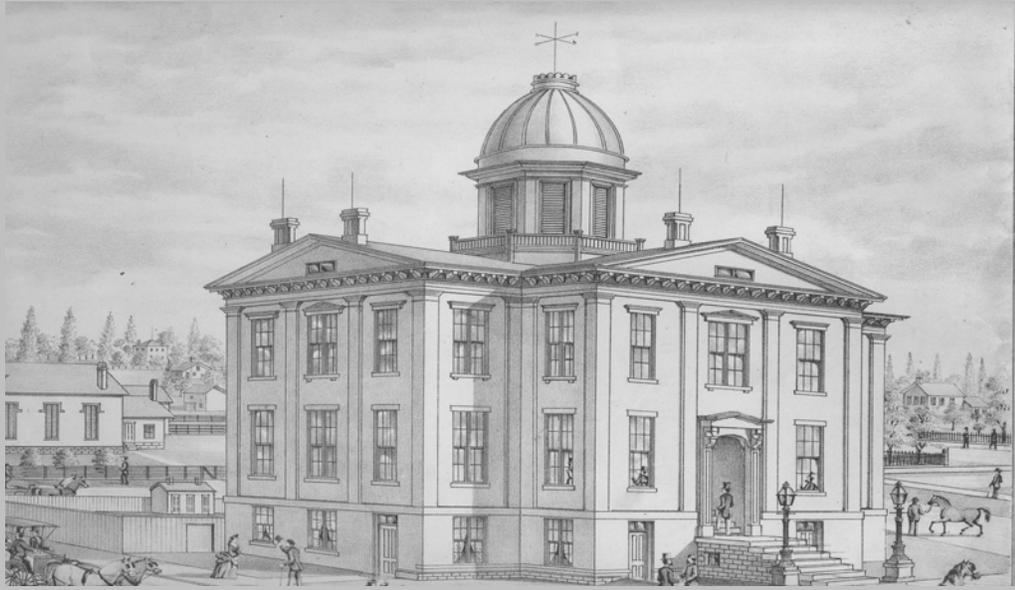
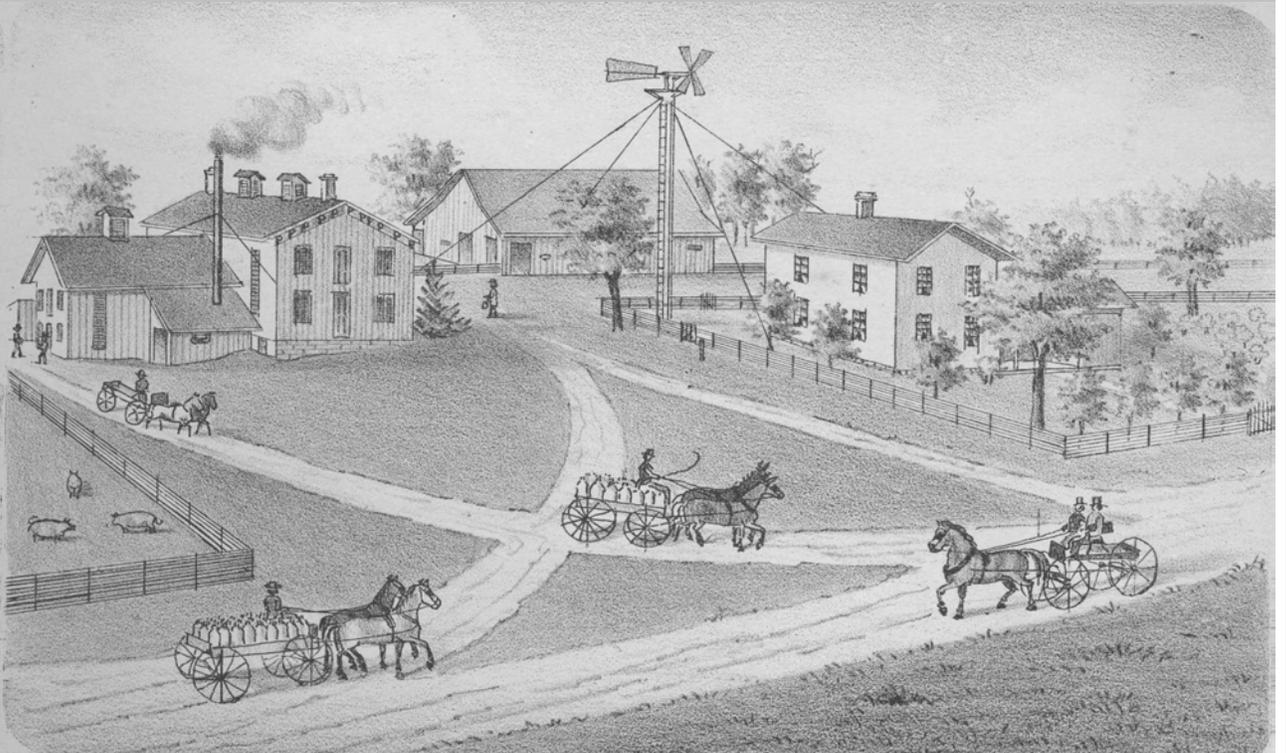


County of McHenry, Illinois



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



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

Early History on the County of McHenry

Frontiersmen

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

First Recorded Settlers

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

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

County of McHenry Beginnings

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

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

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

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

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

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

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

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

County of McHenry, Illinois
POPULAR ANNUAL FINANCIAL REPORT
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November 30, 2011

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Introduction to the Popular Annual Financial Report



McHenry County extends into the following Cities, Towns, and Villages:

Algonquin
Barrington Hills
Bull Valley
Cary
Crystal Lake
Fox Lake
Fox River Grove
Greenwood
Harvard
Hebron
Holiday Hills
Huntley
Island Lake
Johnsburg
Lake in the Hills
Lakemoor
Lakewood
Marengo
McCullom Lake
McHenry
Oakwood Hills
Port Barrington
Prairie Grove
Richmond
Ringwood
Spring Grove
Trout Valley
Union
Wonder Lake
Woodstock

Townships in the County:

Alden
Algonquin
Burton
Chemung
Coral
Dorr
Dunham
Grafton
Greenwood
Hartland
Hebron
Marengo
McHenry
Nunda
Richmond
Riley
Seneca

To the residents of McHenry County:

I am pleased to present McHenry County's Popular Annual Financial Report (PAFR) for the fiscal year ended November 30, 2011, prepared by the Auditor's Office. This report provides a summary of the County's revenue, spending, and financial condition. The report also includes supplementary information on local economic conditions, major accomplishments by the County government, and other reference information for your usage in contacting your Board Members or individual County departments. My goal in producing this report is to communicate the County's financial operations in a straightforward and easy-to-read format so that you may obtain a better understanding of McHenry County government. The County's PAFR for fiscal year 2010 received the Government Finance Officers Association's (GFOA) Award for Outstanding Achievement, which is the third consecutive year that the County has received this prestigious award.

