

MORGAN COUNTY, ILLINOIS  
ANNUAL FINANCIAL REPORT  
August 31, 2010

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ILLINOIS SOCIETY OF CPA  
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## INDEPENDENT AUDITOR'S REPORT

Members of the County Board  
Morgan County, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morgan County, Illinois, as of and for the year ended August 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Morgan County, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 provides a reasonable basis for our opinions.

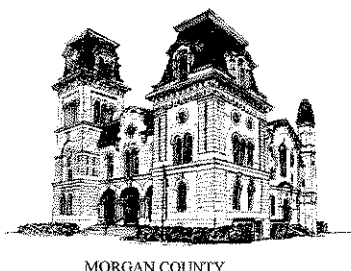
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Morgan County, Illinois, as of August 31, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 2K and retirement fund historical data and budgetary comparison information on pages 28 through 38 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We 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 Morgan County, Illinois' basic financial statements. The non required supplementary information on pages 39 through 51 are presented for purposes of additional analysis and are not a required part of the basic financial statements or required supplementary information of Morgan County, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Zurück, das, Summe, Forderer

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## **Management's Discussion and Analysis**

This section of the Morgan County audit for the fiscal year ending August 31, 2010 is intended to provide discussion and analysis from the Morgan County Board of Commissioners' perspective. It is an opportunity to communicate our rationale for the administration of the County's resources. For your full understanding of Morgan County's financial position, we ask that you read this section in conjunction with the financial statements.

### **Financial Highlights**

- Total government assets exceeded liabilities by \$22,844,809, a decrease of \$788,555 from 2009. Capital assets, net of accumulated depreciation were \$11,323,082 up from \$10,956,961 last year. Unrestricted net assets were \$4,487,113, an increase of \$272,117 from the 2009 level of \$4,214,996. In general, the asset position of the County is 6.5% improved over 2009, as capital outlay exceeded depreciation by \$366,121 in 2010. Capital asset expenditure was significantly increased from \$1,338,796 in 2009 to \$2,073,131 in 2010. This figure includes most of the courthouse, phase 1 renovation costs of \$1,067,000 incurred in 2010.
- Total Fund Balance for government funds was \$11,710,226, down from \$12,929,273 in 2009. The General Fund Balance was \$4,675,612, up \$207,746 from the 2009 level of \$4,467,866. The fund balance represents reserves for cash flow, emergencies, and carry-over funds. Many of the fund balances are restricted for specific purposes by statute or administrative rule. The General Fund Balance also funds the Capital Improvement Fund.
- The County's General Fund had operating revenue of \$6,389,352, a decrease of \$112,623 or 1.7 % from \$6,501,975 in 2009. Operating expenses for 2010 of \$5,763,683 represent a decrease of \$413,968 or 6.7% under 2009's expenditure rate of \$6,177,651. The net positive

change in the General Fund Balance was \$207,746. County officials worked hard to reduce expenditures in 2010 and some voluntary attrition of personnel through retirement and resignations were not replenished.

- The total operating revenue of all County governmental funds was \$15,817,240, a decrease of \$226,701 from last year. Total operating expenses were increased by 9.3 % to \$17,036,287 from \$15,588,236 in 2009. The result is a decrease of \$1,219,047 in the combined fund balance of all County governmental funds, of which the majority of expense was the anticipated phase one courthouse restoration of \$1,067,000.
- The major revenue for the County was intergovernmental, which includes sales and income taxes, Motor Fuel Tax, and grants from state and federal sources. Intergovernmental Revenue was \$7,466,521, down from \$7,535,720 last year. Intergovernmental Revenue is 47% of the total operating revenue for 2010. It is anticipated that deficit reduction at the federal and state levels may significantly reduce funding for county government in 2011.
- Local taxes, property tax and 911 surcharge fees for all taxing bodies in Morgan County brought in \$5,175,811, up 1.5% from last year's \$5,099,364. This rate of increase is affected by the Property Tax Extension Limitation law and the rate of new property assessment. New property investment, as captured for taxation purposes is anticipated to be down again in 2011 by approximately 25%.
- Utilization revenue from various fines, fees, and permits totaled \$2,295,622 down 11.6% from last year's \$2,596,339. The recession is reflected here as in the inability to pay fines and reduced fee activity related to property sales.
- Morgan County has no bonded indebtedness against a statutory debt limitation of \$28,041,103. The statutory debt limitation represents 5.75% of the County's Equalized Assessed Valuation in 2009 of \$487,671,360.
- The 2009 (payable in 2010) Equalized Assessed Valuation increased

to \$487,671,360 or 3.4% from \$471,855,005 in 2008. It is anticipated that the 2010 and 2011 EAV will reflect the reduced values of commercial and residential real property.

### **Introduction to Morgan County's Financial Statements**

This discussion and analysis serves as an introduction to the County's basic financial statements. There are three parts to the basic financial statements: the government-wide financial statements, the fund financial statements, and the notes to the financial statements. This report also includes other supplementary and statistical information.

**Government-Wide Financial Statements.** This report contains two government-wide financial statements designed to provide both long-term and short-term information about the County's over-all status. Financial reporting at this level imposes a private sector perspective, with its basis in full-accrual accounting and elimination or reclassification of internal activities. All current year revenue and expenses are included, regardless of when cash is received or paid.

The government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities, designed to provide information on the County as a whole. The Statement of Net Assets reports the assets and liabilities of the County with the difference reported as net assets. This statement combines and consolidates governmental funds' current assets with capital assets and long-term obligations, using the accrual basis of accounting and focuses on measurement of economic resources. The Statement of Activities is focused on both the gross and net cost of various activities that are supported by the government's general taxes and other resources. An important purpose of the Statement of Activities is to show the financial reliance of the County's different activities on revenues provided by local taxpayers.

Morgan County closed the only enterprise fund or business-type activity it operated in 2009. This fund, the Internal Service Fund, was established for a self-insured health coverage plan for County employees. Employees are now covered by the Illinois Local Government Health Plan. The County does not supply water, sewer, other public utilities, or operate any facilities other than for governmental purposes. These are classified as general government, law and judicial, health and human services, and transportation.

Property taxes, fees and fines, service charges, and state and federal revenue sharing, grants, interest income, and donations support these activities.

**Fund Financial Statements.** The fund financial statements provide reporting in more detail. A fund is an accounting method of segregating resources that are designated for a specific purpose.

Governmental funds are reported in the fund financial statements and essentially account for the same functions reported as “governmental activities” in the government-wide financial statements. The fund financial statements, however, focus on the near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in the annual budgeting process and the near-term allocation of resources.

Comparison of the narrow focus of the fund financial statements with the broader focus of the government-wide statements is useful to obtain a better understanding of the relationship between immediate budget considerations and the long-term financial health of the County government. The mandated format of this County audit requires an identification of “major funds”. The General Fund is always a “major fund”. Other funds are identified as “major funds” based on the percentage threshold of the individual fund in comparison to the total of all funds in the categories of assets, liabilities, revenues, and expenditures. Fund financial statements will be presented in separate and combined formats for comparison purposes for these “major funds.” The usefulness of this comparison of major funds will vary from year-to-year, as numerous and often arbitrary factors affect the list of “major funds.”

In 2010 the “major funds” in addition to the General Fund are: the Motor Fuel Tax Fund and the LIHEAP Fund.

**Notes to Financial Statements.** The accompanying notes to the financial statements provide information essential to the full understanding of the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and notes, this report also presents required supplementary information, concerning the County’s pension obligations, and basic financial statements of non-major funds.



## **Morgan County Financial Analysis**

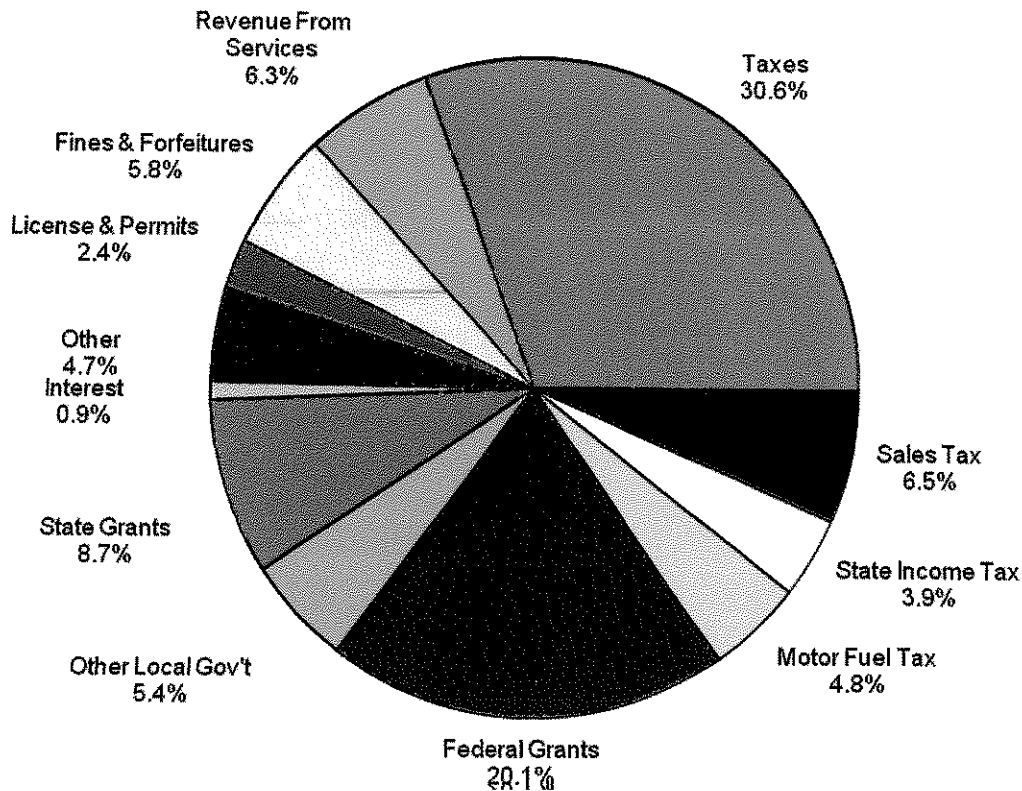
Fiscal year 2010 was a positive financial year for Morgan County. Despite the cash flow issues with the state of Illinois, and the general poor economic climate, Morgan County fared better than most counties in our area. At this juncture the county has not imposed mandatory layoffs nor withheld customary services. However, for the first time in many years the Commissioners approved a deficit budget for 2011. Some employee positions, lost through attrition, have not been replaced. In total, departments within the General Fund were able to reduce expenditures by \$413,968 under last year's expenditures. Revenues are expected to continue to decline in the near term as our tax base erodes and as federal and state sources are undermined by growing deficits.

In addition to this audit document, we also encourage you to review reports of previous years, and the annual budget resolution, annual budget, and annual levy ordinance to assist your own analysis.

**Net Assets.** Net assets decreased to \$22,844,809 from \$23,633,364 in the 2009 fiscal year. Capital assets, net of accumulated depreciation, were up to \$11,323,082 from \$10,956,961, as capital investment, primarily the courthouse renovation, exceeded depreciation. However, deferred revenue from the State of Illinois of \$363,428 negatively affected this year's total net assets.

We caution the comparison of the assets of local government to that of a private enterprise, as a large portion of the County's assets have little to no liquidity.

