FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

JACKSON COUNTY, ILLINOIS

FISCAL YEAR ENDED NOVEMBER 30, 2010

JACKSON COUNTY, ILLINOIS

FISCAL YEAR ENDED NOVEMBER 30, 2010

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JACKSON COUNTY, ILLINOIS

FISCAL YEAR ENDED NOVEMBER 30, 2010

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INTRODUCTORY SECTION

OFFICE OF COUNTY BOARD
JACKSON COUNTY, ILLINOIS

November 30, 2010

To the Chairman of the Jackson County Board, Members of the Jackson County Board, Elected Officeholders of Jackson County, and Citizens of Jackson County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Jackson County for the fiscal year ended November 30, 2009.

This report consists of management's representations concerning the finances of Jackson County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Jackson County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Jackson County's financial statements in conformity with GAAP. Because of the cost of internal controls should not outweigh their benefits, Jackson County's comprehensive framework of internal controls has been designed to provide reasonable rather that absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Jackson County's financial statements have been audited by Kerber, Eck & Braeckel, and a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Jackson County for the fiscal year ended November 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Jackson County's financial statements for the fiscal year ended November 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Jackson County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

JACKSON COUNTY COURTHOUSE • 1001 WALNUT STREET • MURPHYSBORO, ILLINOIS 62966 • TELEPHONE 618-687-7240

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A. Jackson County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Jackson County, incorporated January 10, 1816, is located in the southwestern part of the State of Illinois. Jackson County currently occupies a land area of 588 square miles and serves a population of 59,627 (2000 census). Jackson County is empowered to levy a property tax on real property located within its boundaries.

Jackson County operates under the county board form of government. Policy-making and legislative authority are vested in the county board consisting of fourteen members, two members representing each of the counties seven districts. The county board is responsible, among other things, for passing resolutions/ordinances, adopting the budget, and appointing committees. Board members serve four-year staggered terms, with seven county board members elected every two years.

Jackson County consists of the following publicly elected constitutional offices: County Clerk & Recorder, County Coroner, County Treasurer, Circuit Clerk, Sheriff, State's Attorney, and Superintendent of Schools. Jackson County provides a full range of services, including: animal & rabies control; supervisor of assessments and board of review; the construction of roads, bridges, and other infrastructure; emergency & disaster services; ambulance service; health department; and a rehab and care center.

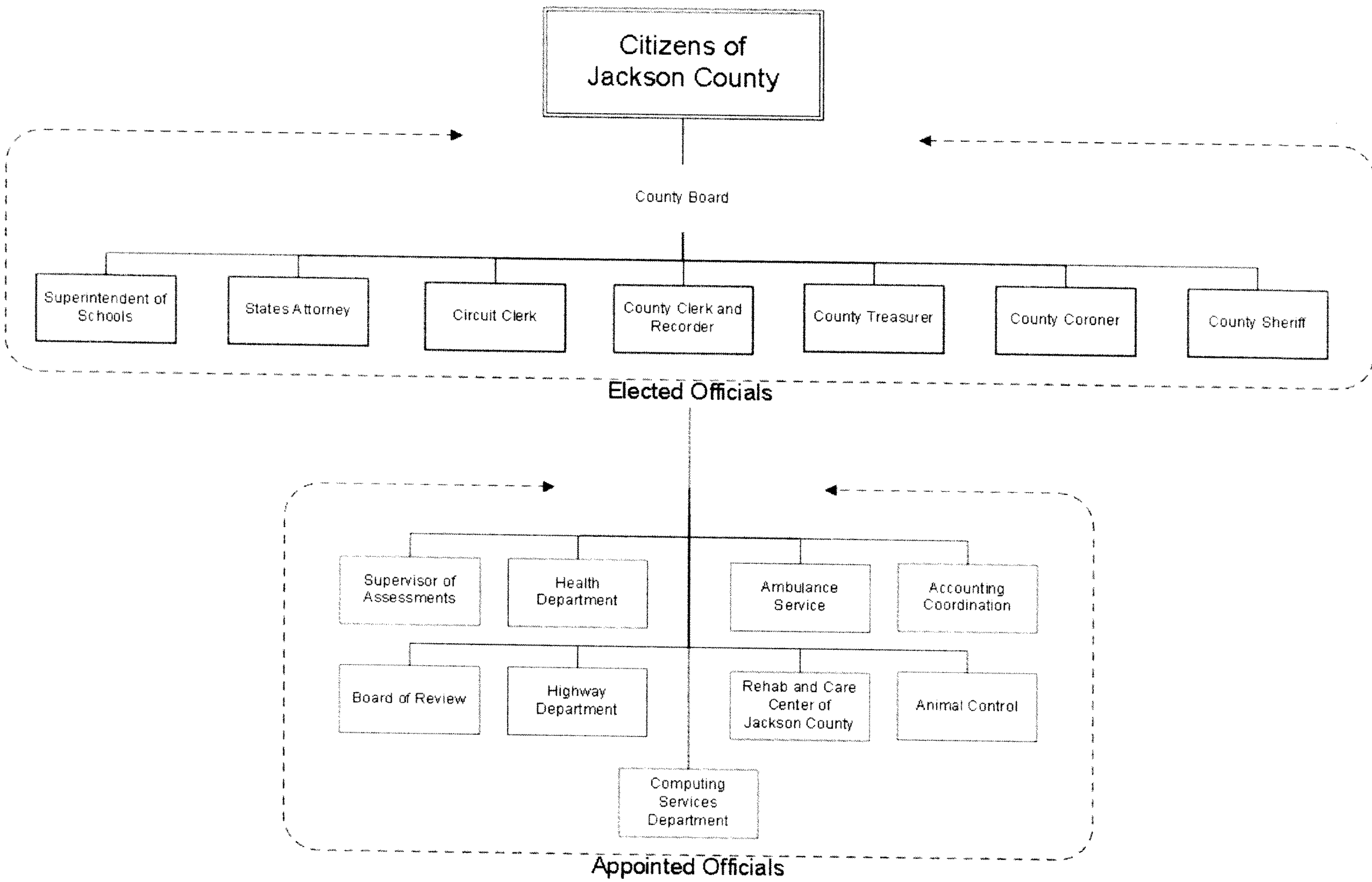
The annual budget serves as the foundation for Jackson County's financial planning and control. All departments and agencies of Jackson County are required to submit requests for appropriation to the accounting coordinator upon request of the Finance Committee in August of each year. The accounting coordinator uses these requests as the starting point for developing a proposed budget. The accounting coordinator then presents this proposed budget to the Finance Committee for review. The Finance Committee and accounting coordinator hold budget meetings with all elected officeholders and department heads. The county board is required to hold a special board meeting on the proposed budget and to adopt a final budget by no later that November 30, the close of Jackson County's fiscal year. The appropriated budget is prepared by fund (e.g. county general), and department (e.g. Sheriff's Department). Elected Officeholders and department heads may request adjustments to the final budget, however, the adjustments require approval of the Finance Committee and the full Jackson County Board. Budget-to-actual comparisons are provided to all elected office holders and department heads monthly, as well as in this report for which an appropriated annual budget has been adopted.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the Accounting Coordinator, Jackson County Treasurer's Office, Jackson County Ambulance Service, Jackson County Health Department, Jackson County Highway Department, and the Rehab & Care Center of Jackson County. I would like to express my appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Chairman of the Jackson County Board and the Jackson County Board members for their unfailing support for maintaining the highest standards of professionalism in the management of Jackson County's finances.