The information in this report is derived from the County's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended November 30, 2011, which was audited by Baker Tilly Virchow Krause LLP and received an unqualified (clean) opinion. The CAFR is a highly detailed financial report that is prepared in conformity with Generally Accepted Accounting Principles (GAAP). The County has received GFOA's Certificate of Achievement for Excellence in Financial Reporting for the CAFR for 13 consecutive years. The financial schedules presented in the PAFR have been summarized and combined from assorted financial statements in the CAFR. The PAFR omits the financial statements on business-type activities, discretely presented component units, proprietary funds, and fiduciary funds, which are included in the CAFR. Anyone who is interested in reading the FY2011 CAFR can find the report under the [Financial Reports](#) link on the County's website at <http://www.co.mchenry.il.us>. Copies of past CAFRs, PAFRs, Single Audits, and Quarterly Financial Reports are also available through the link.

The first section of this PAFR presents three perspectives that help assess the County's overall financial health. The first perspective reviews the County's ability to pay its bills, the second perspective reviews the County's overall financial position, and the third perspective presents an analysis of local, state, and national economic conditions. The second section of the PAFR includes financial schedules that describe where the County derives its funds, what the County spends its funds on, and what major programs and services the County provides. The last financial schedule includes information on the collection and usage of property tax dollars.

This report is for your use in understanding the operations of the McHenry County government and is not intended to replace the CAFR. It is simply a means of increasing public confidence in the County government. It is an honor to serve as your Auditor and I encourage any questions, concerns, or feedback as to the contents of this report or the operations of my office. Feel free to contact me at my office - 815.334.4204, by email - auditor@co.mchenry.il.us, or by stopping in at my office in the Administration Building - Room 105.

Best regards,

Pamela Palmer

McHenry County Auditor
May 23, 2012

Awards Received for Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) has presented an Award for Outstanding Achievement in Popular Annual Financial Reporting to McHenry County for its Popular Annual Financial Report for the fiscal year ended November 30, 2010. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government popular reports.

Award for Outstanding Achievement in Popular Annual Financial Reporting

The Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended November 30, 2010 represents the third consecutive year that the County has received this prestigious award. We believe that the current PAFR for the fiscal year ended November 30, 2011 also conforms to the high standards of the award program and the PAFR has been submitted to GFOA.

Certificate of Achievement for Excellence in Financial Reporting

As described in the introduction to the PAFR, the information presented within the PAFR was derived from the County's CAFR. The County is proud to present that its CAFR for the fiscal year ended November 30, 2010 has been recognized with the Certificate of Achievement for Excellence in Financial Reporting. This certificate represents the 13th consecutive year that the County has received this award. Anyone who is interested in reading the CAFR can find the report on the County's website at <http://www.co.mchenry.il.us>, under the [Financial Reports](#) link.

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**County of McHenry
Illinois**

**for the Fiscal Year Ended
November 30, 2010**



Linda C. Danson
President

Jeffrey L. Esser
Executive Director

Profile of McHenry County, Illinois

McHenry County is located in northeastern Illinois, approximately 50 miles northwest of Chicago. The County covers a total area of 611 square miles, including 603 square miles of land and 8 square miles of water. The 2011 population of the County was 308,944, which ranks sixth out of 102 Counties in Illinois. Over 30 communities reside within the County, the largest of which is the City of Crystal Lake, with a 2010 population of 40,743, which ranks 40th out of 1,367 Cities in Illinois. Major transportation routes include I-90, which passes through the southwest corner of the County, as well as several state highway routes, making the County easily accessible to areas in northern Illinois and 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).

The County was created by the Illinois legislature in 1836. The County was named after Major William McHenry, who fought in the Blackhawk War in 1832. Originally, McHenry County stretched to Lake Michigan on the east until 1839, when voters were granted the right to form a new county, which was named Lake County. The City of McHenry was the location of the original County seat. However, after Lake County split from McHenry County, a more central location was desired and the county seat was relocated to the City of Woodstock in 1844. 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.

The County operates under a board-administrator structure, in addition to nine independently elected County officials. The Board is comprised of twenty-four members elected from six districts. Board members serve four year terms. The Board is both the legislative policy maker and the supervisor of County Administration. The County Administrator is the chief administrative officer and prepares and recommends the annual budget, implements policies and procedures, manages daily operations, and oversees department directors. The nine independently elected County officials are the Auditor, Clerk of the Circuit Court, Coroner, County Clerk, Recorder, Sheriff, **State's Attorney**, Regional Superintendent of Education, and Treasurer. Elected officials serve four year terms. See page 17 for a list of current County Board members and elected County officials.

McHenry County provides a full range of services 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, housing and community development programs, social service programs, judicial functions, health services, animal services, emergency disaster and response planning, storm water management, environmental protection, and administrative functions. **For a detailed listing of the County's** departments and the vital services that the County provides for its citizens and businesses, visit the **County's** website at <http://www.co.mchenry.il.us>.

Over the past several years, the County has experienced significant commercial and residential growth. As a result, the population of the County has increased from 277,710 in 2002 to 308,944 in 2011 **and the County's** assessed valuation has increased from \$5.8 billion in 2002 to \$9.7 billion in 2011. In order to meet the ever-expanding needs of the growing County, the number of full-time equivalent employees of the County has increased as well, from 934 in 2002 to 1,235 in 2011.

See page 13 for a list of the **County's** major accomplishments for fiscal year 2011, as well as future plans to expand and enhance services.