## MORGAN COUNTY, ILLINOIS ALL GOVERNMENTAL FUND TYPES - REVENUE

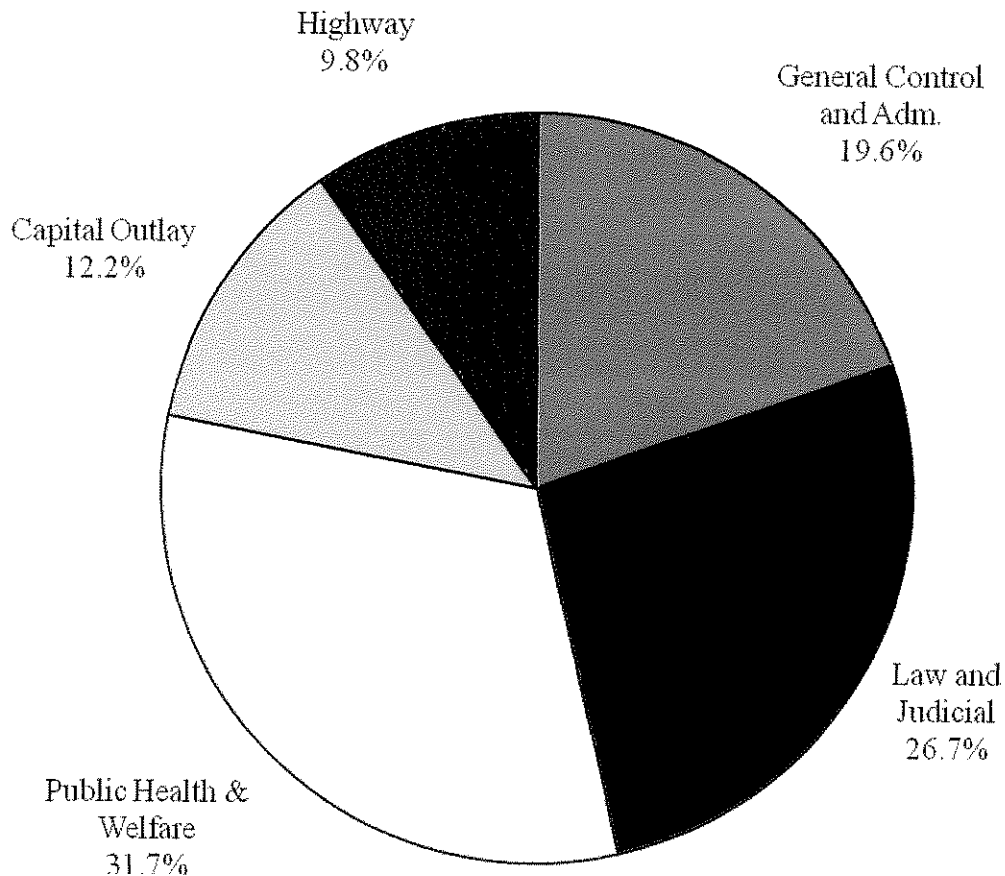


**Government Revenues.** Property tax in 2010 is 30.6% of total revenue, up from 29.3% in 2009. Morgan County's Equalized Assessed Valuation (EAV), the value basis for property tax, grew from \$471,855,005 in 2008 to \$487,671,360 in 2009 (payable in 2010), a 3.4% increase. In general it is a positive economic indicator for the County when the EAV growth exceeds the inflation rate, as was the case in 2010. As mentioned earlier, this is not expected to hold in 2011.

Soft revenues directly related to our economy, such as income tax, and replacement tax did not perform as well as last year. Revenue from Services was slightly up as all other major categories were down. General Fund Revenue was down in 2010 to \$6,389,352 from \$6,501,975 in 2009.

## Government Expenditures

### MORGAN COUNTY, ILLINOIS ALL GOVERNMENTAL FUND TYPES - EXPENDITURES



Morgan County had a total of \$17,036,287 in expenditures in 2010, up from the 2009 level of \$15,588,236. Capital Outlay expenditures were 12.2% of Total Expenditures at \$2,073,131 and again, were impacted by the courthouse renovation. The General Fund expenditures were \$5,763,683 down a considerable 6.7% under last year. It is important to view capital expenditures over the long term average. In Morgan County capital expenditures usually occur when state and federal match funding is available and/or when we are able to accumulate funds over a period of time, as was done for the courthouse renovation.

## **Capital Asset and Debt Administration**

At the end of fiscal year 2010 the County had Net Assets of \$22,844,809 down from \$23,633,364 last year. Capital Assets, net of accumulated depreciation, totaled \$11,323,082 up from \$10,956,961. Investment in capital assets was up in 2010 primarily due to the courthouse renovation. It is important to understand the context and accounting policy definition of Capital Assets. Please read the Capital Assets section of the Notes to the Financial Statements, as provided by the auditor.

The board has established a Capital Improvement Fund as a means to accumulate funds for improvements, repair, and maintenance of the County's properties. The board does not anticipate a need for the issuance of bonds at this time.

Morgan County has no long term debt and has a statutory debt limitation of \$28,041,103. While having no long term debt is considered by most to be a good thing, it also means that the County is financing long term assets, such as the courthouse restoration, with current revenue, thus placing a burden on current revenues. Remaining debt-free may have also contributed to the under-allocation of resources to capital assets in previous years.

## **Major Funds Budgetary Highlights**

The "Major Funds" for 2010 are the General Fund, Motor Fuel Tax Fund, and the LIHEAP Fund. Major funds are determined by the fund's relationship to the County totals. A fund must meet or exceed 10% of the total threshold requirement in Assets, Liabilities, Revenues, or Expenditures this year to be a Major Fund.

**General Fund.** The General Fund is the corporate operating fund of the County and is statutorily and programmatically the least restricted fund. As such, it is the major focus of the administration.

Revenues came in less than budgeted at \$6,389,352 and less than last year's \$6,501,975. We attribute the downturn to the general state of the economy. Expenditures decreased by \$413,968 or 6.7% thanks to all departments employing cost containment strategies, including attrition of personnel. As

a result, the ending fund balance for the General Fund was increased by \$207,746 to \$4,675,612.

The board's conservative philosophy toward the budget process anticipated the recessionary impacts on the General Fund in 2010. Further negative impacts are likely in 2011 and may require difficult downsizing measures.

**Motor Fuel Tax Fund.** The Motor Fuel Tax Fund exceeds 10% of the County's total assets and liabilities.

**LIHEAP Fund.** The Low-Income Home Energy Assistance Program is funded from federal and state grants. The fund exceeds 10% of the County's revenue and expenditures.

### **Economic Factors and Future Trends**

- As a result of the Property Tax Extension Limitation Act (PTEL), Morgan County is limited to property tax increases of 5% or the Consumer Price Index (CPI) rate of increase, whichever is lower. The 2010 PTEL extension limit is to be 2.7%. Beyond new property assessments, this will allow little growth in property taxes for 2010 payable in 2011. New property assessments are projected to be down considerably, while commercial, industrial, and residential properties are losing value. These factors, combined with the recessionary trends in our softer revenues, suggest there are significant financial concern for the County in fiscal year 2011 and future years.
- The softer revenues did not perform as well in 2010, and are down thus far in 2011. Additionally, revenues from the state have been delayed significantly, due to the well publicized insolvency issues. The American Recovery and Reinvestment Act increases that temporarily boosted our Intergovernmental Revenues are almost depleted. As both the federal and state focus on deficit reduction, we project further erosion in the revenues from sales, income, and even property taxes for 2010.
- State and federal resources to Morgan County continue to be a concern. As of this writing, most financial analysts are indicating that significant recovery from the recession is unlikely near term and full recovery may take years. Locally, the recent loss of manufacturing,

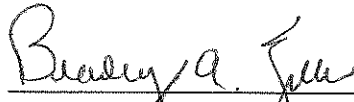
state, and construction jobs is predicted to hit our regional economy harder than in previous national recessions.

- Health care reform is currently on the national agenda. The existing health insurance system for County employees is not sustainable over the long term as health insurance benefit costs far exceed the rate of inflation year after year. However, there are concerns that the new health care reform system may have negative impacts, as well. Currently, employees do not share in the premium costs of our health care system. The board will be looking at a reasonable employee cost sharing agreement for fiscal year 2011 and beyond.
- The Illinois Municipal Retirement Fund (IMRF) administers the Morgan County employee retirement plan. Morgan County is expected to fund an ever increasing share of this employee benefit in 2011.
- The assessed valuation, the basis for property taxation for the County, is a concern moving forward. Morgan County has lost much of its manufacturing base and these facilities represent significant investment. The erosion of the tax base is further fueled by the lack of new residential construction and devaluation of current housing stock.
- **FutureGen 2.0.** The U.S. Department of Energy has announced a \$1.3 Billion investment in clean coal technology. The Meredosia Ameren Plant would be improved to produce electricity with near zero CO2 emissions. The CO2 would be stored underground and a learning center would be constructed. Morgan County has a potential site for the storage and is currently under consideration. Construction is scheduled to begin in 2012 with production scheduled in 2015. Should this development occur, the financial impact to Morgan County would be substantial.

### **Request for Information**

This financial report is designed to give the general public an overview of Morgan County's finances and demonstrate the County's commitment to meeting higher standards of accountability. If you have any questions

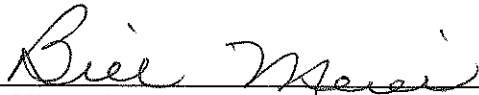
regarding this report or wish to request additional information please contact the Morgan County Board of Commissioners, 300 West State, Jacksonville, Illinois 62650.



Bradley Zeller, Chairman



Dick Rawlings, Member



Bill Meier, Member





## MORGAN COUNTY, ILLINOIS

## Statement of Net Assets

August 31, 2010

	Governmental Activities
ASSETS	
Cash	\$ 8,906,319
Taxes receivable, net of allowance for uncollectibles	2,476,351
Accounts receivable, net of allowance for uncollectibles	676,704
Due from governmental agencies	371,621
Capital assets, net of accumulated depreciation	<u>11,323,082</u>
Total assets	<u>23,754,077</u>
LIABILITIES	
Accounts payable	357,341
Deferred Revenue	363,428
Noncurrent liabilities:	
Due in more than one year	<u>188,499</u>
Total liabilities	<u>909,268</u>
NET ASSETS	
Investments in capital assets, net of related debt	11,323,082
Restricted for:	
Special revenues	7,034,614
Unrestricted	<u>4,487,113</u>
Total net assets	<u>\$ 22,844,809</u>

See accompanying notes to financial statements



## MORGAN COUNTY, ILLINOIS

## Statement of Activities

Year Ended August 31, 2010

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Governmental Activities:			
General Government	\$ 3,413,867	\$ 735,723	\$ 309,385
Law and Judicial	4,626,898	1,307,573	207,614
Health and Human Services	5,626,464	246,294	4,117,370
Transportation	<u>2,938,566</u>	<u>210,765</u>	<u>754,931</u>
Total Governmental Activities	\$ <u>16,605,795</u>	\$ <u>2,500,355</u>	\$ <u>5,389,300</u>

## General Revenues

Taxes

Intergovernmental

Sales Tax

Inheritance Tax

Replacement Tax

Income Tax

Interest

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets-Beginning

Net Assets-Ending

Capital Grants and Contributions	Governmental Activities
\$	\$ (2,368,759)
	(3,111,711)
	(1,262,800)
<u>15,032</u>	<u>(1,957,838)</u>
\$ <u>15,032</u>	<u>(8,701,108)</u>

5,175,811
1,028,044
125
458,503
623,497
143,306
<u>483,267</u>
<u>7,912,553</u>
(788,555)
<u>23,633,364</u>
\$ <u>22,844,809</u>

