

County of McHenry, Illinois

Comprehensive Annual Financial Report

For the Fiscal Year Ended November 30, 2010



Energy

Efficiency &

Conservation

Block

Grant



Using cutting edge technology to reduce energy costs.



McHenry County was awarded \$2,475,900 in an Energy Efficiency & Conservation Block Grant (EECBG) on November 11, 2009. This funding was obtained through the American Recovery and Reinvestment Act of 2009. The EECBG program was intended to assist U.S. cities, counties, states, territories, and Indian tribes to develop, promote, implement, and manage energy efficiency and conservation projects and programs designed to:



- Reduce fossil fuel emissions;
- Reduce the total energy use of the eligible entities;
- Improve energy efficiency in the transportation, building, and other appropriate sectors; and
- Create and retain jobs.



Through its partnership with Siemens Building Technologies, the County was able to implement energy saving projects on different buildings throughout the government’s campus. The schedule for these projects started in early 2010 and will be concluded near the middle of 2011. The projects included solar panel installation, daylight harvesting, occupancy sensors in offices, LED parking lot lighting and controls, retro-commissioning, Thermo-Lite windows, updated building automation, skylights, window film installation, boiler replacement, and energy efficiency motor upgrades. During a three month period review conducted in 2010 for energy consumption in the Department of Transportation (DOT) garage, the realization of a reduction of 13% in utility costs was experienced over the same period in 2009 (May, June & July). This \$2,511 quarterly savings was the result of skylights, lighting retrofits, and occupancy sensor installations at DOT.



The solar panels that were installed on the Administration Building’s roof are featured on the front cover of this report. A Green Kiosk is scheduled to be installed in the lobby of the Administration Building in 2011. This touch screen kiosk will educate the public on the monetary savings of the grant projects and display schematics of the building systems that have been upgraded. In addition, a daily report on the energy generated by the solar panels will be available through a query on the kiosk.

Reducing operational energy costs through environmentally sensitive solutions.

In summary, energy savings and upgrades provide the biggest benefit of the work being done through this project and the significant impact our efforts will have on the environment. Through the implementation of “smart” technologies and a comprehensive energy reduction program the work accomplished through this project will:

- Save 743,916 kilo-watt hours of electricity per year;
- Save 14,805 Therms per year;
- Reduce the amount of CO2 exhausted into the atmosphere by 1,655,888 lbs. per year, the equivalent to taking 137.6 cars off the road per year.



County of McHenry, Illinois

Comprehensive Annual Financial Report

For the Year Ended November 30, 2010

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, 2010

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 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
Joseph R. Williams

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



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

April 29, 2011

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended November 30, 2010 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 2010. 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.

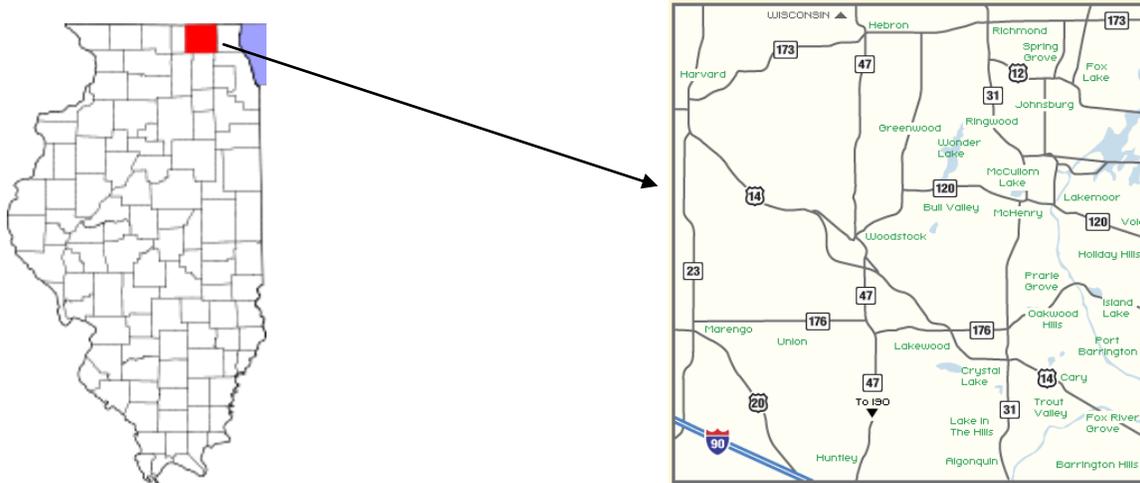
In addition, the Management of the County has the responsibility to establish and maintain accounting policies and procedures and other internal controls for the preparation of complete and accurate County financial statements in accordance with GAAP. Because the cost of internal controls should not 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 2010, and future initiatives of the County.

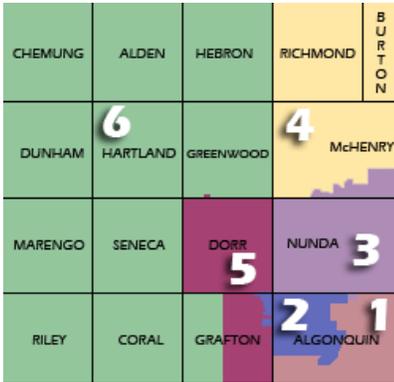
Profile and History of McHenry County, Illinois



McHenry County is located in the northeastern part of Illinois. The County covers a total area of 611 square miles consisting of 603 square miles of land and 8 square miles of water. The population count as of the 2010 census was 308,760 and is discussed in more detail later in this letter. Over 30 communities cover the county with residential growth covering the eastern half and rolling countryside to the west. The County is approximately 50 miles northwest of Chicago and has access to I-90 in the southwest corner of the County. Several state highway routes transect the County (U.S. Highways 12, 14 and 20 and Illinois Routes 23, 31, 47, 62, 120, 173 and 176), making it accessible to areas in northern Illinois or southern Wisconsin. Adjacent counties include Walworth and Kenosha Counties in Wisconsin (north), Lake and Cook Counties (east), Kane and DeKalb Counties (south) and Boone County (west). McHenry County government is based primarily out of Woodstock and County offices and the judicial facilities are located along Illinois Route 47. There are also several state agencies with local offices in Woodstock.

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

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



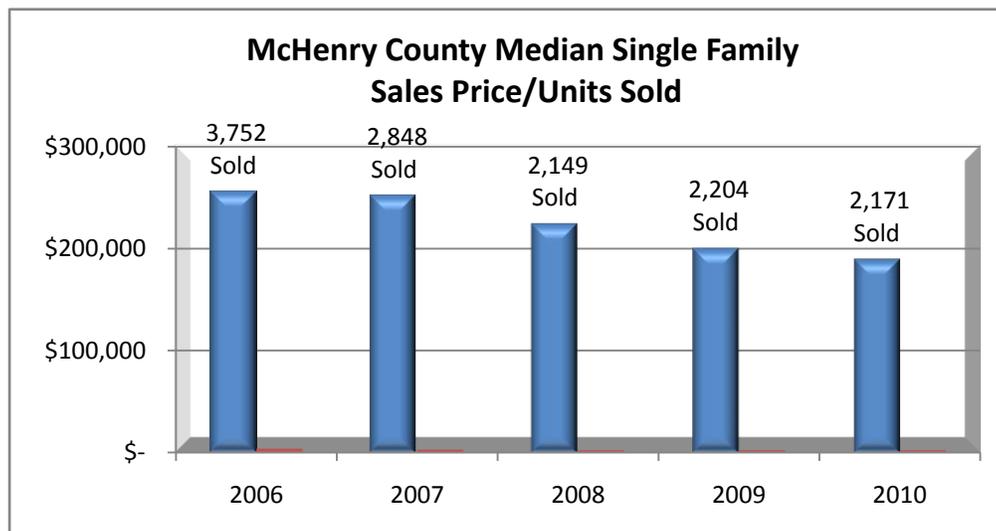
Map of Townships and Districts

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

Economic Condition of McHenry County, Illinois

Local Economy

In 2010, 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 in the years before and during the recession assist in reflecting the decreases in the median price and sales volume as follows:



Source: Illinois Association of Realtors

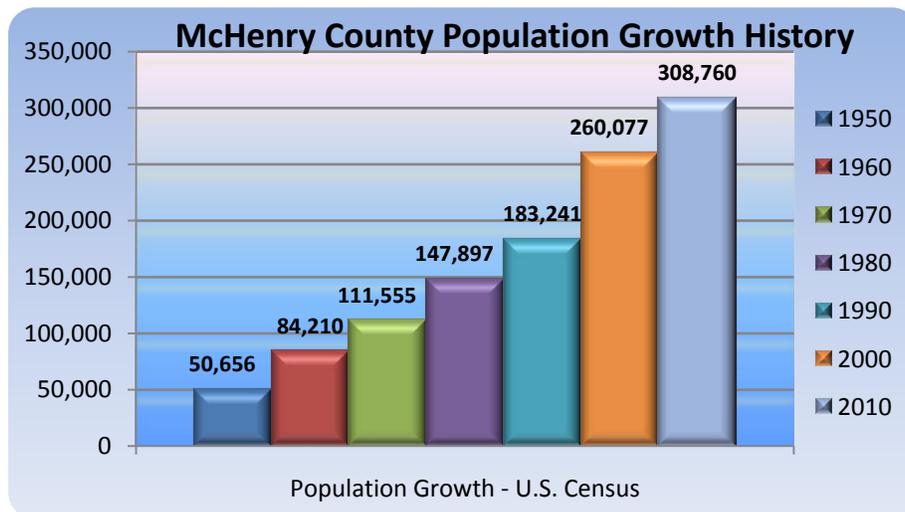
Prior to the recession, the unemployment rate was 4.3% in 2007, with 7,747 unemployed. In 2010, the rate increased to 9.6%, with 17,286 unemployed (see analysis on page x). Total foreclosures in the County as of December 2010 were 5,099 units. Retail sales also dropped as the economy felt the effects of the recession.

Although the recovery has been slow, McHenry County has had positive economic news. Homes sale transactions and prices were up in March 2011 in comparison to February 2011 for the Chicago Primary Metropolitan Statistical Area (PMSA), including McHenry County. The housing sales volume/pricing is expected to increase in 2011, but still under the previous year levels. In March 2011, the unemployment rate improved to 8.9% and the number of unemployed decreased to 16,045. Another positive outlook is that retail sales have started to improve, as evidenced by the County’s receipt of increased revenue from the sales tax.

The median household income as published by the United States Department of Agriculture was 74,699 for 2009 as compared to the State of Illinois’ median household income of \$53,974. In comparison, reported in 2008 was a County median household income of \$79,656 and the State of Illinois’ at \$56,230. McHenry County has the highest median income in northeastern Illinois, according to the McHenry County Economic Development Corporation. McHenry County also has a low poverty rate.

Population Growth

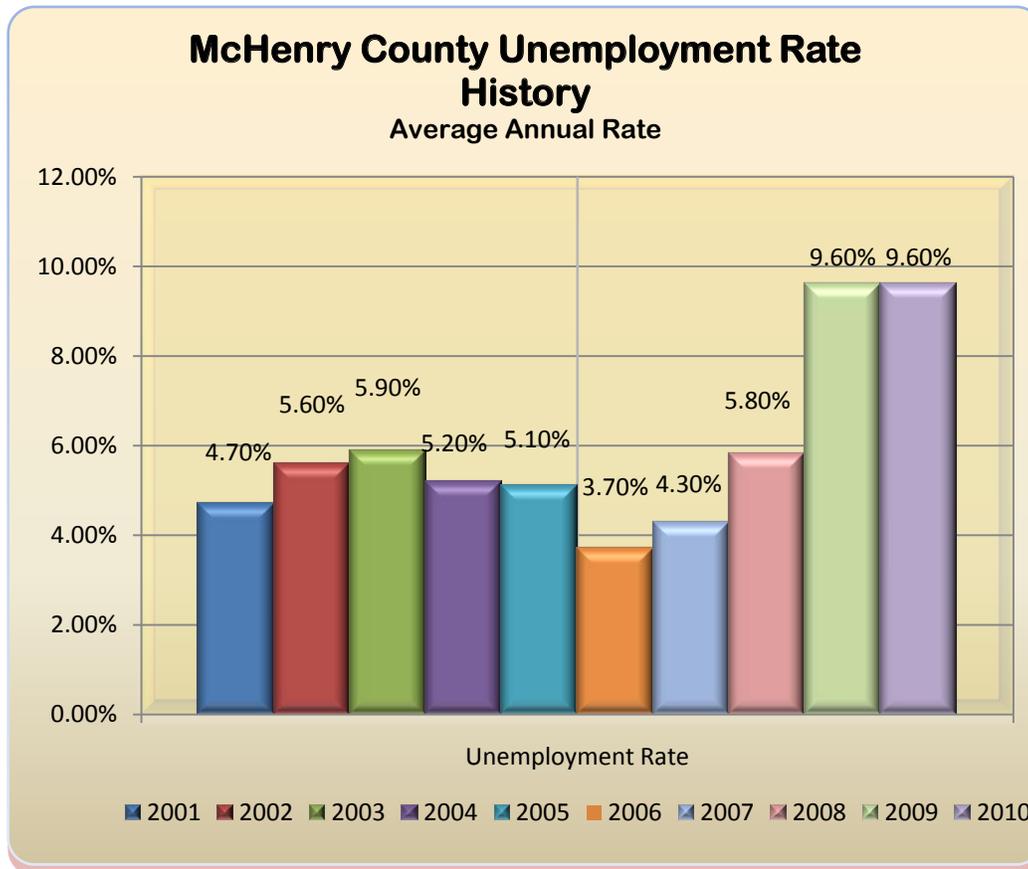
The U.S. Census Bureau’s 2010 census reports the County’s population at 308,760, which continues to place McHenry County as the sixth largest county in Illinois. The County’s population increased by 48,683, or 18.7%, since the last federal census in 2000. The State of Illinois’ population increased by 411,339 residents, or 3.3%, for the same ten year period. McHenry County now ranks 208th in population out of the 3,068 counties nationwide in the 2010 census. Locally, Cook County experienced a population decrease of 182,066, or 3.4%, as compared to a cumulative increase in population of 406,996 by the Chicago collar counties (DuPage, Kane, Lake, McHenry and Will) from 2000 to 2010. The following chart depicts the County’s population growth in 10 year intervals starting with 1950:



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 the 18.7% previously stated for the period of 2000 to 2010.

Unemployment

The County's average annual unemployment rate was 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 10.3% (2010), 10.0% (2009), and 6.4% (2008). The U.S. unemployment rate for 2010 was the same as the County's – 9.6%. In 2010, the total County labor force was 180,783, consisting of 163,497 employed and 17,286 unemployed. This compares to an almost identical total labor force of 180,332 with 162,999 employed and 17,333 unemployed in 2009. 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

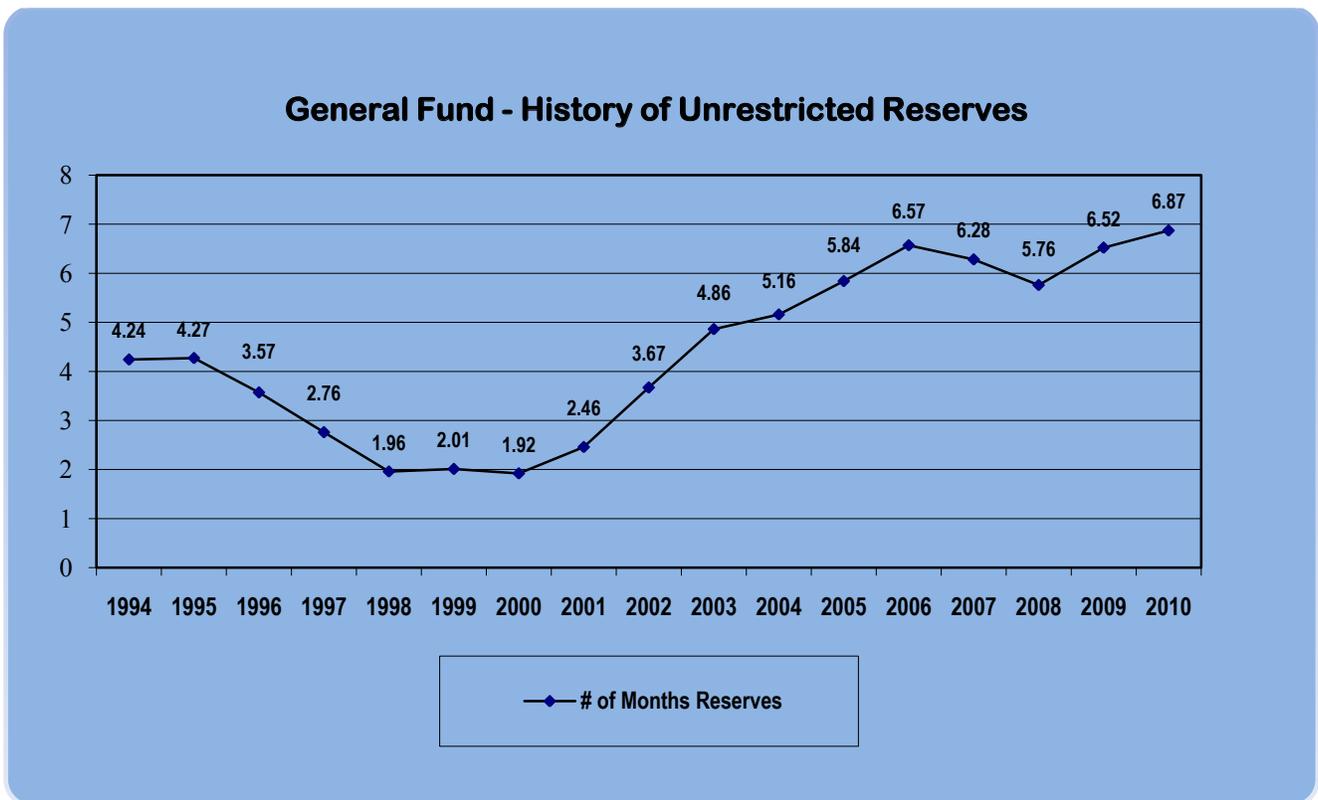
Long-term Financial Planning and Relevant Financial Policies

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

An important tool developed by the County's administration in 2002 is the financial model for the General Fund, which is used to assess the County's condition and to assist in making financial decisions. This model allows the County to manage the budget and conduct long-range planning based upon certain assumptions that are incorporated. The County Board has instructed Administration to maintain a five month unrestricted

cash reserve as a benchmark. The County achieved this benchmark in fiscal year 2004 and has further strengthened the position through fiscal year 2010. Historically, the County dipped to under two months of unrestricted general fund cash reserves in the mid to late 1990s and department heads were asked to make major cuts in their budgets. Through prudent financial operations, a maintenance budget for contractual services and commodities, and producing “what if” scenarios on the financial model for the evaluation of potential major expenditures or programs; the reserves have been built to a conservative level that serves the taxpayers and residents of the County. Also, supplemental requests have been held to a minimum in the economic downturn, addressing only critical needs. Departments have assisted with voluntarily freezing open positions or holding off on projects.

The following chart reflects the General Fund’s unrestricted reserves from 1994 through 2010:



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. This could vary depending on any one time only supplemental requests or expiring grant programs. Supplemental requests are reviewed during the budget process by County Administration, the Committee of the Whole, and the Finance and Audit Committee and ranked by priority based upon overall department needs and the importance. The purpose of the supplemental request in meeting the strategic and financial goals of the County is also considered and the 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

McHenry County adopted its first Strategic Plan in November 1999. Various methods and consultants have been utilized over the years in order for the County Board to come up with new plans. In late 2008, a contract with Public Knowledge, LLC was signed to move strategic planning to a higher level. The County Board adopted a new Strategic Plan in May 2009. The Plan addresses the following six major areas: 1) Transportation and Infrastructure; 2) Growth and Planning; 3) Service Delivery; 4) Revenue and Demand; 5) Livability; and 6) Economic Development and Opportunity. In addition, twenty-one performance measures have been developed and are being tracked for the progress made towards the strategies set forth in the Plan. The Plan and a Performance Report Card are available on the County's website through the following link: <http://www.co.mchenry.il.us/departments/countyboard/Pages/index.aspx>

Major Initiatives

General and Administrative

- The County Board and County Administration continued their efforts to plan for the future needs of the County, while overseeing and monitoring financial operations during the tough economic conditions faced by all governmental bodies. Administration kept the County Board informed through quarterly financial reporting and analyses, while decisions were made during preparation of the 2011 budget to hold the line on expenditures and to carefully analyze revenues. The County Board also formed an Underage Drinking Task Force in September 2010 to partner with parents in strategies that mitigate the problem of underage drinking.
- The County Auditor's Office was notified of the 12th consecutive year of receiving an award from the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. Nationally, 172 counties (with population levels greater than 250,000) out of a total of 3,068 counties received the award for 2009. Another report, the Popular Annual Financial Report (PAFR), received a second consecutive GFOA Award for Outstanding Achievement for the FY2009 report. McHenry County is the first and only county in the State of Illinois to achieve this distinction for the PAFR.
- Facility Management applied for an Energy Efficiency Conservation Block Grant (EECBG) through the American Recovery and Reinvestment Act (ARRA), which was authorized for acceptance by the County

Board in December 2009. The EECBG program was designed to assist with implementing strategies to create jobs, reduce total energy use, and improve energy efficiency in buildings. McHenry County's funds were used to add skylights, install light occupancy sensors, replace parking lot lights with LED high efficiency lighting, upgrade large motors on HVAC units, and retro-fit windows as some of the major projects identified.

- Phyllis Walters, McHenry County Recorder, was contacted by a private party from Springfield, Illinois and was able to receive and restore the very first volume of the McHenry County Commissioners' Court Minutes. This original leather-bound book contained journal dates from June 1, 1837 to March 10, 1848 and had been missing for quite a long time. On June 1, 2010, a public ceremony and dedication of this book was conducted during the County Board meeting.
- The Treasurer moved of their office from the County Administration Building to a remodeled former banking facility at the corner of Rt. 47 and Russell Court. This move not only freed up some needed space in the Administration Building for expansion, but also offers citizens the ability to "drive-up" and pay their real estate taxes and to conduct other transactions with the Treasurer.
- Donna Mayberry retired after 17 years of service as McHenry County Supervisor of Assessments. Mr. Robert Ross was hired to replace Ms. Mayberry in April 2010. The Assessor's Office was kept very busy during 2010 by hearing 5,885 in assessment appeals from taxpayers. This is in comparison to 4,238 appeals in 2009.
- The Human Resource Department stepped up their promotion of the County's Wellness Program for County employees. In addition, contract negotiations were completed with the Coroner and Animal Control units and approved by the County Board.

Transportation

- The McHenry County Division of Transportation (DOT) entered into an intergovernmental agreement with the State of Illinois and appropriated \$24,551,900 for construction of additional projects to the James R. Rakow Road. In addition, an intergovernmental agreement was entered into with the McHenry County Conservation District for construction of a Prairie Trail Bridge over Rakow Road.
- A "Pilot Program" with PACE Suburban Bus Service continued during FY2010 to coordinate Senior Transportation Services and to offer other transportation services with other municipal and township bus programs. This program is administered by the Transportation Planner staff of McDOT.

Community Development

- The McHenry County Housing Commission was created in December 2009 to address current housing issues and to promote and plan for housing and mixed-income developments that meet community and County needs. This Commission was the result of a conference held by concerned community leaders who met to address the foreclosures that were taking place in McHenry County.
- In November 2010, a contract was signed with 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. These funds are being used for the purpose of acquiring and redeveloping foreclosed properties that have negatively impacted the neighborhoods that they exist in. The revitalized properties are then placed back on the market in order to stabilize the neighborhoods. This program helps to match low and moderate income individuals with these homes. Program income received during the project is used for additional NSP activities.
- The McHenry County Geographical Information Systems (GIS) Department partnered with Cook, DuPage, Kane, Lake, and Will Counties, the US Geological Survey (USGS), and the Chicago Metropolitan

Agency for Planning (CMAP) to participate jointly in the Northeast Illinois Joint County Acquisition of Digital Orthoimagery Services of Illinois. This will provide the County with the benefit of new aerial imagery at a lower cost due to the collaborative partnership with all of the agencies participating.

Public Safety

- The McHenry County Sheriff's Department continued work on the CALEA (Commission on Accreditation for Law Enforcement Agencies) process. A new Undersheriff, Andrew Zinke, was selected to replace former Undersheriff Eugene Lowery, who left the County to take a position at the Crystal Lake Police Department after serving as Undersheriff since 2003.
- The County's Emergency Management Agency (EMA) annually receives many grants to assist with emergency preparedness. In addition, EMA worked diligently on gathering departmental Continuity of Operations (COOP) Plans to address steps that will be taken under emergency situations.

Judiciary and Court Related

- The Clerk of the Circuit Court's Office continued to add enhancement in 2010 to the new ICIS (Integrated Case Management System) that was placed on-line in May 2009. These enhancements will serve to connect other judicial and court-related County departments to the software.
- Court Administration presented a program update on the 22nd Judicial Circuit Drug Court Program. The program will be a collaborative effort between the 22nd Circuit, Court Services, the State's Attorney's Office, the Public Defender's Office, and the Sheriff's Department.

Public Health and Welfare

- A new Animal Control Administrator was appointed by the Health Department Board. Lisa Lembke, D.V.M. was appointed to the position in September 2010.
- The McHenry County Mental Health 708 Board obtained financing for the expansion of their current Crystal Lake facility through Recovery Zone Bonds authorized under the American Recovery and Reinvestment Act of 2009. Through an intergovernmental agreement with the County, \$4.0 million was applied and approved by the McHenry County Board. The two-story addition to the existing facility will provide needed space for existing staff and programs and to allow agencies and groups to have spaces to meet.
- The County Board approved the establishment of a Valley Hi Operating Board to govern the Valley Hi Nursing Home in accordance with all applicable laws and regulations and in such a manner that the facility will become self-supporting. The Operating Board consists of seven (7) directors, who meet regularly to oversee operations and set general direction. Earlier in the fiscal year, Mr. Thomas Annarella was appointed as the new Valley Hi Nursing Home Director.

Debt Management and Credit Rating

The County's Debt Issuance policy provides for guidelines and procedures to be used in the issuance and management of McHenry County's debt instruments, as well as an understanding of the tasks, duties and responsibilities of the participants. Included in the policy are how requests are handled, the development of the Five Year Capital Improvement Plan annually, the selection of consultants, counsel and underwriters, and arbitrage. In December 2009, the County issued \$11.6 million in General Obligation Long Term Debt Certificates for building construction, information technology projects, and a partial advanced refunding of previously issued debt certificates. Further information on this debt issuance 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 McHenry County Regional Planning Commission first met on November 9, 2006 to begin planning on the 2030 Land Use Plan. The 2030 Plan was adopted subsequently 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. This 2030 Plan updates the 2010 Land Use Plan that was adopted in October of 1993.

Federal Legislative Program

The McHenry County Board adopted a Federal Legislative Program in January 2010 for Federal Fiscal Year 2011. This program relies on the assistance of the McHenry County Congressional Delegation. The major points of the program includes funding for work associated with the County's Groundwater/Stormwater Strategic Protection Plan; requests for two major road projects in an effort to improve the County's transportation system; federal technology funds for the Sheriff's Office to manage activities associated with public safety and criminal justice services; and a funding request for the Educational C.L.I.M.M.B. (*Capacity for Learning In Multiple Modes and Bridges*) Initiative. This latter program is to provide the County's workforce with proven career ladders and to increase degree attainment by expanding the capacity of and infrastructure at McHenry County College (MCC). The program is a collaborative effort between McHenry County, the McHenry County Economic Development Corporation, and MCC.

The Legislative Program also brings forth McHenry County's policy concerns for unfunded mandates, National Environmental Protection Act (NEPA) Requirements, Workforce Investment Act (WIA) Reauthorization, and Local Workforce Investment Area (LWIA) Changes.

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, 2009. This was the twelfth consecutive year that the county has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. The GFOA award is valid for a period of one year. I believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to thank the entire Auditor's Office staff for their contributions to both the financial accounting process and their related work on the audit. Especially, I would like to recognize Financial Reporting Manager Jim Bernier, who has made valuable contributions to the issuance of this report. Each year, Mr. Bernier coordinates the audit process and has brought greater efficiencies into the CAFR production. Also, I 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 from our independent auditors, Baker Tilly Virchow Krause, LLP, is also greatly appreciated and enables the County to complete this report for viewing by the citizens and other interested parties.

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, 2009

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.



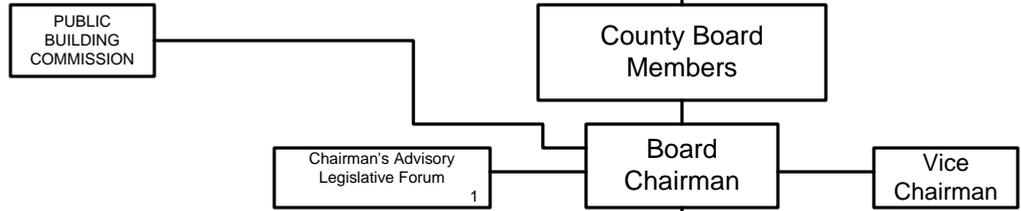
President

Executive Director

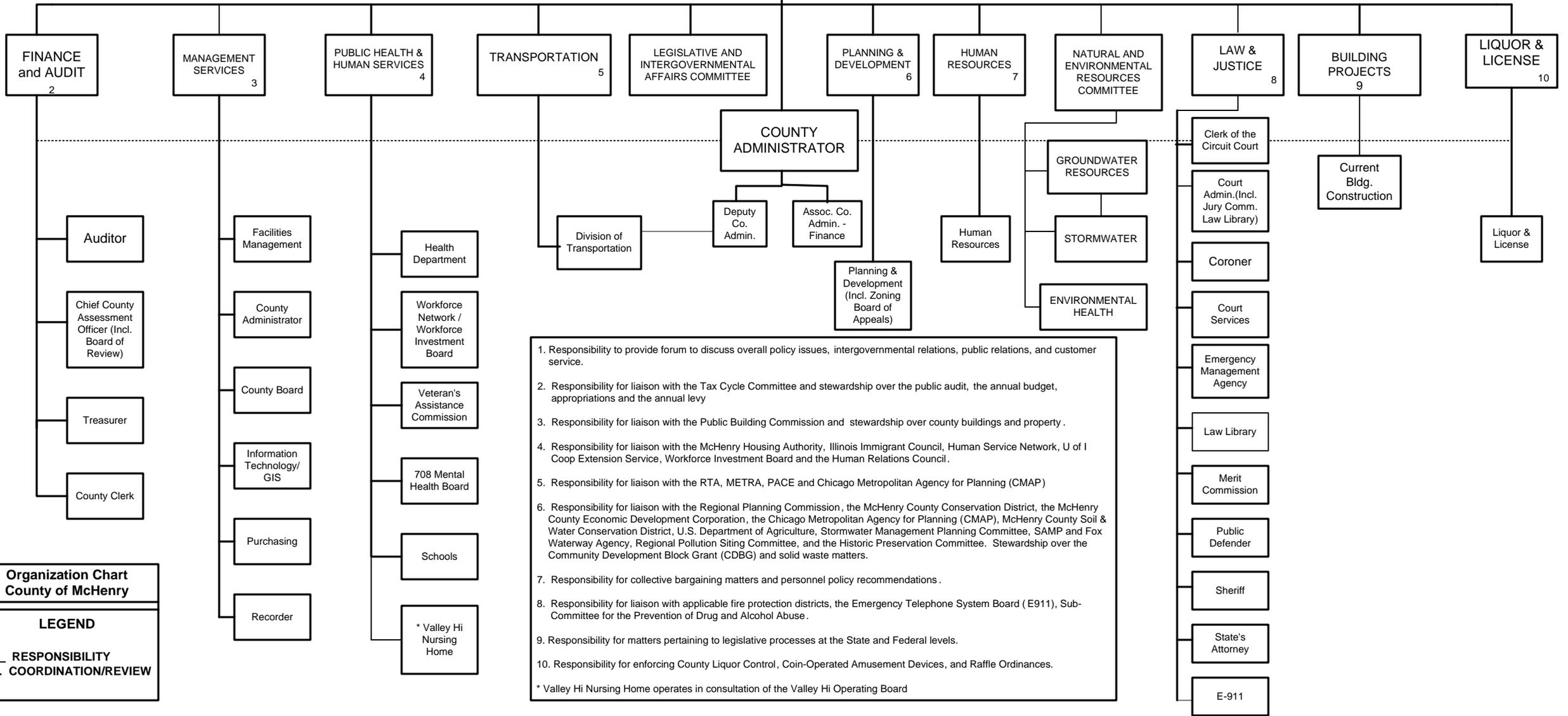


VOTERS of McHENRY COUNTY

- 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



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

XVIII

**Organization Chart
County of McHenry**

LEGEND

— RESPONSIBILITY
 COORDINATION/REVIEW

FINANCIAL

INDEPENDENT AUDITORS' REPORT



Baker Tilly Virchow Krause, LLP
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Chicago, IL 60601-5927
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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, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of McHenry, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Building Commission's Debt Service Fund (Blended Component Unit), which represents .07 percent, .09 percent and .01 percent, respectively, of the assets, fund balances, and revenues of the other governmental funds. We also did not audit the financial statements of the Conservation District (Discretely Presented Component Unit), which represent 100 percent of the assets, net assets, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Building Commission's Debt Service Fund (Blended Component Unit) and the Conservation District (Discretely Presented Component Unit), is based on the reports of the other auditors. The prior year summarized comparative information has been derived from the County's 2009 financial statements and, in our report dated May 10, 2010, we and other auditors expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

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

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of McHenry, Illinois, as of November 30, 2010, 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.

