NOTE F - CAPITAL ASSETS - CONTINUED

Capital asset activity of the component unit for the year ended November 30, 2010 follows:

	Balance November 30, 2009	Additions	Deductions And Transfers	Balance November 30, 2010
Capital assets, not being depreciated:				
Land	$ 49,500	$ -	$ -	$ 49,500
Total capital assets, not being depreciated	49,500	-	-	49,500
Capital assets, being depreciated:				
Land improvements	78,448	-	-	78,448
Buildings and improvements	1,929,724	32,197	-	1,961,921
Equipment	419,695	6,178	(3,866)	422,007
Total capital assets being depreciated	2,427,867	38,375	(3,866)	2,462,376
Less accumulated depreciation for:				
Land improvements	(38,980)	(4,077)	-	(43,057)
Buildings and improvements	(626,301)	(55,946)	-	(682,247)
Equipment	(356,381)	(12,938)	2,082	(367,237)
Total accumulated depreciation	(1,021,662)	(72,961)	2,082	(1,092,541)
Total capital assets, being depreciated, net	1,406,205	(34,586)	(1,784)	1,369,835
Component unit, capital assets, net	$ 1,455,705	$ (34,586)	$ (1,784)	$ 1,419,335

NOTE G - LONG-TERM DEBT

Governmental Activity Long-Term Debt Notes Payable

The County has financed certain capital expenditures through an installment agreement at November 30, 2010 as follows:

Installment agreement, due in monthly installments of $ 6,741.31 Beginning in December 2004 through November 2014 including interest at 7.5%	$ 278,810

NOTE G - LONG-TERM DEBT - CONTINUED

The annual requirements to amortize all governmental activity long-term debt notes payable as of November 30, 2010 are as follows:

Year Ending November 30	Principal	Interest
2011	62,091	18,805
2012	66,911	13,985
2013	72,105	8,790
2014	77,703	3,193
	$ 278,810	$ 44,773

Component Unit Notes Payable

The component unit funds notes payable at November 30, 2010, are described as follows:

Term bank loan, for the construction of a new building, due in monthly installments of $3,064 beginning in June, 2000 through May, 2013 including interest at 5.00%	$ 85,210

The annual requirements to amortize all component unit fund notes payable at November 30, 2010, are as follows:

Year Ending November 30,	Principal	Interest
2011	33,115	3,652
2012	34,956	1,811
2013	17,139	240
	$ 85,210	$ 5,703

During the year ended November 30, 2010, the following changes occurred in long-term liabilities reported in the government-wide financial statements of primary government:

	Balance November 30, 2009	Additions	Reductions	Balance November 30, 2010	Due Within One Year
Notes Payable	$ 336,427	$ -	$ 57,617	$ 278,810	$ 62,091
Compensated absences	1,732,149	98,730	-	1,830,879	559,345
	$2,068,576	$ 98,730	$ 57,617	$ 2,109,689	$ 621,436

NOTE G - LONG-TERM DEBT - CONTINUED

During the year ended November 30, 2010, the following changes occurred in long-term liabilities reported in the government-wide financial statements within the Component Unit Fund:

	Balance November 30, 2009	Additions	Reductions	Balance November 30, 2010	Due Within One Year
Notes payable	$ 117,003	$ -	$ 31,793	85,210	$ 33,115
Compensated absences	184,857	-	5,085	179,772	94,739
	$ 301,860	$ -	$ 36,878	$ 264,982	$ 127,854

NOTE H - RETIREMENT PLANS

The employees of the County are covered by the Illinois Municipal Retirement Fund (IMRF) defined benefit pension plan. The Illinois Municipal Retirement Fund is a multiple-employer agent PERS (Public Employee Retirement System). The Illinois Municipal Retirement Fund is not included in the balances shown in the financial statements, except for the contributions made during the year and charged to operating expenditures or expenses. Except for the Rehab and Care Center, County contributions to these pension plans are funded with property taxes.

Illinois Municipal Retirement Fund - Countywide:

Plan Description. The County's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. Your employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by the 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.

Funding Policy. As set by the statute, the County's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires 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 2008 was 0.90 percent of annual covered payroll. The County 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 December 31, 2009, the County's annual pension cost of $109,903 for the Regular plan was equal to the County's required and actual contributions. The required contribution for 2008 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 County Regular plan assets was determined using techniques that spread the effects of short-term volatility in market value of investments over a five-year period with a 15% corridor between the actuarial and market value as assets. The County 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 the December 31, 2007, valuation was 23 years.

NOTE H - RETIREMENT PLANS - CONTINUED

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 82.15 percent funded. The actuarial accrued liability for benefits was$38,185,863 and the actuarial value of assets was $31,370,330, resulting in an underfunded actuarial accrued liability (UAAL) of $6,815,533. The covered payroll (annual payroll of active employees covered by the plan) was $12,211,423 and the ratio of the UAAL to the covered payroll was 56 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 in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Illinois Municipal Retirement Fund - Sheriff Law Enforcement Personnel:

Plan Description. The County'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 County plan is affiliated with the Illinois Municipal 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.

Funding Policy. As set by statute, Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County contribution rate for calendar year 2009 was 19.06 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 December 31, 2009, the County's annual pension cost of $585,833 for the Sheriff's Law Enforcement Personnel plan was equal to the County's required and actual contributions. The required contribution 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 County Sheriff's Law Enforcement Personnel plan assets was determined using techniques that spread the effects of short-term volatility in market value of investments over a five-year period with a 15% corridor between the actuarial and market value as assets. The County 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 the December 31, 2007, valuation 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 50.61 percent funded. The actuarial accrued liability for benefits was $8,196,704 and the actuarial value of assets was $4,148,646, resulting in an underfunded actuarial accrued liability (UAAL) of $4,048,058. The covered payroll (annual payroll of active employees covered by the plan) was $3,073,626 and the ratio of the UAAL to the covered payroll was 132 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.