See accompanying notes to financial statements

## MORGAN COUNTY, ILLINOIS

GOVERNMENTAL FUNDS  
BALANCE SHEET

August 31, 2010

	General Fund	Motor Fuel Tax Fund	LIHEAP Fund
<b>ASSETS</b>			
Cash	\$ 3,199,376	\$ 1,304,091	\$ 32,658
Property Taxes Receivable	1,215,400		
Intergovernmental Receivables:			
Federal Grants			
State Grants			6,672
Motor Fuel Tax		41,867	
Other Receivables	373,743	32,433	
Due from Other Funds	104,021		
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	\$ <u>4,892,540</u>	\$ <u>1,378,391</u>	\$ <u>39,330</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Accounts Payable	\$ 100,316	\$ 48,075	\$
Deferred Revenue		301,625	7,202
Due to Other Funds	116,612		8,649
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	216,928	349,700	15,851
Fund Balance			
Reserved for Document Reacquisition	35,417		
Reserved for Courts	107,578		
Unreserved, Reported In:			
General Fund	4,532,617		
Special Revenue Funds		1,028,691	23,479
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balance	\$ <u>4,892,540</u>	\$ <u>1,378,391</u>	\$ <u>39,330</u>

Other Governmental Funds	Total Governmental Funds
\$ 4,370,194	\$ 8,906,319
1,260,951	2,476,351
266,368	266,368
56,714	63,386
	41,867
270,528	676,704
196,744	300,765
<u>\$ 6,421,499</u>	<u>\$ 12,731,760</u>

\$ 208,950	\$ 357,341
54,601	363,428
175,504	300,765
<u>439,055</u>	<u>1,021,534</u>
	35,417
	107,578
	4,532,617
<u>5,982,444</u>	<u>7,034,614</u>
<u>\$ 6,421,499</u>	<u>\$ 12,731,760</u>

See accompanying notes to financial statements

MORGAN COUNTY, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO THE  
STATEMENT OF NET ASSETS

Year Ended August 31, 2010

Fund Balances - Total Governmental Funds	\$ 11,710,226
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	11,323,082
Long-term liabilities and compensated absences are not due and payable in the current period and therefore, are not reported in the governmental funds.	<u>(188,499)</u>
Net Assets of Governmental Activities	\$ <u>22,844,809</u>

See accompanying notes to financial statements





MORGAN COUNTY, ILLINOIS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
Year Ended August 31, 2010

	General Fund	Motor Fuel Tax Fund	LIHEAP Fund
REVENUE			
Taxes	\$ 2,258,094	\$	\$
Intergovernmental	2,372,237	754,931	1,592,365
Licenses and Permits	380,274		
Fines and Forfeits	518,322		
Revenue from Services	267,250		
Interest	109,908	1,788	124
Miscellaneous	483,267		99,740
	<u>6,389,352</u>	<u>756,719</u>	<u>1,692,229</u>
Total Revenue			
EXPENDITURES			
Current:			
General Government	2,556,020		
Law and Judicial	3,129,214		
Health and Human Services			1,681,160
Transportation		688,052	
Capital Outlay	78,449	182,844	
	<u>5,763,683</u>	<u>870,896</u>	<u>1,681,160</u>
Total Expenditures			
Revenue Over (Under) Expenditures	625,669	(114,177)	11,069
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	(417,923)		
	<u>207,746</u>	<u>(114,177)</u>	<u>11,069</u>
Net change in fund balances			
FUND BALANCE, BEGINNING	4,467,866	1,142,868	12,410
	<u>4,467,866</u>	<u>1,142,868</u>	<u>12,410</u>
FUND BALANCE, ENDING	\$ <u>4,675,612</u>	\$ <u>1,028,691</u>	\$ <u>23,479</u>

Other Governmental Funds	Total Governmental Funds
\$ 2,917,717	\$ 5,175,811
2,746,988	7,466,521
670	380,944
400,469	918,791
728,637	995,887
31,486	143,306
<u>152,973</u>	<u>735,980</u>
<u>6,978,940</u>	<u>15,817,240</u>
781,247	3,337,267
1,426,231	4,555,445
3,726,934	5,408,094
974,298	1,662,350
<u>1,811,838</u>	<u>2,073,131</u>
<u>8,720,548</u>	<u>17,036,287</u>
(1,741,608)	(1,219,047)
<u>417,923</u>	<u>0</u>
(1,323,685)	(1,219,047)
<u>7,306,129</u>	<u>12,929,273</u>
<u>\$ 5,982,444</u>	<u>\$ 11,710,226</u>

See accompanying notes to financial statements

RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended August 31, 2010

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

Net Changes in Fund Balances - Total Governmental Funds	\$ (1,219,047)
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Governmental Funds do not report Accrued Vacation as an expenditure. However, in the Statement of Activities, those costs are shown. This represents the net change in accrued vacation.	64,371
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Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.	<u>366,121</u>
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Change in Net Assets of Governmental Activities	\$ <u><u>(788,555)</u></u>
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MORGAN COUNTY, ILLINOIS  
ALL AGENCY FUNDS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
August 31, 2010

	Total
ASSETS	
Cash	\$ 11,386,887
Intergovernmental	
Receivables:	
Motor Fuel Tax	<u>77,814</u>
Total Assets	<u>11,464,701</u>
LIABILITIES	
Intergovernmental	
Payables:	
Accounts Payable	141,664
Funds Available	
for Distribution	<u>11,323,037</u>
Total Liabilities	<u>11,464,701</u>
NET ASSETS	\$ <u><u>0</u></u>

See accompanying notes to financial statements



MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Morgan County, Illinois (County) are based upon accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant policies.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units (hereinafter referred to as GAAP).

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the County's accounting policies are described below.

A. Financial Reporting Entity

Morgan County is a municipal corporation governed by an elected 3 member board. These financial statements present Morgan County, the primary government unit.

County officials are responsible for appointing the members of the board of other organizations, but the County's accountability for these organizations do not extend beyond making the appointments. The County Board appoints the board members of the following organizations:

Drainage Districts  
Fire Protection Districts  
Cemeteries  
Housing Authority  
Airport Authorities  
Water Districts  
Mass Transit Districts

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Basis of Presentation – Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures/expenses. The various funds are summarized by type in the combined financial statements.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

GOVERNMENTAL FUNDS

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts) requiring separate accounting because of legal, regulatory provisions or administrative action.



MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Fund Accounting (Continued)

AGENCY FUNDS

Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. 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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are considered available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *General Fund* 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 another fund.

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The *Motor Fuel Tax Fund* accounts for State motor fuel tax receipts and the related expenditures for the maintenance and construction of County roads.

The *LIHEAP Fund* accounts for State and Federal grants used to assist low-income families with their utility bills.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All taxes are reported as general revenues.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the County considers all highly liquid investments cash equivalents. Cash and Cash Equivalents represent cash on hand, cash deposited in checking accounts, certificates of deposits, repurchase agreements and U.S. treasury bills and notes which are stated at cost (which approximates fair value).

F. Receivables

GASB Statements No. 33 – *Accounting and Financial Reporting for Nonexchange Transactions* requires the recognition of receivables associated with nonexchange transactions as follows:

- Derived tax receivables (such as: sales, income and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as: property taxes and fines) are recognized when an enforceable legal claim has arisen.

Government – mandates or voluntary non-exchange transaction receivables (such as: mandates or grants) are recognized when all eligibility requirements have been met.

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g. roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

Governmental activities capital assets having a useful life greater than one year are capitalized using the following dollar thresholds: \$50,000 for land, \$100,000 for buildings and improvements, \$25,000 for equipment, \$15,000 for vehicles, and \$200,000 for roads and bridges.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The County uses the direct method for accounting for planned major maintenance. Amounts are expensed or capitalized as incurred.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Description	Years
Building and Improvements	30 - 40
Equipment	4 - 10
Vehicles	4 - 10
Road and Bridges	20

H. Compensated Absences

Accrued sick leave has not been recorded; the County is not liable in the amount to the employees upon retirement or discontinued service so the amount is undetermined.

Accrued vacation leave which the employees have elected to accumulate in their bank amounted to \$188,499 for the Governmental Funds and has been recorded in the Statement of Net Assets as noncurrent liabilities due in more than one year.

Employees are allowed to accumulate up to 320 hours of vacation time.

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

J. Property Tax Revenue

Property tax revenue line items include adjustments of prior year's tax revenue from tax sales, the adjustment for the allowance for uncollectible taxes and tax increment financing (TIF) distributions. These line items are not reported separately because the amounts are immaterial.

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as operating transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfer.

L. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 2. LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets

The County follows the procedures indicated below in establishing the budgetary data reflected in the combined financial statements:

- (a) At a regular or specially called meeting of the County Board in early August, the County Board submits a proposed budget for the fiscal year commencing on the following September.
  - 1. The budget includes proposed expenditures and the means of financing them.
- (b) The budget is available for public inspection for at least 15 days prior to passage by the County Board.
- (c) Prior to September, the budget is legally enacted through passage of an appropriation ordinance. The original budget was approved on August 31, 2009.
- (d) The level of budgetary control, on which expenditures may not legally exceed appropriations, is at the fund level in accordance with Illinois Compiled Statutes. Any transfers between funds require County board approval. The budget was last amended September 13, 2010. Adjustments made during the year are reflected in the required supplementary information.
- (e) Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds through an internal reporting basis. Unexpended appropriations and encumbrances lapse at August 31.
- (f) Budgets for the general and special revenue funds are legally adopted and are on a basis consistent with GAAP.

NOTE 3. CASH AND CASH EQUIVALENTS

The County is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act of Illinois.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned or the County will not be able to recover collateral securities in the possession of an outside party. The County's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). Deposited funds may be invested in certificates of deposit. Collateral agreements must be approved prior to deposit of funds. The County Board designates a list of authorized depository institutions.

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 3. CASH AND CASH EQUIVALENTS (Continued)

Deposits of the County's reporting entity are insured or collateralized with securities held by the County, its agent, or by the pledging financial institution's trust department or agent in the name of the County.

On August 31, 2010, \$3,706,452 of the County's deposits was covered by Federal Deposit Insurance, \$16,423,949 was covered by specific collateral, and \$684,040 was not covered by Federal Deposit Insurance or collateralized and is subject to the credit risk of the banks.

NOTE 4. PROPERTY TAXES

Property taxes are collected by the County on behalf of all taxing bodies. Distributions are made to all taxing bodies, including the County, at least once every 30 days. Distributions are made more often during the two main collection periods.

The 2009 property tax levy is recorded as revenues in fiscal year 2010, net of estimated loss on collections. The County's policy complies with the GASB policy, which requires property tax revenue to actually be collected within 60 days of the entity's year-end in order to be recorded as revenues within that year.

The property tax calendar for Morgan County, Illinois is as follows:

Lien Date	January 1, 2010
Levy Date	December 28, 2009
First Installment (one-half of the total bill) Due	July 2, 2010
Second Installment (balance of the total bill) Due	September 3, 2010
Tax Sale of Delinquent Accounts is Usually Held in	November 10, 2010

NOTE 5. ACCOUNTS RECEIVABLES

Receivables in the general fund are intergovernmental and other receivables. Receivables in the Motor Fuel Tax Fund are intergovernmental and other receivables. Receivables in the LIHEAP Fund are intergovernmental receivables. The other governmental funds receivables are intergovernmental receivables and other receivables.

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 6. CONTINGENCIES

Amounts received or receivable from grantor 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 the expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

NOTE 7. DEFERRED COMPENSATION PLAN

The County funds all amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in fixed and variable rate annuity contracts underwritten by National Association of Counties Deferred Compensation Program.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

The County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The investment activity for the year ended August 31, 2010 is as follows:		
Beginning Investment Balance	\$	476,167
Contributions		56,497
Investment Income/(Loss)		24,002
Withdrawals		(12,835)
Transfers Out		(517)
Asset Fees		(582)
Life Insurance (Posted Only)		(612)
<b>Ending Investment Balance</b>	\$	<b>542,120</b>
<b>Life Insurance Policy Holder Account Value</b>	\$	<b>6,736</b>

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 8. DEFINED BENEFIT PENSION PLAN

The County has three defined benefit pension plans with Illinois Municipal Retirement Fund (IMRF), which provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. The plans are for sheriff's law enforcement personnel (SLEP), Elected County Officials (ECO) and for County employees other than SLEP. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

A. Sheriff's Law Enforcement Personnel (SLEP)

**Plan Description:** The employer's defined benefit pension plan for Sheriff's Law Enforcement Personnel employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy:** As set by statute, the Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. 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 rate for calendar year 2009 was 16.78 percent of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost:** For fiscal year ending August 31, 2010, the EMPLOYER'S annual pension cost of \$273,251 for the Sheriff's Law Enforcement Personnel plan was equal to the EMPLOYER'S required and actual contributions.

