,588	8,520,588	8,833,467	312,879
State income taxes	5,250,000	5,250,000	5,139,609	(110,391)
Tax transfer stamps	1,200,000	1,200,000	1,123,002	(76,998)
Other taxes	1,615,000	1,615,000	1,821,922	206,922
Investment income	143,100	143,100	110,260	(32,840)
Miscellaneous	316,500	316,500	352,060	35,560
Total Revenues	83,329,030	84,275,142	84,678,286	403,144
EXPENDITURES				
Current				
General and administrative	27,066,904	27,581,100	25,259,205	2,321,895
Community development	1,330,130	1,704,297	1,448,876	255,421
Public safety	31,643,849	32,092,697	31,463,930	628,767
Judiciary and court related	10,210,606	10,282,403	9,980,742	301,661
Public health and welfare	7,065,115	7,441,711	6,928,522	513,189
Capital outlay	1,015,254	6,514,484	4,316,804	2,197,680
Debt service				
Principal retirement	958,614	958,614	904,239	54,375
Interest and fiscal charges	92,515	92,515	49,871	42,644
Total Expenditures	79,382,987	86,667,821	80,352,189	6,315,632
Excess (deficiency) of revenues over expenditures	<u>3,946,043</u>	<u>(2,392,679)</u>	<u>4,326,097</u>	<u>6,718,776</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	109,700	115,950	49,628	(66,322)
Transfers out	(4,126,405)	(5,543,580)	(5,473,537)	70,043
Capital leases issued	-	3,035,630	2,924,043	(111,587)
Total Other Financing Sources (Uses)	(4,016,705)	(2,392,000)	(2,499,866)	(107,866)
Net Change in Fund Balance	<u>\$ (70,662)</u>	<u>\$ (4,784,679)</u>	1,826,231	<u>\$ 6,610,910</u>
Fund Balance - Beginning of Year			<u>52,069,159</u>	
Fund Balance - End of Year			<u>\$ 53,895,390</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 4,566,650	\$ 4,566,650	\$ 6,653,074	\$ 2,086,424
Investment income	<u>100,000</u>	<u>100,000</u>	<u>46,615</u>	<u>(53,385)</u>
Total Revenues	<u>4,666,650</u>	<u>4,666,650</u>	<u>6,699,689</u>	<u>2,033,039</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	133,301	133,301	133,300	1
Contractual services	4,508,000	7,334,192	4,268,166	3,066,026
Commodities	1,370,000	1,370,000	1,060,178	309,822
Capital outlay	<u>2,500,000</u>	<u>7,218,491</u>	<u>65,603</u>	<u>7,152,888</u>
Total Expenditures	<u>8,511,301</u>	<u>16,055,984</u>	<u>5,527,247</u>	<u>10,528,737</u>
Excess (deficiency) of revenues over expenditures	(3,844,651)	(11,389,334)	1,172,442	12,561,776
OTHER FINANCING USES				
Transfers out	<u>(2,548,900)</u>	<u>(2,548,900)</u>	<u>(2,543,876)</u>	<u>5,024</u>
Net Change in Fund Balance	<u>\$ (6,393,551)</u>	<u>\$ (13,938,234)</u>	(1,371,434)	<u>\$ 12,566,800</u>
Fund Balance - Beginning of Year			<u>19,725,938</u>	
Fund Balance - End of Year			<u>\$ 18,354,504</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 452,339	\$ 452,339	\$ 459,283	\$ 6,944
Property taxes	12,707,213	12,707,213	12,520,952	(186,261)
Investment income	15,000	15,000	9,150	(5,850)
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>26,404</u>	<u>21,404</u>
Total Revenues	<u>13,179,552</u>	<u>13,179,552</u>	<u>13,015,789</u>	<u>(163,763)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,679,207	1,679,207	1,571,982	107,225
Contractual services	10,005,802	10,005,802	9,157,138	848,664
Commodities	201,655	201,655	73,282	128,373
Capital outlay	<u>155,000</u>	<u>155,000</u>	<u>23,160</u>	<u>131,840</u>
Total Expenditures	<u>12,041,664</u>	<u>12,041,664</u>	<u>10,825,562</u>	<u>1,216,102</u>
Excess of revenues over expenditures	<u>1,137,888</u>	<u>1,137,888</u>	<u>2,190,227</u>	<u>1,052,339</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,280	7,280	-	(7,280)
Transfers out	<u>(1,936,080)</u>	<u>(1,936,080)</u>	<u>(1,599,664)</u>	<u>336,416</u>
Total Other Financing Sources (Uses)	<u>(1,928,800)</u>	<u>(1,928,800)</u>	<u>(1,599,664)</u>	<u>329,136</u>
Net Change in Fund Balance	<u>\$ (790,912)</u>	<u>\$ (790,912)</u>	590,563	<u>\$ 1,381,475</u>
Fund Balance - Beginning of Year			<u>7,179,578</u>	
Fund Balance - End of Year			<u>\$ 7,770,141</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, 2011

Regular Plan							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)	Percentage of	
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered	Covered	
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll	Payroll	
	Assets	Entry Age	(UAAL)			((2-1)/3)	
12/31/2010	\$ 78,797,858	\$ 97,995,090	\$ 19,197,232	80.41 %	\$ 48,863,841	39.29 %	
12/31/2009	74,806,316	91,280,346	16,474,030	81.95	47,235,973	34.88	
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)	

Sheriff's Law Enforcement Personnel Plan (SLEP)

Sheriff's Law Enforcement Personnel Plan (SLEP)							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)	Percentage of	
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered	Covered	
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll	Payroll	
	Assets	Entry Age	(UAAL)			((2-1)/3)	
12/31/2010	\$ 26,503,330	\$ 50,979,092	\$ 24,475,762	51.99 %	\$ 12,052,832	203.07 %	
12/31/2009	25,980,534	48,426,943	22,446,409	53.65	11,593,816	193.61	
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	

Conservation District Plan (Component Unit)

Conservation District Plan (Component Unit)							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)	Percentage of	
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered	Covered	
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll	Payroll	
	Assets	Entry Age	(UAAL)			((2-1)/3)	
12/31/2010	\$ 5,321,250	\$ 7,966,498	\$ 2,645,248	66.80 %	\$ 4,086,677	64.73 %	
12/31/2009	4,546,970	7,288,433	2,741,463	62.39	4,089,649	67.03	
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	

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, 2011

County Plan							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)	Percentage of	
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered	Covered	
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll	Payroll	
	Assets	Entry Age	(UAAL)			((2-1)/3)	
8/1/2009	\$ -	\$ 14,687,870	\$ 14,687,870	- %	\$ 62,919,438	23.34 %	
8/1/2007	-	12,127,965	12,127,965	-	55,354,688	21.91	
District Plan							UAAL as a
Actuarial	(1)	(2)	(2)-(1)	(1)/(2)	(3)	Percentage of	
Valuation	Actuarial	Actuarial Accrued	Unfunded	Funded	Covered	Covered	
Date	Value of	Liability (AAL)	AAL	Ratio	Payroll	Payroll	
	Assets	Entry Age	(UAAL)			((2-1)/3)	
3/31/2009	\$ -	\$ 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, 2011

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 2011.

Note 3 – IMRF Information

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$84,039,283 for the Regular Plan, \$29,142,702 for the SLEP Plan, and \$5,631,116 for the District Plan. On a market basis, the funded ratio would be 85.76% for the Regular Plan, 57.17% for the SLEP Plan, and 70.68% for the District Plan.

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

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

GENERAL FUND

To account for and report all financial resources not accounted for and reported in another fund.

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
General and Administrative				
County clerk fees	\$ 190,000	\$ 190,000	\$ 169,595	\$ (20,405)
Tax redemption fees	180,000	180,000	165,607	(14,393)
Recording fees	1,200,000	1,200,000	1,087,921	(112,079)
Penalties/fees on delinquent taxes	2,000,000	2,000,000	1,687,571	(312,429)
Cable television franchise fees	440,000	440,000	523,545	83,545
Assessor's salary reimbursement	21,000	21,000	50,816	29,816
Other fees and charges	13,600	13,600	13,209	(391)
Community Development				
Subdivision review fees	5,000	5,000	12,517	7,517
Flood plain investigation fees	80,000	80,000	77,069	(2,931)
Maps and publications fees	3,000	3,000	1,568	(1,432)
Solid waster tipping fees	14,100	24,100	21,000	(3,100)
Other fees and charges	11,300	11,300	7,323	(3,977)
Public Safety				
Sheriff fees - circuit court	475,000	475,000	386,343	(88,657)
Sheriff fees - photocopies	3,000	3,000	8,579	5,579
Sheriff fees - foreign courts	65,000	65,000	46,834	(18,166)
Foreclosures	45,000	45,000	64,025	19,025
Court security fees	900,000	900,000	757,822	(142,178)
Jail space rental	10,500,000	10,500,000	11,428,500	928,500
Payphones	325,000	325,000	194,875	(130,125)
Dispatching fee	210,000	210,000	297,904	87,904
Squad car replacement fee	40,000	40,000	29,728	(10,272)
Sheriff salary reimbursement	47,000	47,000	78,621	31,621
Other fees and charges	53,092	87,438	105,952	18,514
Judiciary and Court Related				
10% bond earnings	360,000	360,000	359,521	(479)
Circuit clerk fees	4,205,500	4,205,500	3,566,403	(639,097)
County court fees	595,682	595,682	527,995	(67,687)
Court services salary reimbursements	620,768	620,768	826,258	205,490
State's attorney salary reimbursements	57,871	57,871	108,508	50,637
State's attorney fees	88,000	88,000	74,626	(13,374)
Public aid	80,000	80,000	85,421	5,421
Periodic imprisonment fees	16,500	16,500	16,929	429
Public defender salary reimbursement	39,958	39,958	83,246	43,288
Public defenders fees	80,000	80,000	64,691	(15,309)
Other fees and charges	31,600	31,600	77,749	46,149

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2011

	<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	\$ 625,000	\$ 625,000	\$ 670,477	\$ 45,477
Veterinary fees	61,000	61,000	58,652	(2,348)
Nursing fees	96,500	96,500	128,573	32,073
Health review fees	5,000	5,000	5,470	470
Health promotion	19,700	19,700	18,477	(1,223)
Vital record fees	58,000	58,000	51,889	(6,111)
Subdivision review fees	7,500	7,500	7,510	10
Medicare	90,000	90,000	79,290	(10,710)
Public aid	185,000	185,000	159,059	(25,941)
Private pay	10,000	10,000	9,531	(469)
Vision and hearing fees	72,600	72,600	38,787	(33,813)
Other fees and charges	112,125	112,125	121,910	9,785
Total Charges for Services	<u>24,339,396</u>	<u>24,383,742</u>	<u>24,357,896</u>	<u>(25,846)</u>
LICENSES AND PERMITS				
General and Administrative				
Liquor licenses	118,500	118,500	117,200	(1,300)
Amusement licenses	12,000	12,000	10,594	(1,406)
Community Development				
Building permits	300,000	300,000	250,065	(49,935)
Zoning permits	70,000	70,000	94,837	24,837
Public Health and Welfare				
Septic and well permits	94,500	94,500	80,930	(13,570)
Health licenses	450,000	450,000	444,024	(5,976)
Hauler license fees	8,000	8,000	12,684	4,684
Total Licenses and Permits	<u>1,053,000</u>	<u>1,053,000</u>	<u>1,010,334</u>	<u>(42,666)</u>
FINES AND FORFEITURES				
Community Development				
Planning fines	12,000	12,000	10,255	(1,745)
Judiciary and Court Related				
Fines and bond forfeitures	1,260,500	1,260,500	980,402	(280,098)
County drug fines	104,000	104,000	104,920	920
Public Health and Welfare				
Veterinary fines	34,000	34,000	41,520	7,520
Total Fines and Forfeitures	<u>1,410,500</u>	<u>1,410,500</u>	<u>1,137,097</u>	<u>(273,403)</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GRANTS, CONTRIBUTIONS, AND				
INTERGOVERNMENTAL				
General and Administrative				
Election-related grants	\$ 35,000	\$ 35,000	\$ 137,900	\$ 102,900
Other grants	-	104,521	51,121	(53,400)
Community Development				
Planning and development grants	-	100,500	7,584	(92,916)
Public Safety				
Sheriff's Office - grants	-	233,055	503,881	270,826
Emergency Management - grants	57,150	104,015	149,565	45,550
Judiciary and Court Related				
Dependent children care reimbursements	21,000	21,000	61,950	40,950
Dependent children/parent reimbursements	50,000	50,000	27,567	(22,433)
State's Attorney - grants	26,150	26,150	24,843	(1,307)
Court Administration - grants	37,500	37,500	33,336	(4,164)
Public Health and Welfare				
Health department grants -				
Nursing	2,880,658	3,247,281	3,452,618	205,337
Environmental	146,488	196,690	167,578	(29,112)
Administration	52,000	52,000	55,233	3,233
IDPH vaccines	<u>500,000</u>	<u>500,000</u>	<u>376,321</u>	<u>(123,679)</u>
Total Grants, Contributions, and Intergovernmental	<u>3,805,946</u>	<u>4,707,712</u>	<u>5,049,497</u>	<u>341,785</u>
PROPERTY TAXES	<u>35,675,000</u>	<u>35,675,000</u>	<u>35,743,142</u>	<u>68,142</u>
SALES TAXES	<u>8,520,588</u>	<u>8,520,588</u>	<u>8,833,467</u>	<u>312,879</u>
STATE INCOME TAXES	<u>5,250,000</u>	<u>5,250,000</u>	<u>5,139,609</u>	<u>(110,391)</u>
TAX TRANSFER STAMPS	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,123,002</u>	<u>(76,998)</u>
OTHER TAXES				
Local use tax	800,000	800,000	954,316	154,316
Personal property replacement tax	625,000	625,000	737,527	112,527
Inheritance tax	100,000	100,000	42,393	(57,607)
Off track betting	90,000	90,000	87,686	(2,314)
Total Other Taxes	<u>1,615,000</u>	<u>1,615,000</u>	<u>1,821,922</u>	<u>206,922</u>
INVESTMENT INCOME				
Interest	<u>143,100</u>	<u>143,100</u>	<u>110,260</u>	<u>(32,840)</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2011

	<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	\$ 235,000	\$ 235,000	\$ 234,665	\$ (335)
Proceeds from sale of capital assets	40,000	40,000	44,035	4,035
Other income	<u>41,500</u>	<u>41,500</u>	<u>73,360</u>	<u>31,860</u>
Total Miscellaneous	<u>316,500</u>	<u>316,500</u>	<u>352,060</u>	<u>35,560</u>
TOTAL REVENUES	<u>\$ 83,329,030</u>	<u>\$ 84,275,142</u>	<u>\$ 84,678,286</u>	<u>\$ 403,144</u>

(Concluded)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE				
Administration				
Personnel services	\$ 504,288	\$ 534,742	\$ 534,738	\$ 4
Contractual services	137,594	137,594	114,708	22,886
Commodities	<u>20,356</u>	<u>20,356</u>	<u>20,287</u>	<u>69</u>
Total Administration	<u>662,238</u>	<u>692,692</u>	<u>669,733</u>	<u>22,959</u>
Auditor				
Personnel services	303,668	308,024	308,020	4
Contractual services	6,860	6,660	6,484	176
Commodities	<u>11,089</u>	<u>11,289</u>	<u>11,283</u>	<u>6</u>
Total Auditor	<u>321,617</u>	<u>325,973</u>	<u>325,787</u>	<u>186</u>
County Board and Liquor Commission				
Personnel services	585,099	585,999	585,995	4
Contractual services	68,932	74,432	61,368	13,064
Commodities	<u>39,000</u>	<u>33,500</u>	<u>25,495</u>	<u>8,005</u>
Total County Board and Liquor Commission	<u>693,031</u>	<u>693,931</u>	<u>672,858</u>	<u>21,073</u>
County Clerk				
Personnel services	397,743	409,152	409,148	4
Contractual services	7,050	8,650	8,631	19
Commodities	<u>9,100</u>	<u>7,500</u>	<u>5,963</u>	<u>1,537</u>
Total County Clerk	<u>413,893</u>	<u>425,302</u>	<u>423,742</u>	<u>1,560</u>
County Clerk - Elections				
Personnel services	537,368	537,368	461,271	76,097
Contractual services	229,525	229,525	181,797	47,728
Commodities	<u>253,500</u>	<u>253,500</u>	<u>167,525</u>	<u>85,975</u>
Total County Clerk - Elections	<u>1,020,393</u>	<u>1,020,393</u>	<u>810,593</u>	<u>209,800</u>
Educational Service Region				
Personnel services	178,585	178,585	174,949	3,636
Contractual services	12,300	14,000	12,354	1,646
Commodities	<u>12,500</u>	<u>10,800</u>	<u>5,373</u>	<u>5,427</u>
Total Educational Service Region	<u>203,385</u>	<u>203,385</u>	<u>192,676</u>	<u>10,709</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2011