Respectfully submitted,

William W. Alstat
Finance Committee Chairman
Jackson County Board


Citizens of Jackson County
County Board
Superintendent of Schools
States Attorney
Circuit Clerk
County Clerk and Recorder
County Treasurer
County Coroner
County Sheriff
Elected Officials
Supervisor of Assessments
Health Department
Ambulance Service
Accounting Coordination
Board of Review
Highway Department
Rehab and Care Center of Jackson County
Animal Control
Computing Services Department
Appointed Officials

JACKSON COUNTY, ILLINOIS
LIST OF ELECTED OFFICIALS
NOVEMBER 30, 2010

JACKSON COUNTY ELECTED OFFICIALS

County Clerk & Recorder	Larry Reinhardt
Circuit Clerk	Cindy Svanda
Treasurer	Shirley Booker
Sheriff	Robert Burns
State's Attorney	Michael Wepsiec
Regional Superintendent of Schools	Donna Boros
Coroner	Thomas Kupferer

JACKSON COUNTY BOARD MEMBERS

District 1	William Alstat
	Orval Rowe
District 2	Dan Bost
	Mark Holt
District 3	Frank Puttman
	Mary Korando
District 4	Darnecea Moultrie
	Bob Lorinskas
District 5	Don Barrett
	John Rendleman
District 6	Gerald Compton
	Tom Redmond
District 7	John Evans
	Allen Cissell

JACKSON COUNTY APPOINTED OFFICIALS

Ambulance Service Director	Dottie Miles
Animal Control Officer	Lloyd Nelson
Board of Review	Jim Pribble
	Kenneth Jarrett
	John Vallino
Emergency & Disaster Services	Derek Misener
Health Department Administrator	Miriam Link-Mullison
Highway Engineer	Grant Guthman
Rehab & Care Center Administrator	Merle Taylor
Supervisor of Assessments	Maureen Berkowitz

FINANCIAL SECTION

Management's Discussion and Analysis

As management of Jackson County, we offer readers of Jackson County's financial statements this narrative overview and analysis of the financial activities of Jackson County for the fiscal year ended November 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Jackson County borrowed $2,170,000 from its Solid Waste Management program in fiscal year 2009 with the intent to repay half in fiscal year 2010 and the remaining half in fiscal year 2011. The county postponed the repayment plan by a year as a result of a reduction in revenue sources and the untimely reimbursements from the state.
- Jackson County transferred $1,005,000 to its partially self-funded health insurance account due to the unanticipated amount of claims incurred.
- Jackson County researched the viability of utilizing Recovery Zone Economic Development Bonds, and Build America Bonds for various county capital projects.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Jackson County's basic financial statements. Jackson County's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains federal financial assistance information in addition to the basic financial statement themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Jackson County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Jackson County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Jackson County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Both of the government-wide financial statements distinguish functions of Jackson County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Jackson County include general government, public safety, roads and bridges, and solid waste. The business-type activities of Jackson County include a rehab & care center and ambulance service.

The government-wide financial statements include not only Jackson County itself (known as the primary government), but also a legally separate health department, tuberculosis department, and mental health (708) department for which Jackson County is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund Financial Statements

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

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Jackson County maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

Jackson County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

Proprietary funds

Jackson County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Jackson County uses enterprise funds to account for its ambulance services and for its rehab and care center.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the ambulance service and for the rehab and care center, both of which are considered to be major funds of Jackson County.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

Fiduciary funds

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

The basic fiduciary fund financial statements can be found on page 20 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 21-42 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents all federal financial assistance awarded to Jackson County.