**Three-Year Trend Information for the Sheriff's Law Enforcement Personnel Plan**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
8/31/10	273,251	100%	\$ 0
8/31/09	237,536	100%	0
8/31/08	233,485	100%	0



MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued)

A. Sheriff's Law Enforcement Personnel (SLEP) (Continued)

The required contribution rate for 2009 was 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) 7.5 percent 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% per year depending on age of service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Sheriff's Law Enforcement Personnel 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 Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 23 years.

**Funded Status and Funding Progress:** As of December 31, 2009, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 62.64 percent funded. The actuarial accrued liability for benefits was \$5,576,732 and the actuarial value of assets was \$3,493,338, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,083,394. The covered payroll (annual payroll of active employees covered by the plan) was \$1,408,331 and the ratio of the UAAL to the covered payroll was 148 percent. 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 accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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

B. Elected County Official (ECO)

**Plan Description:** The employer's defined benefit pension plan for Elected County Official employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued)

B. Elected County Official (ECO) (Continued)

**Funding Policy:** As set by statute, the Elected County Official plan members are required to contribute 7.50 percent of their annual covered salary. 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 rate for calendar year 2009 was 31.60 percent of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost:** For fiscal year ending August 31, 2010, the EMPLOYER'S annual pension cost of \$141,300 for the Elected County Official plan was equal to the EMPLOYER'S required and actual contributions.

**Three-Year Trend Information for the Elected County Officials Plan**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
8/31/10	141,300	100%	\$ 0
8/31/09	145,270	100%	0
8/31/08	134,348	100%	0

The required contribution rate for 2009 was 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) 7.5 percent 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% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Elected County Official 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 Elected County Official plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 23 years.

**Funded Status and Funding Progress:** As of December 31, 2009, the most recent actuarial valuation date, the Elected County Official plan was 56.50 percent funded. The actuarial accrued liability for benefits was \$2,632,577 and the actuarial value of assets was \$1,487,512, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,145,065.

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued)

B. Elected County Official (ECO) (Continued)

The covered payroll (annual payroll of active employees covered by the plan) was \$475,206 and the ratio of the UAAL to the covered payroll was 241 percent. 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 accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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

C. County Employees Other Than SLEP and ECO (IMRF)

**Plan Description:** The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy:** As set by statute, the Regular plan members are required to contribute 4.50 percent of their annual covered salary. 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 rate for calendar year 2009 was 8.36 percent of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost:** For fiscal year ending August 31, 2010, the EMPLOYER'S annual pension cost of \$429,806 for the Regular plan was equal to the EMPLOYER'S required and actual contributions.

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued)

C. County Employees Other Than SLEP and ECO (IMRF) (Continued)

**Three-Year Trend Information for the Regular Plan**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
8/31/10	429,806	100%	\$ 0
8/31/09	320,313	100%	0
8/31/08	307,058	100%	0

The required contribution rate for 2009 was 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) 7.5 percent 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% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Regular 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 Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 23 years.

**Funded Status and Funding Progress:** As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 77.41 percent funded. The actuarial accrued liability for benefits was \$13,697,122 and the actuarial value of assets was \$10,603,471, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,093,651. The covered payroll (annual payroll of active employees covered by the plan) was \$3,931,224 and the ratio of the UAAL to the covered payroll was 79 percent. 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 accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 9. JOINTLY GOVERNED ORGANIZATIONS

The County is a member of four jointly governed organizations in which the County is one of the members: Illinois County Solid Waste Management Association, Mid-America Intermodal Authority Port District; Illinois Valley Resource, Conservation, Development District and Illinois Public Health Mutual Aid System.

NOTE 10. NONCURRENT LIABILITIES

*Accrued Vacation*

Employees can accumulate up to 320 hours of vacation time. The liability is calculated on the employee's current hourly rate times the accumulated hours. The net change in total liability for the year ended August 31, 2010 is as follows:

<b>Balance August 31, 2009</b>	<b>Net Increase/ (Decrease)</b>	<b>Balance August 31, 2010</b>
\$ 252,870	(\$64,371)	\$ 188,499

NOTE 11. RESERVED FUND BALANCE

The General Fund reports a portion of fund balance as reserved. These reserves are due to the collection of fines and fees that are to be used for specific purposes within the court system as well as the collection of restitution for the theft of historical documents. A summary of the net change in the General Fund reserved fund balance is as follows:

<b>Reserved For</b>	<b>Balance 8/31/09</b>	<b>Net Increase (Decrease)</b>	<b>Balance 8/31/10</b>
Courts	\$ 113,122	(\$ 5,544)	\$ 107,578
Document Reacquisition	35,417	0	35,417
<b>TOTAL</b>	<b>\$ 148,539</b>	<b>(\$ 5,544)</b>	<b>\$ 142,995</b>

NOTE 12. CONSTRUCTION IN PROGRESS

As of August 31, 2010, the County has multiple construction projects in progress. The majority of the County's construction in progress consists of highway construction projects. These projects are expected to be completed at various different times and for varying amounts.

Construction in progress also includes costs incurred on the renovation of the courthouse. This project is expected to span multiple fiscal years. As of 8/31/10, a total of \$1,317,793 has been spent on the project.

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 13 - CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2010 was as follows:

	Beginning Balance 8/31/09	Increases	Transfer of Construction In Progress	Decreases	Ending Balance 08/31/10
Capital assets not being depreciated					
Construction in progress	\$ 1,134,116	\$ 1,179,815	\$ (758,054)	\$ 0	\$ 1,555,877
Capital assets being depreciated					
Road and bridges	16,272,666		758,054		17,030,720
Building and improvements	2,491,000				2,491,000
Equipment	1,466,927				1,466,927
Vehicles	922,015	158,516		191,778	888,753
Total capital assets being depreciated	21,152,608	158,516	758,054	191,778	21,877,400
Less accumulated depreciation for:					
Road and bridges	8,243,118	713,010			8,956,128
Buildings and improvements	1,632,017	54,775			1,686,792
Equipment	710,783	123,080			833,863
Vehicles	743,845	81,345		191,778	633,412
Total accumulated depreciation	11,329,763	\$ 972,210	\$ 0	\$ 191,778	12,110,195
Total capital assets being depreciated, net	9,822,845				9,767,205
Governmental activities capital assets, net	\$ 10,956,961				\$ 11,323,082

Depreciation Expense

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities	
General Government	\$ 41,573
Law and Judicial	116,085
Health and Human Services	64,500
Transportation	750,052
Total depreciation expense - governmental activities	\$ 972,210

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 14 - INTERFUND BALANCES

Interfund balances among funds reported within the same activities column are eliminated from that column in the government-wide statement of activities.

At August 31, 2010, interfund receivables and payables consisted of the following:

Funds	Due From Other Funds	Due to Other Funds
General		
Nonmajor Governmental	\$ <u>104,021</u>	\$ <u>116,612</u>
Total General	<u>104,021</u>	<u>116,612</u>
LIHEAP		
Nonmajor Governmental	<u>                    </u>	<u>8,649</u>
Total LIHEAP	<u>0</u>	<u>8,649</u>
Nonmajor Governmental		
General	116,612	104,021
Nonmajor Governmental	<u>80,132</u>	<u>71,483</u>
Total Nonmajor Governmental	<u>196,744</u>	<u>175,504</u>
Total Interfund - All Funds	\$ <u><u>300,765</u></u>	\$ <u><u>300,765</u></u>

NOTE 15 - OPERATING TRANSFERS

Operating transfers among funds reported within the same activities column are eliminated from that column in the government-wide statement of activities.

The following operating transfers were made:

	Operating Transfer In	Operating Transfer Out
General Fund		
Nonmajor Governmental	\$ <u>11,738</u>	\$ <u>429,661</u>
Total General Fund	<u>11,738</u>	<u>429,661</u>
Nonmajor Governmental		
General	<u>429,661</u>	<u>11,738</u>
Total Nonmajor Governmental	<u>429,661</u>	<u>11,738</u>
Total Interfunds - All Funds	\$ <u><u>441,399</u></u>	\$ <u><u>441,399</u></u>

MORGAN COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2010

NOTE 16 - LEGAL DEBT MARGIN

Equalized Assessed Valuation, 2008 Tax Year	\$ <u>487,671,360</u>
Statutory Debt Limitation (5.75% of Equalized Assessed Valuation)	\$ 28,041,103
Less: Bond Indebtedness	<u>0</u>
Legal Debt Margin	\$ <u>28,041,103</u>

NOTE 17 - SUBSEQUENT EVENTS

Subsequent events were evaluated through the financial statement release date of January 24, 2011.



## MORGAN COUNTY, ILLINOIS

GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended August 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUE</b>				
Property Taxes	\$ 2,420,000	\$ 2,420,000	\$ 2,258,094	\$ (161,906)
Intergovernmental:				
Sales Tax	950,000	950,000	1,028,044	78,044
Income Tax	550,000	550,000	623,497	73,497
Replacement Tax	452,667	452,667	390,186	(62,481)
Inheritance Tax	30,000	30,000	125	(29,875)
State Other	335,770	335,770	304,356	(31,414)
Federal	15,000	15,000	26,029	11,029
Licenses and Permits	450,000	450,000	380,274	(69,726)
Fines and Forfeits	545,000	545,000	518,322	(26,678)
Revenue from Services	205,350	205,350	267,250	61,900
Interest	100,000	100,000	109,908	9,908
Miscellaneous	<u>351,000</u>	<u>351,000</u>	<u>483,267</u>	<u>132,267</u>
Total Revenue	<u>6,404,787</u>	<u>6,404,787</u>	<u>6,389,352</u>	<u>(15,435)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,785,013	2,823,613	2,556,020	267,593
Law and Judicial	3,216,178	3,290,133	3,129,214	160,919
Capital Outlay	<u>432,028</u>	<u>432,028</u>	<u>78,449</u>	<u>353,579</u>
Total Expenditures	<u>6,433,219</u>	<u>6,545,774</u>	<u>5,763,683</u>	<u>782,091</u>
Revenues Over (Under) Expenditures	(28,432)	(140,987)	625,669	766,656
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers	<u>(423,729)</u>	<u>(423,729)</u>	<u>(417,923)</u>	<u>5,806</u>
Net change in fund balances	\$ <u>(452,161)</u>	\$ <u>(564,716)</u>	207,746	\$ <u>772,462</u>
FUND BALANCE, BEGINNING			<u>4,467,866</u>	
FUND BALANCE, ENDING			\$ <u>4,675,612</u>	