NOTE H - RETIREMENT PLANS - CONTINUED

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 in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Illinois Municipal Retirement Fund - Elected County Official:

Plan Description. The County'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 County plan is affiliated with the Illinois Municipal Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute mad 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.

Funding Policy. As set by statute, Elected County Official plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County contribution rate for calendar year 2009 was 36.36 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 December 31, 2009, the County's annual pension cost of $133,867 for the Elected County Official Personnel plan was equal to the County's required and actual contributions. The required contribution 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 market value of investments over a five-year period with a 15% corridor between the actuarial and market value as 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 the December 31, 2007, valuation was 27 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Elected County Official plan was 54.68 percent funded. The actuarial accrued liability for benefits was $2,747,883 and the actuarial value of assets was $1,502,446, resulting in an underfunded actuarial accrued liability (UAAL) of $1,245,437. The covered payroll (annual payroll of active employees covered by the plan) was $368,171 and the ratio of the UAAL to the covered payroll was 338 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 in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE H - RETIREMENT PLANS - CONTINUED

Trend Information and Required Supplementary Information:

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Below is three year trend information and required supplementary information.

Trend Information:

Countywide IMRF:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	$ 109,903	100%	$ 0
12/31/08	$ 104,027	100%	$ 0
12/31/07	$ 804,090	100%	$ 0

Sheriff's IMRF:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	$ 585,833	100%	$ 0
12/31/08	$ 573,997	100%	$ 0
12/31/07	$ 589,802	100%	$ 0

Elected County Official IMRF:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	$ 133,867	100%	$ 0
12/31/08	$ 143,119	100%	$ 0
12/31/07	$ 92,233	100%	$ 0

Required supplementary information - schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarially 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)
Countywide IMRF:						
12/31/09	$ 31,370,330	$ 38,185,863	$ 6,815,533	82.15 %	$ 12,211,423	55.81 %
12/31/08	$ 31,375,523	$ 35,657,063	$ 4,281,540	87.99 %	$ 11,431,498	37.45 %
12/31/07	$ 37,680,197	$ 34,206,973	$ (3,473,224)	110.15 %	$ 10,807,660	0.00 %

NOTE H - RETIREMENT PLANS - CONTINUED

Sheriff's IMRF:

12/31/09	$ 4,148,646	$ 8,196,704	$ 4,048,058	50.61 %	$ 3,073,626	131.70 %
12/31/08	$ 4,703,382	$ 8,641,748	$ 3,938,366	54.43 %	$ 2,945,084	133.73 %
12/31/07	$ 5,997,998	$ 9,196,769	$ 3,198,771	65.22 %	$ 2,832,769	112.92 %

Elected County Official IMRF:

12/31/09	$ 1,502,446	$ 2,747,883	$ 1,245,437	54.68 %	$ 368,171	338.28 %
12/31/08	$ 1,448,349	$ 2,556,238	$ 1,107,889	56.66 %	$ 356,548	310.73 %
12/31/07	$ 1,153,498	$ 2,309,878	$ 1,156,380	49.94 %	$ 358,186	322.84 %

NOTE I - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation, which aggregated $2,092,694 at November 30, 2010, is not available to employees until termination, retirement, death, or unforeseeable emergency. The deferred compensation plan assets are held in trust by a third party.

NOTE J - OTHER POST-EMPLOYMENT BENEFITS

Plan Description. In addition to providing the pension benefits described, the County provides post-employment health care benefits (OPEB) for retired employees through a single employer group health insurance plan. The benefits, benefit levels, and employee contributions are outlined in the continuation of employee health insurance benefits through Retiree Health Insurance Jackson County.

Benefits Provided. The County provides post-employment health care benefits to its retired employees. To be eligible for benefits, an employee must qualify for retirement under the County's retirement plan. All health care benefits are provided through the County's partially self funded insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include inpatient and outpatient hospital services; emergency room; well care exams; ambulance treatment; chiropractic treatment; and prescription drug benefits. Upon a retiree reaching 65 years of age, the County's plan continues but at a higher cost to the retiree.

Membership. At November 30, 2009, membership consisted of:

	November 30, 2009
Reitrees and beneficiaries receiving benefits	8
Terminated plan members entitled to but not yet receiving benefits	0
Active vested plan members	216
Active nonvested plan members	228
Total	452
Number of participating employers	1

NOTE J - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

Funding Policy. The County negotiates the contribution percentages between the County and employees through the union contracts and personnel policy. All retirees contribute a portion of the premium. For the fiscal year ended November 30, 2009, the County contributed a total of $10,350 in premiums for retired employees.