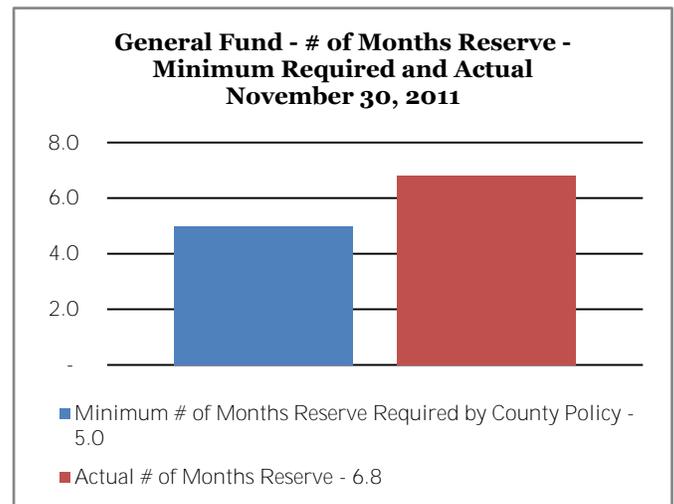
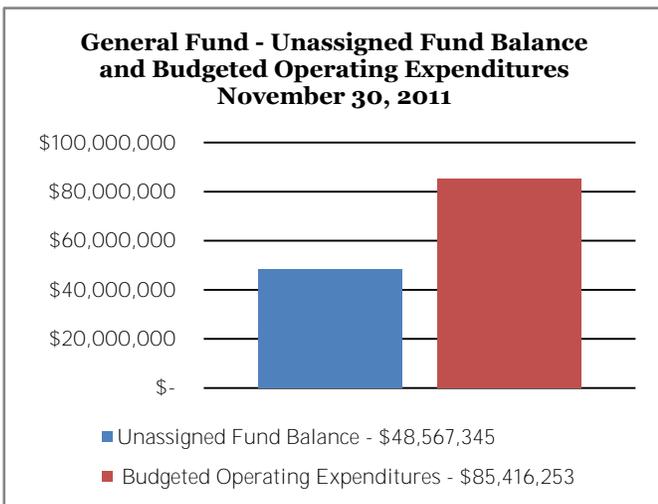


Perspective #1 – Short-Term Financial Health

The first step in assessing the overall financial health of the County is to review **the County's** short-term financial health. **A review of the County's** short-term financial health helps to answer the question: Is the County able to pay its bills (both expected and unexpected) on time? The most useful measure of short-term financial health is the level of unassigned fund balance in the general fund. Unassigned fund balance is a measure of net financial resources that are not restricted or otherwise constrained for specific uses and are available to pay future expenditures. The general fund is the main operating fund of the County.

It is vital for the County to maintain an adequate balance of unassigned fund balance to protect against revenue shortfalls, unanticipated expenditures, or other unexpected events. The Government Finance Officers Association (GFOA) recommends that governments maintain a minimum balance of no less than two months of general fund expenditures. However, prudent financial management and circumstances often suggest that higher levels are needed. The County has a formal policy requiring that the general fund maintain unassigned fund balance equal to five months of budgeted operating expenditures.

As of November 30, 2011, the general fund had unassigned fund balance of \$48,567,345, compared to budgeted operating expenditures of \$85,416,253, which represents a reserve of 6.8 months.



The level of unassigned fund balance will naturally fluctuate over time. Therefore, one should not place too much emphasis on the level of unassigned fund balance at any one point in time. A more useful question is: What is the pattern of unassigned fund balance over the past several years? Due to the implementation of a new accounting standard in 2011, the amount of unassigned fund balance is not available for years prior to 2011. However, prior to 2011, the County monitored the number of months reserve in the general fund based on a different but similar category called unreserved fund balance. While the two categories are not exactly the same, a comparison does provide a general sense of whether the number of months reserve has improved or deteriorated over time.

From 2002 through 2010, the number of months reserve in the general fund ranged from a low of 4.8 months in 2002 to a high of 7.4 months in 2010. In general, this demonstrates that the County has experienced a positive trend in the number of months reserve in the general fund over the last ten fiscal years.

Overall, the current number of months reserve in the general fund of 6.8 months, which exceeds the minimum reserve of five months, as required by the County's formal policy, and the positive trend over the past ten fiscal years indicates that the County's short-term financial health is strong, which means that the County is in a good financial position to withstand potential near-term revenue shortfalls, unanticipated expenditures, or other unexpected events.

Perspective #2 – Financial Position

Unassigned fund balance in the general fund is a valuable **measure of the County’s short-term financial health**, but it does not provide a complete picture of **the County’s financial position**. Whereas the general fund focuses primarily on current financial resources and liabilities, there is another set of financial statements within the CAFR called government-wide statements, which present information using a perspective that focuses on all economic resources and liabilities. As a result of this broad perspective, the **government-wide statements present all of the County’s assets and liabilities**, including capital assets, such as land, equipment, and buildings, and long-term debt, including outstanding bonds and notes, which are items that are not presented in the general fund. The government-wide **statements present a more complete picture of the County’s financial position**, using a basis that is comparable to the basis used by private businesses.

On the government-wide statements, the difference between total assets and total liabilities is 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 following table shows total assets, total liabilities, and net assets for governmental activities for the last nine fiscal years (information on governmental activities is only available beginning in 2003):

**Summary of Total Assets, Total Liabilities, and Net Assets -
Governmental Activities
Last Nine Fiscal Years
(in thousands - 000s)**



As shown above, **the County’s assets have significantly exceeded its liabilities over the past nine years**. Total assets and liabilities have both increased significantly over the past nine years. Accordingly, net assets have also increased significantly, from \$195.4 million in 2003 to \$380.3 million in 2011, and have remained consistent as a percentage of total assets, ranging from 64.2% - 71.1%. The most noteworthy change shown above was an increase in total liabilities from \$112.4 million in 2006 to \$168.3 million in 2007. The reason for this increase was the issuance of \$50 million of debt certificates (Series 2007B), which were used to fund road construction projects. As of November 30, 2011, the outstanding balance of the Series 2007B debt certificates is \$32.6 million. **Overall, the chart shows that the County’s current financial position is sound and shows a trend of stability in net assets as a percentage of total assets.**