## MORGAN COUNTY, ILLINOIS

GENERAL FUND  
SCHEDULE OF EXPENDITURES

Year Ended August 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
EXPENDITURES				
Current:				
General Government				
Commissioners' Office				
Commissioners' Salaries	\$ 99,900	\$ 99,900	\$ 99,900	\$ 0
Other Salaries	62,755	62,755	62,755	0
Services	8,000	8,000	4,385	3,615
Materials	2,000	2,000	786	1,214
Total Commissioners' Office	<u>172,655</u>	<u>172,655</u>	<u>167,826</u>	<u>4,829</u>
Treasurer's Office				
County Treasurer's Salary	55,500	55,500	55,500	0
Other Salaries	59,681	59,681	59,115	566
Services	7,000	7,000	5,421	1,579
Materials	5,500	5,500	3,747	1,753
Total Treasurer's Office	<u>127,681</u>	<u>127,681</u>	<u>123,783</u>	<u>3,898</u>
County Clerk's Office				
County Clerk's Salary	55,500	55,500	55,500	0
Other Salaries	201,435	201,435	190,485	10,950
Services	13,000	13,000	15,079	(2,079)
Materials	115,000	115,000	110,204	4,796
Election Grant Expense	64,770	64,770	16,445	48,325
Election	108,085	143,585	143,196	389
Total County Clerk's Office	<u>557,790</u>	<u>593,290</u>	<u>530,909</u>	<u>62,381</u>
Assessor's Office				
Salaries	189,027	189,027	189,649	(622)
Services	20,100	20,100	11,503	8,597
Materials	10,000	10,000	9,037	963
Total Assessor's Office	<u>\$ 219,127</u>	<u>\$ 219,127</u>	<u>\$ 210,189</u>	<u>\$ 8,938</u>

## MORGAN COUNTY, ILLINOIS

GENERAL FUND  
SCHEDULE OF EXPENDITURES  
-continued-

Year Ended August 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
EXPENDITURES				
General Government (con't)				
General Expenditures				
E.D. Director	\$ 160,500	\$ 160,500	\$ 105,840	\$ 54,660
Other	35,000	35,000	48,191	(13,191)
Medical Insurance	630,000	630,000	591,064	38,936
Postage	60,000	60,000	41,684	18,316
Professional Fees	80,000	80,000	49,359	30,641
Computer Services	110,000	110,000	113,930	(3,930)
Merit Commission	3,000	3,000	1,465	1,535
Flood Control	5,000	5,000	5,000	0
Economic Development	35,000	35,000	35,000	0
Planning Commission	25,000	25,000	25,000	0
Animal Control	12,000	12,000		12,000
Solid Waste Planning	6,000	6,000		6,000
Liability Insurance	300,000	300,000	279,917	20,083
Health Committee	16,000	16,000	10,067	5,933
Total General Expenditures	<u>1,477,500</u>	<u>1,477,500</u>	<u>1,306,517</u>	<u>170,983</u>
Educational Service Region Office Services	<u>130,656</u>	<u>130,656</u>	<u>126,447</u>	<u>4,209</u>
Total Educational Service Region Office	<u>130,656</u>	<u>130,656</u>	<u>126,447</u>	<u>4,209</u>
Courthouse				
Salaries	26,604	26,604	26,211	393
Services	38,000	38,000	29,390	8,610
Materials	4,500	4,500	2,817	1,683
Total Courthouse	<u>69,104</u>	<u>69,104</u>	<u>58,418</u>	<u>10,686</u>
Morgan County Center				
Salaries	1,500	1,500	686	814
Services	27,000	30,100	30,053	47
Materials	2,000	2,000	1,192	808
Total Morgan County Center	<u>30,500</u>	<u>33,600</u>	<u>31,931</u>	<u>1,669</u>
Total General Government	\$ <u>2,785,013</u>	\$ <u>2,823,613</u>	\$ <u>2,556,020</u>	\$ <u>267,593</u>

## MORGAN COUNTY, ILLINOIS

GENERAL FUND  
SCHEDULE OF EXPENDITURES  
-continued-

Year Ended August 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
EXPENDITURES				
Law and Judicial				
Sheriff and Law Enforcement				
Sheriff's Salary	\$ 65,775	\$ 65,775	\$ 65,775	\$ 0
Other Salaries	696,800	696,800	639,424	57,376
Grant Expense	15,000	15,000	0	15,000
Services	94,200	94,200	81,653	12,547
Materials	78,200	78,200	84,749	(6,549)
Total Sheriff and Law Enforcement	<u>949,975</u>	<u>949,975</u>	<u>871,601</u>	<u>78,374</u>
Civil Defense Office				
City/County Agreement	36,208	36,208	27,970	8,238
Payments to Other Governments	11,245	19,600	19,582	18
Total Civil Defense Office	<u>47,453</u>	<u>55,808</u>	<u>47,552</u>	<u>8,256</u>
Coroner's Office				
Coroner's Salary	24,073	24,073	23,698	375
Other Salaries	8,642	8,642	8,642	0
Services	40,000	47,111	47,272	(161)
Materials	3,500	3,500	3,531	(31)
Total Coroner's Office	<u>76,215</u>	<u>83,326</u>	<u>83,143</u>	<u>183</u>
Probation Office				
Salaries	387,011	445,500	445,477	23
Services	12,920	12,920	11,337	1,583
Materials	2,210	2,210	2,124	86
Total Probation Office	<u>402,141</u>	<u>460,630</u>	<u>458,938</u>	<u>1,692</u>
County Jail				
Salaries	947,705	947,705	938,559	9,146
Services	209,700	209,700	193,458	16,242
Materials	29,000	29,000	88,198	(59,198)
Victims Assistance	21,000	21,000	21,000	0
Total County Jail	<u>\$ 1,207,405</u>	<u>\$ 1,207,405</u>	<u>\$ 1,241,215</u>	<u>\$ (33,810)</u>

## MORGAN COUNTY, ILLINOIS

GENERAL FUND  
SCHEDULE OF EXPENDITURES  
-continued-

Year Ended August 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
EXPENDITURES				
Law and Judicial (con't)				
Circuit Clerk's Office				
Circuit Clerk's Salary	\$ 55,500	\$ 55,500	\$ 55,500	\$ 0
Other Salaries	121,080	121,080	104,323	16,757
Services	4,000	4,000	3,133	867
Materials	8,000	8,000	2,842	5,158
Total Circuit Clerk's Office	<u>188,580</u>	<u>188,580</u>	<u>165,798</u>	<u>22,782</u>
Public Defender's Office				
Salaries	<u>167,464</u>	<u>167,464</u>	<u>167,464</u>	<u>0</u>
Total Public Defender's Office	<u>167,464</u>	<u>167,464</u>	<u>167,464</u>	<u>0</u>
Court Related				
Salaries	33,095	33,095	33,095	0
Materials	2,500	2,500	1,744	756
Care and Support of Minors	55,000	55,000	11,053	43,947
Court Appointed Counsel	25,000	25,000	11,959	13,041
Publication	6,000	6,000	2,377	3,623
Interpreters	10,000	10,000	10,167	(167)
Jury	<u>25,000</u>	<u>25,000</u>	<u>16,954</u>	<u>8,046</u>
Total Court Related	<u>156,595</u>	<u>156,595</u>	<u>87,349</u>	<u>69,246</u>
Circuit Judge's Office				
Services	4,790	4,790	1,795	2,995
Materials	2,500	2,500	1,585	915
Equipment	<u>5,000</u>	<u>5,000</u>		<u>5,000</u>
Total Circuit Judge's Office	<u>12,290</u>	<u>12,290</u>	<u>3,380</u>	<u>8,910</u>
Associate Circuit Judge's Office				
Services	3,560	3,560	1,866	1,694
Materials	1,500	1,500	908	592
Equipment	<u>3,000</u>	<u>3,000</u>		<u>3,000</u>
Total Associate Circuit Judge's Office	<u>8,060</u>	<u>8,060</u>	<u>2,774</u>	<u>5,286</u>
Total Law and Judicial	\$ <u>3,216,178</u>	\$ <u>3,290,133</u>	\$ <u>3,129,214</u>	\$ <u>160,919</u>

MORGAN COUNTY, ILLINOIS

GENERAL FUND  
SCHEDULE OF EXPENDITURES  
-continued-

Year Ended August 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Capital Outlay	\$ <u>432,028</u>	\$ <u>432,028</u>	\$ <u>78,449</u>	\$ <u>353,579</u>
Total General Fund Expenditures	\$ <u><u>6,433,219</u></u>	\$ <u><u>6,545,774</u></u>	\$ <u><u>5,763,683</u></u>	\$ <u><u>782,091</u></u>

## MORGAN COUNTY, ILLINOIS

## MOTOR FUEL TAX FUND

## STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended August 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUE				
Intergovernmental:				
State	\$ 860,000	\$ 860,000	\$ 754,931	\$ (105,069)
Interest	<u>16,000</u>	<u>16,000</u>	<u>1,788</u>	<u>(14,212)</u>
Total Revenue	<u>876,000</u>	<u>876,000</u>	<u>756,719</u>	<u>(119,281)</u>
EXPENDITURES				
Transportation	800,000	800,000	688,052	111,948
Capital Outlay	<u>500,000</u>	<u>500,000</u>	<u>182,844</u>	<u>317,156</u>
Total Expenditures	<u>1,300,000</u>	<u>1,300,000</u>	<u>870,896</u>	<u>429,104</u>
Net Change in Fund Balance	\$ <u>(424,000)</u>	\$ <u>(424,000)</u>	(114,177)	\$ <u>(548,385)</u>
FUND BALANCE, BEGINNING			<u>1,142,868</u>	
FUND BALANCE, ENDING			\$ <u>1,028,691</u>	

## MORGAN COUNTY, ILLINOIS

## LIHEAP FUND

## STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended August 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUE				
Intergovernmental:				
Federal Grants	\$ 2,000,000	\$ 2,000,000	\$ 1,101,661	\$ (898,339)
State Grants			490,704	490,704
Interest	670	670	124	(546)
Other	<u>104,000</u>	<u>104,000</u>	<u>99,740</u>	<u>(4,260)</u>
Total Revenue	<u>2,104,670</u>	<u>2,104,670</u>	<u>1,692,229</u>	<u>(412,441)</u>
EXPENDITURES				
Current:				
Health and Human Services	<u>2,105,000</u>	<u>2,105,000</u>	<u>1,681,160</u>	<u>423,840</u>
Total Expenditures	<u>2,105,000</u>	<u>2,105,000</u>	<u>1,681,160</u>	<u>423,840</u>
Net change in fund balances	\$ <u><u>(330)</u></u>	\$ <u><u>(330)</u></u>	11,069	\$ <u><u>11,399</u></u>
FUND BALANCE, BEGINNING			<u>12,410</u>	
FUND BALANCE, ENDING			\$ <u><u>23,479</u></u>	



MORGAN COUNTY, ILLINOIS

Schedule of Funding Progress  
 Illinois Municipal Retirement Fund  
 Sheriff's Law Enforcement Personnel (SLEP)  
 August 31, 2010  
 (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
12/31/09	3,493,338	5,576,732	2,083,394	62.64%	1,408,331	147.93%
12/31/08	2,918,676	4,878,438	1,959,762	59.83%	1,314,635	149.07%
12/31/07	3,903,635	4,863,206	964,571	80.19%	1,274,848	75.66%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$3,355,551. On a market basis, the funded ratio would be 60.17%.

MORGAN COUNTY, ILLINOIS

Schedule of Funding Progress  
Illinois Municipal Retirement Fund  
Elected County Official (ECO)  
August 31, 2010  
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
12/31/09	1,487,512	2,632,577	1,145,065	56.50%	475,206	240.96%
12/31/08	1,395,109	2,377,604	982,495	58.68%	461,058	213.10%
12/31/07	1,247,658	2,246,301	998,643	55.54%	445,009	224.41%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$1,420,810. On a market basis, the funded ratio would be 53.97%.

MORGAN COUNTY, ILLINOIS

Schedule of Funding Progress  
 Illinois Municipal Retirement Fund  
 County Employees Other than SLEP and ECO  
 August 31, 2010  
 (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
12/31/09	10,603,471	13,697,122	3,093,651	77.41%	3,931,224	78.69%
12/31/08	10,718,247	12,942,184	2,223,937	82.82%	3,718,749	59.80%
12/31/07	12,053,005	12,303,704	250,699	97.96%	3,543,734	7.07%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$10,281,609. On a market basis, the funded ratio would be 75.06%.