	<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	\$ 1,096,531	\$ 1,113,576	\$ 1,113,571	\$ 5
Contractual services	1,784,906	1,783,286	1,636,471	146,815
Commodities	<u>136,556</u>	<u>138,156</u>	<u>137,825</u>	<u>331</u>
Total Facilities Management	<u>3,017,993</u>	<u>3,035,018</u>	<u>2,887,867</u>	<u>147,151</u>
Human Resources				
Personnel services	260,699	264,342	264,338	4
Contractual services	261,630	261,630	177,254	84,376
Commodities	<u>6,250</u>	<u>6,250</u>	<u>4,040</u>	<u>2,210</u>
Total Human Resources	<u>528,579</u>	<u>532,222</u>	<u>445,632</u>	<u>86,590</u>
Information Technology				
Personnel services	1,584,448	1,604,783	1,604,777	6
Contractual services	1,366,879	1,426,233	1,309,509	116,724
Commodities	<u>76,477</u>	<u>93,717</u>	<u>93,643</u>	<u>74</u>
Total Information Technology	<u>3,027,804</u>	<u>3,124,733</u>	<u>3,007,929</u>	<u>116,804</u>
Merit Commission				
Personnel services	5,100	5,100	1,857	3,243
Contractual services	54,000	54,000	37,430	16,570
Commodities	<u>900</u>	<u>900</u>	<u>258</u>	<u>642</u>
Total Merit Commission	<u>60,000</u>	<u>60,000</u>	<u>39,545</u>	<u>20,455</u>
Purchasing				
Personnel services	247,428	247,428	227,437	19,991
Contractual services	13,130	14,675	11,377	3,298
Commodities	<u>422,735</u>	<u>422,735</u>	<u>420,880</u>	<u>1,855</u>
Total Purchasing	<u>683,293</u>	<u>684,838</u>	<u>659,694</u>	<u>25,144</u>
Recorder				
Personnel services	1,141,017	1,141,017	1,079,306	61,711
Contractual services	34,690	49,690	33,842	15,848
Commodities	<u>845,270</u>	<u>830,270</u>	<u>766,836</u>	<u>63,434</u>
Total Recorder	<u>2,020,977</u>	<u>2,020,977</u>	<u>1,879,984</u>	<u>140,993</u>
Supervisor of Assessments				
Personnel services	836,631	836,631	835,980	651
Contractual services	274,175	272,175	206,392	65,783
Commodities	<u>12,500</u>	<u>14,500</u>	<u>13,819</u>	<u>681</u>
Total Supervisor of Assessments	<u>1,123,306</u>	<u>1,123,306</u>	<u>1,056,191</u>	<u>67,115</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL AND ADMINISTRATIVE (Continued)				
Treasurer				
Personnel services	\$ 487,639	\$ 487,639	\$ 487,639	\$ -
Contractual services	49,856	49,856	49,856	-
Commodities	6,600	6,600	6,600	-
Total Treasurer	<u>544,095</u>	<u>544,095</u>	<u>544,095</u>	<u>-</u>
Non-Departmental				
Personnel services	475,734	266,811	-	266,811
Contractual services	12,255,256	12,654,234	11,632,025	1,022,209
Commodities	15,310	173,190	10,854	162,336
Total Non-Departmental	<u>12,746,300</u>	<u>13,094,235</u>	<u>11,642,879</u>	<u>1,451,356</u>
Total General and Administrative	<u>27,066,904</u>	<u>27,581,100</u>	<u>25,259,205</u>	<u>2,321,895</u>
COMMUNITY DEVELOPMENT				
Planning and Development				
Personnel services	1,176,286	1,170,402	1,170,398	4
Contractual services	92,214	464,309	234,220	230,089
Commodities	61,630	69,586	44,258	25,328
Total Planning and Development	<u>1,330,130</u>	<u>1,704,297</u>	<u>1,448,876</u>	<u>255,421</u>
Total Community Development	<u>1,330,130</u>	<u>1,704,297</u>	<u>1,448,876</u>	<u>255,421</u>
PUBLIC SAFETY				
County Sheriff				
Personnel services	26,536,304	26,455,206	26,132,735	322,471
Contractual services	3,462,522	3,636,464	3,565,767	70,697
Commodities	931,035	1,198,537	977,373	221,164
Total County Sheriff	<u>30,929,861</u>	<u>31,290,207</u>	<u>30,675,875</u>	<u>614,332</u>
Emergency Management				
Personnel services	199,418	215,481	215,382	99
Contractual services	28,040	32,415	26,017	6,398
Commodities	11,323	53,813	46,454	7,359
Total Emergency Management	<u>238,781</u>	<u>301,709</u>	<u>287,853</u>	<u>13,856</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY (Continued)				
County Coroner				
Personnel services	\$ 321,100	\$ 346,674	\$ 346,669	\$ 5
Contractual services	137,675	137,675	137,675	-
Commodities	16,432	16,432	15,858	574
Total County Coroner	<u>475,207</u>	<u>500,781</u>	<u>500,202</u>	<u>579</u>
Total Public Safety	<u>31,643,849</u>	<u>32,092,697</u>	<u>31,463,930</u>	<u>628,767</u>
JUDICIARY AND COURT RELATED				
Clerk of the Circuit Court				
Personnel services	1,888,397	1,895,405	1,893,775	1,630
Contractual services	29,450	29,450	29,419	31
Commodities	26,150	26,150	22,600	3,550
Total Clerk of the Circuit Court	<u>1,943,997</u>	<u>1,951,005</u>	<u>1,945,794</u>	<u>5,211</u>
Court Administration				
Personnel services	683,391	683,391	681,952	1,439
Contractual services	783,348	783,348	757,138	26,210
Commodities	88,800	88,800	82,734	6,066
Total Court Administration	<u>1,555,539</u>	<u>1,555,539</u>	<u>1,521,824</u>	<u>33,715</u>
Court Services				
Personnel services	2,416,344	2,416,344	2,387,543	28,801
Contractual services	483,110	483,110	283,299	199,811
Commodities	30,250	30,250	23,814	6,436
Total Court Services	<u>2,929,704</u>	<u>2,929,704</u>	<u>2,694,656</u>	<u>235,048</u>
Public Defender				
Personnel services	913,159	937,768	937,765	3
Contractual services	10,550	10,550	8,630	1,920
Commodities	9,929	9,929	6,843	3,086
Total Public Defender	<u>933,638</u>	<u>958,247</u>	<u>953,238</u>	<u>5,009</u>
State's Attorney				
Personnel services	2,614,452	2,654,632	2,637,200	17,432
Contractual services	182,776	192,776	188,397	4,379
Commodities	50,500	40,500	39,633	867
Total State's Attorney	<u>2,847,728</u>	<u>2,887,908</u>	<u>2,865,230</u>	<u>22,678</u>
Total Judiciary and Court Related	<u>10,210,606</u>	<u>10,282,403</u>	<u>9,980,742</u>	<u>301,661</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2011

	<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	\$ 5,422,801	\$ 5,471,360	\$ 5,359,064	\$ 112,296
Contractual services	597,422	804,971	679,137	125,834
Commodities	<u>1,044,892</u>	<u>1,165,380</u>	<u>890,321</u>	<u>275,059</u>
Total Health Department	<u>7,065,115</u>	<u>7,441,711</u>	<u>6,928,522</u>	<u>513,189</u>
Total Public Health and Welfare	<u>7,065,115</u>	<u>7,441,711</u>	<u>6,928,522</u>	<u>513,189</u>
Total Expenditures - Current	<u>77,316,604</u>	<u>79,102,208</u>	<u>75,081,275</u>	<u>4,020,933</u>
CAPITAL OUTLAY	<u>1,015,254</u>	<u>6,514,484</u>	<u>4,316,804</u>	<u>2,197,680</u>
DEBT SERVICE				
Principal retirement	958,614	958,614	904,239	54,375
Interest and fiscal charges	<u>92,515</u>	<u>92,515</u>	<u>49,871</u>	<u>42,644</u>
Total Debt Service	<u>1,051,129</u>	<u>1,051,129</u>	<u>954,110</u>	<u>97,019</u>
TOTAL EXPENDITURES	<u>\$ 79,382,987</u>	<u>\$ 86,667,821</u>	<u>\$ 80,352,189</u>	<u>\$ 6,315,632</u>

(Concluded)

**NONMAJOR GOVERNMENTAL FUNDS -
COMBINING STATEMENTS**

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
ASSETS					
Cash and equivalents	\$ 88,000,467	\$ 375	\$ 1,086,482	\$ 801,935	\$ 89,889,259
Property taxes receivable	23,025,000	-	-	-	23,025,000
Other receivables	1,292,310	-	-	-	1,292,310
Due from other governments	7,356,241	-	-	-	7,356,241
Due from other funds	4,091,155	-	-	-	4,091,155
Inventory	42,093	-	-	-	42,093
TOTAL ASSETS	\$ <u>123,807,266</u>	\$ <u>375</u>	\$ <u>1,086,482</u>	\$ <u>801,935</u>	\$ <u>125,696,058</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 5,332,150	\$ 375	\$ 596,800	\$ -	\$ 5,929,325
Accrued payroll	1,490,268	-	-	-	1,490,268
Deferred revenues	26,218,106	-	-	-	26,218,106
Due to other funds	4,171,452	-	1,863	1,367	4,174,682
Advance from other funds	1,305,469	-	-	-	1,305,469
Total Liabilities	<u>38,517,445</u>	<u>375</u>	<u>598,663</u>	<u>1,367</u>	<u>39,117,850</u>
Fund Balances (Deficit)					
Nonspendable	42,093	-	-	800,568	842,661
Restricted	84,196,093	-	487,819	-	84,683,912
Committed	1,892,753	-	-	-	1,892,753
Unassigned	(841,118)	-	-	-	(841,118)
Total Fund Balances	<u>85,289,821</u>	<u>-</u>	<u>487,819</u>	<u>800,568</u>	<u>86,578,208</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>123,807,266</u>	\$ <u>375</u>	\$ <u>1,086,482</u>	\$ <u>801,935</u>	\$ <u>125,696,058</u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended November 30, 2011

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
REVENUES					
Charges for services	\$ 4,244,861	\$ -	\$ -	\$ -	\$ 4,244,861
Licenses and permits	58,033	-	-	-	58,033
Fines and forfeitures	21,957	-	-	-	21,957
Grants, contributions, and intergovernmental	16,518,074	-	-	-	16,518,074
Property taxes	22,491,774	-	-	-	22,491,774
Sales taxes	8,648,233	-	-	-	8,648,233
Other taxes	133,743	-	-	-	133,743
Investment income	166,784	-	6,104	1,367	174,255
Miscellaneous	341,275	-	-	-	341,275
Total Revenues	<u>52,624,734</u>	<u>-</u>	<u>6,104</u>	<u>1,367</u>	<u>52,632,205</u>
EXPENDITURES					
Current					
General and administrative	5,587,126	-	14,644	-	5,601,770
Community development	3,290,541	-	-	-	3,290,541
Transportation	13,371,052	-	2,500	-	13,373,552
Public safety	4,769,077	-	2,500	-	4,771,577
Judiciary and court related	3,764,338	-	-	-	3,764,338
Public health and welfare	9,855,576	-	-	-	9,855,576
Capital outlay	9,062,514	-	4,961,893	-	14,024,407
Debt service					
Principal retirement	59,546	8,505,000	-	-	8,564,546
Interest and fiscal charges	1,226	2,958,582	-	-	2,959,808
Total Expenditures	<u>49,760,996</u>	<u>11,463,582</u>	<u>4,981,537</u>	<u>-</u>	<u>66,206,115</u>
Excess (deficiency) of revenues over expenditures	<u>2,863,738</u>	<u>(11,463,582)</u>	<u>(4,975,433)</u>	<u>1,367</u>	<u>(13,573,910)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	12,560,585	11,463,582	-	-	24,024,167
Transfers out	<u>(14,434,632)</u>	<u>-</u>	<u>(20,719)</u>	<u>(1,367)</u>	<u>(14,456,718)</u>
Total Other Financing Sources (Uses)	<u>(1,874,047)</u>	<u>11,463,582</u>	<u>(20,719)</u>	<u>(1,367)</u>	<u>9,567,449</u>
Net Change in Fund Balances	<u>989,691</u>	<u>-</u>	<u>(4,996,152)</u>	<u>-</u>	<u>(4,006,461)</u>
Fund Balances - Beginning of Year (as previously stated)	71,625,834	-	5,483,971	800,568	77,910,373
Restatement (See Note 17)	<u>12,674,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,674,296</u>
Fund Balances - Beginning of Year (as restated)	<u>84,300,130</u>	<u>-</u>	<u>5,483,971</u>	<u>800,568</u>	<u>90,584,669</u>
Fund Balances - End of Year	<u>\$ 85,289,821</u>	<u>\$ -</u>	<u>\$ 487,819</u>	<u>\$ 800,568</u>	<u>\$ 86,578,208</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 primarily from property taxes.

Coroner's Fund - to account for fees collected by the Coroner that are restricted for certain expenditures of the Coroner's Office.

County Highway Fund – to account for expenditures for highway maintenance and construction. Revenues are primarily 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 primarily from donations and contributions.

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 programs.

Energy Efficiency Block Grant Fund – to account for a grant received from the Department of Energy. The objective of the grant is to improve energy efficiency, reduce total energy use, and reduce fossil fuel emissions.

Public Building Commission Fund – to account for the activities of the Public Building Commission (blended component unit).

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

Circuit Clerk Electronic Citation Fund - to account for fees that are restricted to the Circuit Clerk's Office.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2011

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	Illinois Municipal Retirement Fund	Social Security Fund
ASSETS				
Cash and equivalents	\$ 6,217	\$ 1,022,038	\$ 3,621,431	\$ 2,766,988
Property taxes receivable	-	360,000	4,750,000	3,290,000
Other receivables	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ 6,217	\$ 1,382,038	\$ 8,371,431	\$ 6,056,988
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ -	\$ 14,818	\$ -	\$ -
Accrued payroll	-	6,140	1,083,734	129,927
Deferred revenues	-	360,000	4,750,000	3,290,000
Due to other funds	-	4,367	-	-
Advance from other funds	-	-	-	-
	-	-	-	-
Total Liabilities	-	385,325	5,833,734	3,419,927
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	6,217	996,713	2,537,697	2,637,061
Committed	-	-	-	-
Unassigned	-	-	-	-
	-	-	-	-
Total Fund Balances (Deficit)	6,217	996,713	2,537,697	2,637,061
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 6,217	\$ 1,382,038	\$ 8,371,431	\$ 6,056,988

Coroner's Fund	County Highway Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund
\$ 48,448	\$ 4,357,477	\$ 15,218,106	\$ 5,021,564	\$ 11,042,953	\$ 667,938
-	6,400,000	1,110,000	1,040,000	-	350,000
-	50,699	898	-	19,843	-
-	58,991	810,152	446,041	1,193,086	-
-	3,732,962	-	-	-	-
-	40,540	-	-	-	-
<u>\$ 48,448</u>	<u>\$ 14,640,669</u>	<u>\$ 17,139,156</u>	<u>\$ 6,507,605</u>	<u>\$ 12,255,882</u>	<u>\$ 1,017,938</u>
\$ 7,301	\$ 2,279,716	\$ 153,718	\$ 426,206	\$ 1,055,526	\$ 7,987
-	117,497	-	-	-	6,567
-	6,453,378	1,659,461	1,400,516	324,830	350,000
-	260,315	-	-	-	14,091
-	-	-	-	-	-
<u>7,301</u>	<u>9,110,906</u>	<u>1,813,179</u>	<u>1,826,722</u>	<u>1,380,356</u>	<u>378,645</u>
-	40,540	-	-	-	-
41,147	5,489,223	15,325,977	4,680,883	10,875,526	639,293
-	-	-	-	-	-
-	-	-	-	-	-
<u>41,147</u>	<u>5,529,763</u>	<u>15,325,977</u>	<u>4,680,883</u>	<u>10,875,526</u>	<u>639,293</u>
<u>\$ 48,448</u>	<u>\$ 14,640,669</u>	<u>\$ 17,139,156</u>	<u>\$ 6,507,605</u>	<u>\$ 12,255,882</u>	<u>\$ 1,017,938</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2011

	Maintenance and Child Support Collection Fund	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund
ASSETS				
Cash and equivalents	\$ 237,676	\$ 87,062	\$ 1,336,955	\$ 19,409
Property taxes receivable	-	-	-	-
Other receivables	-	-	653	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	<u>\$ 237,676</u>	<u>\$ 87,062</u>	<u>\$ 1,337,608</u>	<u>\$ 19,409</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 1,822	\$ -
Accrued payroll	4,227	-	7,095	-
Deferred revenues	-	-	503	-
Due to other funds	-	-	6,834	-
Advance from other funds	-	-	-	-
Total Liabilities	<u>4,227</u>	<u>-</u>	<u>16,254</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	233,449	87,062	1,321,354	19,409
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	<u>233,449</u>	<u>87,062</u>	<u>1,321,354</u>	<u>19,409</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 237,676</u>	<u>\$ 87,062</u>	<u>\$ 1,337,608</u>	<u>\$ 19,409</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
\$ 354,016	\$ 305,819	\$ 502,222	\$ 72,176	\$ 417,190	\$ 255,080
-	-	-	-	-	-
-	99	-	-	-	-
-	1,988,850	-	-	318,257	-
-	-	-	-	38,582	-
-	-	-	-	1,553	-
<u>\$ 354,016</u>	<u>\$ 2,294,768</u>	<u>\$ 502,222</u>	<u>\$ 72,176</u>	<u>\$ 775,582</u>	<u>\$ 255,080</u>
\$ 29	\$ 88,139	\$ 16,883	\$ 72,106	\$ 418,176	\$ 34,153
6,142	34,740	2,028	-	23,222	4,392
-	1,559,504	-	-	270,237	-
-	32,189	2,720	70	22,025	-
-	-	-	-	-	804,241
<u>6,171</u>	<u>1,714,572</u>	<u>21,631</u>	<u>72,176</u>	<u>733,660</u>	<u>842,786</u>
-	-	-	-	1,553	-
347,845	580,196	480,591	-	40,369	-
-	-	-	-	-	-
-	-	-	-	-	(587,706)
<u>347,845</u>	<u>580,196</u>	<u>480,591</u>	<u>-</u>	<u>41,922</u>	<u>(587,706)</u>
<u>\$ 354,016</u>	<u>\$ 2,294,768</u>	<u>\$ 502,222</u>	<u>\$ 72,176</u>	<u>\$ 775,582</u>	<u>\$ 255,080</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2011

