

Kankakee County, Illinois
Annual Financial Statements
As of and for the year ended
November 30, 2011

**Kankakee County, Illinois
Annual Financial Statements
For The Year Ended November 30, 2011
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Mark L. Smith
Wayne D. Koelling
Lawrence K. Ohm
Curtis L. Dykstra
Richard S. Stenzinger
Marcie Meents Kolberg
Michael L. Stroud
Keith B. Ohm
Vicki L. DeYoung



1605 N. Convent
Bourbonnais, IL 60914
(815) 937-1997
Fax: (815) 935-0360
www.skdocpa.com

Beecher (708) 946-3232
Morris (815) 942-2554
Herscher (815) 426-9808
Peotone (708) 258-0300
Wilmington (815) 476-4477

Kankakee County Board
Kankakee County, Illinois
Kankakee, Illinois

Independent Auditor's Report

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 Kankakee County, State of Illinois, as of and for the year ended November 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Kankakee County, State of Illinois's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Kankakee County Public Building Commission, which represents 100 percent of the assets, net assets and revenues of the component unit column. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Kankakee County Public Building Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Kankakee County, State of Illinois, as of November 30, 2011, 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 our report dated June 7, 2012, on our consideration of the Kankakee County, State of Illinois's internal control 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 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, budgetary comparison information, and the schedule of funding progress – Illinois Municipal Retirement Fund, as found in table of contents, 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 it to be an essential part of financial reporting for placing the basic financial statements in an appropriate 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 Kankakee County, State of Illinois's financial statements as a whole. The other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relates 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.

Smith, Koelling, Dykstra and Ohm, P.C.

Bourbonnais, Illinois
June 7, 2012

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Beecher (708) 946-3232
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Peotone (708) 258-0300
Wilmington (815) 476-4477

**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***

Kankakee County Board
Kankakee, County, Illinois
Kankakee, Illinois

We have audited the 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 Kankakee County, State of Illinois, as of and for the year ended November 30, 2011, which collectively comprise the Kankakee County, State of Illinois's basic financial statements and have issued our report thereon dated June 7, 2012. 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 Kankakee County, State of Illinois's 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 Kankakee County, State of Illinois's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Kankakee County, State of Illinois's 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kankakee County, State of Illinois's 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Kankakee County, State of Illinois in a separate letter dated June 7, 2012.

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

Smith, Koelling, Dykstra and Ohm, P.C.

Bourbonnais, Illinois
June 7, 2012



MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the County of Kankakee presents readers of the County's financial statement this narrative overview and analysis of the financial activities for the fiscal years ended November 30, 2011 and 2010.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. This analysis will include comparative information to last year's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the County of Kankakee exceeded its liabilities at the close of the most recent fiscal year by \$65 million (*net assets*). Net assets invested in capital assets (net of depreciation and related debt) account for over 70 percent of this amount (\$45.6 million).
- At the close of fiscal year 2011, the County of Kankakee's governmental funds reported combined ending fund balances of \$22.3 million.
- Overall revenues were \$54.7 million, an increase of \$0.1 million from the prior year, resulting in an increase in fund balance of \$0.67 million. This was the first year with a positive net change in governmental fund balances since 2005.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – **management's discussion and analysis** (this section), the **basic financial statements**, and **required supplementary information**. This discussion and analysis is intended to serve as an introduction to the County of Kankakee's basic financial statements. The basic financial statements comprise two types of statements that present different views of the County:

- The first two statements are **government-wide financial statements** that provide both **long-term** and **short-term** information about the County's overall financial status.
- The remaining statements are **fund financial statements** that focus on **individual parts** of the County government, reporting the County's operations in **more detail** than the government-wide statements.
 - The **governmental funds** statements tell how **general government** services such as public safety were financed in the **short-term** as well as what remains for future spending.
 - **Proprietary fund** statements offer **short- and long-term** financial information about the activities that the government operates **like a business**, such as the Emergency Telephone System (911).
 - **Fiduciary fund** statements provide information about the financial relationships, like the drainage district funds, in which the County acts solely as a **trustee or agent** for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Illustration A shows how the requisite parts of this annual report are arranged and related to one another.

Illustration A
Organization of the County of Kankakee's Annual Financial Report

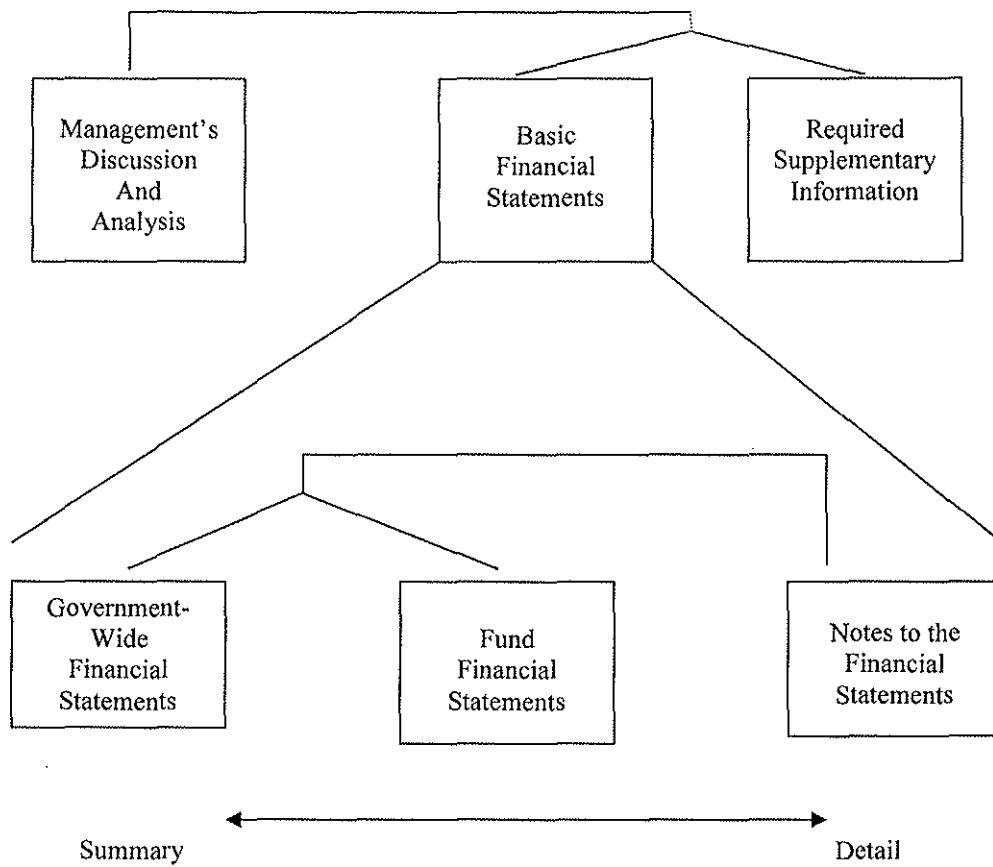


Illustration B summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Illustration B
Major Features of Kankakee County's Government-wide and Fund Financial Statements

		Fund Financial Statements			
		Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County (except fiduciary funds) and the County's component units	The activities of the County that are not proprietary or fiduciary, such as administrative and public safety	Activities the County operates similar to private businesses, the Emergency Telephone (911) system, and Animal Control	Instances in which the County is the trustee or agent for someone else's resources, such as the drainage district funds	
Required financial statements	<ul style="list-style-type: none"> Statement of net assets Statement of activities 	<ul style="list-style-type: none"> Balance sheet Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows 	<ul style="list-style-type: none"> Statement of fiduciary net assets Statement of changes in fiduciary net assets 	
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus	
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term	
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid	

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the County's assets and liabilities. The difference between the two is net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net assets and how they have changed. Net assets, the difference between the County's assets and liabilities, are one way to measure the County's financial health. Both of the government-wide financial statements distinguish functions of the 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 government-wide financial statements of the County are divided into three categories:

1. **Governmental activities** – Most of the County's basic services are included here, such as the Sheriff's Department, State's Attorney Office, Highway Department, Health Department, and General Administration. Property taxes and state and federal grants finance most of these activities.

2. **Business-type activities** – The County charges fees to customers to help cover the costs of certain services it provides. The County's Emergency Telephone (911) System and Animal Control are included here.
3. **Component units** – The County includes another entity, the Kankakee County Public Building Commission, in its report. Although legally separate, this component unit is important because the County is financially accountable for it. The Public Building Commission is a discretely-presented component unit of the County of Kankakee. The Commission issues separate financial statements which are on file at the Office of the Finance Director, Kankakee County, 189 E. Court St., Suite 300, Kankakee, Illinois 60901.

Additionally, the Kankakee County Health Department, the Veterans Assistance Commission, and the Kankakee County Emergency Telephone System Board are blended component units of the County of Kankakee. These entities' financial statements are blended with those of the County due to a degree of control that the County has over these functions. However, both the Health Department and the Emergency Telephone System Board have issued separate financial statements which are also on file at the County.

The government-wide financial statements can be found on pages 21-22 of this report.

Fund Financial Statements

Kankakee County's fund financial statements provide more detailed information about the County's most significant funds, as opposed to the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The County Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has three categories of funds:

1. **Governmental funds:** Most of the County's basic services are included in governmental funds, which focus on both how cash and other financial assets that can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement explains the relationship, or differences, between them.

Kankakee County maintains thirty-five 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 for the General Fund, Pension Fund, County Highway Fund, and Matching Tax Fund. These four funds are considered to be major funds. In prior years, the Tort Fund was also listed separately as a major fund. However, GASB 10 states that for financial reporting purposes, the activity in the Tort Fund should be presented as if it were part of the General Fund. Data from the other thirty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Kankakee 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. This schedule is found in the Required Supplementary Information section.

The basic governmental fund financial statements can be found on pages 23-25 of this report.

2. **Proprietary funds:** Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the County's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. Kankakee County uses enterprise funds to account for its Emergency Telephone Services (911) system and for its animal control operation.

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

3. **Fiduciary funds:** The County is a trustee, or fiduciary for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. Kankakee County excludes these activities from the county's government-wide financial statements because the County cannot use these assets to finance its operations.

The basic fiduciary fund financial statements can be found on page 29-30 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 31-50 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for major governmental funds.

Required supplementary information and related notes can be found on pages 51-66 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 69-83 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the ninth year that the County has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The reporting model significantly changed the recording and presentation of financial data from the previous model and comparative data is provided.

Exhibit 1 is a condensed version of the statement of net assets for the County of Kankakee. At the close of the current fiscal year the County's net assets exceeded liabilities by nearly \$65 million. Net assets for governmental activities decreased approximately \$1.3 million from FY 2010. This follows decreases of \$1.0 million from FY 2009 and \$5.33 million in the prior year from an all-time high of over \$72 million in FY 2008. However, for business-type activities, net assets increased by nearly \$0.2 million.

Exhibit 1
Condensed Statement of Net Assets (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 43,737	\$ 43,252	\$ 4,739	\$ 4,881	\$ 48,476	\$ 48,133
Capital assets	<u>65,752</u>	<u>68,295</u>	<u>2,329</u>	<u>2,570</u>	<u>68,081</u>	<u>70,865</u>
Total assets	109,489	111,547	7,068	7,451	116,557	118,998
Current and other liabilities	26,311	25,972	498	834	26,809	26,806
Long-term debt	<u>23,681</u>	<u>24,766</u>	<u>1,205</u>	<u>1,443</u>	<u>24,886</u>	<u>26,209</u>
Total liabilities	49,992	50,738	1,703	2,277	51,695	53,015
Net assets invested in capital assets, net of related debt	44,709	44,643	910	914	45,619	45,557
Restricted	15,873	16,144	254	236	16,127	16,380
Unrestricted	<u>(1,085)</u>	<u>22</u>	<u>4,201</u>	<u>4,024</u>	<u>3,116</u>	<u>4,046</u>
Total net assets	\$ 59,497	\$ 60,809	\$ 5,365	\$ 5,174	\$ 64,862	\$ 65,983

A significant portion of the County's net assets (70 percent) reflects investment of \$45.6 million in capital assets such as land, buildings, and equipment, less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources needed to repay the debt must be provided from other sources, as capital assets cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, \$16.1 million (25 percent), represents resources that are subject to external restrictions on how they may be used. Of this amount, \$0.02 million of governmental activities and all of the business-type activities restricted net assets are restricted for debt service. Additionally, \$0.8 million is restricted for Capital Projects related to the Integrated Justice Information Systems (IJIS) Project. The remainder is restricted for other purposes.

The remaining portion of the County's net assets (5 percent) is located in unrestricted net assets. Kankakee County's unrestricted net assets of \$3.1 million may be used to meet the County's ongoing obligations to citizens and creditors. This is a decrease of \$0.9 million overall in the County's unrestricted net assets from the prior year.

At the end of the current fiscal year, the County of Kankakee is able to report positive balances in all three categories of net assets for the government as a whole, as well as for business-type activities. However, in governmental activities, the County reported a negative balance in unrestricted net assets. This is a result of three consecutive years of decreases in net assets for governmental activities.

The following table, Exhibit 2, illustrates changes in net assets resulting from changes in revenues and expenditures.

Exhibit 2

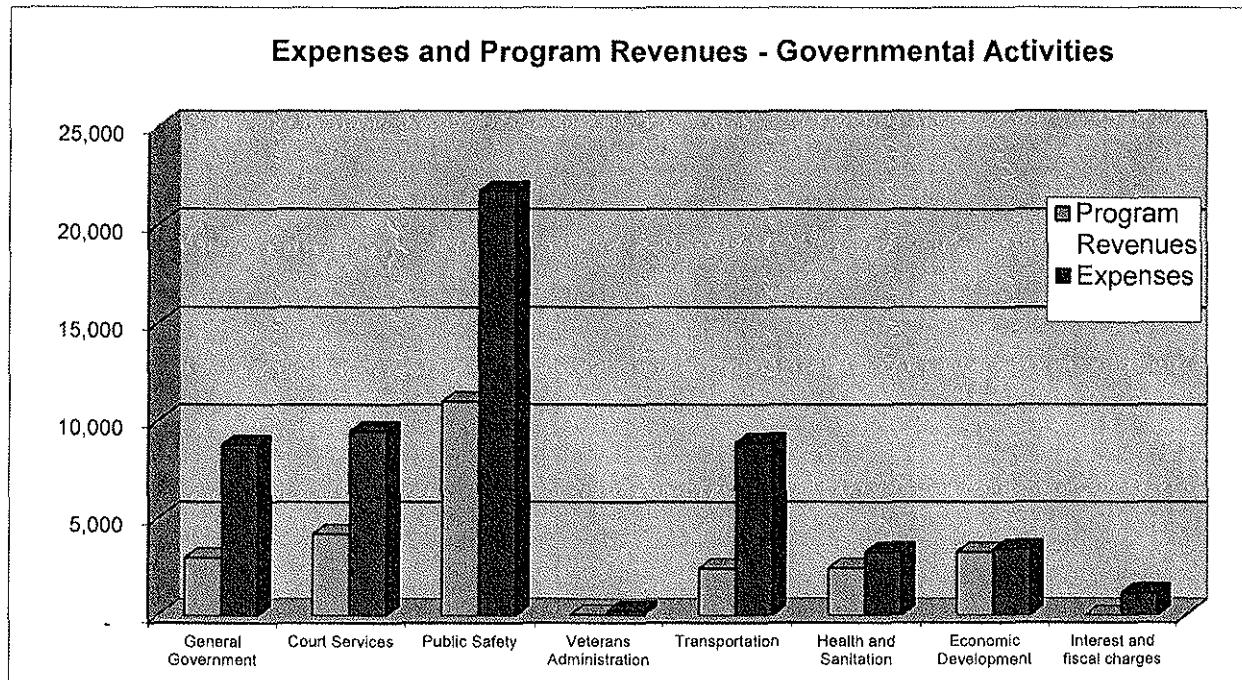
Kankakee County's Changes in Net Assets (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for Services	\$ 16,816	\$ 15,870	\$ 3,065	\$ 3,015	\$ 19,881	\$ 18,885
Operating Grants and Contributions	9,518	9,622	-	-	9,518	9,622
Capital Grants and Contributions	22	1,012	-	-	22	1,012
General Revenues						
Property Taxes	16,204	15,301	-	-	16,204	15,301
Sales Tax	7,888	7,862	-	-	7,888	7,862
State Income Tax	2,234	2,216	-	-	2,234	2,216
Replacement and Other Taxes	2,606	3,630	-	-	2,606	3,630
Other	297	390	32	40	329	430
Total Revenues	55,585	55,903	3,097	3,055	58,682	58,958
Expenses						
Governmental Activities						
General Government	8,777	8,534	-	-	8,777	8,534
Public Safety	21,753	22,572	-	-	21,753	22,572
Court Services	9,479	9,556	-	-	9,479	9,556
Transportation	8,877	7,504	-	-	8,877	7,504
Health and Sanitation	3,266	3,038	-	-	3,266	3,038
Veterans Administration	237	189	-	-	237	189
Economic Development	3,407	4,338	-	-	3,407	4,338
Interest and fiscal charges	1,163	1,189	-	-	1,163	1,189
Business-Type Activities						
Emergency Telephone Services	-	-	2,608	2,810	2,608	2,810
Animal Control	-	-	298	303	298	303
Total Expenses	56,959	56,920	2,906	3,113	59,865	60,033
Excess (Deficiency) Before Special items	(1,374)	(1,017)	191	(58)	(1,183)	(1,075)
Special items	62	24	-	-	62	24
Increase (Decrease) in Net Assets	(1,312)	(993)	191	(58)	(1,121)	(1,051)
Net Assets - Beginning of Year	60,809	61,802	5,174	5,232	65,983	67,034
Net Assets - End of Year	\$ 59,497	\$ 60,809	\$ 5,365	\$ 5,174	\$ 64,862	\$ 65,983

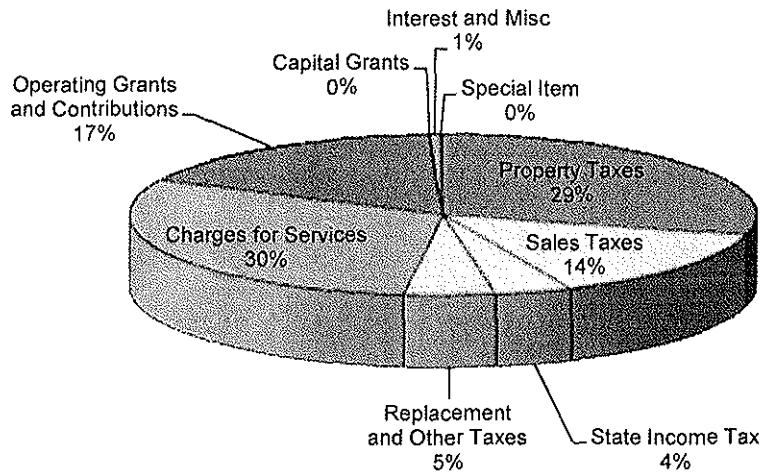
- Charges for services for governmental activities increased overall by nearly \$1.0 million (6.0 percent). The majority of this increase fell in Public Safety which experienced an increase of \$0.88 million as a result of filled capacity in the inmate rental program. Small increases were also noticed in general government (\$0.1 million), health and sanitation (\$0.03 million), and transportation (\$0.07 million) which offset the decrease in charges for services for court services of \$0.13 million. This was the first year of an increase in general government charges for services following four years of declines in this category.

- Operating grants for governmental activities decreased by \$0.1 million (1.0 percent) during the year. Although there was a small change overall, by function, there was greater fluctuation. The most significant change was an increase in Transportation of \$1.3 million. This was offset by decreases in operating grants for public safety for completion of a COPS Technology Grant, and for economic development from completion of American Recovery and Reinvestment Act (ARRA) awards for the Workforce Investment Act (WIA) program.
- Capital grants for governmental activities decreased by \$1.0 million during the year. The prior year number was the result of transportation capital grants for the highway department.
- Sales tax revenue had a very slight increase of \$0.03 million (0.3 percent) from last fiscal year. This follows the \$0.4 million increase experienced in the prior year. The County has experienced great volatility in its sales tax revenue over the past several years. Two years ago, the County experienced a drastic decrease of \$1.8 million. Previously, sales tax experienced trends of large increases from FY2003 to FY2005, and mostly stagnant growth from FY2005 to FY2008, as evidenced in the following detail. Sales tax experienced a small increase of \$0.3 million from FY2007 to FY2008 preceded by a \$0.25 million decrease in the year prior. This recent stagnation is affected by the downturn in the economy as well as the slowed growth in the largely successful tax rebate program implemented in the City of Kankakee to draw more businesses to the area. While the increase from FY2005 to FY2006 was only \$0.52 million, sales tax had increased by \$1.2 million from FY2004 to FY2005 and by \$1.3 million from FY2003 to FY2004, giving the County a 39.5 percent increase over the two year period. From FY2005 to FY2008, there was a net 6.7 percent increase.
- Total expenditures on the Government-wide Statement of Activities were relatively stagnant from the prior year, with only a slight decrease of \$0.17 million, although there were varying rates of fluctuation amongst the governmental activities. The areas of increase were in general government (\$0.24 million), health and sanitation (\$0.23 million), transportation (\$1.37 million), and veteran's administration (\$0.05 million). All other areas experienced decreases from the prior year, the largest of which were a \$0.93 million decrease in economic development, a \$0.82 million decrease in public safety, and a \$0.2 million decrease in 911 emergency services.