## MORGAN COUNTY, ILLINOIS

NON MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET

August 31, 2010

	Total	County Recorders Fund	Animal Control Fund	General Assistance Fund
ASSETS				
Cash	\$ 4,370,194	\$ 12,442	\$ 1,811	\$ 340,520
Property Taxes Receivable	1,260,951			
Intergovernmental Receivables:				
Federal Grants	266,368			
State Grants	56,714			
Other Receivables	270,528			
Due from Other Funds	196,744			
Total Assets	\$ <u>6,421,499</u>	\$ <u>12,442</u>	\$ <u>1,811</u>	\$ <u>340,520</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ 208,950	\$	\$	\$
Deferred Revenue	54,601			
Due to Other Funds	175,504			
Total Liabilities	439,055	0	0	0
Fund Balance				
Unreserved, Reported In:				
Special Revenue Funds	<u>5,982,444</u>	<u>12,442</u>	<u>1,811</u>	<u>340,520</u>
Total Liabilities and Fund Balance	\$ <u>6,421,499</u>	\$ <u>12,442</u>	\$ <u>1,811</u>	\$ <u>340,520</u>

Tuberculosis Sanitarium Fund	Health Department Fund	Unemployment Savings Fund	Social Security Fund	Illinois Municipal Retirement Fund
\$ 91,601	\$ 473,669	\$ 15,729	\$ 217,183	\$ 181,519
53,828	169,542		161,459	269,087
	141,816			
305		253	20,418	116,673
<u>145,734</u>	<u>785,027</u>	<u>15,982</u>	<u>399,060</u>	<u>567,279</u>
\$	\$	\$	\$	\$
	7,031			
	2,095			
				17,005
0	9,126	0	0	17,005
<u>145,734</u>	<u>775,901</u>	<u>15,982</u>	<u>399,060</u>	<u>550,274</u>
<u>\$ 145,734</u>	<u>\$ 785,027</u>	<u>\$ 15,982</u>	<u>\$ 399,060</u>	<u>\$ 567,279</u>

## MORGAN COUNTY, ILLINOIS

NON MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)

August 31, 2010

	Vital Statistics Fund	Drug Fee Fund	Marriage Fund	Law Library Fund
ASSETS				
Cash	\$ 6,287	\$ 27,515	\$ 9,814	\$ 2,702
Property Taxes Receivable				
Intergovernmental Receivables:				
Federal Grants				
State Grants				
Motor Fuel Tax				
Other Receivables				2,158
Due from Other Funds				
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ <u>6,287</u>	\$ <u>27,515</u>	\$ <u>9,814</u>	\$ <u>4,860</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$	\$	\$	\$
Deferred Revenue				
Due to Other Funds				
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	0	0	0	0
Fund Balance				
Unreserved, Reported In:				
Special Revenue Funds	<u>6,287</u>	<u>27,515</u>	<u>9,814</u>	<u>4,860</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ <u>6,287</u>	\$ <u>27,515</u>	\$ <u>9,814</u>	\$ <u>4,860</u>

Child Support Fund	Probation Office Fund	Court Automation Fund	Circuit Clerk Operating Fund	Drug Enforcement Fund
\$ 48,023	\$ 53,805	\$ 191,808	\$ 4,841	\$ 10,958
	4,325	6,118	535	
<u>\$ 48,023</u>	<u>\$ 58,130</u>	<u>\$ 197,926</u>	<u>\$ 5,376</u>	<u>\$ 10,958</u>
\$	\$	\$	\$	\$
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>48,023</u>	<u>58,130</u>	<u>197,926</u>	<u>5,376</u>	<u>10,958</u>
<u>\$ 48,023</u>	<u>\$ 58,130</u>	<u>\$ 197,926</u>	<u>\$ 5,376</u>	<u>\$ 10,958</u>



## MORGAN COUNTY, ILLINOIS

NON MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)

August 31, 2010

	Court Document Storage Fund	911 Fee Fund	Police Vehicle Fund	Title IV-D (KIDS) Fund
ASSETS				
Cash	\$ 148,713	\$ 959,215	\$ 16,149	\$ 2,491
Property Taxes Receivable				
Intergovernmental Receivables:				
Federal Grants				2,646
State Grants				1,363
Motor Fuel Tax				
Other Receivables	6,042	86,799	400	
Due from Other Funds				
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ <u>154,755</u>	\$ <u>1,046,014</u>	\$ <u>16,549</u>	\$ <u>6,500</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$	\$ 8,878	\$	\$
Deferred Revenue				
Due to Other Funds				
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	0	8,878	0	0
Fund Balance				
Unreserved, Reported In:				
Special Revenue Funds	<u>154,755</u>	<u>1,037,136</u>	<u>16,549</u>	<u>6,500</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ <u>154,755</u>	\$ <u>1,046,014</u>	\$ <u>16,549</u>	\$ <u>6,500</u>

Highway Fund	Bridge Construction and Repair Fund	Marnico Special Service Fund	Aid Matching Fund	Cooperative Extension Fund
\$ 354,414	\$ 127,186	\$ 10,505	\$ 537,695	\$
379,421		1,569	126,473	99,572
18,496	127,142			
<u>\$ 752,331</u>	<u>\$ 254,328</u>	<u>\$ 12,074</u>	<u>\$ 664,168</u>	<u>\$ 99,572</u>
\$	\$	\$	\$	\$ 99,572
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>99,572</u>
<u>752,331</u>	<u>254,328</u>	<u>12,074</u>	<u>664,168</u>	<u>0</u>
<u>\$ 752,331</u>	<u>\$ 254,328</u>	<u>\$ 12,074</u>	<u>\$ 664,168</u>	<u>\$ 99,572</u>

## MORGAN COUNTY, ILLINOIS

NON MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)

August 31, 2010

	Corporate and Miscel- laneous Grant Programs	CSBG Programs	IHWAP Fund	Regional Planning Commission Fund
ASSETS				
Cash	\$ 50,336	\$ 20,862	\$ 7,480	\$ 29,933
Property Taxes Receivable				
Intergovernmental Receivables:				
Federal Grants	7,924	31,508	82,474	
State Grants				
Motor Fuel Tax				
Other Receivables				
Due from Other Funds	<u>54,271</u>	<u>1,546</u>	<u>3,583</u>	<u></u>
Total Assets	\$ <u>112,531</u>	\$ <u>53,916</u>	\$ <u>93,537</u>	\$ <u>29,933</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ 14,750	\$ 4,839	\$ 57,648	\$ 16,232
Deferred Revenue	7,766	37,827	6,913	
Due to Other Funds	<u>13,029</u>	<u>11,250</u>	<u>28,976</u>	<u>5,308</u>
Total Liabilities	35,545	53,916	93,537	21,540
Fund Balance				
Unreserved, Reported In:				
Special Revenue Funds	<u>76,986</u>	<u>0</u>	<u>0</u>	<u>8,393</u>
Total Liabilities and Fund Balance	\$ <u>112,531</u>	\$ <u>53,916</u>	\$ <u>93,537</u>	\$ <u>29,933</u>

Animal Control Bequeath Fund	GIS Fund	County Clerk GIS Fund	State's Attorney Law Enforcement Fund	State's Attorney Fund	Capital Improvements Fund
\$ 56,466	\$ 84,229	\$ 10,607	\$ 3,351	\$ 26,377	\$ 233,958
				55,351	
				18,208	
<u>\$ 56,466</u>	<u>\$ 84,229</u>	<u>\$ 10,607</u>	<u>\$ 3,351</u>	<u>\$ 99,936</u>	<u>\$ 233,958</u>
\$	\$	\$	\$	\$	\$
				99,936	
0	0	0	0	99,936	0
<u>56,466</u>	<u>84,229</u>	<u>10,607</u>	<u>3,351</u>	<u>0</u>	<u>233,958</u>
<u>\$ 56,466</u>	<u>\$ 84,229</u>	<u>\$ 10,607</u>	<u>\$ 3,351</u>	<u>\$ 99,936</u>	<u>\$ 233,958</u>

MORGAN COUNTY, ILLINOIS  
NON MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
Year Ended August 31, 2010

	Total	County Recorders Fund	Animal Control Fund	General Assistance Fund
REVENUE				
Taxes	\$ 2,917,717	\$	\$	\$ 109
Intergovernmental:				
Federal	2,045,592			
State	648,485			
Local	52,911		42,911	
Licenses and Permits	670			
Fines and Forfeits	400,469		1,540	
Revenue from Services	728,637	20,751	60,869	15,000
Interest	31,486	39		505
Miscellaneous	152,973			
	<u>6,978,940</u>	<u>20,790</u>	<u>105,320</u>	<u>15,614</u>
Total Revenue				
EXPENDITURES				
Current:				
General Government	781,247	16,967		
Law and Judicial	1,426,231		120,337	
Health and Human Services	3,726,934			84,125
Transportation	974,298			
Capital Outlay	1,811,838		1,190	985
	<u>8,720,548</u>	<u>16,967</u>	<u>121,527</u>	<u>85,110</u>
Total Expenditures				
Revenue Over (Under) Expenditures	(1,741,608)	3,823	(16,207)	(69,496)
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	417,923		18,000	
	<u>(1,323,685)</u>	<u>3,823</u>	<u>1,793</u>	<u>(69,496)</u>
Net change in fund balances				
FUND BALANCE, BEGINNING	7,306,129	8,619	18	410,016
	<u>5,982,444</u>	<u>12,442</u>	<u>1,811</u>	<u>340,520</u>
FUND BALANCE, ENDING				

Tuberculosis Sanitarium Fund	Health Department Fund	Unemployment Savings Fund	Social Security Fund	Illinois Municipal Retirement Fund
\$ 100,415	\$ 315,257	\$	\$ 301,300	\$ 499,292
	564,334			
	311,096			68,317
2,935	185,799			
370	6,134	58	532	589
<u>103,720</u>	<u>1,382,620</u>	<u>58</u>	<u>301,832</u>	<u>568,198</u>
		6,542	71,853	218,725
		23,540	208,833	399,810
100,420	1,399,603	11,653	92,369	106,616
		4,795	40,160	46,644
	51,029			
<u>100,420</u>	<u>1,450,632</u>	<u>46,530</u>	<u>413,215</u>	<u>771,795</u>
3,300	(68,012)	(46,472)	(111,383)	(203,597)
<u>3,300</u>	<u>(68,012)</u>	<u>(46,472)</u>	<u>(111,383)</u>	<u>(203,597)</u>
142,434	843,913	62,454	510,443	753,871
<u>\$ 145,734</u>	<u>\$ 775,901</u>	<u>\$ 15,982</u>	<u>\$ 399,060</u>	<u>\$ 550,274</u>

MORGAN COUNTY, ILLINOIS  
NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)  
COMBINING STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
Year Ended August 31, 2010

	Vital Statistics Fund	Drug Fee Fund	Marriage Fund	Law Library Fund
REVENUE				
Taxes	\$	\$	\$	\$
Intergovernmental:				
Federal				
State				
Local				
Licenses and Permits			670	
Fines and Forfeits		6,591		24,850
Revenue from Services	5,996			
Interest	14	100	30	14
Miscellaneous				479
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	6,010	6,691	700	25,343
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Current:				
General Government	2,865		10	
Law and Judicial		7,337		23,980
Health and Human Services				
Transportation				
Capital Outlay				
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	2,865	7,337	10	23,980
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue Over (Under) Expenditures	3,145	(646)	690	1,363
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	3,145	(646)	690	1,363
FUND BALANCE, BEGINNING	3,142	28,161	9,124	3,497
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, ENDING	\$ 6,287	\$ 27,515	\$ 9,814	\$ 4,860
	<hr/>	<hr/>	<hr/>	<hr/>