	<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	\$ 825,068	\$ 93,980	\$ 468,567	\$ 281,250
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Due from other governments	-	217,714	30,209	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 825,068</u>	<u>\$ 311,694</u>	<u>\$ 498,776</u>	<u>\$ 281,250</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ 6,847	\$ 232,261	\$ 1,226	\$ 25,691
Accrued payroll	-	10,513	11,800	5,023
Deferred revenues	-	16,879	30,000	-
Due to other funds	14,705	8,588	11,383	2,720
Advance from other funds	-	-	-	501,228
	<u>-</u>	<u>-</u>	<u>-</u>	<u>501,228</u>
Total Liabilities	<u>21,552</u>	<u>268,241</u>	<u>54,409</u>	<u>534,662</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	803,516	43,453	444,367	-
Committed	-	-	-	-
Unassigned	-	-	-	(253,412)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(253,412)</u>
Total Fund Balances (Deficit)	<u>803,516</u>	<u>43,453</u>	<u>444,367</u>	<u>(253,412)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 825,068</u>	<u>\$ 311,694</u>	<u>\$ 498,776</u>	<u>\$ 281,250</u>

Illinois Criminal Justice Authority Fund	Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	Prairie Shield Grant Fund	DUI Conviction Fund
\$ 11,270	\$ 144,717	\$ 53,502	\$ 157,178	\$ -	\$ 51,763
-	-	-	-	-	-
-	-	-	-	-	-
17,618	-	-	-	-	-
-	-	-	-	-	1,027
-	-	-	-	-	-
<u>\$ 28,888</u>	<u>\$ 144,717</u>	<u>\$ 53,502</u>	<u>\$ 157,178</u>	<u>\$ -</u>	<u>\$ 52,790</u>
\$ -	\$ 4,678	\$ -	\$ 1,452	\$ -	\$ -
-	-	-	114	-	-
27,798	-	-	-	-	-
-	-	19,005	-	-	-
-	-	-	-	-	-
<u>27,798</u>	<u>4,678</u>	<u>19,005</u>	<u>1,566</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
1,090	140,039	34,497	-	-	52,790
-	-	-	155,612	-	-
-	-	-	-	-	-
<u>1,090</u>	<u>140,039</u>	<u>34,497</u>	<u>155,612</u>	<u>-</u>	<u>52,790</u>
<u>\$ 28,888</u>	<u>\$ 144,717</u>	<u>\$ 53,502</u>	<u>\$ 157,178</u>	<u>\$ -</u>	<u>\$ 52,790</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2011

	Geographic Information Systems Fund	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund
ASSETS				
Cash and equivalents	\$ 1,631,423	\$ 517,524	\$ 6,783	\$ 3,092,206
Property taxes receivable	-	-	-	1,775,000
Other receivables	-	1,219,617	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ 1,631,423	\$ 1,737,141	\$ 6,783	\$ 4,867,206
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ 18,975	\$ -	\$ 500	\$ 261,287
Accrued payroll	12,505	-	-	-
Deferred revenues	-	-	-	1,775,000
Due to other funds	10,419	-	-	83,619
Advance from other funds	-	-	-	-
	-	-	-	-
Total Liabilities	41,899	-	500	2,119,906
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	1,589,524	-	6,283	2,747,300
Committed	-	1,737,141	-	-
Unassigned	-	-	-	-
	-	-	-	-
Total Fund Balances (Deficit)	1,589,524	1,737,141	6,283	2,747,300
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 1,631,423	\$ 1,737,141	\$ 6,783	\$ 4,867,206

RTA Sales Tax Fund	Energy Efficiency Block Grant Fund	Public Building Commission Fund	Insurance Loss Fund	Circuit Clerk Electronic Citation Fund	Totals
\$ 19,798,588	\$ 2	\$ 64,852	\$ 13,414,951	\$ 26,078	\$ 88,000,467
-	-	-	3,950,000	-	23,025,000
-	-	501	-	-	1,292,310
2,183,438	91,885	-	-	-	7,356,241
-	-	-	318,584	-	4,091,155
-	-	-	-	-	42,093
<u>\$ 21,982,026</u>	<u>\$ 91,887</u>	<u>\$ 65,353</u>	<u>\$ 17,683,535</u>	<u>\$ 26,078</u>	<u>\$ 123,807,266</u>

\$ -	\$ 91,880	\$ 1,345	\$ 109,428	\$ -	\$ 5,332,150
-	-	-	24,602	-	1,490,268
-	-	-	3,950,000	-	26,218,106
3,649,343	7	-	29,052	-	4,171,452
-	-	-	-	-	1,305,469
<u>3,649,343</u>	<u>91,887</u>	<u>1,345</u>	<u>4,113,082</u>	<u>-</u>	<u>38,517,445</u>
-	-	-	-	-	42,093
18,332,683	-	64,008	13,570,453	26,078	84,196,093
-	-	-	-	-	1,892,753
-	-	-	-	-	(841,118)
<u>18,332,683</u>	<u>-</u>	<u>64,008</u>	<u>13,570,453</u>	<u>26,078</u>	<u>85,289,821</u>
<u>\$ 21,982,026</u>	<u>\$ 91,887</u>	<u>\$ 65,353</u>	<u>\$ 17,683,535</u>	<u>\$ 26,078</u>	<u>\$ 123,807,266</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, 2011

	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	-	42,229	-	-
Property taxes	-	354,743	4,434,092	3,202,498
Sales taxes	-	-	-	-
Other taxes	-	-	133,743	-
Investment income	10	4	4,670	3,594
Miscellaneous	10	-	-	-
	<u>20</u>	<u>396,976</u>	<u>4,572,505</u>	<u>3,206,092</u>
Total Revenues				
EXPENDITURES				
Current				
General and administrative	-	-	804,178	492,750
Community development	-	-	129,970	80,061
Transportation	-	-	305,613	186,883
Public safety	-	-	3,205,901	1,509,338
Judiciary and court related	-	-	866,882	533,257
Public health and welfare	550	506,398	1,152,975	775,772
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>550</u>	<u>506,398</u>	<u>6,465,519</u>	<u>3,578,061</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	<u>(530)</u>	<u>(109,422)</u>	<u>(1,893,014)</u>	<u>(371,969)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,000,000	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	<u>(530)</u>	<u>(109,422)</u>	<u>(893,014)</u>	<u>(371,969)</u>
Fund Balances (Deficit) - Beginning of Year (as previously stated)	6,747	1,106,135	3,430,711	3,009,030
Restatement (See Note 17)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year (as restated)	<u>6,747</u>	<u>1,106,135</u>	<u>3,430,711</u>	<u>3,009,030</u>
Fund Balances (Deficit) - End of Year	<u>\$ 6,217</u>	<u>\$ 996,713</u>	<u>\$ 2,537,697</u>	<u>\$ 2,637,061</u>

Coroner's Fund	County Highway Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund
\$ 44,165	\$ 5,007	\$ -	\$ -	\$ -	\$ 14,105
-	58,033	-	-	-	-
-	-	-	-	-	-
-	377,621	1,210,145	1,447,730	5,231,787	-
-	6,306,323	1,093,745	985,413	-	473,731
-	-	-	-	-	-
-	-	-	-	-	-
45	5,947	24,144	6,407	21,772	739
-	167,828	-	-	-	-
<u>44,210</u>	<u>6,920,759</u>	<u>2,328,034</u>	<u>2,439,550</u>	<u>5,253,559</u>	<u>488,575</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	8,324,845	1,481,650	960,760	2,111,301	-
7,301	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	311,188
-	4,834,963	804,079	509,130	2,145,213	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,301</u>	<u>13,159,808</u>	<u>2,285,729</u>	<u>1,469,890</u>	<u>4,256,514</u>	<u>311,188</u>
<u>36,909</u>	<u>(6,239,049)</u>	<u>42,305</u>	<u>969,660</u>	<u>997,045</u>	<u>177,387</u>
-	10,234,880	-	-	-	-
<u>(9,000)</u>	<u>(3,644,900)</u>	<u>-</u>	<u>-</u>	<u>(521,858)</u>	<u>-</u>
<u>(9,000)</u>	<u>6,589,980</u>	<u>-</u>	<u>-</u>	<u>(521,858)</u>	<u>-</u>
<u>27,909</u>	<u>350,931</u>	<u>42,305</u>	<u>969,660</u>	<u>475,187</u>	<u>177,387</u>
13,238	5,178,832	15,283,672	3,711,223	10,400,339	461,906
-	-	-	-	-	-
<u>13,238</u>	<u>5,178,832</u>	<u>15,283,672</u>	<u>3,711,223</u>	<u>10,400,339</u>	<u>461,906</u>
<u>\$ 41,147</u>	<u>\$ 5,529,763</u>	<u>\$ 15,325,977</u>	<u>\$ 4,680,883</u>	<u>\$ 10,875,526</u>	<u>\$ 639,293</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, 2011

	Maintenance and Child Support Collection Fund	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund
REVENUES				
Charges for services	\$ 120,249	\$ 13,147	\$ 749,589	\$ 2,581
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	387	137	2,161	28
Miscellaneous	-	-	-	-
Total Revenues	<u>120,636</u>	<u>13,284</u>	<u>751,750</u>	<u>2,609</u>
EXPENDITURES				
Current				
General and administrative	-	3,232	408,041	-
Community development	-	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	159,196	-	-	-
Public health and welfare	-	-	-	2,052
Capital outlay	-	10,299	-	-
Debt service				
Principal retirement	-	-	41,930	-
Interest and fiscal charges	-	-	1,226	-
Total Expenditures	<u>159,196</u>	<u>13,531</u>	<u>451,197</u>	<u>2,052</u>
Excess (deficiency) of revenues over expenditures	<u>(38,560)</u>	<u>(247)</u>	<u>300,553</u>	<u>557</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(38,560)</u>	<u>(247)</u>	<u>300,553</u>	<u>557</u>
Fund Balances (Deficit) - Beginning of Year (as previously stated)	272,009	87,309	1,020,801	18,852
Restatement (See Note 17)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year (as restated)	<u>272,009</u>	<u>87,309</u>	<u>1,020,801</u>	<u>18,852</u>
Fund Balances (Deficit) - End of Year	<u>\$ 233,449</u>	<u>\$ 87,062</u>	<u>\$ 1,321,354</u>	<u>\$ 19,409</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>
\$ 111,215	\$ -	\$ 282,566	\$ -	\$ -	\$ 734,111
-	-	-	-	-	-
-	-	-	-	-	-
-	2,760,561	-	-	1,063,525	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
545	615	760	357	1,205	491
-	130,679	-	-	-	-
<u>111,760</u>	<u>2,891,855</u>	<u>283,326</u>	<u>357</u>	<u>1,064,730</u>	<u>734,602</u>
124,002	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	272,256	-	-	808,060
-	2,781,618	-	-	2,102,123	-
-	1,449	21,227	126,625	-	-
-	17,616	-	-	-	-
-	-	-	-	-	-
<u>124,002</u>	<u>2,800,683</u>	<u>293,483</u>	<u>126,625</u>	<u>2,102,123</u>	<u>808,060</u>
<u>(12,242)</u>	<u>91,172</u>	<u>(10,157)</u>	<u>(126,268)</u>	<u>(1,037,393)</u>	<u>(73,458)</u>
-	-	-	-	1,325,705	-
-	-	-	-	-	-
-	-	-	-	1,325,705	-
<u>(12,242)</u>	<u>91,172</u>	<u>(10,157)</u>	<u>(126,268)</u>	<u>288,312</u>	<u>(73,458)</u>
360,087	489,024	490,748	126,268	(246,390)	(514,248)
-	-	-	-	-	-
<u>360,087</u>	<u>489,024</u>	<u>490,748</u>	<u>126,268</u>	<u>(246,390)</u>	<u>(514,248)</u>
<u>\$ 347,845</u>	<u>\$ 580,196</u>	<u>\$ 480,591</u>	<u>\$ -</u>	<u>\$ 41,922</u>	<u>\$ (587,706)</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, 2011

	Probation Service Fee Fund	HUD Grants Fund	Dental Care Clinic Fund	Circuit Court Automation Fund
REVENUES				
Charges for services	\$ 341,569	\$ -	\$ 71,055	\$ 740,212
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	3,118,929	528,889	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	1,341	-	660	277
Miscellaneous	-	-	-	-
Total Revenues	342,910	3,118,929	600,604	740,489
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Community development	-	3,077,910	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	489,861	-	-	499,905
Public health and welfare	-	-	550,005	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	489,861	3,077,910	550,005	499,905
Excess (deficiency) of revenues over expenditures	(146,951)	41,019	50,599	240,584
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(146,951)	41,019	50,599	240,584
Fund Balances (Deficit) - Beginning of Year (as previously stated)	950,467	2,434	393,768	(493,996)
Restatement (See Note 17)	-	-	-	-
Fund Balances (Deficit) - Beginning of Year (as restated)	950,467	2,434	393,768	(493,996)
Fund Balances (Deficit) - End of Year	<u>\$ 803,516</u>	<u>\$ 43,453</u>	<u>\$ 444,367</u>	<u>\$ (253,412)</u>

Illinois Criminal Justice Authority Fund	Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	Prairie Shield Grant Fund	DUI Conviction Fund
\$ -	\$ 84,134	\$ 19,005	\$ 83,260	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	21,957
83,394	-	-	-	43,740	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
34	177	-	173	-	-
-	-	-	-	-	-
<u>83,428</u>	<u>84,311</u>	<u>19,005</u>	<u>83,433</u>	<u>43,740</u>	<u>21,957</u>
-	-	-	10,406	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	43,739	2,798
83,394	35,234	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>83,394</u>	<u>35,234</u>	<u>-</u>	<u>10,406</u>	<u>43,739</u>	<u>2,798</u>
<u>34</u>	<u>49,077</u>	<u>19,005</u>	<u>73,027</u>	<u>1</u>	<u>19,159</u>
-	-	-	-	-	-
-	-	(19,005)	-	(4,989)	-
-	-	(19,005)	-	(4,989)	-
<u>34</u>	<u>49,077</u>	<u>-</u>	<u>73,027</u>	<u>(4,988)</u>	<u>19,159</u>
1,056	90,962	34,497	82,585	4,988	33,631
-	-	-	-	-	-
<u>1,056</u>	<u>90,962</u>	<u>34,497</u>	<u>82,585</u>	<u>4,988</u>	<u>33,631</u>
<u>\$ 1,090</u>	<u>\$ 140,039</u>	<u>\$ 34,497</u>	<u>\$ 155,612</u>	<u>\$ -</u>	<u>\$ 52,790</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, 2011

	Geographic Information Systems Fund	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund
REVENUES				
Charges for services	\$ 786,539	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	1,749,103
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	2,353	54,118	10	4,135
Miscellaneous	-	400	-	-
Total Revenues	788,892	54,518	10	1,753,238
EXPENDITURES				
Current				
General and administrative	694,830	-	-	-
Community development	-	2,600	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	-	1,672,895
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	694,830	2,600	-	1,672,895
Excess (deficiency) of revenues over expenditures	94,062	51,918	10	80,343
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	94,062	51,918	10	80,343
Fund Balances (Deficit) - Beginning of Year (as previously stated)	1,495,462	1,685,223	6,273	2,666,957
Restatement (See Note 17)	-	-	-	-
Fund Balances (Deficit) - Beginning of Year (as restated)	1,495,462	1,685,223	6,273	2,666,957
Fund Balances (Deficit) - End of Year	<u>\$ 1,589,524</u>	<u>\$ 1,737,141</u>	<u>\$ 6,283</u>	<u>\$ 2,747,300</u>