Annual OPEB costs and Net OPEB Obligation. The County first had an actuarial valuation performed for the plan as of December 1, 2009 to determine the employer's annual required contribution (ARC) for the fiscal year ended November 30, 2010. The County's annual OPEB cost of $ was equal to the ARC for the fiscal year. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2009 was as follows (information for fiscal years 2008 and 2007 is not available as an actuarial valuation was performed for the first time as of November 30, 2009):

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
November 30, 2009	$ 742,136	5.7%	$ 699,584

The net OPEB obligation as of November 30, 2009 (latest information available), was calculated as follows:

	November 30, 2009
Annual required contribution	$ 742,136
Interest on net OPEB obligation	-
Adjustment to annual required contributions	-
Annual OPEB cost	742,136
Contributions made	42,552
	699,584
Increase (Decrease) in net OPEB obligation	
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	$ 699,584

Funded Status and Funding Progress. The funded status of the plan as of November 30, 2009, was as follows:

Actuarial accrued liability (AAL)	$ 6,518,118
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	6,518,118
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	-
UAAL as a percentage of covered payroll	-

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

NOTE J - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

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

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

In the November 30, 2009 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.00% investment rate of return (includes a 3.00% inflation assumption), projected salary increases of 5.00% and an annual healthcare cost trend rate of 8.00% initially, reduced by decrements to an ultimate rate of 6.00%. The actuarial value of assets was not determined as the County has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a open basis. The remaining amortization period at November 30, 2009, was 30 years.

NOTE K - RESERVES OF RETAINED EARNINGS AND FUND BALANCES

The governmental funds balance sheet includes a number of reserves which are maintained for specific purposes. The nature and purpose of the significant reserves are to segregate the monies which are reserved for tort liability, employee benefit accounts, automation, capital improvements and Circuit Clerk bond funds.

NOTE L - OTHER REQUIRED DISCLOSURE

Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations in individual funds for the year ended November 30, 2010, are as follows:

Fund	Expenditures	Budget
General Fund	$14,133,912	$12,431,444

NOTE M - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and interfund payables are as follows at November 30, 2010:

Fund	Interfund Receivables	Interfund Payables
Major Funds:		
General	$ 99,607	$2,174,473
Solid Waste	2,170,000	22,142

NOTE M - INTERFUND RECEIVABLES AND PAYABLES - CONTINUED

Special Revenue Funds:		
Highway	20,855	13,077
Federal Aid & Matching		42
Motor Fuel Tax	23,537	
Debt Service Fund		1,180
Component Units:		
Health Department	5,426	119
Tuberculosis		4,883
708 Board		46
Enterprise Fund:		
Ambulance	5,749	45,000
Rehab & Care Center	2,440	27,612
Agency Funds:		
Township Motor Fuel		40,220
Township Bridge		
County Collector's Fund	1,180	
Total All Funds	$ 2,328,794	$ 2,328,794

Interfund balances result from the time lag between the dates that the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payment between funds are made.

NOTE N - INTERFUND TRANSFERS

The following is a schedule of operating transfers as included in the Statement of Net Assets of the County.

	Transfers In	Transfers Out
Major Funds:		
General Fund	$ -	$ 80,896
Highway	524,364	-
Total Major Funds	524,364	80,896
Nonmajor Governmental Funds:		
County Motor Fuel Tax Fund	-	500,400
Federal Aid and Matching Fund	-	23,964
Debt Service Fund	80,896	-
Total Nonmajor Funds	80,896	524,364
Total All Funds	$ 605,260	$ 605,260

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

NOTE O - RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County purchases commercial insurance.

The commercial insurance coverage is consistent with the prior year; no significant reductions in coverage have occurred in and of the preceding years. Settled claims have not exceeded insurance coverage in any of the three preceding years.

The County maintains a partially self-funded employee health benefit plan. All full-time employees and certain retired employees who contribute to the fund are covered. It is self-funded to a maximum of $120,000 per individual per plan year. Coverage amounts in excess of this limit have been obtained by means of a stop-loss policy. The amount of insurance claim settlements has not exceeded insurance coverage.

Workers' Compensation is partially self-funded up to a maximum of $500,000 per plan year.

NOTE P - CONTINGENCIES

Litigation and Claims

The County is a defendant in various lawsuits. County management believes that such litigation will ultimately be resolved without material financial liability to the County. Matters include allegations relating to personal injury, discrimination, and civil rights violations.

NOTE Q - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County maintains two enterprise funds which provide rehab and nursing care and ambulance services. Segment information for the year ended November 30, 2010 is as follows:

	Rehab & Care Center	Ambulance Service	Total Enterprise Funds
Operating revenues	$ 7,127,849	$ 2,456,753	$ 9,584,602
Operating expenses:			
Depreciation	$ 280,465	$ 170,474	$ 450,939
Other	$ 8,588,800	$ 3,289,233	$ 11,878,033
Operating loss	$ (1,741,416)	$(1,002,954)	$ (2,744,370)
Non-operating revenues	$ 696,658	$ 1,004,253	$ 1,700,911
Capital assets:			
Additions	$ 84,598	$ 183,253	$ 267,851
Deletions	$ -	$ (67,125)	$ (67,125)
Net working capital	$ 664,160	$ 2,220,076	$ 2,884,236
Change in net assets	$ (1,044,758)	$ 1,299	$ (1,043,459)
Beginning net assets	$ 3,226,059	$ 2,816,440	$ 6,042,499
Prior period adjustment	$ -	$ -	$ -
Ending net assets	$ 2,181,301	$ 2,817,739	$ 4,999,040
Current assets	$ 2,425,663	$ 3,430,638	$ 5,856,301

NOTE Q - SEGMENT INFORMATION FOR ENTERPRISE FUNDS - CONTINUED

Capital assets	$ 1,517,141	$ 597,663	$ 2,114,804
Current liabilities	$ 1,761,503	$ 1,210,562	$ 2,972,065
Long-term liabilities	$ -	$ -	$ -
Invested in capital assets	$ 1,517,141	$ 597,663	$ 2,114,804
Unrestricted net assets	$ 664,160	$ 2,216,440	$ 3,480,600
Net cash used in operating activities	$ (1,499,958)	$ (881,249)	$ (2,381,207)
Net cash provided by noncapital financing activities	$ 695,764	$ 1,000,171	$ 1,695,935
Net cash used in capital and related financing activities	$ (84,598)	(137,385)	$ (221,983)
Net cash provided by investing activities	$ 894	$ 4,082	$ 4,976
Beginning cash	$ 1,378,338	$ 1,625,605	$ 3,003,943
Ending cash	$ 490,440	$ 1,611,224	$ 2,101,664

NOTE R - INTEREST EXPENDITURES/EXPENSES

The total interest expenditures/expenses of the County aggregated $28,252.