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

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

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

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

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
April 29, 2011



County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2010

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, 2010. 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 \$400.7 million, as of November 30, 2010. Of this amount, \$217.7 million represents net assets invested in capital assets, net of related debt, \$109.4 million represents net assets restricted for specific activities, and \$73.6 million represents unrestricted net assets. \$364.6 million represents net assets for governmental activities and \$36.1 million represents net assets for business-type activities.
- Net assets increased by \$15.4 million for governmental activities and increased by \$4.5 million for business-type activities, for the fiscal year ended November 30, 2010.
- The County's governmental funds reported combined ending fund balances of \$156.9 million, as of November 30, 2010. \$40.9 million represents reserved fund balance (legal restrictions on spending and resources not available for spending) and \$116.0 million represents unreserved fund balance (resources available for spending at the County's discretion).
- Unreserved fund balance for the General Fund was \$47.5 million, as of November 30, 2010, compared to \$44.9 million as of November 30, 2009, which represents an increase of \$2.6 million or 5.8%. The unreserved fund balance represents 61.8% of total General Fund expenditures of \$76.8 million for the fiscal year ended November 30, 2010.
- Governmental activities long-term obligations (excluding compensated absences, deferred debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) totaled \$72.7 million, as of November 30, 2010, compared to \$73.1 million as of November 30, 2009, which represents a net decrease of \$0.4 million or 0.5%. During the year, debt certificates were issued in the amount of \$11.6 million for the construction of a new County archive facility, the purchase of a new local area network and storage area network, the expansion of a courtroom, the partial advanced refunding of the Series 2002 A debt certificates, and the expansion of the County mental health facility. Business-type activities long-term obligations (excluding compensated absences and other post-employment benefit obligation) totaled \$9.6 million as of November 30, 2010, compared to \$10.5 million as of November 30, 2009, which represents a decrease of \$0.9 million or 8.6%. The County is \$259.2 million below its authorized debt limit as of November 30, 2010.

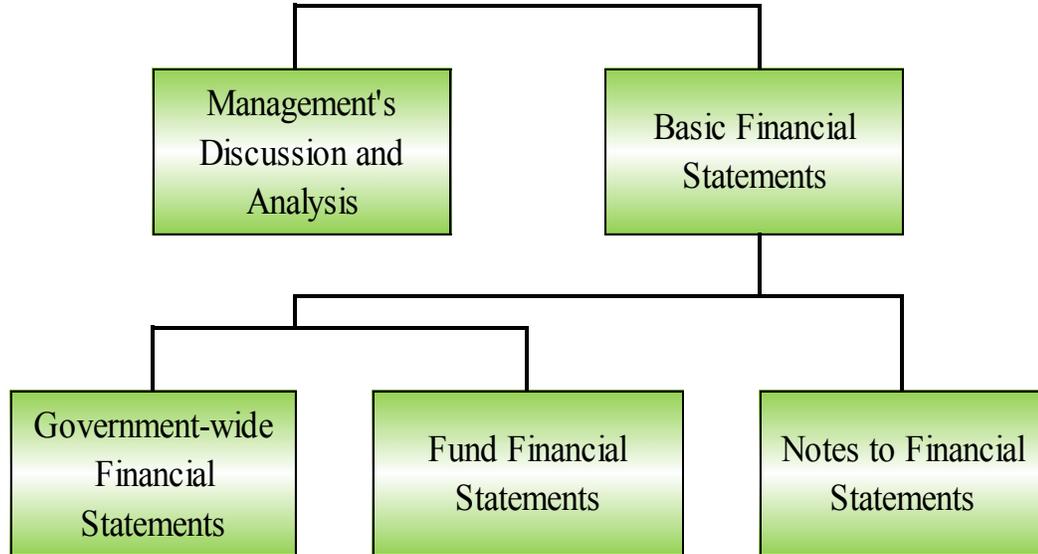
OVERVIEW OF THE FINANCIAL STATEMENTS

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, 2010

Required Components of the Comprehensive Annual Financial Report



Basic Financial Statements (BFS)

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

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

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

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

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

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2010

Government-wide Financial Statements (GWFS)

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

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

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

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

Fund Financial Statements (FFS)

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

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

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2010

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 2010 are the General Fund, the Motor Fuel Tax Fund, and the County Mental Health Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section.

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

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

Proprietary FFS provide more detailed information than the business-type activities on the government-wide financial statements. The proprietary fund financial statements provide separate information for enterprise funds that are considered to be major funds. The Enterprise fund considered to be major for fiscal year 2010 is the Valley Hi Fund. Data for the other enterprise fund, the 911 Fund, is considered to be nonmajor. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements in the supplementary information section.

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

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

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

Notes to Financial Statements

The notes 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 - 57 of this report.

Other information

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

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2010

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

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

The RSI and supplementary information section can be found on pages 58 - 167 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 \$400.7 million, as of November 30, 2010, as compared to net assets of \$380.7 million as of November 30, 2009; an increase of \$20.0 million or 5.3%. Of this amount, \$217.7 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. \$109.4 million represents restricted net assets, which are resources that are subject to external restrictions on how they may be used. Finally, \$73.6 million represents unrestricted net assets. \$364.6 million represents net assets for governmental activities and \$36.1 million represents net assets for business-type activities.

The following table reflects the condensed Statement of Net Assets as of November 30, 2010:

**Statement of Net Assets
November 30, 2010**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	2010	2009	2010	2009	2010	2009
Assets						
Current assets	\$ 268,184,289	\$ 261,486,808	\$ 35,755,651	\$ 31,444,026	\$ 303,939,940	\$ 292,930,834
Capital assets	269,123,910	258,465,791	17,264,277	17,828,880	286,388,187	276,294,671
Other assets	431,239	297,679	137,728	150,248	568,967	447,927
Total assets	<u>537,739,438</u>	<u>520,250,278</u>	<u>53,157,656</u>	<u>49,423,154</u>	<u>590,897,094</u>	<u>569,673,432</u>
Liabilities						
Current liabilities	100,193,429	98,373,604	7,952,579	8,145,133	108,146,008	106,518,737
Noncurrent liabilities	72,996,664	72,739,668	9,101,973	9,720,148	82,098,637	82,459,816
Total liabilities	<u>173,190,093</u>	<u>171,113,272</u>	<u>17,054,552</u>	<u>17,865,281</u>	<u>190,244,645</u>	<u>188,978,553</u>
Net Assets						
Invested in capital assets, net of related debt	209,970,975	193,667,253	7,709,277	7,291,886	217,680,252	200,959,139
Restricted	108,727,129	110,628,189	693,237	492,746	109,420,366	111,120,935
Unrestricted	45,851,241	44,841,564	27,700,590	23,773,241	73,551,831	68,614,805
Total net assets	<u>\$ 364,549,345</u>	<u>\$ 349,137,006</u>	<u>\$ 36,103,104</u>	<u>\$ 31,557,873</u>	<u>\$ 400,652,449</u>	<u>\$ 380,694,879</u>

County of McHenry, Illinois
 Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2010

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, 2010:

Changes in Net Assets
For the Fiscal Year Ended November 30, 2010

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for services	\$ 31,027,556	\$ 31,194,233	\$ 10,921,674	\$ 10,857,034	\$ 41,949,230	\$ 42,051,267
Operating grants and contributions	32,636,359	31,454,008	-	-	32,636,359	31,454,008
Capital grants and contributions	1,206,453	5,778,791	-	-	1,206,453	5,778,791
General Revenues						
Property taxes	68,390,469	67,859,666	5,919,050	5,994,282	74,309,519	73,853,948
Sales taxes	16,704,187	15,983,268	-	-	16,704,187	15,983,268
State income taxes	4,880,880	5,603,268	-	-	4,880,880	5,603,268
Tax transfer stamps	1,203,780	1,232,451	-	-	1,203,780	1,232,451
Other taxes	1,744,807	1,763,703	-	-	1,744,807	1,763,703
Investment income	423,535	584,228	121,309	182,350	544,844	766,578
Gain on sale of capital assets	-	44,558	-	-	-	44,558
Miscellaneous	837,572	565,895	-	-	837,572	565,895
Total Revenues	<u>159,055,598</u>	<u>162,064,069</u>	<u>16,962,033</u>	<u>17,033,666</u>	<u>176,017,631</u>	<u>179,097,735</u>
Expenses						
General and administrative	34,857,021	32,184,476	-	-	34,857,021	32,184,476
Community development	7,364,952	3,027,001	-	-	7,364,952	3,027,001
Transportation	17,782,366	18,281,173	-	-	17,782,366	18,281,173
Public safety	38,047,322	38,590,241	2,331,714	2,315,535	40,379,036	40,905,776
Judiciary and court related	13,778,713	13,604,193	-	-	13,778,713	13,604,193
Public health and welfare	28,710,653	28,574,453	10,085,088	10,042,346	38,795,741	38,616,799
Interest and fiscal charges	3,102,232	3,182,260	-	-	3,102,232	3,182,260
Total expenses	<u>143,643,259</u>	<u>137,443,797</u>	<u>12,416,802</u>	<u>12,357,881</u>	<u>156,060,061</u>	<u>149,801,678</u>
Changes in net assets	15,412,339	24,620,272	4,545,231	4,675,785	19,957,570	29,296,057
Net assets at beginning year	349,137,006	324,516,734	31,557,873	26,882,088	380,694,879	351,398,822
Net assets at end of year	<u>\$ 364,549,345</u>	<u>\$ 349,137,006</u>	<u>\$ 36,103,104</u>	<u>\$ 31,557,873</u>	<u>\$ 400,652,449</u>	<u>\$ 380,694,879</u>

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

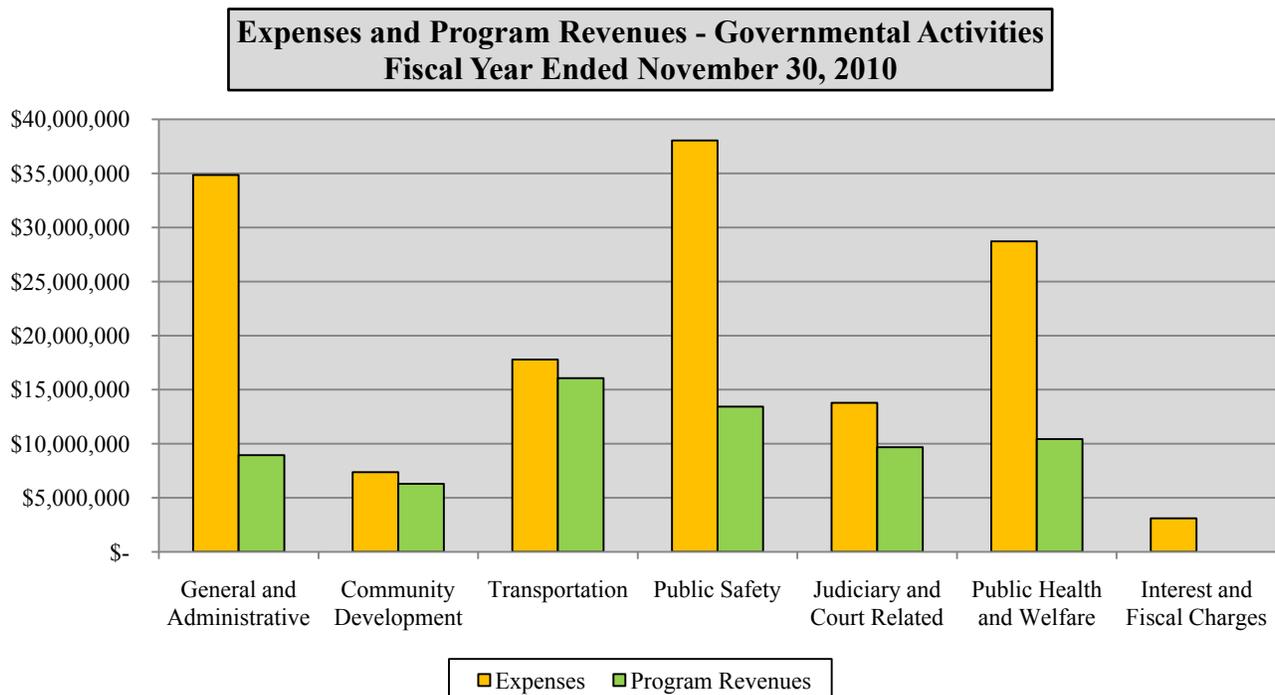
Governmental activities:

Net assets for governmental activities increased by \$15.4 million during fiscal year 2010. In total, revenues decreased \$3.0 million or 1.9%, from \$162.1 million for fiscal year 2009 to \$159.1 million for fiscal year 2010. Noteworthy changes related to revenues were as follows: 1) Operating grants and contributions increased by \$1.1 million or 3.5%, 2) Capital grants and contributions decreased by \$4.6 million or 79.3%, and 3) State income taxes decreased by \$0.7 million or 12.5%. The reasons for these noteworthy changes are explained as follows:

County of McHenry, Illinois
 Management's Discussion and Analysis (MD&A) (Unaudited)
 For the Year Ended November 30, 2010

- Operating grants and contributions increased from \$31.5 million for fiscal year 2009 to \$32.6 million for fiscal year 2010; an increase of \$1.1 million or 3.5%. The largest individual increase is for community development grants, which increased from \$1.5 million for fiscal year 2009 to \$5.8 million for fiscal year 2010, an increase of \$4.3 million or 286.7%. Grant programs in this category include the Community Development Block Grant (CDBG), Home Investment Partnership Grant (HOME), Neighborhood Stabilization Program (NSP), and Homelessness Prevention and Rapid Re-housing Program (HPRP). NSP and HPRP are new programs that had significant activity beginning in fiscal year 2010.
- Capital grants and contributions decreased from \$5.8 million for fiscal year 2009 to \$1.2 million for fiscal year 2010; a decrease of \$4.6 million or 79.3%. 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 was one major contribution in fiscal year 2009, \$3.8 million for the realignment of Pyott Road, which is the primary cause for the decrease in fiscal year 2010.
- State income taxes decreased from \$5.6 million for fiscal year 2009 to \$4.9 million for fiscal year 2010; a decrease of \$0.7 million or 12.5%. A critical factor that impacts state income taxes is the unemployment rate. The unemployment rate for the County was 9.6% in fiscal year 2009 and 2010. However, the unemployment rate actually peaked during the first five months of 2010, when it averaged 10.9%, compared to 9.3% for the same period during 2009. The high unemployment rate during the first part of 2010 corresponds with the overall decrease in state income taxes.

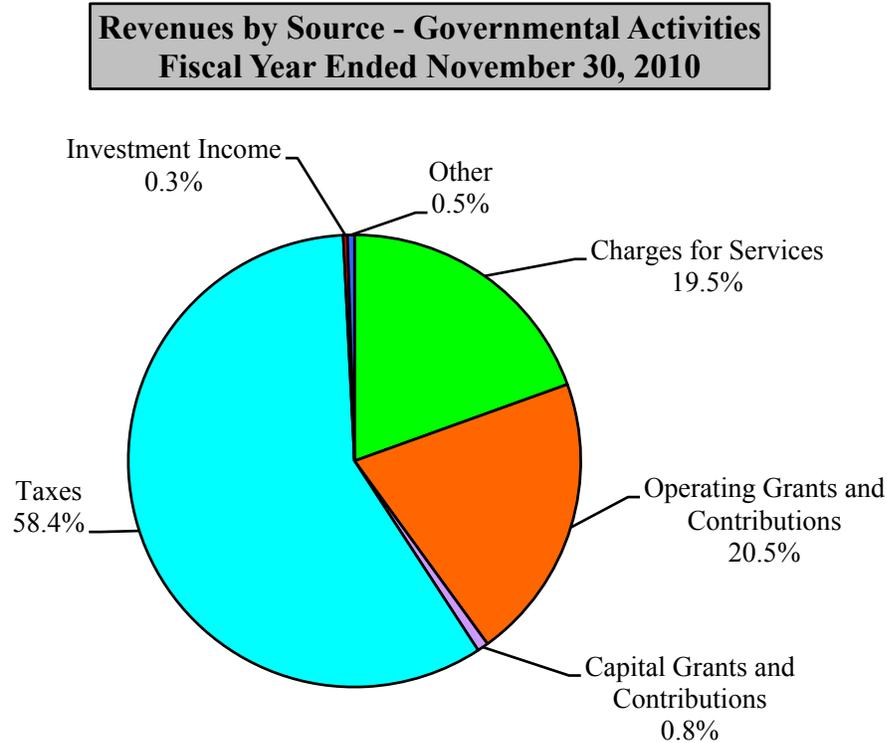
The following chart depicts the expenses and related program revenues by function for the County's governmental activities for the fiscal year ended November 30, 2010:



See analysis of governmental activities expenses on page XI.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2010

The following chart reflects revenues by source for governmental activities for the fiscal year ended November 30, 2010:



As previously mentioned, revenues from governmental activities totaled \$159.1 million for the fiscal year ended November 30, 2010. Taxes (\$92.9 million, or 58.4%) represent the largest revenue source. Property taxes and sales taxes represent the two largest sources of tax revenues. Property taxes totaled \$68.4 million or 73.6% of taxes and sales taxes totaled \$16.7 million or 18.0% of taxes, for a combined total of \$85.1 million or 91.6% of taxes. Other tax revenues include state income taxes, tax transfer stamps, and local use taxes.

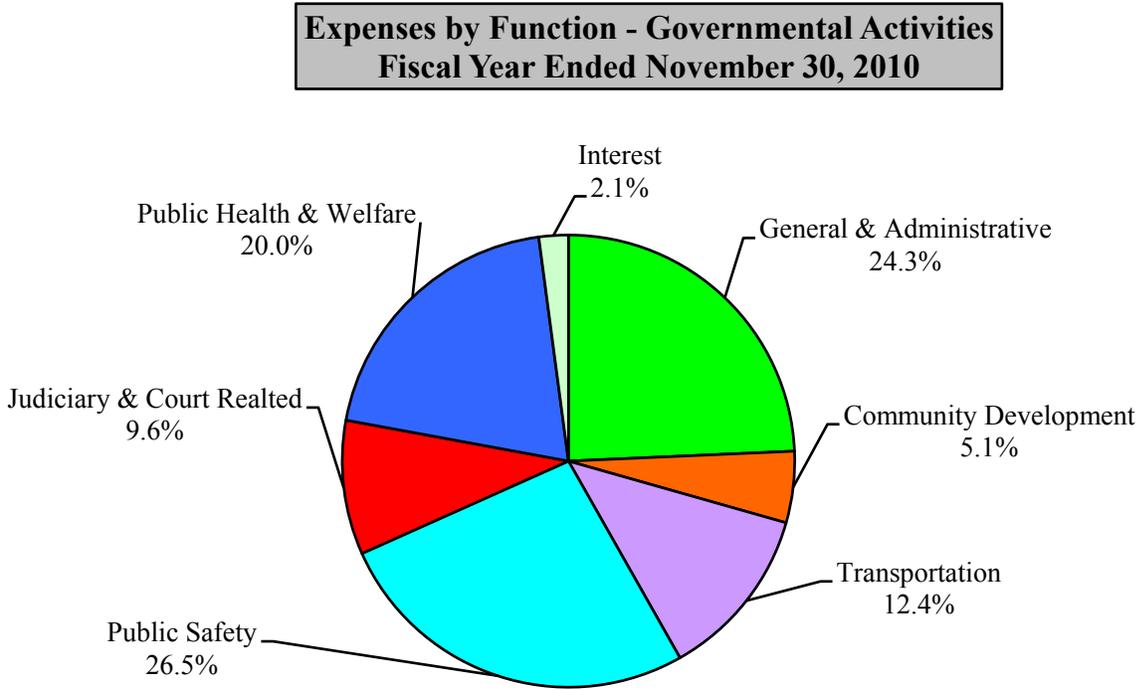
Operating grants and contributions (\$32.6 million, or 20.5%) represents the second largest revenue source. Operating grants and contributions consist of grants obtained by the following departments: Health Department, Mental Health Department, Workforce Network, Planning and Development, Facilities 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.

Charges for services (\$31.0 million, or 19.5%) represents the third largest revenue source. Charges for services are derived mainly from recording fees, jail space rental, Circuit Clerk fees, penalties on delinquent taxes, cable franchise fees, court security fees, sale of animal control tags, and various fees collected for automation and document storage within the Recorder's Office and the Clerk of the Circuit Court Office.

Capital grants and contributions (\$1.2 million, or 0.8%) represent donations of land, highways, and other capital assets, primarily from developers. Significant contributions include \$0.2 million for new access and roadway improvements on Maple Street and Marengo-Huntley Road.

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The following chart reflects expenses by function for governmental activities for the fiscal year ended November 30, 2010:



The largest component of governmental activities expenses is public safety, which totaled \$38.0 million, or 26.5% 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 \$34.9 million, or 24.3% of total governmental activities expenses. Expenses in this category include the following activities: County Board and administration, finance, accounting, treasury, purchasing, human resources, information technology, facility operations, elections, vital records, document recording and retrieval, assessments of real estate, and monitoring and administration of schools throughout the County.

The third largest component of governmental activities expenses is public health and welfare, which totaled \$28.7 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 \$17.8 million, or 12.4% 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 \$13.8 million, or 9.6% 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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For the Year Ended November 30, 2010

The sixth largest component of governmental activities expenses is community development, which totaled \$7.4 million, or 5.1% of total governmental activities expenses. Expenses in this category increased from \$3.0 million for fiscal year 2009; an increase of \$4.4 million or 146.7%. As previously mentioned, community development includes new grant programs (NSP and HPRP) which had significant activity beginning in fiscal year 2010. All community development expenses represent the operations of the Planning and Development Department.

The smallest component of governmental activities expenses is interest, which totaled \$3.1 million, or 2.1% 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, 2010, net assets for business-type activities increased by \$4.5 million, from \$31.6 million at November 30, 2009 to \$36.1 million at November 30, 2010. Total revenues for business-type activities totaled \$17.0 million in fiscal year 2009 and fiscal year 2010. Total expenses for business-type activities totaled \$12.4 million in fiscal year 2009 and fiscal year 2010. The consistent level of revenues and expenses for business-type activities between fiscal year 2009 and fiscal year 2010 reflects a lack of significant changes, capital projects, or other activities that would normally cause a variance.

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 \$3.3 million in fiscal year 2010. Total revenues increased \$3.1 million or 3.9%, from \$80.5 million for fiscal year 2009 to \$83.6 million for fiscal year 2010. The largest increase in revenue is for property taxes, which increased \$2.4 million or 7.6%, from \$31.5 million for fiscal year 2009 to \$33.9 million for fiscal year 2010. The increase in property taxes is due to an increase in the amount of the County's property tax levy. The general fund property tax levy increased from \$31.6 million for fiscal year 2009 to \$34.3 million for fiscal year 2010, an increase of \$2.7 million or 8.5%. Accordingly, the County experienced a collection rate of 98.8% during fiscal year 2010. Total expenditures increased \$1.6 million or 2.1%, from \$75.2 million for fiscal year 2009 to \$76.8 million for fiscal year 2010. The largest increase in expenditures is for public safety, which increased \$1.9 million or 6.6%, from \$28.8 million for fiscal year 2009 to \$30.7 million for fiscal year 2010. The most significant increase within public safety is for Sheriff personnel costs, which increased from \$23.8 million for fiscal year 2009 to \$25.6 million for fiscal year 2010; an increase of \$1.8 million or 7.6%. The majority of the increase in personnel costs is due to union wage increases and an administrative reorganization, which included various promotions. For additional information, see general fund budgetary variances section below.

The Motor Fuel Tax Fund accounts for expenditures for highway maintenance and construction, which is funded by a charge on vehicle fuel purchases. The fund experienced a decrease in fund balance of \$3.2 million in fiscal year 2010. Total revenues increased \$0.9 million or 15.0%, from \$6.0 million for fiscal year 2009 to \$6.9 million for fiscal year 2010. Total expenditures increased \$0.3 million or 4.4%, from \$6.8 million for fiscal year 2009 to \$7.1 million for fiscal year 2010. The primary reason for the increase in expenditures is the timing of various road construction projects. In fiscal year 2010, road construction activity was only slightly greater than in fiscal year 2009. Significant construction projects in fiscal year 2010 include Walkup Road, Alden Road Bridge, and Kishwaukee Valley Road Bridge.

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For the Year Ended November 30, 2010

The County Mental Health Fund accounts for expenditures for administering approved mental health programs. Total fund balance was \$7.2 million at November 30, 2009 and November 30, 2010. Total revenues increased \$0.4 million or 3.3%, from \$12.3 million for fiscal year 2009 to \$12.7 million for fiscal year 2010. Total expenditures increased \$1.3 million or 13.3%, from \$9.8 million for fiscal year 2009 to \$11.1 million for fiscal year 2010. The fund also experienced an increase in transfers out, which are used to provide financial support to other mental health programs, which are primarily supported by grants. Transfers out increased \$0.1 million or 6.7%, from \$1.5 million in fiscal year 2009 to \$1.6 million in fiscal year 2010. The primary reason for the increase in expenditures and transfers out is variation in the level of support needed by grant-funded programs, based on grant match requirements 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 \$4.6 million for fiscal year 2010. However, when considering only the operating revenues and expenses of the fund, the fund experience an operating loss of \$1.0 million for fiscal year 2010, compared to an operating loss of \$1.2 million for fiscal year 2009. 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 2010, which was more than sufficient to offset the operating loss. Therefore, the excess property tax revenue represented an increase to ending net assets. Voters approved a referendum in 2002 authorizing the Valley Hi fund to levy property taxes.

GENERAL FUND BUDGETARY VARIANCES

Revenue Budget: The revenue budget for the general fund was increased by \$0.9 million during fiscal year 2010, through budget amendments approved by the County Board, from the original budget of \$82.6 million to final budget of \$83.5 million. One category represented the entire overall 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. The Sheriff's Office received additional grant funding of \$0.6 million and the Health Department received additional grant funding of \$0.3 million during fiscal year 2010.

Appropriation Budget: The appropriation budget for the general fund was increased by \$2.2 million during fiscal year 2010, through emergency appropriations approved by the County Board, from the original budget of \$79.5 million to the final budget of \$81.7 million. The most significant increase to the appropriation budget was \$0.7 million for open encumbrances that rolled from fiscal year 2009 into fiscal year 2010. The amount of the encumbrance roll is equal to the amount of fund balance reserved for encumbrances as of November 30, 2009. Other increases to the appropriation budget include adjustments related to the items noted in the revenue budget section above: Grants in the Sheriff's Office for \$0.6 million and grants in the Health Department for \$0.3 million.

Budget to Actual – Revenue: Total revenues for the general fund were \$83.6 million, while the final budget totaled \$83.5 million, which is a variance of \$0.1 million. One significant revenue source that had actual revenue in excess of budgeted revenues was sales taxes. Actual revenues for sales taxes of \$9.0 million exceeded the budgeted revenues of \$8.1 million, which is a variance of \$0.9 million. The primary reason for the variance is due to the timing of cash receipts and the County's use of an extended period of time to meet the availability criteria for revenue recognition. One significant revenue source that had budgeted revenues in excess of actual revenue was investment income. Budgeted revenues for investment income was \$0.6 million, compared to actual revenues of \$0.1 million, which is a variance of \$0.5 million. The decrease in investment income was due to a decline in interest rates during fiscal year 2010. Since the County's investments consist primarily of certificates of deposit, changes in market interest rates can greatly impact the County's investment income. CDs returned an average of approximately 0.4% during fiscal year 2010, compared to 1.9% during fiscal year 2009.

County of McHenry, Illinois
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Budget to Actual – Expenditures: Actual expenditures for the general fund totaled \$76.8 million, while the final budget totaled \$81.7 million, which is a variance of \$4.9 million. The individual activity that had the most significant variance was general and administrative, which had expenditures of \$25.7 million, compared to a final budget of \$27.6 million, which is a variance of \$1.9 million. Significant factors related to this variance is health insurance premiums for general fund employees, for which actual expenditures were \$9.6 million, while the final budgeted amount was \$10.0 million, which is a variance of \$0.4 million. Because the County is self-insured for health insurance claims, the budget is based on an estimate of prior years' experiences, but actual expenditures in any given year can vary based the actual volume and types of claims filed. Another significant variance was for open positions and other related personnel budget, for which there was \$0.8 million in unspent budget. Finally, for the purchase of tax transfer stamps from the Illinois Department of Revenue, expenditures totaled \$0.8 million, while the final budget totaled \$0.9 million, which is a variance of \$0.1 million. There was significantly less tax transfer stamp activity from prior years, due to poor economic conditions and a weak housing market.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets – As of November 30, 2010, capital assets, net of accumulated depreciation/amortization, totaled \$269.1 million for governmental activities and \$17.3 million for business-type activities, for a total of \$286.4 million for the County.

Capital Assets
(net of accumulated depreciation/amortization)
November 30, 2010

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	\$ 58,891,305	\$ 49,422,077	\$ 6,000	\$ 6,000	\$ 58,897,305	\$ 49,428,077
Construction in Progress	22,587,388	17,626,349	3,000,632	2,676,761	25,588,020	20,303,110
Buildings and Improvements	62,969,903	63,396,218	12,150,442	12,551,880	75,120,345	75,948,098
Land Improvements	-	-	224,456	238,356	224,456	238,356
Furniture and Fixtures	840,395	909,054	294,565	343,384	1,134,960	1,252,438
Machinery and Equipment	11,400,705	8,763,700	1,217,702	1,420,665	12,618,407	10,184,365
Computer Software	4,059,105	3,772,830	362,860	580,403	4,421,965	4,353,233
Transportation Equipment	1,276,342	982,580	7,620	11,431	1,283,962	994,011
Infrastructure	107,098,767	113,592,983	-	-	107,098,767	113,592,983
Total capital assets	\$ <u>269,123,910</u>	\$ <u>258,465,791</u>	\$ <u>17,264,277</u>	\$ <u>17,828,880</u>	\$ <u>286,388,187</u>	\$ <u>276,294,671</u>

Capital assets, net of accumulated depreciation/amortization, for governmental activities increased from \$258.5 million at November 30, 2009 to \$269.1 million at November 30, 2010; a net increase of \$10.6 million, or 4.1%. Capital asset additions totaled \$20.2 million and depreciation/amortization expense was \$9.5 million. Significant additions include \$6.9 million for road and bridge construction projects, of which \$1.8 million was for Walkup Road, \$0.8 million was for Rakow Road, \$0.7 million was for Alden Road Bridge, and \$0.7 million was for Johnsburg Road. Other significant additions include \$5.0 million for right of way acquisitions, \$2.2 million for computer hardware and software purchases, and \$1.8 million for energy efficiency building improvements. During fiscal year 2010, various projects were placed in service and taken out of construction in progress. Projects placed in service included the Sheriff Starcom radio system for \$4.9 million and the new Treasurer's Office facility for \$1.4 million.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2010

Capital assets, net of accumulated depreciation/amortization, for business-type activities decreased from \$17.8 million at November 30, 2009 to \$17.3 million at November 30, 2010; a net decrease of \$0.5 million, or 2.8%. Capital asset additions totaled \$0.4 million and depreciation/amortization expense was \$0.9 million. The most significant capital asset addition is \$0.3 million for the development of a new software package for the 911 system, which is in construction in progress at November 30, 2010.

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, 2010, Long-term obligations outstanding (excluding compensated absences, deferred debt certificate issuance premiums, claims and judgments, and other post-employment benefit obligation) totaled \$72.7 million for governmental activities and \$9.6 million for business-type activities, for a total of \$82.3 million.

Long-term Obligations
November 30, 2010

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Capital Leases	\$ 647,074	\$ 1,619,735	\$ -	\$ 11,994	\$ 647,074	\$ 1,631,729
Debt Certificates	72,045,000	71,530,000	9,555,000	10,525,000	81,600,000	82,055,000
Total long-term obligations	<u>\$ 72,692,074</u>	<u>\$ 73,149,735</u>	<u>\$ 9,555,000</u>	<u>\$ 10,536,994</u>	<u>\$ 82,247,074</u>	<u>\$ 83,686,729</u>

Current year issuances for governmental activities were as follows: Debt certificates in the amount of \$11.6 million for the construction of a new County archive facility, the purchase of a new local area network and storage area network, the expansion of a courtroom, the partial advanced refunding of the Series 2002 A debt certificates, and the expansion of the County mental health facility.

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

Per state statute, the County is limited to issuing debt in an amount not to exceed 2.875% of the assessed value of the taxable property within the County. However, this limitation does not apply to debt issued for the purpose of building a County court house, jail, or other necessary County buildings and for the accommodation thereof. (50 ILCS 405 - Local Government Debt Limitation Act). As of November 30, 2010, the County's debt limit was \$300.0 million, while actual outstanding debt subject to the limit was \$40.8 million, leaving the County \$259.2 million under the debt limit.

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

For more detailed information on the County's long-term obligations, see Note 6 of the Notes to Financial Statements on pages 34 – 44.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2010

ECONOMIC FACTORS

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

One key factor that affects the County's operating results is population growth. The County's population has increased steadily from 183,241 in 1990, to 260,077 in 2000, and to 308,760 in 2010. 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 913 in 2001 to 1,266 in 2010.

For more detailed statistical information, see the statistical section on pages 168 – 191.