The required supplementary information can be found on pages of 43-45 of this report.

Requests for Information

This financial report is designed to provide a general overview of Jackson County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Board: Accounting Coordinator, 1001 Walnut Street, Jackson County Courthouse, Murphysboro, Illinois, 62966, or by calling 618-687-7241.

Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

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INDEPENDENT AUDITORS' REPORT

Jackson County Board
Courthouse
Murphysboro, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Illinois as of and for the year ended November 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jackson 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 general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Illinois as of November 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 19, 2011 on our consideration of the Jackson County, Illinois' internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 8 and 43 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers

Other Locations
Belleville, IL • Springfield, IL • Jacksonville, IL • Cape Girardeau, MO • St. Louis, MO • Milwaukee, WI

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson County, Illinois financial statements as a whole. The introductory section and combing and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and , accordingly, we do not express an opinion or provide any assurance on them.

Kerber, Eck & Braeckel LLP

Carbondale, Illinois
May 19, 2011

BASIC FINANCIAL STATEMENTS

JACKSON COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
NOVEMBER 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Total
Assets:				
Cash	$ 6,455,011	$ 2,101,664	$ 8,556,675	$ 1,096,570
Investments	-	-	-	21,615
Accounts receivable:				
Consumers	-	2,089,415	2,089,415	-
Other governmental units and agencies	2,126,743	-	2,126,743	936,081
Property taxes	5,110,663	1,586,641	6,697,304	965,544
Other receivables	-	-	-	1
Due from other funds	2,273,779	8,189	2,281,968	5,426
Due from others	66,124	-	66,124	-
Due from agencies	40,220	-	40,220	-
Prepayments	-	9,055	9,055	9,541
Inventories	-	61,337	61,337	111,897
Restricted assets:				
Cash	3,774,953	-	3,774,953	-
Investments	101,002	-	101,002	-
Accounts receivable:				
Property taxes	2,499,282	-	2,499,282	-
Capital assets, net	22,160,973	2,114,804	24,275,777	1,419,335
Total Assets	44,608,750	7,971,105	52,579,855	4,566,010
Liabilities:				
Accounts payable	679,879	265,716	945,595	56,408
Accrued payroll	162,661	350,038	512,699	71,739
Current portion - compensated absences	559,345	286,259	845,604	94,739
Current portion - notes payable	62,091	-	62,091	33,115
Due to other funds	2,209,734	72,612	2,282,346	5,048
Due to others	-	353,235	353,235	-
Due to agencies	1,180	-	1,180	-
Deferred revenue	5,057,076	1,644,205	6,701,281	988,693
Restricted liabilities				
Accounts payable	14,432	-	14,432	-
Deferred revenue	2,270,344	-	2,270,344	-
Due to others	261,381	-	261,381	-
Noncurrent liabilities:				
Compensated absences	1,271,534	-	1,271,534	85,033
Notes payable	216,719	-	216,719	52,095
Net OPEB obligation	699,584	-	699,584	-
Total Liabilities	13,465,960	2,972,065	16,438,025	1,386,870
NET ASSETS				
Invested in capital assets, net of related debt	21,882,163	2,114,804	23,996,967	1,333,679
Restricted assets	3,829,080	-	3,829,080	-
Designated	7,096,089	-	7,096,089	-
Unrestricted	(1,664,542)	2,884,236	1,219,694	1,845,461
Total Net Assets	$ 31,142,790	$ 4,999,040	$ 36,141,830	$ 3,179,140

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
					Primary Government			
Functions/Programs	Expenses	Service Charges, Permits, and Fees	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Primary government:								
Governmental activities:								
General government	$ 8,728,488	$ 2,447,574	$ 129,825	$ -	$ (6,151,089)	$ -	$ (6,151,089)	$ -
Public Works	4,160,343	-	732,565	-	(3,427,778)	-	(3,427,778)	-
Public Safety	5,747,874	496,655	255,866	3,046,728	(1,948,625)	-	(1,948,625)	-
Interest on long term debt	23,279	-	-	-	(23,279)	-	(23,279)	-
Total governmental activities	18,659,984	2,944,229	1,118,256	3,046,728	(11,550,771)	-	(11,550,771)	-
Business-Type activities:								
Rehab & Care	8,869,265	7,127,849	-	-	-	(1,741,416)	(1,741,416)	-
Ambulance	3,459,707	2,456,753	-	-	-	(1,002,954)	(1,002,954)	-
Total Business-Type activities	12,328,972	9,584,602	-	-	-	(2,744,370)	(2,744,370)	-
Total Primary Government	$ 30,988,956	$ 12,528,831	$ 1,118,256	$ 3,046,728	-	-	-	-
Component Units:								
Health Department	$ 3,680,380	$ 760,301	$ 2,447,243	$ -	-	-	-	(472,836)
Tuberculosis	61,879	-	-	-	-	-	-	(61,879)
Mental Health 708 Board	225,137	-	-	-	-	-	-	(225,137)
Total Component Units	$ 3,967,396	$ 760,301	$ 2,447,243	$ -	-	-	-	(759,852)
General Revenues:								
Taxes:								
General property taxes					4,864,901	1,417,876	6,282,777	799,504
Property taxes, restricted					2,036,213	217,128	2,253,341	86,872
Sales and service taxes					2,097,579	-	2,097,579	-
Motor fuel tax					926,114	-	926,114	-
State Income Tax					1,542,928	-	1,542,928	-
Replacement Tax					641,072	-	641,072	-
Inheritance Tax					810	-	810	-
Local Use Tax					253,409	-	253,409	-
County Hotel Tax					7,870	-	7,870	-
Investment earnings					21,621	4,976	26,597	1,505
State grant					-	-	-	-
Miscellaneous					90,489	60,931	151,420	1,587
Total general revenues					12,483,006	1,700,911	14,183,917	889,468
Change in net assets					932,235	(1,043,459)	(111,224)	129,616
Net assets - beginning					30,210,555	6,042,499	36,253,054	3,049,524
Net assets - ending					$ 31,142,790	$ 4,999,040	$ 36,141,830	$ 3,179,140