NOTE S - SUBSEQUENT EVENTS

Effective June 15, 2009, the County adopted FASB ASC 855, Subsequent Events (precodification FASB SFAS No. 165, Subsequent Events). FASB ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. FASB ASC 855 defines the period after the balance sheet date during which, management shall evaluate events or transactions that may occur for potential recognition or disclosure, the circumstances under which an organization shall recognize events occurring after the balance sheet date and the disclosures that an organization shall make about those events or transactions. FASB ASC 855 defines two types of subsequent events. The first type consists of events or transactions that provide additional evidence about conditions that existed at the date of the balance sheet (recognized subsequent events). The second type consists of events or transactions that provide additional evidence about condition that did not exist at the date of the balance sheet (nonrecognized subsequent events).

In December 2010, the County issued $1,371,000 of Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Recovery Zone Economic Development Bonds; $1,496,000 of Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B (Build America Bonds); and $130,000 of Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010C. The bonds will mature with annual principal payments due December 1, 2011 through 2035. Interest will be payable each June 1 and December 1, beginning December 1, 2011. The bonds bear interest rates of 4% thru 8% with a 45% rebate of interest on the Series 2010A bonds and 35% rebate of interest on the Series 2010B bonds. Proceeds from the bond issue will be used to finance the costs of various remodeling, repairs and rehabilitation of certain County facilities and pay certain costs associated with the issuance of the bonds.

Management evaluated all events and transactions that occurred after November 30, 2010 through May 19, 2011, the issue date of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues - Unrestricted Funds:				
General Property Taxes:				
Real property taxes	$ 2,658,830	$ 2,658,830	$ 3,662,218	$ 1,003,388
Penalties on late taxes	250,000	250,000	179,954	(70,046)
Total General Property Taxes	2,908,830	2,908,830	3,842,172	933,342
Sales and Service Taxes:				
Sales tax	400,000	400,000	441,719	41,719
Supplemental sales tax	1,602,000	1,602,000	1,633,482	31,482
Cable television franchise tax	23,000	23,000	22,378	(622)
Pari-Mutuel handle tax	42,000	42,000	-	(42,000)
Total Sales and Service Taxes	2,067,000	2,067,000	2,097,579	30,579
Intergovernmental Revenue:				
Illinois state income tax	1,900,000	1,900,000	1,542,928	(357,072)
Replacement tax	700,000	700,000	641,072	(58,928)
Local use tax	280,000	280,000	253,409	(26,591)
County hotel tax	3,900	3,900	7,870	3,970
Inheritance tax	10,000	10,000	810	(9,190)
Federal flood reimbursement	16,000	16,000	23,227	7,227
Federal reimbursement in lieu of property tax	89,500	89,500	121,856	32,356
Fema Reimbursement	-	-	1,054	1,054
Other federal/state grants	336,884	336,884	222,070	(114,814)
Total Intergovernmental Revenue	3,336,284	3,336,284	2,814,296	(521,988)
Use of Money and Property:				
Interest on investments	-	-	36	36
Timber sales	6,150	6,150	581	(5,569)
Rental payments	4,800	4,800	5,760	960
Total Use of Money and Property	10,950	10,950	6,377	(4,573)
Service Charges, Permits and Fees:				
General Government:				
Executive	257,060	257,060	302,600	45,540
County clerk	312,500	312,500	186,551	(125,949)
Judiciary and courts	893,000	893,000	984,642	91,642
Assessments	63,000	63,000	101,200	38,200
Total General Government	1,525,560	1,525,560	1,574,993	49,433
Public Safety:				
Sheriff	89,000	89,000	85,559	(3,441)
Jail	393,500	393,500	372,241	(21,259)
Animal control	34,000	34,000	37,710	3,710
Coroner	800	800	1,145	345
Total Public Safety	517,300	517,300	496,655	(20,645)
Total Service Charges, Permits and Fees	2,042,860	2,042,860	2,071,648	28,788
Total Unrestricted Fund Revenues	$ 10,365,924	$ 10,365,924	$ 10,832,072	$ 466,148