Governmental Activities



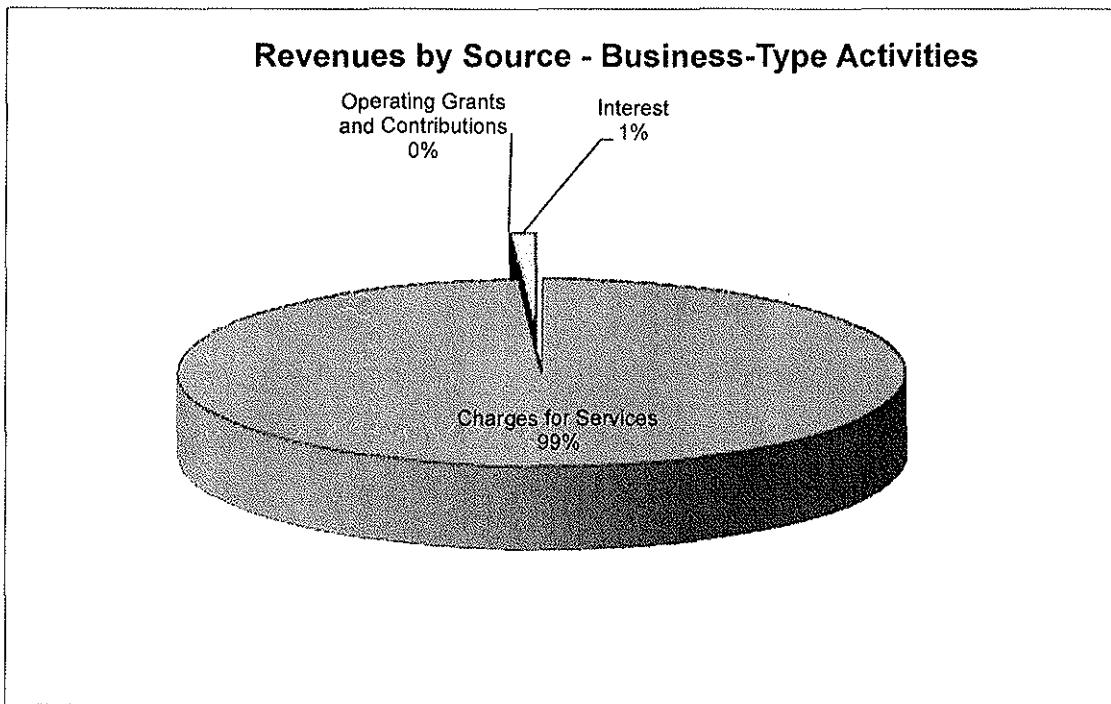
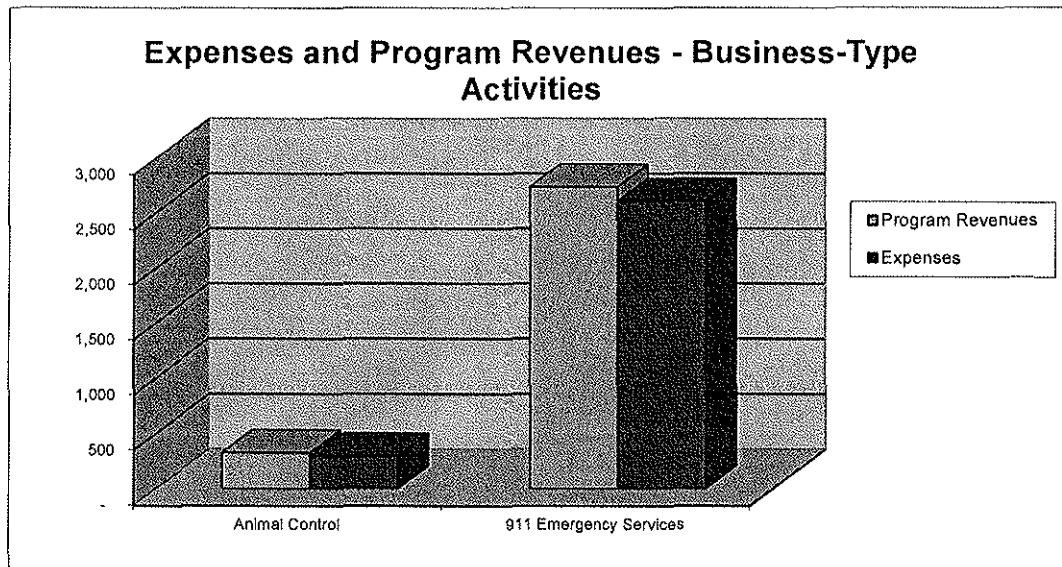
Revenues by Source - Governmental Activities



Governmental activities decreased the County's net assets by \$1.3 million. In the prior fiscal year, net assets decreased by nearly \$1.0 million. A decrease in revenues from the prior year of \$0.3 million and stagnant expenses from the prior year were not enough to impede another deficit. State income tax finally experienced a slight rebound of \$0.02 million after continuous decline in prior years, while property taxes and sales tax continued their trends back up as well. However, replacement tax decreased by \$1.0 million (28.2 percent). Expenditures across the governmental funds decreased in most areas as discussed above.

The preceding charts illustrate the County's governmental expenses and revenues by function and its revenue by source. Public safety is the largest governmental expense of the County, followed by court services, transportation, and general government. Public safety comprises 38.2 percent of total governmental activities, up from 29 percent seven years ago but down from nearly 40 percent a year ago. Transportation increased to 16 percent of total governmental activities, while economic development decreased to six percent due to the completion of expenses attributable to the ARRA awards discussed above. General revenues such as the property, sales, state income, replacement, motor fuel, and other taxes are not shown by function because they are used to support County-wide program activities. Over one-quarter, 29 cents of every dollar, of the County's revenue for governmental funds comes from property taxes (up from 27 cents a year ago), and 52 cents of every dollar raised comes from some type of tax. This is in line with the prior year, and a decrease from two years ago when 54 cents out of every dollar came from some type of tax. The percent of revenue from tax has decreased from 52 cents three years ago, 53 cents four years ago, 55 cents five years ago, 56 cents six years ago (when you remove the one time special item), 60 cents seven years ago and 63 cents eight years ago. More specifically, the percentage of property taxes funding governmental activities has decreased from 32 percent in FY2003 to 29 percent in FY2011.

Business-Type Activities



Business-type activities increased the County's net assets by \$0.2 million to \$5.36 million, an increase of 3.7 percent.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

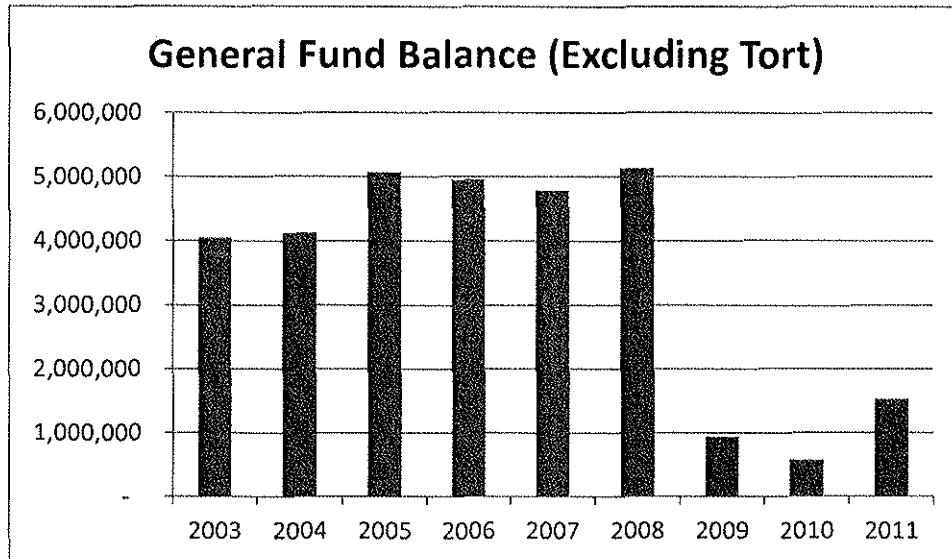
The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources available for spending. This information is useful in assessing the County's financing requirements. In particular, assigned and unassigned fund balance measure the County's net resources available for spending at the end of the fiscal year. Governmental funds reported by the County include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds.

At the end of the current fiscal year the County's governmental funds reported combined ending fund balances of \$22.3 million. About \$0.8 million (3.6 percent) of the fund balance is classified as non-spendable because it is not in spendable form due to inventories and prepaid items. The majority of the fund balance, \$17.6 million (78.9 percent) is restricted; constraints have been placed on the use of the resources. Approximately \$2.6 million (11.6 percent) is assigned, which the County intends to use for the transportation function. Approximately \$1.3 million (5.9 percent) constitutes unassigned fund balance, which is available for discretionary spending.

Revenues for the governmental funds in 2011 totaled \$54.7 million. Expenditures were \$54.4 million. Overall, the fund balance increased by \$0.67 million for the year.

The General Fund is the chief operating fund of the County. It is composed of 35 departments: Administration, Treasurer, County Clerk, Elections, Recorder, Assessments, Board of Review, Economic Development, Planning, Information Services, Building & Grounds, Health Insurance, Utilities, Contingency, Auditor, Zoning Board of Appeals, I-KAN ROE Educational Agreement, Finance, Capital Development, Circuit Clerk, Maintenance & Child Support, Circuit Court, Jury Commission, State's Attorney Office, Public Defender, Probation, D.N.D.C., Juvenile Detention Center, Sheriff Police, Corrections, Auxiliary Police, E.S.D.A., Merit Commission, Dispatch Center, and Coroner.

At the end of 2011 the total fund balance of the General Fund (excluding Tort) was \$1.5 million. The fund balance increased by \$0.95 million in 2011. This follows decreases of \$0.36 million and \$4.2 million in 2010 and 2009, respectively. The following chart illustrates the fund balances of the General Fund since FY 2003.



The Tort Liability Fund, reported in the General Fund, ended the year with a fund balance of \$1.9 million, which represents a minute decrease of \$4,688 from the prior fiscal year. This followed a \$0.19 million decrease in FY10 and a \$0.16 million decrease in FY09. Prior to that, there were decreases from FY03 to FY07, with a slight increase in FY08. This represents an overall 34.5 percent decrease from FY03 through FY11.

On the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances found on pages 23-24, the General Fund activity and Tort Fund activity are combined in one column as the General Fund. GASB 10 states that risk financing activities, such as the Tort Fund, should be reported in the general fund for financial reporting purposes. However, for budgeting, accounting, and internal reporting, these funds are still presented separately. The combined fund balance ended the year with a balance of \$3.5 million, an increase of \$0.95 million.

The Pension Fund, a special revenue fund, is a major fund of the County. Fund balance at the end of 2011 was \$1.5 million, an increase of \$0.27 million. Previously, the Pension Fund had experienced decreases each year since the end of FY03 when the fund balance was \$4.7 million, a 74.5 percent decrease for the period through 2010. Due to the declining fund balance, the percentages on the property tax limitation model for 2010 were modified to allow for the additional revenue to the Pension Fund.

The final major funds for the County are the County Highway Fund and Matching Tax Funds. The funds closed the year with a \$2.8 million balance and a \$4.3 million balance, respectively. This represents a \$0.1 million decrease in the County Highway Fund, and a \$0.2 million increase in the Matching Tax Fund.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

911 System Fee Fund. This fund also qualified as a major fund of Kankakee County. Net assets at the end of the year amounted to \$5.0 million. Of this amount, \$0.87 million is invested in capital assets, net of related debt and \$0.25 million is restricted for debt service. The remainder, \$3.9 million, is unrestricted. Total net assets increased by \$0.16 million during the year.

Animal Control. There was a net asset balance of \$340,069 at the end of the fiscal year. This represented an increase of \$30,019. Of the total, \$35,706 is invested in capital assets, net of related debt and the remainder of \$304,363 is unrestricted.

Fiduciary Funds

The County maintains fiduciary funds for the assets of others in various Private Purpose Trust Funds and Agency Funds. Total net assets in the Fiduciary funds are \$3.0 million, a net increase of \$1.5 million from last year. However, the increase was not entirely due to regular operating activity. An adjustment was made to the prior year balances adjusting \$1.9 million of Agency Fund liabilities to Private Purpose Trust Fund Net Assets. This, coupled with a decrease in current year activity of \$0.4 million, resulted in the net increase of \$1.5 million. The reclassification is discussed in Note 20 of the Basic Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

At the end of the fiscal year, the County Board revised the County budget due to emergency issues. Changes were made at the end of the year to account for unexpected expenditures. The original General Fund revenue budget of \$30.3 million was increased to \$31.6 million. The expenditure budget of \$29.9 million was increased to \$31.4 million.

The increase in the General Fund revenues was due to several factors including increased property tax revenues, new grant awards, and the increased inmate housing rentals.

Departments with increases to their original budget include Management Information Systems (\$5,500), Board of Review (\$5,500), Administration (\$10,000), Election Commission (\$40,000), Buildings and Grounds (\$430,400), Health Insurance (\$311,119), Planning (\$80,000), County Treasurer (\$5,000), Supervisor of Assessments (\$33,500), Economic Development (\$3,700), Jury Commission (\$25,000), Probation (\$19,000), DNDC (\$14,000), Sheriff's Office (\$444,163), Corrections (\$304,759), Coroner (\$69,400), and ESDA (\$86,440). Several of these budget amendments came from the budget of \$200,000 in contingency. Others were compensated by departments with decreases to their original budget including Finance (\$9,000), Circuit Court (\$20,000), Juvenile Detention Center (\$85,000), and Dispatch Services (\$40,000).

As revenues exceeded budgeted expectations, the budget variance for revenues and other financing sources was \$0.6 million over the final budget; while expenditures resulted in a variance of \$0.2 million over final budget. The largest variance of revenues was sales tax, which came in \$0.4 million over budget. Revenues for the inmate housing program came in \$0.13 million over the final budget, and real estate tax penalties also exceeded the budget by \$0.13 million. The County did experience some negative revenue variances as well, the largest of which were \$0.06 million in county fines and forfeitures, \$0.05 million in Circuit Clerk fees, and \$0.05 million in Sheriff fees. For the expenditures, there was not a lot of variance between the final budget and actual expenditures. The most substantial negative variance was \$0.43 million in Capital Development and \$0.08 million in Utilities. Significant positive differences between budgeted expenditures and actual expenditures were in Circuit Clerk of \$0.08 million and State's Attorney of \$0.1 million.

CAPITAL ASSETS & DEBT ADMINISTRATION

Capital Assets

The County of Kankakee's investment in capital assets for governmental and business-type activities as of November 30, 2011, amounts to \$68.1 million (net of accumulated depreciation). This investment in capital assets includes the transportation network, land, construction in progress, buildings and improvements, buildings and improvements under capital lease agreements, leasehold improvements, equipment, equipment under capital lease agreements, and vehicles. The total decrease in the County's investment in capital assets for the current fiscal year was 3.9 percent (a 3.7 percent decrease for governmental activities and a 9.4 percent decrease for business-type activities).

The following schedule shows the County's investment in capital assets.

Exhibit 3**Capital Assets at Year End, Net of Depreciation (In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Transportation Network	\$ 15,606	\$ 16,753	\$ -	\$ -	\$ 15,606	\$ 16,753
Land	920	847	61	61	981	908
Construction in Progress	526	662	-	524	526	1,186
Intangible Assets	1,341	980	-	-	1,341	980
Building - idle	1,770	1,770	-	-	1,770	1,770
Buildings and Improvements	38,250	39,606	-	-	38,250	39,606
Buildings and Improvements under capital lease agreements	3,243	3,393	-	-	3,243	3,393
Leasehold improvements	-	-	197	197	197	197
Equipment	2,504	3,005	2,041	1,752	4,545	4,757
Equipment under capital lease agreements	-	-	30	36	30	36
Vehicles	<u>1,592</u>	<u>1,279</u>	<u>-</u>	<u>-</u>	<u>1,592</u>	<u>1,279</u>
Total Capital Assets	<u>\$ 65,752</u>	<u>\$ 68,295</u>	<u>\$ 2,329</u>	<u>\$ 2,570</u>	<u>\$ 68,081</u>	<u>\$ 70,865</u>

Major capital asset changes that occurred during 2011 include the following:

Construction in progress of \$0.1 million was retired and reclassified as transportation projects are completed. Intangible assets of \$0.36 million were added for the IJIS project also. Equipment of \$0.3 million and vehicles of \$0.8 million were added. The vehicles were partially offset by \$0.45 million in retirements. Regarding business-type activities, \$0.5 million of construction in progress was reclassified as the project was completed, and in turn, equipment was increased by \$0.6 million for the completion and new equipment.

More detail about the County's capital assets is presented in Note 6 to the financial statements.

Long-term Debt

At the end of the current fiscal year, the County of Kankakee had total debt outstanding of \$26.8 million. This encompasses \$25.4 million outstanding long-term debt in governmental activities and \$1.4 million outstanding long-term debt in business-type activities. This represents a decrease of approximately \$0.9 million (3.4 percent) in governmental activities and a decrease of approximately \$0.2 million (14.1 percent) in business-type activities.

The following schedule shows the County's long-term debt.

Exhibit 4
Outstanding Long-term Debt at Year End (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Debt Certificates	\$ 10,821	\$ 18,264	\$ -	\$ -	\$ 10,821	\$ 18,264
Bonds - General Obligation	10,109	3,500	-	-	10,109	3,500
Loan / Lease Agreement	175	175	-	-	175	175
Capital Leases	3,700	3,862	24	31	3,724	3,893
Bonds - Alternate Revenue Source	-	-	1,395	1,625	1,395	1,625
Compensated Absences	565	471	24	24	589	495
Total	\$ 25,370	\$ 26,272	\$ 1,443	\$ 1,680	\$ 26,813	\$ 27,952

The compensated absences calculation required the reporting of additional liability amounts for governmental activities, which was partially offset by some retirements. There was also an addition to capital leases for governmental activities as vehicles were purchased. Additionally, debt certificates were retired and refinanced with lower interest rates as general obligation bonds. Accordingly, there were sizable retirements to debt certificates and additions to general obligation bonds.

Regarding business-type activities, the County retired \$230,000 in bonds and a portion of the Animal Control vehicle lease.

More detailed information about the County's long-term liabilities is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's General Fund revenue budget for 2012 increased 3 percent to approximately \$31.3 million from the original FY11 budget; while the expenditure budget for 2012 increased 4.8 percent to approximately \$31.3 million. Accordingly, most of the revenues are budgeted at similar levels to 2011. Slight shifts include decreases in the budget for sales tax (\$0.1 million), Circuit Clerk fees (\$0.26 million), and some grants. Conversely, increases were budgeted for property taxes (\$0.5 million), replacement tax (\$0.14 million), General Fund Circuit Clerk ticket percentage (\$0.24 million), and out of county inmate rental (\$0.35 million).

On the expenditure side there were slight variations from the 2011 budget. Expenditures for elections are budgeted to be increased by \$0.17 million in anticipation of the elections of 2012. Other increases to the budget include a \$1.0 million increase in Health Insurance, \$0.06 million increase in the State's Attorney's Office, and a \$0.23 million increase to the Corrections Department. The capital development budget was decreased by \$0.2 million, and the budget for the juvenile detention center was decreased by \$0.09 million.

The budget projects for expenditures equal to revenues in fiscal year 2012.

The following are other factors that could play a role in the actual outcome of next year's budgeted figures:

The next general election will be in November 2012. County offices that will be on the ballot include the County Auditor, Recorder, Circuit Clerk, State's Attorney, and Coroner, as well as all County Board seats. Additional offices to be elected include United States Congressional Representative, as well as State Senator and Representative. Congressional, legislative, and county board boundaries have changed due to redistricting.

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act (ARRA). ARRA increased funding for the Workforce Investment Act (WIA), of which our area, serving Grundy, Livingston, and Kankakee Counties received an additional \$2.7 million to provide job training in those three counties. These funds continued to be expended through June 30, 2011, but are completely expired for FY12. However, the County also received an Energy Efficiency Block Grant through ARRA funds which will continue to see activity in FY12, as well as an ARRA Drug Prosecution Grant and an ARRA Integrated Information Systems Grant.

The union contracts with FOP Probation, FOP Deputies, and ETSB 911 will end November 30, 2012 and negotiations will begin. The union contract for Teamsters (Maintenance) ended at the end of FY08 and negotiations are still ongoing. The contract with Corrections ended November 30, 2010 and negotiations are ongoing. AFSCME and the Recorder/Auditor/Treasurer's Offices are under contract through November 30, 2013. Additionally, the Coroner's Office is going through the unionization process, and negotiations have been ongoing.

Sales tax revenue continues to be an issue as the County remains in litigation. Progress is being made as most of the funds held at the Department of Revenue were recouped in 2011. However, the long term viability of the sales tax program noted in the Government Wide Financial Analysis section is questionable as pending legislation may greatly affect that program.

In February 2009, the president of Vision Energy presented a proposal to the Kankakee County Planning Commission of a 33,000 acre, \$1 billion dollar wind farm encompassing parts of four Illinois counties. The project proposes to build and operate over 300 wind turbines and employ as many as 250 construction and 40 full-time operations and maintenance workers. A three year extension was recently granted on this project.

