

MACON COUNTY, ILLINOIS

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

November 30, 2005

May, Cocagne & King, P.C.

Certified Public Accountants & Consultants



May, Cocagne & King, P.C.

Certified Public Accountants and Consultants

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Macon County Board
Macon County, Illinois
Decatur, Illinois

In planning and performing our audit of the financial statements of Macon County, Illinois, for the year ended November 30, 2005, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect Macon County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

1. Duplication of Effort

As noted during past engagements, the County Auditor's office maintains the primary accounting records for all funds, departments and divisions of the County. Other County departments use their staff to maintain accounting records for their distinct department *in addition* to the accounting work performed by the Auditor's staff.

The proper, Board-approved method for approving, paying and auditing bills culminates in the Auditor's office. As such, the records produced by the Auditor's office are the ones used by the Board and those reviewed during the audit. We recommend that because the Auditor's office is the primary source of all accounting records affecting the overall revenue and expenditures of the County, the information kept by the individual departments periodically be reconciled to the Auditor's records.

Excluded from the County Auditor's records are the activity of the Circuit Clerk and Collector, which are maintained by those officials on software specifically tailored to their activities. These agencies are primarily **flow-through** agencies, meaning that amounts collected from taxpayers are paid to other governmental agencies and have no effect on County operations. Other than the amounts collected for and remitted to the County, these departments do not contribute to the overall revenue and expenditures of the County and are excluded from the above discussion.

2. Communication Between Departments

In a matter related closely to the aforementioned condition, we noted that the Highway Department, while keeping detailed records of their own, communicates only summary data to the Auditor's office. We realize that this department has several outside agencies performing compliance audits throughout the year which require original documentation to be available during these audits. However, in this instance, it would enhance reporting accuracy at the County-wide level, which includes this department, for the department to provide, at a minimum, a detail of the receipts collected and deposited into the accounts. Since the auditor's office relies on office holders to provide account coding and budget data, this information is necessary to correctly record and report the activities of the departments.

3. Grant Management

Grant management has been a problem area in the past and, while great improvements have been made, still requires attention. The County receives a substantial amount of funding in the form of local, state and federal grants. The official or employee of the County department under which the grant was originally applied for administers these grants. While the grants' programmatic requirements appear to be adequately monitored and reported by the individual responsible for carrying out the program, the financial monitoring and reporting phase of the grants needs to be enhanced. As noted above, the County has made great strides in improving its accounting for grant activity. However, improvements are needed in communicating grant requirements and budgets to the Auditor's office to assure proper accounting, as well as reconciling amounts reported to grantors with amounts recorded in the general ledger kept by the Auditor's office. We recommend that grant agreements and contracts be signed by the Auditor as the authorized designee to help ensure proper tracking. Ultimately, the agreements should come before the Board for approval and to receive additional appropriation, especially since expenditures cannot legally be made without appropriation.

4. Cash procedures - Circuit Clerk

During our review of cash, we noted that the monthly bank reconciliations of accounts maintained by the Circuit Clerk are not reviewed. The review process is a necessary step in internal controls that provides oversight of the banking and reconciliation function. In addition, the outstanding check lists for these accounts are extensive and include checks issued several years ago. During 2005, an attempt was initiated to go through the lists in order to identify voided checks or old, long outstanding checks and to clear them from the records, whether by reissuance or remittance to the State as unclaimed property. We recommend that these efforts continue, that all Circuit Clerk account bank reconciliations be performed timely, and that proper reviews are made of the monthly reconciliations to determine the propriety of any outstanding items.

5. Special Bank Accounts

As noted in previous years, there are several, special purpose bank accounts that exist throughout the County that were opened and are controlled by specific departments or agencies of the County, namely the Circuit Clerk, Sheriff's Department, Child Advocacy and the Judges' Marriage Fund. Each one of these accounts is controlled by primarily one person with authority to write checks, sign checks, collect funds, make deposits, and reconcile the account. While bank reconciliations appear to be prepared monthly, they do not undergo supervisory review. A supervisory review would add to the control over these accounts. In addition, the receipts and disbursements going through these accounts are not reflected in the County-wide accounting system, nor are they budgeted or approved using established County procedures.

A year-end adjustment was made to record the activity of these accounts in order for the activity to be reflected in the County-wide financial statements. We recommend that all such activity be summarized periodically, reviewed and communicated to the Auditor's office in order to be recorded in the County's financial records.

6. Purchase Orders and Encumbrances

During our review of liabilities, we noted that encumbrances are not thoroughly tracked and reflected in the accounting records. Government accounting uses budgeting as the primary source of control over financial transactions. When an item or service is ordered or purchased, the budget is reserved (encumbered) even if the item or service has not been received or the invoice paid. These encumbrances should be taken into consideration along with amounts already spent before any additional purchases are approved or made. Proper consideration cannot be given to total expenditures when the amounts due for these types of purchases are not reflected in the financial reports.