Child Support Fund	Probation Office Fund	Court Automation Fund	Circuit Clerk Operating Fund	Drug Enforcement Fund
\$	\$	\$	\$	\$
22,183	45,243	69,090	4,653	2,089
275	182	268	4	79
	500			
<u>22,458</u>	<u>45,925</u>	<u>69,358</u>	<u>4,657</u>	<u>2,168</u>
36,726	37,198	66,256	3,500	5,474
	6,238	1,348		
<u>36,726</u>	<u>43,436</u>	<u>67,604</u>	<u>3,500</u>	<u>5,474</u>
(14,268)	2,489	1,754	1,157	(3,306)
(14,268)	2,489	1,754	1,157	(3,306)
62,291	55,641	196,172	4,219	14,264
<u>\$ 48,023</u>	<u>\$ 58,130</u>	<u>\$ 197,926</u>	<u>\$ 5,376</u>	<u>\$ 10,958</u>



MORGAN COUNTY, ILLINOIS  
NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)  
COMBINING STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
Year Ended August 31, 2010

	Court Document Storage Fund	911 Fee Fund	Police Vehicle Fund	Title IV-D (KIDS) Fund
REVENUE				
Taxes	\$	\$ 336,842	\$	\$
Intergovernmental:				
Federal				9,099
State				4,687
Local				
Licenses and Permits				
Fines and Forfeits			4,009	
Revenue from Services	69,276			
Interest	210	17,266		10
Miscellaneous				
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	69,486	354,108	4,009	13,796
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Current:				
General Government				
Law and Judicial	64,715			13,138
Health and Human Services		346,686		
Transportation				
Capital Outlay		108,922		
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	64,715	455,608	0	13,138
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue Over (Under) Expenditures	4,771	(101,500)	4,009	658
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	4,771	(101,500)	4,009	658
FUND BALANCE, BEGINNING	149,984	1,138,636	12,540	5,842
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, ENDING	\$ 154,755	\$ 1,037,136	\$ 16,549	\$ 6,500
	<hr/>	<hr/>	<hr/>	<hr/>

Highway Fund	Bridge Construction and Repair Fund	Marnico Special Service Fund	Aid Matching Fund	Cooperative Extension Fund
\$ 705,527	\$ 236,305	\$ 2,257	\$ 235,174	\$ 185,239
	13,472		1,560	
	10,000			
151,229				
884	129	29	1,985	
49,536				
<u>907,176</u>	<u>259,906</u>	<u>2,286</u>	<u>238,719</u>	<u>185,239</u>
				185,239
879,911		2,788		
229,153	210,242		131,776	
<u>1,109,064</u>	<u>210,242</u>	<u>2,788</u>	<u>131,776</u>	<u>185,239</u>
(201,888)	49,664	(502)	106,943	0
	(27,487)		27,487	
(201,888)	22,177	(502)	134,430	0
954,219	232,151	12,576	529,738	0
<u>\$ 752,331</u>	<u>\$ 254,328</u>	<u>\$ 12,074</u>	<u>\$ 664,168</u>	<u>\$ 0</u>

MORGAN COUNTY, ILLINOIS  
NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)  
COMBINING STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
Year Ended August 31, 2010

	Corporate and Miscel- laneous Grant Programs	CSBG Programs	IHWAP Fund	Regional Planning Commission Fund
REVENUE				
Taxes	\$	\$	\$	\$
Intergovernmental:				
Federal	226,148	251,529	979,450	
State	41,123		51,585	
Local				
Licenses and Permits				
Fines and Forfeits				
Revenue from Services				86,000
Interest			92	17
Miscellaneous	42,560			
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenue	<u>309,831</u>	<u>251,529</u>	<u>1,031,127</u>	<u>86,017</u>
EXPENDITURES				
Current:				
General Government				83,492
Law and Judicial				
Health and Human Services	311,212	289,356	984,894	
Transportation				
Capital Outlay				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>311,212</u>	<u>289,356</u>	<u>984,894</u>	<u>83,492</u>
Revenue Over (Under) Expenditures	(1,381)	(37,827)	46,233	2,525
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net change in fund balances	(1,381)	(37,827)	46,233	2,525
FUND BALANCE, BEGINNING	<u>78,367</u>	<u>37,827</u>	<u>(46,233)</u>	<u>5,868</u>
FUND BALANCE, ENDING	<u>\$ 76,986</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,393</u>

Animal Control Bequeath Fund	GIS Fund	County Clerk GIS Fund	State's Attorney Law Enforcement Fund	State's Attorney Fund	Capital Improvements Fund
\$	\$	\$	\$	\$	\$
				171,677	
				242,404	
834	101,453	5,942	1,204		
1,151	283	29		102	423
	56,557				2,190
<u>1,985</u>	<u>158,293</u>	<u>5,971</u>	<u>1,204</u>	<u>414,183</u>	<u>2,613</u>
12,942	193,554	2,000		402,445	
	649				1,070,306
<u>12,942</u>	<u>194,203</u>	<u>2,000</u>	<u>0</u>	<u>402,445</u>	<u>1,070,306</u>
(10,957)	(35,910)	3,971	1,204	11,738	(1,067,693)
				(11,738)	411,661
(10,957)	(35,910)	3,971	1,204	0	(656,032)
<u>67,423</u>	<u>120,139</u>	<u>6,636</u>	<u>2,147</u>	<u>0</u>	<u>889,990</u>
<u>\$ 56,466</u>	<u>\$ 84,229</u>	<u>\$ 10,607</u>	<u>\$ 3,351</u>	<u>\$ 0</u>	<u>\$ 233,958</u>

## MORGAN COUNTY, ILLINOIS

ALL AGENCY FUNDS  
COMBINING BALANCE SHEET

August 31, 2010

	Total	Tax Collector's Fund	Road District Motor Fuel Tax Allotment Fund	Inheritance Tax Fund
<b>ASSETS</b>				
Cash	\$ 11,386,887	\$ 10,299,827	\$ 566,350	\$ 265
Intergovernmental Receivables:				
Motor Fuel Tax	<u>77,814</u>	<u></u>	<u>77,814</u>	<u></u>
Total Assets	<u>\$ 11,464,701</u>	<u>\$ 10,299,827</u>	<u>\$ 644,164</u>	<u>\$ 265</u>
<b>LIABILITIES</b>				
Intergovernmental Payables:				
Accounts Payable	\$ 141,664	\$	\$ 141,664	\$
Funds Available for Distribution	<u>11,323,037</u>	<u>10,299,827</u>	<u>502,500</u>	<u>265</u>
Total Liabilities	<u>11,464,701</u>	<u>10,299,827</u>	<u>644,164</u>	<u>265</u>
NET ASSETS	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Trust Fund	Circuit Clerk Bond Fund	Tax Sale Indemnity Fund	Road District Bridge Fund
\$ 18,733	\$ 250,337	\$ 174,200	\$ 15,159
<u>18,733</u>	<u>250,337</u>	<u>174,200</u>	<u>15,159</u>
\$ <u>18,733</u>	\$ <u>250,337</u>	\$ <u>174,200</u>	\$ <u>15,159</u>
\$	\$	\$	\$
<u>18,733</u>	<u>250,337</u>	<u>174,200</u>	<u>15,159</u>
<u>18,733</u>	<u>250,337</u>	<u>174,200</u>	<u>15,159</u>
\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

## MORGAN COUNTY, ILLINOIS

ALL AGENCY FUNDS  
COMBINING BALANCE SHEET

August 31, 2010

	Trustee Fund	Sheriff Bond Fund	MCS Revolving Loan Fund	Health Benefit Fund
<b>ASSETS</b>				
Cash	\$ 12,972	\$ 777	\$ 27,470	\$ 20,797
Intergovernmental Receivables: Motor Fuel Tax				
Total Assets	<u>\$ 12,972</u>	<u>\$ 777</u>	<u>\$ 27,470</u>	<u>\$ 20,797</u>
<b>LIABILITIES</b>				
Intergovernmental Payables: Accounts Payable	\$	\$	\$	\$
Funds Available for Distribution	<u>12,972</u>	<u>777</u>	<u>27,470</u>	<u>20,797</u>
Total Liabilities	<u>12,972</u>	<u>777</u>	<u>27,470</u>	<u>20,797</u>
NET ASSETS	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>





MORGAN COUNTY, ILLINOIS

ALL AGENCY FUNDS  
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUNDS AVAILABLE FOR DISTRIBUTION

Year Ended August 31, 2010

	Funds Available For Distribution Beginning Of Year	Receipts	Disbursements	Funds Available For Distribution End Of Year
Tax Collector's Fund	\$ 5,427,486	\$ 41,428,496	\$ 36,556,155	\$ 10,299,827
Road District Motor Fuel				
Tax Allotment Fund	482,494	1,184,727	1,164,721	502,500
Inheritance Tax Fund	2,336	48,833	50,904	265
Trust Fund	18,825	7,882	7,974	18,733
Circuit Clerk Bond Fund	296,047	1,622,066	1,667,776	250,337
Tax Sale Indemnity Fund	252,638	11,562	90,000	174,200
Road District Bridge Fund	15,146	80,033	80,020	15,159
Trustee Escrow Fund	609	0	609	0
Trustee Fund	14,466	45	1,539	12,972
Sheriff Bond Fund	750	141,089	141,062	777
MCS Revolving Loan Fund	27,434	36	0	27,470
Health Benefit Fund	63,783	1,142,704	1,185,690	20,797
	<u>\$ 6,602,014</u>	<u>\$ 45,667,473</u>	<u>\$ 40,946,450</u>	<u>\$ 11,323,037</u>



## MORGAN COUNTY, ILLINOIS

## SCHEDULE OF EQUALIZED ASSESSED VALUATIONS AND TAX EXTENSIONS

August 31, 2010

	2009	2008	2007
<b>EQUALIZED ASSESSED VALUATIONS</b>			
Residential	\$ 267,725,948	\$ 262,998,535	\$ 253,742,028
Farm	90,833,396	85,370,865	81,138,941
Commercial	87,478,348	83,438,540	77,900,429
Industrial	34,916,907	34,474,654	32,586,058
Railroads	<u>6,716,761</u>	<u>5,572,411</u>	<u>4,869,726</u>
Total Equalized Assessed Valuations	<u>\$ 487,671,360</u>	<u>\$ 471,855,005</u>	<u>\$ 450,237,182</u>
<b>TAX EXTENSIONS</b>			
County Totals	\$ 4,834,578	\$ 4,695,240	\$ 4,506,423
School Districts	21,961,908	21,197,075	20,011,288
Junior College Districts	2,217,011	2,153,568	2,077,128
Cities and Villages	5,100,704	4,991,919	4,679,154
Road Districts	1,858,825	1,819,774	1,746,550
Airport Authority	125,869	120,908	116,132
Fire Protection Districts	160,625	160,014	152,983
Tax Increment Financing Districts	482,660	482,173	383,873
Special Districts	79,283	80,833	79,245
Library Districts	<u>64,492</u>	<u>60,742</u>	<u>58,527</u>
Total Tax Extensions	<u>\$ 36,885,955</u>	<u>\$ 35,762,246</u>	<u>\$ 33,811,303</u>



## MORGAN COUNTY, ILLINOIS

SCHEDULE OF EQUALIZED ASSESSED VALUATIONS, TAX LEVIES,  
RATES, EXTENSIONS AND COLLECTIONS

August 31, 2010

	2009	2008	2007
TAX LEVIES			
General	\$ 2,258,380	\$ 2,080,000	\$ 1,983,370
Illinois Municipal Retirement	500,000	400,000	400,000
Highway	705,000	705,000	670,000
Bridge	236,000	235,000	220,000
Aid Matching	235,000	235,000	220,000
Health	315,000	315,000	310,000
Extension Education	185,000	185,000	182,500
General Assistance	-	10,000	-
Tuberculosis	100,000	130,000	120,263
Social Security	300,000	400,000	400,000
	<u>          </u>	<u>          </u>	<u>          </u>
Total	\$ <u>4,834,380</u>	\$ <u>4,695,000</u>	\$ <u>4,506,133</u>