The Chicago Bears continue to hold their summer training camp with Olivet Nazarene University in Bourbonnais. This event has increased tourist travel into the County in late July and early August, which can lead to an increase in sales tax revenue.

Riverside Medical Center, a major hospital in Kankakee, is undergoing its largest expansion since the hospital opened in 1966. The \$85 million addition will add 160,000 square feet of new space. The entire project is complete and opened, and greatly increases the healthcare capacity and jobs in our area.

Bunge Oil has an additional \$5 million project in line to increase capacity at its Kankakee County location, as well as expanding its Research and Development department at this location as well.

CSL Behring is expanding at its local site which is bringing a \$185 million investment over three years. They continue to add new full time employees as they triple their capacity at this location. Other sources of expansion in our area include Vulcan Materials in Manteno with a \$45 million project waiting on EPA approval and expected to start this year. Precisionaire Inc. in the eastern part of the County has undergone a \$4 million expansion which added approximately 100 new jobs to this location.

The Illinois Army National Guard also announced plans to build a \$48 million Readiness Center and Army Aviation Support Facility at the Greater Kankakee Airport. A fall 2012 start date is anticipated and this project will add 75 full time jobs and approximately 200 troops will be trained at this location.

In addition, there have been no significant mass closings or layoffs in Kankakee County in the past year. Employers are hiring, particularly in the healthcare and manufacturing fields. Olivet Nazarene University and Kankakee Community College continue to expand as they enroll new classes.

Regarding transportation, the exit 315 interchange of Interstate I-57 is undergoing a \$54 million reconfiguration during a two year project that began last summer and is expected to continue approximately another year. The Illiana Corridor, a project that would connect I-65 in Indiana to I-55 in Illinois is under review. The Bi-State Commission studying this project announced that the preferred corridor is B3, which would cross approximately two miles north of Kankakee County. A decision is expected to be made in 2013. Another local transportation project is the I-57 interchange at 6000 N Rd. This \$55 million project could begin in 2014.

Outside consultants completed a space needs study for the County offices. While it is evident that additional space is warranted, it is yet to be determined what course of action the County will pursue. However, one step was taken in 2009 due to the space needs. The public defenders office moved from the basement of the courthouse, and is now leasing space in a nearby building. Additionally, the suitability of the existing courthouse is again in question due to numerous violations of the Americans with Disabilities Act. This is in addition to the fact that an additional circuit court judge was assigned to the already tight facility at the Kankakee County Courthouse. A thorough evaluation of the space is underway.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Kankakee County Finance Department, 189 E. Court St. Suite 300, Kankakee, IL 60901.

Kankakee County, Illinois
Statement of Net Assets
November 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash	\$ 11,948,290	\$ 877,556	\$ 12,825,846	\$ 500,281
Cash - restricted	-	281,747	281,747	-
Investments, at cost	6,491,597	2,768,870	9,260,467	-
Receivables, (net, where applicable of allowance for uncollectibles):				
Taxes, including interest, penalties and liens	16,452,023	-	16,452,023	-
Accounts	6,529,506	151,708	6,681,214	-
Loans	221,756	-	221,756	1,879,150
Internal balances	215	(215)	-	-
Due from other governments	986,227	644,990	1,631,217	72,915
Prepaid expenses	313,976	-	313,976	-
Inventory, at cost	531,146	-	531,146	-
Other assets	262,924	14,283	277,207	36,920
Capital assets, net of accumulated depreciation	65,751,608	2,329,128	68,080,736	-
Total assets	\$ 109,489,268	\$ 7,068,067	\$ 116,557,335	\$ 2,489,266
Liabilities and Net Assets				
Liabilities				
Vouchers and accounts payable	\$ 6,381,172	\$ 121,126	\$ 6,502,298	\$ 39,992
Payable from restricted assets	-	28,041	28,041	-
Accrued wages and benefits	1,582,340	111,154	1,693,494	-
Deferred revenue	16,659,032	-	16,659,032	-
Noncurrent liabilities:				
Due within one year	1,688,576	237,555	1,926,131	90,000
Due in more than one year	23,681,057	1,205,422	24,886,479	1,955,000
Total liabilities	49,992,177	1,703,298	51,695,475	2,084,992
Net Assets				
Invested in capital assets, net of related debt	44,708,893	909,769	45,618,662	-
Restricted for:				
Debt service	287,286	253,706	540,992	-
Capital projects	791,596	-	791,596	-
Other purposes (enabling legislation)	14,794,364	-	14,794,364	-
Unrestricted	(1,085,048)	4,201,294	3,116,246	404,274
Total net assets	59,497,091	5,364,769	64,861,860	404,274
Total liabilities and net assets	\$ 109,489,268	\$ 7,068,067	\$ 116,557,335	\$ 2,489,266

Kankakee County, Illinois
 Statement of Activities
 For the Year Ended November 30, 2011

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants	Primary Government		Total Primary Government	Component Unit
					Governmental Activities	Business-Type Activities		
Primary government:								
Governmental activities								
General government	8,776,907	\$ 2,377,746	\$ 595,437	\$ -	\$ (5,803,724)		\$ (5,803,724)	
Court services	9,478,698	2,879,003	1,316,146	-	(5,283,549)		(5,283,549)	
Public safety	21,752,864	10,600,166	379,544	22,000	(10,751,154)		(10,751,154)	
Health and sanitation	3,266,113	325,031	2,116,169	-	(824,913)		(824,913)	
Transportation	8,877,314	633,862	1,795,339	-	(6,448,113)		(6,448,113)	
Veterans administration	236,894	-	51,622	-	(185,272)		(185,272)	
Economic development	3,406,529	-	3,264,206	-	(142,323)		(142,323)	
Interest and fiscal charges	1,163,120	-	-	-	(1,163,120)		(1,163,120)	
Total governmental activities	<u>56,958,439</u>	<u>16,815,808</u>	<u>9,518,463</u>	<u>22,000</u>	<u>(30,602,168)</u>		<u>(30,602,168)</u>	
Business-type activities								
911 Emergency services	2,608,200	2,736,836	-	-	\$ 128,636		128,636	
Animal control	298,339	328,074	-	-	29,735		29,735	
Total business-type activities	<u>2,906,539</u>	<u>3,064,910</u>	<u>-</u>	<u>-</u>	<u>158,371</u>		<u>158,371</u>	
Total primary government	<u>\$ 59,864,978</u>	<u>\$ 19,880,718</u>	<u>\$ 9,518,463</u>	<u>\$ 22,000</u>	<u>(30,602,168)</u>	<u>158,371</u>	<u>(30,443,797)</u>	
Component unit:								
Kankakee County Public Building Commission	<u>\$ 134,377</u>	<u>\$ 122,958</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (11,419)</u>
General revenues:								
Taxes								
Property taxes								
16,204,323								
Sales tax								
7,887,776								
State income tax								
2,233,440								
Replacement and other taxes								
2,606,459								
Interest								
25,714								
Miscellaneous								
270,750								
Special item-gain (loss) on disposal of assets								
62,080								
Total general revenues and special items								
29,290,542								
Change in net assets								
(1,311,626)								
Net assets - beginning								
60,808,717								
Net assets - ending								
\$ 59,497,091								
\$ 5,364,769								
\$ 64,861,860								
\$ 404,274								

See accompanying notes to the basic financial statements.

Kankakee County, Illinois

Balance Sheet

Governmental Funds

November 30, 2011

	General Fund	Pension	County Highway	Matching Tax	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 914,150	\$ 1,914,770	\$ 1,409,451	\$ 579,517	\$ 7,130,402	\$ 11,948,290
Investments, at cost	48,676	-	1,168,305	3,702,940	1,571,676	6,491,597
Receivables (net of applicable allowances for estimated uncollectible amounts):						
Taxes, including interest, penalties, and liens	6,979,693	4,778,550	1,806,066	865,406	2,022,308	16,452,023
Accounts	5,920,124	18,063	187,132	-	404,187	6,529,506
Loans	-	-	-	-	221,756	221,756
Prepaid expenses	294,504	-	-	-	19,472	313,976
Due from other funds	1,412,991	-	-	-	1,320,652	2,733,643
Due from other governments	-	-	-	-	386,228	386,228
Inventory, at cost	174,653	-	221,097	-	135,396	531,146
Total assets	\$ 15,744,791	\$ 6,711,383	\$ 4,792,051	\$ 5,147,863	\$ 13,212,077	\$ 45,608,165
Liabilities and Fund Balances						
Liabilities:						
Vouchers and accounts payable	\$ 2,434,142	\$ 442,722	\$ 174,803	\$ -	\$ 907,946	\$ 3,959,613
Due to other funds	2,720,730	-	-	-	12,698	2,733,428
Deferred revenue	7,124,384	4,778,549	1,806,066	865,406	2,084,627	16,659,032
Total liabilities	12,279,256	5,221,271	1,980,869	865,406	3,005,271	23,352,073
Fund balances:						
Non-spendable:						
Prepaid items	294,504	-	-	-	6,927	301,431
Inventory	174,653	-	221,097	-	99,938	495,688
Restricted for:						
General government	-	-	-	-	597,368	597,368
Debt service	-	-	-	-	287,286	287,286
Judiciary and court	-	-	-	-	2,004,949	2,004,949
Public safety	-	-	-	-	324,071	324,071
Health and welfare	-	-	-	-	2,342,362	2,342,362
Transportation	-	-	-	4,282,457	3,214,061	7,496,518
Economic development	-	-	-	-	538,248	538,248
Retirement	-	1,490,112	-	-	-	1,490,112
Tort liability/claims	1,688,373	-	-	-	-	1,688,373
Capital projects	-	-	-	-	791,596	791,596
Assigned to transportation	-	-	2,590,085	-	-	2,590,085
Unassigned	1,308,005	-	-	-	-	1,308,005
Total fund balance	3,465,535	1,490,112	2,811,182	4,282,457	10,206,806	22,256,092
Total liabilities and fund balance	\$ 15,744,791	\$ 6,711,383	\$ 4,792,051	\$ 5,147,863	\$ 13,212,077	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds as assets	65,751,608
Bond issue costs, net of amortization, are not financial resources and, therefore, are not reported in the funds as assets.....	262,924
Long-term liabilities, including liabilities for retirement obligations, are not due and payable in the current period and therefore, are not reported as a fund liability in governmental funds.....	(25,369,633)
The difference in net assets between full accrual accounting and modified accrual accounting due to differing revenue and expense recognition criteria between the two methods.....	(3,403,900)
Net assets of governmental activities.....	\$ 59,497,091

Kankakee County, Illinois
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended November 30, 2011

	General Fund	Pension	County Highway	Matching Tax	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 14,555,465	\$ 4,807,371	\$ 1,780,870	\$ 870,649	\$ 2,077,744	\$ 24,092,099
Intergovernmental	5,453,209	50,866	-	-	8,010,975	13,515,050
Charges for services	13,222,014	-	633,862	-	-	13,855,876
Licenses and permits	313,840	-	-	-	205,736	519,576
Fines and forfeits	877,329	-	-	-	1,465,974	2,343,303
Interest on investments	7,974	1,466	1,377	3,431	11,466	25,714
Miscellaneous	85,842	-	55,821	107,140	132,616	381,419
Total revenues	34,515,673	4,859,703	2,471,930	981,220	11,904,511	54,733,037
Expenditures:						
Current:						
General government	11,627,559	4,582,655	-	-	286,925	16,497,139
Judiciary and court related	5,676,592	-	-	-	2,064,553	7,741,145
Public safety	13,749,967	-	-	-	271,343	14,021,310
Health and welfare	-	-	-	-	2,923,675	2,923,675
Transportation	-	-	2,211,337	776,478	2,420,296	5,408,111
Economic development	142,248	-	-	-	3,263,948	3,406,196
Capital outlay	737,591	-	362,435	-	580,242	1,680,268
Debt service principal	1,162,911	-	-	-	399,252	1,562,163
Debt service interest	785,923	11,764	-	-	365,433	1,163,120
Total expenditures	33,882,791	4,594,419	2,573,772	776,478	12,575,667	54,403,127
Excess (deficiency) of revenues over (under) expenditures	632,882	265,284	(101,842)	204,742	(671,156)	329,910
Other financing sources (uses):						
Transfers in	29,400	-	-	-	366,389	395,789
Transfers out	(51,793)	-	-	-	(343,996)	(395,789)
Proceeds from long-term debt	6,939,669	-	-	-	-	6,939,669
Premium on bonds sold	86,846	-	-	-	-	86,846
Refunded debt proceeds						
paid to escrow agent	(6,549,238)	-	-	-	-	(6,549,238)
Cost of issuance of long-term debt	(137,608)	-	-	-	-	(137,608)
Total other financing sources (uses)	317,276	-	-	-	22,393	339,669
Net change in fund balances	950,158	265,284	(101,842)	204,742	(648,763)	669,579
Fund balances, beginning of year	2,515,377	1,224,828	2,913,024	4,077,715	10,855,569	21,586,513
Fund balances, end of year	\$ 3,465,535	\$ 1,490,112	\$ 2,811,182	\$ 4,282,457	\$ 10,206,806	\$ 22,256,092

Kankakee County, Illinois

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund

Balances of Governmental Funds to the Statement of Activities

For the Year Ended November 30, 2011

Net change in fund balances - total governmental funds	\$ 669,579
Amounts reported for governmental activities in the statement of activities are different because:	
The issuance of long-term debt, including premiums, is reflected as other financing sources as other financing sources on the fund level statements, but is reported as an addition to liabilities on the entity wide statements	(7,026,515)
The refunded debt proceeds paid to escrow agent are reflected as other financing uses on the fund level statements, but are reported as a reduction to liabilities on the entity wide statements	6,549,238
Unamortized debt issue costs and discount related to defeased debt were expensed on the entity wide statements, but not reported on the fund level statements	(205,177)
The payment of principal on long-term debt is reflected as an expense on the fund level statements, but is reported as a reduction of liabilities on the entity wide statements	1,562,163
Debt issue costs are reflected as other financing uses on the fund level statements, but are reported as an addition to other assets on the entity wide statements	137,608
Amortization on debt issue costs is not reflected on the fund level statements, but is reported as an expense on the entity wide statements	2,709
The current period change in compensated absences does not require or provide current financial resources and, therefore, is not reported in governmental funds	(195,882)
Change in pension obligation resulting from contributions paid at a rate less than the required rate is not reported on the fund level statements	(324,620)
Depreciation on capital assets and losses on the sale of assets are not reflected on the fund level statements, but are reported as an expense on the entity wide statements	(3,974,117)
The acquisition of capital assets is reported as an expense on the fund level statements, but is capitalized as an asset on the entity wide statements	1,570,071
Full accrual accounting and modified accrual accounting use differing revenue and expense recognition criteria	(76,683)
Change in net assets of governmental activities - entity wide statements	<u>\$ (1,311,626)</u>

Kankakee County, Illinois
Statement of Net Assets
Proprietary Funds - Enterprise Funds
November 30, 2011

	Enterprise Funds		
	911 System Fee Fund	Other Enter- prise Funds	Total
Assets			
Current assets			
Cash	\$ 772,448	\$ 105,108	\$ 877,556
Cash - restricted	281,747	-	281,747
Investments	2,582,384	186,486	2,768,870
Accounts receivable	87,006	64,702	151,708
Due from other funds	42	36	78
Receivable from other governments	644,990	-	644,990
Total current assets	<u>4,368,617</u>	<u>356,332</u>	<u>4,724,949</u>
Property, plant, and equipment			
Building, improvements and equipment	6,508,489	174,471	6,682,960
Accumulated depreciation	(4,239,426)	(114,406)	(4,353,832)
Net property, plant, and equipment	<u>2,269,063</u>	<u>60,065</u>	<u>2,329,128</u>
Bond issue costs, net and other assets			
Bond issue costs, net and other assets	14,283	-	14,283
Total assets	<u>\$ 6,651,963</u>	<u>\$ 416,397</u>	<u>\$ 7,068,360</u>
Liabilities			
Current liabilities			
Current portion - long-term debt	\$ 230,000	\$ 7,555	\$ 237,555
Vouchers and accounts payable	69,450	51,676	121,126
Payable from restricted assets	28,041	-	28,041
Due to other funds	-	293	293
Accrued wages and benefits	111,154	-	111,154
Total current liabilities	<u>438,645</u>	<u>59,524</u>	<u>498,169</u>
Long-term liabilities			
Long-term debt, net of current portion	1,165,000	16,804	1,181,804
Accrued sick time	23,618	-	23,618
Total long-term liabilities	<u>1,188,618</u>	<u>16,804</u>	<u>1,205,422</u>
Total liabilities	<u>1,627,263</u>	<u>76,328</u>	<u>1,703,591</u>
Net assets			
Invested in capital assets, net of related debt	874,063	35,706	909,769
Restricted for debt service (expendable)	253,706	-	253,706
Unrestricted	3,896,931	304,363	4,201,294
Total net assets	<u>5,024,700</u>	<u>340,069</u>	<u>5,364,769</u>
Total liabilities and net assets	<u>\$ 6,651,963</u>	<u>\$ 416,397</u>	<u>\$ 7,068,360</u>

Kankakee County, Illinois

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds - Enterprise Funds

For the Year Ended November 30, 2011

	Enterprise Funds		
	911 System Fee Fund	Other Enter- prise Funds	Total
Operating revenues:			
Charges for services and other fees	\$ 2,735,841	\$ 323,098	\$ 3,058,939
Miscellaneous	995	4,976	5,971
Total operating revenues	2,736,836	328,074	3,064,910
Operating expenses:			
Personal services	1,718,222	182,112	1,900,334
Contractual services	381,212	38,470	419,682
Supplies and materials	5,180	32,513	37,693
Other services and charges	107,462	37,133	144,595
Depreciation and amortization expense	327,916	5,819	333,735
Total operating expenses	2,539,992	296,047	2,836,039
Operating income (loss)	196,844	32,027	228,871
Nonoperating revenue (expense):			
Interest income	32,205	284	32,489
Interest expense	(68,208)	(2,292)	(70,500)
Net nonoperating revenue (loss)	(36,003)	(2,008)	(38,011)
Change in net assets	160,841	30,019	190,860
Net assets, beginning of year	4,863,859	310,050	5,173,909
Net assets, end of year	\$ 5,024,700	\$ 340,069	\$ 5,364,769

Note: 911 System Fee Fund revenues are pledged for payment of alternate revenue source bonds.

Kankakee County, Illinois
Statement of Cash Flows
Proprietary Funds - Enterprise Fund Types
For the Year Ended November 30, 2011

	Enterprise Funds		
	911 System Fee Fund	Other Enter- prise Funds	Total
Cash flows from operating activities:			
Receipts from customers	\$ 2,026,748	\$ 317,366	\$ 2,344,114
Payments to suppliers	(1,036,053)	(103,581)	(1,139,634)
Payments to employees	(1,509,001)	(179,817)	(1,688,818)
Internal activity - payments from (to) other funds	727,582	421	728,003
Other receipts	995	4,976	5,971
Net cash provided (used) by operating activities	<u>210,271</u>	<u>39,365</u>	<u>249,636</u>
Cash flows from capital and related financing activities:			
Interest payments on long-term debt	(72,614)	(2,292)	(74,906)
Payments on long-term debt	(230,000)	(7,041)	(237,041)
Purchase of equipment	(94,160)	-	(94,160)
Net cash flows provided (used) by capital and related financing activities	<u>(396,774)</u>	<u>(9,333)</u>	<u>(406,107)</u>
Cash flows from investing activities:			
Purchase of investments	(2,582,384)	-	(2,582,384)
Sale of investments	2,538,104	-	2,538,104
Interest income	32,205	284	32,489
Net cash flows provided (used) by investing activities	<u>(12,075)</u>	<u>284</u>	<u>(11,791)</u>
Net increase (decrease) in cash and cash investments	<u>(198,578)</u>	<u>30,316</u>	<u>(168,262)</u>
Cash and cash investments, beginning of year	<u>1,252,773</u>	<u>261,278</u>	<u>1,514,051</u>
Cash and cash investments, end of year	<u>\$ 1,054,195</u>	<u>\$ 291,594</u>	<u>\$ 1,345,789</u>
Reported on balance sheet as cash	<u>\$ 1,054,195</u>	<u>\$ 105,108</u>	<u>\$ 1,159,303</u>
Included in balance sheet investments	<u>-</u>	<u>186,486</u>	<u>186,486</u>
	<u>\$ 1,054,195</u>	<u>\$ 291,594</u>	<u>\$ 1,345,789</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 196,844	\$ 32,027	\$ 228,871
Adjustments to reconcile net income to net cash provided from operating activities:			
Depreciation expense	325,048	5,819	330,867
Amortization of line charges and bond issue costs	2,868	-	2,868
Change in assets and liabilities:			
(Increase) decrease in accounts receivable/prepaid expenses	24,200	(5,604)	18,596
Increase (decrease) in accrued salaries and benefits	(240,688)	2,295	(238,393)
Increase (decrease) in other liabilities	(98,001)	4,828	(93,173)
Net cash provided by operating activities	<u>\$ 210,271</u>	<u>\$ 39,365</u>	<u>\$ 249,636</u>

Kankakee County, Illinois
Statement of Fiduciary Net Assets
Fiduciary Funds
November 30, 2011

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash	\$ 987,140	\$ 3,619,732
Investments, at cost	1,966,558	351,660
Receivables:		
Accounts receivable	<u>99,542</u>	<u>180,484</u>
Total assets	<u>\$ 3,053,240</u>	<u>\$ 4,151,876</u>
 Liabilities and Net Assets		
Liabilities		
Vouchers payable	\$ 24,578	\$ 67,033
Due to:		
Other governments	-	105,476
Others	<u>-</u>	<u>3,979,367</u>
Total liabilities	<u>24,578</u>	<u>4,151,876</u>
 Net Assets		
Restricted for other purposes	3,028,662	-
Total net assets	<u>3,028,662</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 3,053,240</u>	<u>\$ 4,151,876</u>

Kankakee County, Illinois
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended November 30, 2011

	<u>Private Purpose Trust Funds</u>
Additions:	
Intergovernmental	\$ 1,370,717
Miscellaneous	1,594,688
Interest	<u>1,768</u>
Total additions	<u>2,967,173</u>
Deductions:	
Transportation	1,245,933
Other	<u>2,134,081</u>
Total deductions	<u>3,380,014</u>
Change in net assets	(412,841)
Net assets, beginning of year	<u>3,441,503</u>
Net assets, end of year	<u>\$ 3,028,662</u>

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 1 – The Financial Reporting Entity

Kankakee County, Illinois is a municipal corporation formed in 1853 operating under the county board form of government. The Board of Trustees consists of twenty-eight members and is the legal and executive body of the County. In addition, there are eight other elected administrative officials, each of whom is independent as set forth in Illinois law. These officials are Clerk of Courts, Auditor, Coroner, Prosecuting Attorney, Recorder, Sheriff, Treasurer and County Clerk.