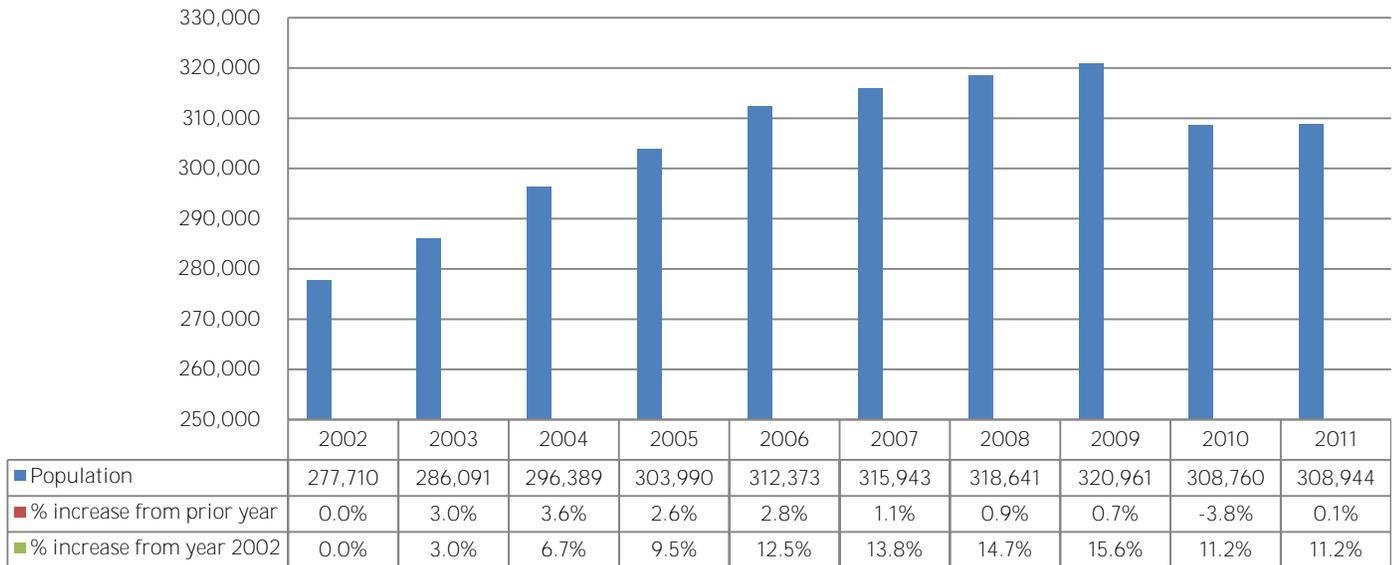
Net assets are further broken down into three categories, invested in capital assets, net of related debt, restricted, and unrestricted. Invested in capital assets, net of related debt, represents the portion of net assets related to capital assets, less any related outstanding debt. Net assets in this category are not available for spending. Restricted net assets represent the portion of net assets that have legal restriction on how the resources may be spent. Finally, all other net assets fall into the unrestricted category. For 2011, invested in capital assets, net of related debt, was \$223.7 million or 58.8% of total net assets, restricted was \$116.7 million or 30.7% of total net assets, and unrestricted was \$39.9 million or 10.5% of total net assets.

Perspective #3 – Economic Condition

While the first two perspectives present valuable insights into the short-term and overall financial position of the County, a review of local, state, and national economic conditions is crucial for a complete 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.

The following statistics represent a sample of major economic factors that impact the County's financial situation.

McHenry County Population Last Ten Years



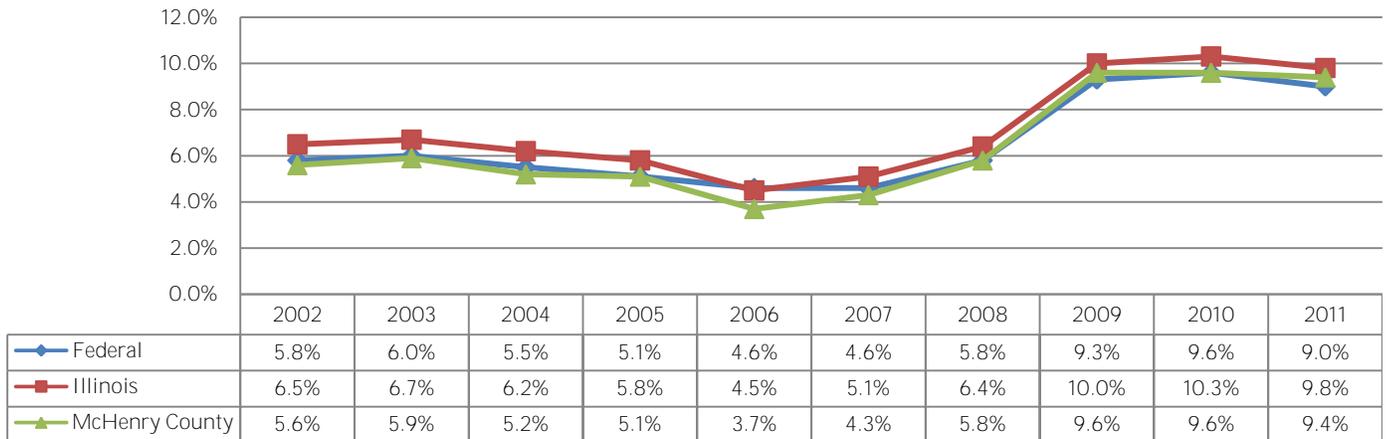
* Population figures for 2002 – 2009 and 2011 are estimated provided by the US Census Bureau. See note on following page.

McHenry County Total Assessed Valuation Last Ten Years (in millions)

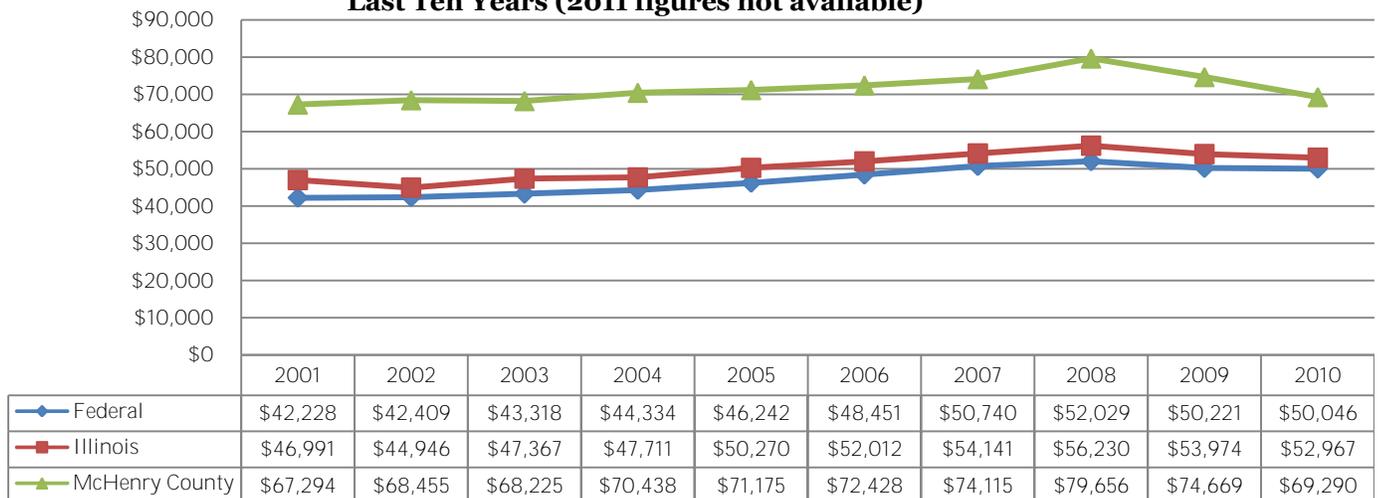


Perspective #3 – Economic Condition (Continued)

Unemployment Rate Last Ten Years



Median Household Income Last Ten Years (2011 figures not available)



The County's population increased from 277,710 in 2002 to 308,944 in 2011, an increase of 31,234 or 11.2%. The population figure for 2010 is from the 2010 US Federal Census. Population figures for 2001 – 2009 and 2011 were 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. The County's total assessed valuation increased from \$5.8 billion in 2002 to \$9.7 billion in 2011, an increase of \$3.9 billion or 68.0%. However, assessed valuation in 2011 experienced a decrease of \$0.7 billion, from \$10.4 billion in 2010. The primary reason for this decrease is the economic recession that began in 2008, which has caused a steady decline in area home values. It is unknown how long the difficult economic conditions may last, but the County may experience continued slow growth in population and a further decrease in assessed valuations, which could restrict the County's near-term growth.