Normally, the use of a purchase order will allow for amounts to be entered into the accounting system and encumbered. We understand that elected officials are not legally required to use purchase orders, but it seems that this practice would be beneficial to the County in order to better control budgetary spending. With a decentralized purchasing function in which each department bids, orders, and purchases their own supplies, capital assets and materials, the task of accumulating all of the information necessary to show the financial position of the County is more difficult. We recommend that contracts, leases, agreements, etc. go to the Board for approval and appropriation. At that time, an encumbrance can be made for the total amount of the purchase, even if the amount is not due and payable until later in the year. As the amounts become payable or paid, the encumbrance is relieved and the expenditure is shown.

7. Accounts Receivable - Health Department

During our review of accounts receivable, we noted that the Health Department maintains two separate listings - one for amounts billed for grant programs and one for the Dental Clinic. The grant receivables are recorded in the general ledger and properly reflected in the financial reports. However, the Dental Clinic receivables are not reflected in the operations of the Health Department. In addition, the Dental Clinic accounts receivable ledger is not timely updated to reflect adjustments to amounts billed or receipt of payment. As of the time of audit fieldwork, payments had not been recorded in the ledger since August 2005.

The Dental Clinic billing process involves the Clinic recording an initial receivable when services are provided to clients, and then periodically submitting billings to Doral Dental Services of Illinois. Doral will then adjust the fee for allowable code/services and prices and remits payment based on the revised amount. The amount collected is deposited and reflected in revenue when received, but the receivable is not relieved in the ledger, nor are the adjustments to the billings researched and approved or resubmitted if in error. Numerous services were unpaid due to invalid service codes that were not resubmitted because the remittance had not been reviewed and entered against the receivables. We recommend timely billing of dental services, timely posting of collections, thorough review of remittances received, timely follow up to questioned adjustments and recording of the dental receivables in the Health Department financial reports.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the items above are considered material weaknesses.

We will be glad to assist in implementing any of the suggestions above. We will also review these comments during our next audit engagement.

We appreciate the opportunity to work with County officials and employees and wish to thank all those at the County for the courtesy and cooperation extended to us during our audit. We look forward to working with you in the future.

This report is intended solely for the information and use of the Macon County Board and certain elected County officials and is not intended to be and should not be used by anyone other than these specified parties.

May, COCAGNE + KING, P.C.

March 9, 2006

MACON COUNTY, ILLINOIS

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

November 30, 2005

*Report prepared and issued by
the Macon County Auditor's Office*

Amy C. Stockwell, County Auditor



May, Cocagne & King, P.C.

Certified Public Accountants and Consultants

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To the County Board
Macon County, Illinois

We have audited the financial statements of Macon County, Illinois for the year ended November 30, 2005, and have issued our report thereon dated March 9, 2006. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated November 22, 2004, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered Macon County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major program in order to determine our auditing procedures for the purposes of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Macon County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Macon County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on Macon County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Macon County's compliance with those requirements.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Macon County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2005.

During 2005, the County's obligations to the Decatur Public Building Commission changed with regards to the financing arrangement for County-occupied buildings. The previous arrangement had led to the lease being accounted for as a capital lease, whereas the new lease agreement is treated as an operating lease. The effect of this event is described in Notes 9 and 16 to the financial statements.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation lives and methods are based on the estimated useful life of the capital asset. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated). The following audit adjustments, in our judgment, indicate matters that could have a significant effect on Macon County's financial reporting process:

Audit Adjustments, continued

- To record Sheriff Drug Fund activity in the General Fund from account kept outside normal operating accounts.
- To record interest income and accrued interest receivable earned on investments.
- To record additional grant receivables, payables or deferred revenue as reflected on grant reports to grantors.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the County Board and management of Macon County and is not intended to be and should not be used by anyone other than these specified parties.

May, Cuzner & King, P.C.

March 9, 2006

MACON COUNTY, ILLINOIS

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INTRODUCTORY SECTION

AMY C. STOCKWELL



Macon County Auditor

May 23, 2006

To the Citizens of Macon County, Illinois and the Macon County Board

Ladies and Gentlemen:

We are pleased to present Macon County's (the County) Comprehensive Annual Financial Report (CAFR) for the year ended November 30, 2005. The financial statement included in this report conform with accounting principles generally accepted in the United States established by the Governmental Accounting Standards Board. The County is responsible for the accuracy and fairness of the presentation of the financial statements and other information as presented herein. The data presented in this report is believed to be accurate in all material respects, and all statements and disclosures necessary for the reader to obtain a thorough understanding of the County's financial activities have been included.

This report is intended to provide informative and relevant financial information for the citizens of the County, board members, investors, creditors and other concerned readers. All are encouraged to contact the Auditor's Office with any comments or questions concerning this report.

The County's financial statements have been audited by May, Cocagne and King, P.C., certified public accountants. The independent auditor's report is presented as the first component of the financial section of this report.