The County's basic financial statements include accounts of all officials described above and all other County operations. The County's major operations include human services, social and economic development services, certain health care and community assistance services, public safety, a civil and criminal justice system, road and bridge maintenance and general administrative services.

Component Units: As required by generally accepted accounting principles (GAAP), the financial statements of the reporting entity include those of Kankakee County, the primary government, and its component units. The County complies with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, in defining the reporting entity. Component units are legally separate organizations for which the elected officials of the County are financially accountable. Organizations for which the County is accountable because it appoints a majority of the voting board, but is not financially accountable for its operations, are related organizations. Financial information of component units is blended with that of Kankakee County where, among other criteria, the nature of services rendered by the component unit is almost exclusively for the benefit of the County or where the governing body of the component unit is substantially the same as that of the County. Component unit financial information that is not blended with that of the County is discretely presented in a separate column on the County's government wide financial statements. A general description of the component units and related organizations follows:

Component Units – Discretely-presented

The **Kankakee County Public Building Commission** is a separate municipal corporation created for the purpose of acquiring or enhancing public buildings or facilities. The Commissioners are appointed by and serve at the pleasure of the Chairman of the County Board. Because of its appointment powers, the County includes the Commission in its financial statements as a discretely-presented component unit using their fiscal year end October 31, 2011. The Commission issues separate financial statements which are on file at the Office of Finance Director, Kankakee County, 189 E. Court St., Suite 300, Kankakee, Illinois 60901. The County Board is not financially responsible for obligations of the Commission unless any such improvements are for its benefit.

Component Units - Blended

The **Kankakee County Health Department** is an Illinois governmental entity, which is governed by an eight-member board, appointed by the County, which also approves its budget. The Health Department's financial statements are blended with those of the County because of the degree of control the County can exercise over its activities. Its transactions are accounted for in the Health Fund, a special revenue fund.

The **Veterans Assistance Commission** is a central assistance committee composed of one delegate from each County post to oversee assistance to military veterans and their families. The oversight is shared by the Chairman of the County Board or his designee. Under Illinois law, the County is to provide office space, phone and supplies for the Commission and payment of assistance claims. Because of its oversight powers and the economic burden this requirement places on the County, its transactions are accounted for in the Veterans Assistance Fund which is blended with other special revenue funds.

The **Kankakee County Emergency Telephone System Board** is created by the County Board which also defines its powers and duties. This Board of nine members, four of whom may be members of the County Board, oversees the implementation and operations of the emergency telephone system. Currently, no County Board members serve on this Board. Because it has reserved powers, the operations are accounted for in the 911 System Fee Proprietary Fund which is blended with other County funds.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 1 – The Financial Reporting Entity (Continued)

Related Organizations

The Cooperative Extension Services of the College of Agriculture, of the University of Illinois operate in counties where extension councils have been established to disseminate information on subjects related to agriculture and home economics and other University programs. Oversight is provided by extension councils which derive their duties and powers from the Board of Trustees of the University of Illinois. Extension service programs and related local funding are coordinated by an extension board numbering at least seven comprised of four members from the Extension Council and three from the County Board. The County extends taxes to finance operations of the Extension Service. The County is not financially responsible for any part of the Extension Services' operations except as it may choose to be.

The Kankakee County Housing Authority provides low-income housing and rental assistance to residents of the County. Its commissioners are appointed by the County Board Chairman. The Authority is a separate legal organization and has no financial accountability to the County.

Related organizations are not included in the financial statements of the County.

Joint Ventures

The County is a participant with Will County in a joint venture to operate a juvenile justice center under an intergovernmental agreement, with operating responsibility vested principally in Will County. The facility is leased from the Will County Public Building Commission for a period of 30 years by the joint venturers. Operation of the facility is under the responsibility of the Chief Judge of the 12th Judicial Circuit (Will County) with advice of the Chief Judge of the 21st Judicial Circuit (Kankakee County). Each party to the agreement is responsible for their respective share of expenses in proportion to beds leased, which amounts to 25% for Kankakee County. See Note 8 for more information.

Note 2 – Basis of Presentation

Government-wide Financial Statements The statement of net assets and the statement of changes in net assets report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise the primary government is reported separately from legally separate component units for which the primary government is financially accountable. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Fund Financial Statements The County segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental, proprietary and fiduciary activities. These statements present each major fund as a separate column on the fund financial statements and all non-major funds are aggregated and presented in a single column.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 2 – Basis of Presentation (Continued)

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The County has presented the following major governmental funds:

General – This is the primary operating fund of the County and includes the Tort Fund of the County which is required to be included in the General Fund under GASB 10. It accounts for all financial resources not accounted for or reported in another fund.

Pension – This fund is used to account for and report property tax revenues restricted for employee pension costs.

County Highway Fund – This fund is used to account for and report operations to improve, repair and maintain all County highways. Its revenues consist primarily of property taxes and charges for fuel and other services.

Matching Tax Fund – This fund is used to account for and report the payment of the proportionate share of expenses in constructing or reconstruction, including engineering and right-of-way costs, of highways in the Federal Aid System. Its revenues consist primarily of property taxes and grants.

Proprietary funds are used to account for those County activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position. The County has presented the following major proprietary fund:

911 System Fee Fund – The fund is used to account for emergency dispatch services to residents of the County, for both County services and services provided by other units of local government.

Additionally, the government reports the following fiduciary fund types:

Private purpose trust funds – These funds report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Agency funds – These funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations, but which are due to other individuals, agencies or governments.

Note 3 – Summary of Significant Accounting Policies

The accompanying financial statements of the County are prepared in conformity with generally accepted accounting principles (GAAP) for local government units as prescribed in statements and interpretations issued by GASB and other recognized authoritative sources.

Measurement Focus and Basis of Accounting: The government-wide financial statements, component unit financial statements, and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the balance sheet, and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows. In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", the County and its component units apply all GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 3 – Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the County considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and special assessments. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses consists of all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

Budgetary Accounting and Control: The County adopts an annual budget and appropriation ordinance in accordance with Illinois law. The budget covers the fiscal year ending November 30, and is available for public inspection at least fifteen days prior to final adoption. The budget document is prepared for all budgetary funds using the modified accrual basis. Once the County budget has been adopted, no further appropriations shall be made during the year, except in the event of an immediate emergency at which time the County Board by a two-thirds vote may make appropriations in excess of those authorized in the original budget. During the year, the County Board made additional appropriations of \$1,533,481 for the General Fund, \$125,000 for the Tort Fund, and \$233,500 for non-major special revenue funds. The original budget and all budgetary amendments and supplemental appropriations necessary during the year are included in the final budget amounts presented in the budget-to-actual comparisons.

Pooled Cash and Cash Equivalents and Related Investments: Cash resources of a number of individual funds are combined to form a pool of cash and investments which is managed by the County Treasurer. Individual fund integrity is maintained through the County's records. Investments are recorded at cost, which approximates market. For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

All component units define cash and cash equivalents as cash on hand and deposits with original maturities of three months or less.

Receivables: Property taxes receivable are recorded net of an allowance for uncollectible amounts based on historical experience of approximately 0.7 percent of extensions. Other accounts receivable are reported net of any allowance for uncollectibles.

Inventories: Inventories consist of tax stamps, postage, fuel, and transportation and other supplies recorded at cost, using the first in, first out method.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 3 – Summary of Significant Accounting Policies (Continued)

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are defined by the County as assets with an initial, individual cost of more than its capitalization threshold and an estimated useful life in excess of one year. Categories of capital assets and associated capitalization thresholds are as follows: land - \$100,000; buildings and improvements - \$25,000 - \$100,000; infrastructure assets (county roads and bridges) - \$100,000; equipment - \$5,000. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

The County depreciates assets on a straight line basis using the following estimated useful lives:

<u>Asset</u>	<u>Estimated Useful Life</u>
Equipment, furniture and fixtures	5 to 10 years
Buildings, structures and improvements	30 to 50 years
Improvements other than buildings	30 to 50 years

Compensated Absences: Only vested or accumulated vacation/sick leave that is due is reported as an expenditure and a fund liability of the governmental fund that will pay it. In the government-wide financial statements and proprietary fund types, vested or accumulated vacation/sick leave is recorded as an expense and liability as the benefits accrue to employees. No liability is recorded for nonvesting, accumulating rights to receive vacation/sick leave benefits; however, a liability is recognized for that portion of accumulating vacation/sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement. County policy states than an employee must use each year's vacation days during the year. Sick and extended illness days may be accumulated to a total of 120 days per employee with no amount payable upon separation from service. Under collective bargaining agreements covering employees in the departments of County Sheriff, Corrections, Health and County Recorder, 50% of accumulated sick days may be paid or credited for retirement purposes at levels ranging from 50 to 120 days.

Long Term Obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, 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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity: Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by formal action of the County. Commitments may be established, modified, or rescinded only through resolutions approved by the County Board. Assigned fund balance refers to amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the County Board. Assigned amounts also include remaining positive fund balances for all governmental funds except the General Fund. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above three categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted or committed to those purposes. Proprietary fund equity is classified the same as in the government-wide statements.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 3 - Summary of Significant Accounting Policies (Continued)

When both restricted and unrestricted fund balances are available for use, it is the County's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

Restricted Net Assets: For government-wide financial statements, net assets are reported as restricted when constraints placed on net assets are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Property Taxes: The County is responsible for the assessment and collection of property taxes for all jurisdictions including the schools and special districts within the County. The County levies property taxes annually on or before the last Tuesday in December based on the assessed valuation determined in April of the same year. Property tax payments are due in two equal installments, usually in June and September, with the first installment being due no earlier than 30 days from date of mailing. Tax bills are generally mailed in May. Distributions to the County and other districts are made shortly thereafter. Property taxes become a lien on the property on January 1. Taxes receivable at November 30 that are intended to finance the subsequent fiscal year are appropriately deferred. The 2010 tax levy collected in 2011 was recorded as revenues during this fiscal year.

Interfund Transactions: During the normal course of operations the County has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the County are treated similarly when involving other funds of the County.

Activity between funds that is referred to as "due to/from other funds" represents transactions when one fund incurs expenditures/expenses for the benefit of another fund and expects repayment from it. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires the County to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 4 – Deposits and Investments

The County's investment policy conforms to state statutes which authorize the government to make deposits/investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

At year end, the County's investments were comprised of the following:

	<u>% of Portfolio</u>	
Certificates of Deposit	28%	\$3,232,384
Illinois Funds Money Market	72%	\$8,346,301

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 4 – Deposits and Investments (Continued)

Credit Risk. The County's cash and investments are subject to credit risk (the risk that an issuer or counterparty to an investment will not fulfill its obligation). State Law limits investments in commercial paper, corporate bonds, and mutual funds to the top two ratings issued by nationally recognized rating organizations (NRSRO's). The County's investment policy conforms to these state statutes and does not further limit its investment choices. As of November 30, 2011, all the County's investments exposed to credit risk were rated AAA by Standard & Poor's.

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

Custodial Credit Risk – Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral or additional insurance in the event of default or failure of the financial institution holding the funds. As of November 30, 2011, all deposits were either insured or collateralized.

Custodial Credit Risk – Investments. With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy limits the exposure to investment custodial credit risk by requiring all investments to be secured by private insurance or collateral.

The County's primary investment, Illinois Funds Money Market Fund, is collateralized 105% over FDIC with U.S. Treasury obligations and marked to market on a daily basis to maintain sufficiency.

As of November 30, 2011, the County had \$2,459,051 invested in overnight repurchase agreements. The underlying security is held by the investment's counterparty, not in the name of the County.

Concentration of Credit Risk. The County's investment policy states investments shall be diversified to avoid incurring unreasonable risks regarding specific security types and/or individual financial institutions.

Interest Rate Risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the County's policy states investments shall provide sufficient liquidity to meet all operating requirements that may be reasonably anticipated.

The Kankakee County Public Building Commission held County funds in the amount of \$1,198,573 as of October 31, 2011. Non-FDIC insured balances were collateralized with pledged securities held by the bank's agent, not in the Commission's name.

Under an ordinance governing the borrowing and payment of general obligation bonds, alternate revenue source, certain cash balances in the 911 System Fee Fund, a business-type activity, are restricted for payment of interest and principal.

Note 5 - CDAP Loans Receivable

The CDAP Loan Program is designed to assist Kankakee County in attracting or expanding local industry. The program provides low interest loans to projects that create or retain jobs primarily for low to moderate-income workers.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 5 - CDAP Loans Receivable (Continued)

In accordance with the Illinois Department of Commerce and Economic Opportunity, Community Development Assistance Program, the County has the following Community Development loans outstanding.

	Balances		Balances
	<u>November 30, 2010</u>	Additions	<u>November 30, 2011</u>
Exceptional Health Partners	\$ 84,142	\$ -	\$ 76,111
Unipar	821,500	-	665,484
Accion	50,000	-	50,000
Main Street Momence	50,000	-	50,000
Pembroke Township	-	45,645	45,645
Total	1,005,642	45,645	(164,047)
Less allowance for uncollectible amounts:	(665,484)	-	(665,484)
CDAP loans, net	<u>\$ 340,158</u>	<u>\$45,645</u>	<u>\$164,047</u>
			\$221,756

The County has security agreements of perfected second position and personal guarantees or assignments of life insurance policies to be used as collateral on all CDAP loans. The allowance for loan losses reflects amounts estimated to be unrecoverable.

Note 6 – Capital Assets

Capital asset activity for the year ended November 30, 2011 was as follows:

	Balances		Retirements	Balances
	<u>November 30,</u>		<u>and</u>	<u>November 30,</u>
	<u>2010</u>	<u>Additions</u>	<u>Reclassifications</u>	<u>2011</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 847,400	\$ 72,914	\$ -	\$ 920,314
Construction in progress	662,161	-	136,068	526,093
Intangible assets	979,821	361,026	-	1,340,847
Building – idle	<u>1,770,000</u>	-	-	<u>1,770,000</u>
Total	<u>4,259,382</u>	<u>433,940</u>	<u>136,068</u>	<u>4,557,254</u>
Capital assets being depreciated:				
Transportation network	30,642,962	-	-	30,642,962
Buildings and improvements	49,806,306	-	-	49,806,306
Buildings and improvements under capital lease agreements	5,180,000	-	-	5,180,000
Equipment	9,936,403	299,860	-	10,236,263
Vehicles	<u>5,152,808</u>	<u>836,271</u>	<u>454,666</u>	<u>5,534,413</u>
Total capital assets being depreciated	<u>100,718,479</u>	<u>1,136,131</u>	<u>454,666</u>	<u>101,399,944</u>
Less accumulated depreciation for:				
Transportation network	13,889,798	1,147,234	-	15,037,032
Buildings and improvements	10,200,398	1,357,237	-	11,557,635
Buildings and improvements under capital lease agreements	1,786,837	150,208	-	1,937,045
Equipment	6,931,518	800,419	-	7,731,937
Vehicles	<u>3,874,307</u>	<u>519,019</u>	<u>451,385</u>	<u>3,941,941</u>
Total accumulated depreciation	<u>36,682,858</u>	<u>3,974,117</u>	<u>451,385</u>	<u>40,205,590</u>
Governmental activity capital assets, net	<u>\$68,295,003</u>	<u>\$(2,404,046)</u>	<u>\$139,349</u>	<u>\$65,751,608</u>

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 6 – Capital Assets (Continued)

	Balances November 30, 2010	Additions	Retirements and Reclassifications	Balances November 30, 2011
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 61,013	\$ -	\$ -	\$ 61,013
Construction in progress	524,424	-	524,424	-
Total	585,437	-	524,424	61,013
Capital assets being depreciated:				
Equipment	5,751,458	614,309	23,050	6,342,717
Leasehold improvements	197,277	-	-	197,277
Equipment under capital lease agreements	81,953	-	-	81,953
Total	6,030,688	614,309	23,050	6,621,947
Less: Accumulated depreciation	3,999,946	325,048	23,050	4,301,944
Accumulated amortization, capital leases	46,069	5,819	-	51,888
Total accumulated depreciation	4,046,015	330,867	23,050	4,353,832
Business-type activities capital assets, net	\$ 2,570,110	\$ 283,442	\$ 524,424	\$ 2,329,128

Depreciation for the year ended November 30, 2011, was charged as follows to the following functions:

Governmental activities:	
General governmental	\$ 146,186
Court services	261,616
Public safety	2,065,637
Health and sanitation	71,875
Transportation	1,427,544
Veterans administration	1,259
Total governmental activities	\$ 3,974,117

Business-type activities:	
911 Emergency services	\$ 325,048
Animal control	5,819
Total business-type activities	\$ 330,867

Note 7 – Long-Term Debt

Long-term debt consists of the following:

Governmental Activities

Installment note in the amount of \$175,000 dated October 1, 2009, for the purchase of real estate, providing for four annual interest payments at a rate of 4% and one principal payment on October 1, 2014 \$ 175,000

Debt Certificates, Series 2004 in the original amount of \$6,000,000 payable annually, December 1 in amounts ranging from \$215,000 to \$410,000 and with interest payable semiannually on June 1 and December 1 at rates ranging from 1.75% to 4.6% per annum, with an effective net interest rate of 4.1% 4,175,000

Debt Certificates, Series 2005 B in the original amount of \$8,265,000 payable annually, December 1 in amounts ranging from \$135,000 to \$645,000 and with interest payable semiannually on June 1 and December 1 at rates ranging from 2.75% to 5.0% per annum, with an effective net interest rate of 4.57% 6,430,000

Plus premium 216,627

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 7 -- Long-Term Debt (Continued)

Taxable General Obligation Bonds (Alternate Revenue Source), Series 2009, (Build America Bonds - Direct Payment) dated September 15, 2009, in the original issue amount of \$3,500,000, provide for serial retirement of principal beginning January 15, 2011 through 2022 with Term Bonds due January 15, 2024, 2026, 2028 and 2030; and interest payable January 15 and July 15 of each year beginning January 15, 2010 at rates of 1.85% to 6.2%, secured by court fee revenues of the Circuit Clerk Automation and Document Storage Funds, and a property tax levy, if necessary	3,425,000
General Obligation Refunding Bonds (Alternate Revenue Source), Series 2011 dated June 15, 2011, in the original issue amount of \$6,600,000 provide for serial retirement of principal beginning December 1, 2012 through 2024, and interest payable December 1 and June 1 of each year beginning December 1, 2011 at rates of 2.0% to 4.2%, secured by inmate housing fees of the General Fund, and a property tax levy, if necessary	6,600,000
Plus premium	83,629
Capital lease obligations -- See Note 8	3,699,562
Compensated absences	564,815
Total governmental activities	<u>\$25,369,633</u>

Business-type Activities

\$3,300,000 general obligation alternate revenue source bonds due in annual installments beginning January 1, 2003 in amounts ranging from \$220,000 to \$235,000 through 2017, plus interest at rates ranging from 3.55% to 5%, secured by surcharges on telecommunications revenues	\$1,395,000
Capital lease obligations -- See Note 8	24,359
Compensated absences	23,618
Total business-type activities	<u>\$1,442,977</u>

Changes in long-term debt are as follows:

	Balances November 30, 2010	Additions	Adjustments/ Retirements	Balances November 30, 2011
Governmental activities:				
Debt Certificates	\$18,264,324	\$ -	\$7,442,697	\$10,821,627
Bonds - General Obligation	3,500,000	6,686,846	78,217	10,108,629
Note payable	175,000	-	-	175,000
Capital leases	3,862,056	339,669	502,163	3,699,562
Compensated absences	470,503	114,391	20,079	564,815
Total	<u>\$26,271,883</u>	<u>\$7,140,906</u>	<u>\$8,043,156</u>	<u>\$25,369,633</u>
Business-type activities:				
Bonds - Alternate Revenue Source	\$ 1,625,000	\$ -	\$ 230,000	\$ 1,395,000
Capital leases	31,400	-	7,041	24,359
Compensated absences	23,618	-	-	23,618
Total	<u>\$ 1,680,018</u>	<u>\$ -</u>	<u>\$ 237,041</u>	<u>\$ 1,442,977</u>

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 7 – Long-Term Debt (Continued)

The annual requirements to amortize all long-term debt outstanding at November 30, 2011, exclusive of compensated absences and net of bond premium and discount are as follows:

Year Ending November 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 1,688,576	\$1,055,933	\$ 2,744,509	\$ 237,555	\$ 63,755	\$ 301,310
2013	1,591,131	995,530	2,586,661	238,106	52,452	290,558
2014	1,849,698	940,155	2,789,853	238,698	40,935	279,633
2015	1,733,821	869,235	2,603,056	235,000	29,081	264,081
2016	1,792,912	798,987	2,591,899	235,000	17,566	252,566
2017-2021	8,324,675	2,935,989	11,260,664	235,000	5,875	240,875
2022-2026	6,613,749	976,631	7,590,380	-	-	-
2027-2030	910,000	114,430	1,024,430	-	-	-
	<u>\$24,504,562</u>	<u>\$8,686,890</u>	<u>\$33,191,452</u>	<u>\$1,419,359</u>	<u>\$209,664</u>	<u>\$1,629,023</u>

Bond Series 2009 is a Build America Bond, on which 35% of the interest paid will be refundable to the County. This amounts to \$817,659 over the life of the bonds and will be recorded as revenues at the time of receipt. During fiscal year 2011, \$61,963 of interest was refunded to the County.