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
NOVEMBER 30, 2010

	General Fund	County Highway Fund	Solid Waste Management Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 347,719	$ 968,386	$ 1,219,628	$ 3,919,278	$ 6,455,011
Accounts receivable:					
Other governmental units and agencies	1,518,196	164,874	-	443,673	2,126,743
Property taxes	4,359,515	751,148	-	-	5,110,663
Due from other funds	99,607	4,172	2,170,000	-	2,273,779
Due from others	1,840	-	64,284	-	66,124
Due from agencies	-	16,683	-	23,537	40,220
Prepayments	-	-	-	-	-
Restricted assets					
Cash	3,774,953	-	-	-	3,774,953
Investments	101,002	-	-	-	101,002
Accounts receivable:					
Property taxes	2,499,282	-	-	-	2,499,282
Total Assets	$ 12,702,114	$ 1,905,263	$ 3,453,912	$ 4,386,488	$ 22,447,777
LIABILITIES					
Liabilities:					
Accounts payable	$ 320,254	$ 40,498	$ -	$ 319,127	$ 679,879
Accrued payroll	155,683	6,978	-	-	162,661
Compensated absences	481,298	78,047	-	-	559,345
Due to other funds	2,174,473	13,077	22,142	42	2,209,734
Due to agencies	-	-	-	1,180	1,180
Deferred revenue	3,971,576	682,500	-	403,000	5,057,076
Restricted liabilities					
Accounts payable	14,432	-	-	-	14,432
Deferred revenue	2,270,344	-	-	-	2,270,344
Due to others	261,381	-	-	-	261,381
Total liabilities	9,649,441	821,100	22,142	723,349	11,216,032
Fund Balances:					
Reserved for:					
Restricted assets	3,829,080	-	-	-	3,829,080
Debt service	-	-	-	(1,180)	(1,180)
Designated	-		3,431,770	3,664,319	7,096,089
Unreserved, undesignated	(776,407)	1,084,163	-	-	307,756
Total fund balances	3,052,673	1,084,163	3,431,770	3,663,139	11,231,745
Total Liabilities and Fund Balances	$ 12,702,114	$ 1,905,263	$ 3,453,912	$ 4,386,488	$ 22,447,777

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
NOVEMBER 30, 2010

Total fund balances for governmental funds		$ 11,231,745
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Construction in progress	4,670,749	
Land	150,000	
Land improvements, net of $104,929 accumulated depreciation	447	
Buildings, net of $4,167,929 accumulated depreciation	3,416,225	
Building improvements, net of $537,370 accumulated depreciation	510,238	
Fixed equipment, net of $221,010 accumulated depreciation	48,137	
Major movable equipment, net of $1,322,995 accumulated depreciation	195,796	
Vehicles, net of $2,153,966 accumulated depreciation	276,935	
Computers, net of $922,640 accumulated depreciation	23,826	
Infrastructure, net of $4,273,527 accumulated depreciation	12,868,620	
Total capital assets		22,160,973
The OPEB obligation resulting from contributions less than the annual required contribution are not financial liabilities and, therefore, are not reported in the funds.		(699,584)
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. Long-term liabilities consist of:		
Notes payable	(278,810)	
Compensated absences	(1,271,534)	
Total long-term liabilities		(1,550,344)
Total net assets of governmental activities		$ 31,142,790

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

	General Fund	County Highway Fund	Solid Waste Management Fund	Other Governmental Funds	Total Governmental Funds
Revenues - Unrestricted Funds:					
General property taxes	$ 3,842,172	$ 642,186	$ -	$ 380,543	$ 4,864,901
Sales and service taxes	2,097,579	-	-	-	2,097,579
Intergovernmental revenue	2,814,296	2,296,728	-	1,977,434	7,088,458
Use of money and property	6,377	867	1,544	7,002	15,790
Service charges, permits and fees	2,071,648	-	-	-	2,071,648
Sanitation fees	-	-	431,245	-	431,245
Other revenue	-	95,255	-	4,749	100,004
Total Unrestricted Fund Revenues	10,832,072	3,035,036	432,789	2,369,728	16,669,625
Expenditures - Unrestricted Funds					
Current:					
General government	5,547,574	-	-	-	5,547,574
Public safety	5,508,300	-	-	-	5,508,300
Public health	-	-	451,550	-	451,550
Public works	-	1,403,402	-	342,500	1,745,902
Capital improvements	-	2,179,040	-	2,995,462	5,174,502
Debt Service	-	-	-	80,896	80,896
Total Unrestricted Fund Expenditures	11,055,874	3,582,442	451,550	3,418,858	18,508,724
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	(223,802)	(547,406)	(18,761)	(1,049,130)	(1,839,099)
Revenues - Restricted Funds:					
General property taxes	2,036,213	-	-	-	2,036,213
Other revenues	886,381	-	-	-	886,381
Total Restricted Fund Revenues	2,922,594	-	-	-	2,922,594
Expenditures - Restricted Funds:					
General property taxes:	2,232,250	-	-	-	2,232,250
Other expenditures	845,788	-	-	-	845,788
Total Restricted Fund Expenditures	3,078,038	-	-	-	3,078,038
Excess of Revenues Over Expenditures - Restricted Funds	(155,444)	-	-	-	(155,444)
Other Financing Sources (Uses):					
Operating transfers in	-	524,364	-	80,896	605,260
Operating transfers out	(80,896)	-	-	(524,364)	(605,260)
Total Other Financing Sources (Uses)	(80,896)	524,364	-	(443,468)	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(460,142)	(23,042)	(18,761)	(1,492,598)	(1,994,543)
FUND BALANCES, BEGINNING OF YEAR	3,512,815	1,107,205	3,450,531	5,155,737	13,226,288
FUND BALANCES, END OF YEAR	$ 3,052,673	$ 1,084,163	$ 3,431,770	$ 3,663,139	$ 11,231,745