The unemployment rate and median household income statistics clearly indicate that the weak economic conditions are negatively affecting the County and its citizens. The County's unemployment rate was 9.6% in 2009 – 2010 and improved only slightly to 9.4% in 2011. The average rate from 2002 – 2008 was 5.1%. The County's median household income decreased from \$74,669 in 2010 to \$69,290 in 2011. However, the County's median household income has consistently exceeded both Federal and State benchmarks. This comparison indicates a high quality workforce in the County. When economic conditions begin to improve in future years, the County will be well positioned to resume positive economic growth.

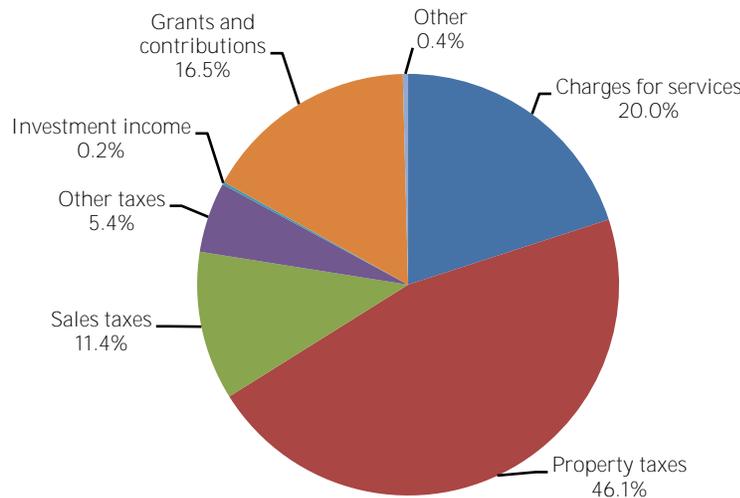
Revenues – What is the County’s Source of Funding?

The County receives its funding from a variety of sources, of which the largest single source is property taxes. The following table and chart present revenues for governmental activities for 2011 and 2010.

County of McHenry Governmental Activities - Revenues

Revenue Source	2011	2010	\$ Change	% change
Charges for services	\$ 30,692,876	\$ 31,027,556	\$ (334,680)	(1.1) %
Grants and contributions	25,326,118	33,842,812	(8,516,694)	(25.2)
Property taxes	70,755,868	68,390,469	2,365,399	3.5
Sales taxes	17,481,700	16,704,187	777,513	4.7
Other taxes	8,218,276	7,829,467	388,809	5.0
Investment income	342,007	423,535	(81,528)	(19.2)
Other	675,704	837,572	(161,868)	(19.3)
Total	\$ 153,492,549	\$ 159,055,598	\$ (5,563,049)	(3.5) %

Governmental Activities - Revenues Fiscal Year 2011



Charges for services represent fees paid by individuals, businesses, or other governments who purchase, use, or directly benefit from the goods or services provided. For 2011, the largest items in this category include \$11.4 million for jail space rental, \$3.6 million for circuit clerk fees, \$1.7 million for fees on delinquent taxes, and \$1.1 million for recording fees. **Grants and contributions** represent payments or donations from individuals, businesses, or other governments through agreements under which the funds are restricted for use in a particular program. For 2011, the largest items in this category include \$12.7 million for transportation programs, \$7.7 million for public health and welfare programs, and \$3.1 million for community development programs. In 2010, the County received a significant amount of grant revenue from the American Recovery and Reinvestment Act (ARRA). A decrease in this special funding in 2011 is the primary reason for the overall decrease in this category. **Property taxes** represent a tax on all real estate and improvements with the County. Property taxes are considered to be a general revenue source, meaning it is available to fund all programs of the County. **Sales taxes** represent a tax imposed on consumers for the purchase of certain goods and services. The current sales tax rate for general merchandise ranges throughout the County from 7.0% to 8.0%. **Other taxes** include \$5.1 million for state income taxes and \$1.1 million for tax transfer stamps for 2011. **Investment income** consists of interest earned on the County’s cash and investments. Certificates of deposit returned an average of 0.3% during 2011, compared to 0.4% during 2010, which caused the 19.2% decrease in this category. **Other revenues** include gains on the sale of capital assets and miscellaneous revenues.

Expenses – What does the County spend its funds on?

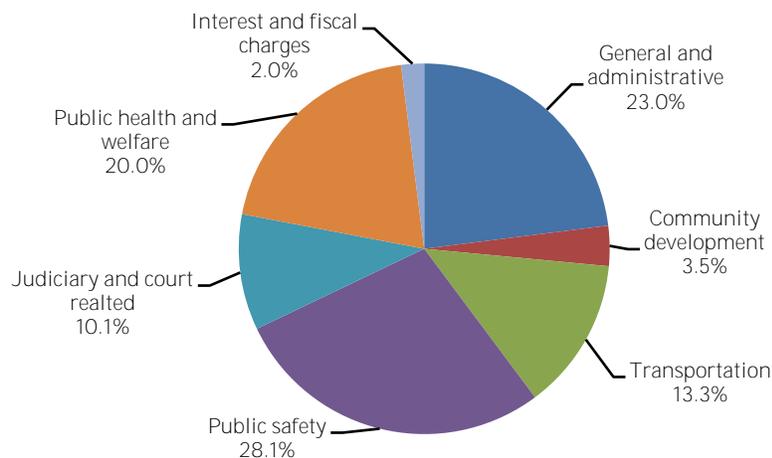
The County spends its funds providing **vital programs and services for the community**. All of the County's activities are grouped into one of the following seven categories that describe the nature of the activity. **General and administrative** includes many essential services for citizens, such as document recording, birth, marriage, and death certificates, election administration, supervision of assessments, and collection of property taxes. Also included in this category are the County Board, administration, finance, accounting, purchasing, human resources, information technology, and facilities management. **Community development** includes long-term land use planning, building permits and inspections, the zoning board of appeals, and the administration of various grants. The reason why community development expenses decreased from \$7.4 million for 2010 to \$4.8 million for 2011 is because in 2010, the County had significant activity for two new major grant programs, the Neighborhood Stabilization Program (NSP) and the Homelessness Prevention and Rapid Re-housing Program (HPRP). The majority of the grant funding for these programs was spent in 2010. **Transportation** includes constructions and maintenance of County roads and bridges and long-term transportation planning. **Public safety** includes the activities 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, County jail, and County garage.** **Judiciary and court related** represents all activities related to the 22nd Judicial Circuit Court and includes the activities of the Clerk of the Circuit Court, Court Administration, Court Services, Public Defender, and the State's Attorney. **Public health and welfare** represents programs that protect and promote the general health and well-being of the County and includes the activities of the Health Department, Mental Health Department, **Workforce Network, and Veteran's Assistance.** **Interest and fiscal charges** represents interest and fees paid on the County's long-term debt.