Advance Refunding

The Series 2011 bonds totaled \$6,600,000 and were used to refund \$6,535,000 of the Series 2005A debt certificates. The proceeds of these bonds were placed in escrow held by a third party to generate resources for all future debt service payments of the Series 2005A debt certificates. As a result, the refunded debt certificates are considered defeased and the liability has been removed from the County's statement of net assets.

This advance refunding resulted in a reduction of debt service payments of \$239,209 over the next 13 years and \$225,592 in economic gain.

The remaining balance of the defeased Series 2005A bonds as of November 30, 2011 was \$6,535,000.

Note 8 – Leases

The County has entered into various leasing arrangements for facilities and equipment that contribute to its ability to provide needed governmental services. Under generally accepted accounting principles, leases that transfer ownership at their conclusion or are otherwise tantamount to a transfer of property rights over the estimated service life of the underlying leasehold are accorded treatment similar to asset purchases. Those that do not are considered operating leases. Following are significant leasing arrangements currently in effect.

Operating Leases

In April 2002, the Kankakee County Emergency Telephone System Board entered into a sublease agreement with the Kankakee County Public Health Department for 5,285 square feet of space which the Health Department leases indirectly from the Kankakee County Public Building Commission. The lease term is for 25 years at an initial annual rent of \$18,762 subject to review every five years with a maximum increase at that time of 15%.

Capital Leases – Juvenile Justice Center Facilities

In October 1996 the County, together with Will County, Illinois, entered into a 30 year noncancelable lease agreement ending October 15, 2026 with the Will County Public Building Commission for a 100 bed county shelter care and detention home for minors. Kankakee County leases 25 beds, and Will County leases 75. This facility is financed by revenue bonds issued by the Will County Public Building Commission.

Annual rental payments for Kankakee County, including operation and maintenance costs, range from \$568,381 in 2011 to \$666,199 in year 2016. For years 2017 through 2026, rental payments will be determined through negotiation. The County is not liable for any lease payments attributable to that portion of the facility leased by Will County.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 8 - Leases (Continued)

The lease agreement further provides that upon expiration of the lease term, either Kankakee or Will County may choose not to renew. In that event, the withdrawing party's interest will be purchased based on that party's proportionate share of funds contributed (including lease payments) applied to a value to be determined under provisions in the agreement. If neither party chooses to renew, each county will bear its proportionate share of costs to restore the property through demolition. The County has provided for its lease obligation through a tax levy on all taxable property in the County, and finances, from its General Fund, its share of the program operating expenses of the facility.

Capital Leases – Equipment

The County leases vehicles under capital lease arrangements with lease terms of periods of five years, generally. The leases are similarly structured and generally provide for lease payments on a quarterly or semi-annual basis. A 2011 vehicle lease with \$294,983 of minimum lease payments at November 30, 2011, was refinanced in fiscal year 2012 and is therefore reported as due within one year.

Future minimum lease payments under these capital leases are as follows:

	Governmental Activities			Business Activities	
	Will County Public Building Commission	Kankakee County Public Building Commission	Other	Total	Animal Control Vehicle
Year ended November 30,					
2012	\$ 577,853	\$ 180,329	\$349,572	\$1,107,754	\$9,333
2013	611,608	181,815	-	793,423	9,333
2014	648,778	183,015	-	831,793	9,333
2015	659,997	184,025	-	844,022	-
2016	666,199	184,735	-	850,934	-
2017-2021	-	922,130	-	922,130	-
2022-2026	-	<u>885,209</u>	-	<u>885,209</u>	-
Total minimum lease payments	<u>3,164,435</u>	<u>2,721,258</u>	<u>349,572</u>	<u>6,235,265</u>	<u>27,999</u>
Less: Amount representing estimated executory costs (maintenance and insurance), included in total minimum lease payments	<u>1,519,931</u>	<u>-</u>	<u>-</u>	<u>1,519,931</u>	<u>-</u>
Net minimum lease payments	<u>1,644,504</u>	<u>2,721,258</u>	<u>349,572</u>	<u>4,715,334</u>	<u>27,999</u>
Less: Amount representing interest Present value of net minimum lease payments	<u>243,315</u>	<u>759,264</u>	<u>13,193</u>	<u>1,015,772</u>	<u>3,640</u>
	<u>\$1,401,189</u>	<u>\$1,961,994</u>	<u>\$336,379</u>	<u>\$3,699,562</u>	<u>\$24,359</u>

Capital Leases - Health Department Facilities

In January 2002, the County entered into a lease agreement with the Kankakee County Public Building Commission and an intergovernmental agreement with the Kankakee County Public Health Department for lease of facilities to be occupied by the Health Department. In January 2007, the lease was amended due to the refunding of the underlying bonds issued by the Kankakee County Public Building Commission. The lease is for a period of 20 years beginning November 1, 2007 and provides for annual rents ranging from \$175,335 to \$185,570 with an effective interest rate of 4.426%.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 8 - Leases (Continued)

The Health Department's share of the lease payments due the Kankakee County Public Building Commission, amounting to 88% of the total requirements of the lease, is paid to the County of Kankakee which then remits 100% of the payment required to the Building Commission. The financial statements reflect the lease activity in the Health Fund and General Fund in proportion to their respective obligations for lease payments. The lease is considered a general obligation alternate bond and is secured by various revenues of the County Health Department. Upon payment of all lease rentals, the Public Building Commission shall transfer fee simple title to the Health Department provided that the Health Department is authorized by law to take such title. If transfer is not then permitted, title shall be transferred to Kankakee County.

Subsequent to execution of this lease, the Kankakee County Emergency Telephone System Board was added as a party to the intergovernmental agreement to lease 5,285 square feet of space subject to the aforementioned lease. The intergovernmental agreement provides for, among other things, the Kankakee County Emergency Telephone System Board to pay annual rent in the amount of \$18,762 (see above operating lease information) to the Kankakee County Public Health Department.

Note 9 – Short-Term Debt

Short-term debt provides financing for governmental activities. In December 2010, the County issued \$3,500,000 2010A Corporate Purpose Tax Anticipation Warrants and \$1,000,000 2010B Taxable Pension Purpose Tax Anticipation Warrants due September 30, 2011 with interest rates of 1.03% and 1.54%, respectively. This debt was issued for interim financing of General Fund and Pension Fund operations. On September 21, 2011, the County repaid the notes plus \$39,302 in interest. The following is a summary of changes in short-term debt for the year ended November 30, 2011:

	<u>2010A Series</u>	<u>2010B Series</u>
Balance December 1, 2010	\$ -0-	\$ -0-
Increases	3,500,000	1,000,000
Decreases	(3,500,000)	(1,000,000)
Balance November 30, 2011	\$ -0-	\$ -0-

Note 10 - Retirement Funds

Regular and Elected County Official Personnel

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

Funding Policy. As set by statute, Regular and Elected County Official plan members are required to contribute 4.50 and 7.50 percent, respectively, of their annual covered salary. The statute requires the County 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 2011 was 10.25 and 74.46 percent, respectively, of annual covered payroll. The County annual required contribution rate for calendar year 2011 was 11.12 and 103.17 percent, respectively. 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 calendar year ending December 31, 2011, the County's actual contributions for pension costs for Regular and Elected County Officials were \$1,899,798 and \$129,080, respectively. The County's annual required contributions (ARC) for calendar year 2011 were \$2,061,049 and \$178,850, respectively. The County's annual pension cost (APC) for calendar year 2011 was \$2,067,211 and \$180,818, respectively.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 10 –Retirement Funds (Continued)

Three-Year Trend Information for the Regular County Official Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$2,067,211	92%	\$167,413
12/31/10	2,102,540	86%	288,126
12/31/09	1,749,443	100%	-0-

Three-Year Trend Information for the Elected County Official Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$180,818	72%	\$51,738
12/31/10	256,998	64%	91,995
12/31/09	154,549	100%	-0-

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the County Regular and Elected Official plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period, with a 20% corridor between the actuarial and market value of assets. The Elected County Official plan's unfunded actuarial accrued liability at the December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Regular and Elected Official plans were 65.67 and 0.00 percent funded, respectively. The actuarial accrued liability for benefits was \$43,072,140 and \$2,131,766, respectively, and the actuarial value of assets was \$28,284,708 and \$(2,197,092), respectively, resulting in an underfunded actuarial accrued liability (UAAL) of \$14,787,432 and \$4,328,858, respectively. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plans) was \$18,534,612 and \$173,355, respectively, and the ratio of the UAAL to the covered payroll was 80 percent and 2,497 percent, respectively.

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

Sheriff's 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 Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 10 –Retirement Funds (Continued)

Funding Policy. As set by statute, the County 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 2011 used by the County was 22.29 percent of annual covered payroll. The County's annual required contribution rate for the calendar year 2011 was 25.29 percent. 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 calendar year ending December 31, 2011, the County's actual contributions for pension cost for the Sheriff's Law Enforcement Personnel were \$844,044. Its annual required contribution (ARC) for calendar year 2011 was \$957,644. Its annual pension cost (APC) for calendar year 2011 was \$959,862.

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$959,862	88%	\$115,818
12/31/10	944,707	89%	103,698
12/31/09	819,377	100%	-0-

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2009, 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 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the County Sheriff's Law Enforcement Personnel plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 27.75 percent funded. The actuarial accrued liability for benefits was \$14,593,987 and the actuarial value of assets was \$4,049,412, resulting in an underfunded actuarial accrued liability (UAAL) of \$10,544,575. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$3,786,649 and the ratio of the UAAL to the covered payroll was 278 percent.

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

Net Pension Obligation

	<u>Regular Plan</u>	<u>Elected Officials Plan</u>	<u>SLEP Plan</u>	<u>Total</u>
Annual required contribution (ARC)	\$2,061,049	\$178,850	\$957,644	\$3,197,543
Interest on net pension obligation	21,609	6,900	7,777	36,286
Adjustment to ARC	(15,447)	(4,932)	(5,559)	(25,938)
Annual pension cost	2,067,211	180,818	959,862	3,207,891
Actual contributions	(1,899,798)	(129,080)	(844,044)	(2,872,922)
Change in net pension obligation	167,413	51,738	115,818	334,969
Net pension obligation November 30, 2010	288,126	91,995	103,698	483,819
Net pension obligation November 30, 2011	<u>\$ 455,539</u>	<u>\$143,733</u>	<u>\$219,516</u>	<u>\$ 818,788</u>

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 11 – 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 is not available to employees until termination, retirement, death, or emergency.

Note 12 – Intergovernmental Accounts and Transfers

Intergovernmental balances are as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General Fund	\$ 12,991	\$2,720,730
Tort Fund (Reported in General Fund)	<u>1,400,000</u>	-
Total General Fund	1,412,991	2,720,730
Other Governmental Funds	<u>1,320,652</u>	12,698
Total Governmental Funds	<u>2,733,643</u>	2,733,428
Business-Type Funds:		
911Fund	42	-
Nonmajor	<u>36</u>	293
Total Business – Type Funds	<u>78</u>	293
Total	<u>\$2,733,721</u>	<u>\$2,733,721</u>

The General Fund borrowed \$2,715,000 from other governmental funds in the form of interfund loans to cover operating expenses. The remaining balances resulted from normal interfund activity when one fund incurs expenditures/expenses for the benefit of another fund and expects repayment.

Transfers during the year ended November 30, 2011 are summarized as follows:

	<u>In</u>	<u>Out</u>
General Fund	\$29,400	\$51,793
Other Nonmajor Funds:		
Arrestee Medical	-	11,400
Treasurer's Interest	-	18,000
Court Document Storage	-	157,298
Court Automation	-	157,298
Bond Fund Series 2009	314,596	-
Bond Fund Series 2011	<u>51,793</u>	-
	<u>\$395,789</u>	<u>\$395,789</u>

The Arrestee Medical Fund transferred \$11,400 to the General Fund to offset inmate medical expenses paid out of the General Fund. The Treasurer's Interest Fund transferred accumulated funds in the amount of \$18,000 to the General Fund as allowed under state statute. The Court Document Storage and Court Automation Funds transferred debt service principal and interest into the Bond Fund Series 2009 in accordance with debt covenants. The General Fund transferred debt service principal and interest into the Bond Fund Series 2011 in accordance with debt covenants.

Note 13 – Additional Fund Disclosures

The following funds had expenditures in excess of appropriations:

	<u>Actual Amount</u>	<u>Budget Amount</u>	<u>Amount in Excess of Appropriations</u>
General Fund (excluding Tort)	\$31,583,339	\$31,392,862	\$190,477
Nonmajor Special Revenue Funds			
WIA Grants	3,264,206	3,231,840	32,366

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 14 – Insurance and Related Risks

The County is exposed to various risks in the course of its daily operations. These include liability under workers' compensation laws, employee health insurance and general liability under tort laws. Except for workers' compensation insurance, described in the following paragraph, the County purchases commercial insurance for these risks. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County has entered into an agreement with the Illinois Public Risk Fund. The pooling agreement permits public agencies within the meaning of the Intergovernmental Cooperation Act of the State of Illinois to provide a means whereby members of the Fund could contract with each other to protect against liability or loss under the Workers' Compensation and Occupational Diseases Laws of the State of Illinois.

The County's cost is based on rates determined by the Trustees of the Fund, applied to its payroll costs and adjusted for its loss experience. Members of the Fund may also be subject to additional contributions not to exceed 10 percent of such member's contribution for the most recent fiscal year of the Fund if additional reserves are deemed necessary by the Fund's trustees. No additional assessments have been made as of the current year-end.

Note 15 – Contingencies and Commitments

Grant Contingency

Under terms of federal and state grants, periodic audits are required and certain costs may be questioned leading to possible reimbursement claims by grantor agencies.

Litigation

The County is involved in several lawsuits arising in the normal course of business, including claims for property damage and personal injury. The County carries insurance for these claims and has historically been able to settle such claims within the limits of its coverage. The likelihood of any loss in excess of these limits is not presently determinable.

Highway Construction

The County has entered into an agreement with the State of Illinois for a road and bridge improvement project to be administered by the Illinois Department of Transportation with an estimated cost, excluding engineering, of approximately \$4,733,653. The project, which was substantially completed at November 30, 2008, includes cost participation at the federal and state level, as well as cost sharing by the Village of Aroma Park in the amount of \$341,806 payable to the County in ten annual installments beginning in 2007; the balance at November 30, 2011 on this obligation was \$273,444. The County has accrued \$1,881,489 as a liability to the State of Illinois at November 30, 2011.

Collective Bargaining Agreements

The County is party to a number of collective bargaining agreements covering a number of labor groups. These agreements expire at varying dates through November 2014. Agreements presently expired and in varying stages of negotiation are described in the following paragraphs.

Kankakee County is a party to a labor agreement with the Teamsters Local 705 AFL-CIO covering the maintenance employees. The agreement expired on November 30, 2008, and no new agreement has been reached as of the date of these financial statements. Adjustments, if any, to the financial statements for the year ended November 30, 2011 are not presently determinable.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 15 – Contingencies and Commitments (Continued)

Kankakee County is a party to a labor agreement with the Illinois Fraternal Order of Police covering the corrections officers. The agreement expired November 30, 2010, and no new agreement has been reached as of the date of these financial statements. Adjustments, if any, to the financial statements for the year ended November 30, 2011 are presently not determinable.

Note 16 – Other Postemployment Benefit (OPEB) Plans

Plan Description: The County provides fixed payments to certain of its employees under a defined benefit healthcare plan which is administered by the County. These payments amount to \$12.50 per month for each year of service upon attainment of various specified retirement ages and number of years of service; payments cease upon the retiree attaining Medicare eligibility status. In addition, the County provides for 100% of the healthcare premiums for life for eligible disabled police deputy and correctional officers. Employees are also eligible, upon retirement, to participate in the County health insurance plan at their own cost until attainment of Medicare eligibility. Approved compensation policies and agreements with collective bargaining units form the basis of the benefit structure.

Funding Policy: The County's contributions, which are limited to the monthly stipends as described above, are financed on a pay-as-you-go basis; this policy is reviewed annually by the governing board.

Annual OPEB Cost and Net OPEB Obligation: The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). An amount actuarially determined in accordance with the parameters of GASB Statement 45 was implemented on a prospective basis as of November 30, 2009. An actuarial valuation is required at least biennially. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County's annual OPEB cost and related information as of November 30, 2011 is as follows:

Annual required contribution	\$100,682
Interest on net OPEB obligation	(543)
Adjustment to annual required contribution	<u>362</u>
Annual OPEB cost	100,501
Contributions made	115,273
Increase in OPEB obligation (prepayment)	(14,772)
Net OPEB obligation (prepayment) beginning of year	(10,859)
Net OPEB obligation (prepayment) end of year	<u><u>\$(25,631)</u></u>

Trend Information

Fiscal Year	Annual OPEB Cost	% of OPEB Cost	Net OPEB Obligation
11/30/11	\$100,501	114.7%	<u>\$(25,631)</u>
11/30/10*	104,414	110.4%	(10,859)
11/30/09	104,414	110.4%	(10,859)

*Results from 2009 actuarial study

Funded Status: As of November 30, 2011, the most recent actuarial valuation date, the OPEB plan was 0% funded. The actuarial accrued liability for benefits was \$4,546,525, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability of \$4,546,525. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 16 – Other Postemployment Benefit (OPEB) Plans (Continued)

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarial determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive 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 methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the November 30, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return including an inflation rate of 3.0%, a 5% projected salary increase, and a healthcare cost trend rate of 8.0%, initial, and 6.0% ultimate. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at November 30, 2011 was 30 years.

IMRF Early Retirement

In November 2010, the County Board elected to adopt an IMRF early retirement incentive (ERI) as provided for by Section 7-141-1 of the Illinois Pension Code. Employees with twenty years of creditable service in IMRF and who were at least 50 years of age qualified. The ERI offer terminated November 30, 2011. In conjunction with the ERI, the County offered an early retirement health insurance incentive to those qualifying employees who elected to retire on or before November 30, 2010. Management has determined that the future costs and related disclosures for these health insurance stipends are immaterial to the financial statements.

Note 17 – Related Party Transactions

Upon the establishment of a County-wide coordinated public safety communication system, the County of Kankakee committed to an annual dispatch fee with annual increases not to exceed 4%. Fees included in 911 emergency services on the entity-wide statements and in the operating revenues of the 911 System Fee Fund were \$736,818 and include outstanding receivables from the County in the amount of \$245,606 at November 30, 2011.

Note 18 - Other Disclosures

The County has agreements with the United States Marshals Service and Cook County, Illinois to house prisoners in local facilities. The agreement with the United States Marshals Service is in effect indefinitely until terminated in writing by either party. The agreement with Cook County will renew annually, if funded. The County is reimbursed at a rate of \$60 per prisoner, per day, under the Cook County agreement. The reimbursement rate for the United States Marshals Service is \$72 per prisoner, per day. For the year ended November 30, 2011, revenues of approximately \$9.79 million resulting from these agreements were recognized in the General Fund.

Note 19 – Recognition of Certain Revenues from the State of Illinois

Generally accepted accounting principles expressly recognize the need for judgment and consistency in applying the modified accrual basis of accounting to revenue recognition. Generally, revenues otherwise not recorded until received should be accrued if the date of the actual receipt is delayed beyond the normal time of receipt. Due to the State of Illinois' fiscal crisis, certain tax revenues and grants in aid in the amount of approximately \$1.2 million were not received before the close of the regular availability period and were delayed beyond the normal time of receipt. These revenues were recognized in the General Fund as of November 30, 2011.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 20 – Reclassification

Circuit Clerk bonds held in trust were reported in the agency funds on the fiscal year 2010 financial statements. These bonds have been reclassified as a private purpose trust fund in these financial statements.

Note 21 – Subsequent Events

In December 2011, the County Board authorized the issuance of \$3,300,000 2011A Corporate Purpose Tax Anticipation Warrants and \$1,000,000 2011B Taxable Pension Purpose Tax Anticipation Warrants due September 30, 2012 with interest rates of 1.03% and 1.54%, respectively.