TAX RATES	MAX			
General	As Needed	0.46310	0.44082	0.44052
Illinois Municipal Retirement	As Needed	0.10253	0.08478	0.08885
Highway	0.20000	0.14457	0.14941	0.14882
Bridge	0.25000	0.04840	0.04981	0.04887
Aid Matching	0.05000	0.04819	0.04981	0.04887
Health	0.10000	0.06460	0.06676	0.06886
Extension Education	0.05000	0.03794	0.03921	0.04054
General Assistance	0.10000	-	0.00212	-
Tuberculosis	0.07500	0.02051	0.02756	0.02672
Social Security	As Needed	0.06152	0.08478	0.08885
		<u>          </u>	<u>          </u>	<u>          </u>
Total		<u>0.99136</u>	<u>0.99506</u>	<u>1.00090</u>

	2009	2008	2007
TAX EXTENSIONS			
General	\$ 2,258,406	\$ 2,080,031	\$ 1,983,385
Illinois Municipal Retirement	500,009	400,039	400,035
Highway	705,026	704,999	670,043
Bridge	236,033	235,031	220,031
Aid Matching	235,009	235,031	220,031
Health	315,036	315,010	310,033
Extension Education	185,023	185,014	182,526
General Assistance	-	10,003	-
Tuberculosis	100,021	130,043	120,303
Social Security	<u>300,015</u>	<u>400,039</u>	<u>400,036</u>
Total	\$ <u>4,834,578</u>	\$ <u>4,695,240</u>	\$ <u>4,506,423</u>

#### TAX COLLECTIONS

General	\$ 1,020,422	\$ 2,081,502	\$ 1,983,254
Illinois Municipal Retirement	225,922	400,323	400,008
Highway	318,555	705,499	669,998
Bridge	106,648	235,196	220,016
Aid Matching	106,185	235,196	220,016
Health	142,344	315,232	310,013
Extension Education	83,600	185,147	182,516
General Assistance	-	10,013	-
Tuberculosis	45,194	130,136	120,295
Social Security	<u>135,557</u>	<u>400,323</u>	<u>400,008</u>
Total	\$ <u>2,184,427</u>	\$ <u>4,698,567</u>	\$ <u>4,506,124</u>

#### EQUALIZED ASSESSED VALUATIONS

\$ <u>487,671,360</u>	\$ <u>471,855,005</u>	\$ <u>450,237,182</u>
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MORGAN COUNTY, ILLINOIS  
FEDERAL SINGLE AUDIT REPORT

August 31, 2010

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• MEMBERS •  
ILLINOIS SOCIETY OF CPA  
AMERICAN INSTITUTE OF CPA

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

Members of the County Board  
Morgan County, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morgan County, Illinois as of and for the year ended August 31, 2010, which collectively comprise Morgan County, Illinois' basic financial statements and have issued our report thereon dated January 24, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

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

This report is intended solely for the information of the board, management, and appropriate federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Spent the summer 1 Foot & Fly on

January 24, 2011



ZUMBAHLEN, EYTH, SURRATT, FOOTE & FLYNN, LTD.  
Certified Public Accountants

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• MEMBERS •  
ILLINOIS SOCIETY OF CPA  
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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE  
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133

Members of the County Board  
Morgan County, Illinois

**Compliance**

We have audited Morgan County, Illinois' compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Morgan County, Illinois' major federal programs for the year ended August 31, 2010. Morgan County, Illinois' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Morgan County, Illinois' management. Our responsibility is to express an opinion on Morgan County, Illinois' compliance based on our audit.

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

In our opinion, Morgan County, Illinois complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2010.

## **Internal Control Over Compliance**

Management of Morgan County, Illinois is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Morgan County, Illinois' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Morgan County, Illinois' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Morgan County, Illinois as of and for the year ended August 31, 2010, and have issued our report thereon dated January 24, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Morgan County, Illinois' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the board, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Guaranteed, Muz, Summit from HFLY in W*

January 24, 2010

MORGAN COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of Morgan County, Illinois.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*.
3. No instances of noncompliance material to the general purpose financial statements of Morgan County, Illinois were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the *Report on Compliance With Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for Morgan County, Illinois expresses an unqualified opinion.
6. The audit of the major federal award programs of Morgan County, Illinois did not disclose any audit findings relating to major programs that are required to be reported.
7. The programs tested as major programs include: Department of Health and Human Services, Low Income Energy Assistance CFDA #93.568, Department of Health and Human Services, Illinois Home Weatherization Assistance CFDA #93.568, Department of Energy, Weatherization Assistance for Low-Income Persons CFDA #81.042, and USDA WIC Nutrition Program CFDA #10.557.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Morgan County, Illinois, was not determined to be a low-risk auditee.
10. Morgan County, Illinois had no audit findings from prior year.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT REPORTABLE CONDITIONS

NONE

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS AUDIT

NONE



MORGAN COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2010

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Pass-Through Grantors Numbers
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Programs		
Special Needs Assistance-2010	14.235	IL0346B5T190801
Special Needs Assistance-2011	14.235	IL0346B5T190802
<b>Subtotal CFDA 14.235</b>		
FEDERAL FUNDS PASSED THROUGH ILLINOIS		
DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY		
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Community Services Block		
Grant Programs:		
EHP	93.569	10-231037
EHP	93.569	09-231037
<b>Subtotal CFDA 93.569</b>		
CSGB-ARRA	93.710	2009
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Homelessness Prevention & Rapid		
Re-Housing - ARRA	14.257	09-261062
FEDERAL FUNDS PASSED THROUGH ILLINOIS		
DEPARTMENT OF PUBLIC HEALTH		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Bioterrorism	93.069	107181066
Bioterrorism	93.069	117181066
Public Health Emerg. Response - Pandemic	93.069	107181188
Public Health Emerg. Response - H1N1	93.069	107181283
<b>Subtotal CFDA 93.069</b>		

Revenue Recognized	Expenditures
\$ 31,548	\$ 32,353
<u>23,776</u>	<u>23,776</u>
<b>55,324</b>	<b>56,129</b>

\$ 65,463	\$ 65,463
<u>42,073</u>	<u>64,926</u>
<b>107,536</b>	<b>130,389</b>

\$ 143,993	\$ 158,827
------------	------------

\$ 170,824	\$ 170,824
------------	------------

\$ 44,494	\$ 44,494
3,104	3,104
45,561	45,561
<u>81,109</u>	<u>81,109</u>
<b>174,268</b>	<b>174,268</b>



MORGAN COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended August 31, 2010

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE		Federal CFDA Number	Pass-Through Grantors Numbers
FEDERAL FUNDS PASSED THROUGH ILLINOIS			
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Low Income Energy Assistance Program:			
LIHEAP	*	93.568	10-22437
Home Weatherization Assistance Program:			
IHWAP	*	93.568	10-22137
<b>Subtotal CFDA 93.568</b>			
Child Support Enforcement Program		93.563	08KCC000068
Child Support Enforcement Program		93.563	2011
<b>Subtotal CFDA 93.563</b>			
Medicaid		93.778	
DEPARTMENT OF ENERGY			
Home Weatherization Assistance Program:			
DOE	*	81.042	10-40137
DOE-ARRA	*	81.042	2010
<b>Subtotal CFDA 81.042</b>			
FEDERAL FUNDS PASSED THROUGH ILLINOIS			
EMERGENCY MANAGEMENT AGENCY			
Emergency Management Preparedness			
Grant		97.042	497-58830-4400

Revenue Recognized	Expenditures
\$ 1,101,661	\$ 1,101,661
\$ <u>165,347</u>	\$ <u>165,347</u>
<b>1,267,008</b>	<b>1,267,008</b>
\$ 6,324	\$ 6,324
<u>2,775</u>	<u>2,775</u>
<b>9,099</b>	<b>9,099</b>
\$ <b>141,349</b>	\$ <b>141,349</b>
\$ 100,515	\$ 109,337
<u>713,588</u>	<u>713,588</u>
<b>814,103</b>	<b>822,925</b>
\$ <b>26,029</b>	\$ <b>26,029</b>

MORGAN COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended August 31, 2010

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE		Federal CFDA Number	Pass-Through Grantors Numbers
FEDERAL FUNDS PASSED THROUGH ILLINOIS DEPARTMENT OF HUMAN SERVICES			
DEPARTMENT OF AGRICULTURE			
WIC Admin	*	10.557	L11GL359900
WIC Admin	*	10.557	M11GM359900
WIC Supplemental Nutrition	*	10.557	L11GL359900
<b>Subtotal CFDA 10.557</b>			
USDA WIC Farmers Market Nutrition Program		10.572	M11GM359920
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Title X Family Planning		93.217	L11GL359350
Title X Family Planning		93.217	M11GM359350
<b>Subtotal CFDA 93.217</b>			
Title XX Block Grant - Teen Preg. Prev.		93.667	L11GL359230
Title XX Block Grant - Teen Preg. Prev.		93.667	M11GM359230
Title XX Block Grant - Family Planning		93.667	L11GL359000
<b>Subtotal CFDA 93.667</b>			
MCH Block Grant - Teen Preg. Prev.		93.994	L11GL359230

**Total**

\* Major Programs

Revenue Recognized	Expenditures
\$ 98,431	\$ 98,431
28,918	28,918
<u>387,473</u>	<u>387,473</u>
<b>514,822</b>	<b>514,822</b>
\$ 1,000	\$ 1,000
\$ 43,805	\$ 43,805
<u>22,336</u>	<u>22,336</u>
<b>66,141</b>	<b>66,141</b>
\$ 19,710	\$ 19,710
1,545	1,545
<u>31,300</u>	<u>31,300</u>
<b>52,555</b>	<b>52,555</b>
\$ 1,672	\$ 1,672
<u><b>\$ 3,545,723</b></u>	<u><b>\$ 3,593,037</b></u>

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

August 31, 2010

**Note 1 – Summary of Significant Accounting Policies**

## General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Morgan County, Illinois. The County's reporting entity is defined in Note 1 to the County's financial statements. Federal awards passed through other government agencies are included on the schedule.

## Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

## Relationship to Basic Financial Statements

Federal awards received are reflected in the County's financial statements as revenue from federal sources.

**Note 2 – Non-Cash Assistance**

The County Health Department received non-cash assistance for Special Supplemental Nutrition program for Women, Infant and Children (WIC). The dollar value WIC Food Instruments redemptions for WIC Food benefit issued by the Health Department was \$387,473. The CFDA # for the program is 10.557.

**Note 3 – Reconciliation of Financial Statement Federal Revenues to Schedule of Expenditures of Federal Awards**

Federal Revenues Per Financial Statements	\$	3,173,282
Non-Cash Assistance Not Included in Financial Statements		387,473
Federal Highway Grants Paid on Behalf of the County, Reported at the State Level		(15,032)
Federal Revenues Per Schedule of Expenditures of Federal Awards	\$	<u>3,545,723</u>

**Note 4 – Payments to Sub-recipients**

Of the \$29,029 Emergency Preparedness Grant that was received, \$19,342 was passed on to the City of Jacksonville, Illinois and \$240 was passed on to the Village of South Jacksonville, Illinois.

MORGAN COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

August 31, 2010

**Note 5 – Federal Insurance**

Morgan County, Illinois had no Federal insurance in effect during the year ended August 31, 2010.

**Note 6 – Federal Loans/Loan Guarantees**

Morgan County, Illinois had no Federal loans or Federal loan guarantees outstanding as of August 31, 2010.