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Expenditures - Unrestricted Funds - Current:				
General Government:				
Executive:				
County Board	$ 296,650	$ 296,650	$ 312,870	$ (16,220)
Board of Review	88,440	88,440	61,424	27,016
Total Executive	385,090	385,090	374,294	10,796
Treasurer:				
Treasurer's office	309,193	309,193	304,835	4,358
Total Treasurer	309,193	309,193	304,835	4,358
County Clerk:				
County Clerk's office	465,931	465,931	481,892	(15,961)
Elections	106,044	106,044	102,801	3,243
Total County Clerk	571,975	571,975	584,693	(12,718)
Judiciary and Courts:				
State's Attorney	622,260	622,260	475,523	146,737
Circuit Clerk's office	487,821	487,821	644,051	(156,230)
Jury Commission	121,409	121,409	61,998	59,411
Courts	274,854	274,854	267,393	7,461
Public Defender	437,665	437,665	501,421	(63,756)
Probation circuit	395,213	395,213	409,294	(14,081)
Total Judiciary and Courts	2,339,222	2,339,222	2,359,680	(20,458)
Assessments:				
Assessments	291,981	291,981	241,567	50,414
Total Assessments	291,981	291,981	241,567	50,414
Other:				
Data processing	127,361	127,361	113,159	14,202
Building maintenance	551,057	551,057	490,170	60,887
Education	105,098	105,098	75,660	29,438
Central Services	3,120	3,120	986,941	(983,821)
Miscellaneous expenditure	-	-	16,575	(16,575)
Total Other	786,636	786,636	1,682,505	(895,869)
Total General Government	4,684,097	4,684,097	5,547,574	(863,477)
Public Safety:				
Sheriff's office	2,753,261	2,753,261	2,637,318	115,943
Jail	2,270,772	2,270,772	2,276,347	(5,575)
Jail building maintenance	330,283	330,283	282,028	48,255
Merit board	3,100	3,100	3,393	(293)
Animal control	106,804	106,804	97,368	9,436
Coroner	107,767	107,767	94,957	12,810
Emergency service	58,591	58,591	116,889	(58,298)
Total Public Safety	5,630,578	5,630,578	5,508,300	122,278
Total Unrestricted Fund Expenditures	10,314,675	10,314,675	11,055,874	(741,199)
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	$ 51,249	$ 51,249	$ (223,802)	$ (275,051)

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues - Restricted Funds:				
General Property Taxes:				
Tort Liability	$ 318,000	$ 318,000	$ 317,962	$ (38)
Worker's Compensation	(1,000)	(1,000)	152,207	153,207
Unemployment Insurance	13,305	13,305	92,374	79,069
Social Security	282,961	282,961	841,405	558,444
Illinois Municipal Retirement Fund	990,124	990,124	632,265	(357,859)
Total General Property Taxes	1,603,390	1,603,390	2,036,213	432,823
Other:				
Law Library Fees	11,000	11,000	13,115	2,115
DUI Sheriff Law Enforcement Equipment	-	-	775	775
Drug Federal Seizures	-	-	15,861	15,861
Inheritance Tax	-	-	14,555	14,555
Treasurer's Automation	-	-	11,827	11,827
County Clerk Automation	-	-	62,062	62,062
Court Automation	-	-	181,081	181,081
Court Document Storage	-	-	166,270	166,270
Court Security			194,244	194,244
Child Support Administration	-	-	28,135	28,135
Assessments	115,000	115,000	129,746	14,746
Victim Assistance	-	-	850	850
Court Supervision	-	-	3,131	3,131
Hotel Tax	-	-	14,903	14,903
County Clerk	-	-	14,696	14,696
Reimbursement Education Grants	-	-	7,343	7,343
Reimbursement Court Security	7,000	7,000	626	(6,374)
Tax Sale Fees	-	-	9,581	9,581
Interest	22,660	22,660	5,831	(16,829)
Miscellaneous	20	20	11,749	11,729
Total Other	155,680	155,680	886,381	730,701
Total Restricted Fund Revenues	1,759,070	1,759,070	2,922,594	1,163,524
Expenditures - Restricted Funds:				
General Property Taxes:				
Tort Liability	318,000	318,000	315,156	2,844
Worker's Compensation	120,470	120,470	279,618	(159,148)
Unemployment Insurance	39,871	39,871	62,019	(22,148)
Social Security	558,857	558,857	548,661	10,196
Illinois Municipal Retirement Fund	855,277	855,277	1,026,796	(171,519)
Total General Property Taxes	1,892,475	1,892,475	2,232,250	(339,775)
Other:				
Law Library	16,490	16,490	16,704	(214)
Drug	-	-	3,752	(3,752)
Inheritance Tax	-	-	14,555	(14,555)
Treasurer's Automation	-	-	24,211	(24,211)
County Clerk Automation	-	-	24,077	(24,077)
Court Automation	-	-	196,530	(196,530)
Court Document Storage	-	-	173,060	(173,060)
Court Security	-	-	141,893	(141,893)
Child Support Administration	-	-	20,375	(20,375)
Sheriff Drug	-	-	23,358	(23,358)
Assessments	26,610	26,610	26,608	2
States Attorney	48,632	48,632	14,739	33,893
Public Defender	52,262	52,262	51,320	942
Courts	80,300	80,300	114,606	(34,306)
Misc. Expenses	-	-	-	-
Total Other	224,294	224,294	845,788	(621,494)
Total Restricted Fund Expenditures	2,116,769	2,116,769	3,078,038	(961,269)
Deficiency of Revenues Over Expenditures - Restricted Funds	(357,699)	(357,699)	(155,444)	202,255
Other Financing Sources and (Uses):				
Transfers to Debt Service Fund	-	-	(80,896)	(80,896)
Total Other Financing Sources and (Uses)	-	-	(80,896)	(80,896)
EXCESS OF REVENUES OVER EXPENDITURES	(306,450)	(306,450)	(460,142)	(153,692)
FUND BALANCE, BEGINNING OF YEAR	3,512,815	3,512,815	3,512,815	-
FUND BALANCE, END OF YEAR	$ 3,206,365	$ 3,206,365	$ 3,052,673	$ (153,692)