Required Supplementary Information

Kankakee County, Illinois
 Budgetary Comparison Schedule
 General Fund - Revenues and Other Financing Sources (Uses)
 For the Year Ended November 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Taxes:				
Property taxes	\$ 4,222,108	\$ 4,440,000	\$ 4,432,004	\$ (7,996)
Sales tax	7,478,132	7,478,132	7,887,776	409,644
Total taxes	11,700,240	11,918,132	12,319,780	401,648
Intergovernmental:				
State income tax	2,200,000	2,200,000	2,233,440	33,440
Replacement taxes	800,000	800,000	862,604	62,604
Inheritance tax	-	50,000	63,597	13,597
Grants and other reimbursements	2,176,524	2,261,982	2,281,199	19,217
Total intergovernmental	5,176,524	5,311,982	5,440,840	128,858
Charges for Services:				
County Recorder fees	368,000	368,000	349,980	(18,020)
Circuit Clerk fees	2,257,000	2,257,000	2,203,942	(53,058)
Inmate housing and reimbursements	8,950,000	9,875,000	10,009,993	134,993
Building and Zoning fees	208,000	208,000	181,183	(26,817)
Sheriff fees	272,000	272,000	225,153	(46,847)
County Clerk fees	185,100	185,100	166,171	(18,929)
Other fees and reimbursements	65,050	65,050	85,592	20,542
Total charges for services	12,305,150	13,230,150	13,222,014	(8,136)
License and Permits:				
Liquor licenses	22,000	22,000	23,550	1,550
Cable TV franchise fees	150,000	150,000	198,125	48,125
Contractor licenses	85,000	85,000	88,925	3,925
Gambling machine licenses	5,500	5,500	3,240	(2,260)
Total licenses and permits	262,500	262,500	313,840	51,340
Fines and Forfeits:				
County fines and forfeitures	317,000	317,000	253,832	(63,168)
Real estate tax penalties	485,000	485,000	623,497	138,497
Total fines and forfeitures	802,000	802,000	877,329	73,069
Interest	11,500	11,500	6,863	(4,637)
Miscellaneous	52,200	52,200	40,242	(11,958)
Total general fund revenues as budgeted	30,310,114	31,588,464	32,220,908	632,444
Tort fund-see Tort Liability				
Budget Comparison Schedule	2,290,737	2,290,737	2,294,765	4,028
Total general fund revenues as reported	32,600,851	33,879,201	34,515,673	636,472
Other financing sources:				
Transfers in	31,000	31,000	29,400	(1,600)
Proceeds from long-term debt	-	-	6,939,669	6,939,669
Premium on bonds sold	-	-	86,846	86,846
Total other financing sources	31,000	31,000	7,055,915	7,024,915
Total revenues and other financing sources	\$ 32,631,851	\$ 33,910,201	\$ 41,571,588	\$ 7,661,387

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
General Government				
Management Information Systems (MIS)				
Personal services	\$ 176,500	\$ 176,500	\$ 137,271	\$ (39,229)
Supplies	250	250	-	(250)
Capital outlay	77,000	82,500	122,687	40,187
Other services and charges	2,450	2,450	889	(1,561)
	<u>256,200</u>	<u>261,700</u>	<u>260,847</u>	<u>(853)</u>
Total MIS				
Board of Review				
Personal services	19,190	24,690	23,040	(1,650)
Supplies	250	250	851	601
Other services and charges	1,560	1,560	2,558	998
	<u>21,000</u>	<u>26,500</u>	<u>26,449</u>	<u>(51)</u>
Total Board of Review				
County Administration				
Personal services	231,750	241,750	245,339	3,589
Contractual services	82,700	82,700	78,192	(4,508)
Supplies	4,735	4,735	4,792	57
Capital outlay	5,000	5,000	463	(4,537)
Other services and charges	36,500	36,500	41,185	4,685
	<u>360,685</u>	<u>370,685</u>	<u>369,971</u>	<u>(714)</u>
Total County Administration				
County Auditor				
Personal services	113,600	113,600	105,678	(7,922)
Supplies	2,025	2,025	2,109	84
Other services and charges	1,975	1,975	2,446	471
	<u>117,600</u>	<u>117,600</u>	<u>110,233</u>	<u>(7,367)</u>
Total County Auditor				

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
General Government (continued)				
County Recorder				
Personal services	128,785	128,785	128,323	(462)
Supplies	6,070	6,070	5,301	(769)
Other services and charges .	1,225	1,225	829	(396)
Total County Recorder	<u>136,080</u>	<u>136,080</u>	<u>134,453</u>	<u>(1,627)</u>
Election Commission				
Personal services	285,209	285,209	290,604	5,395
Contractual services	41,375	56,375	44,752	(11,623)
Supplies	35,416	60,416	68,405	7,989
Other services and charges	23,000	23,000	13,750	(9,250)
Total Election Commission	<u>385,000</u>	<u>425,000</u>	<u>417,511</u>	<u>(7,489)</u>
Regional Superintendent of Schools				
Contractual services	<u>332,163</u>	<u>332,163</u>	<u>332,163</u>	<u>-</u>
Total Regional Superintendent of Schools	<u>332,163</u>	<u>332,163</u>	<u>332,163</u>	<u>-</u>
County Clerk				
Personal services	168,413	168,413	149,160	(19,253)
Supplies	11,020	11,020	19,895	8,875
Other services and charges	1,167	1,167	1,322	155
Total County Clerk	<u>180,600</u>	<u>180,600</u>	<u>170,377</u>	<u>(10,223)</u>
Buildings and Grounds				
Personal services	529,048	529,048	531,389	2,341
Contractual services	91,696	235,696	228,306	(7,390)
Supplies	99,200	333,200	344,339	11,139
Capital outlay	8,192	41,592	46,616	5,024
Other services and charges	13,500	32,500	32,394	(106)
Debt service principal	14,364	14,364	-	(14,364)
Total Buildings and Grounds	<u>756,000</u>	<u>1,186,400</u>	<u>1,183,044</u>	<u>(3,356)</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Over (Under) Final Budget
General Government (continued)				
Capital Development				
Contractual services	56,827	56,827	110,522	53,695
Capital outlay	-	-	423,283	423,283
Other services and charges	15,840	15,840	16,193	353
Debt service principal	1,183,054	1,183,054	1,162,911	(20,143)
Debt service interest	814,755	814,755	785,923	(28,832)
Total Capital Development	<u>2,070,476</u>	<u>2,070,476</u>	<u>2,498,832</u>	<u>428,356</u>
Health Insurance				
Other services and charges	25,000	18,400	19,470	1,070
Insurances	<u>3,237,281</u>	<u>3,555,000</u>	<u>3,514,919</u>	<u>(40,081)</u>
Total Health Insurance	<u>3,262,281</u>	<u>3,573,400</u>	<u>3,534,389</u>	<u>(39,011)</u>
Utilities				
Supplies	32,000	32,000	28,704	(3,296)
Other services and charges	<u>1,010,500</u>	<u>1,010,500</u>	<u>1,092,995</u>	<u>82,495</u>
Total Utilities	<u>1,042,500</u>	<u>1,042,500</u>	<u>1,121,699</u>	<u>79,199</u>
Planning Department				
Personal services	543,153	589,053	587,380	(1,673)
Contractual services	37,947	67,047	68,827	1,780
Supplies	131,300	131,300	12,256	(119,044)
Capital outlay	1,502	1,502	2,808	1,306
Other services and charges	184,200	189,200	310,104	120,904
Insurances	<u>20,000</u>	<u>20,000</u>	<u>25,272</u>	<u>5,272</u>
Total Planning Department	<u>918,102</u>	<u>998,102</u>	<u>1,006,647</u>	<u>8,545</u>
County Treasurer				
Personal services	149,800	149,800	148,568	(1,232)
Contractual services	4,500	4,500	4,394	(106)
Supplies	37,700	42,700	42,814	114
Other services and charges	<u>5,400</u>	<u>5,400</u>	<u>5,890</u>	<u>490</u>
Total County Treasurer	<u>197,400</u>	<u>202,400</u>	<u>201,666</u>	<u>(734)</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
General Government (continued)				
Finance Department				
Personal services	130,891	125,391	124,908	(483)
Contractual services	4,500	4,500	3,810	(690)
Supplies	1,600	600	693	93
Other services and charges	3,804	1,304	897	(407)
Total Finance Department	<u>140,795</u>	<u>131,795</u>	<u>130,308</u>	<u>(1,487)</u>
Contingency				
Other services and charges	200,000	-	-	-
Total Contingency	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Supervisor of Assessments				
Personal services	270,764	270,764	267,178	(3,586)
Contractual services	47,700	77,700	79,407	1,707
Supplies	13,536	17,036	18,737	1,701
Capital outlay	1,000	1,000	355	(645)
Other services and charges	3,000	3,000	3,820	820
Total Supervisor of Assessments	<u>336,000</u>	<u>369,500</u>	<u>369,497</u>	<u>(3)</u>
ZBA - BOE Planning				
Personal services	4,200	4,200	2,411	(1,789)
Contractual services	4,200	4,200	2,656	(1,544)
Total ZBA - BOE Planning	<u>8,400</u>	<u>8,400</u>	<u>5,067</u>	<u>(3,333)</u>
Total General Government	<u>\$ 10,721,282</u>	<u>\$ 11,433,301</u>	<u>\$ 11,873,153</u>	<u>\$ 439,852</u>
Economic Development				
Personal services	\$ 124,552	\$ 128,252	\$ 128,035	\$ (217)
Contractual services	14,048	14,048	14,213	165
Total Economic Development	<u>\$ 138,600</u>	<u>\$ 142,300</u>	<u>\$ 142,248</u>	<u>\$ (52)</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Judiciary and Court Related				
Circuit Court				
Personal services	\$ 135,316	\$ 135,316	\$ 153,902	\$ 18,586
Contractual services	161,375	141,375	118,714	(22,661)
Supplies	7,600	7,600	8,293	693
Capital outlay	1,000	1,000	239	(761)
Other services and charges	19,850	19,850	27,046	7,196
Insurances	7,000	7,000	2,732	(4,268)
Total Circuit Court	<u>332,141</u>	<u>312,141</u>	<u>310,926</u>	<u>(1,215)</u>
Circuit Clerk				
Personal services	592,627	592,627	529,804	(62,823)
Contractual services	-	-	5,300	5,300
Supplies	39,000	39,000	35,807	(3,193)
Capital outlay	11,500	11,500	-	(11,500)
Other services and charges	7,873	7,873	2,771	(5,102)
Total Circuit Clerk	<u>651,000</u>	<u>651,000</u>	<u>573,682</u>	<u>(77,318)</u>
Child Support and Maintenance				
Personal services	28,000	28,000	33,242	5,242
Supplies	6,000	6,000	4,160	(1,840)
Other services and charges	9,680	9,680	-	(9,680)
Total Child Support and Maintenance	<u>43,680</u>	<u>43,680</u>	<u>37,402</u>	<u>(6,278)</u>
Jury Commission				
Personal services	38,947	38,947	38,607	(340)
Contractual services	3,000	3,000	3,595	595
Supplies	21,800	21,800	23,046	1,246
Capital outlay	1,500	1,500	2,149	649
Other services and charges	98,200	123,200	120,914	(2,286)
Total Jury Commission	<u>163,447</u>	<u>188,447</u>	<u>188,311</u>	<u>(136)</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Judiciary and Court Related (continued)				
States Attorney				
Personal services	1,649,756	1,649,756	1,564,806	(84,950)
Contractual services	25,000	25,000	22,285	(2,715)
Supplies	24,643	24,643	21,115	(3,528)
Capital outlay	6,000	6,000	-	(6,000)
Other services and charges	5,500	5,500	2,575	(2,925)
Insurances	30,000	30,000	31,149	1,149
Total States Attorney	<u>1,740,899</u>	<u>1,740,899</u>	<u>1,641,930</u>	<u>(98,969)</u>
Public Defender				
Personal services	752,675	752,675	738,467	(14,208)
Contractual Services	5,045	5,045	3,456	(1,589)
Supplies	6,450	6,450	5,799	(651)
Capital outlay	-	-	799	799
Other services and charges	2,830	2,830	1,547	(1,283)
Total Public Defender	<u>767,000</u>	<u>767,000</u>	<u>750,068</u>	<u>(16,932)</u>
Probation				
Personal services	1,134,176	1,153,176	1,138,751	(14,425)
Supplies	1,000	1,000	1,236	236
Other services and charges	4,000	4,000	8,974	4,974
Insurances	5,000	5,000	13,473	8,473
Total Probation	<u>1,144,176</u>	<u>1,163,176</u>	<u>1,162,434</u>	<u>(742)</u>
DNDC				
Contractual Services	32,000	46,000	37,317	(8,683)
Other services and charges	97,012	97,012	105,464	8,452
Total DNDC	<u>129,012</u>	<u>143,012</u>	<u>142,781</u>	<u>(231)</u>
Juvenile Detention Center				
Contractual services	960,000	875,000	872,245	(2,755)
Total Juvenile Detention Center	<u>960,000</u>	<u>875,000</u>	<u>872,245</u>	<u>(2,755)</u>
Total Judiciary and Court Related	\$ 5,931,355	\$ 5,884,355	\$ 5,679,779	\$ (204,576)

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Public Safety				
Sheriff's Office				
Personal services	\$ 3,612,331	\$ 4,009,531	\$ 3,946,397	\$ (63,134)
Contractual services	63,110	63,110	89,153	26,043
Supplies	43,700	43,700	33,803	(9,897)
Capital outlay	131,000	131,000	88,269	(42,731)
Other services and charges	381,990	428,953	489,316	60,363
Total Sheriff's Office	<u>4,232,131</u>	<u>4,676,294</u>	<u>4,646,938</u>	<u>(29,356)</u>
Corrections				
Personal services	5,834,879	6,019,638	6,142,968	123,330
Contractual services	34,262	34,262	58,997	24,735
Supplies	75,050	75,050	87,729	12,679
Capital outlay	18,000	18,000	9,195	(8,805)
Other services and charges	1,843,050	1,963,050	1,804,405	(158,645)
Total Corrections	<u>7,805,241</u>	<u>8,110,000</u>	<u>8,103,294</u>	<u>(6,706)</u>
Auxiliary Police				
Supplies	1,920	1,920	12	(1,908)
Other services and charges	600	600	-	(600)
Total Auxiliary Police	<u>2,520</u>	<u>2,520</u>	<u>12</u>	<u>(2,508)</u>
Coroner				
Personal services	159,982	177,382	185,060	7,678
Contractual services	121,826	173,826	162,112	(11,714)
Supplies	3,100	3,100	3,370	270
Capital outlay	1,000	1,000	1,500	500
Other services and charges	20,692	20,692	23,021	2,329
Total Coroner	<u>306,600</u>	<u>376,000</u>	<u>375,063</u>	<u>(937)</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Public Safety (continued)				
Dispatch Services				
Contractual services	<u>591,706</u>	<u>551,706</u>	<u>549,737</u>	<u>(1,969)</u>
Total Dispatch Services	<u>591,706</u>	<u>551,706</u>	<u>549,737</u>	<u>(1,969)</u>
Merit Commission				
Personal services	1,000	1,000	725	(275)
Supplies	200	200	133	(67)
Other services and charges	<u>4,680</u>	<u>4,680</u>	<u>2,352</u>	<u>(2,328)</u>
Total Merit Commission	<u>5,880</u>	<u>5,880</u>	<u>3,210</u>	<u>(2,670)</u>
ESDA				
Personal services	96,085	105,525	100,766	(4,759)
Contractual services	1,475	22,475	17,838	(4,637)
Supplies	4,400	4,400	6,383	1,983
Capital outlay	540	38,540	39,228	688
Other services and charges	<u>21,566</u>	<u>39,566</u>	<u>44,947</u>	<u>5,381</u>
Insurances	-	-	743	743
Total ESDA	<u>124,066</u>	<u>210,506</u>	<u>209,905</u>	<u>(601)</u>
Total Public Safety	<u>\$ 13,068,144</u>	<u>\$ 13,932,906</u>	<u>\$ 13,888,159</u>	<u>\$ (44,747)</u>
Total general fund expenditures as budgeted	<u>\$ 29,859,381</u>	<u>\$ 31,392,862</u>	<u>\$ 31,583,339</u>	<u>\$ 190,477</u>
Tort fund-see Tort Liability				
Budget Comparison Schedule	<u>\$ 2,409,690</u>	<u>\$ 2,534,690</u>	<u>\$ 2,299,452</u>	<u>\$ (235,238)</u>
Total general fund expenditures as reported	<u>\$ 32,269,071</u>	<u>\$ 33,927,552</u>	<u>\$ 33,882,791</u>	<u>\$ (44,761)</u>
Other financing sources:				
Transfers out	\$ -	\$ -	\$ 51,793	\$ 51,793
Refunded debt proceeds paid to escrow agent	-	-	6,549,238	6,549,238
Cost of issuance of long-term debt	-	-	137,608	137,608
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,738,639</u>	<u>\$ 6,738,639</u>
Total expenditures and other financing sources	<u>\$ 32,269,071</u>	<u>\$ 33,927,552</u>	<u>\$ 40,621,430</u>	<u>\$ 6,693,878</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
Tort Liability Fund (reported in General Fund)
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:				
Property taxes	\$ 2,250,537	\$ 2,250,537	\$ 2,235,685	\$ (14,852)
Intergovernmental	1,500	1,500	12,369	10,869
Interest on investments	2,700	2,700	1,111	(1,589)
Miscellaneous	<u>36,000</u>	<u>36,000</u>	<u>45,600</u>	<u>9,600</u>
Total revenue	<u>2,290,737</u>	<u>2,290,737</u>	<u>2,294,765</u>	<u>4,028</u>
Expenditures:				
Personal services	462,490	472,490	482,989	10,499
Contractual services	1,802,000	1,917,000	1,668,617	(248,383)
Supplies and materials	7,800	7,800	7,366	(434)
Capital outlay	1,000	1,000	-	(1,000)
Other services and charges	<u>136,400</u>	<u>136,400</u>	<u>140,480</u>	<u>4,080</u>
Total expenditures	<u>2,409,690</u>	<u>2,534,690</u>	<u>2,299,452</u>	<u>(235,238)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (118,953)</u>	<u>\$ (243,953)</u>	<u>\$ (4,687)</u>	<u>\$ 239,266</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
Pension Fund
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:				
Property taxes	\$ 4,824,795	\$ 4,824,795	\$ 4,807,371	\$ (17,424)
Intergovernmental	35,000	35,000	50,866	15,866
Interest on investments	3,100	3,100	1,466	(1,634)
Total revenues	4,862,895	4,862,895	4,859,703	(3,192)
Expenditures:				
Personal services	4,689,962	4,689,962	4,582,655	(107,307)
Debt service interest	-	-	11,764	11,764
Total expenditures	4,689,962	4,689,962	4,594,419	(107,307)
Excess (deficiency) of revenues over expenditures	\$ 172,933	\$ 172,933	\$ 265,284	\$ 92,351

Kankakee County, Illinois
Budgetary Comparison Schedule
County Highway Fund
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:				
Property taxes	\$ 1,781,806	\$ 1,781,806	\$ 1,780,870	\$ (936)
Fines and fees	320,550	320,550	633,862	313,312
Interest on investments	1,600	1,600	1,377	(223)
Miscellaneous	17,040	17,040	55,821	38,781
Total revenues	2,120,996	2,120,996	2,471,930	350,934
Expenditures:				
Personal services	2,066,505	2,066,505	1,315,620	(750,885)
Contractual services	379,600	379,600	16,679	(362,921)
Capital outlay	1,200,000	1,200,000	362,435	(837,565)
Other services and charges	1,225,500	1,225,500	879,038	(346,462)
Total expenditures	4,871,605	4,871,605	2,573,772	(2,297,833)
Excess (deficiency) of revenues over expenditures	\$ (2,750,609)	\$ (2,750,609)	\$ (101,842)	\$ 2,648,767

Kankakee County, Illinois
Budgetary Comparison Schedule
Matching Tax Fund
For the Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:				
Property taxes	\$ 871,536	\$ 871,536	\$ 870,649	\$ (887)
Interest on investments	4,200	4,200	3,431	(769)
Miscellaneous	<u>34,181</u>	<u>34,181</u>	<u>107,140</u>	<u>72,959</u>
Total revenues	<u>909,917</u>	<u>909,917</u>	<u>981,220</u>	<u>71,303</u>
Expenditures:				
Other services and charges	<u>5,064,860</u>	<u>5,064,860</u>	<u>776,478</u>	<u>(4,288,382)</u>
Total expenditures	<u>5,064,860</u>	<u>5,064,860</u>	<u>776,478</u>	<u>(4,288,382)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (4,154,943)</u>	<u>\$ (4,154,943)</u>	<u>\$ 204,742</u>	<u>\$ 4,359,685</u>

Kankakee County, Illinois
 Required Supplementary Information - Schedule of Funding Progress
 November 30, 2011

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Regular County Employees						
12/31/11	\$28,284,708	\$43,027,140	\$14,787,432	65.67%	\$18,534,612	79.78%
12/31/10	31,076,880	42,746,222	11,669,342	72.70%	19,467,963	59.94%
12/31/09	32,318,789	42,661,292	10,342,503	75.76%	20,654,579	50.07%
Elected Officials						
12/31/11	\$(2,197,092)	\$2,131,766	\$4,328,858	0.00%	\$173,355	2497.11%
12/31/10	(2,050,809)	2,028,065	4,078,874	0.00%	243,762	1673.30%
12/31/09	(2,064,209)	2,069,683	4,133,892	0.00%	251,137	1646.07%
Sheriff's Law Enforcement Personnel (SLEP)						
12/31/11	\$4,049,412	\$14,593,987	\$10,544,575	27.75%	\$3,786,649	278.47%
12/31/10	7,781,424	17,301,582	9,520,158	44.98%	4,082,570	233.19%
12/31/09	8,126,360	17,981,048	9,854,688	45.19%	4,328,457	227.67%

On a market value basis, the actuarial value of assets as of December 31, 2011, is \$26,742,794 and \$(2,263,427), for County Regular and Elected County Official members, respectively. On a market basis, the funded ratio would be 62.09% and 0.00%, respectively.