The accompanying notes are an integral part of this statement.

JACKSON COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

Net change in fund balances - total governmental funds	$ (1,994,543)
The change in net assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($3,761,877) exceeds depreciation ($850,955) in the current period.	2,910,922
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund:	
Change in compensated absences	(41,761)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Repayment of long-term debt	57,617
The increase in OPEB obligation resulting from contributions less than the annual required contribution is not a financial liability and is not reported in the funds.	-
Change in net assets of governmental activities	$ 932,235

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
NOVEMBER 30, 2010

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
ASSETS			
Cash	$ 490,440	$ 1,611,224	$ 2,101,664
Accounts receivable:			
Consumers	1,380,284	709,131	2,089,415
Property taxes	533,948	1,052,693	1,586,641
Due from other funds	2,440	5,749	8,189
Prepayments	9,055	-	9,055
Inventories	9,496	51,841	61,337
Capital Assets:			
Land and improvements	350,770	160,835	511,605
Buildings and improvements	8,023,618	630,402	8,654,020
Vehicles and equipment	2,147,025	1,931,096	4,078,121
Construction in progress	46,088	-	46,088
Accumulated depreciation	(9,050,360)	(2,124,670)	(11,175,030)
Total Assets	3,942,804	4,028,301	7,971,105
LIABILITIES			
Accounts payable	198,857	66,859	265,716
Accrued payroll	292,569	57,469	350,038
Compensated absences	197,183	89,076	286,259
Due to other funds	27,612	45,000	72,612
Due to third party payors	330,911	-	330,911
Due to patient trust fund	22,324	-	22,324
Restricted liabilities:			
Deferred revenue	692,047	952,158	1,644,205
Total Liabilities	1,761,503	1,210,562	2,972,065
NET ASSETS			
Invested in capital assets, net of related debt	1,517,141	597,663	2,114,804
Unrestricted	664,160	2,220,076	2,884,236
Total Net Assets	$ 2,181,301	$ 2,817,739	$ 4,999,040

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
Operating Revenues:			
Charges for services	$ 7,073,786	$ 2,456,753	$ 9,530,539
Other operating revenues	54,063	-	54,063
Total Operating Revenues	7,127,849	2,456,753	9,584,602
Operating Expenses:			
Personnel services	6,168,566	2,376,432	8,544,998
Commodities	784,472	297,265	1,081,737
Contractual	1,274,476	249,925	1,524,401
Maintenance	39,610	15,695	55,305
Other charges	5,114	72,643	77,757
Bad debts	316,562	277,273	593,835
Depreciation	280,465	170,474	450,939
Total Operating Expenses	8,869,265	3,459,707	12,328,972
Operating Loss	(1,741,416)	(1,002,954)	(2,744,370)
Nonoperating Revenues (Expenses):			
General property taxes	694,330	940,674	1,635,004
Use of money and property	894	4,082	4,976
Miscellaneous revenue	1,434	59,497	60,931
Total Nonoperating Revenues	696,658	1,004,253	1,700,911
Net income (loss)	(1,044,758)	1,299	(1,043,459)
Net assets - beginning of year	3,226,059	2,816,440	6,042,499
Total net assets - ending	$ 2,181,301	$ 2,817,739	$ 4,999,040

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from patients and third party payors	$ 7,049,816	$ 2,339,930	$ 9,389,746
Payments to suppliers	(2,390,627)	(861,795)	(3,252,422)
Payments to employees	(6,159,147)	(2,359,384)	(8,518,531)
Net cash used in operating activities	(1,499,958)	(881,249)	(2,381,207)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Propery tax support	694,330	940,674	1,635,004
Miscellaneous revenue	1,434	59,497	60,931
Net cash provided by noncapital financing activities	695,764	1,000,171	1,695,935
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(84,598)	(137,385)	(221,983)
Net cash used in capital and related financing activities	(84,598)	(137,385)	(221,983)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	894	4,082	4,976
Net cash provided by investing activities	894	4,082	4,976
NET INCREASE (DECREASE) IN CASH	(887,898)	(14,381)	(902,279)
CASH, BEGINNING OF YEAR	1,378,338	1,625,605	3,003,943
CASH, END OF YEAR	$ 490,440	$ 1,611,224	$ 2,101,664
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITES			
Operating Loss	$ (1,741,416)	$ (1,002,954)	$ (2,744,370)
Items not requiring (providing) cash:			
Depreciation	280,465	170,474	450,939
Changes in:			
Accounts receivable	(27,294)	(123,364)	(150,658)
Due from other funds	-	1,186	1,186
Prepaid expenses	148	10,809	10,957
Inventories	44	(4,202)	(4,158)
Accounts payable	(13,503)	10,804	(2,699)
Accrued payroll	29,877	11,587	41,464
Accrued vacation	(20,458)	5,461	(14,997)
Due to other funds	3,230	38,950	42,180
Due to third parties	(12,470)	-	(12,470)
Deferred revenue	1,419	-	1,419
NET CASH USED IN OPERATING ACTIVITIES	$ (1,499,958)	$ (881,249)	$ (2,381,207)