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, 2010

(With Comparative Totals - Primary Government for November 30, 2009)

	Primary Government				Component Unit
	Governmental Activities	Business- Type Activities	Totals		
			2010	2009	
ASSETS					
Current					
Cash and equivalents	\$ 170,298,574	\$ 28,449,262	\$ 198,747,836	\$ 186,154,112	\$ 38,720,876
Cash restricted	-	838,732	838,732	649,434	-
Receivables					
Property taxes	71,807,910	6,000,000	77,807,910	76,804,947	18,277,611
Accounts	-	1,297,486	1,297,486	1,461,940	-
Other	2,247,396	656,596	2,903,992	2,581,829	105,080
Due from other governments	21,304,210	-	21,304,210	23,892,327	1,359,842
Internal balances	1,678,801	(1,678,801)	-	-	-
Prepaid expenses	-	192,376	192,376	181,339	-
Inventory	847,398	-	847,398	1,204,906	-
Total current assets	<u>268,184,289</u>	<u>35,755,651</u>	<u>303,939,940</u>	<u>292,930,834</u>	<u>58,463,409</u>
Noncurrent					
Capital Assets					
Land	58,891,305	6,000	58,897,305	49,428,077	186,610,945
Construction in progress	22,587,388	3,000,632	25,588,020	20,303,110	7,204,833
Capital assets, net of depreciation/amortization	<u>187,645,217</u>	<u>14,257,645</u>	<u>201,902,862</u>	<u>206,563,484</u>	<u>15,310,008</u>
Net Capital Assets	269,123,910	17,264,277	286,388,187	276,294,671	209,125,786
Deferred charges	<u>431,239</u>	<u>137,728</u>	<u>568,967</u>	<u>447,927</u>	<u>965,231</u>
Total noncurrent assets	<u>269,555,149</u>	<u>17,402,005</u>	<u>286,957,154</u>	<u>276,742,598</u>	<u>210,091,017</u>
Total Assets	<u>537,739,438</u>	<u>53,157,656</u>	<u>590,897,094</u>	<u>569,673,432</u>	<u>268,554,426</u>

	Primary Government				Component Unit
	Governmental Activities	Business- Type Activities	Totals		
			2010	2009	
LIABILITIES					
Current					
Accounts payable	\$ 8,724,710	\$ 265,952	\$ 8,990,662	\$ 9,488,871	\$ 1,298,769
Accrued expenses	4,328,649	308,496	4,637,145	3,747,001	1,520,594
Unearned revenue	72,394,404	6,000,000	78,394,404	75,990,337	18,311,211
Due to grantees	276,022	-	276,022	953,471	-
Other liabilities	418,538	681,137	1,099,675	950,209	-
Current portion of long-term obligations	<u>14,051,106</u>	<u>696,994</u>	<u>14,748,100</u>	<u>15,388,848</u>	<u>4,107,908</u>
Total current liabilities	100,193,429	7,952,579	108,146,008	106,518,737	25,238,482
Noncurrent					
Noncurrent portion of long-term obligations	<u>72,996,664</u>	<u>9,101,973</u>	<u>82,098,637</u>	<u>82,459,816</u>	<u>151,227,440</u>
Total Liabilities	<u>173,190,093</u>	<u>17,054,552</u>	<u>190,244,645</u>	<u>188,978,553</u>	<u>176,465,922</u>
NET ASSETS					
Invested in capital assets, net of related debt	209,970,975	7,709,277	217,680,252	200,959,139	73,422,264
Restricted for					
Grant programs	6,349,496	-	6,349,496	6,125,032	-
Transportation systems	77,803,254	-	77,803,254	78,573,610	-
Public welfare programs	11,859,669	-	11,859,669	11,872,092	-
Employee benefits	6,439,741	-	6,439,741	8,604,600	-
Technology improvements	2,963,806	-	2,963,806	2,381,226	-
Judiciary and court related	2,371,482	-	2,371,482	2,199,650	-
Debt service	-	693,237	693,237	492,746	887,966
Tort liability	-	-	-	-	198,200
Working cash - permanently restricted	800,568	-	800,568	800,568	-
Other	139,113	-	139,113	71,411	14,986
Unrestricted	<u>45,851,241</u>	<u>27,700,590</u>	<u>73,551,831</u>	<u>68,614,805</u>	<u>17,565,088</u>
Total Net Assets	<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>

See accompanying notes to financial statements.

County of McHenry, Illinois

STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2010

(With Comparative Totals - Primary Government for the Year Ended November 30, 2009)

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General and administrative	\$ 34,857,021	\$ 6,779,291	\$ 1,984,186	\$ 188,000
Community development	7,364,952	541,192	5,761,516	-
Transportation	17,782,366	69,027	15,006,216	984,453
Public safety	38,047,322	12,120,177	1,282,024	34,000
Judiciary and court related	13,778,713	9,488,739	194,160	-
Public health and welfare	28,710,653	2,029,130	8,408,257	-
Interest and fiscal charges	3,102,232	-	-	-
Total Governmental Activities	143,643,259	31,027,556	32,636,359	1,206,453
Business-Type Activities				
Public health and welfare	10,085,088	8,429,840	-	-
Public safety	2,331,714	2,491,834	-	-
Total Business-Type Activities	12,416,802	10,921,674	-	-
Total Primary Government	\$ 156,060,061	\$ 41,949,230	\$ 32,636,359	\$ 1,206,453
Component Unit				
Conservation District	\$ 16,774,053	\$ 1,085,440	\$ -	\$ 1,376,805
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
		2010	2009	
\$ (25,905,544)	\$ -	\$ (25,905,544)	\$ (25,198,314)	\$ -
(1,062,244)	-	(1,062,244)	(980,953)	-
(1,722,670)	-	(1,722,670)	2,044,870	-
(24,611,121)	-	(24,611,121)	(21,284,781)	-
(4,095,814)	-	(4,095,814)	(3,731,029)	-
(18,273,266)	-	(18,273,266)	(16,684,298)	-
<u>(3,102,232)</u>	<u>-</u>	<u>(3,102,232)</u>	<u>(3,182,260)</u>	<u>-</u>
<u>(78,772,891)</u>	<u>-</u>	<u>(78,772,891)</u>	<u>(69,016,765)</u>	<u>-</u>
-	(1,655,248)	(1,655,248)	(1,845,696)	-
<u>-</u>	<u>160,120</u>	<u>160,120</u>	<u>344,849</u>	<u>-</u>
<u>-</u>	<u>(1,495,128)</u>	<u>(1,495,128)</u>	<u>(1,500,847)</u>	<u>-</u>
<u>(78,772,891)</u>	<u>(1,495,128)</u>	<u>(80,268,019)</u>	<u>(70,517,612)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,311,808)</u>
68,390,469	5,919,050	74,309,519	73,853,948	18,115,161
16,704,187	-	16,704,187	15,983,268	-
4,880,880	-	4,880,880	5,603,268	-
1,203,780	-	1,203,780	1,232,451	-
1,744,807	-	1,744,807	1,763,703	171,891
423,535	121,309	544,844	766,578	928,034
-	-	-	-	8,504
837,572	-	837,572	565,895	231,602
<u>-</u>	<u>-</u>	<u>-</u>	<u>44,558</u>	<u>32,316</u>
<u>94,185,230</u>	<u>6,040,359</u>	<u>100,225,589</u>	<u>99,813,669</u>	<u>19,487,508</u>
15,412,339	4,545,231	19,957,570	29,296,057	5,175,700
<u>349,137,006</u>	<u>31,557,873</u>	<u>380,694,879</u>	<u>351,398,822</u>	<u>86,912,804</u>
<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>

County of McHenry, Illinois

BALANCE SHEET

GOVERNMENTAL FUNDS

November 30, 2010

	General Fund	Motor Fuel Tax Fund	County Mental Health Fund	Other Governmental Funds	Totals
ASSETS					
Cash and equivalents	\$ 46,457,813	\$ 20,639,643	\$ 7,872,602	\$ 79,912,513	\$ 154,882,571
Property taxes receivable	36,275,000	-	12,707,213	18,875,697	67,857,910
Other receivables	447,409	35,018	328,498	1,436,471	2,247,396
Due from other governments	9,969,974	1,243,657	-	10,090,579	21,304,210
Due from other funds	32,881	-	425,180	174,696	632,757
Inventory	210,421	605,460	7,903	23,614	847,398
Advance to other funds	1,729,576	-	-	-	1,729,576
Total Assets	\$ 95,123,074	\$ 22,523,778	\$ 21,341,396	\$ 110,513,570	\$ 249,501,818
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,691,906	\$ 2,071,674	\$ 1,093,322	\$ 3,829,335	\$ 8,686,237
Accrued payroll	1,587,977	-	35,728	1,401,620	3,025,325
Deferred revenues	38,506,145	726,166	13,012,399	24,547,864	76,792,574
Due to other funds	849,349	-	20,369	818,780	1,688,498
Advance from other funds	-	-	-	1,729,576	1,729,576
Due to grantees	-	-	-	276,022	276,022
Other liabilities	418,538	-	-	-	418,538
Total Liabilities	43,053,915	2,797,840	14,161,818	32,603,197	92,616,770
Fund Balances					
Reserved for					
Encumbrances	1,564,814	7,544,683	-	25,689,025	34,798,522
Inventory	210,421	605,460	7,903	23,614	847,398
Non-current receivables	1,729,576	-	9,362	1,313,559	3,052,497
Grant programs	413,491	-	-	290,589	704,080
Sheriff's Office	39,494	-	-	-	39,494
Recorder's Office	52,750	-	-	-	52,750
State's Attorney	17,276	-	-	-	17,276
Court programs	515,523	-	-	-	515,523
Debt service	-	-	-	73,121	73,121
Working cash	-	-	-	800,568	800,568
Unreserved					
Designated for subsequent year's expenditures	70,662	-	-	-	70,662
Undesignated, reported in					
General fund	47,455,152	-	-	-	47,455,152
Special revenue funds	-	11,575,795	7,162,313	49,705,861	68,443,969
Capital project funds	-	-	-	14,036	14,036
Total Fund Balances	52,069,159	19,725,938	7,179,578	77,910,373	156,885,048
Total Liabilities and Fund Balances	\$ 95,123,074	\$ 22,523,778	\$ 21,341,396	\$ 110,513,570	\$ 249,501,818

See accompanying notes to financial statements.

County of McHenry, Illinois
RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS
TO STATEMENT OF NET ASSETS
November 30, 2010

Total Fund Balances - Governmental Funds	\$ 156,885,048
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.	269,123,910
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the governmental funds.	8,348,170
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.	(115,384)
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.	10,552,408
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	(1,282,967)
Compensated absences	(4,525,260)
Capital leases	(647,074)
Debt certificates	(72,045,000)
Other post-employment benefit obligation	<u>(1,744,506)</u>
Total Net Assets - Governmental Activities	<u>\$ 364,549,345</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, 2010

	General Fund	Motor Fuel Tax Fund	County Mental Health Fund	Other Governmental Funds	Totals
REVENUES					
Charges for services	\$ 24,408,703	\$ -	\$ -	\$ 4,404,657	\$ 28,813,360
Licenses and permits	1,099,227	-	-	67,546	1,166,773
Fines and forfeitures	1,243,810	-	-	16,641	1,260,451
Grants, contributions, and intergovernmental	4,518,818	6,848,209	431,747	23,702,676	35,501,450
Property taxes	33,861,808	-	12,222,727	18,478,251	64,562,786
Sales taxes	8,998,845	-	-	9,049,342	18,048,187
State income taxes	5,780,880	-	-	-	5,780,880
Tax transfer stamps	1,203,780	-	-	-	1,203,780
Other taxes	1,694,536	-	-	110,271	1,804,807
Investment income	128,053	80,153	17,648	199,067	424,921
Miscellaneous	619,059	-	1,167	217,346	837,572
Total Revenues	83,557,519	6,928,362	12,673,289	56,245,797	159,404,967
EXPENDITURES					
Current					
General and administrative	25,734,987	-	-	2,654,148	28,389,135
Community development	1,288,117	-	-	6,052,469	7,340,586
Transportation	-	6,331,706	-	12,343,560	18,675,266
Public safety	30,706,405	-	-	5,419,321	36,125,726
Judiciary and court related	10,214,079	-	-	3,676,546	13,890,625
Public health and welfare	7,216,318	-	11,054,359	10,703,634	28,974,311
Capital outlay	652,634	739,314	9,357	12,403,866	13,805,171
Debt service					
Principal retirement	916,761	-	-	7,680,900	8,597,661
Interest and fiscal charges	57,218	-	-	2,844,532	2,901,750
Total Expenditures	76,786,519	7,071,020	11,063,716	63,778,976	158,700,231
Excess (deficiency) of revenues over expenditures	6,771,000	(142,658)	1,609,573	(7,533,179)	704,736
OTHER FINANCING SOURCES (USES)					
Transfers in	29,607	-	-	13,614,465	13,644,072
Transfers out	(3,503,053)	(3,097,800)	(1,614,694)	(5,428,525)	(13,644,072)
Debt certificates issued	-	-	-	8,147,000	8,147,000
Refunding debt certificates issued	-	-	-	3,448,000	3,448,000
Premium on debt issuance	-	-	-	459,447	459,447
Payment to bond escrow agent	-	-	-	(3,583,775)	(3,583,775)
Total Other Financing Sources (Uses)	(3,473,446)	(3,097,800)	(1,614,694)	16,656,612	8,470,672
Net Change in Fund Balances	3,297,554	(3,240,458)	(5,121)	9,123,433	9,175,408
Fund Balance - Beginning of Year	48,771,605	22,966,396	7,184,699	68,786,940	147,709,640
Fund Balance - End of Year	\$ 52,069,159	\$ 19,725,938	\$ 7,179,578	\$ 77,910,373	\$ 156,885,048

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, 2010

Net Change in Fund Balances - Governmental Funds \$ 9,175,408

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.	13,805,171
Some items reported as capital outlay are not capitalized in the government-wide financial statements.	(598,449)
Some items that are capitalized are reported as functional expenses in the fund financial statements.	5,781,080
Some items that are capitalized represent contributed assets.	1,206,453
Depreciation/amortization are reported in the government-wide financial statements.	(9,536,136)

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	(213,028)
Operating grants and contributions	(2,439,569)
Sales taxes	(1,344,000)
State income taxes	(900,000)
Other taxes	(60,000)
Investment income	(5,626)

Internal service funds are used by management to charge insurance costs to individual funds. 1,276,819

Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets. 12,052,661

Debt issued is an other financing source in the governmental funds, but is recorded as a liability in the Statement of Net Assets. (11,595,000)

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. (282,934)

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	(161,328)
Increase in accrued interest	(114,660)
Increase in other post-employment benefit obligation	(634,523)

Change in Net Assets - Governmental Activities \$ 15,412,339

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
November 30, 2010

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds <u></u>
ASSETS				
Current Assets				
Cash and equivalents	\$ 26,398,443	\$ 2,050,819	\$ 28,449,262	\$ 15,416,003
Cash and equivalents - restricted	838,732	-	838,732	-
Property taxes receivable	6,000,000	-	6,000,000	3,950,000
Accounts receivable	1,297,486	-	1,297,486	-
Other receivables	47,640	608,956	656,596	-
Due from other funds	448	-	448	1,355,891
Prepaid expenses	-	192,376	192,376	-
Total Current Assets	<u>34,582,749</u>	<u>2,852,151</u>	<u>37,434,900</u>	<u>20,721,894</u>
Noncurrent Assets				
Capital Assets				
Land	6,000	-	6,000	-
Construction in progress	-	3,000,632	3,000,632	-
Buildings and improvements	14,529,570	-	14,529,570	-
Land improvements	277,996	-	277,996	-
Furniture and fixtures	472,332	15,857	488,189	-
Machinery and equipment	341,984	1,994,693	2,336,677	-
Transportation equipment	50,719	37,668	88,387	-
Computer software	38,253	2,482,741	2,520,994	-
Less: accumulated depreciation/ amortization	<u>(2,860,111)</u>	<u>(3,124,057)</u>	<u>(5,984,168)</u>	<u>-</u>
Net Capital Assets	12,856,743	4,407,534	17,264,277	-
Deferred charges	<u>137,728</u>	<u>-</u>	<u>137,728</u>	<u>-</u>
Total Noncurrent Assets	<u>12,994,471</u>	<u>4,407,534</u>	<u>17,402,005</u>	<u>-</u>
Total Assets	<u>\$ 47,577,220</u>	<u>\$ 7,259,685</u>	<u>\$ 54,836,905</u>	<u>\$ 20,721,894</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds <u></u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 204,020	\$ 61,932	\$ 265,952	\$ 38,473
Accrued payroll	155,492	7,509	163,001	20,357
Unearned revenue	6,000,000	-	6,000,000	3,950,000
Due to other funds	286,176	3,604	289,780	10,818
Other liabilities	681,137	-	681,137	-
Compensated absences	49,883	7,111	56,994	4,958
Claims and judgments	-	-	-	3,633,118
Debt certificates payable	640,000	-	640,000	-
Liabilities payable from restricted assets				
Interest payable	<u>145,495</u>	<u>-</u>	<u>145,495</u>	<u>-</u>
Total Current Liabilities	<u>8,162,203</u>	<u>80,156</u>	<u>8,242,359</u>	<u>7,657,724</u>
Noncurrent Liabilities				
Compensated absences	99,766	14,221	113,987	9,916
Claims and judgments	-	-	-	3,891,315
Debt certificates payable	8,915,000	-	8,915,000	-
Other post-employment benefit obligation	<u>70,630</u>	<u>2,356</u>	<u>72,986</u>	<u>-</u>
Total Noncurrent Liabilities	<u>9,085,396</u>	<u>16,577</u>	<u>9,101,973</u>	<u>3,901,231</u>
Total Liabilities	<u>17,247,599</u>	<u>96,733</u>	<u>17,344,332</u>	<u>11,558,955</u>
NET ASSETS				
Invested in capital assets, net of related debt	3,301,743	4,407,534	7,709,277	-
Restricted for debt service	693,237	-	693,237	-
Unrestricted	<u>26,334,641</u>	<u>2,755,418</u>	<u>29,090,059</u>	<u>9,162,939</u>
Total Net Assets	<u>\$ 30,329,621</u>	<u>\$ 7,162,952</u>	37,492,573	<u>\$ 9,162,939</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(1,389,469)</u>	
Net Assets of Business-Type Activities			<u>\$ 36,103,104</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, 2010

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 8,425,151	\$ 2,491,834	\$ 10,916,985	\$ 16,027,099
Insurance recoveries	-	-	-	245,721
Other	4,689	-	4,689	-
Total Operating Revenues	<u>8,429,840</u>	<u>2,491,834</u>	<u>10,921,674</u>	<u>16,272,820</u>
OPERATING EXPENSES				
Personnel services	6,597,507	254,711	6,852,218	922,781
Contractual services	1,441,311	1,558,526	2,999,837	18,165,744
Commodities	901,573	46,967	948,540	4,545
Depreciation	501,312	227,452	728,764	-
Amortization	12,520	217,543	230,063	-
Total Operating Expenses	<u>9,454,223</u>	<u>2,305,199</u>	<u>11,759,422</u>	<u>19,093,070</u>
Operating Income (Loss)	<u>(1,024,383)</u>	<u>186,635</u>	<u>(837,748)</u>	<u>(2,820,250)</u>
NONOPERATING REVENUES (EXPENSES)				
Property taxes	5,919,050	-	5,919,050	3,827,683
Investment income	113,950	7,359	121,309	4,240
Interest expense	(392,234)	-	(392,234)	-
Total Nonoperating Revenues (Expenses)	<u>5,640,766</u>	<u>7,359</u>	<u>5,648,125</u>	<u>3,831,923</u>
Net Change in Net Assets	4,616,383	193,994	4,810,377	1,011,673
Net Assets - Beginning of Year	<u>25,713,238</u>	<u>6,968,958</u>		<u>8,151,266</u>
Net Assets - End of Year	<u>\$ 30,329,621</u>	<u>\$ 7,162,952</u>		<u>\$ 9,162,939</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(265,146)</u>	
Change in Net Assets of Business-Type Activities			<u>\$ 4,545,231</u>	

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2010

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 8,734,793	\$ 2,595,998	\$ 11,330,791	\$ 15,938,560
Cash received from insurance recoveries	-	-	-	245,721
Payments to employees	(6,561,178)	(251,309)	(6,812,487)	(920,861)
Payments to third party administrator	-	-	-	(17,582,045)
Payments to suppliers	<u>(2,234,754)</u>	<u>(1,722,432)</u>	<u>(3,957,186)</u>	<u>(1,430,601)</u>
Net Cash Flows From Operating Activities	<u>(61,139)</u>	<u>622,257</u>	<u>561,118</u>	<u>(3,749,226)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes received	6,039,126	-	6,039,126	3,907,733
Interfund payments	<u>(1,847)</u>	<u>313</u>	<u>(1,534)</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>6,037,279</u>	<u>313</u>	<u>6,037,592</u>	<u>3,907,733</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(57,833)	(323,871)	(381,704)	-
Principal payments - capital leases	(11,994)	-	(11,994)	-
Principal payments - debt certificates	(970,000)	-	(970,000)	-
Interest paid	<u>(403,427)</u>	<u>-</u>	<u>(403,427)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(1,443,254)</u>	<u>(323,871)</u>	<u>(1,767,125)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash receipts from investment income	<u>76,165</u>	<u>7,359</u>	<u>83,524</u>	<u>4,240</u>
Net Cash Flows From Investing Activities	<u>76,165</u>	<u>7,359</u>	<u>83,524</u>	<u>4,240</u>
Net Change in Cash and Equivalents	4,609,051	306,058	4,915,109	162,747
Cash and Equivalents - Beginning of Year	<u>22,628,124</u>	<u>1,744,761</u>	<u>24,372,885</u>	<u>15,253,256</u>
Cash and Equivalents - End of Year	<u>\$ 27,237,175</u>	<u>\$ 2,050,819</u>	<u>\$ 29,287,994</u>	<u>\$ 15,416,003</u>
RECONCILIATION OF CASH AND EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS				
Cash and Equivalents	\$ 26,398,443	\$ 2,050,819	\$ 28,449,262	\$ 15,416,003
Cash and Equivalents - Restricted	<u>838,732</u>	<u>-</u>	<u>838,732</u>	<u>-</u>
Cash and Equivalents - End of Year	<u>\$ 27,237,175</u>	<u>\$ 2,050,819</u>	<u>\$ 29,287,994</u>	<u>\$ 15,416,003</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,024,383)	\$ 186,635	\$ (837,748)	\$ (2,820,250)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	501,312	227,452	728,764	-
Amortization	12,520	217,543	230,063	-
Change in assets and liabilities				
Accounts receivable	164,454	-	164,454	-
Other receivables	-	104,164	104,164	-
Due from other funds	-	-	-	(56,676)
Prepaid expenses	-	(11,037)	(11,037)	-
Accounts payable	108,130	(105,902)	2,228	(49,450)
Accrued payroll	19,637	2,186	21,823	1,538
Due to other funds	-	-	-	(31,863)
Other liabilities	140,499	-	140,499	-
Compensated absences	(12,222)	471	(11,751)	382
Claims and judgments	-	-	-	(792,907)
Other post-employment benefit obligation	28,914	745	29,659	-
Net Cash Flows From Operating Activities	<u>\$ (61,139)</u>	<u>\$ 622,257</u>	<u>\$ 561,118</u>	<u>\$ (3,749,226)</u>

NON-CASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES:

None

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2010

ASSETS

Cash and equivalents	\$ 21,593,655
Due from other governments	<u>90,992</u>
Total Assets	<u>21,684,647</u>

LIABILITIES

Accounts payable	188,121
Due to residents	48,059
Bond escrow	3,400,883
Due to other governments	16,814,028
Other liabilities	<u>1,233,556</u>
Total Liabilities	<u>21,684,647</u>

NET ASSETS

\$ -

See accompanying notes to financial statements.

County of McHenry, Illinois
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November 30, 2010

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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 1 – Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

Blended Component Unit

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Unit

The McHenry County Conservation District (District) is a legally separate entity from the County, and the County Board appoints all of the District's Board. The District acquires and maintains land as open space for preservation, education and recreation within McHenry County. The County began approving the District's annual operating budget during fiscal year 2000, in accordance with state statute 70/ILCS 410/13. Accordingly, the County is financially accountable for the District and the District is reported as a discretely presented component unit within the County's report. The District has a fiscal year that ends on March 31. The latest financial statements as reflected in this report are for the year ended March 31, 2010. Separately audited financial statements may be obtained from the McHenry County Conservation District, 18410 U.S. Highway 14, Woodstock, Illinois, 60098.

Related Organizations

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

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

The County administers the following major governmental funds:

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

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

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

The County administers the following major enterprise fund:

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

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

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

The GASB has issued Statement No. 51 - Accounting and Financial Reporting for Intangible Assets. This Statement establishes standards for the measurement, recognition, and display of intangible assets, which includes items such as easements, patents, trademarks, and computer software. The County has implemented this standard effective December 1, 2009. No restatements were required as part of the implementation. For addition information on intangible assets, see Note 1 - H, Capital Assets.

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

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

D. Cash and Equivalents

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

E. Investments

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

F. Inventory

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

G. Restricted Assets

Restricted cash represents resources accumulated for future debt service payments on the Series 2003B debt certificates. The balance of restricted cash totaled \$838,732 as of November 30, 2010.

H. Capital Assets

Capital assets, which include tangible assets (land, land improvements, roads and bridges, traffic signals and lighting projects, 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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

For proprietary funds, interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. There was no interest expense capitalized by proprietary funds during 2010.

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 and bridges	40
Traffic signals and lighting projects	10
Buildings and improvements	10 – 40
Land improvements	15 – 40
Furniture and fixtures	5 – 10
Machinery and equipment	5 – 20
Computer software	5 – 10
Transportation equipment	4 – 5

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

I. Deferred Revenue

The County reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues 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.

J. Compensated Absences

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Compensated Absences (Continued)

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

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

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

K. Long-Term Obligations

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

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

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

L. Capital Contributions

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Encumbrances

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

N. Accounting Estimates

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

O. Interfund Transactions

The County has the following types of transactions between funds:

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

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

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

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. 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. For addition information on claims and judgments, see note 10 - Risk Management.

Q. Equity Classifications

Government-Wide Financial Statements

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

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

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

R. Prior Period Information

Comparative total data for the prior year have been presented for the government-wide statements in order to provide an understanding of the changes in the financial position and operations of the County, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended November 30, 2009. 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, 2010

Note 2 – Legal Compliance – Budgets

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

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

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

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

Budgets for governmental fund types and internal service funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Enterprise funds are adopted on a modified basis in that depreciation/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, 2010:

Fund	Excess
Debt Service Fund - Public Building Commission Debt Fund (blended component unit)	\$ (11,695)

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, 2010.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 3 – Deposits and Investments (Continued)

A. Primary Government and Fiduciary Funds (Continued)

As of November 30, 2010, the County had the following investments:

Investment Type	Fair Value		Weighted Average Maturity (Months)
	Primary Government	Fiduciary Funds	
Illinois Funds	\$ <u>1,136,029</u>	\$ <u>11,783</u>	<u>0.90</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, 2010, the County's investment in Illinois Funds was rated AAAM by Standard and Poor's.

Custodial credit risk. As of November 30, 2010, 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, 2010, the County (primary government) had deposits with a book balance of \$198,439,314 and a bank balance of \$196,489,840 and the fiduciary funds had deposits with a book balance of \$21,580,272 and a bank balance of \$25,400,315. As of November 30, 2010, 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, 2010

Note 3 – Deposits and Investments (Continued)

A. Primary Government and Fiduciary Funds (Continued)

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

Cash and investments, as disclosed in Note 3:

	Primary Government	Fiduciary Funds
Cash on hand	\$ 11,225	\$ 1,600
Carrying amount of deposits	198,439,314	21,580,272
Carrying amount of investments	1,136,029	11,783
Total cash and investments, as disclosed in Note 3	\$ 199,586,568	\$ 21,593,655

Cash and investments, as reported in the financial statements:

	Primary Government	Fiduciary Funds
Cash and equivalents	\$ 198,747,836	\$ 21,593,655
Cash restricted	838,732	-
Total cash and investments, as reported in the financial statements	\$ 199,586,568	\$ 21,593,655

B. District (Component Unit)

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

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 3 – Deposits and Investments (Continued)

B. District (Component Unit) (Continued)

It is the policy of the District to invest its funds in a manner consistent which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are; legality, safety (preservation of capital and protection of investment principal), liquidity, and yield. The Board of Trustee’s policy requires collateralization at 105% of the aggregate balance of principal and accrued interest on deposits in financial institutions. At March 31, 2010, the District had \$14,698 in uninsured/uncollateralized deposits out of total bank deposits of \$11,446,597.

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, 2010:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
		<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater than 10</u>
US Treasury obligations	\$ 19,999,298	\$ 19,999,298	\$ -	\$ -	\$ -
Illinois Funds	6,140,966	6,140,966	-	-	-
	<u>\$ 26,140,264</u>	<u>\$ 26,140,264</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 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, 2010, the District has greater than five percent of its overall portfolio invested in the Illinois Funds. This is in accordance with the District’s investment policy.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 5 – Capital Assets

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

	Balance December 1	Additions	Deletions	Balance November 30
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 49,422,077	\$ 9,469,228	\$ -	\$ 58,891,305
Construction in progress	<u>17,626,349</u>	<u>12,358,395</u>	<u>(7,397,356)</u>	<u>22,587,388</u>
Total Capital Assets Not Being Depreciated	<u>67,048,426</u>	<u>21,827,623</u>	<u>(7,397,356)</u>	<u>81,478,693</u>
Other Capital Assets				
Roads and bridges	135,920,215	-	(3,486,366)	132,433,849
Traffic signals and lighting projects	940,523	-	-	940,523
Buildings and improvements	95,307,783	2,057,363	-	97,365,146
Furniture and fixtures	3,242,269	115,983	-	3,358,252
Machinery and equipment	25,728,449	5,380,755	(987,200)	30,122,004
Computer software	7,065,793	912,015	-	7,977,808
Transportation equipment	<u>5,333,980</u>	<u>784,238</u>	<u>(16,658)</u>	<u>6,101,560</u>
Total Other Capital Assets	<u>273,539,012</u>	<u>9,250,354</u>	<u>(4,490,224)</u>	<u>278,299,142</u>
Less Accumulated Depreciation/Amortization for:				
Roads and bridges	(22,603,321)	(2,958,798)	-	(25,562,119)
Traffic signals and lighting projects	(664,434)	(49,052)	-	(713,486)
Buildings and improvements	(31,911,565)	(2,483,678)	-	(34,395,243)
Furniture and fixtures	(2,333,215)	(184,642)	-	(2,517,857)
Machinery and equipment	(16,964,749)	(2,743,750)	987,200	(18,721,299)
Computer software	(3,292,963)	(625,740)	-	(3,918,703)
Transportation equipment	<u>(4,351,400)</u>	<u>(490,476)</u>	<u>16,658</u>	<u>(4,825,218)</u>
Total Accumulated Depreciation/ Amortization	<u>(82,121,647)</u>	<u>(9,536,136)</u>	<u>1,003,858</u>	<u>(90,653,925)</u>
Other Capital Assets, Net	<u>191,417,365</u>	<u>(285,782)</u>	<u>(3,486,366)</u>	<u>187,645,217</u>
Governmental Activities Capital Assets, Net	<u>\$ 258,465,791</u>	<u>\$ 21,541,841</u>	<u>\$ (10,883,722)</u>	<u>\$ 269,123,910</u>

For road and bridges, deletions of \$3,486,366 represents a reclassification of certain assets to land.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 5 – Capital Assets (Continued)

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

General and administrative	\$ 3,508,977
Community development	14,810
Transportation	3,682,260
Public safety	1,476,903
Judiciary and court related	552,902
Public health and welfare	<u>300,284</u>
Total Depreciation/Amortization Expense – Governmental Activities	\$ <u>9,536,136</u>

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

	Balance December 1	Additions	Deletions	Balance November 30
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Construction in progress	<u>2,676,761</u>	<u>323,871</u>	<u>-</u>	<u>3,000,632</u>
Total Capital Assets Not Being Depreciated	<u>2,682,761</u>	<u>323,871</u>	<u>-</u>	<u>3,006,632</u>
Other Capital Assets				
Buildings and improvements	14,529,570	-	-	14,529,570
Land improvements	277,996	-	-	277,996
Furniture and fixtures	488,189	-	-	488,189
Machinery and equipment	2,278,844	57,833	-	2,336,677
Computer software	2,520,994	-	-	2,520,994
Transportation equipment	<u>88,387</u>	<u>-</u>	<u>-</u>	<u>88,387</u>
Total Other Capital Assets	<u>20,183,980</u>	<u>57,833</u>	<u>-</u>	<u>20,241,813</u>
Less Accumulated Depreciation/Amortization for:				
Buildings and improvements	(1,977,690)	(401,438)	-	(2,379,128)
Land improvements	(39,640)	(13,900)	-	(53,540)
Furniture and fixtures	(144,805)	(48,819)	-	(193,624)
Machinery and equipment	(858,179)	(260,796)	-	(1,118,975)
Computer software	(1,940,591)	(217,543)	-	(2,158,134)
Transportation equipment	<u>(76,956)</u>	<u>(3,811)</u>	<u>-</u>	<u>(80,767)</u>
Total Accumulated Depreciation/Amortization	<u>(5,037,861)</u>	<u>(946,307)</u>	<u>-</u>	<u>(5,984,168)</u>
Other Capital Assets, Net	<u>15,146,119</u>	<u>(888,474)</u>	<u>-</u>	<u>14,257,645</u>
Business-Type Activities Capital Assets, Net	\$ <u>17,828,880</u>	\$ <u>(564,603)</u>	\$ <u>-</u>	\$ <u>17,264,277</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 5 – Capital Assets (Continued)

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

Public health and welfare	\$	501,312
Public safety		<u>444,995</u>
 Total Depreciation/Amortization Expense – Business-Type Activities	 \$	 <u><u>946,307</u></u>

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

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

	Balance April 1	Additions	Deletions	Balance March 31
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 174,518,583	\$ 12,092,362	\$ -	\$ 186,610,945
Construction in progress	<u>1,884,869</u>	<u>7,387,328</u>	<u>(2,067,364)</u>	<u>7,204,833</u>
 Total Capital Assets Not Being Depreciated	 <u>176,403,452</u>	 <u>19,479,690</u>	 <u>(2,067,364)</u>	 <u>193,815,778</u>
 Other Capital Assets				
Land improvements and roads	15,449,013	1,647,006	-	17,096,019
Buildings and improvements	9,177,053	25,152	(337,500)	8,864,705
Furniture and equipment	1,499,666	146,731	(20,445)	1,625,952
Office equipment	314,839	9,140	-	323,979
Vehicles	<u>1,523,730</u>	<u>311,203</u>	<u>(212,260)</u>	<u>1,622,673</u>
 Total Other Capital Assets	 <u>27,964,301</u>	 <u>2,139,232</u>	 <u>(570,205)</u>	 <u>29,533,328</u>
 Less accumulated depreciation for:				
Land improvements and roads	(7,486,126)	(675,051)	-	(8,161,177)
Buildings and improvements	(3,492,252)	(362,600)	111,375	(3,743,477)
Furniture and equipment	(942,940)	(110,458)	15,345	(1,038,053)
Office equipment	(88,584)	(36,214)	-	(124,798)
Vehicles	<u>(1,255,562)</u>	<u>(112,513)</u>	<u>212,260</u>	<u>(1,155,815)</u>
 Total Accumulated Depreciation	 <u>(13,265,464)</u>	 <u>(1,296,836)</u>	 <u>338,980</u>	 <u>(14,223,320)</u>
 Other Capital Assets, Net	 <u>14,698,837</u>	 <u>842,396</u>	 <u>(231,225)</u>	 <u>15,310,008</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 191,102,289</u>	 <u>\$ 20,322,086</u>	 <u>\$ (2,298,589)</u>	 <u>\$ 209,125,786</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 6 – Long-Term Obligations

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

	Balance December 1	Issuances	Retirements	Balance November 30	Due Within One Year
Compensated absences	\$ 4,378,424	\$ 4,369,061	\$ 4,207,351	\$ 4,540,134	\$ 1,513,378
Capital leases	1,619,735	-	972,661	647,074	337,822
Debt certificates	71,530,000	11,595,000	11,080,000	72,045,000	8,505,000
Add: deferred debt certificate issuance premiums	130,129	459,447	42,953	546,623	61,788
Claims and judgments	8,317,340	17,000,104	17,793,011	7,524,433	3,633,118
Other post-employment benefit obligation	1,109,983	1,427,408	792,885	1,744,506	-
	<u>\$ 87,085,611</u>	<u>\$ 34,851,020</u>	<u>\$ 34,888,861</u>	<u>\$ 87,047,770</u>	<u>\$ 14,051,106</u>

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

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

	Balance December 1	Issuances	Retirements	Balance November 30	Due Within One Year
Compensated absences	\$ 182,732	\$ 186,158	\$ 197,909	\$ 170,981	\$ 56,994
Capital leases	11,994	-	11,994	-	-
Debt certificates	10,525,000	-	970,000	9,555,000	640,000
Other post-employment benefit obligation	43,327	66,722	37,063	72,986	-
	<u>\$ 10,763,053</u>	<u>\$ 252,880</u>	<u>\$ 1,216,966</u>	<u>\$ 9,798,967</u>	<u>\$ 696,994</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, 2010

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	\$ 544,714	\$ 629,801	\$ 544,714	\$ 629,801	\$ 62,908
General obligation bonds	150,055,000	-	3,655,000	146,400,000	4,045,000
Add: deferred bond issuance premiums	2,505,819	-	160,092	2,345,727	-
Less: deferred charge on refunding	(440,281)	-	(77,663)	(362,618)	-
Installment contract	6,300,000	-	-	6,300,000	-
Other post-employment benefit obligation	11,148	11,290	-	22,438	-
	<u>\$ 158,976,400</u>	<u>\$ 641,091</u>	<u>\$ 4,282,143</u>	<u>\$ 155,335,348</u>	<u>\$ 4,107,908</u>

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

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

Avaya Lease (1)

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

General	\$ 61,271	\$ -	\$ 61,271	\$ -
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HP Server Lease II (1)

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

General	394,083	-	394,083	-
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HP Laptop Lease (1)

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

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

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

General & Workforce Network	763,540	-	243,169	520,371
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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Capital Leases – Governmental Activities (Continued)					
HP Recorder Lease (1)					
\$165,409 capital lease due in annual installments of \$43,156; interest at 2.92% through June 2011	Recorder Automation	\$ 82,670	\$ -	\$ 40,740	\$ 41,930
Panasonic Toughbook Lease (1)					
\$169,678 capital lease due in annual installments of \$44,965; interest at 4.03% through August 2012	General	<u>124,713</u>	<u>-</u>	<u>39,940</u>	<u>84,773</u>
Total Capital Leases - Governmental Activities		<u>\$ 1,619,735</u>	<u>\$ -</u>	<u>\$ 972,661</u>	<u>\$ 647,074</u>

Capital leases have resulted in the acquisition of \$4,004,516 of capital assets (equipment), which have accumulated depreciation of \$2,811,275.