<u>RTA Sales Tax Fund</u>	<u>Energy Efficiency Block Grant Fund</u>	<u>Public Building Commission Fund</u>	<u>Insurance Loss Fund</u>	<u>Circuit Clerk Electronic Citation Fund</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ 42,352	\$ 4,244,861
-	-	-	-	-	58,033
-	-	-	-	-	21,957
-	609,524	-	-	-	16,518,074
-	-	-	3,892,126	-	22,491,774
8,648,233	-	-	-	-	8,648,233
-	-	-	-	-	133,743
27,222	-	2,192	55	19	166,784
-	-	-	42,358	-	341,275
<u>8,675,455</u>	<u>609,524</u>	<u>2,192</u>	<u>3,934,539</u>	<u>42,371</u>	<u>52,624,734</u>
-	-	11,305	3,038,382	-	5,587,126
-	-	-	-	-	3,290,541
-	-	-	-	-	13,371,052
-	-	-	-	-	4,769,077
-	-	-	-	16,293	3,764,338
-	-	-	-	-	9,855,576
-	609,529	-	-	-	9,062,514
-	-	-	-	-	59,546
-	-	-	-	-	1,226
<u>-</u>	<u>609,529</u>	<u>11,305</u>	<u>3,038,382</u>	<u>16,293</u>	<u>49,760,996</u>
<u>8,675,455</u>	<u>(5)</u>	<u>(9,113)</u>	<u>896,157</u>	<u>26,078</u>	<u>2,863,738</u>
-	-	-	-	-	12,560,585
<u>(10,234,880)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,434,632)</u>
<u>(10,234,880)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,874,047)</u>
<u>(1,559,425)</u>	<u>(5)</u>	<u>(9,113)</u>	<u>896,157</u>	<u>26,078</u>	<u>989,691</u>
19,892,108	5	73,121	-	-	71,625,834
-	-	-	12,674,296	-	12,674,296
<u>19,892,108</u>	<u>5</u>	<u>73,121</u>	<u>12,674,296</u>	<u>-</u>	<u>84,300,130</u>
<u>\$ 18,332,683</u>	<u>\$ -</u>	<u>\$ 64,008</u>	<u>\$ 13,570,453</u>	<u>\$ 26,078</u>	<u>\$ 85,289,821</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 12	\$ 12	\$ 10	\$ (2)
Miscellaneous	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
Total Revenues	<u>12</u>	<u>12</u>	<u>20</u>	<u>8</u>
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	1,000	1,000	550	450
Commodities	<u>550</u>	<u>550</u>	<u>-</u>	<u>550</u>
Total Expenditures	<u>1,550</u>	<u>1,550</u>	<u>550</u>	<u>1,000</u>
Net Change in Fund Balance	<u>\$ (1,538)</u>	<u>\$ (1,538)</u>	(530)	<u>\$ 1,008</u>
Fund Balance - Beginning of Year			<u>6,747</u>	
Fund Balance - End of Year			<u>\$ 6,217</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ 42,229	\$ 42,229	\$ -
Property taxes	360,000	360,000	354,743	(5,257)
Investment income	200	200	4	(196)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total Revenues	<u>361,200</u>	<u>403,429</u>	<u>396,976</u>	<u>(6,453)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	249,903	249,903	238,617	11,286
Contractual services	316,412	357,412	245,110	112,302
Commodities	<u>22,600</u>	<u>23,829</u>	<u>22,671</u>	<u>1,158</u>
Total Expenditures	<u>588,915</u>	<u>631,144</u>	<u>506,398</u>	<u>124,746</u>
Net Change in Fund Balance	<u>\$ (227,715)</u>	<u>\$ (227,715)</u>	(109,422)	<u>\$ 118,293</u>
Fund Balance - Beginning of Year			<u>1,106,135</u>	
Fund Balance - End of Year			<u>\$ 996,713</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 4,500,000	\$ 4,500,000	\$ 4,434,092	\$ (65,908)
Other taxes				
Personal property replacement tax	100,000	100,000	133,743	33,743
Investment income	<u>7,000</u>	<u>7,000</u>	<u>4,670</u>	<u>(2,330)</u>
 Total Revenues	 <u>4,607,000</u>	 <u>4,607,000</u>	 <u>4,572,505</u>	 <u>(34,495)</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	834,371	834,371	804,178	30,193
Community development	134,850	134,850	129,970	4,880
Transportation	317,087	317,087	305,613	11,474
Public safety	3,326,269	3,326,269	3,205,901	120,368
Judiciary and court related	899,430	899,430	866,882	32,548
Public health and welfare	<u>1,196,264</u>	<u>1,196,264</u>	<u>1,152,975</u>	<u>43,289</u>
 Total Expenditures	 <u>6,708,271</u>	 <u>6,708,271</u>	 <u>6,465,519</u>	 <u>242,752</u>
 Deficiency of revenues over expenditures	 (2,101,271)	 (2,101,271)	 (1,893,014)	 208,257
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
 Net Change in Fund Balance	 <u>\$ (2,101,271)</u>	 <u>\$ (1,101,271)</u>	 (893,014)	 <u>\$ 208,257</u>
 Fund Balance - Beginning of Year			 <u>3,430,711</u>	
 Fund Balance - End of Year			 <u>\$ 2,537,697</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 3,250,000	\$ 3,250,000	\$ 3,202,498	\$ (47,502)
Investment income	<u>4,100</u>	<u>4,100</u>	<u>3,594</u>	<u>(506)</u>
Total Revenues	<u>3,254,100</u>	<u>3,254,100</u>	<u>3,206,092</u>	<u>(48,008)</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	543,588	543,588	492,750	50,838
Community development	88,321	88,321	80,061	8,260
Transportation	206,164	206,164	186,883	19,281
Public safety	1,665,061	1,665,061	1,509,338	155,723
Judiciary and court related	588,275	588,275	533,257	55,018
Public health and welfare	<u>855,810</u>	<u>855,810</u>	<u>775,772</u>	<u>80,038</u>
Total Expenditures	<u>3,947,219</u>	<u>3,947,219</u>	<u>3,578,061</u>	<u>369,158</u>
Net Change in Fund Balance	<u>\$ (693,119)</u>	<u>\$ (693,119)</u>	(371,969)	<u>\$ 321,150</u>
Fund Balance - Beginning of Year			<u>3,009,030</u>	
Fund Balance - End of Year			<u>\$ 2,637,061</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CORONER'S FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 21,000	\$ 21,000	\$ 44,165	\$ 23,165
Investment income	<u>200</u>	<u>200</u>	<u>45</u>	<u>(155)</u>
Total Revenues	<u>21,200</u>	<u>21,200</u>	<u>44,210</u>	<u>23,010</u>
EXPENDITURES				
Current				
Public safety				
Contractual services	-	7,301	7,301	-
Commodities	-	802	-	802
Capital outlay	<u>-</u>	<u>30,897</u>	<u>-</u>	<u>30,897</u>
Total Expenditures	<u>-</u>	<u>39,000</u>	<u>7,301</u>	<u>31,699</u>
Excess (deficiency) of revenues over expenditures	21,200	(17,800)	36,909	54,709
OTHER FINANCING USES				
Transfers out	<u>(9,000)</u>	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 12,200</u>	<u>\$ (26,800)</u>	27,909	<u>\$ 54,709</u>
Fund Balance - Beginning of Year			<u>13,238</u>	
Fund Balance - End of Year			<u>\$ 41,147</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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 4,000	\$ 4,000	\$ 5,007	\$ 1,007
Licenses and permits	71,000	71,000	58,033	(12,967)
Grants, contributions, and intergovernmental	87,268	87,268	377,621	290,353
Property taxes	6,400,000	6,400,000	6,306,323	(93,677)
Investment income	5,250	5,250	5,947	697
Miscellaneous	106,000	106,000	167,828	61,828
Total Revenues	<u>6,673,518</u>	<u>6,673,518</u>	<u>6,920,759</u>	<u>247,241</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	4,939,839	4,939,839	4,604,721	335,118
Contractual services	6,594,206	6,877,455	3,031,769	3,845,686
Commodities	665,778	794,771	688,355	106,416
Capital outlay	9,482,000	13,720,100	4,834,963	8,885,137
Total Expenditures	<u>21,681,823</u>	<u>26,332,165</u>	<u>13,159,808</u>	<u>13,172,357</u>
Deficiency of revenues over expenditures	<u>(15,008,305)</u>	<u>(19,658,647)</u>	<u>(6,239,049)</u>	<u>13,419,598</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	18,781,900	18,781,900	10,234,880	(8,547,020)
Transfers out	(3,644,900)	(3,644,900)	(3,644,900)	-
Total Other Financing Sources (Uses)	<u>15,137,000</u>	<u>15,137,000</u>	<u>6,589,980</u>	<u>(8,547,020)</u>
Net Change in Fund Balances	<u>\$ 128,695</u>	<u>\$ (4,521,647)</u>	350,931	<u>\$ 4,872,578</u>
Fund Balance - Beginning of Year			<u>5,178,832</u>	
Fund Balance - End of Year			<u>\$ 5,529,763</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ -	\$ 1,210,145	\$ 1,210,145
Property taxes	1,110,000	1,110,000	1,093,745	(16,255)
Investment income	<u>30,000</u>	<u>30,000</u>	<u>24,144</u>	<u>(5,856)</u>
Total Revenues	<u>1,140,000</u>	<u>1,140,000</u>	<u>2,328,034</u>	<u>1,188,034</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	1,650,000	3,396,835	1,481,650	1,915,185
Capital outlay	<u>8,330,000</u>	<u>13,342,117</u>	<u>804,079</u>	<u>12,538,038</u>
Total Expenditures	<u>9,980,000</u>	<u>16,738,952</u>	<u>2,285,729</u>	<u>14,453,223</u>
Net Change in Fund Balance	<u>\$ (8,840,000)</u>	<u>\$ (15,598,952)</u>	42,305	<u>\$ 15,641,257</u>
Fund Balance - Beginning of Year			<u>15,283,672</u>	
Fund Balance - End of Year			<u>\$ 15,325,977</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 120,000	\$ 120,000	\$ 1,447,730	\$ 1,327,730
Property taxes	1,000,000	1,000,000	985,413	(14,587)
Investment income	<u>5,000</u>	<u>5,000</u>	<u>6,407</u>	<u>1,407</u>
Total Revenues	<u>1,125,000</u>	<u>1,125,000</u>	<u>2,439,550</u>	<u>1,314,550</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	755,000	1,767,566	960,760	806,806
Capital outlay	<u>1,940,000</u>	<u>2,565,685</u>	<u>509,130</u>	<u>2,056,555</u>
Total Expenditures	<u>2,695,000</u>	<u>4,333,251</u>	<u>1,469,890</u>	<u>2,863,361</u>
Net Change in Fund Balance	<u>\$ (1,570,000)</u>	<u>\$ (3,208,251)</u>	969,660	<u>\$ 4,177,911</u>
Fund Balance - Beginning of Year			<u>3,711,223</u>	
Fund Balance - End of Year			<u>\$ 4,680,883</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 4,000,000	\$ 4,000,000	\$ 5,231,787	\$ 1,231,787
Investment income	<u>50,000</u>	<u>50,000</u>	<u>21,772</u>	<u>(28,228)</u>
Total Revenues	<u>4,050,000</u>	<u>4,050,000</u>	<u>5,253,559</u>	<u>1,203,559</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	895,000	3,016,416	1,937,425	1,078,991
Commodities	125,000	246,542	173,876	72,666
Capital outlay	<u>280,000</u>	<u>5,256,327</u>	<u>2,145,213</u>	<u>3,111,114</u>
Total Expenditures	<u>1,300,000</u>	<u>8,519,285</u>	<u>4,256,514</u>	<u>4,262,771</u>
Excess (deficiency) of revenues over expenditures	2,750,000	(4,469,285)	997,045	5,466,330
OTHER FINANCING USES				
Transfers out	<u>(521,858)</u>	<u>(521,858)</u>	<u>(521,858)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 2,228,142</u>	<u>\$ (4,991,143)</u>	475,187	<u>\$ 5,466,330</u>
Fund Balance - Beginning of Year			<u>10,400,339</u>	
Fund Balance - End of Year			<u>\$ 10,875,526</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, 2011

	<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	\$ 14,105	\$ 6,105
Property taxes	480,697	480,697	473,731	(6,966)
Investment income	<u>700</u>	<u>700</u>	<u>739</u>	<u>39</u>
Total Revenues	<u>489,397</u>	<u>489,397</u>	<u>488,575</u>	<u>(822)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	264,356	264,356	255,390	8,966
Contractual services	76,475	76,475	34,758	41,717
Commodities	<u>30,050</u>	<u>30,050</u>	<u>21,040</u>	<u>9,010</u>
Total Expenditures	<u>370,881</u>	<u>370,881</u>	<u>311,188</u>	<u>59,693</u>
Net Change in Fund Balance	<u>\$ 118,516</u>	<u>\$ 118,516</u>	177,387	<u>\$ 58,871</u>
Fund Balance - Beginning of Year			<u>461,906</u>	
Fund Balance - End of Year			<u>\$ 639,293</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 150,000	\$ 150,000	\$ 120,249	\$ (29,751)
Investment income	<u>400</u>	<u>400</u>	<u>387</u>	<u>(13)</u>
Total Revenues	150,400	150,400	120,636	(29,764)
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	<u>155,953</u>	<u>168,453</u>	<u>159,196</u>	<u>9,257</u>
Net Change in Fund Balance	<u>\$ (5,553)</u>	<u>\$ (18,053)</u>	(38,560)	<u>\$ (20,507)</u>
Fund Balance - Beginning of Year			<u>272,009</u>	
Fund Balance - End of Year			<u>\$ 233,449</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 13,000	\$ 13,000	\$ 13,147	\$ 147
Investment income	<u>125</u>	<u>125</u>	<u>137</u>	<u>12</u>
Total Revenues	<u>13,125</u>	<u>13,125</u>	<u>13,284</u>	<u>159</u>
EXPENDITURES				
Current				
General and administrative				
Contractual services	10,000	15,000	3,232	11,768
Commodities	2,500	2,500	-	2,500
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>10,299</u>	<u>4,701</u>
Total Expenditures	<u>27,500</u>	<u>32,500</u>	<u>13,531</u>	<u>18,969</u>
Deficiency of revenues over expenditures	(14,375)	(19,375)	(247)	19,128
OTHER FINANCING USES				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balances	<u>\$ (24,375)</u>	<u>\$ (29,375)</u>	(247)	<u>\$ 29,128</u>
Fund Balance - Beginning of Year			<u>87,309</u>	
Fund Balance - End of Year			<u>\$ 87,062</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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 850,000	\$ 850,000	\$ 749,589	\$ (100,411)
Investment income	2,500	2,500	2,161	(339)
Total Revenues	852,500	852,500	751,750	(100,750)
EXPENDITURES				
Current				
General and administrative				
Personnel services	432,641	432,641	260,120	172,521
Contractual services	275,250	275,250	145,552	129,698
Commodities	88,400	88,400	2,369	86,031
Capital outlay	164,000	164,000	-	164,000
Debt service				
Principal retirement	41,930	41,930	41,930	-
Interest and fiscal charges	1,226	1,226	1,226	-
Total Expenditures	1,003,447	1,003,447	451,197	552,250
Net Change in Fund Balance	\$ (150,947)	\$ (150,947)	300,553	\$ 451,500
Fund Balance - Beginning of Year			1,020,801	
Fund Balance - End of Year			\$ 1,321,354	