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
NOVEMBER 30, 2010

	Agency Funds
ASSETS	
Cash	$ 6,170,977
Investments	355,853
Due from other funds	-
Due from debt service	1,180
Total assets	6,528,010
LIABILITIES	
Due to others	1,158,520
Due to other funds	40,220
Due to individuals	708,195
Due to taxing units	4,545,626
Accrued interest	75,449
Total liabilities	6,528,010
NET ASSETS	$

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

Jackson County, Illinois is governed by an elected board of fourteen members. The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to governments. As required by GAAP, these financial statements present the government and its component units and entities for which the government is considered to be financially accountable. A blended component unit, although legally a separate entity, in substance, is a part of the government's operations and data from this unit is combined with data from the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

The following are the County's discretely presented component units:

The Health Department is responsible for providing various health services to the residents of Jackson County. The members of the Health Department Board are appointed by the County Board. The County Board sets the annual tax levy and approves the Health Department's budget. The Health Department is presented as a governmental fund type.

The Tuberculosis Fund is responsible for providing medication and counseling for individuals with tuberculosis. The Directors of the Tuberculosis Fund are appointed by the County Board. The County Board sets the annual tax levy and approves the Tuberculosis Fund's budget. The Tuberculosis Fund is presented as a governmental fund type.

The Mental Health (708) Board is responsible for providing grants to other social service agencies in Jackson County. The Mental Health Board members are appointed by the County Board. The County Board sets the annual tax levy and approves the 708 Board's budget. The 708 Board Fund is presented as a governmental fund type.

Complete financial statements for the discrete component units may be obtained from the respective units.

At November 30, 2010, the County did not have any blended component units.

In fiscal year 2003, the County implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB Statement No. 34), GASB Statement 37, *Basic Financial Statement - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* which provides additional guidance for the implementation of GASB Statement 34, and GASB Statement No. 38, *Certain Financial Statement Disclosures* which changes not disclosure requirements for governmental entities.

GASB Statement No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, county-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be retained. The GASB also determined that county-wide financial statements are needed to allow user's of financial reports to assess a government's operational accountability. The new GASB model integrates fund-based financial reporting and county-wide financial reporting as complementary components of a single comprehensive financial reporting model.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In fiscal year 2005, the County adopted GASB Statement No. 40, *Deposits and Investments Risk Disclosures and Amendment of GASB Statement No. 3*, which provides improved information about risks that may potentially impact the ability to provide services and pay future debt obligations. The disclosures required by this standard are presented in Note B to the County's financial statements.

2. 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 equity, revenues and expenditures or expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds are summarized by type in the financial statements. The following fund types are used by the County:

A. Governmental Fund Types - Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

The following are the County's governmental fund types:

a. The General Fund is used to account for all financial transactions which are not required to be accounted for in another fund. This fund accounts for the general operating transactions of the County including police protection, administration, judiciary and court services.

b. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes.

c. Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

B. Proprietary Fund Types - Proprietary funds are used to account for the County's ongoing organizations and activities which are similar to those often found in the private sector. The County consistently follows all FASB pronouncements issued after November 30, 1989 for its proprietary fund activities. The measurement focus is upon the determination of net income. The following is the County's proprietary fund type:

a. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; that is, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Fiduciary Fund Types - Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent on behalf of others. The following is the County's fiduciary fund type:

a. Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

3. 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 non-fiduciary activities of the County and its component unit. Governmental activities, which are normally 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.

The statement of activities presents the direct expenses of a given function, segment or program offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or program.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from the goods or services of a program and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function, segment or program. Taxes and other items not properly included in program revenues are reported as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services.

4. 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 funds and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. 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. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than compensated absences and principal and interest on long-term debt which are recorded when due, are recorded when the related liability is incurred.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. The County considers intergovernmental revenues available if they are collected within 90 days after a year end. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. See Note D for property tax accrual policy.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Legal Compliance - Budgetary Control and Budgetary Accounting

As required by state statues, the annual operating budget is prepared and adopted by the County Board. The elected officials are authorized to transfer budget amounts between departments within any fund. Any supplemental appropriations that amend the total expenditures of any fund require County Board resolution. Budgetary appropriations lapse at the end of the fiscal year. The budget must be filed with the County Clerk so that it can be available to the public for inspection fifteen days prior to adoption. The budget must be adopted prior to December 1 of each year.

6. Encumbrances

The County does not maintain an encumbrance accounting system. Therefore, no reservations of fund balance have been made for outstanding purchase orders, contracts or other commitments.

7. Investments

Investments are reported at fair value.

8. Inventories and prepaids

Inventories are valued at cost using the first in/first out (FIFO) method.

9. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (i.e., roads, bridges and other similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets for the Highway Fund are defined as assets with an initial, individual cost of more than $20,000 and an estimated useful life in excess of one year.