Debt Certificates – Governmental Activities

McHenry County General Obligation (2)					
\$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	Debt Service	\$ 1,000,000	\$ -	\$ 490,000	\$ 510,000
McHenry County General Obligation (3)					
\$6,085,000 McHenry County Debt Certificates Series 2002A, due in annual installments of \$145,000 to \$560,000; interest at 2.5% to 4.3% through January 2018	Debt Service	4,255,000	-	3,845,000	410,000
McHenry County General Obligation (4)					
\$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	Debt Service	3,925,000	-	235,000	3,690,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)					
McHenry County General Obligation (5) \$4,600,000 McHenry County Debt Certificates Series 2003C, due in annual installments of \$440,000 to \$610,000, Interest at 4% to 5.5% through January 2014	Debt Service	\$ 2,765,000	\$ -	\$ 500,000	\$ 2,265,000
McHenry County General Obligation (5) \$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	Debt Service	1,895,000	-	230,000	1,665,000
McHenry County General Obligation (5) \$1,205,000 McHenry County Debt Certificates Series 2005B, due in annual installments of \$75,000 to \$300,000; Interest at 3.4% to 4.65% through January 2010	Debt Service	75,000	-	75,000	-
McHenry County General Obligation (7) \$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	Debt Service	7,440,000	-	435,000	7,005,000
McHenry County General Obligation (8) \$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	Debt Service	4,025,000	-	435,000	3,590,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)					
McHenry County General Obligation (9) \$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	Debt Service	\$ 41,670,000	\$ -	\$ 4,455,000	\$ 37,215,000
McHenry County General Obligation (10) \$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	Debt Service	4,480,000	-	380,000	4,100,000
McHenry County General Obligation (11) \$7,595,000 McHenry County Debt Certificates Series 2010A, due in annual installments, beginning in 2011, of \$185,000 to \$1,125,000; Interest at 1.5% to 4.5% through December 2019	Debt Service	-	7,595,000	-	7,595,000
McHenry County General Obligation (12) \$4,000,000 McHenry County Debt Certificates (Recovery Zone Economic Development Bonds) Series 2010B, due in annual installments, beginning in 2011, 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.	Debt Service	-	4,000,000	-	4,000,000
Total Debt Certificates - Governmental Activities		<u>\$ 71,530,000</u>	<u>\$ 11,595,000</u>	<u>\$ 11,080,000</u>	<u>\$ 72,045,000</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Capital Leases – Business-Type Activities					
Avaya Lease (1)					
\$59,934 capital lease; monthly principal and interest payments of \$1,216 through September 2010; interest imputed at 3%	Valley Hi	\$ <u>11,994</u>	\$ <u>-</u>	\$ <u>11,994</u>	\$ <u>-</u>
Capital leases have resulted in the acquisition of \$54,934 of capital assets (equipment), which have accumulated depreciation of \$54,934.					
Debt Certificates – Business-Type Activities					
Valley Hi (6)					
\$10,000,000 Valley Hi Series 2003B, due in annual installments of \$445,000 to \$995,000; Interest at 3.05% to 4.35% through January 2022	Valley Hi	\$ 10,000,000	\$ -	\$ 445,000	\$ 9,555,000
Valley Hi (6)					
\$2,500,000 Series 2004, due in annual installments of \$480,000 to \$525,000; Interest at 1.8% to 3.1% through January 2006	Valley Hi	<u>525,000</u>	<u>-</u>	<u>525,000</u>	<u>-</u>
Total Debt Certificates - Business-Type Activities		\$ <u>10,525,000</u>	\$ <u>-</u>	\$ <u>970,000</u>	\$ <u>9,555,000</u>

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

General Obligation Bonds – Governmental Activities (District)

McHenry County Conservation District (13)					
\$20,330,000 General Obligation Limited Bonds Series 1998A, due in annual installments; interest at 4.7% to 5.25% through February 1, 2018	District Debt Service	\$ 7,360,000	\$ -	\$ 135,000	\$ 7,225,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
General Obligation Bonds – Governmental Activities (District) (Continued)					
McHenry County Conservation District (13) \$68,500,000 General Obligation Bonds Series 2001A, due in annual installments; interest at 4.25% to 5.625% Through February 1, 2021	District Debt Service	\$ 4,615,000	\$ -	\$ 2,145,000	\$ 2,470,000
McHenry County Conservation District (13) \$12,235,000 General Obligation Limited Refunding Bonds Series 2001B, due in annual installments; interest at 4.25% to 5.0% through February 1, 2016	District Debt Service	5,805,000	-	1,225,000	4,580,000
McHenry County Conservation District (13) \$58,825,000 General Obligation Refunding Bonds Series 2005A, due in annual installments; interest at 3.0% to 5.0% through February 1, 2021	District Debt Service	57,975,000	-	150,000	57,825,000
McHenry County Conservation District (13) \$1,315,000 General Obligation Refunding Tax Bonds Series 2005B, due in annual installments, beginning in 2013; interest at 3.5% to 4.0% through February 1, 2014	District Debt Service	1,300,000	-	-	1,300,000
McHenry County Conservation District (13) \$73,000,000 General Obligation Bonds Series 2007, due in annual installments, beginning in 2012; interest at 4.0% to 5.125% through February 1, 2027	District Debt Service	73,000,000	-	-	73,000,000
Total General Obligation Bonds - Governmental Activities (District)		<u>\$ 150,055,000</u>	<u>\$ -</u>	<u>\$ 3,655,000</u>	<u>\$ 146,400,000</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 6 – Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balance December 1	Issuances	Retirements	Balance November 30
Installment Contract – Governmental Activities (District)					
McHenry County Conservation District (14)					
\$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	District Debt Service	\$ <u>6,300,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,300,000</u>

Notes for Long-Term Obligations

- (1) The proceeds from capital leases were used for the purchase of computer hardware and related technology improvements. The capital leases will be repaid from the General fund, Workforce Network fund, Recorder Automation fund, and Valley Hi fund.
- (2) The proceeds were used for the construction of a new facility for the Division of Transportation. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the County Highway fund and the County Option Motor Fuel Tax fund.
- (3) The proceeds were used for the construction of a new administration building. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General fund.
- (4) 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.
- (5) 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.
- (6) The proceeds were used for the construction of the new Valley Hi facility. Funding will be provided by transfers in from the Valley Hi fund.
- (7) The proceeds were used to advance refund Series 2002B debt certificates. In addition, proceeds were used for the purchase and construction of a new animal control facility and for energy saving renovations at the government center. Funding will be provided by transfers in from the General fund.
- (8) 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.
- (9) 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 Motor Fuel Tax fund, County Option Motor Fuel Tax fund, Matching fund, and Bridge fund.
- (10) 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.
- (11) 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.
- (12) 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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 6 – Long-Term Obligations (Continued)

Notes for Long-Term Obligations (Continued)

(13) The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bonds.

(14) The District issued an installment contract payable in order to acquire certain land.

Debt Service Requirements to Maturity

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Capital Leases</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2011	\$ 337,822	\$ 28,550	\$ 366,372
2012	309,252	13,965	323,217
	<u>\$ 647,074</u>	<u>\$ 42,515</u>	<u>\$ 689,589</u>

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Debt Certificates</u>		<u>Debt Certificates</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 8,505,000	\$ 2,955,014	\$ 640,000	\$ 377,588
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
2016-2020	23,360,000	2,533,008	4,175,000	870,982
2021-2025	4,460,000	373,480	1,945,000	85,586
	<u>\$ 72,045,000</u>	<u>\$ 13,680,981</u>	<u>\$ 9,555,000</u>	<u>\$ 2,583,449</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 6 – Long-Term Obligations (Continued)

Debt Service Requirements to Maturity (Continued)

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

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2011	\$ 4,045,000	\$ 7,247,554
2012	4,475,000	7,057,004
2013	4,915,000	6,863,104
2014	5,415,000	6,610,379
2015	5,940,000	6,351,604
2016-2020	38,765,000	26,838,853
2021-2025	56,105,000	15,498,842
2026-2027	26,740,000	2,055,987
	<u>\$ 146,400,000</u>	<u>\$ 78,523,327</u>

Fiscal Year	Installment Contract	
	Principal	Interest
2011	\$ -	\$ 157,500
2012	-	157,500
2013	-	157,500
2014	-	157,500
2015	-	157,500
2016-2017	6,300,000	249,842
	<u>\$ 6,300,000</u>	<u>\$ 1,037,342</u>

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

Advance Refunding of Debt

The County issued Series 2010A debt certificates for \$7,595,000 during the year. Part of the issuance was used to advance refund a portion of Series 2002A debt certificates in the amount of \$3,455,000. \$3,583,775 was placed 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 has been removed for the governmental activities column of the statement of net assets. The advance refunding was undertaken to reduce total debt service payments over the next 8 years by approximately \$166,000 and resulted in an economic gain of approximately \$147,000.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 6 – Long-Term Obligations (Continued)

Advance Refunding of Debt (Continued)

In addition to the advanced refunding described in the preceding paragraph, the County has advance refunded other debt certificates in prior years. In total, as of November 30, 2010, \$6,770,000 of defeased debt is outstanding. The defeased debt was repaid in full on January 15, 2011.

Advance Refunding of Debt - District (Component Unit)

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

As of March 31, 2010, a total of \$57,200,000 of defeased debt is still outstanding.

Industrial Revenue Bonds (Conduit Debt)

The County has participated in the issuance of Industrial Revenue Bonds. These bonds were issued for the purpose of constructing privately operated manufacturing and other related facilities within the County. These bonds are not direct or contingent liabilities of the County. Revenue from lease agreements and property purchased with the bond proceeds is pledged for the total payment of principal and interest on the bonds, and the bondholders can look only to these sources for repayment. As of November 30, 2010, the balance of conduit debt outstanding is \$2,675,000. Outstanding bonds are scheduled to mature in 2013.

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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 7 – Defined Benefit Pension Plans (Continued)

B. Funding Policy

As set by statute, plan members are required to contribute a percentage of their annual salary. Plan member contribution rates are 4.5% for the Regular Plan, 7.5% for the Sheriff's Law Enforcement Personnel Plan (SLEP), and 4.5% for the District plan. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rates for calendar year 2009 were 8.23% of annual covered payroll for the Regular Plan, 19.57% of annual covered payroll for the SLEP Plan, and 11.14% 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 2009, the County's annual pension costs of \$3,887,521 for the Regular Plan and \$2,268,910 for the SLEP plan were equal to the County's required and actual contributions. The District's annual pension cost of \$455,587 was equal to the District's required and actual contribution.

D. Actuarial Assumptions

The required contributions for calendar year 2009 were determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 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 15% corridor between the actuarial and market value of assets. The plans' unfunded actuarial accrued liability are being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 23 years for the Regular Plan, 23 years for the SLEP plan, and 27 years for the District plan.

E. Funded Status and Funding Progress

a. Regular Plan

As of December 31, 2009, the most recent actuarial valuation date, the Regular Plan was 81.95% funded. The actuarial accrued liability for benefits was \$91,280,346 and the actuarial value of assets was \$74,806,316, resulting in an underfunded actuarial accrued liability (UAAL) of \$16,474,030. The covered payroll (annual payroll of active employees covered by the plan) was \$47,235,973 and the ratio of the UAAL to the covered payroll was 34.88%.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 7 – Defined Benefit Pension Plans (Continued)

E. Funded Status and Funding Progress (Continued)

b. SLEP Plan

As of December 31, 2009, the most recent actuarial valuation date, the SLEP Plan was 53.65% funded. The actuarial accrued liability for benefits was \$48,426,943 and the actuarial value of assets was \$25,980,534, resulting in an underfunded actuarial accrued liability (UAAL) of \$22,446,409. The covered payroll (annual payroll of active employees covered by the plan) was \$11,593,816 and the ratio of the UAAL to the covered payroll was 193.61%.

c. District Plan

As of December 31, 2009, the most recent actuarial valuation date, the District Plan was 62.39% funded. The actuarial accrued liability for benefits was \$7,288,433 and the actuarial value of assets was \$4,546,970, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,741,463. The covered payroll (annual payroll of active employees covered by the plan) was \$4,089,649 and the ratio of the UAAL to the covered payroll was 67.03%.

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

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

F. Trend Information

	<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Regular Plan	12/31/09	\$ 3,887,521	100 %	\$ -
	12/31/08	3,755,590	100	-
	12/31/07	3,576,716	100	-
SLEP	12/31/09	\$ 2,268,910	100 %	\$ -
	12/31/08	2,258,720	100	-
	12/31/07	2,111,412	100	-
District	12/31/09	\$ 455,587	100 %	\$ -
	12/31/08	410,967	100	-
	12/31/07	376,178	100	-

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

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.

B. Funding Policy

a. County Plan

The County Board establishes the level of health and dental benefits offered, as well as the level of retiree contributions and employer contributions. The County Board may amend the level of health and dental benefits offered or the contribution rates, by modifying the County's personnel policy or by negotiating the terms of union contracts. Plan members who are non-Medicare eligible are required to contribute between 63-80% of insurance premium-equivalents, while plan members who are Medicare eligible are required to contribute 100% of the premium-equivalents. The County finances employer contributions on a pay-as-you-go basis, meaning the County only contributes an amount equal to the employer's share of current year premium-equivalents, which range between 20-37% of premium-equivalents for members who are non-Medicare eligible and 0% of premium-equivalents for plan members who are Medicare eligible. For fiscal year 2010, plan members contributed \$904,251 and, on an age-adjusted basis, the County contributed \$829,948.

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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

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

B. Funding Policy (Continued)

b. District Plan (Continued)

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

C. Annual OPEB Cost and Net OPEB Obligation

a. County Plan

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

Annual required contribution (ARC)	\$	1,436,464
Interest on net OPEB obligation		57,666
Adjustment to annual required contribution		-
 Annual OPEB cost (expense)		 1,494,130
Contributions made		(829,948)
 Increase in net OPEB obligation		 664,182
 Net OPEB obligation - beginning of year		 1,153,310
 Net OPEB obligation - end of year	\$	 1,817,492

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2010 and 2009 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>
11/30/10	\$ 1,494,130	\$ 829,948	55.55 %	\$ 1,817,492
11/30/09	1,436,464	283,154	19.71	1,153,310

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

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

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

b. District Plan

The District first had an actuarial valuation performed for the District plan as of March 31, 2008 to determine the funded status of the District plan as of that date, as well as to determine the District's annual required contribution (ARC) for the fiscal year ended March 31, 2009. The 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		557
Adjustment to annual required contribution		<u>(372)</u>
Annual OPEB cost (expense)		15,405
Contributions made		<u>(4,115)</u>
Increase in net OPEB obligation		11,290
Net OPEB obligation - beginning of year		<u>11,148</u>
Net OPEB obligation - end of year	\$	<u><u>22,438</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2010 and 2009 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>
3/31/10	\$ 15,405	\$ 4,115	26.71 %	\$ 22,438
3/31/09	15,263	4,115	26.96	11,148

D. Funded Status and Funding Progress

a. County Plan

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

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

D. Funded Status and Funding Progress (Continued)

b. District Plan

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

The schedule of funding progress, presented as required supplementary information (RSI), following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. For fiscal year 2010, the initial actuarial valuation is the only data available to present.

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

E. Actuarial Methods and Assumptions

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

a. County Plan

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

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

E. Actuarial Methods and Assumptions (Continued)

b. District Plan

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

Note 9 – Contingent Liabilities

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

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

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

Note 10 – Risk Management

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

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 10 – Risk Management (Continued)

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

The claims and judgments liability of \$7,524,433 reported in the Internal Service Funds is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability for claims and judgments also includes an estimate of the claims incurred but not reported. The County does not allocate overhead costs or other nonincremental costs to the claims liability.

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

Changes in claims and judgments liability in fiscal years 2010 and 2009 were:

	<u>Balance</u> <u>December 1</u>	<u>Incurred</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>November 30</u>
2009 - 2010	\$ 8,317,340	\$ 17,000,104	\$ 17,793,011	\$ 7,524,433
2008 - 2009	\$ 8,617,536	\$ 14,716,980	\$ 15,017,176	\$ 8,317,340

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.

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 10 – Risk Management (Continued)

At December 31, 2009, the total equity of PDRMA was \$39,225,040. For the year ended December 31, 2009, the increase in net assets of PDRMA was \$1,929,208. The District made \$184,376 of payments to PDRMA during the year ended March 31, 2010.

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.

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	\$ 49,547,274	\$ 26,736,201
Building projects	4,921,624	4,714,128
Other projects	10,027,834	4,457,711
	\$ 64,496,732	\$ 35,908,040

Note 12 – Enterprise Funds – Segment Information

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

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

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

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 14 – Interfund Balances and Transfers

A. Interfund Balances

Individual interfund balances for the County (primary government) at November 30, 2010 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	\$ 32,694	\$ -
General Fund	911 Fund	187	-
County Mental Health Fund	Nonmajor Governmental Funds	425,180	-
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	174,696	-
Valley Hi Fund	General Fund	448	-
Internal Service Funds	General Fund	848,901	-
Internal Service Funds	County Mental Health Fund	20,369	-
Internal Service Funds	Nonmajor Governmental Funds	186,210	-
Internal Service Funds	Valley Hi Fund	286,176	-
Internal Service Funds	911 Fund	3,417	-
Internal Service Funds	Other Internal Service Funds	<u>10,818</u>	<u>-</u>
Subtotal - Fund Financial Statements		1,989,096	\$ <u><u>-</u></u>
Less:	Fund eliminations	(3,429,340)	
Add:	Internal service fund activities related to enterprise funds	1,389,469	
Add:	Advance from general fund to nonmajor governmental funds	<u>1,729,576</u>	
Total Internal Balances - Government-Wide Statement of Net Assets		<u>\$ 1,678,801</u>	

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

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

The General Fund is advancing funds to two non-major special revenue funds, for the purchase and development of a judiciary and court related project. Under the agreement, the General Fund may advance up to \$3,500,000. The advances are non-interest bearing, with quarterly repayments of \$106,027 to \$107,143, beginning January 2008, through December, 2015. The amount of the advance outstanding at November 30, 2010 is \$1,729,576.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 14 – Interfund Balances and Transfers (Continued)

B. Transfers

Interfund transfers for the year ended November 30, 2010 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	\$ 27,884	Administrative expenses
General Fund	Nonmajor Governmental Funds	1,723	Closeout of capital project fund
Nonmajor Governmental Funds	General Fund	3,503,053	Debt service payments
Nonmajor Governmental Funds	Motor Fuel Tax Fund	3,097,800	Debt service payments
Nonmajor Governmental Funds	County Mental Health Fund	1,614,694	County support of grant programs
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	78,269	County support of transit program
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	1,454,386	Funding of expenditures sales taxes
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	<u>3,866,263</u>	Debt service payments
Subtotal - Governmental Fund Financial Statements		13,644,072	
Less: Fund eliminations		<u>(13,644,072)</u>	
Total Transfers - Government-Wide Statement of Activities		<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, 2010

Note 15 – Net Assets

Net assets reported on the government-wide statement of net assets at November 30, 2010 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Land	\$ 58,891,305
Construction in progress	22,587,388
Other capital assets, net of accumulated depreciation/amortization	187,645,217
Less: related long-term debt outstanding	<u>(59,152,935)</u>
Total invested in capital assets, net of related debt	<u>209,970,975</u>
Restricted	
Grant programs	6,349,496
Transportation systems	77,803,254
Public welfare programs	11,859,669
Employee benefits	6,439,741
Technology improvements	2,963,806
Judiciary and court related	2,371,482
Working cash - permanently restricted	800,568
Other	<u>139,113</u>
Total restricted	<u>108,727,129</u>
Unrestricted	<u>45,851,241</u>
Total governmental activities net assets	<u>\$ 364,549,345</u>

Business-Type Activities

Invested in capital assets, net of related debt	
Land	\$ 6,000
Construction in progress	3,000,632
Other capital assets, net of accumulated depreciation/amortization	14,257,645
Less: related long-term debt outstanding	<u>(9,555,000)</u>
Total invested in capital assets, net of related debt	7,709,277
Restricted	
Debt service	693,237
Unrestricted	<u>27,700,590</u>
Total business-type activities net assets	<u>\$ 36,103,104</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

Note 16 - Fund Deficits

The following funds reported a deficit as of November 30, 2010:

Fund	Deficit Amount
(1) Special Revenue Fund - Mental Health Grant Fund	\$ (246,390)
(2) Special Revenue Fund - Circuit Court Document Storage Fund	(514,248)
(2) Special Revenue Fund - Circuit Court Automation Fund	(493,996)

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

Note 17 – Capital Contributions

Capital contributions of \$1,206,453 consist of land, roads, a vehicle, and groundwater well equipment received from developers and other governmental agencies for the year ended November 30, 2010. These contributed assets have been recorded in the Statement of Activities as capital contributions.

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. 54- “Fund Balance Reporting and Governmental Fund Type Definitions.” This statement requires the use of new fund balance classifications and clarifies existing governmental fund type definitions. The new fund balance classifications are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources. The current reserved component of fund balance will be eliminated, in favor of a restricted classification, which will enhance the consistency between information reported in the government-wide statements and information in the governmental fund financial statements. The clarifications of the governmental fund type definitions will reduce uncertainty about which resources can or should be reported in the respective fund types. The County is required to implement this statement for the year ending November 30, 2011.

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.

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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 23,750,127	\$ 23,750,127	\$ 24,408,703	\$ 658,576
Licenses and permits	1,055,000	1,055,000	1,099,227	44,227
Fines and forfeitures	1,334,700	1,334,700	1,243,810	(90,890)
Grants, contributions, and intergovernmental	4,373,491	5,264,433	4,518,818	(745,615)
Property taxes	33,725,000	33,725,000	33,861,808	136,808
Sales taxes	8,100,000	8,100,000	8,998,845	898,845
State income taxes	6,000,000	6,000,000	5,780,880	(219,120)
Tax transfer stamps	1,350,000	1,350,000	1,203,780	(146,220)
Other taxes	2,055,000	2,055,000	1,694,536	(360,464)
Investment income	605,600	605,600	128,053	(477,547)
Miscellaneous	280,000	280,000	619,059	339,059
Total Revenues	<u>82,628,918</u>	<u>83,519,860</u>	<u>83,557,519</u>	<u>37,659</u>
EXPENDITURES				
Current				
General and administrative	27,538,565	27,583,705	25,734,987	1,848,718
Community development	1,371,041	1,592,213	1,288,117	304,096
Public safety	31,250,823	31,436,979	30,706,405	730,574
Judiciary and court related	10,091,674	10,444,206	10,214,079	230,127
Public health and welfare	7,555,571	7,969,686	7,216,318	753,368
Capital outlay	687,932	1,660,367	652,634	1,007,733
Debt service				
Principal retirement	967,830	978,933	916,761	62,172
Interest and fiscal charges	57,826	57,826	57,218	608
Total Expenditures	<u>79,521,262</u>	<u>81,723,915</u>	<u>76,786,519</u>	<u>4,937,396</u>
Excess of revenues over expenditures	<u>3,107,656</u>	<u>1,795,945</u>	<u>6,771,000</u>	<u>4,975,055</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	150,120	178,392	29,607	(148,785)
Transfers out	(3,617,230)	(3,617,230)	(3,503,053)	114,177
Capital leases issued	-	65,544	-	(65,544)
Total Other Financing Sources (Uses)	<u>(3,467,110)</u>	<u>(3,373,294)</u>	<u>(3,473,446)</u>	<u>(100,152)</u>
Net Change in Fund Balance	<u>\$ (359,454)</u>	<u>\$ (1,577,349)</u>	3,297,554	<u>\$ 4,874,903</u>
Fund Balance - Beginning of Year			<u>48,771,605</u>	
Fund Balance - End of Year			<u>\$ 52,069,159</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 4,565,344	\$ 4,565,344	\$ 6,848,209	\$ 2,282,865
Investment income	<u>300,000</u>	<u>300,000</u>	<u>80,153</u>	<u>(219,847)</u>
Total Revenues	<u>4,865,344</u>	<u>4,865,344</u>	<u>6,928,362</u>	<u>2,063,018</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	133,301	133,301	133,240	61
Contractual services	7,847,000	9,926,115	4,894,453	5,031,662
Commodities	1,395,000	1,450,885	1,304,013	146,872
Capital outlay	<u>5,950,000</u>	<u>8,992,990</u>	<u>739,314</u>	<u>8,253,676</u>
Total Expenditures	<u>15,325,301</u>	<u>20,503,291</u>	<u>7,071,020</u>	<u>13,432,271</u>
Deficiency of revenues over expenditures	(10,459,957)	(15,637,947)	(142,658)	15,495,289
OTHER FINANCING USES				
Transfers out	<u>(3,097,800)</u>	<u>(3,097,800)</u>	<u>(3,097,800)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (13,557,757)</u>	<u>\$ (18,735,747)</u>	(3,240,458)	<u>\$ 15,495,289</u>
Fund Balance - Beginning of Year			<u>22,966,396</u>	
Fund Balance - End of Year			<u>\$ 19,725,938</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 315,000	\$ 315,000	\$ 431,747	\$ 116,747
Property taxes	12,389,821	12,389,821	12,222,727	(167,094)
Investment income	26,000	26,000	17,648	(8,352)
Miscellaneous	<u>14,780</u>	<u>14,780</u>	<u>1,167</u>	<u>(13,613)</u>
Total Revenues	<u>12,745,601</u>	<u>12,745,601</u>	<u>12,673,289</u>	<u>(72,312)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,608,821	1,608,821	1,567,537	41,284
Contractual services	9,308,281	9,908,281	9,423,197	485,084
Commodities	140,976	140,976	63,625	77,351
Capital outlay	27,500	27,500	9,357	18,143
Debt service				
Interest and fiscal charges	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total Expenditures	<u>11,088,578</u>	<u>11,688,578</u>	<u>11,063,716</u>	<u>624,862</u>
Excess of revenues over expenditures	1,657,023	1,057,023	1,609,573	552,550
OTHER FINANCING USES				
Transfers out	<u>(1,657,023)</u>	<u>(1,657,023)</u>	<u>(1,614,694)</u>	<u>42,329</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (600,000)</u>	(5,121)	<u>\$ 594,879</u>
Fund Balance - Beginning of Year			<u>7,184,699</u>	
Fund Balance - End of Year			<u>\$ 7,179,578</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, 2010

Regular Plan							UAAL as a
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	Percentage of Covered Payroll ((2-1)/3)	
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)	
12/31/2000	52,431,520	42,363,133	(10,068,387)	123.77	23,285,495	(43.24)	

Sheriff's Law Enforcement Personnel Plan (SLEP)

Sheriff's Law Enforcement Personnel Plan (SLEP)							UAAL as a
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	Percentage of Covered Payroll ((2-1)/3)	
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	
12/31/2000	19,615,611	23,611,081	3,995,470	83.08	7,056,504	56.62	

Component Unit's Plan - Conservation District

Component Unit's Plan - Conservation District							UAAL as a
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	Percentage of Covered Payroll ((2-1)/3)	
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	
12/31/2000	1,246,214	1,959,916	713,702	63.59	1,830,668	38.99	

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, 2010

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

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

County of McHenry, Illinois
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2010

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 2010.

Note 3 – IMRF Information

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$72,587,474 for the Regular Plan, \$24,847,574 for the SLEP Plan, and \$4,418,034 for the District Plan. On a market basis, the funded ratio would be 79.52% for the Regular Plan, 51.31% for the SLEP Plan, and 60.62% for the District Plan.