The following table and chart present expenses for governmental activities for 2011 and 2010.

County of McHenry Governmental Activities - Expenses

Function	2011	2010	\$ Change	% change
General and administrative	\$ 31,708,738	\$ 34,857,021	\$ (3,148,283)	(9.0) %
Community development	4,770,885	7,364,952	(2,594,067)	(35.2)
Transportation	18,281,227	17,782,366	498,861	2.8
Public safety	38,737,004	38,047,322	689,682	1.8
Judiciary and court related	13,943,432	13,778,713	164,719	1.2
Public health and welfare	27,557,830	28,710,653	(1,152,823)	(4.0)
Interest and fiscal charges	2,726,775	3,102,232	(375,457)	(12.1)
Total	\$ 137,725,891	\$ 143,643,259	\$ (5,917,368)	(4.1) %

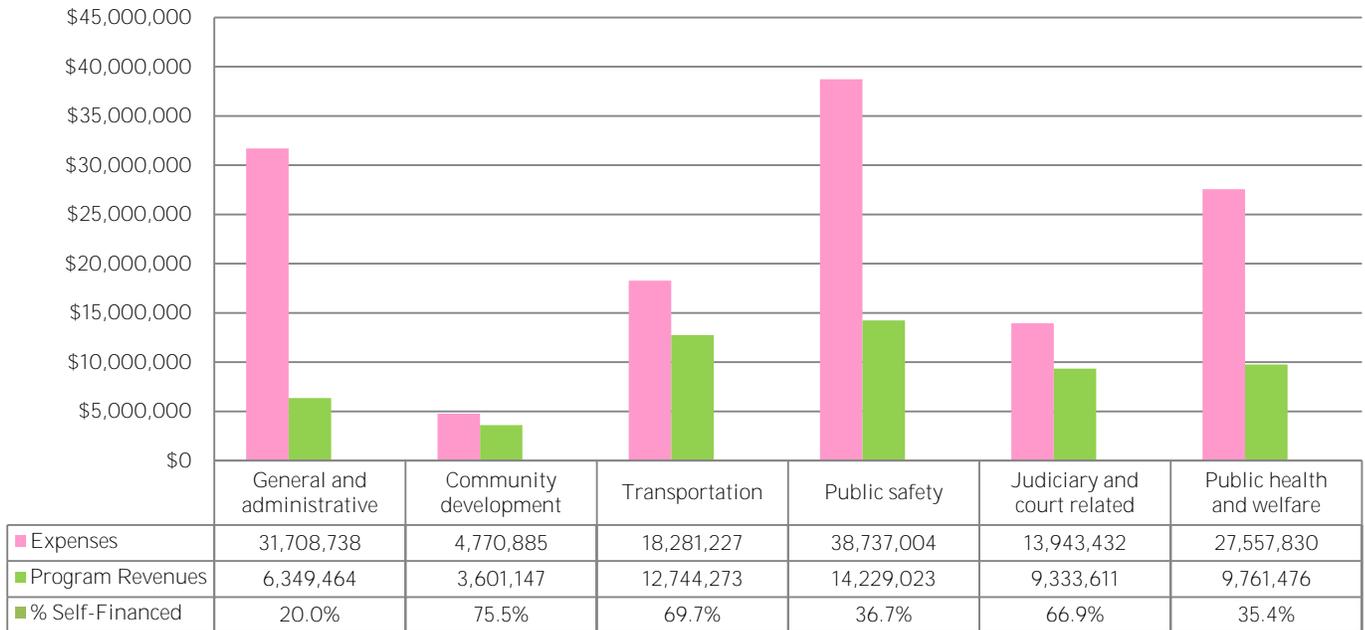
Governmental Activities - Expenses Fiscal Year 2011



Program Revenues and Expenses by Function

The following chart presents a comparison between direct expenses and program revenues for each of the County's functions. Direct expenses are those that are specifically associated with a function. Program revenues consist of charges for services and grants and contributions, which were described on page 9. All other revenues are considered to be general revenues, which means they are not associated with a particular function and are available to finance all of the activities of the County. The comparison of direct expenses and program revenues identifies the extent to which each function is self-financing or draws from the general revenues of the County.

**Governmental Activities - Expenses and Program Revenues
Fiscal Year 2011**



A high percentage, such as for community development, transportation, and judiciary and court related, indicates that a function is primarily self-financed through program revenues generated by activities within that function. A low percentage, such as for general and administrative, public safety, and public health and welfare, indicates that a function is primarily financed through general revenues. The percentage of self-financing is not a measure of program efficiency, since many important activities cannot inherently generate program revenues, but rather a measure of how increases in service levels could impact the financing needed to pay for such increases. For example, an increase in service levels for an activity that does not generate a significant amount of program revenues, such as activities in the general and administrative function, will likely require an increase in general revenues.

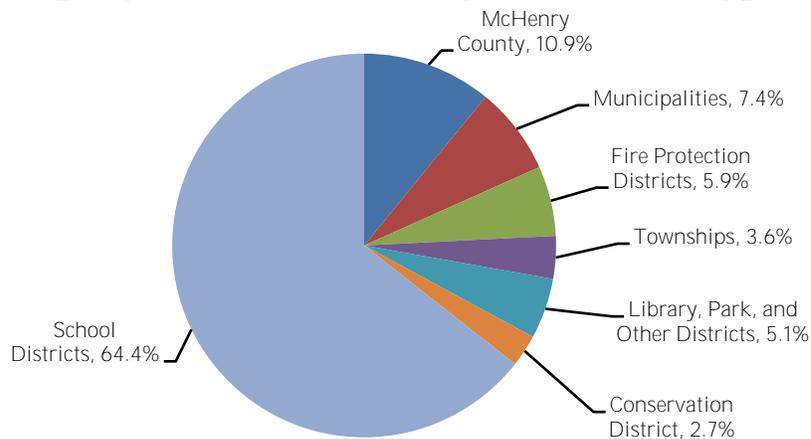
As mentioned above, some activities generate substantial program revenues, while other activities generate only a small amount or no program revenues. The function that has the highest percentage of self-financing for 2011 is community development, with a percentage of 75.5%. The largest component of program revenues for community development is \$3.1 million for grant revenue received from the US Department of Housing and Urban Development (HUD). These program revenues can only be spent on community development projects and cannot be used by the County on any other function. The function that has the lowest percentage of self-financing is general and administrative, with a percentage of 20.0%. The primary reason that this function has a low percentage of self-financing is that many of the activities in this category do not provide services directly to individuals, businesses, or other governments, but rather support the operations of other County Departments. Typically, internal activities such as these do not generate program revenues. These activities include the County Board, administration, finance, accounting, purchasing, human resources, information technology, and facilities management. Included in program revenues for general and administrative is \$1.7 million for fees on delinquent taxes, \$1.1 million for recording fees, and \$0.6 million for an energy efficiency improvement grant.