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$3,309,184 for the Sheriff's Law Enforcement Personnel. On a market basis, the funded ratio would be 22.67%.

Other Postemployment Benefit (OPEB) Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
11/30/11	\$-0-	\$4,546,525	\$4,546,525	0.0%
11/30/10	-0-	1,527,209	1,527,209	0.0% *
11/30/09	-0-	1,527,209	1,527,209	0.0%

Membership in the plan consisted of the following:

	November 30, 2011	November 30, 2010 *	November 30, 2009
Retirees and beneficiaries receiving benefits	37	21	21
Active vested plan members	200	203	203
Active nonvested plan members	233	287	287
Total	470	511	511

*Results from 2009 actuarial study

Kankakee County, Illinois

Notes to Required Supplementary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

The County receives a proposed budget for the fiscal year commencing December 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to December 1, the budget is legally enacted by the County Board. Responsibility for control of and amendments to the budget rests with the County. Supplemental appropriations totaling \$1,891,981 were approved December 13, 2011.

The following funds had expenditures in excess of appropriations for the year ending November 30, 2011:

	<u>Actual Amount</u>	<u>Budget Amount</u>	<u>Amount in Excess of Appropriations</u>
General Fund (excluding Tort)	\$31,583,339	\$31,392,862	190,477
Nonmajor Special Revenue Funds			
WIA Grants	3,264,206	3,231,840	32,366

Other Supplementary Information

Kankakee County, Illinois

Tort Liability Insurance Fund

Other Supplementary Information - Disclosure of Tort Expenditures under PA 91-0628

November 30, 2011

Property and liability insurance	\$939,834
Illinois Public Risk Fund, workmen's compensation insurance	629,273
Salaries (States Attorney, Civil Division and administrative) and related benefits	410,069
Illinois Department of Employment Security, unemployment insurance	72,920
River Valley Detention Center insurance	44,714
Miscellaneous claims, net of insurance reimbursements	50,955
Other	<u>151,687</u>
	<u>\$2,299,452</u>

Kankakee County, Illinois

Combining Balance Sheet - General Fund

November 30, 2011

	General Fund	Tort Fund	Total General Fund
Assets			
Cash	\$ 600,775	\$ 313,375	\$ 914,150
Investments, at cost	41,975	6,701	48,676
Receivables (net of applicable allowances for estimated uncollectible amounts):			
Taxes, including interest, penalties, and liens	4,703,297	2,276,396	6,979,693
Accounts	5,914,334	5,790	5,920,124
Prepaid expenses	45,559	248,945	294,504
Due from other funds	12,991	1,400,000	1,412,991
Inventory, at cost	174,653	-	174,653
Total assets	\$ 11,493,584	\$ 4,251,207	\$ 15,744,791

Liabilities and Fund Balances

Liabilities:

Vouchers and accounts payable	\$ 2,396,649	\$ 37,493	\$ 2,434,142
Due to other funds	2,720,730	-	2,720,730
Deferred revenue	4,847,988	2,276,396	7,124,384
Total liabilities	9,965,367	2,313,889	12,279,256

Fund balances:

Non-spendable:

Prepaid items	45,559	248,945	294,504
Inventory	174,653	-	174,653

Restricted for:

Tort liability/claims	-	1,688,373	1,688,373
Unassigned	1,308,005	-	1,308,005
Total fund balance (deficit)	1,528,217	1,937,318	3,465,535
Total liabilities and fund balance	\$ 11,493,584	\$ 4,251,207	\$ 15,744,791

Kankakee County, Illinois
Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the Year Ended November 30, 2011

	General Fund	Tort Fund	Total General Fund
Revenues:			
Taxes	\$ 12,319,780	\$ 2,235,685	\$ 14,555,465
Intergovernmental	5,440,840	12,369	5,453,209
Charges for services	13,222,014	-	13,222,014
Licenses and permits	313,840	-	313,840
Fines and forfeits	877,329	-	877,329
Interest on investments	6,863	1,111	7,974
Miscellaneous	40,242	45,600	85,842
Total revenues	32,220,908	2,294,765	34,515,673
Expenditures:			
Current:			
General government	9,328,107	2,299,452	11,627,559
Judiciary and court related	5,676,592	-	5,676,592
Public safety	13,749,967	-	13,749,967
Economic development	142,248	-	142,248
Capital outlay	737,591	-	737,591
Debt service principal	1,162,911	-	1,162,911
Debt service interest	785,923	-	785,923
Total expenditures	31,583,339	2,299,452	33,882,791
Excess (deficiency) of revenues over (under) expenditures	637,569	(4,687)	632,882
Other financing sources (uses):			
Transfers in	29,400	-	29,400
Transfers out	(51,793)	-	(51,793)
Proceeds from long-term debt	6,939,669	-	6,939,669
Premium on bonds sold	86,846	-	86,846
Refunded debt proceeds paid to escrow agent	(6,549,238)	-	(6,549,238)
Cost of issuance of long-term debt	(137,608)	-	(137,608)
Total other financing sources (uses)	317,276	-	317,276
Net change in fund balances	954,845	(4,687)	950,158
Fund balances, beginning of year	573,372	1,942,005	2,515,377
Fund balances, end of year	\$ 1,528,217	\$ 1,937,318	\$ 3,465,535

Kankakee County, Illinois

Combining Balance Sheet - Nonmajor Governmental Funds

November 30, 2011

	Nonmajor Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash	\$ 5,972,808	\$ 287,286	\$ 870,308	\$ 7,130,402
Investments, at cost	1,571,676	-	-	1,571,676
Receivables, (net, where applicable of allowance for uncollectibles):				
Taxes, including interest, penalties and liens	1,439,099	583,209	-	2,022,308
Accounts	404,187	-	-	404,187
Loans	221,756	-	-	221,756
Prepaid expenses	19,472	-	-	19,472
Due from other funds	1,320,652	-	-	1,320,652
Due from other governments	386,228	-	-	386,228
Inventory, at cost	135,396	-	-	135,396
Total assets	\$ 11,471,274	\$ 870,495	\$ 870,308	\$ 13,212,077
Liabilities and Fund Balances:				
Liabilities				
Vouchers and accounts payable	\$ 829,234	\$ -	\$ 78,712	\$ 907,946
Due to other funds	12,698	-	-	12,698
Deferred revenue	1,501,418	583,209	-	2,084,627
Total liabilities	2,343,350	583,209	78,712	3,005,271
Fund balances:				
Non-spendable:				
Prepaid items	6,927	-	-	6,927
Inventory	99,938	-	-	99,938
Restricted for:				
General government	597,368	-	-	597,368
Debt service	-	287,286	-	287,286
Judiciary and court	2,004,949	-	-	2,004,949
Public safety	324,071	-	-	324,071
Health and welfare	2,342,362	-	-	2,342,362
Transportation	3,214,061	-	-	3,214,061
Economic development	538,248	-	-	538,248
Capital projects	-	-	791,596	791,596
Total fund balance (deficit)	9,127,924	287,286	791,596	10,206,806
Total liabilities and fund balance	\$ 11,471,274	\$ 870,495	\$ 870,308	\$ 13,212,077

Kankakee County, Illinois
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended November 30, 2011

	Nonmajor Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 1,503,928	\$ 573,816	\$ -	\$ 2,077,744
Intergovernmental	8,010,975	-	-	8,010,975
Licenses and permits	205,736	-	-	205,736
Fines and fees	1,465,974	-	-	1,465,974
Interest on investments	10,799	667	-	11,466
Miscellaneous	132,616	-	-	132,616
Total revenues	11,330,028	574,483	-	11,904,511
Expenditures:				
General government	286,508	417	-	286,925
Judiciary and court related	1,038,085	265,262	761,206	2,064,553
Public safety	271,343	-	-	271,343
Public health and welfare	2,923,675	-	-	2,923,675
Transportation	2,420,296	-	-	2,420,296
Economic development	3,263,948	-	-	3,263,948
Capital outlay	362,530	-	217,712	580,242
Debt service principal	77,981	321,271	-	399,252
Debt service interest	80,170	285,263	-	365,433
Total expenditures	10,724,536	872,213	978,918	12,575,667
Excess (deficiency) of revenues over expenditures	605,492	(297,730)	(978,918)	(671,156)
Other financing sources (uses):				
Operating transfers in	-	366,389	-	366,389
Operating transfers out	(343,996)	-	-	(343,996)
Total other financing sources (uses)	(343,996)	366,389	-	22,393
Excess (deficiency) of revenues over expenditures and other sources (uses)	261,496	68,659	(978,918)	(648,763)
Fund balance, beginning of year	8,866,428	218,627	1,770,514	10,855,569
Fund balance, end of year	\$ 9,127,924	\$ 287,286	\$ 791,596	\$ 10,206,806

Kankakee County, Illinois
 Major and Nonmajor Special Revenue Funds
 Balance Sheets
 November 30, 2011

	Major Funds				Nonmajor Funds			
	Pension	County Highway	Matching Tax	Recorder Computer	County Clerk Computer	County Treasurer Computer	Treasurer's Interest	Subrecipient Grants
Assets								
Cash	\$ 1,914,770	\$ 1,409,451	\$ 579,517	\$ 57,903	\$ 77,016	\$ 83,700	\$ 18,207	\$ -
Investments, at cost	-	1,168,305	3,702,940	1,286	824	693	100,226	-
Receivables:								
Taxes (net of allowance for estimated uncollectibles)	4,778,550	1,806,066	865,406	-	-	-	-	-
Accounts	18,063	187,132	-	2,809	1,285	-	-	159,407
Loans	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	5,220	-	1,010	-	-
Due from other funds	-	-	-	50,000	31	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Inventory, at cost	-	221,097	-	-	-	-	-	-
Total assets	<u>\$ 6,711,383</u>	<u>\$ 4,792,051</u>	<u>\$ 5,147,863</u>	<u>\$ 117,218</u>	<u>\$ 79,156</u>	<u>\$ 85,403</u>	<u>\$ 118,433</u>	<u>\$ 159,407</u>
Liabilities and Fund Balance								
Liabilities								
Vouchers payable	\$ 442,722	\$ 174,803	\$ -	\$ 5,807	\$ 4,479	\$ 667	\$ 1,390	\$ 159,407
Due to other funds	-	-	-	-	133	-	-	-
Deferred revenue	<u>4,778,549</u>	<u>1,806,066</u>	<u>865,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,221,271</u>	<u>1,980,869</u>	<u>865,406</u>	<u>5,807</u>	<u>4,612</u>	<u>667</u>	<u>1,390</u>	<u>159,407</u>
Fund balances:								
Non-spendable:								
Prepaid items	-	-	-	5,220	-	1,010	-	-
Inventory	-	221,097	-	-	-	-	-	-
Restricted for:								
General government	-	-	-	106,191	74,544	83,726	117,043	-
Debt service	-	-	-	-	-	-	-	-
Judiciary and court	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Transportation	-	-	4,282,457	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Retirement	1,490,112	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Assigned to transportation	-	2,590,085	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balance (deficit)	<u>1,490,112</u>	<u>2,811,182</u>	<u>4,282,457</u>	<u>111,411</u>	<u>74,544</u>	<u>84,736</u>	<u>117,043</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 6,711,383</u>	<u>\$ 4,792,051</u>	<u>\$ 5,147,863</u>	<u>\$ 117,218</u>	<u>\$ 79,156</u>	<u>\$ 85,403</u>	<u>\$ 118,433</u>	<u>\$ 159,407</u>

Kankakee County, Illinois
 Major and Nonmajor Special Revenue Funds
 Balance Sheets
 November 30, 2011

Assets	Nonmajor Funds							
	Court Security Fee	Court Document Storage	Law Library	Probation Service Fee	Forfeited Funds - State's Attorney	Gang Violence Victims and Witness	Dispute Resolution	Circuit Clerk Administration/Operations
	\$ 90,778	\$ 206,495	\$ 1,680	\$ 253,097	\$ 8,026	\$ 75,731	\$ 15,075	\$ 17,156
Cash								
Investments, at cost	21,372	191	-	1,266	50,556	50,497	-	-
Receivables:								
Taxes (net of allowance for estimated uncollectibles)	-	-	-	-	-	-	-	-
Accounts	11,007	18,532	3,880	6,161	-	221	325	1,827
Loans	-	-	-	-	-	-	-	-
Prepaid expenses	-	447	-	-	-	-	-	-
Due from other funds	200,000	625,000	-	-	-	-	-	40,000
Due from other governments	-	-	-	-	-	-	-	-
Inventory, at cost	-	-	-	-	-	-	-	-
Total assets	<u>\$ 323,157</u>	<u>\$ 850,665</u>	<u>\$ 5,560</u>	<u>\$ 260,524</u>	<u>\$ 58,582</u>	<u>\$ 126,449</u>	<u>\$ 15,400</u>	<u>\$ 58,983</u>
Liabilities and Fund Balance								
Liabilities								
Vouchers payable	\$ 20,312	\$ 25,579	\$ 3,880	\$ 12,402	\$ -	\$ 2,375	\$ 5,488	\$ 958
Due to other funds	-	-	-	-	-	101	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>20,312</u>	<u>25,579</u>	<u>3,880</u>	<u>12,402</u>	<u>-</u>	<u>2,476</u>	<u>5,488</u>	<u>958</u>
Fund balances:								
Non-spendable:								
Prepaid items	-	447	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Restricted for:								
General government	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Judiciary and court	-	824,639	1,680	248,122	58,582	123,973	9,912	58,025
Public safety	302,845	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Retirement	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Assigned to transportation	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balance (deficit)	<u>302,845</u>	<u>825,086</u>	<u>1,680</u>	<u>248,122</u>	<u>58,582</u>	<u>123,973</u>	<u>9,912</u>	<u>58,025</u>
Total liabilities and fund balance	<u>\$ 323,157</u>	<u>\$ 850,665</u>	<u>\$ 5,560</u>	<u>\$ 260,524</u>	<u>\$ 58,582</u>	<u>\$ 126,449</u>	<u>\$ 15,400</u>	<u>\$ 58,983</u>

Kankakee County, Illinois
 Major and Nonmajor Special Revenue Funds
 Balance Sheets
 November 30, 2011

	Nonmajor Funds													
	Court Automation		Driver Improvement Program		Arrestee Medical		Sheriff TBL Account		Coroner's Fee		Health	Veterans Assistance	Forfeited Funds - Sheriff	Revolving CDAP Loans
	Assets													
Cash	\$ 402,635	\$ (3,917)	\$ 11,546	\$ 500	\$ 16,573	\$ 1,115,957	\$ 319,442	\$ 4,089	\$ 312,853					
Investments, at cost	9,289	-	-	-	-	604,916	177,434	-	-					
Receivables:														
Taxes (net of allowance for estimated uncollectibles)	-	-	-	-	-	442,000	131,693	-	-					
Accounts	18,797	4,631	726	-	75	-	324	-	3,639					
Loans	-	-	-	-	-	-	-	-	221,756					
Prepaid expenses	-	-	-	-	-	-	250	-	-					
Due from other funds	250,000	5,600	-	-	-	-	21	-	-					
Due from other governments	-	-	-	-	-	271,310	-	-	-					
Inventory, at cost	-	-	-	-	-	48,022	-	-	-					
Total assets	<u>\$ 680,721</u>	<u>\$ 6,314</u>	<u>\$ 12,272</u>	<u>\$ 500</u>	<u>\$ 16,648</u>	<u>\$ 2,482,205</u>	<u>\$ 629,164</u>	<u>\$ 4,089</u>	<u>\$ 538,248</u>					
Liabilities and Fund Balance														
Liabilities														
Vouchers payable	\$ 4,554	\$ 6,132	\$ 11,400	\$ -	\$ 883	\$ 121,238	\$ 2,608	\$ -	\$ -					
Due to other funds	-	-	-	-	-	-	12,464	-	-					
Deferred revenue	-	-	-	-	-	477,458	142,425	-	-					
Total liabilities	<u>4,554</u>	<u>6,132</u>	<u>11,400</u>	<u>-</u>	<u>883</u>	<u>598,696</u>	<u>157,497</u>	<u>-</u>	<u>-</u>					
Fund balances:														
Non-spendable:														
Prepaid items	-	-	-	-	-	-	250	-	-					
Inventory	-	-	-	-	-	-	12,564	-	-					
Restricted for:														
General government	-	-	-	-	-	-	-	-	-					
Debt service	-	-	-	-	-	-	-	-	-					
Judiciary and court	676,167	182	-	-	-	-	-	-	-					
Public safety	-	-	872	500	15,765	-	-	-	4,089					
Health and welfare	-	-	-	-	-	1,870,945	471,417	-	-					
Transportation	-	-	-	-	-	-	-	-	-					
Economic development	-	-	-	-	-	-	-	-	538,248					
Retirement	-	-	-	-	-	-	-	-	-					
Capital projects	-	-	-	-	-	-	-	-	-					
Assigned to transportation	-	-	-	-	-	-	-	-	-					
Unassigned	-	-	-	-	-	-	-	-	-					
Total fund balance (deficit)	<u>676,167</u>	<u>182</u>	<u>872</u>	<u>500</u>	<u>15,765</u>	<u>1,883,509</u>	<u>471,667</u>	<u>4,089</u>	<u>538,248</u>					
Total liabilities and fund balance	<u>\$ 680,721</u>	<u>\$ 6,314</u>	<u>\$ 12,272</u>	<u>\$ 500</u>	<u>\$ 16,648</u>	<u>\$ 2,482,205</u>	<u>\$ 629,164</u>	<u>\$ 4,089</u>	<u>\$ 538,248</u>					

Kankakee County, Illinois
 Major and Nonmajor Special Revenue Funds
 Balance Sheets
 November 30, 2011

	Nonmajor Funds								Total	
	County Motor Fuel Tax	County Bridge	Township Bridge	Geographical Information System	Marriage Fund	WIA Grants	Nonmajor Funds			
	Assets									Total
Cash	\$ 383,169	\$ 2,347,950	\$ 24,212	\$ 62,127	\$ 3,667	\$ 67,141	\$ 5,972,808		\$ 9,876,546	
Investments, at cost	548,892	748	-	3,486	-	-	1,571,676		6,442,921	
Receivables:										
Taxes (net of allowance for estimated uncollectibles)	-	865,406	-	-	-	-	1,439,099		8,889,121	
Accounts	-	-	-	3,946	-	166,595	404,187		609,382	
Loans	-	-	-	-	-	-	221,756		221,756	
Prepaid expenses	-	-	-	-	-	12,545	19,472		19,472	
Due from other funds	-	-	-	150,000	-	-	1,320,652		1,320,652	
Due from other governments	114,918	-	-	-	-	-	386,228		386,228	
Inventory, at cost	87,374	-	-	-	-	-	135,396		356,493	
Total assets	<u>\$ 1,134,353</u>	<u>\$ 3,214,104</u>	<u>\$ 24,212</u>	<u>\$ 219,559</u>	<u>\$ 3,667</u>	<u>\$ 246,281</u>	<u>\$ 11,471,274</u>		<u>\$ 28,122,571</u>	
Liabilities and Fund Balance										
Liabilities										
Vouchers payable	\$ 154,809	\$ 51,019	\$ -	\$ 3,695	\$ -	\$ 230,152	\$ 829,234		\$ 1,446,759	
Due to other funds	-	-	-	-	-	-	12,698		12,698	
Deferred revenue	-	865,406	-	-	-	-	16,129		1,501,418	8,951,439
Total liabilities	<u>154,809</u>	<u>916,425</u>	<u>-</u>	<u>3,695</u>	<u>-</u>	<u>246,281</u>	<u>2,343,350</u>		<u>10,410,896</u>	
Fund balances:										
Non-spendable:										
Prepaid items	-	-	-	-	-	-	6,927		6,927	
Inventory	87,374	-	-	-	-	-	99,938		321,035	
Restricted for:										
General government	-	-	-	215,864	-	-	597,368		597,368	
Debt service	-	-	-	-	-	-	-		-	
Judiciary and court	-	-	-	-	3,667	-	2,004,949		2,004,949	
Public safety	-	-	-	-	-	-	324,071		324,071	
Health and welfare	-	-	-	-	-	-	2,342,362		2,342,362	
Transportation	892,170	2,297,679	24,212	-	-	-	3,214,061		7,496,518	
Economic development	-	-	-	-	-	-	538,248		538,248	
Retirement	-	-	-	-	-	-	-		1,490,112	
Capital projects	-	-	-	-	-	-	-		-	
Assigned to transportation	-	-	-	-	-	-	-		2,590,085	
Unassigned	-	-	-	-	-	-	-		-	
Total fund balance (deficit)	<u>979,544</u>	<u>2,297,679</u>	<u>24,212</u>	<u>215,864</u>	<u>3,667</u>	<u>-</u>	<u>9,127,924</u>		<u>17,711,675</u>	
Total liabilities and fund balance	<u>\$ 1,134,353</u>	<u>\$ 3,214,104</u>	<u>\$ 24,212</u>	<u>\$ 219,559</u>	<u>\$ 3,667</u>	<u>\$ 246,281</u>	<u>\$ 11,471,274</u>		<u>\$ 28,122,571</u>	