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

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

GENERAL FUND

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

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
General and Administrative				
County clerk fees	\$ 185,000	\$ 185,000	\$ 172,006	\$ (12,994)
Tax redemption fees	160,000	160,000	174,963	14,963
Recording fees	1,360,000	1,360,000	1,155,725	(204,275)
Penalties/fees on delinquent taxes	1,800,000	1,800,000	2,695,683	895,683
Cable television franchise fees	470,000	470,000	497,268	27,268
Assessor's salary reimbursement	25,098	25,098	35,802	10,704
Other fees and charges	11,600	11,600	17,249	5,649
Community Development				
Subdivision review fees	10,000	10,000	3,702	(6,298)
Flood plain investigation fees	98,000	98,000	71,415	(26,585)
Maps and publications fees	4,500	4,500	2,564	(1,936)
Other fees and charges	11,300	11,300	26,472	15,172
Public Safety				
Coroner fees	9,000	9,000	9,000	-
Sheriff fees - circuit court	440,000	440,000	424,928	(15,072)
Sheriff fees - photocopies	10,000	10,000	4,636	(5,364)
Sheriff fees - foreign courts	65,000	65,000	58,125	(6,875)
Foreclosures	20,000	20,000	60,471	40,471
Court security fees	950,000	950,000	874,062	(75,938)
Jail space rental	10,500,000	10,500,000	9,981,228	(518,772)
Payphones	325,000	325,000	279,588	(45,412)
Dispatching fee	220,000	220,000	226,176	6,176
Squad car replacement fee	50,000	50,000	37,264	(12,736)
Sheriff salary reimbursement	-	-	47,928	47,928
Other fees and charges	53,642	53,642	61,037	7,395
Judiciary and Court Related				
10% bond earnings	356,000	356,000	332,983	(23,017)
Circuit clerk fees	3,642,500	3,642,500	3,924,660	282,160
County court fees	530,322	530,322	533,927	3,605
Court services salary reimbursements	620,768	620,768	696,682	75,914
State's attorney salary reimbursements	144,677	144,677	180,846	36,169
State's attorney fees	80,000	80,000	79,702	(298)
Public aid	85,000	85,000	82,555	(2,445)
Periodic imprisonment fees	22,000	22,000	17,497	(4,503)
Public defender salary reimbursement	99,895	99,895	117,454	17,559
Public defenders fees	80,000	80,000	79,080	(920)
Other fees and charges	27,000	27,000	41,835	14,835

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2010

	<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	\$ 572,000	\$ 572,000	\$ 677,376	\$ 105,376
Veterinary fees	61,000	61,000	64,922	3,922
Nursing fees	92,500	92,500	171,276	78,776
Health review fees	8,000	8,000	5,035	(2,965)
Health promotion	19,700	19,700	19,056	(644)
Vital record fees	52,000	52,000	52,600	600
Subdivision review fees	10,000	10,000	2,221	(7,779)
Medicare	80,000	80,000	75,935	(4,065)
Public aid	180,000	180,000	162,552	(17,448)
Private pay	10,000	10,000	8,960	(1,040)
Vision and hearing fees	80,000	80,000	46,404	(33,596)
Other fees and charges	118,625	118,625	117,853	(772)
Total Charges for Services	<u>23,750,127</u>	<u>23,750,127</u>	<u>24,408,703</u>	<u>658,576</u>
LICENSES AND PERMITS				
General and Administrative				
Liquor licenses	118,000	118,000	117,525	(475)
Amusement licenses	12,000	12,000	11,200	(800)
Community Development				
Building permits	300,000	300,000	336,461	36,461
Zoning permits	62,000	62,000	91,852	29,852
Public Health and Welfare				
Septic and well permits	107,000	107,000	81,380	(25,620)
Health licenses	450,000	450,000	453,053	3,053
Hauler license fees	6,000	6,000	7,756	1,756
Total Licenses and Permits	<u>1,055,000</u>	<u>1,055,000</u>	<u>1,099,227</u>	<u>44,227</u>
FINES AND FORFEITURES				
Community Development				
Planning fines	12,000	12,000	8,726	(3,274)
Judiciary and Court Related				
Fines and bond forfeitures	1,167,700	1,167,700	1,097,491	(70,209)
County drug fines	120,000	120,000	105,634	(14,366)
Public Health and Welfare				
Veterinary fines	35,000	35,000	31,959	(3,041)
Total Fines and Forfeitures	<u>1,334,700</u>	<u>1,334,700</u>	<u>1,243,810</u>	<u>(90,890)</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2010

	<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	\$ 55,000	\$ 55,000	\$ 92,885	\$ 37,885
Other grants	-	-	19,854	19,854
Community Development				
Historic preservation grant	-	1,250	1,250	-
Public Safety				
Sheriff's Office - grants	18,370	583,558	240,651	(342,907)
Emergency Management - grants	57,150	66,320	238,259	171,939
Judiciary and Court Related				
Dependent children care reimbursements	21,000	21,000	-	(21,000)
Dependent children/parent reimbursements	42,000	42,000	38,941	(3,059)
State's Attorney - grants	27,500	27,500	26,825	(675)
Court Administration - grants	-	18,750	17,550	(1,200)
Public Health and Welfare				
Health department grants -				
Nursing	3,461,983	3,719,877	3,197,145	(522,732)
Environmental	139,488	178,178	183,831	5,653
Administration	51,000	51,000	49,744	(1,256)
IDPH vaccines	<u>500,000</u>	<u>500,000</u>	<u>411,883</u>	<u>(88,117)</u>
Total Grants, Contributions, and Intergovernmental	<u>4,373,491</u>	<u>5,264,433</u>	<u>4,518,818</u>	<u>(745,615)</u>
PROPERTY TAXES	<u>33,725,000</u>	<u>33,725,000</u>	<u>33,861,808</u>	<u>136,808</u>
SALES TAXES	<u>8,100,000</u>	<u>8,100,000</u>	<u>8,998,845</u>	<u>898,845</u>
STATE INCOME TAXES	<u>6,000,000</u>	<u>6,000,000</u>	<u>5,780,880</u>	<u>(219,120)</u>
TAX TRANSFER STAMPS	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,203,780</u>	<u>(146,220)</u>
OTHER TAXES				
Local use tax	1,000,000	1,000,000	915,022	(84,978)
Personal property replacement tax	750,000	750,000	608,090	(141,910)
Inheritance tax	200,000	200,000	82,197	(117,803)
Off track betting	105,000	105,000	89,227	(15,773)
Total Other Taxes	<u>2,055,000</u>	<u>2,055,000</u>	<u>1,694,536</u>	<u>(360,464)</u>
INVESTMENT INCOME				
Interest	<u>605,600</u>	<u>605,600</u>	<u>128,053</u>	<u>(477,547)</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2010

	<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	\$ 215,000	\$ 215,000	\$ 491,341	\$ 276,341
Proceeds from sale of capital assets	40,000	40,000	-	(40,000)
Other income	<u>25,000</u>	<u>25,000</u>	<u>127,718</u>	<u>102,718</u>
Total Miscellaneous	<u>280,000</u>	<u>280,000</u>	<u>619,059</u>	<u>339,059</u>
TOTAL REVENUES	<u>\$ 82,628,918</u>	<u>\$ 83,519,860</u>	<u>\$ 83,557,519</u>	<u>\$ 37,659</u>

(Concluded)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE				
Administration				
Personnel services	\$ 526,880	\$ 566,457	\$ 566,457	\$ -
Contractual services	85,582	102,335	94,208	8,127
Commodities	<u>27,870</u>	<u>25,270</u>	<u>21,998</u>	<u>3,272</u>
Total Administration	<u>640,332</u>	<u>694,062</u>	<u>682,663</u>	<u>11,399</u>
Auditor				
Personnel services	287,852	291,627	291,609	18
Contractual services	6,010	6,010	3,820	2,190
Commodities	<u>10,089</u>	<u>10,089</u>	<u>7,774</u>	<u>2,315</u>
Total Auditor	<u>303,951</u>	<u>307,726</u>	<u>303,203</u>	<u>4,523</u>
County Board and Liquor Commission				
Personnel services	589,158	593,754	593,753	1
Contractual services	70,932	64,679	57,056	7,623
Commodities	<u>41,491</u>	<u>36,491</u>	<u>26,462</u>	<u>10,029</u>
Total County Board and Liquor Commission	<u>701,581</u>	<u>694,924</u>	<u>677,271</u>	<u>17,653</u>
County Clerk				
Personnel services	391,939	411,978	410,491	1,487
Contractual services	7,050	7,050	5,204	1,846
Commodities	<u>9,100</u>	<u>9,100</u>	<u>7,150</u>	<u>1,950</u>
Total County Clerk	<u>408,089</u>	<u>428,128</u>	<u>422,845</u>	<u>5,283</u>
County Clerk - Elections				
Personnel services	566,415	650,993	650,993	-
Contractual services	249,150	299,925	294,883	5,042
Commodities	<u>323,500</u>	<u>313,500</u>	<u>309,291</u>	<u>4,209</u>
Total County Clerk - Elections	<u>1,139,065</u>	<u>1,264,418</u>	<u>1,255,167</u>	<u>9,251</u>
Educational Service Region				
Personnel services	175,058	180,535	180,535	-
Contractual services	28,550	28,550	26,071	2,479
Commodities	<u>12,500</u>	<u>12,500</u>	<u>5,573</u>	<u>6,927</u>
Total Educational Service Region	<u>216,108</u>	<u>221,585</u>	<u>212,179</u>	<u>9,406</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2010

	<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	\$ 1,052,495	\$ 1,090,019	\$ 1,090,018	\$ 1
Contractual services	1,826,806	2,006,288	2,002,639	3,649
Commodities	<u>118,338</u>	<u>123,731</u>	<u>118,596</u>	<u>5,135</u>
Total Facilities Management	<u>2,997,639</u>	<u>3,220,038</u>	<u>3,211,253</u>	<u>8,785</u>
Human Resources				
Personnel services	253,457	259,834	259,833	1
Contractual services	261,630	261,630	161,707	99,923
Commodities	<u>6,250</u>	<u>6,250</u>	<u>1,882</u>	<u>4,368</u>
Total Human Resources	<u>521,337</u>	<u>527,714</u>	<u>423,422</u>	<u>104,292</u>
Information Technology				
Personnel services	1,637,436	1,649,686	1,649,669	17
Contractual services	1,366,879	1,390,752	1,289,959	100,793
Commodities	<u>76,477</u>	<u>80,072</u>	<u>52,091</u>	<u>27,981</u>
Total Information Technology	<u>3,080,792</u>	<u>3,120,510</u>	<u>2,991,719</u>	<u>128,791</u>
Merit Commission				
Personnel services	5,100	5,100	600	4,500
Contractual services	54,000	54,000	10,259	43,741
Commodities	<u>900</u>	<u>900</u>	<u>181</u>	<u>719</u>
Total Merit Commission	<u>60,000</u>	<u>60,000</u>	<u>11,040</u>	<u>48,960</u>
Purchasing				
Personnel services	242,570	249,656	249,656	-
Contractual services	13,130	13,130	10,845	2,285
Commodities	<u>402,735</u>	<u>404,535</u>	<u>400,749</u>	<u>3,786</u>
Total Purchasing	<u>658,435</u>	<u>667,321</u>	<u>661,250</u>	<u>6,071</u>
Recorder				
Personnel services	1,128,977	1,128,977	1,100,166	28,811
Contractual services	42,090	42,090	20,050	22,040
Commodities	<u>957,370</u>	<u>957,370</u>	<u>833,046</u>	<u>124,324</u>
Total Recorder	<u>2,128,437</u>	<u>2,128,437</u>	<u>1,953,262</u>	<u>175,175</u>
Supervisor of Assessments				
Personnel services	778,604	795,104	795,067	37
Contractual services	120,675	145,675	141,372	4,303
Commodities	<u>12,500</u>	<u>12,500</u>	<u>9,568</u>	<u>2,932</u>
Total Supervisor of Assessments	<u>911,779</u>	<u>953,279</u>	<u>946,007</u>	<u>7,272</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE (Continued)				
Treasurer				
Personnel services	\$ 487,639	\$ 487,639	\$ 487,639	\$ -
Contractual services	49,956	49,956	49,956	-
Commodities	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>-</u>
Total Treasurer	<u>544,095</u>	<u>544,095</u>	<u>544,095</u>	<u>-</u>
Non-Departmental				
Personnel services	1,329,581	772,185	-	772,185
Contractual services	11,796,994	11,972,827	11,433,505	539,322
Commodities	<u>100,350</u>	<u>6,456</u>	<u>6,106</u>	<u>350</u>
Total Non-Departmental	<u>13,226,925</u>	<u>12,751,468</u>	<u>11,439,611</u>	<u>1,311,857</u>
Total General and Administrative	<u>27,538,565</u>	<u>27,583,705</u>	<u>25,734,987</u>	<u>1,848,718</u>
COMMUNITY DEVELOPMENT				
Planning and Development				
Personnel services	1,206,311	1,184,111	1,184,085	26
Contractual services	105,350	345,983	62,950	283,033
Commodities	<u>59,380</u>	<u>62,119</u>	<u>41,082</u>	<u>21,037</u>
Total Planning and Development	<u>1,371,041</u>	<u>1,592,213</u>	<u>1,288,117</u>	<u>304,096</u>
Total Community Development	<u>1,371,041</u>	<u>1,592,213</u>	<u>1,288,117</u>	<u>304,096</u>
PUBLIC SAFETY				
County Sheriff				
Personnel services	26,241,640	26,133,421	25,578,680	554,741
Contractual services	3,376,061	3,429,190	3,417,021	12,169
Commodities	<u>923,754</u>	<u>1,000,904</u>	<u>858,142</u>	<u>142,762</u>
Total County Sheriff	<u>30,541,455</u>	<u>30,563,515</u>	<u>29,853,843</u>	<u>709,672</u>
Emergency Management				
Personnel services	202,390	209,042	209,040	2
Contractual services	28,040	151,922	140,636	11,286
Commodities	<u>11,323</u>	<u>19,699</u>	<u>11,248</u>	<u>8,451</u>
Total Emergency Management	<u>241,753</u>	<u>380,663</u>	<u>360,924</u>	<u>19,739</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY (Continued)				
County Coroner				
Personnel services	\$ 313,508	\$ 326,694	\$ 326,694	\$ -
Contractual services	137,675	151,799	150,757	1,042
Commodities	16,432	14,308	14,187	121
Total County Coroner	<u>467,615</u>	<u>492,801</u>	<u>491,638</u>	<u>1,163</u>
Total Public Safety	<u>31,250,823</u>	<u>31,436,979</u>	<u>30,706,405</u>	<u>730,574</u>
JUDICIARY AND COURT RELATED				
Clerk of the Circuit Court				
Personnel services	1,854,425	1,897,698	1,897,697	1
Contractual services	29,450	29,450	29,092	358
Commodities	26,150	26,150	20,191	5,959
Total Clerk of the Circuit Court	<u>1,910,025</u>	<u>1,953,298</u>	<u>1,946,980</u>	<u>6,318</u>
Court Administration				
Personnel services	690,433	701,268	682,400	18,868
Contractual services	799,325	827,520	812,854	14,666
Commodities	110,773	90,493	54,180	36,313
Total Court Administration	<u>1,600,531</u>	<u>1,619,281</u>	<u>1,549,434</u>	<u>69,847</u>
Court Services				
Personnel services	2,380,738	2,455,967	2,455,966	1
Contractual services	483,162	483,162	400,586	82,576
Commodities	30,198	30,198	21,544	8,654
Total Court Services	<u>2,894,098</u>	<u>2,969,327</u>	<u>2,878,096</u>	<u>91,231</u>
Public Defender				
Personnel services	890,018	931,107	931,107	-
Contractual services	10,550	10,550	7,231	3,319
Commodities	9,929	9,929	9,312	617
Total Public Defender	<u>910,497</u>	<u>951,586</u>	<u>947,650</u>	<u>3,936</u>
State's Attorney				
Personnel services	2,545,747	2,683,938	2,645,526	38,412
Contractual services	171,776	228,226	208,333	19,893
Commodities	59,000	38,550	38,060	490
Total State's Attorney	<u>2,776,523</u>	<u>2,950,714</u>	<u>2,891,919</u>	<u>58,795</u>
Total Judiciary and Court Related	<u>10,091,674</u>	<u>10,444,206</u>	<u>10,214,079</u>	<u>230,127</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2010

	<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	\$ 5,310,712	\$ 5,458,537	\$ 5,458,536	\$ 1
Contractual services	931,497	1,126,227	813,411	312,816
Commodities	<u>1,313,362</u>	<u>1,384,922</u>	<u>944,371</u>	<u>440,551</u>
Total Health Department	<u>7,555,571</u>	<u>7,969,686</u>	<u>7,216,318</u>	<u>753,368</u>
Total Public Health and Welfare	<u>7,555,571</u>	<u>7,969,686</u>	<u>7,216,318</u>	<u>753,368</u>
Total Expenditures - Current	<u>77,807,674</u>	<u>79,026,789</u>	<u>75,159,906</u>	<u>3,866,883</u>
CAPITAL OUTLAY	<u>687,932</u>	<u>1,660,367</u>	<u>652,634</u>	<u>1,007,733</u>
DEBT SERVICE				
Principal retirement	967,830	978,933	916,761	62,172
Interest and fiscal charges	<u>57,826</u>	<u>57,826</u>	<u>57,218</u>	<u>608</u>
Total Debt Service	<u>1,025,656</u>	<u>1,036,759</u>	<u>973,979</u>	<u>62,780</u>
TOTAL EXPENDITURES	<u>\$ 79,521,262</u>	<u>\$ 81,723,915</u>	<u>\$ 76,786,519</u>	<u>\$ 4,937,396</u>

(Concluded)

**NONMAJOR GOVERNMENTAL FUNDS -
COMBINING STATEMENTS**

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2010

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS					
Cash and equivalents	\$ 73,262,895	\$ 74,429	\$ 5,773,737	\$ 801,452	\$ 79,912,513
Property taxes receivable	18,875,697	-	-	-	18,875,697
Other receivables	1,435,866	605	-	-	1,436,471
Due from other governments	10,090,579	-	-	-	10,090,579
Due from other funds	174,696	-	-	-	174,696
Inventory	<u>23,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,614</u>
TOTAL ASSETS	<u>\$ 103,863,347</u>	<u>\$ 75,034</u>	<u>\$ 5,773,737</u>	<u>\$ 801,452</u>	<u>\$ 110,513,570</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 3,537,656	\$ 1,913	\$ 289,766	\$ -	\$ 3,829,335
Accrued payroll	1,401,620	-	-	-	1,401,620
Deferred revenues	24,547,864	-	-	-	24,547,864
Due to other funds	817,896	-	-	884	818,780
Advance from other funds	1,729,576	-	-	-	1,729,576
Due to grantees	<u>276,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,022</u>
Total Liabilities	<u>32,310,634</u>	<u>1,913</u>	<u>289,766</u>	<u>884</u>	<u>32,603,197</u>
Fund Balances					
Reserved for encumbrances	20,219,090	-	5,469,935	-	25,689,025
Reserved for inventory	23,614	-	-	-	23,614
Reserved for non-current receivables	1,313,559	-	-	-	1,313,559
Reserved for grant programs	290,589	-	-	-	290,589
Reserved for debt service	-	73,121	-	-	73,121
Reserved for working cash	-	-	-	800,568	800,568
Unreserved - undesignated	<u>49,705,861</u>	<u>-</u>	<u>14,036</u>	<u>-</u>	<u>49,719,897</u>
Total Fund Balances	<u>71,552,713</u>	<u>73,121</u>	<u>5,483,971</u>	<u>800,568</u>	<u>77,910,373</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 103,863,347</u>	<u>\$ 75,034</u>	<u>\$ 5,773,737</u>	<u>\$ 801,452</u>	<u>\$ 110,513,570</u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended November 30, 2010

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds
REVENUES					
Charges for services	\$ 4,404,657	\$ -	\$ -	\$ -	\$ 4,404,657
Licenses and permits	67,546	-	-	-	67,546
Fines and forfeitures	16,641	-	-	-	16,641
Grants, contributions, and intergovernmental	23,702,676	-	-	-	23,702,676
Property taxes	18,478,251	-	-	-	18,478,251
Sales taxes	9,049,342	-	-	-	9,049,342
Other taxes	110,271	-	-	-	110,271
Investment income	185,861	3,473	8,849	884	199,067
Miscellaneous	217,346	-	-	-	217,346
Total Revenues	<u>56,232,591</u>	<u>3,473</u>	<u>8,849</u>	<u>884</u>	<u>56,245,797</u>
EXPENDITURES					
Current					
General and administrative	2,521,400	11,695	121,053	-	2,654,148
Community development	6,052,469	-	-	-	6,052,469
Transportation	12,343,560	-	-	-	12,343,560
Public safety	5,419,321	-	-	-	5,419,321
Judiciary and court related	3,676,546	-	-	-	3,676,546
Public health and welfare	10,631,534	-	72,100	-	10,703,634
Capital outlay	9,128,269	-	3,275,597	-	12,403,866
Debt service					
Principal retirement	55,900	7,625,000	-	-	7,680,900
Interest and fiscal charges	2,416	2,842,116	-	-	2,844,532
Total Expenditures	<u>49,831,415</u>	<u>10,478,811</u>	<u>3,468,750</u>	<u>-</u>	<u>63,778,976</u>
Excess (deficiency) of revenues over expenditures	<u>6,401,176</u>	<u>(10,475,338)</u>	<u>(3,459,901)</u>	<u>884</u>	<u>(7,533,179)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	3,147,349	10,467,116	-	-	13,614,465
Transfers out	(5,182,746)	-	(244,895)	(884)	(5,428,525)
Debt certificates issued	-	-	8,147,000	-	8,147,000
Refunding debt certificates issued	-	-	3,448,000	-	3,448,000
Premium on debt issuance	-	-	459,447	-	459,447
Payment to bond escrow agent	-	-	(3,583,775)	-	(3,583,775)
Total Other Financing Sources (Uses)	<u>(2,035,397)</u>	<u>10,467,116</u>	<u>8,225,777</u>	<u>(884)</u>	<u>16,656,612</u>
Net Change in Fund Balances	4,365,779	(8,222)	4,765,876	-	9,123,433
Fund Balances - Beginning of Year	<u>67,186,934</u>	<u>81,343</u>	<u>718,095</u>	<u>800,568</u>	<u>68,786,940</u>
Fund Balances - End of Year	<u>\$ 71,552,713</u>	<u>\$ 73,121</u>	<u>\$ 5,483,971</u>	<u>\$ 800,568</u>	<u>\$ 77,910,373</u>

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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 from contracts with various municipalities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2010

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	Illinois Municipal Retirement Fund	Social Security Fund
ASSETS				
Cash and equivalents	\$ 6,747	\$ 1,140,444	\$ 4,491,288	\$ 3,131,009
Property taxes receivable	-	360,000	4,500,000	3,250,000
Other receivables	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ 6,747	\$ 1,500,444	\$ 8,991,288	\$ 6,381,009
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ -	\$ 25,779	\$ -	\$ -
Accrued payroll	-	5,635	1,060,577	121,979
Deferred revenues	-	360,000	4,500,000	3,250,000
Due to other funds	-	2,895	-	-
Advance from other funds	-	-	-	-
Due to grantees	-	-	-	-
	-	-	-	-
Total Liabilities	-	394,309	5,560,577	3,371,979
Fund Balances (Deficit)				
Reserved for encumbrances	-	-	-	-
Reserved for inventory	-	-	-	-
Reserved for non-current receivables	-	-	-	-
Reserved for grant programs	-	-	-	-
Unreserved - undesignated	6,747	1,106,135	3,430,711	3,009,030
	6,747	1,106,135	3,430,711	3,009,030
Total Fund Balances (Deficit)	6,747	1,106,135	3,430,711	3,009,030
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 6,747	\$ 1,500,444	\$ 8,991,288	\$ 6,381,009

Coroner's Fund	County Highway Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund
\$ 16,978	\$ 5,312,019	\$ 16,309,852	\$ 4,006,197	\$ 9,985,575	\$ 471,155
-	6,400,000	1,110,000	1,000,000	-	480,697
-	109,749	178	-	12,134	-
-	6,236	786,477	1,137,448	2,039,877	-
-	174,696	-	-	-	-
-	21,489	-	-	-	-
<u>\$ 16,978</u>	<u>\$ 12,024,189</u>	<u>\$ 18,206,507</u>	<u>\$ 6,143,645</u>	<u>\$ 12,037,586</u>	<u>\$ 951,852</u>
\$ 3,381	\$ 216,201	\$ 1,026,358	\$ 294,974	\$ 476,196	\$ 2,312
-	102,188	-	-	-	2,992
-	6,400,000	1,896,477	2,137,448	1,161,051	480,697
359	126,968	-	-	-	3,945
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,740</u>	<u>6,845,357</u>	<u>2,922,835</u>	<u>2,432,422</u>	<u>1,637,247</u>	<u>489,946</u>
-	4,525,341	6,758,952	1,638,252	7,219,284	-
-	21,489	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>13,238</u>	<u>632,002</u>	<u>8,524,720</u>	<u>2,072,971</u>	<u>3,181,055</u>	<u>461,906</u>
<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>\$ 16,978</u>	<u>\$ 12,024,189</u>	<u>\$ 18,206,507</u>	<u>\$ 6,143,645</u>	<u>\$ 12,037,586</u>	<u>\$ 951,852</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2010

	Maintenance and Child Support Collection Fund	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund
ASSETS				
Cash and equivalents	\$ 276,900	\$ 87,309	\$ 1,029,396	\$ 18,852
Property taxes receivable	-	-	-	-
Other receivables	-	-	209	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	\$ <u>276,900</u>	\$ <u>87,309</u>	\$ <u>1,029,605</u>	\$ <u>18,852</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	3,383	-	5,487	-
Deferred revenues	-	-	147	-
Due to other funds	1,508	-	3,170	-
Advance from other funds	-	-	-	-
Due to grantees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,891</u>	<u>-</u>	<u>8,804</u>	<u>-</u>
Fund Balances (Deficit)				
Reserved for encumbrances	-	-	-	-
Reserved for inventory	-	-	-	-
Reserved for non-current receivables	-	-	-	-
Reserved for grant programs	-	-	-	-
Unreserved - undesignated	272,009	87,309	1,020,801	18,852
	<u>272,009</u>	<u>87,309</u>	<u>1,020,801</u>	<u>18,852</u>
Total Fund Balances (Deficit)	<u>272,009</u>	<u>87,309</u>	<u>1,020,801</u>	<u>18,852</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ <u>276,900</u>	\$ <u>87,309</u>	\$ <u>1,029,605</u>	\$ <u>18,852</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
\$ 384,975	\$ 233,658	\$ 505,932	\$ 126,268	\$ 395,538	\$ 507,967
-	-	-	-	-	-
-	37	-	-	-	-
-	2,309,270	-	-	1,023,167	-
-	-	-	-	-	-
-	-	-	-	2,125	-
<u>\$ 384,975</u>	<u>\$ 2,542,965</u>	<u>\$ 505,932</u>	<u>\$ 126,268</u>	<u>\$ 1,420,830</u>	<u>\$ 507,967</u>
\$ 24,793	\$ 101,732	\$ 12,155	\$ -	\$ 314,534	\$ 2,402
95	35,565	1,758	-	23,993	3,518
-	1,896,569	-	-	633,441	-
-	20,075	1,271	-	433,941	-
-	-	-	-	-	1,016,295
-	-	-	-	261,311	-
<u>24,888</u>	<u>2,053,941</u>	<u>15,184</u>	<u>-</u>	<u>1,667,220</u>	<u>1,022,215</u>
-	-	37,565	-	-	10,469
-	-	-	-	2,125	-
-	-	-	-	-	-
-	289,104	-	-	1,485	-
<u>360,087</u>	<u>199,920</u>	<u>453,183</u>	<u>126,268</u>	<u>(250,000)</u>	<u>(524,717)</u>
<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>\$ 384,975</u>	<u>\$ 2,542,965</u>	<u>\$ 505,932</u>	<u>\$ 126,268</u>	<u>\$ 1,420,830</u>	<u>\$ 507,967</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2010

	Probation Service Fee Fund	HUD Grants Fund	Dental Care Clinic Fund	Circuit Court Automation Fund
ASSETS				
Cash and equivalents	\$ 1,038,700	\$ 29,236	\$ 412,479	\$ 240,740
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Due from other governments	-	501,378	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ 1,038,700	\$ 530,614	\$ 412,479	\$ 240,740
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ 73,273	\$ 486,404	\$ 7,303	\$ 12,894
Accrued payroll	-	6,700	7,421	6,118
Deferred revenues	-	29,236	-	-
Due to other funds	14,960	5,840	3,987	2,443
Advance from other funds	-	-	-	713,281
Due to grantees	-	-	-	-
	-	-	-	-
Total Liabilities	88,233	528,180	18,711	734,736
Fund Balances (Deficit)				
Reserved for encumbrances	34	-	-	938
Reserved for inventory	-	-	-	-
Reserved for non-current receivables	-	-	-	-
Reserved for grant programs	-	-	-	-
Unreserved - undesignated	950,433	2,434	393,768	(494,934)
	950,433	2,434	393,768	(494,934)
Total Fund Balances (Deficit)	950,467	2,434	393,768	(493,996)
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 1,038,700	\$ 530,614	\$ 412,479	\$ 240,740

Illinois Criminal Justice Authority Fund	Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	Prairie Shield Grant Fund	DUI Conviction Fund
\$ 28,854	\$ 100,644	\$ 51,497	\$ 86,644	\$ 19,699	\$ 33,631
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>28,854</u>	<u>100,644</u>	<u>51,497</u>	<u>86,644</u>	<u>19,699</u>	<u>33,631</u>
\$ -	\$ 9,682	\$ -	\$ 481	\$ -	\$ -
-	-	-	3,578	-	-
27,798	-	-	-	-	-
-	-	17,000	-	-	-
-	-	-	-	-	-
-	-	-	-	14,711	-
<u>27,798</u>	<u>9,682</u>	<u>17,000</u>	<u>4,059</u>	<u>14,711</u>	<u>-</u>
-	-	-	-	-	6,205
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,056	90,962	34,497	82,585	4,988	27,426
<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>28,854</u>	<u>100,644</u>	<u>51,497</u>	<u>86,644</u>	<u>19,699</u>	<u>33,631</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2010

	<u>Geographic Information Systems Fund</u>	<u>Revolving Loan Fund</u>	<u>Health Scholarship Fund</u>	<u>Senior Services Fund</u>
ASSETS				
Cash and equivalents	\$ 1,518,908	\$ 371,664	\$ 6,773	\$ 2,996,588
Property taxes receivable	-	-	-	1,775,000
Other receivables	-	1,313,559	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,518,908</u>	<u>\$ 1,685,223</u>	<u>\$ 6,773</u>	<u>\$ 4,771,588</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities				
Accounts payable	\$ 7,975	\$ -	\$ 500	\$ 251,362
Accrued payroll	10,633	-	-	-
Deferred revenues	-	-	-	1,775,000
Due to other funds	4,838	-	-	78,269
Advance from other funds	-	-	-	-
Due to grantees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>23,446</u>	<u>-</u>	<u>500</u>	<u>2,104,631</u>
Fund Balances (Deficit)				
Reserved for encumbrances	22,050	-	-	-
Reserved for inventory	-	-	-	-
Reserved for non-current receivables	-	1,313,559	-	-
Reserved for grant programs	-	-	-	-
Unreserved - undesignated	1,473,412	371,664	6,273	2,666,957
	<u>1,495,462</u>	<u>1,685,223</u>	<u>6,273</u>	<u>2,666,957</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 1,518,908</u>	<u>\$ 1,685,223</u>	<u>\$ 6,773</u>	<u>\$ 4,771,588</u>

RTA Sales Tax Fund	Energy Efficiency Block Grant Fund	Totals
\$ 17,754,774	\$ 134,005	\$ 73,262,895
-	-	18,875,697
-	-	1,435,866
2,233,761	52,965	10,090,579
-	-	174,696
-	-	23,614
\$ 19,988,535	\$ 186,970	\$ 103,863,347

\$ -	\$ 186,965	\$ 3,537,656
-	-	1,401,620
-	-	24,547,864
96,427	-	817,896
-	-	1,729,576
-	-	276,022
96,427	186,965	32,310,634

-	-	20,219,090
-	-	23,614
-	-	1,313,559
-	-	290,589
19,892,108	5	49,705,861
19,892,108	5	71,552,713
\$ 19,988,535	\$ 186,970	\$ 103,863,347

(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, 2010

	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	-	-	-	-
Property taxes	-	355,200	4,439,251	3,206,233
Sales taxes	-	-	-	-
Other taxes	-	-	110,271	-
Investment income	10	9	7,342	4,179
Miscellaneous	225	5,138	-	-
Total Revenues	235	360,347	4,556,864	3,210,412
EXPENDITURES				
Current				
General and administrative	-	-	799,721	496,185
Community development	-	-	134,643	78,649
Transportation	-	-	301,148	186,000
Public safety	-	-	3,104,330	1,465,086
Judiciary and court related	-	-	888,185	542,904
Public health and welfare	-	449,385	1,147,287	787,997
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	449,385	6,375,314	3,556,821
Excess (deficiency) of revenues over expenditures	235	(89,038)	(1,818,450)	(346,409)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	235	(89,038)	(1,818,450)	(346,409)
Fund Balances (Deficit) - Beginning of Year	6,512	1,195,173	5,249,161	3,355,439
Fund Balances (Deficit) - End of Year	\$ 6,747	\$ 1,106,135	\$ 3,430,711	\$ 3,009,030

Coroner's Fund	County Highway Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund
\$ 17,948	\$ 1,481	\$ -	\$ -	\$ -	\$ 10,900
-	67,546	-	-	-	-
-	-	-	-	-	-
-	82,360	2,130,319	558,660	6,999,040	-
-	6,279,154	986,533	986,533	-	474,243
-	-	-	-	-	-
-	-	-	-	-	-
5	5,955	26,707	5,982	43,711	479
-	96,455	-	-	-	-
<u>17,953</u>	<u>6,532,951</u>	<u>3,143,559</u>	<u>1,551,175</u>	<u>7,042,751</u>	<u>485,622</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	6,143,755	2,048,093	1,167,659	2,496,905	-
4,715	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	311,475
-	1,607,885	959,913	449,434	4,159,158	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,715</u>	<u>7,751,640</u>	<u>3,008,006</u>	<u>1,617,093</u>	<u>6,656,063</u>	<u>311,475</u>
<u>13,238</u>	<u>(1,218,689)</u>	<u>135,553</u>	<u>(65,918)</u>	<u>386,688</u>	<u>174,147</u>
-	1,532,655	-	-	-	-
-	(78,729)	-	-	(3,544,362)	-
-	1,453,926	-	-	(3,544,362)	-
13,238	235,237	135,553	(65,918)	(3,157,674)	174,147
-	4,943,595	15,148,119	3,777,141	13,558,013	287,759
<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>