Capital assets for Governmental and Enterprise Funds are defined by the County as assets with an initial, individual cost of $1,000 or more and an estimated useful life. Such assets are valued at cost or estimated original cost. Depreciation has been provided using the straight-line method over the estimated useful life of each asset.

The estimated useful lives are as follows:

a.	Land improvements	25-40 years
b.	Buildings	20-40 years
c.	Machinery & equipment	5-10 years
d.	Infrastructure	40-50 years

10. Compensated Absences

Accumulated unpaid vacation and leave time are accrued when incurred in proprietary funds. County General and County Highway accrue unpaid vacation, vested sick pay and compensatory time. All other funds accrue unpaid vacation as a current liability for amounts to be expected to be used in the coming year. The long-term portion is reported in the government-wide financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

11. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type financial statements.

In the fund financial statements long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund.

NOTE B - DEPOSITS AND INVESTMENTS

Deposits

At November 30, 2010, the carrying amount of the County's deposits with financial institutions was $13,550,815 and the bank balances were $13,614,442.

Custodial Credited Risk - Custodial risk is the risk that in the event of a bank failure, the County's deposits may not be returned to the County. The County does have a policy to require banks to collateralize balances over the FDIC insured amount. As of November 30, 2010, the County has no uninsured/uncollateralized deposits.

At November 30, 2010, the bank balance of $20,439,294, including fiduciary funds, $1,454,158was covered by federal depository insurance, $5,656,176 were collateralized by pledged bank assets in the County's name, $12,916,344 was deposited in the Illinois Funds, a state investment pool, and $412,626 was uninsured/uncollateralized. Due to the nature of the Illinois Funds, they are included as deposit balances on the balance sheet.

Investments

As of November 30, 2010, the County had the following investments and maturities.

Investment Type	Fair Value	6-12 Months	1-3 Years
Certificates of deposit	$ 122,617	$ 21,615	$ 101,002

Interest Rate Risk - Interest rate risk is the risk that the fair value of an investment will decline as interest increase. The County's investment policy is described in the paragraph below. Due to the County's type of investments at November 30, 2010, certificates of deposits and U.S. Government Securities, interest rate risk is not significant.

Credit Risk - Credit risk is the risk that the financial counter party will fail to meet its defined obligations. State statutes authorize the County to invest only in direct obligations of the U.S. Governments or its agencies; direct obligations of any financial institution that is insured by the Federal Deposit Insurance Corporation; short-term obligations of corporations rated A or better by at least two standard rating services; obligations of the State of Illinois and its political subdivisions; insured accounts of credit unions located in the State of Illinois; The Illinois Funds; certain money market mutual funds where the portfolio if limited to U.S. Government securities; and certain repurchase agreements. Credit quality ratings disclosures do not apply to debt securities of the U.S. government.

NOTE B - DEPOSITS AND INVESTMENTS - CONTINUED

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At November 30, 2010, the County's U.S. government securities were being held by the Agency's investment safekeeping agent in the name of the Agency.

Fair Value Measurement

The Fair Value Measurements Topic of the FASB Accounting Standards Codification (FASB ASC 820) addresses fair value measurement standards in financial statements prepared according to Generally Accepted Accounting Principles. FASB ASC 820 establishes a principles-based framework for measuring fair value of both assets and liabilities and clarifies the definition of fair value. The definition of fair value is clarified by FASB ASC 820 to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurements date. FASB ASC 820 established a three-level hierarchy for fair value measurements based upon the inputs to the valuation of an assets or liability.

Level 1 - Valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2 - Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar instruments in markets that are not active or by model-based techniques which significant inputs are observable in the market.

Level 3 - Valuation is derived from model-based techniques in which at least on significant input is unobservable and based on the Company's own estimates about the assumptions that market participants would use to value the asset or liability.

A summary of the County and its component unit's assets at November 30, 2010 measured at estimated fair value on a receiving basis as follows:

Investment Category	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Certificates of deposits	$ 21,615	-	$ 21,615	-

A summary of the County's fiduciary fund's assets at November 30, 2010 measured at estimated fair value on a receiving basis were as follows:

Investment Category	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Certificates of deposits	$ 355,853	-	$ 355,853	-

The County's other financial instruments are as follows:

Cash and cash equivalents
Accounts receivable
Accounts payable and accrued expenses

The carrying amount reported in the balance sheet for the financial instruments approximates fair value.

NOTE C - ACCOUNTS RECEIVABLE AND CREDIT RISK

The County grants credit without collateral to the patients and residents of the Ambulance Fund and Rehab and Care Center Fund respectively, most of whom are area residents and are insured under third-party payor agreements. At November 30, 2010, accounts receivable in the Enterprise Fund totaled $2,089,415 which is net of contractual allowances and provisions for bad debts of $2,129,658.

NOTE D - PROPERTY TAXES

The County's property tax is levied as of January 1 each year on the assessed value listed as of the prior January 1 for all real property in the County. The County Clerk's Office determines necessary tax rates and extends the taxes based upon the equalized assessed values. Assessed values are established by the County Assessment Department at 33 1/3% of assumed market value.

Property taxes are normally due in two installments, the first installment is due 30 days after bills are issued and the second installment is due 30 days after the first installment due date. Interest at a maximum of 1 1/2% per month attaches to delinquent taxes. There is not a specific lien date; however, any property with taxes still delinquent is subject to the property tax sale.