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Statements of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended November 30, 2011

	Major Funds				Nonmajor Funds			
	Pension	County Highway	Matching Tax	Recorder Computer	County Clerk Computer	County Treasurer Computer	Treasurer's Interest	Subrecipient Grants
Revenues:								
Property taxes	\$ 4,807,371	\$ 1,780,870	\$ 870,649	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	50,866	-	-	-	-	-	-	540,408
Licenses and permits	-	-	-	-	-	-	-	-
Fines and fees	-	633,862	-	118,647	23,102	22,565	19,975	-
Interest on investments	1,466	1,377	3,431	102	317	311	298	-
Miscellaneous	-	55,821	107,140	-	-	9,406	-	-
Total revenues	4,859,703	2,471,930	981,220	118,749	23,419	32,282	20,273	540,408
Expenditures:								
General government	4,582,655	-	-	122,690	7,458	49,962	4,307	-
Judiciary and court related	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Transportation	-	2,211,337	776,478	-	-	-	-	540,408
Economic development	-	-	-	-	-	-	-	-
Capital outlay	-	362,435	-	10,254	31,501	-	-	-
Debt service principal	-	-	-	-	-	-	-	-
Debt service interest	11,764	-	-	-	-	-	-	-
Total expenditures	4,594,419	2,573,772	776,478	132,944	38,959	49,962	4,307	540,408
Excess (deficiency) of revenues over expenditures	265,284	(101,842)	204,742	(14,195)	(15,540)	(17,680)	15,966	-
Other financing sources (uses):								
Operating transfers out	-	-	-	-	-	-	(18,000)	-
Total other financing sources (uses)	-	-	-	-	-	-	(18,000)	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	265,284	(101,842)	204,742	(14,195)	(15,540)	(17,680)	(2,034)	-
Fund balance, beginning of year	1,224,828	2,913,024	4,077,715	125,606	90,084	102,416	119,077	-
Fund balance (deficit), end of year	\$ 1,490,112	\$ 2,811,182	\$ 4,282,457	\$ 111,411	\$ 74,544	\$ 84,736	\$ 117,043	\$ -

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Statements of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended November 30, 2011

	Nonmajor Funds							
	Court Security Fee	Court Document Storage	Law Library	Probation Service Fee	Forfeited Funds -State's Attorney	Gang Violence Victims and Witness	Dispute Resolution	Circuit Clerk Administration/Operations
Revenues:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	18,391	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Fines and fees	224,081	250,384	59,083	101,658	-	3,712	4,942	20,899
Interest on investments	263	1,066	3	252	103	374	19	47
Miscellaneous	-	30,981	-	-	20,000	-	-	-
Total revenues	224,344	282,431	59,086	101,910	38,494	4,086	4,961	20,946
Expenditures:								
General government	-	-	-	-	-	-	-	-
Judiciary and court related	-	559,040	59,082	178,229	-	17,639	5,488	19,071
Public safety	249,360	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Capital outlay	4,798	-	-	3,488	-	-	-	-
Debt service principal	-	-	-	-	-	-	-	-
Debt service interest	-	-	-	-	-	-	-	-
Total expenditures	254,158	559,040	59,082	181,717	-	17,639	5,488	19,071
Excess (deficiency) of revenues over expenditures	(29,814)	(276,609)	4	(79,807)	38,494	(13,553)	(527)	1,875
Other financing sources (uses):								
Operating transfers out	-	(157,298)	-	-	-	-	-	-
Total other financing sources (uses)	-	(157,298)	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(29,814)	(433,907)	4	(79,807)	38,494	(13,553)	(527)	1,875
Fund balance, beginning of year	332,659	1,258,993	1,676	327,929	20,088	137,526	10,439	56,150
Fund balance (deficit), end of year	\$ 302,845	\$ 825,086	\$ 1,680	\$ 248,122	\$ 58,582	\$ 123,973	\$ 9,912	\$ 58,025

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Statements of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended November 30, 2011

	Nonmajor Funds								Forfeited Funds - Sheriff	Revolving CDAP Loans
	Court Automation	Driver Improvement Program	Arrestee Medical	Sheriff TBL Account	Coroner's Fee	Health	Veterans Assistance			
Revenues:										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 435,374	\$ 197,904	\$ -	\$ -	
Intergovernmental	-	-	-	-	2,047	2,217,038	51,622	-	-	
Licenses and permits	-	-	-	-	-	205,736	-	-	-	
Fines and fees	252,083	56,160	11,407	-	26,430	100,533	-	-	-	
Interest on investments	569	6	27	-	39	843	806	15	3,858	
Miscellaneous	30,982	-	-	500	-	28,765	7,632	-	-	
Total revenues	283,634	56,166	11,434	500	28,516	2,988,289	257,964	15	3,858	
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	
Judiciary and court related	142,488	56,002	-	-	-	-	-	-	-	
Public safety	-	-	-	-	21,983	-	-	-	-	
Public health and welfare	-	-	-	-	-	2,714,120	209,555	-	-	
Transportation	-	-	-	-	-	-	-	-	-	
Economic development	-	-	-	-	-	-	-	-	75	
Capital outlay	-	-	-	-	-	16,558	-	-	-	
Debt service principal	-	-	-	-	-	77,981	-	-	-	
Debt service interest	-	-	-	-	-	80,170	-	-	-	
Total expenditures	142,488	56,002	-	-	21,983	2,888,829	209,555	-	75	
Excess (deficiency) of revenues over expenditures	141,146	164	11,434	500	6,533	99,460	48,409	15	3,783	
Other financing sources (uses):										
Operating transfers out	(157,298)	-	(11,400)	-	-	-	-	-	-	
Total other financing sources (uses)	(157,298)	-	(11,400)	-	-	-	-	-	-	
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(16,152)	164	34	500	6,533	99,460	48,409	15	3,783	
Fund balance, beginning of year	692,319	18	838	-	9,232	1,784,049	423,258	4,074	534,465	
Fund balance (deficit), end of year	\$ 676,167	\$ 182	\$ 872	\$ 500	\$ 15,765	\$ 1,883,509	\$ 471,667	\$ 4,089	\$ 538,248	

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Statements of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended November 30, 2011

	Nonmajor Funds						Total Nonmajor Funds	Total
	County Motor Fuel Tax	County Bridge	Township Bridge	Geographical Information System	Marriage Fund	WIA Grants		
Revenues:								
Property taxes	\$ -	\$ 870,650	\$ -	\$ -	\$ -	\$ -	\$ 1,503,928	\$ 8,962,818
Intergovernmental	1,917,263	-	-	-	-	3,264,206	8,010,975	8,061,841
Licenses and permits	-	-	-	-	-	-	205,736	205,736
Fines and fees	-	-	-	168,112	2,201	-	1,465,974	2,099,836
Interest on investments	856	465	12	148	-	-	10,799	17,073
Miscellaneous	-	-	-	4,350	-	-	132,616	295,577
Total revenues	1,918,119	871,115	12	172,610	2,201	3,264,206	11,330,028	19,642,881
Expenditures:								
General government	-	-	-	102,091	-	-	286,508	4,869,163
Judiciary and court related	-	-	-	-	1,046	-	1,038,085	1,038,085
Public safety	-	-	-	-	-	-	271,343	271,343
Public health and welfare	-	-	-	-	-	-	2,923,675	2,923,675
Transportation	1,804,710	75,178	-	-	-	-	2,420,296	5,408,111
Economic development	-	-	-	-	-	3,263,873	3,263,948	3,263,948
Capital outlay	-	287,921	-	7,677	-	333	362,530	724,965
Debt service principal	-	-	-	-	-	-	77,981	77,981
Debt service interest	-	-	-	-	-	-	80,170	91,934
Total expenditures	1,804,710	363,099	-	109,768	1,046	3,264,206	10,724,536	18,669,205
Excess (deficiency) of revenues over expenditures	113,409	508,016	12	62,842	1,155	-	605,492	973,676
Other financing sources (uses):								
Operating transfers out	-	-	-	-	-	-	(343,996)	(343,996)
Total other financing sources (uses)	-	-	-	-	-	-	(343,996)	(343,996)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	113,409	508,016	12	62,842	1,155	-	261,496	629,680
Fund balance, beginning of year	866,135	1,789,663	24,200	153,022	2,512	-	8,866,428	17,081,995
Fund balance (deficit), end of year	\$ 979,544	\$ 2,297,679	\$ 24,212	\$ 215,864	\$ 3,667	\$ -	\$ 9,127,924	\$ 17,711,675

Kankakee County, Illinois

Juvenile Detention Debt Service Fund

Statement of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual

For the Year Ended November 30, 2011

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ 568,381	\$ 573,816	\$ 5,435
Interest on investments	150	667	517
Total revenue	568,531	574,483	5,952
Expenditures:			
Other services and charges	261,431	265,262	3,831
Debt service principal	218,831	214,604	(4,227)
Debt service interest	88,119	88,515	396
Total expenditures	568,381	568,381	-
Excess (deficiency) of revenues over expenditures	\$ 150	6,102	\$ 5,952
Fund balance, beginning of year		29,584	
Fund balance, end of year		\$ 35,686	

Kankakee County, Illinois
2009 Bond Series Debt Service Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended November 30, 2011

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Total revenue	\$ -	\$ -	\$ -
Expenditures:			
Debt service principal	75,000	75,000	-
Debt service interest	177,039	177,039	-
Total expenditures	252,039	252,039	-
Excess (deficiency) of revenues over expenditures	(252,039)	(252,039)	-
Other financing sources (uses):			
Operating transfers in	(253,486)	314,596	568,082
Excess (deficiency) of revenues over expenditures and other sources (uses)	\$ (505,525)	62,557	\$ 568,082
Fund balance, beginning of year		189,043	
Fund balance, end of year		\$ 251,600	

Kankakee County, Illinois
2011 Bond Series Debt Service Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended November 30, 2011

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:			
Total revenue	\$ -	\$ -	\$ -
Expenditures:			
Other services and charges	-	417	417
Debt service principal	-	31,667	31,667
Debt service interest	-	19,709	19,709
Total expenditures	-	51,793	51,793
Excess (deficiency) of revenues over expenditures	-	(51,793)	(51,793)
Other financing sources (uses):			
Operating transfers in	-	51,793	51,793
Excess (deficiency) of revenues over expenditures and other sources (uses)	\$ -	-	\$ -
Fund balance, beginning of year			
Fund balance, end of year	\$ -		

Kankakee County, Illinois**Statement of Fiduciary Net Assets****Fiduciary Funds - Private Purpose Trust Funds**

November 30, 2011

	Township MFT	Contract Appraisal Work	Circuit Clerk Bonds	Total
Assets				
Cash	\$ 94,378	\$ 16,536	\$ 876,226	\$ 987,140
Investments, at cost	1,416,480	50,078	500,000	1,966,558
Receivables:				
Accounts receivable	<u>99,542</u>	<u>-</u>	<u>-</u>	<u>99,542</u>
Total assets	<u>\$ 1,610,400</u>	<u>\$ 66,614</u>	<u>\$ 1,376,226</u>	<u>\$ 3,053,240</u>
Liabilities and Net Assets				
Liabilities				
Vouchers payable	\$ 24,578	\$ -	\$ -	\$ 24,578
Total liabilities	<u>24,578</u>	<u>-</u>	<u>-</u>	<u>24,578</u>
Net Assets				
Restricted for other purposes	1,585,822	66,614	1,376,226	3,028,662
Total net assets	<u>1,585,822</u>	<u>66,614</u>	<u>1,376,226</u>	<u>3,028,662</u>
Total liabilities and net assets	<u>\$ 1,610,400</u>	<u>\$ 66,614</u>	<u>\$ 1,376,226</u>	<u>\$ 3,053,240</u>

Kankakee County, Illinois
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds - Private Purpose Trust Funds
For the Year Ended November 30, 2011

	Township MFT	Contract Appraisal Work	Circuit Clerk Bonds	Total
Additions:				
Intergovernmental	\$ 1,360,628	\$ 10,089	\$ -	\$ 1,370,717
Miscellaneous	-	-	1,594,688	1,594,688
Interest	1,632	136	-	1,768
Total additions	1,362,260	10,225	1,594,688	2,967,173
Deductions:				
Transportation	1,245,933	-	-	1,245,933
Other	-	-	2,134,081	2,134,081
Total deductions	1,245,933	-	2,134,081	3,380,014
Change in net assets	116,327	10,225	(539,393)	(412,841)
Net assets, beginning of year	1,469,495	56,389	1,915,619	3,441,503
Net assets, end of year	\$ 1,585,822	\$ 66,614	\$ 1,376,226	\$ 3,028,662

Kankakee County, Illinois
 Fiduciary Funds - Agency Funds
 Combining Balance Sheet
 November 30, 2011

	Back Tax	Riverside Country Estates S.A.	Arrowhead Hills S.A.	Drainage Districts	Collector	Sheriff Civil Process	Inheritance Tax	Condemnation Account	Unclaimed Legacies and Bonds
Assets									
Cash	\$ 45	\$ (14,018)	\$ 58	\$ 268,992	\$ 105,431	\$ 4,878	\$ 66,392	\$ 296,919	\$ 39,069
Investments, at cost	-	-	13,364	268,956	-	-	-	38,094	31,246
Receivables:									
Accounts	-	-	-	19	-	-	-	-	170,000
Total assets	<u>\$ 45</u>	<u>\$ (14,018)</u>	<u>\$ 13,422</u>	<u>\$ 537,967</u>	<u>\$ 105,431</u>	<u>\$ 4,878</u>	<u>\$ 66,392</u>	<u>\$ 335,013</u>	<u>\$ 240,315</u>
Liabilities									
Vouchers payable	\$ -	\$ -	\$ -	\$ 2,798	\$ -	\$ -	\$ 63,876	\$ -	\$ -
Due to other governments	45	-	-	-	105,431	-	-	-	-
Due to others	-	(14,018)	13,422	535,169	-	4,878	2,516	335,013	240,315
Total liabilities	<u>\$ 45</u>	<u>\$ (14,018)</u>	<u>\$ 13,422</u>	<u>\$ 537,967</u>	<u>\$ 105,431</u>	<u>\$ 4,878</u>	<u>\$ 66,392</u>	<u>\$ 335,013</u>	<u>\$ 240,315</u>

Kankakee County, Illinois
 Fiduciary Funds - Agency Funds
 Combining Balance Sheet
 November 30, 2011

	Sheriff Seizure	Sheriff Sale Account	Sheriff Commissary	Circuit Clerk	County Clerk	Teen Court	Total
Assets							
Cash	\$ 33,738	\$ 249,369	\$ 267,890	\$ 384,728	\$ 1,918,342	\$ (2,101)	\$ 3,619,732
Investments, at cost	-	-	-	-	-	-	351,660
Receivables:							
Accounts	-	-	-	-	-	10,465	180,484
Total assets	<u>\$ 33,738</u>	<u>\$ 249,369</u>	<u>\$ 267,890</u>	<u>\$ 384,728</u>	<u>\$ 1,918,342</u>	<u>\$ 8,364</u>	<u>\$ 4,151,876</u>
Liabilities							
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359	\$ 67,033
Due to other governments	-	-	-	-	-	-	105,476
Due to others	<u>33,738</u>	<u>249,369</u>	<u>267,890</u>	<u>384,728</u>	<u>1,918,342</u>	<u>8,005</u>	<u>3,979,367</u>
Total liabilities	<u>\$ 33,738</u>	<u>\$ 249,369</u>	<u>\$ 267,890</u>	<u>\$ 384,728</u>	<u>\$ 1,918,342</u>	<u>\$ 8,364</u>	<u>\$ 4,151,876</u>

Kankakee County, Illinois

Statement of Changes in Assets and Liabilities - Agency Funds

For the Year Ended November 30, 2011

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>
Back Tax	\$ 41,482	\$ 240,515	\$ 281,952	\$ 45
Riverside Country Estates Special Assessment	(14,018)	-	-	(14,018)
Arrowhead Hill Special Assessment	13,414	8	-	13,422
Drainage Districts	534,600	92,817	89,450	537,967
Collector	641,838	212,767,707	213,304,114	105,431
Sheriff Civil Process	15,875	179,964	190,961	4,878
Inheritance Tax	60,155	592,719	586,482	66,392
Condemnation Account	54,224	280,789	-	335,013
Legacies	210,691	30,534	910	240,315
Sheriff Seizure	35,961	44,444	46,667	33,738
Sheriff Sale Account	206,958	1,373,163	1,330,752	249,369
Sheriff Commissary	157,852	1,387,223	1,277,185	267,890
Circuit Clerk	332,822	7,256,554	7,204,648	384,728
County Clerk	790,589	6,983,195	5,855,442	1,918,342
Teen Court	4,819	27,572	24,027	8,364
 Total	 <u>\$ 3,087,262</u>	 <u>\$ 231,257,204</u>	 <u>\$ 230,192,590</u>	 <u>\$ 4,151,876</u>

Kankakee County, Illinois
 Assessed Valuations, Rates and Extensions
 For the tax levy years 2001 through 2010

Extension year	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Assessed valuation, net of special districts and general abatements	\$ 1,977,819,149	\$ 1,936,746,108	\$ 1,895,536,281	\$ 1,775,003,707	\$ 1,706,053,999	\$ 1,518,196,140	\$ 1,379,219,189	\$ 1,354,612,444	\$ 1,324,721,431	\$ 1,259,599,751
Tax rates:										
General corporate	\$ 0.224	\$ 0.218	\$ 0.222	\$ 0.222	\$ 0.232	\$ 0.237	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250
IMRF	0.151	0.131	0.119	0.117	0.116	0.112	0.118	0.115	0.113	0.114
County health	0.022	0.023	0.024	0.024	0.025	0.026	0.027	0.025	0.025	0.025
Liability insurance	0.113	0.107	0.117	0.130	0.133	0.134	0.141	0.129	0.127	0.120
County highway	0.090	0.092	0.093	0.094	0.096	0.098	0.100	0.100	0.100	0.100
Social security	0.092	0.089	0.090	0.091	0.092	0.091	0.096	0.095	0.092	0.094
Veterans	0.010	0.011	0.011	0.011	0.009	0.009	0.010	0.009	0.009	0.016
Highway matching	0.044	0.045	0.045	0.046	0.047	0.049	0.050	0.050	0.050	0.050
Joint bridge	0.044	0.045	0.045	0.046	0.047	0.049	0.050	0.050	0.050	0.050
Public Building Commission	0.029	0.029	0.032	0.033	0.016	0.016	0.017	0.037	0.036	0.038
Extension education	0.014	0.017	0.018	0.019	0.020	0.021	0.022	0.021	0.020	0.020
Total tax rates	\$ 0.833	\$ 0.807	\$ 0.816	\$ 0.833	\$ 0.833	\$ 0.842	\$ 0.881	\$ 0.881	\$ 0.872	\$ 0.877
Tax extensions:										
General corporate	\$ 4,430,315	\$ 4,222,107	\$ 4,208,091	\$ 4,090,085	\$ 3,818,656	\$ 3,598,125	\$ 3,448,048	\$ 3,386,531	\$ 3,311,804	\$ 3,148,999
IMRF	2,986,507	2,537,137	2,255,688	2,155,586	1,909,328	1,700,380	1,627,479	1,557,804	1,496,935	1,435,944
County health	435,120	445,452	454,929	442,171	411,493	394,731	372,389	338,653	331,180	314,900
Liability insurance	2,234,936	2,072,318	2,217,777	2,395,095	2,189,143	2,034,383	1,944,699	1,747,450	1,682,396	1,511,520
County highway	1,780,037	1,781,806	1,762,849	1,731,838	1,580,134	1,487,832	1,379,219	1,354,612	1,324,721	1,259,600
Social security	1,819,594	1,723,704	1,705,983	1,676,567	1,514,295	1,381,558	1,324,050	1,286,882	1,218,744	1,184,024
Veterans	197,782	213,042	208,509	202,662	148,138	136,638	137,922	121,915	119,225	201,536
Highway matching	870,240	871,536	852,991	847,495	773,607	743,916	689,610	677,306	662,361	629,800
Joint bridge	870,240	871,536	852,991	847,495	773,607	743,916	689,610	677,306	662,361	629,800
Public Building Commission	573,568	561,656	606,572	607,986	263,356	242,911	234,467	501,207	476,900	478,648
Extension education	276,895	329,247	341,196	350,052	329,194	318,821	303,428	284,469	264,944	251,920
Total tax extensions	\$ 16,475,234	\$ 15,629,541	\$ 15,467,576	\$ 15,347,032	\$ 13,710,951	\$ 12,783,211	\$ 12,150,921	\$ 11,934,135	\$ 11,551,571	\$ 11,046,691