(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, 2010

	Maintenance and Child Support Collection Fund	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund
REVENUES				
Charges for services	\$ 127,662	\$ 13,540	\$ 814,505	\$ 2,449
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	428	142	3,812	35
Miscellaneous	-	-	-	-
	<u>128,090</u>	<u>13,682</u>	<u>818,317</u>	<u>2,484</u>
Total Revenues				
EXPENDITURES				
Current				
General and administrative	-	10,388	420,614	-
Community development	-	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	144,985	-	-	-
Public health and welfare	-	-	-	2,095
Capital outlay	-	-	14,060	-
Debt service				
Principal retirement	-	-	40,740	-
Interest and fiscal charges	-	-	2,416	-
	<u>144,985</u>	<u>10,388</u>	<u>477,830</u>	<u>2,095</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	<u>(16,895)</u>	<u>3,294</u>	<u>340,487</u>	<u>389</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(10,000)	-	-
	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(16,895)	(6,706)	340,487	389
Fund Balances (Deficit) - Beginning of Year	<u>288,904</u>	<u>94,015</u>	<u>680,314</u>	<u>18,463</u>
Fund Balances (Deficit) - End of Year	<u>\$ 272,009</u>	<u>\$ 87,309</u>	<u>\$ 1,020,801</u>	<u>\$ 18,852</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
\$ 170,747	\$ -	\$ 341,620	\$ -	\$ -	\$ 755,976
-	-	-	-	-	-
-	-	-	-	-	-
20,076	2,809,327	-	-	1,752,982	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,103	1,289	630	947	1,250	798
-	101,181	-	-	12,947	-
<u>191,926</u>	<u>2,911,797</u>	<u>342,250</u>	<u>947</u>	<u>1,767,179</u>	<u>756,774</u>
116,817	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	181,556	-	-	898,118
-	3,054,625	-	-	2,701,819	-
24,749	3,479	-	150	-	-
-	15,160	-	-	-	-
-	-	-	-	-	-
<u>141,566</u>	<u>3,073,264</u>	<u>181,556</u>	<u>150</u>	<u>2,701,819</u>	<u>898,118</u>
<u>50,360</u>	<u>(161,467)</u>	<u>160,694</u>	<u>797</u>	<u>(934,640)</u>	<u>(141,344)</u>
-	-	-	-	1,614,694	-
-	-	-	-	-	-
-	-	-	-	1,614,694	-
50,360	(161,467)	160,694	797	680,054	(141,344)
<u>309,727</u>	<u>650,491</u>	<u>330,054</u>	<u>125,471</u>	<u>(926,444)</u>	<u>(372,904)</u>
<u>\$ 360,087</u>	<u>\$ 489,024</u>	<u>\$ 490,748</u>	<u>\$ 126,268</u>	<u>\$ (246,390)</u>	<u>\$ (514,248)</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, 2010

	Probation Service Fee Fund	HUD Grants Fund	Dental Care Clinic Fund	Circuit Court Automation Fund
REVENUES				
Charges for services	\$ 310,695	\$ -	\$ 37,443	\$ 795,258
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	5,760,266	359,972	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	1,562	-	620	312
Miscellaneous	-	-	-	-
	<u>312,257</u>	<u>5,760,266</u>	<u>398,035</u>	<u>795,570</u>
Total Revenues				
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Community development	-	5,836,577	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	303,154	-	-	580,451
Public health and welfare	-	-	402,475	-
Capital outlay	43,070	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>346,224</u>	<u>5,836,577</u>	<u>402,475</u>	<u>580,451</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	<u>(33,967)</u>	<u>(76,311)</u>	<u>(4,440)</u>	<u>215,119</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(33,967)	(76,311)	(4,440)	215,119
Fund Balances (Deficit) - Beginning of Year	<u>984,434</u>	<u>78,745</u>	<u>398,208</u>	<u>(709,115)</u>
Fund Balances (Deficit) - End of Year	<u>\$ 950,467</u>	<u>\$ 2,434</u>	<u>\$ 393,768</u>	<u>\$ (493,996)</u>

Illinois Criminal Justice Authority Fund	Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	Prairie Shield Grant Fund	DUI Conviction Fund
\$ -	\$ 81,131	\$ 21,145	\$ 40,759	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	16,641
83,394	-	-	-	1,279,909	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19	110	-	111	191	-
-	-	-	-	-	-
<u>83,413</u>	<u>81,241</u>	<u>21,145</u>	<u>40,870</u>	<u>1,280,100</u>	<u>16,641</u>
-	-	-	13,179	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	819,562	25,628
83,394	53,799	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>83,394</u>	<u>53,799</u>	<u>-</u>	<u>13,179</u>	<u>819,562</u>	<u>25,628</u>
<u>19</u>	<u>27,442</u>	<u>21,145</u>	<u>27,691</u>	<u>460,538</u>	<u>(8,987)</u>
-	-	-	-	-	-
-	-	(17,000)	-	-	-
-	-	(17,000)	-	-	-
19	27,442	4,145	27,691	460,538	(8,987)
<u>1,037</u>	<u>63,520</u>	<u>30,352</u>	<u>54,894</u>	<u>(455,550)</u>	<u>42,618</u>
<u>\$ 1,056</u>	<u>\$ 90,962</u>	<u>\$ 34,497</u>	<u>\$ 82,585</u>	<u>\$ 4,988</u>	<u>\$ 33,631</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, 2010

	Geographic Information Systems Fund	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund
REVENUES				
Charges for services	\$ 861,398	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	1,751,104
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Investment income	2,064	52,416	5	1,610
Miscellaneous	-	1,400	-	-
Total Revenues	863,462	53,816	5	1,752,714
EXPENDITURES				
Current				
General and administrative	664,496	-	-	-
Community development	-	2,600	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	465	1,773,911
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	664,496	2,600	465	1,773,911
Excess (deficiency) of revenues over expenditures	198,966	51,216	(460)	(21,197)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(78,269)
Total Other Financing Sources (Uses)	-	-	-	(78,269)
Net Change in Fund Balances	198,966	51,216	(460)	(99,466)
Fund Balances (Deficit) - Beginning of Year	1,296,496	1,634,007	6,733	2,766,423
Fund Balances (Deficit) - End of Year	<u>\$ 1,495,462</u>	<u>\$ 1,685,223</u>	<u>\$ 6,273</u>	<u>\$ 2,666,957</u>

RTA Sales Tax Fund	Energy Efficiency Block Grant Fund	Totals
\$ -	\$ -	\$ 4,404,657
-	-	67,546
-	-	16,641
-	1,866,371	23,702,676
-	-	18,478,251
9,049,342	-	9,049,342
-	-	110,271
22,023	5	185,861
-	-	217,346
<u>9,071,365</u>	<u>1,866,376</u>	<u>56,232,591</u>
-	-	2,521,400
-	-	6,052,469
-	-	12,343,560
-	-	5,419,321
-	-	3,676,546
-	-	10,631,534
-	1,866,371	9,128,269
-	-	55,900
-	-	2,416
<u>-</u>	<u>1,866,371</u>	<u>49,831,415</u>
<u>9,071,365</u>	<u>5</u>	<u>6,401,176</u>
-	-	3,147,349
<u>(1,454,386)</u>	<u>-</u>	<u>(5,182,746)</u>
<u>(1,454,386)</u>	<u>-</u>	<u>(2,035,397)</u>
7,616,979	5	4,365,779
<u>12,275,129</u>	<u>-</u>	<u>67,186,934</u>
<u>\$ 19,892,108</u>	<u>\$ 5</u>	<u>\$ 71,552,713</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, 2010

	<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>225</u>	<u>225</u>
Total Revenues	<u>12</u>	<u>12</u>	<u>235</u>	<u>223</u>
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	1,000	1,000	-	1,000
Commodities	<u>550</u>	<u>550</u>	<u>-</u>	<u>550</u>
Total Expenditures	<u>1,550</u>	<u>1,550</u>	<u>-</u>	<u>1,550</u>
Net Change in Fund Balance	<u>\$ (1,538)</u>	<u>\$ (1,538)</u>	235	<u>\$ 1,773</u>
Fund Balance - Beginning of Year			<u>6,512</u>	
Fund Balance - End of Year			<u>\$ 6,747</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 360,000	\$ 360,000	\$ 355,200	\$ (4,800)
Investment income	200	200	9	(191)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>5,138</u>	<u>4,138</u>
Total Revenues	<u>361,200</u>	<u>361,200</u>	<u>360,347</u>	<u>(853)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	239,357	239,357	227,173	12,184
Contractual services	324,672	344,666	206,120	138,546
Commodities	<u>22,450</u>	<u>23,656</u>	<u>16,092</u>	<u>7,564</u>
Total Expenditures	<u>586,479</u>	<u>607,679</u>	<u>449,385</u>	<u>158,294</u>
Net Change in Fund Balance	<u>\$ (225,279)</u>	<u>\$ (246,479)</u>	(89,038)	<u>\$ 157,441</u>
Fund Balance - Beginning of Year			<u>1,195,173</u>	
Fund Balance - End of Year			<u>\$ 1,106,135</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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 4,500,000	\$ 4,500,000	\$ 4,439,251	\$ (60,749)
Other taxes				
Personal property replacement tax	100,000	100,000	110,271	10,271
Investment income	<u>10,500</u>	<u>10,500</u>	<u>7,342</u>	<u>(3,158)</u>
 Total Revenues	 <u>4,610,500</u>	 <u>4,610,500</u>	 <u>4,556,864</u>	 <u>(53,636)</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	835,332	835,332	799,721	35,611
Community development	140,639	140,639	134,643	5,996
Transportation	314,558	314,558	301,148	13,410
Public safety	3,242,562	3,242,562	3,104,330	138,232
Judiciary and court related	927,735	927,735	888,185	39,550
Public health and welfare	<u>1,198,374</u>	<u>1,198,374</u>	<u>1,147,287</u>	<u>51,087</u>
 Total Expenditures	 <u>6,659,200</u>	 <u>6,659,200</u>	 <u>6,375,314</u>	 <u>283,886</u>
 Net Change in Fund Balance	 <u>\$ (2,048,700)</u>	 <u>\$ (2,048,700)</u>	 (1,818,450)	 <u>\$ 230,250</u>
 Fund Balance - Beginning of Year			 <u>5,249,161</u>	
 Fund Balance - End of Year			 <u>\$ 3,430,711</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, 2010

	<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	\$ 3,206,233	\$ (43,767)
Investment income	<u>6,200</u>	<u>6,200</u>	<u>4,179</u>	<u>(2,021)</u>
Total Revenues	<u>3,256,200</u>	<u>3,256,200</u>	<u>3,210,412</u>	<u>(45,788)</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	550,511	550,511	496,185	54,326
Community development	87,260	87,260	78,649	8,611
Transportation	206,365	206,365	186,000	20,365
Public safety	1,625,494	1,625,494	1,465,086	160,408
Judiciary and court related	602,345	602,345	542,904	59,441
Public health and welfare	<u>874,273</u>	<u>874,273</u>	<u>787,997</u>	<u>86,276</u>
Total Expenditures	<u>3,946,248</u>	<u>3,946,248</u>	<u>3,556,821</u>	<u>389,427</u>
Net Change in Fund Balance	<u>\$ (690,048)</u>	<u>\$ (690,048)</u>	(346,409)	<u>\$ 343,639</u>
Fund Balance - Beginning of Year			<u>3,355,439</u>	
Fund Balance - End of Year			<u>\$ 3,009,030</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ -	\$ -	\$ 17,948	\$ 17,948
Investment income	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>17,953</u>	<u>17,953</u>
EXPENDITURES				
Current				
Public safety				
Contractual services	-	3,008	3,008	-
Commodities	<u>-</u>	<u>1,992</u>	<u>1,707</u>	<u>285</u>
Total Expenditures	<u>-</u>	<u>5,000</u>	<u>4,715</u>	<u>285</u>
Net Change in Fund Balance	<u>-</u>	<u>\$ (5,000)</u>	13,238	<u>\$ 18,238</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ 13,238</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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 7,000	\$ 7,000	\$ 1,481	\$ (5,519)
Licenses and permits	53,000	53,000	67,546	14,546
Grants, contributions, and intergovernmental	88,357	88,357	82,360	(5,997)
Property taxes	6,365,000	6,365,000	6,279,154	(85,846)
Investment income	11,000	11,000	5,955	(5,045)
Miscellaneous	76,000	76,000	96,455	20,455
Total Revenues	<u>6,600,357</u>	<u>6,600,357</u>	<u>6,532,951</u>	<u>(67,406)</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	4,905,470	4,905,470	4,539,996	365,474
Contractual services	3,747,383	4,176,286	969,443	3,206,843
Commodities	657,508	743,400	634,316	109,084
Capital outlay	7,250,000	7,803,069	1,607,885	6,195,184
Total Expenditures	<u>16,560,361</u>	<u>17,628,225</u>	<u>7,751,640</u>	<u>9,876,585</u>
Deficiency of revenues over expenditures	<u>(9,960,004)</u>	<u>(11,027,868)</u>	<u>(1,218,689)</u>	<u>9,809,179</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,856,000	9,856,000	1,532,655	(8,323,345)
Transfers out	(78,729)	(78,729)	(78,729)	-
Total Other Financing Sources (Uses)	<u>9,777,271</u>	<u>9,777,271</u>	<u>1,453,926</u>	<u>(8,323,345)</u>
Net Change in Fund Balances	<u>\$ (182,733)</u>	<u>\$ (1,250,597)</u>	235,237	<u>\$ 1,485,834</u>
Fund Balance - Beginning of Year			<u>4,943,595</u>	
Fund Balance - End of Year			<u>\$ 5,178,832</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ -	\$ 2,130,319	\$ 2,130,319
Property taxes	1,000,000	1,000,000	986,533	(13,467)
Investment income	<u>60,000</u>	<u>60,000</u>	<u>26,707</u>	<u>(33,293)</u>
Total Revenues	<u>1,060,000</u>	<u>1,060,000</u>	<u>3,143,559</u>	<u>2,083,559</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	3,200,000	5,657,544	2,048,093	3,609,451
Capital outlay	<u>7,800,000</u>	<u>7,944,800</u>	<u>959,913</u>	<u>6,984,887</u>
Total Expenditures	<u>11,000,000</u>	<u>13,602,344</u>	<u>3,008,006</u>	<u>10,594,338</u>
Net Change in Fund Balance	<u>\$ (9,940,000)</u>	<u>\$ (12,542,344)</u>	135,553	<u>\$ 12,677,897</u>
Fund Balance - Beginning of Year			<u>15,148,119</u>	
Fund Balance - End of Year			<u>\$ 15,283,672</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 840,000	\$ 840,000	\$ 558,660	\$ (281,340)
Property taxes	1,000,000	1,000,000	986,533	(13,467)
Investment income	<u>5,000</u>	<u>5,000</u>	<u>5,982</u>	<u>982</u>
Total Revenues	<u>1,845,000</u>	<u>1,845,000</u>	<u>1,551,175</u>	<u>(293,825)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	1,150,000	2,420,980	1,167,659	1,253,321
Capital outlay	<u>750,000</u>	<u>1,191,951</u>	<u>449,434</u>	<u>742,517</u>
Total Expenditures	<u>1,900,000</u>	<u>3,612,931</u>	<u>1,617,093</u>	<u>1,995,838</u>
Net Change in Fund Balance	<u>\$ (55,000)</u>	<u>\$ (1,767,931)</u>	(65,918)	<u>\$ 1,702,013</u>
Fund Balance - Beginning of Year			<u>3,777,141</u>	
Fund Balance - End of Year			<u>\$ 3,711,223</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, 2010

	<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	\$ 6,999,040	\$ 2,999,040
Investment income	<u>65,000</u>	<u>65,000</u>	<u>43,711</u>	<u>(21,289)</u>
Total Revenues	<u>4,065,000</u>	<u>4,065,000</u>	<u>7,042,751</u>	<u>2,977,751</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	5,585,000	9,123,529	2,420,047	6,703,482
Commodities	150,000	253,867	76,858	177,009
Capital outlay	<u>9,140,000</u>	<u>11,862,721</u>	<u>4,159,158</u>	<u>7,703,563</u>
Total Expenditures	<u>14,875,000</u>	<u>21,240,117</u>	<u>6,656,063</u>	<u>14,584,054</u>
Excess (deficiency) of revenues over expenditures	(10,810,000)	(17,175,117)	386,688	17,561,805
OTHER FINANCING USES				
Transfers out	<u>(3,544,362)</u>	<u>(3,544,362)</u>	<u>(3,544,362)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (14,354,362)</u>	<u>\$ (20,719,479)</u>	(3,157,674)	<u>\$ 17,561,805</u>
Fund Balance - Beginning of Year			<u>13,558,013</u>	
Fund Balance - End of Year			<u>\$ 10,400,339</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, 2010

	<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	\$ 10,900	\$ 2,900
Property taxes	480,697	480,697	474,243	(6,454)
Investment income	<u>700</u>	<u>700</u>	<u>479</u>	<u>(221)</u>
Total Revenues	<u>489,397</u>	<u>489,397</u>	<u>485,622</u>	<u>(3,775)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	255,012	255,012	255,011	1
Contractual services	76,475	76,475	36,393	40,082
Commodities	<u>30,050</u>	<u>30,050</u>	<u>20,071</u>	<u>9,979</u>
Total Expenditures	<u>361,537</u>	<u>361,537</u>	<u>311,475</u>	<u>50,062</u>
Net Change in Fund Balance	<u>\$ 127,860</u>	<u>\$ 127,860</u>	174,147	<u>\$ 46,287</u>
Fund Balance - Beginning of Year			<u>287,759</u>	
Fund Balance - End of Year			<u>\$ 461,906</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 155,000	\$ 155,000	\$ 127,662	\$ (27,338)
Investment income	<u>750</u>	<u>750</u>	<u>428</u>	<u>(322)</u>
Total Revenues	<u>155,750</u>	<u>155,750</u>	<u>128,090</u>	<u>(27,660)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	143,914	143,914	141,704	2,210
Contractual services	36,409	36,409	-	36,409
Commodities	<u>5,000</u>	<u>5,000</u>	<u>3,281</u>	<u>1,719</u>
Total Expenditures	<u>185,323</u>	<u>185,323</u>	<u>144,985</u>	<u>40,338</u>
Net Change in Fund Balance	<u>\$ (29,573)</u>	<u>\$ (29,573)</u>	(16,895)	<u>\$ 12,678</u>
Fund Balance - Beginning of Year			<u>288,904</u>	
Fund Balance - End of Year			<u>\$ 272,009</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, 2010

	<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	\$ 13,540	\$ 540
Investment income	<u>250</u>	<u>250</u>	<u>142</u>	<u>(108)</u>
Total Revenues	<u>13,250</u>	<u>13,250</u>	<u>13,682</u>	<u>432</u>
EXPENDITURES				
Current				
General and administrative				
Contractual services	10,000	10,000	9,019	981
Commodities	2,500	2,500	1,369	1,131
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Expenditures	<u>27,500</u>	<u>27,500</u>	<u>10,388</u>	<u>17,112</u>
Excess (deficiency) of revenues over expenditures	(14,250)	(14,250)	3,294	17,544
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (14,250)</u>	<u>\$ (24,250)</u>	(6,706)	<u>\$ 17,544</u>
Fund Balance - Beginning of Year			<u>94,015</u>	
Fund Balance - End of Year			<u>\$ 87,309</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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 900,000	\$ 900,000	\$ 814,505	\$ (85,495)
Investment income	2,500	2,500	3,812	1,312
Total Revenues	902,500	902,500	818,317	(84,183)
EXPENDITURES				
Current				
General and administrative				
Personnel services	455,583	455,583	250,258	205,325
Contractual services	258,450	258,450	160,373	98,077
Commodities	77,500	77,500	9,983	67,517
Capital outlay	174,000	174,000	14,060	159,940
Debt service				
Principal retirement	40,740	40,740	40,740	-
Interest and fiscal charges	2,416	2,416	2,416	-
Total Expenditures	1,008,689	1,008,689	477,830	530,859
Excess (deficiency) of revenues over expenditures	(106,189)	(106,189)	340,487	446,676
OTHER FINANCING USES				
Transfers out	(33,120)	(33,120)	-	33,120
Net Change in Fund Balance	\$ (139,309)	\$ (139,309)	340,487	\$ 479,796
Fund Balance - Beginning of Year			680,314	
Fund Balance - End of Year			\$ 1,020,801	

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, 2010

	<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	\$ 2,449	\$ (7,451)
Investment income	<u>100</u>	<u>100</u>	<u>35</u>	<u>(65)</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>2,484</u>	<u>(7,516)</u>
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	15,000	15,000	2,095	12,905
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>2,095</u>	<u>17,905</u>
Net Change in Fund Balance	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	389	<u>\$ 10,389</u>
Fund Balance - Beginning of Year			<u>18,463</u>	
Fund Balance - End of Year			<u>\$ 18,852</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 133,000	\$ 133,000	\$ 170,747	\$ 37,747
Grants, contributions, and intergovernmental	15,000	15,000	20,076	5,076
Investment income	<u>1,500</u>	<u>1,500</u>	<u>1,103</u>	<u>(397)</u>
Total Revenues	<u>149,500</u>	<u>149,500</u>	<u>191,926</u>	<u>42,426</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	198,400	198,400	90,843	107,557
Contractual services	69,000	69,000	17,409	51,591
Commodities	66,000	41,028	8,565	32,463
Capital outlay	<u>1</u>	<u>27,301</u>	<u>24,749</u>	<u>2,552</u>
Total Expenditures	<u>333,401</u>	<u>335,729</u>	<u>141,566</u>	<u>194,163</u>
Net Change in Fund Balance	<u>\$ (183,901)</u>	<u>\$ (186,229)</u>	50,360	<u>\$ 236,589</u>
Fund Balance - Beginning of Year			<u>309,727</u>	
Fund Balance - End of Year			<u>\$ 360,087</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 2,938,298	\$ 3,577,556	\$ 2,809,327	\$ (768,229)
Investment income	3,000	3,000	1,289	(1,711)
Miscellaneous	<u>128,000</u>	<u>128,000</u>	<u>101,181</u>	<u>(26,819)</u>
Total Revenues	<u>3,069,298</u>	<u>3,708,556</u>	<u>2,911,797</u>	<u>(796,759)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,476,664	1,586,185	1,480,669	105,516
Contractual services	1,332,704	1,827,441	1,457,400	370,041
Commodities	225,430	260,430	116,556	143,874
Capital outlay	20,000	19,339	3,479	15,860
Debt service				
Principal retirement	<u>14,500</u>	<u>15,161</u>	<u>15,160</u>	<u>1</u>
Total Expenditures	<u>3,069,298</u>	<u>3,708,556</u>	<u>3,073,264</u>	<u>635,292</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(161,467)	<u>\$ (161,467)</u>
Fund Balance - Beginning of Year			<u>650,491</u>	
Fund Balance - End of Year			<u>\$ 489,024</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 257,000	\$ 257,000	\$ 341,620	\$ 84,620
Investment income	<u>500</u>	<u>500</u>	<u>630</u>	<u>130</u>
Total Revenues	<u>257,500</u>	<u>257,500</u>	<u>342,250</u>	<u>84,750</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	65,595	76,785	70,875	5,910
Contractual services	3,900	3,900	1,299	2,601
Commodities	114,200	129,200	109,382	19,818
Capital outlay	<u>-</u>	<u>24,000</u>	<u>-</u>	<u>24,000</u>
Total Expenditures	<u>183,695</u>	<u>233,885</u>	<u>181,556</u>	<u>52,329</u>
Net Change in Fund Balance	<u>\$ 73,805</u>	<u>\$ 23,615</u>	160,694	<u>\$ 137,079</u>
Fund Balance - Beginning of Year			<u>330,054</u>	
Fund Balance - End of Year			<u>\$ 490,748</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ <u>500</u>	\$ <u>500</u>	\$ <u>947</u>	\$ <u>447</u>
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	5,000	5,000	-	5,000
Capital outlay	<u>110,000</u>	<u>110,000</u>	<u>150</u>	<u>109,850</u>
Total Expenditures	<u>115,000</u>	<u>115,000</u>	<u>150</u>	<u>114,850</u>
Net Change in Fund Balance	\$ <u><u>(114,500)</u></u>	\$ <u><u>(114,500)</u></u>	797	\$ <u><u>115,297</u></u>
Fund Balance - Beginning of Year			<u>125,471</u>	
Fund Balance - End of Year			\$ <u><u>126,268</u></u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND DEFICIT - BUDGET AND ACTUAL
MENTAL HEALTH GRANT FUND
For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 2,456,703	\$ 2,456,703	\$ 1,752,982	\$ (703,721)
Investment income	1,500	1,500	1,250	(250)
Miscellaneous	<u>37,000</u>	<u>37,000</u>	<u>12,947</u>	<u>(24,053)</u>
Total Revenues	<u>2,495,203</u>	<u>2,495,203</u>	<u>1,767,179</u>	<u>(728,024)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,247,111	1,247,111	1,139,213	107,898
Contractual services	2,815,894	2,815,894	1,462,920	1,352,974
Commodities	<u>114,221</u>	<u>114,221</u>	<u>99,686</u>	<u>14,535</u>
Total Expenditures	<u>4,177,226</u>	<u>4,177,226</u>	<u>2,701,819</u>	<u>1,475,407</u>
Deficiency of revenues over expenditures	(1,682,023)	(1,682,023)	(934,640)	747,383
OTHER FINANCING SOURCES				
Transfers in	<u>1,657,023</u>	<u>1,657,023</u>	<u>1,614,694</u>	<u>(42,329)</u>
Net Change in Fund Balance	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	680,054	<u>\$ 705,054</u>
Fund Deficit - Beginning of Year			<u>(926,444)</u>	
Fund Deficit - End of Year			<u>\$ (246,390)</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 758,000	\$ 758,000	\$ 755,976	\$ (2,024)
Investment income	<u>2,000</u>	<u>2,000</u>	<u>798</u>	<u>(1,202)</u>
Total Revenues	<u>760,000</u>	<u>760,000</u>	<u>756,774</u>	<u>(3,226)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	196,263	196,263	196,263	-
Contractual services	558,737	721,837	694,429	27,408
Commodities	<u>5,000</u>	<u>9,200</u>	<u>7,426</u>	<u>1,774</u>
Total Expenditures	<u>760,000</u>	<u>927,300</u>	<u>898,118</u>	<u>29,182</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (167,300)</u>	(141,344)	<u>\$ 25,956</u>
Fund Deficit - Beginning of Year			<u>(372,904)</u>	
Fund Deficit - End of Year			<u>\$ (514,248)</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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 360,000	\$ 360,000	\$ 310,695	\$ (49,305)
Investment income	2,000	2,000	1,562	(438)
Total Revenues	362,000	362,000	312,257	(49,743)
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	147,170	147,170	83,734	63,436
Contractual services	550,219	550,219	207,279	342,940
Commodities	41,700	41,700	12,141	29,559
Capital outlay	50,000	50,000	43,070	6,930
Total Expenditures	789,089	789,089	346,224	442,865
Net Change in Fund Balance	\$ (427,089)	\$ (427,089)	(33,967)	\$ 393,122
Fund Balance - Beginning of Year			984,434	
Fund Balance - End of Year			\$ 950,467	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 3,808,142	\$ 3,858,042	\$ 5,760,266	\$ 1,902,224
EXPENDITURES				
Current				
Community development				
Personnel services	268,573	613,821	282,536	331,285
Contractual services	3,532,969	9,338,888	5,548,335	3,790,553
Commodities	6,600	33,808	5,706	28,102
Total Expenditures	<u>3,808,142</u>	<u>9,986,517</u>	<u>5,836,577</u>	<u>4,149,940</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (6,128,475)</u>	(76,311)	<u>\$ 6,052,164</u>
Fund Balance - Beginning of Year			<u>78,745</u>	
Fund Balance - End of Year			<u>\$ 2,434</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 53,000	\$ 53,000	\$ 37,443	\$ (15,557)
Grants, contributions, and intergovernmental	283,000	283,000	359,972	76,972
Investment income	<u>500</u>	<u>500</u>	<u>620</u>	<u>120</u>
Total Revenues	<u>336,500</u>	<u>336,500</u>	<u>398,035</u>	<u>61,535</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	308,655	319,655	308,649	11,006
Contractual services	140,900	129,900	75,205	54,695
Commodities	<u>40,900</u>	<u>40,900</u>	<u>18,621</u>	<u>22,279</u>
Total Expenditures	<u>490,455</u>	<u>490,455</u>	<u>402,475</u>	<u>87,980</u>
Net Change in Fund Balance	<u>\$ (153,955)</u>	<u>\$ (153,955)</u>	(4,440)	<u>\$ 149,515</u>
Fund Balance - Beginning of Year			<u>398,208</u>	
Fund Balance - End of Year			<u>\$ 393,768</u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND DEFICIT - BUDGET AND ACTUAL
 CIRCUIT COURT AUTOMATION FUND
 For the Year Ended November 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 815,000	\$ 815,000	\$ 795,258	\$ (19,742)
Investment income	1,000	1,000	312	(688)
Total Revenues	816,000	816,000	795,570	(20,430)
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	244,912	244,912	234,174	10,738
Contractual services	566,088	578,179	341,621	236,558
Commodities	5,000	7,909	4,656	3,253
Total Expenditures	816,000	831,000	580,451	250,549
Net Change in Fund Balance	\$ -	\$ (15,000)	215,119	\$ 230,119
Fund Deficit - Beginning of Year			(709,115)	
Fund Deficit - End of Year			\$ (493,996)	

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, 2010

	<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>19</u>	<u>19</u>
Total Revenues	83,394	83,394	83,413	19
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>	19	<u>\$ 19</u>
Fund Balance - Beginning of Year			<u>1,037</u>	
Fund Balance - End of Year			<u>\$ 1,056</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 80,000	\$ 80,000	\$ 81,131	\$ 1,131
Investment income	<u>200</u>	<u>200</u>	<u>110</u>	<u>(90)</u>
Total Revenues	<u>80,200</u>	<u>80,200</u>	<u>81,241</u>	<u>1,041</u>
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	42,200	32,517	6,116	26,401
Commodities	<u>38,000</u>	<u>47,683</u>	<u>47,683</u>	<u>-</u>
Total Expenditures	<u>80,200</u>	<u>80,200</u>	<u>53,799</u>	<u>26,401</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	27,442	<u>\$ 27,442</u>
Fund Balance - Beginning of Year			<u>63,520</u>	
Fund Balance - End of Year			<u>\$ 90,962</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 17,000	\$ 17,000	\$ 21,145	\$ 4,145
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	17,000	17,000	21,145	4,145
OTHER FINANCING USES				
Transfers out	<u>(17,000)</u>	<u>(17,000)</u>	<u>(17,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	4,145	<u>\$ 4,145</u>
Fund Balance - Beginning of Year			<u>30,352</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 49,000	\$ 49,000	\$ 40,759	\$ (8,241)
Investment income	<u>100</u>	<u>100</u>	<u>111</u>	<u>11</u>
Total Revenues	<u>49,100</u>	<u>49,100</u>	<u>40,870</u>	<u>(8,230)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	85,975	85,975	7,199	78,776
Contractual services	57,000	57,000	-	57,000
Commodities	70,000	70,000	5,980	64,020
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Expenditures	<u>212,976</u>	<u>212,976</u>	<u>13,179</u>	<u>199,797</u>
Net Change in Fund Balance	<u>\$ (163,876)</u>	<u>\$ (163,876)</u>	27,691	<u>\$ 191,567</u>
Fund Balance - Beginning of Year			<u>54,894</u>	
Fund Balance - End of Year			<u>\$ 82,585</u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
 PRAIRIE SHIELD GRANT FUND
 For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ -	\$ 1,279,909	\$ 1,279,909
Investment income	-	-	191	191
Total Revenues	<u>-</u>	<u>-</u>	<u>1,280,100</u>	<u>1,280,100</u>
EXPENDITURES				
Current				
Public safety				
Contractual services	-	1,038,737	804,258	234,479
Commodities	-	36,225	15,304	20,921
Total Expenditures	<u>-</u>	<u>1,074,962</u>	<u>819,562</u>	<u>255,400</u>
Net Change in Fund Balance	<u>-</u>	<u>\$ (1,074,962)</u>	460,538	<u>\$ 1,535,500</u>
Fund Deficit - Beginning of Year			<u>(455,550)</u>	
Fund Balance - End of Year			<u>\$ 4,988</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, 2010

	<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	\$ 16,641	\$ (3,359)
EXPENDITURES				
Current				
Public safety				
Commodities	<u>20,000</u>	<u>32,205</u>	<u>25,628</u>	<u>6,577</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (12,205)</u>	(8,987)	<u>\$ 3,218</u>
Fund Balance - Beginning of Year			<u>42,618</u>	
Fund Balance - End of Year			<u>\$ 33,631</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 884,000	\$ 884,000	\$ 861,398	\$ (22,602)
Investment income	<u>2,000</u>	<u>2,000</u>	<u>2,064</u>	<u>64</u>
Total Revenues	<u>886,000</u>	<u>886,000</u>	<u>863,462</u>	<u>(22,538)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	467,568	467,568	440,636	26,932
Contractual services	285,050	295,100	203,957	91,143
Commodities	<u>37,450</u>	<u>37,450</u>	<u>19,903</u>	<u>17,547</u>
Total Expenditures	<u>790,068</u>	<u>800,118</u>	<u>664,496</u>	<u>135,622</u>
Net Change in Fund Balance	<u>\$ 95,932</u>	<u>\$ 85,882</u>	198,966	<u>\$ 113,084</u>
Fund Balance - Beginning of Year			<u>1,296,496</u>	
Fund Balance - End of Year			<u>\$ 1,495,462</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 60,000	\$ 60,000	\$ 52,416	\$ (7,584)
Miscellaneous	<u>500</u>	<u>500</u>	<u>1,400</u>	<u>900</u>
Total Revenues	60,500	60,500	53,816	(6,684)
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>\$ (44,500)</u>	<u>\$ (44,500)</u>	51,216	<u>\$ 95,716</u>
Fund Balance - Beginning of Year			<u>1,634,007</u>	
Fund Balance - End of Year			<u>\$ 1,685,223</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, 2010

	<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>5</u>	<u>(95)</u>
Total Revenues	14,000	14,000	5	(13,995)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>20,000</u>	<u>20,000</u>	<u>465</u>	<u>19,535</u>
Net Change in Fund Balance	<u>\$ (6,000)</u>	<u>\$ (6,000)</u>	(460)	<u>\$ 5,540</u>
Fund Balance - Beginning of Year			<u>6,733</u>	
Fund Balance - End of Year			<u>\$ 6,273</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, 2010

	<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	\$ 1,751,104	\$ (23,896)
Investment income	<u>6,600</u>	<u>6,600</u>	<u>1,610</u>	<u>(4,990)</u>
Total Revenues	1,781,600	1,781,600	1,752,714	(28,886)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>1,780,000</u>	<u>1,780,000</u>	<u>1,773,911</u>	<u>6,089</u>
Excess (deficiency) of revenues over expenditures	1,600	1,600	(21,197)	(22,797)
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(127,500)</u>	<u>(78,269)</u>	<u>49,231</u>
Net Change in Fund Balance	<u>\$ 1,600</u>	<u>\$ (125,900)</u>	(99,466)	<u>\$ 26,434</u>
Fund Balance - Beginning of Year			<u>2,766,423</u>	
Fund Balance - End of Year			<u>\$ 2,666,957</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, 2010

	<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	\$ 9,049,342	\$ 949,342
Investment income	<u>12,000</u>	<u>12,000</u>	<u>22,023</u>	<u>10,023</u>
Total Revenues	8,112,000	8,112,000	9,071,365	959,365
EXPENDITURES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	8,112,000	8,112,000	9,071,365	959,365
OTHER FINANCING USES				
Transfers out	<u>(9,856,000)</u>	<u>(9,856,000)</u>	<u>(1,454,386)</u>	<u>8,401,614</u>
Net Change in Fund Balance	<u>\$ (1,744,000)</u>	<u>\$ (1,744,000)</u>	7,616,979	<u>\$ 9,360,979</u>
Fund Balance - Beginning of Year			<u>12,275,129</u>	
Fund Balance - End of Year			<u>\$ 19,892,108</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ 2,475,900	\$ 1,866,371	\$ (609,529)
Investment income	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Total Revenues	-	2,475,900	1,866,376	(609,524)
EXPENDITURES				
Capital outlay	<u>-</u>	<u>2,475,900</u>	<u>1,866,371</u>	<u>609,529</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	5	<u>\$ 5</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ 5</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 for the County jail expansion project.