Property taxes are recognized as revenue when they become available to finance expenditures. This occurs when the taxes have been collected.

The 2009 assessed valuation for property taxes collected in Fiscal Year 2010 was $704,476,118. The tax levy for 2009, which represents the property taxes collected in Fiscal Year 2010, was $131,509 per $100 assessed valuation.

NOTE E - RESTRICTED ASSETS - GENERAL FUND

Certain resources are classified as restricted assets on the balance sheet because their use is limited to a specific purpose. A summary of restricted assets at November 30, 2010 is as follows:

Restricted Assets	General
Tort Liability	
Cash	$ 54,195
Property tax receivable	568,587
Workers' Compensation	
Cash	193,899
Property tax receivable	128,974
Unemployment Insurance	
Cash	280,789
Property tax receivable	82,178
Social Security	
Cash	433,228
Property tax receivable	685,053

NOTE E - RESTRICTED ASSETS - GENERAL FUND - CONTINUED

Illinois Municipal Retirement Fund	
Cash	1,004,704
Property tax receivable	1,034,490
Sheriff Drug Fund	
Cash	9,733
DUI Sheriff Law Enforcement Equipment	
Cash	29,917
Sheriff Drug Asset Fund	
Cash	96,151
Court Supervision	
Cash	8,663
Court Assessment	
Cash	454,131
Kids in the Court	
Cash	499
Law Library	
Cash	60,653
Treasurer - Court Ordered Funds	
Cash	56
Treasurer Inheritance Tax	
Cash	204
State's Attorney Drug Asset Fund	
Cash	42,784
State's Attorney Victim Assist Fund	
Cash	933
County Clerk Revenue Stamps	
Cash	119,729
Circuit Clerk Child Support Admin Fund	
Cash	133,461
Circuit Clerk Abandoned Property	
Cash	4,422

NOTE E - RESTRICTED ASSETS - GENERAL FUND - CONTINUED

Automation and Capital Improvement	
Cash	787,773
Investments	101,002
Prisoner Trust Accounts	
Cash	53,528
County Board Unclaimed Monies	
Cash	3,028
Dispute Resolution	
Cash	2,473
	$ 6,375,237

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2010 was as follows:
General Government

	Balance November 30, 2009	Additions	Deductions and Transfers	Balance November 30, 2010
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 150,000	$ -	$ -	$ 150,000
Construction in progress	4,651,071	3,760,343	(3,740,665)	4,670,749
Total capital assets, not being depreciated:	4,801,071	3,760,343	(3,740,665)	4,820,749
Capital assets, being depreciated:				
Land improvements	105,376	-	-	105,376
Buildings	7,584,154	-	-	7,584,154
Building improvements	1,047,608	-	-	1,047,608
Fixed equipment	269,147	-	-	269,147
Major movable equipment	1,517,391	2,400	-	1,519,791
Vehicles	2,430,901	-	-	2,430,901
Computers	947,332	-	(866)	946,466
Infrastructure	13,401,482	3,740,665	-	17,142,147
Total capital assets being depreciated	27,303,391	3,743,065	(866)	31,045,590
Less accumulated depreciation for:				
Land improvements	(104,035)	(894)	-	(104,929)
Buildings	(3,987,796)	(180,133)	-	(4,167,929)
Building improvements	(469,566)	(67,804)	-	(537,370)
Fixed equipment	(211,985)	(9,025)	-	(221,010)
Major movable equipment	(1,185,903)	(138,092)	-	(1,323,995)
Vehicles	(2,029,166)	(124,800)	-	(2,153,966)
Computers	(889,152)	(33,488)	-	(922,640)
Infrastructure	(3,976,808)	(296,719)	-	(4,273,527)

NOTE F - CAPITAL ASSETS - CONTINUED

Total accumulated depreciation	(12,854,411)	(850,955)	-	(13,705,366)
Total capital assets, being depreciated, net	14,448,980	2,892,110	(866)	17,340,224
Governmental activities capital assets, net	$19,250,051	$6,652,453	$ (3,741,531)	$ 22,160,973

	Balance November 30, 2009	Additions	Deductions and Transfers	Balance November 30, 2010
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	$ 76,458	$ -	$ -	$ 76,458
Construction in progress	-	46,088	-	46,088
Total capital assets, not being depreciated:	76,458	46,088	-	122,546
Capital assets, being depreciated:				
Land improvements	426,782	8,365	-	435,147
Buildings and improvements	8,634,045	19,974	-	8,654,019
Vehicles and equipments	3,951,822	193,424	(67,125)	4,078,121
Total capital assets being depreciated	13,012,649	221,763	(67,125)	13,167,287
Less accumulated depreciation for:				
Land improvements	(252,442)	(15,171)	-	(267,613)
Buildings and improvements	(7,197,491)	(231,804)	-	(7,429,295)
Vehicles and equipment	(3,295,414)	(203,964)	21,257	(3,478,121)
Total accumulated depreciation	(10,745,347)	(450,939)	21,257	(11,175,029)
Total capital assets, Being depreciated, net	2,267,302	(229,176)	(45,868)	1,992,258
Business-type activities Capital assets, net	$ 2,343,760	$ (183,088)	$ (45,868)	$ 2,114,804

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

Governmental activities:	
General government	$ 232,584
Public Safety	238,707
Public works	379,664
Total depreciation expense - governmental activities	$ 850,955
Business-type activities:	
Rehab & Care Center	$ 170,474
Ambulance	280,465
Total depreciation expense - business-type activities	$ 450,939