SUPPLEMENTARY INFORMATION

JACKSON COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

	Special Revenue Funds				
	County Motor Fuel Tax Fund	County Bridge Fund	Federal Aid & Matching Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash	$ 1,619,505	$ 566,565	$1,733,208	$ -	$ 3,919,278
Investments	-	-	-	-	-
Accounts receivable:					-
Consumers	-	-	-	-	-
Other governmental units and agencies	-	69,346	374,327	-	443,673
Property taxes	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from agencies	23,537	-	-	-	23,537
Total Assets and Other Debits	$ 1,643,042	$ 635,911	$2,107,535	$ -	$ 4,386,488
LIABILITIES					
Liabilities:					
Accounts payable	98,255	4,710	216,162	-	319,127
Accrued payroll	-	-	-	-	-
Compensated absences	-	-	-	-	-
Due to other funds	-	-	42	-	42
Due to other agencies	-	-	-	1,180	1,180
Deferred revenue	-	63,000	340,000	-	403,000
Total Liabilities	98,255	67,710	556,204	1,180	723,349
Fund Balances:					
Reserved for:					
Debt service	-	-	-	(1,180)	(1,180)
Designated	1,544,787	568,201	1,551,331	-	3,664,319
Unreserved, undesisgnated	-	-	-	-	-
Total Fund Balances	1,544,787	568,201	1,551,331	(1,180)	3,663,139
Total Liabilities and Fund Balances	$ 1,643,042	$ 635,911	$2,107,535	$ -	$ 4,386,488

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

	Special Revenue Funds				
	County Motor Fuel Tax Fund	County Bridge Fund	Federal Aid & Matching Fund	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues - Unrestricted Funds:					
General property taxes	$ -	$ 59,368	$ 321,175	$ -	$ 380,543
Sales and service taxes	-	-	-	-	-
Intergovernmental revenue	1,070,302	8,780	898,352	-	1,977,434
Use of money and property	3,546	994	2,462	-	7,002
Service charges, permits and fees	-	-	-	-	-
Sanitation fees	-	-	-	-	-
Other revenue	4,749	-	-	-	4,749
Total Unrestricted Fund Revenues	1,078,597	69,142	1,221,989	-	2,369,728
Expenditures - Unrestricted Funds:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public Health	-	-	-	-	-
Public Works	-	2,773	339,727	-	342,500
Capital improvements	1,451,352	302,060	1,242,050	-	2,995,462
Debt service	-	-	-	-	-
Principle	-	-	-	57,617	57,617
Interest	-	-	-	23,279	23,279
Total Unrestricted Fund Expenditures	1,451,352	304,833	1,581,777	80,896	3,418,858
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	(372,755)	(235,691)	(359,788)	(80,896)	(1,049,130)
Revenues - Restricted Funds:					
General property taxes	-	-	-	-	-
Total Restricted Fund Revenues	-	-	-	-	-
Expenditures - Restricted Funds:					
General property taxes	-	-	-	-	-
Total Restricted Fund Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	-	-	-	-	-
Other Financing Sources (Uses):					
Operating transfers in				80,896	80,896
Operating transfers out	(500,400)	-	(23,964)	-	(524,364)
Total Other Financing Sources (Uses)	(500,400)	-	(23,964)	80,896	(443,468)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(873,155)	(235,691)	(383,752)	-	(1,492,598)
FUND BALANCES, BEGINNING OF YEAR	2,417,942	803,892	1,935,083	(1,180)	5,155,737
FUND BALANCES, END OF YEAR	$ 1,544,787	$ 568,201	$ 1,551,331	$ (1,180)	$ 3,663,139

JACKSON COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2010

	Agency Funds						
	County Collector's Funds	Township Bridge Program	Township Motor Fuel Tax Fund	Tax Sale Fund	Rental Housing Support Program	Circuit Clerk Bond Fund	Total
ASSETS							
Cash	$ 4,544,446	$ 139,189	$ 961,488	$ 61,661	$ 6,999	$ 457,194	$ 6,170,977
Investments	-	-	-	-	-	355,853	355,853
Due from other funds	-	-	-	-	-	-	-
Due from debt service	1,180	-	-	-	-	-	1,180
Total assets	4,545,626	139,189	961,488	61,661	6,999	813,047	6,528,010
LIABILITIES							
Due to others	-	139,189	921,268	61,661	6,999	29,403	1,158,520
Due to other funds	-	-	40,220	-	-	-	40,220
Due to individuals	-	-	-	-	-	708,195	708,195
Due to taxing units	4,545,626	-	-	-	-	-	4,545,626
Accrued interest	-	-	-	-	-	75,449	75,449
Total liabilities	4,545,626	139,189	961,488	61,661	6,999	813,047	6,528,010
NET ASSETS	$ -	$ -	$ -	$ -	$ -	$ -	$ -

JACKSON COUNTY, ILLINOIS
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING BALANCE SHEET
NOVEMBER 30, 2010

	Health Department	Tuberculosis	Mental Health (708) Board	Totals
Assets and Other Debits				
Cash	$ 742,273	$ 103,759	$ 250,538	$ 1,096,570
Investments	21,615	-	-	21,615
Accounts Receivable:				
Other governmental units and agencies	936,081	-	-	936,081
Property taxes	653,539	40,363	271,642	965,544
Other receivables	-	1	-	1
Due from other funds	5,426	-	-	5,426
Prepayments	8,684	-	857	9,541
Inventory	110,134	1,763	-	111,897
Total Assets	$ 2,477,752	$ 145,886	$ 523,037	$ 3,146,675
Liabilities, Equity and Other Credits				
Liabilities:				
Accounts payable	$ 56,109	$ 299	$ -	$ 56,408
Accrued payroll	71,639	-	100	71,739
Compensated absences	94,035	-	704	94,739
Due to other funds	119	4,883	46	5,048
Deferred revenue	704,459	36,491	247,743	988,693
Total Liabilities	926,361	41,673	248,593	1,216,627
Fund Balance:				
Unreserved, undesignated	1,551,391	104,213	274,444	1,930,048
Total Fund Balances	1,551,391	104,213	274,444	1,930,048
Total Liabilities and Fund Balances	$ 2,477,752	$ 145,886	$ 523,037	$ 3,146,675