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 9,900	\$ 9,900	\$ 2,581	\$ (7,319)
Investment income	<u>100</u>	<u>100</u>	<u>28</u>	<u>(72)</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>2,609</u>	<u>(7,391)</u>
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	15,000	15,000	2,052	12,948
Commodities	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>2,052</u>	<u>17,948</u>
Net Change in Fund Balance	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	557	<u>\$ 10,557</u>
Fund Balance - Beginning of Year			<u>18,852</u>	
Fund Balance - End of Year			<u>\$ 19,409</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 110,400	\$ 110,400	\$ 111,215	\$ 815
Investment income	<u>1,000</u>	<u>1,000</u>	<u>545</u>	<u>(455)</u>
Total Revenues	<u>111,400</u>	<u>111,400</u>	<u>111,760</u>	<u>360</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	185,700	185,700	113,707	71,993
Contractual services	86,100	86,100	7,696	78,404
Commodities	37,000	37,000	2,599	34,401
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Expenditures	<u>308,801</u>	<u>308,801</u>	<u>124,002</u>	<u>184,799</u>
Net Change in Fund Balance	<u>\$ (197,401)</u>	<u>\$ (197,401)</u>	(12,242)	<u>\$ 185,159</u>
Fund Balance - Beginning of Year			<u>360,087</u>	
Fund Balance - End of Year			<u>\$ 347,845</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 2,747,275	\$ 3,007,390	\$ 2,760,561	\$ (246,829)
Investment income	800	800	615	(185)
Miscellaneous	<u>119,500</u>	<u>119,500</u>	<u>130,679</u>	<u>11,179</u>
Total Revenues	<u>2,867,575</u>	<u>3,127,690</u>	<u>2,891,855</u>	<u>(235,835)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,335,984	1,585,346	1,544,525	40,821
Contractual services	1,383,161	1,381,137	1,132,142	248,995
Commodities	119,930	132,707	104,951	27,756
Capital outlay	11,000	10,884	1,449	9,435
Debt service				
Principal retirement	<u>17,500</u>	<u>17,616</u>	<u>17,616</u>	<u>-</u>
Total Expenditures	<u>2,867,575</u>	<u>3,127,690</u>	<u>2,800,683</u>	<u>327,007</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	91,172	<u>\$ 91,172</u>
Fund Balance - Beginning of Year			<u>489,024</u>	
Fund Balance - End of Year			<u>\$ 580,196</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 332,000	\$ 332,000	\$ 282,566	\$ (49,434)
Investment income	<u>300</u>	<u>300</u>	<u>760</u>	<u>460</u>
Total Revenues	<u>332,300</u>	<u>332,300</u>	<u>283,326</u>	<u>(48,974)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	77,998	82,498	79,794	2,704
Contractual services	2,400	6,781	2,835	3,946
Commodities	110,700	206,523	189,627	16,896
Capital outlay	<u>-</u>	<u>22,361</u>	<u>21,227</u>	<u>1,134</u>
Total Expenditures	<u>191,098</u>	<u>318,163</u>	<u>293,483</u>	<u>24,680</u>
Net Change in Fund Balance	<u>\$ 141,202</u>	<u>\$ 14,137</u>	(10,157)	<u>\$ (24,294)</u>
Fund Balance - Beginning of Year			<u>490,748</u>	
Fund Balance - End of Year			<u>\$ 480,591</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 357	\$ 357
EXPENDITURES				
Capital outlay	<u>126,625</u>	<u>126,625</u>	<u>126,625</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (126,625)</u>	<u>\$ (126,625)</u>	(126,268)	<u>\$ 357</u>
Fund Balance - Beginning of Year			<u>126,268</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
MENTAL HEALTH GRANT FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 1,421,925	\$ 1,421,925	\$ 1,063,525	\$ (358,400)
Investment income	300	300	1,205	905
Miscellaneous	<u>37,000</u>	<u>37,000</u>	<u>-</u>	<u>(37,000)</u>
Total Revenues	<u>1,459,225</u>	<u>1,459,225</u>	<u>1,064,730</u>	<u>(394,495)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,133,347	1,133,347	1,067,469	65,878
Contractual services	1,912,557	1,912,557	987,150	925,407
Commodities	<u>102,494</u>	<u>102,494</u>	<u>47,504</u>	<u>54,990</u>
Total Expenditures	<u>3,148,398</u>	<u>3,148,398</u>	<u>2,102,123</u>	<u>1,046,275</u>
Deficiency of revenues over expenditures	(1,689,173)	(1,689,173)	(1,037,393)	651,780
OTHER FINANCING SOURCES				
Transfers in	<u>1,662,548</u>	<u>1,662,548</u>	<u>1,325,705</u>	<u>(336,843)</u>
Net Change in Fund Balance	<u>\$ (26,625)</u>	<u>\$ (26,625)</u>	288,312	<u>\$ 314,937</u>
Fund Deficit - Beginning of Year			<u>(246,390)</u>	
Fund Balance - End of Year			<u>\$ 41,922</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 870,000	\$ 870,000	\$ 734,111	\$ (135,889)
Investment income	<u>900</u>	<u>900</u>	<u>491</u>	<u>(409)</u>
Total Revenues	<u>870,900</u>	<u>870,900</u>	<u>734,602</u>	<u>(136,298)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	195,409	195,409	195,406	3
Contractual services	667,584	664,483	594,372	70,111
Commodities	<u>5,000</u>	<u>18,570</u>	<u>18,282</u>	<u>288</u>
Total Expenditures	<u>867,993</u>	<u>878,462</u>	<u>808,060</u>	<u>70,402</u>
Net Change in Fund Balance	<u>\$ 2,907</u>	<u>\$ (7,562)</u>	(73,458)	<u>\$ (65,896)</u>
Fund Deficit - Beginning of Year			<u>(514,248)</u>	
Fund Deficit - End of Year			<u>\$ (587,706)</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 320,000	\$ 320,000	\$ 341,569	\$ 21,569
Investment income	<u>1,200</u>	<u>1,200</u>	<u>1,341</u>	<u>141</u>
Total Revenues	<u>321,200</u>	<u>321,200</u>	<u>342,910</u>	<u>21,710</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	147,170	147,170	59,352	87,818
Contractual services	575,519	575,553	420,646	154,907
Commodities	33,400	33,400	9,863	23,537
Capital outlay	<u>33,000</u>	<u>33,000</u>	<u>-</u>	<u>33,000</u>
Total Expenditures	<u>789,089</u>	<u>789,123</u>	<u>489,861</u>	<u>299,262</u>
Net Change in Fund Balance	<u>\$ (467,889)</u>	<u>\$ (467,923)</u>	(146,951)	<u>\$ 320,972</u>
Fund Balance - Beginning of Year			<u>950,467</u>	
Fund Balance - End of Year			<u>\$ 803,516</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 3,225,536	\$ 5,907,171	\$ 3,118,929	\$ (2,788,242)
EXPENDITURES				
Current				
Community development				
Personnel services	446,668	669,997	366,302	303,695
Contractual services	2,763,368	5,215,497	2,703,980	2,511,517
Commodities	15,500	21,677	7,628	14,049
Total Expenditures	<u>3,225,536</u>	<u>5,907,171</u>	<u>3,077,910</u>	<u>2,829,261</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	41,019	<u>\$ 41,019</u>
Fund Balance - Beginning of Year			<u>2,434</u>	
Fund Balance - End of Year			<u>\$ 43,453</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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 40,000	\$ 40,000	\$ 71,055	\$ 31,055
Grants, contributions, and intergovernmental	408,000	478,000	528,889	50,889
Investment income	500	500	660	160
Total Revenues	448,500	518,500	600,604	82,104
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	450,099	450,099	448,699	1,400
Contractual services	79,900	80,850	76,983	3,867
Commodities	35,000	68,600	24,323	44,277
Capital outlay	-	30,450	-	30,450
Total Expenditures	564,999	629,999	550,005	79,994
Net Change in Fund Balance	\$ (116,499)	\$ (111,499)	50,599	\$ 162,098
Fund Balance - Beginning of Year			393,768	
Fund Balance - End of Year			\$ 444,367	

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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 890,000	\$ 890,000	\$ 740,212	\$ (149,788)
Investment income	<u>500</u>	<u>500</u>	<u>277</u>	<u>(223)</u>
Total Revenues	<u>890,500</u>	<u>890,500</u>	<u>740,489</u>	<u>(150,011)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	258,764	258,764	157,178	101,586
Contractual services	638,557	638,373	337,367	301,006
Commodities	<u>5,000</u>	<u>6,121</u>	<u>5,360</u>	<u>761</u>
Total Expenditures	<u>902,321</u>	<u>903,258</u>	<u>499,905</u>	<u>403,353</u>
Net Change in Fund Balance	<u>\$ (11,821)</u>	<u>\$ (12,758)</u>	240,584	<u>\$ 253,342</u>
Fund Deficit - Beginning of Year			<u>(493,996)</u>	
Fund Deficit - End of Year			<u>\$ (253,412)</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, 2011

	<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	\$ 83,394	\$ -
Investment income	<u>-</u>	<u>-</u>	<u>34</u>	<u>34</u>
Total Revenues	83,394	83,394	83,428	34
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>	34	<u>\$ 34</u>
Fund Balance - Beginning of Year			<u>1,056</u>	
Fund Balance - End of Year			<u>\$ 1,090</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 91,000	\$ 91,000	\$ 84,134	\$ (6,866)
Investment income	<u>100</u>	<u>100</u>	<u>177</u>	<u>77</u>
Total Revenues	<u>91,100</u>	<u>91,100</u>	<u>84,311</u>	<u>(6,789)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	34,281	34,281	7,927	26,354
Commodities	<u>38,733</u>	<u>38,733</u>	<u>27,307</u>	<u>11,426</u>
Total Expenditures	<u>73,014</u>	<u>73,014</u>	<u>35,234</u>	<u>37,780</u>
Net Change in Fund Balance	<u>\$ 18,086</u>	<u>\$ 18,086</u>	49,077	<u>\$ 30,991</u>
Fund Balance - Beginning of Year			<u>90,962</u>	
Fund Balance - End of Year			<u>\$ 140,039</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 20,700	\$ 20,700	\$ 19,005	\$ (1,695)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	20,700	20,700	19,005	(1,695)
OTHER FINANCING USES				
Transfers out	<u>(20,700)</u>	<u>(20,700)</u>	<u>(19,005)</u>	<u>1,695</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>34,497</u>	
Fund Balance - End of Year			<u>\$ 34,497</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TREASURER'S PASSPORT SERVICES FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 50,900	\$ 50,900	\$ 83,260	\$ 32,360
Investment income	<u>100</u>	<u>100</u>	<u>173</u>	<u>73</u>
Total Revenues	<u>51,000</u>	<u>51,000</u>	<u>83,433</u>	<u>32,433</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	59,050	59,050	249	58,801
Contractual services	24,500	24,500	2,157	22,343
Commodities	<u>45,000</u>	<u>45,000</u>	<u>8,000</u>	<u>37,000</u>
Total Expenditures	<u>128,550</u>	<u>128,550</u>	<u>10,406</u>	<u>118,144</u>
Net Change in Fund Balance	<u>\$ (77,550)</u>	<u>\$ (77,550)</u>	73,027	<u>\$ 150,577</u>
Fund Balance - Beginning of Year			<u>82,585</u>	
Fund Balance - End of Year			<u>\$ 155,612</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PRAIRIE SHIELD GRANT FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ 43,740	\$ 43,740	\$ -
EXPENDITURES				
Current				
Public safety				
Contractual services	<u>-</u>	<u>43,740</u>	<u>43,739</u>	<u>1</u>
Excess of revenues over expenditures	-	-	1	1
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(4,989)</u>	<u>(4,989)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (4,989)</u>	<u>(4,988)</u>	<u>\$ 1</u>
Fund Balance - Beginning of Year			<u>4,988</u>	
Fund Balance - End of Year			<u>\$ -</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 21,957	\$ 1,957
EXPENDITURES				
Current				
Public safety				
Commodities	<u>20,000</u>	<u>26,205</u>	<u>2,798</u>	<u>23,407</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (6,205)</u>	19,159	<u>\$ 25,364</u>
Fund Balance - Beginning of Year			<u>33,631</u>	
Fund Balance - End of Year			<u>\$ 52,790</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 833,000	\$ 833,000	\$ 786,539	\$ (46,461)
Investment income	<u>2,000</u>	<u>2,000</u>	<u>2,353</u>	<u>353</u>
Total Revenues	<u>835,000</u>	<u>835,000</u>	<u>788,892</u>	<u>(46,108)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	476,296	476,296	466,880	9,416
Contractual services	225,050	247,100	191,072	56,028
Commodities	<u>43,450</u>	<u>43,450</u>	<u>36,878</u>	<u>6,572</u>
Total Expenditures	<u>744,796</u>	<u>766,846</u>	<u>694,830</u>	<u>72,016</u>
Net Change in Fund Balance	<u>\$ 90,204</u>	<u>\$ 68,154</u>	94,062	<u>\$ 25,908</u>
Fund Balance - Beginning of Year			<u>1,495,462</u>	
Fund Balance - End of Year			<u>\$ 1,589,524</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 55,000	\$ 55,000	\$ 54,118	\$ (882)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>400</u>	<u>(600)</u>
Total Revenues	56,000	56,000	54,518	(1,482)
EXPENDITURES				
Current				
Community development				
Contractual services	<u>105,000</u>	<u>105,000</u>	<u>2,600</u>	<u>102,400</u>
Net Change in Fund Balance	<u>\$ (49,000)</u>	<u>\$ (49,000)</u>	51,918	<u>\$ 100,918</u>
Fund Balance - Beginning of Year			<u>1,685,223</u>	
Fund Balance - End of Year			<u>\$ 1,737,141</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 13,900	\$ 13,900	\$ -	\$ (13,900)
Investment income	<u>100</u>	<u>100</u>	<u>10</u>	<u>(90)</u>
Total Revenues	14,000	14,000	10	(13,990)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Net Change in Fund Balance	<u>\$ (6,000)</u>	<u>\$ (6,000)</u>	10	<u>\$ 6,010</u>
Fund Balance - Beginning of Year			<u>6,273</u>	
Fund Balance - End of Year			<u>\$ 6,283</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, 2011

	<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	\$ 1,749,103	\$ (25,897)
Investment income	<u>250</u>	<u>250</u>	<u>4,135</u>	<u>3,885</u>
Total Revenues	1,775,250	1,775,250	1,753,238	(22,012)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>1,775,000</u>	<u>1,775,000</u>	<u>1,672,895</u>	<u>102,105</u>
Net Change in Fund Balance	<u>\$ 250</u>	<u>\$ 250</u>	80,343	<u>\$ 80,093</u>
Fund Balance - Beginning of Year			<u>2,666,957</u>	
Fund Balance - End of Year			<u>\$ 2,747,300</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales taxes	\$ 8,100,000	\$ 8,100,000	\$ 8,648,233	\$ 548,233
Investment income	<u>18,000</u>	<u>18,000</u>	<u>27,222</u>	<u>9,222</u>
Total Revenues	8,118,000	8,118,000	8,675,455	557,455
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	8,118,000	8,118,000	8,675,455	557,455
OTHER FINANCING USES				
Transfers out	<u>(18,781,900)</u>	<u>(18,781,900)</u>	<u>(10,234,880)</u>	<u>8,547,020</u>
Net Change in Fund Balance	<u>\$ (10,663,900)</u>	<u>\$ (10,663,900)</u>	(1,559,425)	<u>\$ 9,104,475</u>
Fund Balance - Beginning of Year			<u>19,892,108</u>	
Fund Balance - End of Year			<u>\$ 18,332,683</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ENERGY EFFICIENCY BLOCK GRANT FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ 662,494	\$ 609,524	\$ (52,970)
EXPENDITURES				
Capital outlay	-	662,494	609,529	52,965
Net Change in Fund Balance	\$ -	\$ -	(5)	\$ (5)
Fund Balance - Beginning of Year			5	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC BUILDING COMMISSION FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 2,192	\$ 2,192
EXPENDITURES				
Current				
General and administrative	<u>-</u>	<u>-</u>	<u>11,305</u>	<u>(11,305)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(9,113)	<u>\$ (9,113)</u>
Fund Balance - Beginning of Year			<u>73,121</u>	
Fund Balance - End of Year			<u>\$ 64,008</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INSURANCE LOSS FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 3,950,000	\$ 3,950,000	\$ 3,892,126	\$ (57,874)
Investment income	100	100	55	(45)
Miscellaneous	<u>200,000</u>	<u>200,000</u>	<u>42,358</u>	<u>(157,642)</u>
Total Revenues	<u>4,150,100</u>	<u>4,150,100</u>	<u>3,934,539</u>	<u>(215,561)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	1,035,783	1,035,783	880,956	154,827
Contractual services	2,719,958	2,720,580	2,152,155	568,425
Commodities	21,000	21,000	5,271	15,729
Capital outlay	<u>-</u>	<u>22,000</u>	<u>-</u>	<u>22,000</u>
Total Expenditures	<u>3,776,741</u>	<u>3,799,363</u>	<u>3,038,382</u>	<u>760,981</u>
Net Change in Fund Balance	<u>\$ 373,359</u>	<u>\$ 350,737</u>	<u>896,157</u>	<u>\$ 545,420</u>
Fund Balance - Beginning of Year (as previously stated)			-	
Restatement (See Note 17)			<u>12,674,296</u>	
Fund Balance - Beginning of Year (as restated)			<u>12,674,296</u>	
Fund Balance - End of Year			<u>\$ 13,570,453</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CIRCUIT CLERK ELECTRONIC CITATION FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 51,000	\$ 51,000	\$ 42,352	\$ (8,648)
Investment income	-	-	19	19
Total Revenues	<u>51,000</u>	<u>51,000</u>	<u>42,371</u>	<u>(8,629)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	51,000	40,857	6,150	34,707
Commodities	-	10,143	10,143	-
Total Expenditures	<u>51,000</u>	<u>51,000</u>	<u>16,293</u>	<u>34,707</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	26,078	<u>\$ 26,078</u>
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			<u>\$ 26,078</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 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.

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 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.

Series 2010 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 2010 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.