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

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

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

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

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

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

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

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

County of McHenry, Illinois
BALANCE SHEET
NONMAJOR DEBT SERVICE FUND
November 30, 2010

	Public Building Commission Debt Fund
ASSETS	
Cash and equivalents	\$ 74,429
Other receivables	<u>605</u>
TOTAL ASSETS	<u>\$ 75,034</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 1,913
Fund balance	
Reserved for debt service	<u>73,121</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 75,034</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, 2010

	Series 2001 Certificate Fund	Series 2002 A Certificate Fund	Series 2003 C Certificate Fund	Series 2003 A Certificate Fund
REVENUES				
Investment income	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Debt service				
Principal retirement	490,000	390,000	500,000	235,000
Interest and fiscal charges	34,863	90,793	135,533	166,008
Total Expenditures	524,863	480,793	635,533	401,008
Deficiency of revenues over expenditures	(524,863)	(480,793)	(635,533)	(401,008)
OTHER FINANCING SOURCES				
Transfers in	524,863	480,793	635,533	401,008
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ -	\$ -	\$ -	\$ -

Series 2005 A Certificate Fund	Series 2005 B Certificate Fund	Series 2006 A Certificate Fund	Series 2007 A Certificate Fund	Series 2007 B Certificate Fund	Series 2008 Certificate Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
230,000	75,000	435,000	435,000	4,455,000	380,000
63,523	1,744	287,137	156,159	1,741,028	165,328
<u>293,523</u>	<u>76,744</u>	<u>722,137</u>	<u>591,159</u>	<u>6,196,028</u>	<u>545,328</u>
(293,523)	(76,744)	(722,137)	(591,159)	(6,196,028)	(545,328)
<u>293,523</u>	<u>76,744</u>	<u>722,137</u>	<u>591,159</u>	<u>6,196,028</u>	<u>545,328</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>				

(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, 2010

	<u>Public Building Commission Debt Fund</u>	<u>Totals</u>
REVENUES		
Investment income	\$ <u>3,473</u>	\$ <u>3,473</u>
EXPENDITURES		
Current		
General and administrative	11,695	11,695
Debt service		
Principal retirement	-	7,625,000
Interest and fiscal charges	<u>-</u>	<u>2,842,116</u>
Total Expenditures	<u>11,695</u>	<u>10,478,811</u>
Deficiency of revenues over expenditures	(8,222)	(10,475,338)
OTHER FINANCING SOURCES		
Transfers in	<u>-</u>	<u>10,467,116</u>
Net Change in Fund Balances	(8,222)	(8,222)
Fund Balances - Beginning of Year	<u>81,343</u>	<u>81,343</u>
Fund Balances - End of Year	<u>\$ 73,121</u>	<u>\$ 73,121</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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	490,000	490,000	490,000	-
Interest and fiscal charges	34,863	34,863	34,863	-
Total Expenditures	524,863	524,863	524,863	-
Deficiency of revenues over expenditures	(524,863)	(524,863)	(524,863)	-
OTHER FINANCING SOURCES				
Transfers in	524,863	524,863	524,863	-
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, 2010

	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	159,275	159,275	90,793	68,482
Total Expenditures	549,275	549,275	480,793	68,482
Deficiency of revenues over expenditures	(549,275)	(549,275)	(480,793)	68,482
OTHER FINANCING SOURCES				
Transfers in	549,275	549,275	480,793	(68,482)
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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	500,000	500,000	500,000	-
Interest and fiscal charges	135,583	135,583	135,533	50
Total Expenditures	635,583	635,583	635,533	50
Deficiency of revenues over expenditures	(635,583)	(635,583)	(635,533)	50
OTHER FINANCING SOURCES				
Transfers in	635,583	635,583	635,533	(50)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SERIES 2003 A CERTIFICATE FUND
 For the Year Ended November 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	235,000	235,000	235,000	-
Interest and fiscal charges	166,058	166,058	166,008	50
Total Expenditures	401,058	401,058	401,008	50
Deficiency of revenues over expenditures	(401,058)	(401,058)	(401,008)	50
OTHER FINANCING SOURCES				
Transfers in	401,058	401,058	401,008	(50)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SERIES 2005 A CERTIFICATE FUND
 For the Year Ended November 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	230,000	230,000	230,000	-
Interest and fiscal charges	63,573	63,573	63,523	50
Total Expenditures	293,573	293,573	293,523	50
Deficiency of revenues over expenditures	(293,573)	(293,573)	(293,523)	50
OTHER FINANCING SOURCES				
Transfers in	293,573	293,573	293,523	(50)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SERIES 2005 B CERTIFICATE FUND
 For the Year Ended November 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	75,000	75,000	75,000	-
Interest and fiscal charges	1,919	1,919	1,744	175
Total Expenditures	76,919	76,919	76,744	175
Deficiency of revenues over expenditures	(76,919)	(76,919)	(76,744)	175
OTHER FINANCING SOURCES				
Transfers in	76,919	76,919	76,744	(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 2006 A CERTIFICATE FUND
 For the Year Ended November 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	435,000	435,000	435,000	-
Interest and fiscal charges	287,163	287,163	287,137	26
Total Expenditures	722,163	722,163	722,137	26
Deficiency of revenues over expenditures	(722,163)	(722,163)	(722,137)	26
OTHER FINANCING SOURCES				
Transfers in	722,163	722,163	722,137	(26)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SERIES 2007 A CERTIFICATE FUND
 For the Year Ended November 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	435,000	435,000	435,000	-
Interest and fiscal charges	156,331	156,331	156,159	172
Total Expenditures	591,331	591,331	591,159	172
Deficiency of revenues over expenditures	(591,331)	(591,331)	(591,159)	172
OTHER FINANCING SOURCES				
Transfers in	591,331	591,331	591,159	(172)
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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	4,455,000	4,455,000	4,455,000	-
Interest and fiscal charges	1,741,028	1,741,028	1,741,028	-
Total Expenditures	6,196,028	6,196,028	6,196,028	-
Deficiency of revenues over expenditures	(6,196,028)	(6,196,028)	(6,196,028)	-
OTHER FINANCING SOURCES				
Transfers in	6,196,028	6,196,028	6,196,028	-
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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	380,000	380,000	380,000	-
Interest and fiscal charges	165,500	165,500	165,328	172
Total Expenditures	545,500	545,500	545,328	172
Deficiency of revenues over expenditures	(545,500)	(545,500)	(545,328)	172
OTHER FINANCING SOURCES				
Transfers in	545,500	545,500	545,328	(172)
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
 PUBLIC BUILDING COMMISSION DEBT FUND
 For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 3,473	\$ 3,473
EXPENDITURES				
Current				
General and administrative	<u>-</u>	<u>-</u>	<u>11,695</u>	<u>(11,695)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(8,222)</u>	<u>\$ (8,222)</u>
Fund Balance - Beginning of Year			<u>81,343</u>	
Fund Balance - End of Year			<u>\$ 73,121</u>	

NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

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

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

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, 2010

	<u>Animal Control / Performance Contract Fund</u>	<u>Sheriff Radio System Fund</u>	<u>Road Improvement Project Fund</u>	<u>Property Acquisition Project Fund</u>
ASSETS				
Cash and equivalents	\$ <u>28,162</u>	\$ <u>2,985</u>	\$ <u>7,949</u>	\$ <u>1,863</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>603</u>
 Fund Balances				
Reserved for encumbrances	26,620	-	4,000	-
Unreserved - undesignated	<u>1,542</u>	<u>2,985</u>	<u>3,949</u>	<u>1,260</u>
Total Fund Balances	<u>28,162</u>	<u>2,985</u>	<u>7,949</u>	<u>1,260</u>
 TOTAL LIABILITIES AND FUND BALANCES				
	\$ <u>28,162</u>	\$ <u>2,985</u>	\$ <u>7,949</u>	\$ <u>1,863</u>

Treasurer's Office Remodeling Fund	Series 2010A Capital Projects Fund	Mental Health Facility Expansion Fund	Totals
\$ <u> -</u>	\$ <u> 1,965,398</u>	\$ <u> 3,767,380</u>	\$ <u> 5,773,737</u>
\$ <u> -</u>	\$ <u> 279,456</u>	\$ <u> 9,707</u>	\$ <u> 289,766</u>
<u> -</u>	<u> 1,685,942</u>	<u> 3,753,373</u>	<u> 5,469,935</u>
<u> -</u>	<u> -</u>	<u> 4,300</u>	<u> 14,036</u>
<u> -</u>	<u> 1,685,942</u>	<u> 3,757,673</u>	<u> 5,483,971</u>
\$ <u> -</u>	\$ <u> 1,965,398</u>	\$ <u> 3,767,380</u>	\$ <u> 5,773,737</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, 2010

	Animal Control / Performance Contract Fund	Sheriff Radio System Fund	Road Improvement Project Fund	Property Acquisition Project Fund
REVENUES				
Investment income	\$ 87	\$ 80	\$ 12	\$ 7
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Public health and welfare	-	-	-	-
Capital outlay	-	244,119	-	-
Total Expenditures	-	244,119	-	-
Excess (deficiency) of revenues over expenditures	87	(244,039)	12	7
OTHER FINANCING SOURCES (USES)				
Transfers out	(153,300)	(89,872)	-	-
Debt certificates issued	-	-	-	-
Refunding debt certificates issued	-	-	-	-
Premium on debt issuance	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Total Other Financing Sources (Uses)	(153,300)	(89,872)	-	-
Net Change in Fund Balances	(153,213)	(333,911)	12	7
Fund Balances - Beginning of Year	181,375	336,896	7,937	1,253
Fund Balances - End of Year	\$ 28,162	\$ 2,985	\$ 7,949	\$ 1,260

Treasurer's Office Remodeling Fund	Series 2010A Capital Projects Fund	Mental Health Facility Expansion Fund	Totals
\$ -	\$ 4,363	\$ 4,300	\$ 8,849
8,485	112,568	-	121,053
-	-	72,100	72,100
<u>180,426</u>	<u>2,621,345</u>	<u>229,707</u>	<u>3,275,597</u>
<u>188,911</u>	<u>2,733,913</u>	<u>301,807</u>	<u>3,468,750</u>
<u>(188,911)</u>	<u>(2,729,550)</u>	<u>(297,507)</u>	<u>(3,459,901)</u>
(1,723)	-	-	(244,895)
-	4,147,000	4,000,000	8,147,000
-	3,448,000	-	3,448,000
-	404,267	55,180	459,447
<u>-</u>	<u>(3,583,775)</u>	<u>-</u>	<u>(3,583,775)</u>
<u>(1,723)</u>	<u>4,415,492</u>	<u>4,055,180</u>	<u>8,225,777</u>
(190,634)	1,685,942	3,757,673	4,765,876
<u>190,634</u>	<u>-</u>	<u>-</u>	<u>718,095</u>
<u>\$ -</u>	<u>\$ 1,685,942</u>	<u>\$ 3,757,673</u>	<u>\$ 5,483,971</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 87	\$ 87
EXPENDITURES				
Current				
General and administrative				
Contractual services	<u>-</u>	<u>26,620</u>	<u>-</u>	<u>26,620</u>
Excess (deficiency) of revenues over expenditures	-	(26,620)	87	26,707
OTHER FINANCING USES				
Transfers out	<u>(178,300)</u>	<u>(153,300)</u>	<u>(153,300)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (178,300)</u>	<u>\$ (179,920)</u>	(153,213)	<u>\$ 26,707</u>
Fund Balance - Beginning of Year			<u>181,375</u>	
Fund Balance - End of Year			<u>\$ 28,162</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 80	\$ 80
EXPENDITURES				
Capital outlay	<u>-</u>	<u>244,119</u>	<u>244,119</u>	<u>-</u>
Deficiency of revenues over expenditures	-	(244,119)	(244,039)	80
OTHER FINANCING USES				
Transfers out	<u>(89,872)</u>	<u>(89,872)</u>	<u>(89,872)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (89,872)</u>	<u>\$ (333,991)</u>	(333,911)	<u>\$ 80</u>
Fund Balance - Beginning of Year			<u>336,896</u>	
Fund Balance - End of Year			<u>\$ 2,985</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 12	\$ 12
EXPENDITURES				
Current				
Transportation				
Contractual services	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Net Change in Fund Balance	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>	12	<u>\$ 4,012</u>
Fund Balance - Beginning of Year			<u>7,937</u>	
Fund Balance - End of Year			<u>\$ 7,949</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 7	\$ 7
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	7	<u>\$ 7</u>
Fund Balance - Beginning of Year			<u>1,253</u>	
Fund Balance - End of Year			<u>\$ 1,260</u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 TREASURER'S OFFICE REMODELING FUND
For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General and administrative				
Contractual services	-	9,784	8,485	1,299
Capital outlay	-	200,031	180,426	19,605
Total Expenditures	-	209,815	188,911	20,904
Deficiency of revenues over expenditures	-	(209,815)	(188,911)	20,904
OTHER FINANCING USES				
Transfers out	-	(1,723)	(1,723)	-
Net Change in Fund Balance	\$ -	\$ (211,538)	(190,634)	\$ 20,904
Fund Balance - Beginning of Year			190,634	
Fund Balance - End of Year			\$ -	

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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 4,363	\$ 4,363
EXPENDITURES				
Current				
General and administrative				
Contractual services	-	112,568	112,568	-
Capital outlay	-	4,029,897	2,621,345	1,408,552
Total Expenditures	-	4,142,465	2,733,913	1,408,552
Deficiency of revenues over expenditures	-	(4,142,465)	(2,729,550)	1,412,915
OTHER FINANCING SOURCES (USES)				
Debt certificates issued	-	4,147,000	4,147,000	-
Refunding debt certificates issued	-	3,448,000	3,448,000	-
Premium on debt issuance	-	404,267	404,267	-
Payment to bond escrow agent	-	(3,583,775)	(3,583,775)	-
Total Other Financing Sources (Uses)	-	4,415,492	4,415,492	-
Net Change in Fund Balance	\$ -	\$ 273,027	1,685,942	\$ 1,412,915
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ 1,685,942	

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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 4,300	\$ 4,300
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	-	72,100	72,100	-
Capital outlay	-	3,983,080	229,707	3,753,373
Total Expenditures	-	4,055,180	301,807	3,753,373
Deficiency of revenues over expenditures	-	(4,055,180)	(297,507)	3,757,673
OTHER FINANCING SOURCES				
Debt certificates issued	-	4,000,000	4,000,000	-
Premium on debt issuance	-	55,180	55,180	-
Total Other Financing Sources	-	4,055,180	4,055,180	-
Net Change in Fund Balance	\$ -	\$ -	3,757,673	\$ 3,757,673
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ 3,757,673	

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, 2010

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
ASSETS			
Cash and equivalents	\$ <u>331,921</u>	\$ <u>469,531</u>	\$ <u>801,452</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other funds	\$ 626	\$ 258	\$ 884
Fund Balances			
Reserved for working cash	<u>331,295</u>	<u>469,273</u>	<u>800,568</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 331,921</u>	<u>\$ 469,531</u>	<u>\$ 801,452</u>

County of McHenry, Illinois
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
For the Year Ended November 30, 2010

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
REVENUES			
Investment income	\$ 626	\$ 258	\$ 884
EXPENDITURES	-	-	-
Excess of revenues over expenditures	626	258	884
OTHER FINANCING USES			
Transfers out	(626)	(258)	(884)
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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 10,000	\$ 10,000	\$ 626	\$ (9,374)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	10,000	10,000	626	(9,374)
OTHER FINANCING USES				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(626)</u>	<u>9,374</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 20,000	\$ 20,000	\$ 258	\$ (19,742)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	20,000	20,000	258	(19,742)
OTHER FINANCING USES				
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(258)</u>	<u>19,742</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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 8,412,328	\$ 8,412,328	\$ 8,425,151	\$ 12,823
Other	<u>12,500</u>	<u>12,500</u>	<u>4,689</u>	<u>(7,811)</u>
Total Operating Revenues	<u>\$ 8,424,828</u>	<u>\$ 8,424,828</u>	<u>\$ 8,429,840</u>	<u>\$ 5,012</u>
OPERATING EXPENSES				
Personnel services	\$ 6,876,387	\$ 6,876,387	\$ 6,597,507	\$ 278,880
Contractual services	2,058,615	1,966,046	1,441,311	524,735
Commodities	<u>855,105</u>	<u>960,074</u>	<u>901,573</u>	<u>58,501</u>
Total operating expenses before capital outlay	<u>9,790,107</u>	<u>9,802,507</u>	<u>8,940,391</u>	<u>862,116</u>
Capital outlay	65,000	65,445	57,833	7,612
Less: assets capitalized	<u>-</u>	<u>(57,833)</u>	<u>(57,833)</u>	<u>-</u>
Adjusted capital outlay	<u>65,000</u>	<u>7,612</u>	<u>-</u>	<u>7,612</u>
Total Operating Expenses (excluding depreciation and amortization)	<u>\$ 9,855,107</u>	<u>\$ 9,810,119</u>	<u>\$ 8,940,391</u>	<u>\$ 869,728</u>
NONOPERATING REVENUES				
Property taxes	\$ 6,000,000	\$ 6,000,000	\$ 5,919,050	\$ (80,950)
Investment income	<u>201,000</u>	<u>201,000</u>	<u>113,950</u>	<u>(87,050)</u>
Total Nonoperating Revenues	<u>\$ 6,201,000</u>	<u>\$ 6,201,000</u>	<u>\$ 6,033,000</u>	<u>\$ (168,000)</u>
NONOPERATING EXPENSES				
Interest expense	<u>\$ 406,035</u>	<u>\$ 406,035</u>	<u>\$ 392,234</u>	<u>\$ 13,801</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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ <u>2,420,000</u>	\$ <u>2,420,000</u>	\$ <u>2,491,834</u>	\$ <u>71,834</u>
OPERATING EXPENSES				
Personnel services	\$ 312,015	\$ 328,515	\$ 254,711	\$ 73,804
Contractual services	2,448,550	3,279,209	1,558,526	1,720,683
Commodities	<u>112,000</u>	<u>112,465</u>	<u>46,967</u>	<u>65,498</u>
Total operating expenses before capital outlay	<u>2,872,565</u>	<u>3,720,189</u>	<u>1,860,204</u>	<u>1,859,985</u>
Capital outlay	505,500	968,047	323,871	644,176
Less: assets capitalized	<u>-</u>	<u>(323,871)</u>	<u>(323,871)</u>	<u>-</u>
Adjusted capital outlay	<u>505,500</u>	<u>644,176</u>	<u>-</u>	<u>644,176</u>
Total Operating Expenses (excluding depreciation and amortization)	<u>\$ 3,378,065</u>	<u>\$ 4,364,365</u>	<u>\$ 1,860,204</u>	<u>\$ 2,504,161</u>
NONOPERATING REVENUES				
Investment income	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ 7,359</u>	<u>\$ (10,641)</u>

INTERNAL SERVICE FUNDS

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

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

County of McHenry, Illinois
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
November 30, 2010

	<u>Insurance Loss</u>	<u>Health Insurance</u>	<u>Totals</u>
ASSETS			
Current			
Cash and equivalents	\$ 12,469,573	\$ 2,946,430	\$ 15,416,003
Property taxes receivable	3,950,000	-	3,950,000
Due from other funds	<u>274,371</u>	<u>1,081,520</u>	<u>1,355,891</u>
Total Assets	<u>16,693,944</u>	<u>4,027,950</u>	<u>20,721,894</u>
LIABILITIES			
Current			
Accounts payable	38,473	-	38,473
Accrued payroll	20,357	-	20,357
Unearned revenue	3,950,000	-	3,950,000
Due to other funds	10,818	-	10,818
Compensated absences	4,958	-	4,958
Claims and judgments	1,501,540	2,131,578	3,633,118
Noncurrent			
Compensated absences	9,916	-	9,916
Claims and judgments	<u>3,891,315</u>	<u>-</u>	<u>3,891,315</u>
Total Liabilities	<u>9,427,377</u>	<u>2,131,578</u>	<u>11,558,955</u>
NET ASSETS - UNRESTRICTED	<u>\$ 7,266,567</u>	<u>\$ 1,896,372</u>	<u>\$ 9,162,939</u>

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended November 30, 2010

	<u>Insurance Loss</u>	<u>Health Insurance</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 274,371	\$ 15,752,728	\$ 16,027,099
Insurance recoveries	<u>245,721</u>	<u>-</u>	<u>245,721</u>
Total Operating Revenues	<u>520,092</u>	<u>15,752,728</u>	<u>16,272,820</u>
OPERATING EXPENSES			
Personnel services	922,781	-	922,781
Contractual services	2,519,476	15,646,268	18,165,744
Commodities	<u>3,976</u>	<u>569</u>	<u>4,545</u>
Total Operating Expenses	<u>3,446,233</u>	<u>15,646,837</u>	<u>19,093,070</u>
Operating income (loss)	<u>(2,926,141)</u>	<u>105,891</u>	<u>(2,820,250)</u>
NONOPERATING REVENUES			
Property taxes	3,827,683	-	3,827,683
Investment income	<u>71</u>	<u>4,169</u>	<u>4,240</u>
Total Nonoperating Revenues	<u>3,827,754</u>	<u>4,169</u>	<u>3,831,923</u>
Net Change in Net Assets	901,613	110,060	1,011,673
Net Assets - Beginning of Year	<u>6,364,954</u>	<u>1,786,312</u>	<u>8,151,266</u>
Net Assets - End of Year	<u>\$ 7,266,567</u>	<u>\$ 1,896,372</u>	<u>\$ 9,162,939</u>

County of McHenry, Illinois
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended November 30, 2010

	<u>Insurance Loss</u>	<u>Health Insurance</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 253,192	\$ 15,685,368	\$ 15,938,560
Cash received from insurance recoveries	245,721	-	245,721
Payments to employees	(920,861)	-	(920,861)
Payments to third party administrator	(2,028,882)	(15,553,163)	(17,582,045)
Payments to suppliers	<u>(1,390,794)</u>	<u>(39,807)</u>	<u>(1,430,601)</u>
Net Cash Flows from Operating Activities	<u>(3,841,624)</u>	<u>92,398</u>	<u>(3,749,226)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes received	<u>3,907,733</u>	<u>-</u>	<u>3,907,733</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from investment income	<u>71</u>	<u>4,169</u>	<u>4,240</u>
Net Increase in Cash and Equivalents	66,180	96,567	162,747
Cash and Equivalents - Beginning of Year	<u>12,403,393</u>	<u>2,849,863</u>	<u>15,253,256</u>
Cash and Equivalents - End of Year	<u>\$ 12,469,573</u>	<u>\$ 2,946,430</u>	<u>\$ 15,416,003</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (2,926,141)	\$ 105,891	\$ (2,820,250)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Change in assets and liabilities			
Due from other funds	10,684	(67,360)	(56,676)
Accounts payable	(47,740)	(1,710)	(49,450)
Accrued payroll	1,538	-	1,538
Due to other funds	(31,863)	-	(31,863)
Compensated absences	382	-	382
Claims and judgments	<u>(848,484)</u>	<u>55,577</u>	<u>(792,907)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (3,841,624)</u>	<u>\$ 92,398</u>	<u>\$ (3,749,226)</u>

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND
EXPENSES - BUDGET AND ACTUAL
INSURANCE LOSS FUND
For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ 307,446	\$ 307,446	\$ 274,371	\$ (33,075)
Insurance recoveries	<u>185,000</u>	<u>185,000</u>	<u>245,721</u>	<u>60,721</u>
	<u>\$ 492,446</u>	<u>\$ 492,446</u>	<u>\$ 520,092</u>	<u>\$ 27,646</u>
OPERATING EXPENSES				
Personnel services	\$ 1,032,367	\$ 1,032,367	\$ 922,781	\$ 109,586
Contractual services	2,608,021	3,561,035	2,519,476	1,041,559
Commodities	<u>14,000</u>	<u>10,370</u>	<u>3,976</u>	<u>6,394</u>
Total Operating Expenses	<u>\$ 3,654,388</u>	<u>\$ 4,603,772</u>	<u>\$ 3,446,233</u>	<u>\$ 1,157,539</u>
NONOPERATING REVENUES				
Property taxes	\$ 3,880,000	\$ 3,880,000	\$ 3,827,683	\$ (52,317)
Investment income	<u>125</u>	<u>125</u>	<u>71</u>	<u>(54)</u>
Total Nonoperating Revenues	<u>\$ 3,880,125</u>	<u>\$ 3,880,125</u>	<u>\$ 3,827,754</u>	<u>\$ (52,371)</u>

County of McHenry, Illinois
 SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND
 EXPENSES - BUDGET AND ACTUAL
 HEALTH INSURANCE FUND
 For the Year Ended November 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 16,420,135	\$ 16,420,135	\$ 15,752,728	\$ (667,407)
OPERATING EXPENSES				
Contractual services	\$ 16,485,136	\$ 16,485,136	\$ 15,646,268	\$ 838,868
Commodities	5,100	5,100	569	4,531
Total Operating Expenses	\$ 16,490,236	\$ 16,490,236	\$ 15,646,837	\$ 843,399
NONOPERATING REVENUES				
Investment income	\$ 4,000	\$ 4,000	\$ 4,169	\$ 169

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, 2010

	Treasurer Fund	Clerk of the Circuit Court Fund	Highway Fund	Valley Hi Resident Fund
ASSETS				
Cash and equivalents	\$ 1,719,022	\$ 4,310,167	\$ 1,315,559	\$ 48,059
Due from other governments	-	-	90,992	-
 Total Assets	\$ 1,719,022	\$ 4,310,167	\$ 1,406,551	\$ 48,059
LIABILITIES				
Accounts payable	-	-	188,121	-
Due to residents	-	-	-	48,059
Bond escrow	-	3,400,883	-	-
Due to other governments	1,719,022	618,331	1,218,430	-
Other liabilities	-	290,953	-	-
 Total Liabilities	\$ 1,719,022	\$ 4,310,167	\$ 1,406,551	\$ 48,059

County Clerk Redemption Fund	Collector Fund	Illinois Housing Surcharge Fund	Totals
\$ 942,603	\$ 13,210,680	\$ 47,565	\$ 21,593,655
<u>-</u>	<u>-</u>	<u>-</u>	<u>90,992</u>
<u>\$ 942,603</u>	<u>\$ 13,210,680</u>	<u>\$ 47,565</u>	<u>\$ 21,684,647</u>
\$ -	\$ -	\$ -	\$ 188,121
-	-	-	48,059
-	-	-	3,400,883
-	13,210,680	47,565	16,814,028
<u>942,603</u>	<u>-</u>	<u>-</u>	<u>1,233,556</u>
<u>\$ 942,603</u>	<u>\$ 13,210,680</u>	<u>\$ 47,565</u>	<u>\$ 21,684,647</u>

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2010

	Balance December 1, 2009	Additions	Deductions	Balance November 30, 2010
Treasurer Fund				
ASSETS				
Cash and equivalents	\$ 1,991,495	\$ 9,522,438	\$ 9,794,911	\$ 1,719,022
LIABILITIES				
Due to other governments	\$ 1,991,495	\$ 9,522,438	\$ 9,794,911	\$ 1,719,022
Clerk of the Circuit Court Fund				
ASSETS				
Cash and equivalents	\$ 3,949,830	\$ 28,838,185	\$ 28,477,848	\$ 4,310,167
LIABILITIES				
Bond escrow	\$ 3,124,286	\$ 5,834,622	5,558,025	\$ 3,400,883
Due to other governments	520,819	16,680,766	16,583,254	618,331
Other liabilities	304,725	6,322,797	6,336,569	290,953
Total Liabilities	\$ 3,949,830	\$ 28,838,185	\$ 28,477,848	\$ 4,310,167
Highway Fund				
ASSETS				
Cash and equivalents	\$ 788,045	\$ 1,249,913	\$ 722,399	\$ 1,315,559
Due from other governments	110,315	-	19,323	90,992
Total Assets	\$ 898,360	\$ 1,249,913	\$ 741,722	\$ 1,406,551
LIABILITIES				
Accounts payable	\$ 3,165	\$ 888,032	\$ 703,076	\$ 188,121
Due to other governments	895,195	1,230,590	907,355	1,218,430
Total Liabilities	\$ 898,360	\$ 2,118,622	\$ 1,610,431	\$ 1,406,551
Valley Hi Resident Fund				
ASSETS				
Cash and equivalents	\$ 39,381	\$ 22,286	\$ 13,608	\$ 48,059
LIABILITIES				
Due to residents	\$ 39,381	\$ 22,286	\$ 13,608	\$ 48,059

(Continued)

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2010

	Balance December 1, 2009	Additions	Deductions	Balance November 30, 2010
County Clerk Redemption Fund				
ASSETS				
Cash and equivalents	\$ 672,071	\$ 20,090,095	\$ 19,819,563	\$ 942,603
LIABILITIES				
Other liabilities	\$ 672,071	\$ 20,090,095	\$ 19,819,563	\$ 942,603
Collector Fund				
ASSETS				
Cash and equivalents	\$ 3,677,787	\$ 782,026,740	\$ 772,493,847	\$ 13,210,680
LIABILITIES				
Due to other governments	\$ 3,677,787	\$ 782,026,740	\$ 772,493,847	\$ 13,210,680
Illinois Housing Surcharge Fund				
ASSETS				
Cash and equivalents	\$ 35,874	\$ 458,424	\$ 446,733	\$ 47,565
LIABILITIES				
Due to other governments	\$ 35,874	\$ 458,424	\$ 446,733	\$ 47,565
Totals				
ASSETS				
Cash and equivalents	\$ 11,154,483	\$ 842,208,081	\$ 831,768,909	\$ 21,593,655
Due from other governments	110,315	-	19,323	90,992
Total Assets	\$ 11,264,798	\$ 842,208,081	\$ 831,788,232	\$ 21,684,647
LIABILITIES				
Accounts payable	\$ 3,165	\$ 888,032	\$ 703,076	\$ 188,121
Due to residents	39,381	22,286	13,608	48,059
Bond escrow	3,124,286	5,834,622	5,558,025	3,400,883
Due to other governments	7,121,170	809,918,958	800,226,100	16,814,028
Other liabilities	976,796	26,412,892	26,156,132	1,233,556
Total Liabilities	\$ 11,264,798	\$ 843,076,790	\$ 832,656,941	\$ 21,684,647

(Concluded)

STATISTICAL

County of McHenry, Illinois
INTRODUCTION TO THE STATISTICAL SECTION
November 30, 2010

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.	169 - 176
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.	177 - 181
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.	182 - 186
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.	187 - 188
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.	189 - 191

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 Eight Fiscal Years

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

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

2007	2008	2009	2010
\$ 168,077,235	\$ 186,108,100	\$ 193,667,253	\$ 209,970,975
83,884,874	94,814,206	110,628,189	108,727,129
<u>50,060,006</u>	<u>43,594,428</u>	<u>44,841,564</u>	<u>45,851,241</u>
<u>\$ 302,022,115</u>	<u>\$ 324,516,734</u>	<u>\$ 349,137,006</u>	<u>\$ 364,549,345</u>
\$ 4,531,583	\$ 4,568,317	\$ 7,291,886	\$ 7,709,277
411,176	41,191	492,746	693,237
<u>16,996,918</u>	<u>22,272,580</u>	<u>23,773,241</u>	<u>27,700,590</u>
<u>\$ 21,939,677</u>	<u>\$ 26,882,088</u>	<u>\$ 31,557,873</u>	<u>\$ 36,103,104</u>
\$ 172,608,818	\$ 190,676,417	\$ 200,959,139	\$ 217,680,252
84,296,050	94,855,397	111,120,935	109,420,366
<u>67,056,924</u>	<u>65,867,008</u>	<u>68,614,805</u>	<u>73,551,831</u>
<u>\$ 323,961,792</u>	<u>\$ 351,398,822</u>	<u>\$ 380,694,879</u>	<u>\$ 400,652,449</u>