JACKSON COUNTY, ILLINOIS
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

	Health Department	Tuberculosis	Mental Health (708) Board	Totals
Revenues - Unrestricted Funds:				
General property taxes	$ 542,124	$ 36,550	$ 220,830	$ 799,504
Intergovernmental revenue	2,329,687	-	1,301	2,330,988
Use of money and property	1,255	13	237	1,505
Service charges, permits and fees	760,301	-	-	760,301
Other income	117,556	286	-	117,842
Total Unrestricted Fund Revenues	3,750,923	36,849	222,368	4,010,140
Expenditures - Unrestricted Funds:				
Public health	3,553,743	61,879	225,137	3,840,759
Capital improvements	-	-	-	
Debt service:				
Principal	31,793	-	-	31,793
Interest	4,974	-	-	4,974
Total Unrestricted Fund Expenditures	3,590,510	61,879	225,137	3,877,526
Excess (Deficiency) of Revenues Over Expenditures Expenditures - Unrestricted Funds	160,413	(25,030)	(2,769)	132,614
Revenues - Restricted Funds:				
General property taxes:				
Employee benefits	86,872	-	-	86,872
Total Resticted Fund Revenues	86,872	-	-	86,872
Expenditures - Restricted Funds:				
General property taxes:				
Employee benefits	86,872	-	-	86,872
Total Resticted Fund Expenditures	86,872	-	-	86,872
Excess (Deficiency) of Revenues Over Expenditures Restricted Funds	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 160,413	$ (25,030)	$ (2,769)	$ 132,614

JACKSON COUNTY, ILLINOIS

RECONCILIATION OF THE DISCRETELY PRESENTED COMPONENT UNITS BALANCE SHEET

TO THE STATEMENT OF NET ASSETS

NOVEMBER 30, 2010

Total fund balances for discretely presented component units		$ 1,930,048
Total net assets reported for discretely presented component units in the statement of net assets is different because:		
Capital assets used in discretely presented component units are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	49,500	
Land improvements, net of $43,057 accumulated depreciation	35,391	
Buildings, net of $638,482 accumulated depreciation	1,208,015	
Building improvements, less $43,765 accumulated depreciation	71,659	
Equipment, less $367,237 accumulated depreciation	54,770	
Total capital assets		1,419,335
Long-term liabilities applicable to the County's discretely presented component units 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	(85,210)	
Compensated absences	(85,033)	
Total long-term liabilites		(170,243)
Total net assets of discretely presented component units		$ 3,179,140

JACKSON COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF DISCRETELY PRESENTED COMPONENT UNITS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

Net change in fund balances - total discretely presented component units	$ 132,614
The change in net assets reported for discretely presented component units in the statement of activities is different because:	
Governemental 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 depreciation ($72,961) exceeded capital outlays ($36,591) in the current period.	(36,370)
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	1,579
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 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 activites. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Repayment of notes payable	31,793
Change in net assets of discretely presented component units	$ 129,616

FEDERAL FINANCIAL ASSISTANCE

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INDEPENDENT AUDITORS' 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

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 Jackson County, Illinois' basic financial statements and have issued our report thereon dated May 19, 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 Jackson 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 Jackson County, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Jackson 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 a 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 over financial reporting 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jackson County, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant 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 that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to the County Board of Jackson County, Illinois, in a separate letter dated May 19, 2011.

Jackson County, Illinois' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Jackson County, Illinois' response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the County Board, management, the 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.

Kerber, Eck + Braeckel LLP

Carbondale, Illinois
May 19, 2011

Kerber, Eck & Braeckel LLP

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Jackson County Board
Courthouse
Murphysboro, Illinois

Compliance

We have audited the compliance of Jackson County, Illinois, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended November 30, 2010. Jackson County, Illinois' major federal programs are identified in the summary of auditor's 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 Jackson County, Illinois' management. Our responsibility is to express an opinion on Jackson 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, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 Jackson 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 on Jackson County, Illinois' compliance with those requirements.

In our opinion, Jackson County, Illinois complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended November 30, 2010.

Internal Control Over Compliance

The management of Jackson 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 Jackson County, Illinois' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our 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 Jackson County, Illinois' internal control over compliance.

Other Locations

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

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 the 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.

This report is intended solely for the information and use of the County Board, management, the 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.