Property Taxes – Where do your property taxes go?

Where do your property taxes go? While the County issues property tax bills each year and is responsible for collecting the payments, only a small portion is retained by the County. The vast majority of property taxes are remitted to other government agencies within McHenry County. There are over 100 separate government agencies that are located, at least partially, within McHenry County. Other districts include cities, villages, school districts, park districts, fire protection districts, library districts, townships, conservation districts, and various other districts. Depending on the specific location of a real estate parcel within the County, property taxes for that parcel will be collected for a combination of separate districts.

The following chart presents the breakout by government type for a typical property tax bill. The chart is for illustrative purposes only, based on an average of all property tax bills. As noted above, each real estate parcel pays property taxes to a varying combination of government agencies, based on its location, and the actual breakout by government type will vary accordingly.

Property Taxes - Breakout by Government Type



As shown on the above chart, the largest component of a typical property tax bill goes to school districts. The following table illustrates an average breakout by dollar amount for a sample tax bill of \$1,000. Again, the chart is for illustrative purposes only, based on an average of all property tax bills.

Property Taxes - Breakout by Government Type Sample Property Tax Bill - \$1,000

District Type	Amount	% of Total
School Districts	\$ 644	64.4 %
McHenry County	109	10.9
Municipalities	74	7.4
Fire Protection Districts	59	5.9
Townships	36	3.6
Library Districts	28	2.8
Conservation District	27	2.7
Park Districts	21	2.1
Other Districts	2	0.2
Total	\$ 1,000	100.0 %

This PAFR presents an overview of McHenry County's finances only. The other government districts shown above are separate legal entities and operate independent of the County. Therefore, in order to determine how your property taxes are spent by each district that you pay property taxes to, you would need to separately review financial reports for each district listed on your property tax bill.

Major Accomplishments during Fiscal Year 2011

In April 2010, McHenry County was rated Aaa (the highest rating available) by Moody's Investors Service. This rating allows the County to issue debt at the lowest possible interest rate. The County continues to hold the Aaa rating due to its financial strength, healthy reserves, and prudent fiscal management. In April 2012, the County issued \$5.5 million in General Obligation Limited Tax Debt certificates that refunded its Series 2003A, Series 2003C, and Series 2005A debt certificates and had the Aaa rating by Moody's affirmed.



Aaa

The County received an "A+" rating from the Sunshine Review, a nonprofit group promoting disclosure of government information. The Sunny Award is based upon a 10-point transparency checklist which indicates that a governmental body is proactively disclosing information to taxpayers. Over the past two years, McHenry County has taken steps to make information more accessible electronically including: 1) Substantial increase in the usage of social and electronic media distribution; 2) County departments have increased their posting of information; 3) A Freedom of Information Request Portal and "Information Access Portal" have been added; 4) A searchable electronic version of County Code is now available on the County Clerk's website; and 5) Audio of County Board meetings will be available on the Internet by the end of June 2012.



The County Auditor's Office was notified of their 13th consecutive year of being awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for their FY2010 Comprehensive Annual Financial Report (CAFR). In addition, a FY2010 Popular Annual Financial Report (PAFR) was completed for the 3rd consecutive year and received the GFOA's Award for Outstanding Achievement. This PAFR is summarized from information in the CAFR and serves to offer an easy-to-understand report on the County's financial condition. McHenry County was the first county in Illinois to prepare and receive this honor.



The Planning & Development Department continued working on the development of a Unified Development Ordinance (UDO). The UDO 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. Camiros, LTD was the vendor selected to assist with this valuable project.



Major Accomplishments during Fiscal Year 2011 (Continued)

The McHenry County Division of Transportation (DOT) continued with construction for improvements to Rakow Road to meet current and future traffic demands. The project was started in the spring of 2011 and is scheduled to be completed by the fall of 2012, weather permitting. The new pavement will be of a composite design, with a thick and strong concrete pavement constructed on an improved subgrade, overlaid with a wearing surface of asphalt pavement.



The 22nd Judicial Circuit Court Drug Court Program was kicked off during December 2011 after planning performed during 2011. This program works with individuals who qualify for the program to get the personal treatment needed from drug counselors, intensive probation counselors, nurses, and other treatment providers. This program also received an additional boost from a \$305,000 implementation grant from the Bureau of Justice Assistance.



The McHenry County Sheriff's Office successfully completed the multi-year process to attain internationally acknowledge recognition by the Commission on Accreditation for Law Enforcement Agencies (CALEA) and was officially recognized for the certification on March 26, 2011 at the CALEA conference in Bethesda, Maryland. **The McHenry County Sheriff's Office is one of three Sheriff's Offices in Illinois that earned this distinction** from CALEA. It is also the third McHenry County agency to receive this accreditation, with the McHenry Police Department and the Huntley Police Department being the other two.



A Pilot Program with PACE Suburban **Bus Service** was renamed "McRide" after five years of planning. The new program combines four dial-a-ride programs into one program including the City of Crystal Lake, City of McHenry, and City of Woodstock. Some Township programs and other municipalities are also participating. Federal funding of approximately \$800,000 has also been obtained, as well as funding from the Senior Services Grant Fund.



Major Accomplishments during Fiscal Year 2011 (Continued)

McHenry County is participating in a regional project for a full interchange at Illinois Route 47 at Interstate 90. The intergovernmental agreement is between the Illinois State Toll Highway Authority, the Illinois Department of Transportation, the Village of Huntley, and the Counties of Kane and McHenry. This project will create full and complete access to the Jane Addams Memorial Tollway (I-90) at Illinois Route 47 to facilitate the free flow of traffic and ensure motorist safety.