County of McHenry, Illinois
CHANGES IN NET ASSETS
Last Eight 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>
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
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
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
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
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
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
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
Total Governmental Activities	<u>86,368,328</u>	<u>94,507,938</u>	<u>99,148,170</u>	<u>111,461,886</u>	<u>114,663,899</u>	<u>128,878,658</u>	<u>137,443,797</u>	<u>143,643,259</u>
Business-Type Activities								
Public health and welfare	6,758,361	6,983,097	7,374,613	7,515,927	9,737,659	9,541,020	10,042,346	10,085,088
Public safety	<u>1,282,811</u>	<u>1,423,930</u>	<u>1,443,884</u>	<u>1,652,536</u>	<u>1,979,992</u>	<u>2,011,399</u>	<u>2,315,535</u>	<u>2,331,714</u>
Total Business-Type Activities	<u>8,041,172</u>	<u>8,407,027</u>	<u>8,818,497</u>	<u>9,168,463</u>	<u>11,717,651</u>	<u>11,552,419</u>	<u>12,357,881</u>	<u>12,416,802</u>
Total Primary Government	<u>\$ 94,409,500</u>	<u>\$ 102,914,965</u>	<u>\$ 107,966,667</u>	<u>\$ 120,630,349</u>	<u>\$ 126,381,550</u>	<u>\$ 140,431,077</u>	<u>\$ 149,801,678</u>	<u>\$ 156,060,061</u>
PROGRAM REVENUES								
Governmental Activities								
Charges for services								
General and administrative	\$ 6,484,995	\$ 5,987,596	\$ 5,969,389	\$ 6,283,160	\$ 5,778,519	\$ 5,135,160	\$ 6,265,612	\$ 6,779,291
Community development	1,507,319	1,424,704	1,445,958	1,518,472	1,075,295	804,410	526,487	541,192
Transportation	311,211	185,824	124,566	114,214	135,169	96,965	86,869	69,027
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
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
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
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
Capital grants and contributions	<u>2,462,830</u>	<u>3,172,853</u>	<u>1,050,053</u>	<u>2,223,295</u>	<u>3,800,048</u>	<u>5,141,148</u>	<u>5,778,791</u>	<u>1,206,453</u>
Total Governmental Activities	<u>38,576,942</u>	<u>40,871,434</u>	<u>44,889,322</u>	<u>48,444,235</u>	<u>56,437,293</u>	<u>57,682,130</u>	<u>68,427,032</u>	<u>64,870,368</u>
Business-Type Activities								
Charges for services								
Public health and welfare	\$ 5,415,908	\$ 5,429,848	\$ 5,513,459	\$ 5,475,126	\$ 6,702,116	\$ 6,790,327	\$ 8,196,650	\$ 8,429,840
Public safety	<u>1,854,087</u>	<u>1,932,388</u>	<u>1,966,275</u>	<u>2,032,278</u>	<u>2,209,926</u>	<u>3,223,595</u>	<u>2,660,384</u>	<u>2,491,834</u>
Total Business-Type Activities	<u>7,269,995</u>	<u>7,362,236</u>	<u>7,479,734</u>	<u>7,507,404</u>	<u>8,912,042</u>	<u>10,013,922</u>	<u>10,857,034</u>	<u>10,921,674</u>
Total Primary Government	<u>\$ 45,846,937</u>	<u>\$ 48,233,670</u>	<u>\$ 52,369,056</u>	<u>\$ 55,951,639</u>	<u>\$ 65,349,335</u>	<u>\$ 67,696,052</u>	<u>\$ 79,284,066</u>	<u>\$ 75,792,042</u>

County of McHenry, Illinois
CHANGES IN NET ASSETS (Continued)
Last Eight 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>
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)
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>
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>
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
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
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
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
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
Investment income	974,181	1,102,691	2,669,378	5,006,956	6,713,449	4,577,645	584,228	423,535
Miscellaneous	366,062	695,973	491,906	792,329	610,444	357,931	565,895	837,572
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>
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
Investment income	57,517	86,709	234,680	479,999	745,846	547,973	182,350	121,309
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>
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>
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
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>
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>

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

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund					
Reserved	\$ 1,676,686	\$ 2,149,583	\$ 1,160,301	\$ 903,109	\$ 981,546
Unreserved	<u>14,421,573</u>	<u>18,927,542</u>	<u>25,203,850</u>	<u>31,409,259</u>	<u>35,354,484</u>
Total General Fund	<u>\$ 16,098,259</u>	<u>\$ 21,077,125</u>	<u>\$ 26,364,151</u>	<u>\$ 32,312,368</u>	<u>\$ 36,336,030</u>
All Other Governmental Funds					
Reserved	\$ 3,285,658	\$ 9,628,742	\$ 12,815,996	\$ 11,692,162	\$ 10,994,326
Unreserved					
Special revenue funds	41,475,770	48,977,382	43,737,269	39,168,190	50,058,502
Capital projects funds	<u>107,664</u>	<u>365,968</u>	<u>83,390</u>	<u>7,335,205</u>	<u>3,935,868</u>
Total All Other Governmental Funds	<u>\$ 44,869,092</u>	<u>\$ 58,972,092</u>	<u>\$ 56,636,655</u>	<u>\$ 58,195,557</u>	<u>\$ 64,988,696</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$	1,841,063	\$ 3,367,690	\$ 4,896,687	\$ 3,890,055	\$ 4,543,345
	<u>39,680,368</u>	<u>42,525,921</u>	<u>38,848,139</u>	<u>44,881,550</u>	<u>47,525,814</u>
\$	<u><u>41,521,431</u></u>	<u><u>45,893,611</u></u>	<u><u>43,744,826</u></u>	<u><u>48,771,605</u></u>	<u><u>52,069,159</u></u>
\$	15,815,383	\$ 17,104,118	\$ 21,158,012	\$ 21,152,055	\$ 36,357,884
	54,420,402	64,119,701	66,212,656	77,525,162	68,443,969
	<u>3,605,068</u>	<u>32,098,411</u>	<u>13,341,272</u>	<u>260,818</u>	<u>14,036</u>
\$	<u><u>73,840,853</u></u>	<u><u>113,322,230</u></u>	<u><u>100,711,940</u></u>	<u><u>98,938,035</u></u>	<u><u>104,815,889</u></u>

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
REVENUES					
Charges for services	\$ 10,767,595	\$ 11,279,473	\$ 17,038,547	\$ 17,102,573	\$ 17,777,743
Licenses and permits	1,983,801	2,130,028	2,265,291	2,218,767	2,215,929
Fines and forfeitures	1,470,894	1,626,846	1,391,334	1,596,750	1,621,631
Grants, contributions, and intergovernmental	21,401,173	23,192,356	16,131,921	16,293,271	23,587,863
Property taxes	32,669,964	34,303,278	37,253,009	42,270,940	46,421,825
Sales taxes	8,250,168	8,236,730	7,784,840	8,581,519	8,956,331
State income taxes	4,015,588	4,468,725	4,221,606	4,317,250	5,057,081
Tax transfer stamps	3,194,504	3,500,919	4,138,288	4,399,145	5,025,204
Other taxes	1,598,733	1,521,692	5,889,875	6,667,627	6,527,582
Investment income	2,430,418	1,185,448	972,077	1,099,717	2,663,286
Miscellaneous	813,303	741,935	409,262	790,720	491,906
Total Revenues	<u>88,596,141</u>	<u>92,187,430</u>	<u>97,496,050</u>	<u>105,338,279</u>	<u>120,346,381</u>
EXPENDITURES					
Current					
General and administrative	21,450,579	24,271,274	19,616,747	22,446,128	24,134,700
Community development	-	-	3,312,053	3,244,591	3,605,047
Transportation	6,581,914	6,608,470	8,238,014	10,312,253	8,397,687
Public safety	14,664,024	15,149,990	19,084,234	20,672,454	23,844,358
Judiciary and court related	7,218,297	7,596,915	9,576,539	9,886,552	10,169,039
Public health and welfare	13,773,514	14,776,174	17,514,954	19,394,949	21,513,474
Retirement	4,698,886	4,519,566	-	-	-
Capital outlay	7,340,660	7,433,557	13,057,462	18,946,483	19,558,629
Debt service					
Principal retirement	5,071,764	9,115,516	5,581,736	1,996,101	1,587,517
Interest and fiscal charges	734,850	817,140	737,564	894,418	1,032,157
Total Expenditures	<u>81,534,488</u>	<u>90,288,602</u>	<u>96,719,303</u>	<u>107,793,929</u>	<u>113,842,608</u>
Excess (deficiency) of revenues over expenditures	<u>7,061,653</u>	<u>1,898,828</u>	<u>776,747</u>	<u>(2,455,650)</u>	<u>6,503,773</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,091,364	960,054	1,878,972	2,866,871	2,576,516
Transfers out	(1,670,743)	(1,099,347)	(2,397,170)	(2,866,871)	(2,592,516)
Refunding debt certificates issued	-	-	-	-	-
Other debt issued	4,710,910	15,993,669	300,000	9,962,769	4,013,563
Payment to bond escrow agent	-	-	-	-	-
Proceeds from sale of capital assets	-	2,604,805	-	-	-
Total Other Financing Sources (Uses)	<u>4,131,531</u>	<u>18,459,181</u>	<u>(218,198)</u>	<u>9,962,769</u>	<u>3,997,563</u>
Net Change in Fund Balances	<u>\$ 11,193,184</u>	<u>\$ 20,358,009</u>	<u>\$ 558,549</u>	<u>\$ 7,507,119</u>	<u>\$ 10,501,336</u>
Debt service as a percentage of noncapital expenditures	<u>7.8 %</u>	<u>12.0 %</u>	<u>7.6 %</u>	<u>3.3 %</u>	<u>2.8 %</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.

	2006	2007	2008	2009	2010
\$	23,884,511	\$ 26,105,579	\$ 24,538,491	\$ 30,460,458	\$ 28,813,360
	2,161,925	1,762,656	1,422,286	1,147,302	1,166,773
	1,561,136	1,629,982	1,534,686	1,328,070	1,260,451
	17,920,531	23,172,332	22,599,354	27,441,735	35,501,450
	50,749,521	54,626,949	58,945,966	63,863,503	64,562,786
	9,530,333	9,533,202	14,392,386	16,052,268	18,048,187
	5,465,713	5,875,908	6,214,390	4,703,268	5,780,880
	4,631,095	3,264,738	1,968,253	1,232,451	1,203,780
	6,558,678	2,143,030	2,173,857	1,779,703	1,804,807
	4,995,957	6,407,385	4,650,860	733,638	424,921
	870,873	650,032	364,393	610,453	837,572
	<u>128,330,273</u>	<u>135,171,793</u>	<u>138,804,922</u>	<u>149,352,849</u>	<u>159,404,967</u>
	26,806,604	26,984,381	26,373,070	27,059,336	28,389,135
	2,692,960	3,428,328	2,163,939	3,029,167	7,340,586
	9,546,135	12,599,577	13,937,579	18,708,657	18,675,266
	27,347,522	29,912,573	31,495,112	36,479,080	36,125,726
	10,819,640	13,497,931	15,791,493	13,901,681	13,890,625
	23,560,643	24,679,407	27,189,292	28,632,690	28,974,311
	-	-	-	-	-
	15,134,089	32,474,800	27,344,905	11,154,580	13,805,171
	2,252,439	3,220,206	7,798,926	8,548,252	8,597,661
	1,140,762	1,090,312	3,507,908	3,264,626	2,901,750
	<u>119,300,794</u>	<u>147,887,515</u>	<u>155,602,224</u>	<u>150,778,069</u>	<u>158,700,231</u>
	<u>9,029,479</u>	<u>(12,715,722)</u>	<u>(16,797,302)</u>	<u>(1,425,220)</u>	<u>704,736</u>
	6,331,432	24,521,463	31,671,737	30,615,292	13,644,072
	(6,331,432)	(24,521,463)	(31,671,737)	(30,615,292)	(13,644,072)
	3,592,000	-	-	-	3,448,000
	4,938,254	56,569,279	2,038,227	4,678,094	8,606,447
	(3,522,175)	-	-	-	(3,583,775)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,008,079</u>	<u>56,569,279</u>	<u>2,038,227</u>	<u>4,678,094</u>	<u>8,470,672</u>
\$	<u>14,037,558</u>	<u>\$ 43,853,557</u>	<u>\$ (14,759,075)</u>	<u>\$ 3,252,874</u>	<u>\$ 9,175,408</u>
	<u>3.3 %</u>	<u>3.9 %</u>	<u>9.2 %</u>	<u>8.8 %</u>	<u>8.2 %</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					
2001	\$ 190,246,427	\$ 4,250,167,036	\$ 618,316,972	\$ 283,951,849	\$ 10,820,134	\$ 3,444,369	\$ 5,356,946,787	\$ 16,070,840,361	\$ 0.644	33.3 %
2002	192,152,981	4,613,464,093	667,318,750	302,957,636	10,914,005	3,610,091	5,790,417,556	17,371,252,668	0.638	33.3
2003	195,335,290	5,109,673,949	724,761,093	319,815,302	12,561,726	4,258,627	6,366,405,987	19,099,217,961	0.673	33.3
2004	201,634,517	5,710,037,487	780,498,796	326,803,649	13,193,732	4,590,449	7,036,758,630	21,110,275,890	0.715	33.3
2005	209,598,061	6,266,193,513	863,041,722	347,842,544	13,756,505	5,115,632	7,705,547,977	23,116,643,931	0.735	33.3
2006	227,318,495	7,010,406,096	946,541,231	359,681,646	15,933,834	4,780,696	8,564,661,998	25,693,985,994	0.728	33.3
2007	242,284,601	7,739,948,744	1,042,482,191	378,488,761	15,210,290	5,075,587	9,423,490,174	28,270,470,522	0.706	33.3
2008	255,194,149	8,360,880,272	1,125,071,165	395,468,291	14,396,994	4,909,505	10,155,920,376	30,467,761,128	0.687	33.3
2009	270,049,021	8,639,858,959	1,186,655,676	410,478,144	14,245,656	5,356,962	10,526,644,418	31,579,933,254	0.701	33.3
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

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				
	2001	2002	2003	2004	2005
DIRECT RATES - COUNTY					
General	0.226	0.230	0.250	0.250	0.247
Highway	0.051	0.050	0.046	0.057	0.055
County Bridge	0.002	0.002	0.002	0.003	0.003
Matching	0.013	0.013	0.012	0.014	0.013
Mental Health	0.124	0.123	0.118	0.121	0.125
Tuberculosis Care and Treatment	0.003	0.003	0.002	0.003	0.003
Illinois Municipal Retirement	0.052	0.043	0.040	0.066	0.075
Veterans' Assistance	0.005	0.005	0.005	0.009	0.008
Loss Prevention and Protection	0.044	0.044	0.039	0.057	0.062
Debt Service	0.083	0.078	0.071	0.011	-
Social Security	0.041	0.047	0.041	0.043	0.052
Senior Services	-	-	-	0.025	0.023
Nursing Home	-	-	0.047	0.057	0.069
Total County	0.644	0.638	0.673	0.715	0.735
OVERLAPPING RATES					
Municipalities	0.228 - 1.578	0.227 - 1.565	0.221 - 1.526	0.202 - 1.512	0.191 - 1.472
Unit School Districts	3.638 - 4.826	3.954 - 4.910	3.905 - 4.920	3.522 - 4.791	3.654 - 4.738
Elementary School Districts	2.078 - 3.359	2.099 - 3.355	2.023 - 3.360	2.029 - 3.498	1.941 - 3.743
High School Districts	1.713 - 2.178	1.878 - 2.225	1.815 - 2.157	1.759 - 2.093	1.970 - 2.035
Community College Districts	0.340 - 0.416	0.335 - 0.440	0.318 - 0.438	0.301 - 0.453	0.301 - 0.450
Conservation District	0.125	0.181	0.173	0.166	0.158
Township and Road Districts	0.140 - 0.511	0.134 - 0.862	0.128 - 0.744	0.118 - 0.736	0.110 - 0.701
Park Districts	0.028 - 0.630	0.289 - 0.629	0.025 - 0.592	0.025 - 0.577	0.028 - 0.553
Fire Protection Districts	0.142 - 0.644	0.142 - 0.646	0.138 - 0.658	0.134 - 0.656	0.132 - 0.660
Library Districts	0.083 - 0.469	0.084 - 0.469	0.082 - 0.446	0.080 - 0.429	0.078 - 0.418
Sanitary Districts	0.045 - 0.081	0.047 - 0.077	0.047 - 0.066	0.044 - 0.061	0.044 - 0.060
Cemetery Districts	0.002 - 0.010	0.001 - 0.010	0.001 - 0.010	0.001 - 0.009	0.001 - 0.008
Rescue Squad District	0.098	0.099	0.096	0.093	0.091

Source: McHenry County Clerk's Office.

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

The County's ability to change rates is limited by the Property Tax Extension Limitation Law (PTELL). Increases in rates are limited to the lesser of 5 percent or the increase in the national consumer price index (CPI) for the year preceding the levy year. For the 2009 levy (payable in 2010), the increase was limited to the CPI increase of 0.1%.

Year Taxes Payable

2006	2007	2008	2009	2010
0.250	0.250	0.285	0.300	0.326
0.060	0.064	0.060	0.060	0.060
0.002	0.004	0.010	0.009	0.010
0.012	0.028	0.034	0.033	0.010
0.121	0.118	0.114	0.116	0.118
0.002	0.002	0.003	0.004	0.004
0.070	0.056	0.037	0.038	0.043
0.007	0.006	0.006	0.005	0.003
0.064	0.059	0.044	0.038	0.037
-	-	-	-	-
0.049	0.036	0.017	0.024	0.031
0.021	0.019	0.018	0.017	0.017
0.070	0.064	0.059	0.057	0.057
0.728	0.706	0.687	0.701	0.716

0.184 - 1.467	0.180 - 1.426	0.175 - 1.409	0.178 - 1.447	0.180 - 1.487
3.587 - 4.517	3.446 - 4.677	3.378 - 4.609	3.172 - 4.693	3.274 - 4.791
1.862 - 3.683	1.919 - 3.754	1.869 - 3.714	1.891 - 3.794	1.956 - 3.933
1.659 - 2.086	1.599 - 2.154	1.552 - 2.149	1.559 - 2.241	1.625 - 2.279
0.256 - 0.447	0.274 - 0.491	0.263 - 0.478	0.258 - 0.436	0.274 - 0.467
0.149	0.143	0.174	0.173	0.178
0.105 - 0.664	0.102 - 0.644	0.098 - 0.629	0.099 - 0.647	0.101 - 0.658
0.300 - 0.534	0.031 - 0.524	0.032 - 0.508	0.029 - 0.528	0.032 - 0.535
0.126 - 0.635	0.189 - 0.623	0.184 - 0.612	0.188 - 0.638	0.193 - 0.637
0.074 - 0.400	0.071 - 0.395	0.069 - 0.383	0.071 - 0.392	0.072 - 0.391
0.045 - 0.057	0.044 - 0.056	0.049 - 0.054	0.056 - 0.057	0.057
0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008
0.088	0.200	0.195	0.199	0.200

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

Taxpayer	Year Taxes Payable			Year Taxes Payable		
	2010		Percentage of Total Assessed Value	2001		Percentage of Total Assessed Value
Assessed Value	Rank	Assessed Value		Assessed Value	Rank	
Wal-Mart Stores, Inc.	\$ 23,182,335	1	0.21 %	\$ 6,771,552	6	0.12 %
Nimed Corp.	17,468,338	2	0.16	-	-	-
Centro Bradley	15,903,374	3	0.14	-	-	-
Inland Real Estate Corp.	10,911,261	4	0.10	-	-	-
Sky Ridge Partners LP	10,385,450	5	0.09	-	-	-
DDR McHenry SQ	10,059,687	6	0.09	-	-	-
Rubloff	9,412,240	7	0.08	-	-	-
Meijer Stores	9,097,939	8	0.08	-	-	-
Menard Inc.	8,827,066	9	0.08	5,134,706	9	0.09
Target Corp. (Dayton Hudson)	7,902,491	10	0.07	5,046,253	10	0.09
Motorola	-	-	-	21,340,005	1	0.37
Freed Joseph J/Assoc Inc.	-	-	-	8,999,073	2	0.16
Cunat Bros. Inc.	-	-	-	8,832,657	3	0.15
Bradley Real Estate	-	-	-	8,285,129	4	0.15
AMLI Commercial Properties Ltd	-	-	-	7,274,478	5	0.13
Home Depot USA Inc.	-	-	-	6,491,618	7	0.11
Terra Cotta Realty Co.	-	-	-	6,011,453	8	0.11
	<u>\$ 123,150,181</u>		<u>1.10 %</u>	<u>\$ 84,186,924</u>		<u>1.48 %</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
2001	\$ 34,498,825	\$ 34,433,985	99.81 %	\$ -	\$ 34,433,985	99.81 %
2002	36,942,911	36,826,757	99.69	-	36,826,757	99.69
2003	42,814,112	42,737,686	99.82	-	42,737,686	99.82
2004	50,333,994	50,268,332	99.87	-	50,268,332	99.87
2005	56,605,027	56,478,087	99.78	-	56,478,087	99.78
2006	62,333,680	62,245,602	99.86	-	62,245,602	99.86
2007	66,273,418	66,174,779	99.85	-	66,174,779	99.85
2008	69,497,238	69,328,620	99.76	-	69,328,620	99.76
2009	73,587,785	73,429,748	99.79	29,428	73,459,176	99.83
2010	74,443,780	74,299,194	99.81	-	74,299,194	99.81

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			
2001	\$ 9,380,000	\$ 4,250,000	\$ 755,165	\$ 507,993	\$ -	\$ 765,000	\$ -	\$ 15,658,158	0.17 %	\$ 57.89
2002	5,180,000	14,843,651	1,188,545	340,414	-	765,000	-	22,317,610	0.24	80.36
2003	770,000	14,417,072	919,158	164,644	-	625,000	-	16,895,874	0.17	59.06
2004	-	23,433,077	804,464	-	12,500,000	325,000	-	37,062,541	0.36	125.05
2005	-	25,589,569	1,074,018	-	12,500,000	325,000	-	39,488,587	0.36	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	0.67	266.38

Note: Details regarding the County's outstanding debt can be found in the notes to financial statements.
See Demographic and Economic Statistics at page 187 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		
2001	\$ 9,380,000	\$ 4,250,000	\$ (769,708)	\$ 12,860,292	0.08 %	\$ 47.54
2002	5,180,000	14,843,651	(244,459)	19,779,192	0.11	71.22
2003	770,000	14,417,072	(136,608)	15,050,464	0.08	52.61
2004	-	35,933,077	-	35,933,077	0.17	121.24
2005	-	38,089,569	-	38,089,569	0.16	125.30
2006	-	40,860,473	-	40,860,473	0.16	130.81
2007	-	92,995,136	-	92,995,136	0.33	294.34
2008	-	85,672,760	-	85,672,760	0.28	268.87
2009	-	82,055,000	-	82,055,000	0.26	255.65
2010	-	81,600,000	-	81,600,000	0.26	264.28

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 177 for property value data.
See Demographic and Economic Statistics at page 187 for population data.

County of McHenry, Illinois
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
November 30, 2010

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct			
County of McHenry	\$ 73,239,000	100.0 %	\$ 73,239,000
Overlapping			
Municipalities	156,811,000	6.0 - 100.0	135,466,000
Unit School Districts	919,225,000	0.1 - 100.0	405,732,000
Elementary School Districts	122,338,000	93.6 - 100.0	120,160,000
High School Districts	72,969,000	98.5 - 100.0	72,584,000
Community College Districts	387,919,000	0.1 - 96.5	16,273,000
Conservation District	154,683,000	100.0	154,683,000
Township and Road Districts	7,042,000	100.0	7,042,000
Park Districts	39,849,000	82.1 - 100.0	36,404,000
Fire Protection Districts	16,860,000	7.0 - 100.0	12,754,000
Library Districts	24,605,000	2.3 - 100.0	8,224,000
Total Overlapping			<u>969,322,000</u>
Total Direct and Overlapping Debt			<u>\$ 1,042,561,000</u>

Sources: Assessed value data used to estimate applicable percentages provided the County Clerk's Office. Debt outstanding data obtained from annual financial reports submitted to the Illinois Comptroller or Illinois State Board of Education or from individual comprehensive annual financial reports.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses of the County should be taken into account. However, this does not mean that every taxpayer of the County is a taxpayer of each of the above overlapping districts and responsible for bearing the repayment of the long-term debt of each overlapping district.

The percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another district's assessed value that is within the County's boundaries and dividing it by that district's total assessed value.

Amounts are rounded to the nearest thousand.

County of McHenry, Illinois
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 154,012,220	\$ 166,474,505	\$ 183,034,172	\$ 202,306,811	\$ 221,534,504	\$ 246,234,032	\$ 270,925,343	\$ 291,982,711	302,641,027	300,023,024
Less: total debt applicable to limit	<u>(1,263,158)</u>	<u>(1,528,959)</u>	<u>(1,083,802)</u>	<u>(804,464)</u>	<u>(1,074,018)</u>	<u>-</u>	<u>(54,885,000)</u>	<u>(50,385,000)</u>	<u>(45,695,000)</u>	<u>(40,805,000)</u>
Legal debt margin	\$ <u>152,749,062</u>	\$ <u>164,945,546</u>	\$ <u>181,950,370</u>	\$ <u>201,502,347</u>	\$ <u>220,460,486</u>	\$ <u>246,234,032</u>	\$ <u>216,040,343</u>	\$ <u>241,597,711</u>	\$ <u>256,946,027</u>	\$ <u>259,218,024</u>
Total debt applicable to limit as a percentage of debt limit	% <u>0.82</u> %	% <u>0.92</u> %	% <u>0.59</u> %	% <u>0.40</u> %	% <u>0.48</u> %	% <u>-</u> %	% <u>20.26</u> %	% <u>17.26</u> %	% <u>15.10</u> %	% <u>13.60</u> %

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed valuation (2009 tax year)	\$ <u>10,435,583,432</u>
Debt limitation (2.875% of assessed valuation)	<u>300,023,024</u>
Debt outstanding	
Debt Certificates	81,600,000
Capital Leases	<u>647,074</u>
Subtotal	82,247,074
Less: debt not subject to limitation	<u>(41,442,074)</u>
Total debt applicable to limit	<u>40,805,000</u>
Debt limit margin	\$ <u>259,218,024</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	
2001	\$ 1,489,078	\$ 38,453	\$ 1,006,893	\$ 520,638	\$ 135,000	\$ 34,563	3.07
2002	1,985,406	41,838	795,253	1,231,991	-	29,702	41.48
2003	1,841,241	59,734	1,070,032	830,943	140,000	24,823	5.04
2004	1,932,388	47,455	1,213,330	766,513	300,000	18,785	2.40
2005	1,966,275	72,133	1,232,169	806,239	-	13,195	61.10
2006	2,032,278	104,103	1,332,078	804,303	160,000	7,035	4.82
2007	2,209,926	135,558	1,517,913	827,571	165,000	300	5.01
2008	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements. Operating expenses do not include interest, depreciation, or amortization expenses. 911 Fund revenue bonds are backed by charges for services, which represent monthly telephone surcharges paid on telephone lines within the County. This issue was paid off in 2007.

County of McHenry, Illinois
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) School Enrollment	(3) Number of Teachers	(4) Unemployment Rate	
2001	270,504	\$ 9,175,884,000	\$ 33,921	46,460	3,460	4.7	%
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	12,287,823,000	39,797	53,179	3,456	9.6	

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.

Note:

The population figure for 2010 is from the 2010 US Federal Census. Population figures for 2001 - 2009 were annual estimated provided by the US Census Bureau. Therefore, the change from 2009 to 2010 does not represent an actual decrease of population, but a correction of prior estimates.

County of McHenry, Illinois
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	2010			2001		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Centegra Health System	3,650	1	2.23 %	2,300	2	1.55 %
Wal-Mart	2,200	2	1.35	-	-	-
Jewel Osco	1,400	3	0.86	-	-	-
County of McHenry	1,388	4	0.85	1,200	3	0.81
Follett Library Resources	1,378	5	0.84	906	6	0.61
Catalent Pharma Solutions	830	6	0.51	-	-	-
Mercy Health System	732	7	0.45	-	-	-
Brown Printing	650	8	0.40	-	-	-
Snap-on Tools Co.	590	9	0.36	-	-	-
Sage Products, Inc.	583	10	0.36	-	-	-
Motorola, Inc.	-	-	-	4,400	1	2.97
Dana Corp/Brake Parts Inc.	-	-	-	1,100	4	0.74
Intermatic Inc.	-	-	-	1,000	5	0.68
McHenry County College	-	-	-	850	7	0.57
Precision Twist Drill Co.	-	-	-	775	8	0.52
Manpower	-	-	-	650	9	0.44
Tru Serv Corp.	-	-	-	650	10	0.44
	<u>13,401</u>		<u>8.20 %</u>	<u>13,831</u>		<u>9.35 %</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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General and administrative	172.5	179.3	184.0	195.7	196.8	201.7	203.9	213.3	208.2	207.3
Community development	25.0	26.0	23.0	22.0	20.0	23.6	25.1	23.5	27.0	28.0
Transportation	35.0	33.0	36.0	38.0	48.0	50.5	56.5	59.5	57.4	56.4
Public safety	271.8	285.5	296.5	316.9	377.5	382.5	394.2	404.9	400.1	401.0
Judiciary and court related	170.4	177.0	173.6	175.1	175.0	194.8	211.5	212.1	208.4	214.9
Public health and welfare	238.7	233.6	252.0	267.9	270.3	300.1	302.6	312.2	359.6	358.3
	<u>913.4</u>	<u>934.4</u>	<u>965.1</u>	<u>1,015.6</u>	<u>1,087.6</u>	<u>1,153.2</u>	<u>1,193.8</u>	<u>1,225.5</u>	<u>1,260.7</u>	<u>1,265.9</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General and administrative										
Documents recorded	96,268	123,271	173,421	115,446	110,544	96,602	86,224	65,141	63,309	59,651
Real estate transfer declarations	10,323	10,903	11,774	11,225	11,886	9,550	6,811	4,661	3,847	3,809
Birth certificates issued	1,936	1,954	1,859	2,109	2,264	2,213	2,062	2,066	2,020	1,889
Parcels assessed	125,657	127,665	130,547	133,137	136,646	140,899	142,521	147,007	148,679	149,278
Registered voters	165,112	169,530	172,648	186,394	184,315	186,323	189,386	199,378	200,205	202,033
Tax bills mailed	120,129	121,954	124,597	126,796	130,266	134,047	137,723	136,597	137,746	137,857
Passports issued	4,273	3,670	3,188	2,627	1,774	1,548	2,528	1,603	1,359	1,067
Teachers certified	3,460	3,475	3,654	3,638	3,350	3,142	3,523	3,742	3,648	3,456
Community development										
Building permit applications	1,990	2,117	1,885	1,798	1,636	1,421	1,430	1,387	1,246	1,086
Zoning petitions filed	89	106	127	131	140	96	100	79	58	51
Transportation										
Permits (access, facility, & utility)	53	161	181	140	104	114	159	108	90	76
Lane miles resurfaced	13.7	11.7	24.0	22.1	15.3	15.7	15.9	27.3	21.3	28.3
Public safety										
Incoming 911 calls	22,113	31,456	32,694	30,701	31,735	33,187	36,148	35,215	34,597	36,722
Arrests	2,648	2,750	2,907	3,095	3,006	2,556	3,690	3,827	3,622	3,398
Citations issued	8,170	7,636	8,238	10,344	11,223	12,215	14,085	13,294	14,527	13,558
Inmates processed	7,021	5,939	6,509	6,615	6,966	8,513	9,796	10,378	10,216	8,765
Hazardous material and other emergency responses	48	41	53	73	51	55	50	55	50	39
Judiciary and court related										
Judges	12	12	12	12	12	13	15	16	16	16
Total cases filed	79,259	88,808	91,418	89,332	93,338	96,769	105,502	103,207	93,849	90,367
Jury trials	42	47	37	36	30	37	60	81	84	80
Defendants appointed to public defender	3,541	4,209	4,487	4,906	4,826	4,213	4,306	4,979	5,124	4,406
Charges disposed by public defender	7,025	8,159	8,811	10,736	10,450	9,078	8,750	9,914	10,128	9,195
Public health and welfare										
Food establishment inspections	3,975	3,973	4,169	4,485	5,479	5,753	5,680	5,765	4,205	5,612
Vision screenings	10,879	13,184	11,969	12,915	12,577	12,095	11,114	9,629	9,028	7,966
Hearing screenings	12,135	14,152	13,479	15,254	13,989	13,255	13,272	13,126	13,063	11,999
Nursing home - resident days	41,254	41,829	41,027	40,528	40,695	41,181	43,406	44,450	45,186	44,945
Veterans assistance - new claims awarded	29	33	34	37	51	58	45	76	97	146

Sources: County Departments.

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

FUNCTION/PROGRAM	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General and administrative										
Primary buildings	1	1	2	2	2	2	2	2	2	2
Transportation										
Lane miles	495	495	495	495	495	495	502	490	495	497
Street lights	112	112	114	114	209	233	267	363	363	379
Traffic signals	22	23	24	24	25	27	29	31	32	32
Bridges	37	37	37	37	37	37	37	38	38	41
Vehicles	57	56	61	68	68	69	75	79	76	76
Public safety										
Jail inmate capacity	325	325	325	325	325	620	632	666	666	666
Sheriff vehicles	119	124	145	144	146	165	173	172	186	192
Sheriff boats	6	6	6	6	6	6	6	6	5	5
Judiciary and court related										
Courtrooms	12	12	13	13	13	13	16	16	16	16
Public health and welfare										
Nursing home capacity	117	117	117	117	117	117	127	128	128	128
Vehicles - veterans assistance	3	3	4	4	4	4	4	5	5	5

Sources: County Departments.