Kerber, Eck & Braeckel LLP

Carbondale, Illinois
May 19, 2011

JACKSON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

Program	CFDA Number	Grantor	Pass-through Grantor's Number	Pass-through Grantor	Expenditures
Cash Federal Award Expenditures					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	U.S. Department of Agriculture	11GL270000	Illinois Department of Human Services	143,731
			11GM270000		78,400
non-cash					836,645
					1,058,776 *
Women, Infants, & Children Farmers' Market Nutrition Program	10.572	U.S. Department of Agriculture	11GM270000	Illinois Department of Human Services	1,000
Social Services Block Grant	93.667	U.S. Department of Health and Human Services	11GL270000	Illinois Department of Human Services	55,600
			11GM270000		-
					55,600
HIV Care Formula Grants	93.917	U.S. Department of Health and Human Services	95780766	Illinois Department of Public Health	187,806
			5780439		48,232
					236,038
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) in Selected Population Groups	93.943	U.S. Department of Health and Human Services	09 G755-002	Illinois Public Health Association	38,271
			1075502		39,601
					77,872
Family Planning Services	93.217	U.S. Department of Health and Human Services	11GL270000	Illinois Department of Human Services	48,177
			11GM270000		49,200
					97,377
Public Health Emergency Preparedness	93.069	U.S. Department of Health and Human Services	07181038	Illinois Department of Public Health	28,052
			07181160		61,960
			7181255		117,739
					207,751
Maternal and Child Health Services Block Grant to the States	93.994	U.S. Department of Health and Human Services	11GL270000	Illinois Department of Human Services	13,200
			11GM270000		11,500
					24,700
Housing Opportunities for Persons with AIDS	14.241	U.S. Department of Housing and Urban Development	95780744	Illinois Department of Public Health	19,906
			05780421		49,626
					69,532
Emergency Management Performance Grants	97.042	U.S. Department of Homeland Security	N/A	Illinois Emergency Management Agency	24,556
Tactical Interoperable Communications Plan Grant	97.001	U.S. Department of Homeland Security	N/A	Illinois Emergency Management Agency	4,001
Immunization Grant	93.268	U.S. Department of Health and Human Services	N/A	Illinois Department of Public Health	101,967
ARRA - Immunization Grant	93.712	U.S. Department of Health and Human Services	5180346	Illinois Department of Public Health	20,500
Centers for Disease Control and Prevention Investigation and Technical Assistance	93.283	U.S. Department of Health and Human Services	N/A		7,000
Highway Planning and Construction	20.205	Federal Highway Administration	09-00159-00-SP	Illinois Department of Transportation	913,376
			05-16118-00-BR		5,744
			06-00006-03-RS		382,828
			06-00101-01-RS		514,413
			08-00155-00-SP		15,703
			07-00153-00-BR		10,174
			FAS 919, 1919, 917		68,165
					1,910,403 *
State and Community Highway Safley	20.6	Federal Highway Administration	OP-0039-224	Illinois Department of Transportation	51,022
Public Safety Partnership and Community Policing Grants	16.710	U.S. Department of Justice	N/A		9,914
Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	16.609	U.S. Department of Justice	N/A		31,130
Project Safe Neighborhoods (2007)	16.609	U.S. Department of Justice	N/A		5,382
Project Safe Neighborhoods (2010)	16.609	U.S. Department of Justice	N/A		13,307
Bulletproof Vest Partnership Program	16.607	U.S. Department of Justice	N/A		4,738
Child Support Enforcement	93.563	U.S. Department of Health and Human Services	N/A	Illinois Department of Healthcare	17,974
Medical Assistance Program	93.778	U.S. Department of Health and Human Services	N/A	Illinois Department of Healthcare and Family Services	165,076
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	U.S. Federal Emergency Management Agency	N/A	Illinois Emergency Management Agency	25,238
					644
					25,882
Total Federal Expenditures					$ 4,221,498

* Denotes Major Program

The accompanying notes are an integral part of this schedule.

JACKSON COUNTY, ILLINOIS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes federal grant activity of Jackson County, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Note 2: Subrecipients

As required by O.M.B. Circular A-133 section 310(b)(5), Jackson County, Illinois did not provide any federal funds to subrecipients during fiscal year ended November 30, 2010.

Note 3: Non-cash Assistance, Insurance or Loans

As required by O.M.B. Circular A-133 section 310(b)(6), Jackson County, Illinois did not have any insurance in effect during the year, and had no loans or loan guarantees outstanding at year ended November 30, 2010.

Non-cash assistance received in the amount $836,645 as reflected in the Schedule of Expenditures of Federal Awards.

JACKSON COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ______ yes __X__ no
- Significant deficiencies identified that are not considered to be material weaknesses? __X__ yes ______ none reported

Noncompliance material to financial statements noted? ______ yes __X__ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ______ yes __X__ no
- Significant deficiencies identified that are not considered to be material weakness(es)? ______ yes __X__ none reported

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ______ yes __X__ no

Identification of major programs:

CFDA Number	*Name of Federal Program*
10.557	Special Supplemental Nutrition Program for Women, Infants & Children
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as low-risk auditee? __X__ yes ______ no

Section II - Financial Statement Findings

10-1 Accounts Receivable – Rehab & Care Center

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

JACKSON COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

Prior Audit Findings

09-1. Segregation of Duties - Cash Receipts - comment implemented
09-2. Physical Security - Signature Stamp - comment implemented
09-3. Accounts Receivable - Rehab & Care Center - finding repeated in current year
09-4. Segregation of Duties - Payroll Processing - comment implemented

JACKSON COUNTY, ILLINOIS
CORRECTIVE ACTION PLAN FOR CURRENT
YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

Corrective Action Plan

Finding No. 10-01 - *Accounts Receivable Rehab & Care Center*

Condition:

While there was improvement in the follow up on accounts there were still a few instances of no proper follow-up or inactivity noted on accounts. The also was an audit journal entry recorded to increase bad debt expenses due to the denial of payment for Medicare new admission during February 2010 related to a compliance issue with Medicare.

Plan:

An outside firm has been engaged to assist the Rehab & Care Center in collections and billing efforts.

The County of Jackson and the staff of its Rehab & Care Center will continue to strive to improve its billing and collection procedures, and track billing on every account.