The Human Resources Department has introduced several wellness programs for the County's employees. These programs include employee health fairs, health risk assessments, opportunities for discounted fitness memberships, and literature on reducing stress and developing new habits. The County has embarked on a wellness programs to assist with keeping the employee healthcare costs down, both for the County and the employees themselves.



The Assessor's Office completed the 2011 assessment roll after processing 10,687 Board of Review instruments, of which 8,893 were taxpayer-generated assessment appeals, a new record number. In 2010 and 2009, appeals totaling 5,885 and 4,238, respectively, were heard by the County's Board of Review. The annual report prepared by Robert Ross, Chief County Assessment Office, indicated that the 2011 assessment year presented an overall decrease in the assessment base, which is also predicted to continue into 2012 with the sluggish real estate market. On a positive note, the number of home sales in early 2012 rose over the previous year, although the median price was down.



The County was a recipient of a \$3.1 million Neighborhood Stabilization Program (NSP) grant through HUD in 2010. Since that point and during 2011, 15 houses were purchased and rehabbed, with 10 houses being sold or rented during 2011. The funds are used for the purpose of acquiring and redeveloping foreclosed properties that have negatively impacted various neighborhoods throughout the County.



Major Accomplishments during Fiscal Year 2011 (Continued)

The **Circuit Court Clerk's Office** digitized Citation Management with their eCitation project, which is a component of the Integrated Court Information System. This additional program creates a new state of efficiency in the processing of electronic citations filed with the court, realizes a significant savings in time and personnel costs, and increases the accuracy of the data.



To demonstrate water conservation, the County received funding from the McHenry County Soil and Water Conservation District and the Illinois American Water Environmental Grant Program to install a rain garden in **front of the County's Administration Building**. In addition, a xeriscaping garden was built, which created a landscape of native, drought-tolerant plants along with reduced water usage as a result of the plant placement.



The McHenry County Mental Health 708 Board moved into their new building addition in October 2011. The two story expansion project added 22,000 square feet to the existing 8,000 square foot facility located on Dakota Street in Crystal Lake. The expanded facility will serve to consolidate services at a central location by reducing office space rental costs incurred on a 10,000 square foot lease in McHenry. In addition, the expansion will allow for meeting spaces for other mental health providers.



A new archive storage building was completed during FY2011 for the **County's records**. **Construction began in September 2010** and the project was completed under budget. The building project involved many local businesses for both the design and construction phases of the climate controlled building.



McHenry County Elected Officials

County Board Members

<u>District/Name</u>	<u>Term Expires</u>	<u>District/Name</u>	<u>Term Expires</u>
District 1		District 4	
Robert Bless	December 2012	Sue Draffkorn	December 2012
Robert Nowak	December 2012	John Hammerand	December 2012
Anna May Miller	December 2012	Pete Merkel	December 2012
Marc Munaretto	December 2012	Sandra Fay Salgado	December 2012
District 2		District 5	
J.S. Breeden	December 2012	Tina Hill	December 2012
James Heisler	December 2012	John Jung, Jr.	December 2012
Kenneth D. Koehler	December 2012	Virginia Peschke	December 2012
Donna Kurtz	December 2012	Paula Yensen	December 2012
District 3		District 6	
Kathleen Bergan Schmidt	December 2012	Diane Evertsen	December 2012
Mary L Donner	December 2012	Randall Donley	December 2012
Nick Provenzano	December 2012	Mary T McCann	December 2012
Barbara Wheeler	December 2012	Ersel C Schuster	December 2012

Elected Officials

<u>Office/Name</u>	<u>Term Expires</u>	<u>Office/Name</u>	<u>Term Expires</u>
Auditor		Sheriff	
Pamela Palmer	December 2012	Keith Nygren	December 2014
Circuit Clerk		State's Attorney	
Katherine Keefe	December 2012	Louis A. Bianchi	December 2012
Coroner		Supt of Educational Service Region	
Marlene A. Lantz	December 2012	Leslie A. Schermerhorn	December 2012
County Clerk		Treasurer	
Katherine C. Schultz	December 2014	William LeFew	December 2014
Recorder			
Phyllis K. Walters	December 2012		

Reference Information

For a comprehensive listing of the services that the County provides for its citizens and businesses, visit the County's website at <http://www.co.mchenry.il.us/>

County Agencies and Departments	Phone #	Fax #
General and Administrative		
Assessments	815-334-4290	815-338-8522
Board of Review	815-334-4290	815-338-8522
County Administration	815-334-4000	815-338-3991
County Auditor	815-334-4204	815-334-4621
County Board	815-334-4221	815-338-3991
County Clerk	815-334-4242	815-334-8727
County Recorder	815-334-4110	815-338-9612
Facilities Management	815-334-4016	815-334-4623
Geographic Information Systems	815-334-4496	815-334-4652
Human Resources	815-334-4220	815-334-4648
Information Technology	815-334-4138	815-334-4651
Liquor Control Commission	815-334-4214	815-338-3991
Purchasing	815-334-4818	815-334-4680
Regional Office of Education	815-334-4475	815-338-0475
Treasurer and Ex-Officio Collector	815-334-4260	815-338-1737
Community Development		
Planning & Development	815-334-4560	815-337-3720
Zoning Board of Appeals	815-334-4561	815-337-3720
Transportation		
McHenry County Division Of Transportation	815-334-4960	815-334-4989
Public Safety		
County Coroner	815-338-2144	815-338-1405
Emergency Telephone System Board - Enhanced 911	815-337-7911	815-337-9911
McHenry County Emergency Management Agency	815-338-6400	815-334-4633
McHenry County Sheriff's Office	815-338-2144	815-338-9285
Judiciary and Court Related		
Circuit Clerk - Civil/Probate/Divorce	815-334-4310	815-338-8583
Circuit Clerk - Felony/Juvenile	815-334-4313	815-338-8583
Circuit Clerk - Traffic/Misdemeanor	815-334-4190	815-334-0516
Court Administration	815-334-4385	815-338-0248
Court Services	815-334-4400	815-338-8895
Jury Commission	815-334-4390	815-338-0248
Public Defender	815-334-4170	815-334-4692
State's Attorney	815-334-4159	815-337-0872
Public Health and Welfare		
McHenry County Animal Control	815-459-6222	815-334-4682
McHenry County Cooperative Dental Clinic	815-337-5616	815-337-5624
McHenry County Department of Health	815-334-4510	815-334-4635
McHenry County Mental Health Board	815-455-2828	815-455-2925
McHenry County Tuberculosis Care & Treatment Board	815-334-4510	815-334-4635
McHenry County Workforce Investment	815-338-2437	815-338-7125
McHenry County Workforce Network	815-338-7100	815-338-7125
Valley Hi Nursing Home	815-338-0312	815-338-0458
Veteran's Assistance Commission	815-334-4229	815-334-4678