County of McHenry, Illinois
BALANCE SHEET
NONMAJOR DEBT SERVICE FUND
November 30, 2011

	Series 2006 A Certificate Fund
ASSETS	
Cash and equivalents	\$ <u>375</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 375
Fund balance	
Restricted	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>375</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, 2011

	Series 2001 Certificate Fund	Series 2002 A Certificate Fund	Series 2003 C Certificate Fund	Series 2003 A Certificate Fund
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	510,000	410,000	525,000	245,000
Interest and fiscal charges	11,858	7,175	109,251	156,408
Total Expenditures	521,858	417,175	634,251	401,408
Deficiency of revenues over expenditures	(521,858)	(417,175)	(634,251)	(401,408)
OTHER FINANCING SOURCES				
Transfers in	521,858	417,175	634,251	401,408
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ -	\$ -	\$ -	\$ -

Series 2005 A Certificate Fund	Series 2006 A Certificate Fund	Series 2007 A Certificate Fund	Series 2007 B Certificate Fund	Series 2008 Certificate Fund	Series 2010 A Certificate Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
310,000	450,000	455,000	4,635,000	390,000	510,000
54,073	269,437	137,692	1,559,228	153,778	290,723
364,073	719,437	592,692	6,194,228	543,778	800,723
(364,073)	(719,437)	(592,692)	(6,194,228)	(543,778)	(800,723)
364,073	719,437	592,692	6,194,228	543,778	800,723
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2011

	<u>Series 2010 B Certificate Fund</u>	<u>Totals</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Debt service		
Principal retirement	65,000	8,505,000
Interest and fiscal charges	<u>208,959</u>	<u>2,958,582</u>
Total Expenditures	<u>273,959</u>	<u>11,463,582</u>
Deficiency of revenues over expenditures	(273,959)	(11,463,582)
OTHER FINANCING SOURCES		
Transfers in	<u>273,959</u>	<u>11,463,582</u>
Net Change in Fund Balances	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>

(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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	510,000	510,000	510,000	-
Interest and fiscal charges	11,858	11,858	11,858	-
Total Expenditures	521,858	521,858	521,858	-
Deficiency of revenues over expenditures	(521,858)	(521,858)	(521,858)	-
OTHER FINANCING SOURCES				
Transfers in	521,858	521,858	521,858	-
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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	-	410,000	410,000	-
Interest and fiscal charges	-	7,175	7,175	-
Total Expenditures	-	417,175	417,175	-
Deficiency of revenues over expenditures	-	(417,175)	(417,175)	-
OTHER FINANCING SOURCES				
Transfers in	-	417,175	417,175	-
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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	525,000	525,000	525,000	-
Interest and fiscal charges	109,251	109,251	109,251	-
Total Expenditures	634,251	634,251	634,251	-
Deficiency of revenues over expenditures	(634,251)	(634,251)	(634,251)	-
OTHER FINANCING SOURCES				
Transfers in	634,251	634,251	634,251	-
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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	245,000	245,000	245,000	-
Interest and fiscal charges	156,408	156,408	156,408	-
Total Expenditures	401,408	401,408	401,408	-
Deficiency of revenues over expenditures	(401,408)	(401,408)	(401,408)	-
OTHER FINANCING SOURCES				
Transfers in	401,408	401,408	401,408	-
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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	310,000	310,000	310,000	-
Interest and fiscal charges	54,123	54,073	54,073	-
Total Expenditures	364,123	364,073	364,073	-
Deficiency of revenues over expenditures	(364,123)	(364,073)	(364,073)	-
OTHER FINANCING SOURCES				
Transfers in	364,123	364,073	364,073	-
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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	450,000	450,000	450,000	-
Interest and fiscal charges	269,463	269,451	269,437	14
Total Expenditures	719,463	719,451	719,437	14
Deficiency of revenues over expenditures	(719,463)	(719,451)	(719,437)	14
OTHER FINANCING SOURCES				
Transfers in	719,463	719,451	719,437	(14)
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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	455,000	455,000	455,000	-
Interest and fiscal charges	137,664	137,692	137,692	-
Total Expenditures	592,664	592,692	592,692	-
Deficiency of revenues over expenditures	(592,664)	(592,692)	(592,692)	-
OTHER FINANCING SOURCES				
Transfers in	592,664	592,692	592,692	-
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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	4,635,000	4,635,000	4,635,000	-
Interest and fiscal charges	1,559,200	1,559,228	1,559,228	-
Total Expenditures	6,194,200	6,194,228	6,194,228	-
Deficiency of revenues over expenditures	(6,194,200)	(6,194,228)	(6,194,228)	-
OTHER FINANCING SOURCES				
Transfers in	6,194,200	6,194,228	6,194,228	-
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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	390,000	390,000	390,000	-
Interest and fiscal charges	153,750	153,778	153,778	-
Total Expenditures	543,750	543,778	543,778	-
Deficiency of revenues over expenditures	(543,750)	(543,778)	(543,778)	-
OTHER FINANCING SOURCES				
Transfers in	543,750	543,778	543,778	-
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 2010 A CERTIFICATE FUND
For the Year Ended November 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	510,000	510,000	510,000	-
Interest and fiscal charges	290,745	290,723	290,723	-
Total Expenditures	800,745	800,723	800,723	-
Deficiency of revenues over expenditures	(800,745)	(800,723)	(800,723)	-
OTHER FINANCING SOURCES				
Transfers in	800,745	800,723	800,723	-
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 2010 B CERTIFICATE FUND
For the Year Ended November 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	65,000	65,000	65,000	-
Interest and fiscal charges	208,982	208,982	208,959	23
Total Expenditures	273,982	273,982	273,959	23
Deficiency of revenues over expenditures	(273,982)	(273,982)	(273,959)	23
OTHER FINANCING SOURCES				
Transfers in	273,982	273,982	273,959	(23)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

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.

Series 2010A Capital Projects Fund - to account for various capital projects, including the construction of a new County archive facility, the purchase of a new local area network, the buildout of a courtroom, the purchase of a new storage area network, and the partial advanced refunding of the Series 2002 A debt certificates. Resources for the fund were provided by proceeds from Series 2010A debt certificates.

Mental Health Facility Expansion Fund - to account for the expansion of the County mental health facility. Resources for the fund were provided by proceeds from Series 2010B debt certificates.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
November 30, 2011

	Animal Control / Performance Contract Fund	Sheriff Radio System Fund	Road Improvement Project Fund	Property Acquisition Project Fund
ASSETS				
Cash and equivalents	\$ -	\$ -	\$ -	\$ 1,863
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	1,863
Total liabilities	-	-	-	1,863
Fund Balances				
Restricted	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ 1,863

Series 2010A Capital Projects Fund	Mental Health Facility Expansion Fund	Totals
\$ <u>381,101</u>	\$ <u>703,518</u>	\$ <u>1,086,482</u>
\$ 216,618	\$ 380,182	\$ 596,800
<u> -</u>	<u> -</u>	<u>1,863</u>
<u>216,618</u>	<u>380,182</u>	<u>598,663</u>
<u>164,483</u>	<u>323,336</u>	<u>487,819</u>
\$ <u>381,101</u>	\$ <u>703,518</u>	\$ <u>1,086,482</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, 2011

	Animal Control / Performance Contract Fund	Sheriff Radio System Fund	Road Improvement Project Fund	Property Acquisition Project Fund
REVENUES				
Investment income	\$ 4	\$ -	\$ 3	\$ -
EXPENDITURES				
Current				
General and administrative	14,644	-	-	-
Transportation	-	-	2,500	-
Public safety	-	2,500	-	-
Capital outlay	-	-	-	-
Total Expenditures	14,644	2,500	2,500	-
Deficiency of revenues over expenditures	(14,640)	(2,500)	(2,497)	-
OTHER FINANCING USES				
Transfers out	(13,522)	(485)	(5,452)	(1,260)
Net Change in Fund Balances	(28,162)	(2,985)	(7,949)	(1,260)
Fund Balances - Beginning of Year	28,162	2,985	7,949	1,260
Fund Balances - End of Year	\$ -	\$ -	\$ -	\$ -

Series 2010A Capital Projects Fund	Mental Health Facility Expansion Fund	Totals
\$ <u>1,873</u>	\$ <u>4,224</u>	\$ <u>6,104</u>
-	-	14,644
-	-	2,500
-	-	2,500
<u>1,523,332</u>	<u>3,438,561</u>	<u>4,961,893</u>
<u>1,523,332</u>	<u>3,438,561</u>	<u>4,981,537</u>
(1,521,459)	(3,434,337)	(4,975,433)
<u>-</u>	<u>-</u>	<u>(20,719)</u>
(1,521,459)	(3,434,337)	(4,996,152)
<u>1,685,942</u>	<u>3,757,673</u>	<u>5,483,971</u>
<u>\$ 164,483</u>	<u>\$ 323,336</u>	<u>\$ 487,819</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 4	\$ 4
EXPENDITURES				
Current				
General and administrative				
Contractual services	<u>-</u>	<u>14,644</u>	<u>14,644</u>	<u>-</u>
Deficiency of revenues over expenditures	-	(14,644)	(14,640)	4
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(13,525)</u>	<u>(13,522)</u>	<u>3</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (28,169)</u>	(28,162)	<u>\$ 7</u>
Fund Balance - Beginning of Year			<u>28,162</u>	
Fund Balance - End of Year			<u>\$ -</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
Public safety				
Contractual services	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Deficiency of revenues over expenditures	-	(2,500)	(2,500)	-
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(485)</u>	<u>(485)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (2,985)</u>	<u>(2,985)</u>	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>2,985</u>	
Fund Balance - End of Year			<u>\$ -</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 3	\$ 3
EXPENDITURES				
Current				
Transportation				
Contractual services	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Deficiency of revenues over expenditures	-	(2,500)	(2,497)	3
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(5,453)</u>	<u>(5,452)</u>	<u>1</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (7,953)</u>	(7,949)	<u>\$ 4</u>
Fund Balance - Beginning of Year			<u>7,949</u>	
Fund Balance - End of Year			<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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(1,260)</u>	<u>(1,260)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (1,260)</u>	<u>(1,260)</u>	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>1,260</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 2010A CAPITAL PROJECTS FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 1,873	\$ 1,873
EXPENDITURES				
Capital outlay	<u>-</u>	<u>1,944,152</u>	<u>1,523,332</u>	<u>420,820</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (1,944,152)</u>	(1,521,459)	<u>\$ 422,693</u>
Fund Balance - Beginning of Year			<u>1,685,942</u>	
Fund Balance - End of Year			<u>\$ 164,483</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MENTAL HEALTH FACILITY EXPANSION FUND
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 4,224	\$ 4,224
EXPENDITURES				
Capital outlay	<u>-</u>	<u>3,753,373</u>	<u>3,438,561</u>	<u>314,812</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (3,753,373)</u>	<u>(3,434,337)</u>	<u>\$ 319,036</u>
Fund Balance - Beginning of Year			<u>3,757,673</u>	
Fund Balance - End of Year			<u>\$ 323,336</u>	

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, 2011

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
ASSETS			
Cash and equivalents	\$ <u>331,958</u>	\$ <u>469,977</u>	\$ <u>801,935</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other funds	\$ 663	\$ 704	\$ 1,367
Fund Balances			
Nonspendable	<u>331,295</u>	<u>469,273</u>	<u>800,568</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 331,958</u>	<u>\$ 469,977</u>	<u>\$ 801,935</u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
For the Year Ended November 30, 2011

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
REVENUES			
Investment income	\$ 663	\$ 704	\$ 1,367
EXPENDITURES	-	-	-
Excess of revenues over expenditures	663	704	1,367
OTHER FINANCING USES			
Transfers out	(663)	(704)	(1,367)
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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 10,000	\$ 10,000	\$ 663	\$ (9,337)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	10,000	10,000	663	(9,337)
OTHER FINANCING USES				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(663)</u>	<u>9,337</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 20,000	\$ 20,000	\$ 704	\$ (19,296)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	20,000	20,000	704	(19,296)
OTHER FINANCING USES				
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(704)</u>	<u>19,296</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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 8,660,000	\$ 8,660,000	\$ 9,969,813	\$ 1,309,813
Other	4,500	4,500	10,772	6,272
Total Operating Revenues	<u>\$ 8,664,500</u>	<u>\$ 8,664,500</u>	<u>\$ 9,980,585</u>	<u>\$ 1,316,085</u>
OPERATING EXPENSES				
Personnel services	\$ 6,845,076	\$ 6,845,076	\$ 6,618,641	\$ 226,435
Contractual services	1,683,085	1,752,366	1,227,586	524,780
Commodities	987,635	885,211	877,225	7,986
Total operating expenses before capital outlay	<u>9,515,796</u>	<u>9,482,653</u>	<u>8,723,452</u>	<u>759,201</u>
Capital outlay	-	175,295	175,295	-
Less: assets capitalized	-	(175,295)	(175,295)	-
Adjusted capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses (excluding depreciation and amortization)	<u>\$ 9,515,796</u>	<u>\$ 9,482,653</u>	<u>\$ 8,723,452</u>	<u>\$ 759,201</u>
NONOPERATING REVENUES				
Property taxes	\$ 6,000,000	\$ 6,000,000	\$ 5,912,097	\$ (87,903)
Investment income	36,792	36,792	90,575	53,783
Total Nonoperating Revenues	<u>\$ 6,036,792</u>	<u>\$ 6,036,792</u>	<u>\$ 6,002,672</u>	<u>\$ (34,120)</u>
NONOPERATING EXPENSES				
Interest expense	\$ 392,540	\$ 392,540	\$ 371,905	\$ 20,635
Loss on disposal of capital assets	-	-	18,309	(18,309)
	<u>\$ 392,540</u>	<u>\$ 392,540</u>	<u>\$ 390,214</u>	<u>\$ 2,326</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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 2,356,200	\$ 2,356,200	\$ 2,556,818	\$ 200,618
Other	-	-	121	121
Total Operating Revenues	<u>\$ 2,356,200</u>	<u>\$ 2,356,200</u>	<u>\$ 2,556,939</u>	<u>\$ 200,739</u>
OPERATING EXPENSES				
Personnel services	\$ 368,946	\$ 368,946	\$ 349,445	\$ 19,501
Contractual services	2,285,070	2,602,421	1,741,356	861,065
Commodities	378,350	379,065	124,724	254,341
Total operating expenses before capital outlay	<u>3,032,366</u>	<u>3,350,432</u>	<u>2,215,525</u>	<u>1,134,907</u>
Capital outlay	35,000	408,504	301,925	106,579
Less: assets capitalized	-	(301,925)	(301,925)	-
Adjusted capital outlay	<u>35,000</u>	<u>106,579</u>	<u>-</u>	<u>106,579</u>
Total Operating Expenses (excluding depreciation and amortization)	<u>\$ 3,067,366</u>	<u>\$ 3,457,011</u>	<u>\$ 2,215,525</u>	<u>\$ 1,241,486</u>
NONOPERATING REVENUES				
Investment income	\$ 6,000	\$ 6,000	\$ 5,357	\$ (643)

INTERNAL SERVICE FUND

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

County of McHenry, Illinois
STATEMENT OF NET ASSETS
INTERNAL SERVICE FUND
November 30, 2011

	<u>Health Insurance</u>
ASSETS	
Current	
Cash and equivalents	\$ 2,946,347
Due from other funds	<u>2,319,826</u>
Total Assets	<u>5,266,173</u>
LIABILITIES	
Current	
Accounts payable	3,003
Claims and judgments	<u>1,976,136</u>
Total Liabilities	<u>1,979,139</u>
NET ASSETS - UNRESTRICTED	<u>\$ 3,287,034</u>

County of McHenry, Illinois
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
INTERNAL SERVICE FUND
For the Year Ended November 30, 2011

	<u>Health Insurance</u>
OPERATING REVENUES	
Charges for services	\$ <u>16,926,892</u>
OPERATING EXPENSES	
Contractual services	15,536,346
Commodities	<u>4,478</u>
Total Operating Expenses	<u>15,540,824</u>
Operating income	1,386,068
NONOPERATING REVENUES	
Investment income	<u>4,594</u>
Net Change in Net Assets	1,390,662
Net Assets - Beginning of Year	<u>1,896,372</u>
Net Assets - End of Year	<u><u>\$ 3,287,034</u></u>

County of McHenry, Illinois
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Year Ended November 30, 2011

	Health Insurance
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	\$ 15,688,586
Payments to third party administrator	(15,646,347)
Payments to suppliers	(46,916)
Net Cash Flows from Operating Activities	(4,677)
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash receipts from investment income	4,594
Net Decrease in Cash and Equivalents	(83)
Cash and Equivalents - Beginning of Year	2,946,430
Cash and Equivalents - End of Year	\$ 2,946,347
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 1,386,068
Adjustments to reconcile operating income to net cash flows from operating activities	
Change in assets and liabilities	
Due from other funds	(1,238,306)
Accounts payable	3,003
Claims and judgments	(155,442)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (4,677)

County of McHenry, Illinois
 SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND
 EXPENSES - BUDGET AND ACTUAL
 HEALTH INSURANCE FUND
 For the Year Ended November 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 17,565,950	\$ 17,565,950	\$ 16,926,892	\$ (639,058)
OPERATING EXPENSES				
Contractual services	\$ 17,632,950	\$ 17,632,950	\$ 15,536,346	\$ 2,096,604
Commodities	5,100	5,100	4,478	622
Total Operating Expenses	\$ 17,638,050	\$ 17,638,050	\$ 15,540,824	\$ 2,097,226
NONOPERATING REVENUES				
Investment income	\$ 4,000	\$ 4,000	\$ 4,594	\$ 594

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, 2011

	<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	\$ 1,842,221	\$ 4,626,066	\$ 1,297,800	\$ 50,437
Due from other governments	-	-	89,926	-
Total Assets	<u>\$ 1,842,221</u>	<u>\$ 4,626,066</u>	<u>\$ 1,387,726</u>	<u>\$ 50,437</u>
LIABILITIES				
Accounts payable	-	-	107,403	-
Due to residents	-	-	-	50,437
Bond escrow	-	3,590,238	-	-
Due to other governments	1,842,221	608,570	1,280,323	-
Other liabilities	-	427,258	-	-
Total Liabilities	<u>\$ 1,842,221</u>	<u>\$ 4,626,066</u>	<u>\$ 1,387,726</u>	<u>\$ 50,437</u>

County Clerk Redemption Fund	Collector Fund	Illinois Housing Surcharge Fund	Totals
\$ 1,661,508	\$ 10,842,435	\$ 37,125	\$ 20,357,592
<u>-</u>	<u>-</u>	<u>-</u>	<u>89,926</u>
<u>\$ 1,661,508</u>	<u>\$ 10,842,435</u>	<u>\$ 37,125</u>	<u>\$ 20,447,518</u>
\$ -	\$ -	\$ -	\$ 107,403
-	-	-	50,437
-	-	-	3,590,238
-	10,842,435	37,125	14,610,674
<u>1,661,508</u>	<u>-</u>	<u>-</u>	<u>2,088,766</u>
<u>\$ 1,661,508</u>	<u>\$ 10,842,435</u>	<u>\$ 37,125</u>	<u>\$ 20,447,518</u>

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2011

	Balance December 1, 2010	Additions	Deductions	Balance November 30, 2011
Treasurer Fund				
ASSETS				
Cash and equivalents	\$ 1,719,022	\$ 2,462,986	\$ 2,339,787	\$ 1,842,221
LIABILITIES				
Due to other governments	\$ 1,719,022	\$ 2,462,986	\$ 2,339,787	\$ 1,842,221
Clerk of the Circuit Court Fund				
ASSETS				
Cash and equivalents	\$ 4,310,167	\$ 29,141,774	\$ 28,825,875	\$ 4,626,066
LIABILITIES				
Bond escrow	\$ 3,400,883	\$ 6,035,708	5,846,353	\$ 3,590,238
Due to other governments	618,331	16,543,989	16,553,750	608,570
Other liabilities	290,953	6,562,077	6,425,772	427,258
Total Liabilities	\$ 4,310,167	\$ 29,141,774	\$ 28,825,875	\$ 4,626,066
Highway Fund				
ASSETS				
Cash and equivalents	\$ 1,315,559	\$ 1,196,527	\$ 1,214,286	\$ 1,297,800
Due from other governments	90,992	-	1,066	89,926
Total Assets	\$ 1,406,551	\$ 1,196,527	\$ 1,215,352	\$ 1,387,726
LIABILITIES				
Accounts payable	\$ 188,121	\$ 1,132,502	\$ 1,213,220	\$ 107,403
Due to other governments	1,218,430	1,195,461	1,133,568	1,280,323
Total Liabilities	\$ 1,406,551	\$ 2,327,963	\$ 2,346,788	\$ 1,387,726
Valley Hi Resident Fund				
ASSETS				
Cash and equivalents	\$ 48,059	\$ 31,906	\$ 29,528	\$ 50,437
LIABILITIES				
Due to residents	\$ 48,059	\$ 31,906	\$ 29,528	\$ 50,437

(Continued)

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2011

	Balance December 1, 2010	Additions	Deductions	Balance November 30, 2011
County Clerk Redemption Fund				
ASSETS				
Cash and equivalents	\$ 942,603	\$ 22,820,856	\$ 22,101,951	\$ 1,661,508
LIABILITIES				
Other liabilities	\$ 942,603	\$ 22,820,856	\$ 22,101,951	\$ 1,661,508
Collector Fund				
ASSETS				
Cash and equivalents	\$ 13,210,680	\$ 776,509,461	\$ 778,877,706	\$ 10,842,435
LIABILITIES				
Due to other governments	\$ 13,210,680	\$ 776,509,461	\$ 778,877,706	\$ 10,842,435
Illinois Housing Surcharge Fund				
ASSETS				
Cash and equivalents	\$ 47,565	\$ 424,107	\$ 434,547	\$ 37,125
LIABILITIES				
Due to other governments	\$ 47,565	\$ 424,107	\$ 434,547	\$ 37,125
Totals				
ASSETS				
Cash and equivalents	\$ 21,593,655	\$ 832,587,617	\$ 833,823,680	\$ 20,357,592
Due from other governments	90,992	-	1,066	89,926
Total Assets	\$ 21,684,647	\$ 832,587,617	\$ 833,824,746	\$ 20,447,518
LIABILITIES				
Accounts payable	\$ 188,121	\$ 1,132,502	\$ 1,213,220	\$ 107,403
Due to residents	48,059	31,906	29,528	50,437
Bond escrow	3,400,883	6,035,708	5,846,353	3,590,238
Due to other governments	16,814,028	797,136,004	799,339,358	14,610,674
Other liabilities	1,233,556	29,382,933	28,527,723	2,088,766
Total Liabilities	\$ 21,684,647	\$ 833,719,053	\$ 834,956,182	\$ 20,447,518

(Concluded)

STATISTICAL

County of McHenry, Illinois
INTRODUCTION TO THE STATISTICAL SECTION
November 30, 2011

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.	171 - 178
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.	179 - 183
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.	184 - 188
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.	189 - 190
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.	191 - 193

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 Nine 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 No. 34 was implemented.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$	168,077,235	\$ 186,108,100	\$ 193,667,253	\$ 209,424,352	\$ 223,693,448
	83,884,874	94,814,206	110,628,189	107,121,300	116,754,427
	<u>50,060,006</u>	<u>43,594,428</u>	<u>44,841,564</u>	<u>48,003,693</u>	<u>39,868,128</u>
\$	<u><u>302,022,115</u></u>	<u><u>324,516,734</u></u>	<u><u>349,137,006</u></u>	<u><u>364,549,345</u></u>	<u><u>380,316,003</u></u>
\$	4,531,583	\$ 4,568,317	\$ 7,291,886	\$ 7,709,277	\$ 7,685,488
	411,176	41,191	492,746	693,237	707,422
	<u>16,996,918</u>	<u>22,272,580</u>	<u>23,773,241</u>	<u>27,700,590</u>	<u>33,962,683</u>
\$	<u><u>21,939,677</u></u>	<u><u>26,882,088</u></u>	<u><u>31,557,873</u></u>	<u><u>36,103,104</u></u>	<u><u>42,355,593</u></u>
\$	172,608,818	\$ 190,676,417	\$ 200,959,139	\$ 217,133,629	\$ 231,378,936
	84,296,050	94,855,397	111,120,935	107,814,537	117,461,849
	<u>67,056,924</u>	<u>65,867,008</u>	<u>68,614,805</u>	<u>75,704,283</u>	<u>73,830,811</u>
\$	<u><u>323,961,792</u></u>	<u><u>351,398,822</u></u>	<u><u>380,694,879</u></u>	<u><u>400,652,449</u></u>	<u><u>422,671,596</u></u>

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 34,857,021	\$ 31,708,738
Community development	3,218,942	3,179,212	3,554,274	2,678,785	3,449,524	2,169,597	3,027,001	7,364,952	4,770,885
Transportation	11,338,648	10,959,478	10,246,229	10,997,498	12,260,312	13,292,664	18,281,173	17,782,366	18,281,227
Public safety	20,217,208	22,165,042	24,600,341	28,854,125	30,956,789	33,132,115	38,590,241	38,047,322	38,737,004
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	13,778,713	13,943,432
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	28,710,653	27,557,830
Interest and fiscal charges	816,003	1,051,569	1,125,887	1,257,230	2,149,414	3,312,029	3,182,260	3,102,232	2,726,775
Total Governmental Activities	86,368,328	94,507,938	99,148,170	111,461,886	114,663,899	128,878,658	137,443,797	143,643,259	137,725,891
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	10,085,088	9,527,978
Public safety	1,282,811	1,423,930	1,443,884	1,652,536	1,979,992	2,011,399	2,315,535	2,331,714	2,765,086
Total Business-Type Activities	8,041,172	8,407,027	8,818,497	9,168,463	11,717,651	11,552,419	12,357,881	12,416,802	12,293,064
Total Primary Government	\$ 94,409,500	\$ 102,914,965	\$ 107,966,667	\$ 120,630,349	\$ 126,381,550	\$ 140,431,077	\$ 149,801,678	\$ 156,060,061	\$ 150,018,955
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	\$ 6,779,291	\$ 5,550,919
Community development	1,507,319	1,424,704	1,445,958	1,518,472	1,075,295	804,410	526,487	541,192	474,634
Transportation	311,211	185,824	124,566	114,214	135,169	96,965	86,869	69,027	63,040
Public safety	3,867,254	4,792,507	4,029,496	9,641,669	10,488,124	12,064,091	12,637,154	12,120,177	13,465,305
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	9,488,739	9,122,454
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	2,029,130	2,016,524
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	32,636,359	25,326,118
Capital grants and contributions	2,462,830	3,172,853	1,050,053	2,223,295	3,800,048	5,141,148	5,778,791	1,206,453	-
Total Governmental Activities	38,576,942	40,871,434	44,889,322	48,444,235	56,437,293	57,682,130	68,427,032	64,870,368	56,018,994
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	\$ 8,429,840	\$ 9,980,585
Public safety	1,854,087	1,932,388	1,966,275	2,032,278	2,209,926	3,223,595	2,660,384	2,491,834	2,556,939
Total Business-Type Activities	7,269,995	7,362,236	7,479,734	7,507,404	8,912,042	10,013,922	10,857,034	10,921,674	12,537,524
Total Primary Government	\$ 45,846,937	\$ 48,233,670	\$ 52,369,056	\$ 55,951,639	\$ 65,349,335	\$ 67,696,052	\$ 79,284,066	\$ 75,792,042	\$ 68,556,518

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</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)	\$ (78,772,891)	\$ (81,706,897)
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>	<u>(1,495,128)</u>	<u>244,460</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>	\$ <u>(80,268,019)</u>	\$ <u>(81,462,437)</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	\$ 68,390,469	\$ 70,755,868
Sales taxes	7,784,840	8,581,519	8,956,331	9,580,333	9,533,202	15,003,386	15,983,268	16,704,187	17,481,700
State income taxes	4,221,606	4,317,250	5,057,081	5,465,713	5,875,908	6,214,390	5,603,268	4,880,880	5,139,609
Tax transfer stamps	4,138,288	4,399,145	5,025,204	4,631,095	3,264,738	1,968,253	1,232,451	1,203,780	1,123,002
Other taxes	5,828,875	6,717,627	6,582,582	6,575,678	1,804,030	2,173,857	1,763,703	1,744,807	1,955,665
Investment income	974,181	1,102,691	2,669,378	5,006,956	6,713,449	4,577,645	584,228	423,535	342,007
Miscellaneous	366,062	695,973	491,906	792,329	610,444	357,931	565,895	837,572	675,704
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>	<u>94,185,230</u>	<u>97,473,555</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	5,919,050	5,912,097
Investment income	57,517	86,709	234,680	479,999	745,846	547,973	182,350	121,309	95,932
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>	<u>6,040,359</u>	<u>6,008,029</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>	\$ <u>100,225,589</u>	\$ <u>103,481,584</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	\$ 15,412,339	\$ 15,766,658
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>	<u>4,545,231</u>	<u>6,252,489</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>	\$ <u>19,957,570</u>	\$ <u>22,019,147</u>

Note: Government-wide information is available back to 2003, the year GASB Statement No. 34 was implemented.

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund					
Reserved	\$ 2,149,583	\$ 1,160,301	\$ 903,109	\$ 981,546	\$ 1,841,063
Unreserved	18,927,542	25,203,850	31,409,259	35,354,484	39,680,368
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 21,077,125</u>	<u>\$ 26,364,151</u>	<u>\$ 32,312,368</u>	<u>\$ 36,336,030</u>	<u>\$ 41,521,431</u>
All Other Governmental Funds					
Reserved	\$ 9,628,742	\$ 12,815,996	\$ 11,692,162	\$ 10,994,326	\$ 15,815,383
Unreserved					
Special revenue funds	48,977,382	43,737,269	39,168,190	50,058,502	54,420,402
Capital projects funds	365,968	83,390	7,335,205	3,935,868	3,605,068
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 58,972,092</u>	<u>\$ 56,636,655</u>	<u>\$ 58,195,557</u>	<u>\$ 64,988,696</u>	<u>\$ 73,840,853</u>

Note: The County implemented GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions in 2011. This statement establishes new fund balance classifications, which are based primarily on the extent to which the County is bound to observe constraints on the use of the resources reported in governmental funds. As a result of implementing this standard, the fund balance categories used beginning in 2011 are not directly comparable the fund balance categories used prior to 2011.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$	3,367,690	\$ 4,896,687	\$ 3,890,055	\$ 4,543,345	\$ -
	42,525,921	38,848,139	44,881,550	47,525,814	-
	-	-	-	-	1,440,951
	-	-	-	-	929,636
	-	-	-	-	2,957,458
	-	-	-	-	48,567,345
	<u>\$ 45,893,611</u>	<u>\$ 43,744,826</u>	<u>\$ 48,771,605</u>	<u>\$ 52,069,159</u>	<u>\$ 53,895,390</u>
\$	17,104,118	\$ 21,158,012	\$ 21,152,055	\$ 36,357,884	\$ -
	64,119,701	66,212,656	77,525,162	68,443,969	-
	32,098,411	13,341,272	260,818	14,036	-
	-	-	-	-	1,423,664
	-	-	-	-	110,227,554
	-	-	-	-	1,892,753
	-	-	-	-	(841,118)
	<u>\$ 113,322,230</u>	<u>\$ 100,711,940</u>	<u>\$ 98,938,035</u>	<u>\$ 104,815,889</u>	<u>\$ 112,702,853</u>

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
REVENUES					
Charges for services	\$ 11,279,473	\$ 17,038,547	\$ 17,102,573	\$ 17,777,743	\$ 23,884,511
Licenses and permits	2,130,028	2,265,291	2,218,767	2,215,929	2,161,925
Fines and forfeitures	1,626,846	1,391,334	1,596,750	1,621,631	1,561,136
Grants, contributions, and intergovernmental	23,192,356	16,131,921	16,293,271	23,587,863	17,920,531
Property taxes	34,303,278	37,253,009	42,270,940	46,421,825	50,749,521
Sales taxes	8,236,730	7,784,840	8,581,519	8,956,331	9,530,333
State income taxes	4,468,725	4,221,606	4,317,250	5,057,081	5,465,713
Tax transfer stamps	3,500,919	4,138,288	4,399,145	5,025,204	4,631,095
Other taxes	1,521,692	5,889,875	6,667,627	6,527,582	6,558,678
Investment income	1,185,448	972,077	1,099,717	2,663,286	4,995,957
Miscellaneous	741,935	409,262	790,720	491,906	870,873
Total Revenues	<u>92,187,430</u>	<u>97,496,050</u>	<u>105,338,279</u>	<u>120,346,381</u>	<u>128,330,273</u>
EXPENDITURES					
Current					
General and administrative	24,271,274	19,616,747	22,446,128	24,134,700	26,806,604
Community development	-	3,312,053	3,244,591	3,605,047	2,692,960
Transportation	6,608,470	8,238,014	10,312,253	8,397,687	9,546,135
Public safety	15,149,990	19,084,234	20,672,454	23,844,358	27,347,522
Judiciary and court related	7,596,915	9,576,539	9,886,552	10,169,039	10,819,640
Public health and welfare	14,776,174	17,514,954	19,394,949	21,513,474	23,560,643
Retirement	4,519,566	-	-	-	-
Capital outlay	7,433,557	13,057,462	18,946,483	19,558,629	15,134,089
Debt service					
Principal retirement	9,115,516	5,581,736	1,996,101	1,587,517	2,252,439
Interest and fiscal charges	817,140	737,564	894,418	1,032,157	1,140,762
Total Expenditures	<u>90,288,602</u>	<u>96,719,303</u>	<u>107,793,929</u>	<u>113,842,608</u>	<u>119,300,794</u>
Excess (deficiency) of revenues over expenditures	<u>1,898,828</u>	<u>776,747</u>	<u>(2,455,650)</u>	<u>6,503,773</u>	<u>9,029,479</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	960,054	1,878,972	2,866,871	2,576,516	6,331,432
Transfers out	(1,099,347)	(2,397,170)	(2,866,871)	(2,592,516)	(6,331,432)
Refunding debt certificates issued	-	-	-	-	3,592,000
Other debt issued	15,993,669	300,000	9,962,769	4,013,563	4,938,254
Payment to bond escrow agent	-	-	-	-	(3,522,175)
Proceeds from sale of capital assets	2,604,805	-	-	-	-
Total Other Financing Sources (Uses)	<u>18,459,181</u>	<u>(218,198)</u>	<u>9,962,769</u>	<u>3,997,563</u>	<u>5,008,079</u>
Net Change in Fund Balances	<u>\$ 20,358,009</u>	<u>\$ 558,549</u>	<u>\$ 7,507,119</u>	<u>\$ 10,501,336</u>	<u>\$ 14,037,558</u>
Debt service as a percentage of noncapital expenditures	<u>12.0 %</u>	<u>7.6 %</u>	<u>3.3 %</u>	<u>2.8 %</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.

	2007	2008	2009	2010	2011
\$	26,105,579	\$ 24,538,491	\$ 30,460,458	\$ 28,813,360	\$ 28,602,757
	1,762,656	1,422,286	1,147,302	1,166,773	1,068,367
	1,629,982	1,534,686	1,328,070	1,260,451	1,159,054
	23,172,332	22,599,354	27,441,735	35,501,450	28,679,928
	54,626,949	58,945,966	63,863,503	64,562,786	70,755,868
	9,533,202	14,392,386	16,052,268	18,048,187	17,481,700
	5,875,908	6,214,390	4,703,268	5,780,880	5,139,609
	3,264,738	1,968,253	1,232,451	1,203,780	1,123,002
	2,143,030	2,173,857	1,779,703	1,804,807	1,955,665
	6,407,385	4,650,860	733,638	424,921	340,280
	650,032	364,393	610,453	837,572	719,739
	<u>135,171,793</u>	<u>138,804,922</u>	<u>149,352,849</u>	<u>159,404,967</u>	<u>157,025,969</u>
	26,984,381	26,373,070	27,059,336	28,389,135	30,860,975
	3,428,328	2,163,939	3,029,167	7,340,586	4,739,417
	12,599,577	13,937,579	18,708,657	18,675,266	18,835,196
	29,912,573	31,495,112	36,479,080	36,125,726	36,235,507
	13,497,931	15,791,493	13,901,681	13,890,625	13,745,080
	24,679,407	27,189,292	28,632,690	28,974,311	27,586,500
	-	-	-	-	-
	32,474,800	27,344,905	11,154,580	13,805,171	18,429,974
	3,220,206	7,798,926	8,548,252	8,597,661	9,468,785
	1,090,312	3,507,908	3,264,626	2,901,750	3,009,679
	<u>147,887,515</u>	<u>155,602,224</u>	<u>150,778,069</u>	<u>158,700,231</u>	<u>162,911,113</u>
	<u>(12,715,722)</u>	<u>(16,797,302)</u>	<u>(1,425,220)</u>	<u>704,736</u>	<u>(5,885,144)</u>
	24,521,463	31,671,737	30,615,292	13,644,072	24,073,795
	(24,521,463)	(31,671,737)	(30,615,292)	(13,644,072)	(24,073,795)
	-	-	-	3,448,000	-
	56,569,279	2,038,227	4,678,094	8,606,447	2,924,043
	-	-	-	(3,583,775)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>56,569,279</u>	<u>2,038,227</u>	<u>4,678,094</u>	<u>8,470,672</u>	<u>2,924,043</u>
\$	<u>43,853,557</u>	<u>(14,759,075)</u>	<u>3,252,874</u>	<u>9,175,408</u>	<u>(2,961,101)</u>
	<u>3.9 %</u>	<u>9.2 %</u>	<u>8.8 %</u>	<u>8.2 %</u>	<u>8.9 %</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					
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
2010	276,678,637	8,522,019,341	1,206,095,170	411,119,294	13,427,368	6,243,622	10,435,583,432	31,306,750,296	0.716	33.3
2011	275,661,935	7,866,580,876	1,166,707,825	397,434,087	13,333,125	7,763,227	9,727,481,075	29,182,443,225	0.792	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				
	2002	2003	2004	2005	2006
DIRECT RATES - COUNTY					
General	0.230	0.250	0.250	0.247	0.250
Highway	0.050	0.046	0.057	0.055	0.060
County Bridge	0.002	0.002	0.003	0.003	0.002
Matching	0.013	0.012	0.014	0.013	0.012
Mental Health	0.123	0.118	0.121	0.125	0.121
Tuberculosis Care and Treatment	0.003	0.002	0.003	0.003	0.002
Illinois Municipal Retirement	0.043	0.040	0.066	0.075	0.070
Veterans' Assistance	0.005	0.005	0.009	0.008	0.007
Loss Prevention and Protection	0.044	0.039	0.057	0.062	0.064
Debt Service	0.078	0.071	0.011	-	-
Social Security	0.047	0.041	0.043	0.052	0.049
Senior Services	-	-	0.025	0.023	0.021
Nursing Home	-	0.047	0.057	0.069	0.070
Total County	0.638	0.673	0.715	0.735	0.728
OVERLAPPING RATES					
Municipalities	0.227 - 1.565	0.221 - 1.526	0.202 - 1.512	0.191 - 1.472	0.184 - 1.467
Unit School Districts	3.954 - 4.910	3.905 - 4.920	3.522 - 4.791	3.654 - 4.738	3.587 - 4.517
Elementary School Districts	2.099 - 3.355	2.023 - 3.360	2.029 - 3.498	1.941 - 3.743	1.862 - 3.683
High School Districts	1.878 - 2.225	1.815 - 2.157	1.759 - 2.093	1.970 - 2.035	1.659 - 2.086
Community College Districts	0.335 - 0.440	0.318 - 0.438	0.301 - 0.453	0.301 - 0.450	0.256 - 0.447
Conservation District	0.181	0.173	0.166	0.158	0.149
Township and Road Districts	0.134 - 0.862	0.128 - 0.744	0.118 - 0.736	0.110 - 0.701	0.105 - 0.664
Park Districts	0.289 - 0.629	0.025 - 0.592	0.025 - 0.577	0.028 - 0.553	0.300 - 0.534
Fire Protection Districts	0.142 - 0.646	0.138 - 0.658	0.134 - 0.656	0.132 - 0.660	0.126 - 0.635
Library Districts	0.084 - 0.469	0.082 - 0.446	0.080 - 0.429	0.078 - 0.418	0.074 - 0.400
Sanitary Districts	0.047 - 0.077	0.047 - 0.066	0.044 - 0.061	0.044 - 0.060	0.045 - 0.057
Cemetery Districts	0.001 - 0.010	0.001 - 0.010	0.001 - 0.009	0.001 - 0.008	0.001 - 0.008
Rescue Squad District	0.099	0.096	0.093	0.091	0.088

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 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 2010 levy (payable in 2011), the increase was limited to the CPI increase of 2.7%.

Year Taxes Payable

2007	2008	2009	2010	2011
0.250	0.285	0.300	0.326	0.370
0.064	0.060	0.060	0.060	0.065
0.004	0.010	0.009	0.010	0.010
0.028	0.034	0.033	0.010	0.011
0.118	0.114	0.116	0.118	0.129
0.002	0.003	0.004	0.004	0.005
0.056	0.037	0.038	0.043	0.046
0.006	0.006	0.005	0.003	0.004
0.059	0.044	0.038	0.037	0.040
-	-	-	-	-
0.036	0.017	0.024	0.031	0.033
0.019	0.018	0.017	0.017	0.018
0.064	0.059	0.057	0.057	0.061
<u>0.706</u>	<u>0.687</u>	<u>0.701</u>	<u>0.716</u>	<u>0.792</u>
0.180 - 1.426	0.175 - 1.409	0.178 - 1.447	0.180 - 1.487	0.192 - 1.707
3.446 - 4.677	3.378 - 4.609	3.172 - 4.693	3.274 - 4.791	3.503 - 5.226
1.919 - 3.754	1.869 - 3.714	1.891 - 3.794	1.956 - 3.933	2.154 - 4.229
1.599 - 2.154	1.552 - 2.149	1.559 - 2.241	1.625 - 2.279	1.780 - 2.510
0.274 - 0.491	0.263 - 0.478	0.258 - 0.436	0.274 - 0.467	0.278 - 0.454
0.143	0.174	0.173	0.178	0.196
0.102 - 0.644	0.098 - 0.629	0.099 - 0.647	0.101 - 0.658	0.123 - 0.708
0.031 - 0.524	0.032 - 0.508	0.029 - 0.528	0.032 - 0.535	0.034 - 0.575
0.189 - 0.623	0.184 - 0.612	0.188 - 0.638	0.193 - 0.637	0.213 - 0.718
0.071 - 0.395	0.069 - 0.383	0.071 - 0.392	0.072 - 0.391	0.078 - 0.419
0.044 - 0.056	0.049 - 0.054	0.056 - 0.057	0.057	0.062 - 0.066
0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.009
0.200	0.195	0.199	0.200	0.200

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

Taxpayer	Year Taxes Payable			Year Taxes Payable		
	2011		Percentage of Total Assessed Value	2002		Percentage of Total Assessed Value
Assessed Value	Rank	Assessed Value		Assessed Value	Rank	
Wal-Mart Stores, Inc.	\$ 20,737,656	1	0.20 %	\$ 7,016,912	4	0.11 %
Nimed Corp.	17,883,634	2	0.18	-	-	-
Inland Real Estate Corp.	10,819,885	3	0.11	-	-	-
Sky Ridge Partners LP	9,818,982	4	0.10	-	-	-
Rubloff	9,739,786	5	0.10	-	-	-
DDR McHenry SQ	9,662,342	6	0.10	-	-	-
Centro Bradley	9,623,642	7	0.09	-	-	-
Menard Inc.	8,876,100	8	0.09	-	-	-
Target Corp. (Dayton Hudson)	8,177,498	9	0.08	4,919,003	9	0.08
Meijer Stores	7,484,992	10	0.07	-	-	-
Motorola	-	-	-	20,997,900	1	0.34
Bradley Real Estate	-	-	-	8,450,570	2	0.14
Freed Joseph J/Assoc Inc.	-	-	-	7,228,905	3	0.12
Terra Cotta Realty Co.	-	-	-	6,271,968	5	0.10
Cunat Bros. Inc.	-	-	-	5,424,887	6	0.09
Fountains	-	-	-	5,220,465	7	0.08
Follet	-	-	-	5,191,995	8	0.08
Home Depot USA Inc.	-	-	-	4,716,498	10	0.08
	<u>\$ 112,824,517</u>		<u>1.12 %</u>	<u>\$ 75,439,103</u>		<u>1.22 %</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
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	19,952	73,449,700	99.81
2010	74,443,780	74,299,194	99.81	19,534	74,318,728	99.83
2011	76,846,500	76,659,934	99.76	-	76,659,934	99.76

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			
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	0.36	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	0.78	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	0.72	260.74
2010	-	72,045,000	647,074	-	9,555,000	-	-	82,247,074	0.68	266.38
2011	-	63,540,000	2,607,332	-	8,915,000	-	57,613	75,119,945	0.59	243.15

Note: Details regarding the County's outstanding debt can be found in the notes to financial statements.
See Demographic and Economic Statistics at page 189 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		
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
2010	-	81,600,000	-	81,600,000	0.26	264.28
2011	-	72,455,000	-	72,455,000	0.25	234.52

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 179 for property value data.
See Demographic and Economic Statistics at page 189 for population data.

County of McHenry, Illinois
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
November 30, 2011

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct			
County of McHenry	\$ <u>66,632,000</u>	<u>100.0 %</u>	\$ <u>66,632,000</u>
Overlapping			
Municipalities	152,141,000	6.3 - 100.0	132,502,000
Unit School Districts	908,041,000	0.1 - 100.0	405,748,000
Elementary School Districts	134,419,000	93.6 - 100.0	131,230,000
High School Districts	68,928,000	98.5 - 100.0	68,587,000
Community College Districts	458,331,000	0.1 - 96.4	21,308,000
Conservation District	150,556,000	100.0	150,556,000
Township and Road Districts	3,195,000	100.0	3,195,000
Park Districts	39,504,000	80.2 - 100.0	35,954,000
Fire Protection Districts	19,757,000	6.5 - 100.0	14,247,000
Library Districts	23,310,000	2.4 - 100.0	<u>7,610,000</u>
Total Overlapping			<u>970,937,000</u>
Total Direct and Overlapping Debt			<u>\$ <u>1,037,569,000</u></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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit	\$ 166,474,505	\$ 183,034,172	\$ 202,306,811	\$ 221,534,504	\$ 246,234,032	\$ 270,925,343	\$ 291,982,711	302,641,027	300,023,024	279,665,081
Less: total debt applicable to limit	<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>	<u>(40,805,000)</u>	<u>(35,715,000)</u>
Legal debt margin	<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>	<u>\$ 259,218,024</u>	<u>\$ 243,950,081</u>
Total debt applicable to limit as a percentage of debt limit	% <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> %	% <u>13.60</u> %	% <u>12.77</u> %

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed valuation (2010 tax year)	\$ <u>9,727,481,075</u>
Debt limitation (2.875% of assessed valuation)	<u>279,665,081</u>
Debt outstanding	
Debt Certificates	72,455,000
Capital Leases	<u>2,664,945</u>
Subtotal	75,119,945
Less: debt not subject to limitation	<u>(39,404,945)</u>
Total debt applicable to limit	<u>35,715,000</u>
Debt limit margin	\$ <u>243,950,081</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	
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	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-

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 were 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	
2002	277,710	\$ 9,442,365,000	\$ 34,001	48,356	3,475	5.6	%
2003	286,091	9,847,911,000	34,422	50,097	3,654	5.9	
2004	296,389	10,341,849,000	34,893	51,535	3,638	5.2	
2005	303,990	10,912,279,000	35,897	53,235	3,350	5.1	
2006	312,373	11,775,935,000	37,698	53,917	3,142	3.7	
2007	315,943	12,083,131,000	38,245	54,256	3,523	4.3	
2008	318,641	12,343,391,000	38,738	54,350	3,742	5.8	
2009	320,961	11,690,603,000	36,424	54,080	3,648	9.6	
2010	308,760	12,182,042,000	39,455	53,179	3,456	9.6	
2011	308,944	12,701,822,000	41,114	52,875	3,438	9.4	

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	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Centegra Health System	3,695	1	2.33 %	2,543	1	1.72 %
Wal-Mart	2,200	2	1.39	-	-	-
Follett Library Resources, Inc.	1,513	3	0.96	906	6	0.61
Jewel Osco	1,400	4	0.88	-	-	-
County of McHenry	1,387	5	0.88	1,075	3	0.73
McHenry County College	963	6	0.61	-	-	-
Mercy Health System	694	7	0.44	-	-	-
Catalent Pharma Solutions	650	8	0.41	-	-	-
Brown Printing	650	9	0.41	-	-	-
Snap-on, Inc.	635	10	0.40	-	-	-
Motorola, Inc.	-	-	-	1,595	2	1.08
Dana Corp/Brake Parts Inc.	-	-	-	1,000	4	0.68
Intermatic, Inc.	-	-	-	1,000	5	0.68
Manpower	-	-	-	650	7	0.44
Tru Serv Corp.	-	-	-	650	8	0.44
Knaack Manufacturing Co.	-	-	-	580	9	0.39
Black Dot Group	-	-	-	560	10	0.38
	<u>13,787</u>		<u>8.70 %</u>	<u>10,559</u>		<u>7.16 %</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,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General and administrative	179.3	184.0	195.7	196.8	201.7	203.9	213.3	208.2	207.3	205.4
Community development	26.0	23.0	22.0	20.0	23.6	25.1	23.5	27.0	28.0	26.9
Transportation	33.0	36.0	38.0	48.0	50.5	56.5	59.5	57.4	56.4	60.0
Public safety	285.5	296.5	316.9	377.5	382.5	394.2	404.9	400.1	401.0	402.7
Judiciary and court related	177.0	173.6	175.1	175.0	194.8	211.5	212.1	208.4	214.9	207.0
Public health and welfare	233.6	252.0	267.9	270.3	300.1	302.6	312.2	359.6	358.3	333.1
	<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>	<u>1,265.9</u>	<u>1,235.1</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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General and administrative										
Documents recorded	123,271	173,421	115,446	110,544	96,602	86,224	65,141	63,309	59,651	54,381
Real estate transfer declarations	10,903	11,774	11,225	11,886	9,550	6,811	4,661	3,847	3,809	3,723
Birth certificates issued	1,954	1,859	2,109	2,264	2,213	2,062	2,066	2,020	1,889	1,806
Parcels assessed	127,665	130,547	133,137	136,646	140,899	142,521	147,007	148,679	149,278	149,348
Registered voters	169,530	172,648	186,394	184,315	186,323	189,386	199,378	200,205	202,033	202,494
Tax bills mailed	121,954	124,597	126,796	130,266	134,047	137,723	136,597	137,746	137,857	138,522
Passports applications processed	3,670	3,188	2,627	1,774	1,548	2,528	1,603	1,359	1,067	1,124
Teachers certified	3,475	3,654	3,638	3,350	3,142	3,523	3,742	3,648	3,456	3,438
Community development										
Building permit applications	2,117	1,885	1,798	1,636	1,421	1,430	1,387	1,246	1,086	886
Zoning petitions filed	106	127	131	140	96	100	79	58	51	51
Transportation										
Permits (access, facility, & utility)	161	181	140	104	114	159	108	90	76	105
Lane miles resurfaced	11.7	24.0	22.1	15.3	15.7	15.9	27.3	21.3	28.3	17.6
Public safety										
Incoming 911 calls	31,456	32,694	30,701	31,735	33,187	36,148	35,215	34,597	36,722	39,393
Arrests	2,750	2,907	3,095	3,006	2,556	3,690	3,827	3,622	3,398	3,432
Citations issued	7,636	8,238	10,344	11,223	12,215	14,085	13,294	14,527	13,558	12,322
Inmates processed	5,939	6,509	6,615	6,966	8,513	9,796	10,378	10,216	8,765	8,396
Hazardous material and other emergency responses	41	53	73	51	55	50	55	50	39	26
Judiciary and court related										
Judges	12	12	12	12	13	15	16	16	16	19
Total cases filed	88,808	91,418	89,332	93,338	96,769	105,502	103,207	93,849	90,367	81,058
Jury trials	47	37	36	30	37	60	81	84	80	77
Defendants appointed to public defender	4,209	4,487	4,906	4,826	4,213	4,306	4,979	5,124	4,406	4,179
Charges disposed by public defender	8,159	8,811	10,736	10,450	9,078	8,750	9,914	10,128	9,195	8,912
Public health and welfare										
Food establishment inspections	3,973	4,169	4,485	5,479	5,753	5,680	5,765	4,205	5,612	4,899
Vision screenings	13,184	11,969	12,915	12,577	12,095	11,114	9,629	9,028	7,966	9,135
Hearing screenings	14,152	13,479	15,254	13,989	13,255	13,272	13,126	13,063	11,999	12,381
Nursing home - resident days	41,829	41,027	40,528	40,695	41,181	43,406	44,450	45,186	44,945	44,731
Veterans assistance - new claims awarded	33	34	37	51	58	45	76	97	146	191

Sources: County Departments.

County of McHenry, Illinois
CAPITAL ASSET STATISTICS - BY FUNCTION
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</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>	<u>2010</u>	<u>2011</u>
General and administrative										
Primary buildings	1	2	2	2	2	2	2	2	2	2
Transportation										
Lane miles	495	495	495	495	495	502	490	495	497	497
Street lights	112	114	114	209	233	267	363	363	379	393
Traffic signals	23	24	24	25	27	29	31	32	32	35
Bridges	37	37	37	37	37	37	38	38	41	42
Vehicles	56	61	68	68	69	75	79	76	76	76
Public safety										
Jail inmate capacity	325	325	325	325	620	632	666	666	666	666
Sheriff vehicles	124	145	144	146	165	173	172	186	192	164
Sheriff boats	6	6	6	6	6	6	6	5	5	5
Judiciary and court related										
Courtrooms	12	13	13	13	13	16	16	16	16	18
Public health and welfare										
Nursing home capacity	117	117	117	117	117	127	128	128	128	128
Vehicles - veterans assistance	3	4	4	4	4	4	5	5	5	4

Sources: County Departments.