In accordance with GAAP, this CAFR includes a narrative introduction from management, which provides an overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A, and should be read in conjunction

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with it. The County's MD&A can be found immediately following the report of the independent auditors.

Macon County Illinois.

Established in 1829, Macon County is 581 square miles located centrally in the State of Illinois some 150 miles south of Chicago and west of Indianapolis, 109 miles northeast of St. Louis and 70 miles south east of Peoria. The county was explored and settled because of the richly productive nature of its prairie lands which have been plowed and farmed for almost two hundred years. During the 20th century, Decatur became an important manufacturing center because of its central location and the entrepreneurial energy of its people. During the 1990 and into the beginning of the new century, Macon County was hit hard with plant closings. The population of the county has been in a gradual decline over several decades.

Macon County retains its industrial character, with a number of companies having major manufacturing facilities here. These include Akorn Incorporated, Caterpillar, Mueller, PPG Industries, Bodine Electric, the Herald & Review and Prairie Central Maintenance & Fabricators. Macon County is the location for the headquarters of Archer Daniels Midland and Tate & Lyle North America. As the national economy is changing, so is that of Macon County. Major employers outside the manufacturing sector include Decatur Memorial Hospital, the Decatur Public School District, Ameren/Illinois Power, St. Mary's Hospital, the Norfolk Southern Corporation, Millikin University, the City of Decatur, Richland Community College, United Parcel Service, and Macon County government.

According to the Census Department 2005 estimate, the population of Macon County currently stands at 110,167. The population is older than the state average: 15.2% are over age 65 (versus 12.1% for the state), while 24.6% are under age 18 (versus 26.1% statewide). Residents of Macon County are more likely to own their homes than the state average: 71.6% of households in Macon County were homeowners versus 67.3% statewide, according to the 2000 census.

Government Structure and Services

Macon County government provides a full range of services to the citizens, including most prominently the Courts and criminal justice system. The County administers the consolidated civil and criminal justice system, and fulfills various law enforcement functions through the Sheriff's Office. Other major county responsibilities include maintenance of all property records, administration of consolidated elections, provision of public health services and maintenance of county roads, bridges and highways. A number of other functions are performed by county officials, including emergency

management services, animal control, job training and workforce development, the veterans commission and solid waste management among others.

Macon County is a non-home rule county government governed by the Illinois County Code, 55 ILCS 5+ and related acts. It is composed of 24 departments, including 9 independently elected officials, the judiciary, and a twenty one member County Board elected from seven three member districts. The Board is both the legislative policy maker and the supervisor of administration for departments that report directly to the Board.

Elected officials, department heads and county board members work cooperatively together to insure the smooth functioning of county government. Macon County government also has cooperative arrangements with other governmental agencies, including the City of Decatur and various townships and villages throughout the county.

Major Initiatives

During 2005, a number of major initiatives were completed. These included:

- Issuance of \$9mm of general obligation bonds through the Decatur Public Building Commission for expansion and renovation of the Jail, courthouse renovations and construction of a new Animal Control Facility.
- Purchase and renovation of a new Animal Control Facility, a milestone discussed for 50 years. Animals and staff were moved to the new facility in April, 2006.
- Expansion of the Jail to help relieve overcrowding and house additional women prisoners. Beginning in 2006, a comprehensive Justice Task Force is evaluating jail operations to look for additional ways to improve operations.
- Completion of the Mound Road extension as part of the Progress City project. Decatur has been selected as the permanent site for the Farm Progress Show, a major agricultural trade event. Macon County was one of many public and private partners working together to make this event a success. Decatur hosted the show in August 2005, and will again host it in August 2007.
- Many offices were involved in upgrading their technology to provide additional services to citizens, make public information more readily available and streamlining administrative functions.
- Work throughout the year by the Insurance Committee to control insurance premium and claims costs. Through the work of this committee, health insurance costs increased only 1% in July 2005 and were held to 0% for the July 2006 renewal.
- Comprehensive evaluation of telephone costs and services by the Telecommunications Committee, resulting in the decision to purchase new phone equipment to save cost and improve service during 2006.

- Development of Equal Employment Opportunity Plan. Project to revise the employee handbook was undertaken; a new handbook was published in the Spring of 2006 for the first major revision in over 20 years.
- Purchase of new voting machines to replace punch card technology; this technology was used in the 2005 elections and extensive training and education were done in preparation for the 2006 election cycle.
- Creation of a Capital Project Revolving Fund to allow office holders to forego leasing costs in the purchase of capital equipment.

Future Outlook

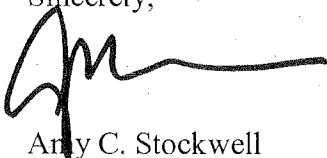
Macon County is emerging from a period of financial difficulties to a time of professional financial management and fiscal responsibility. The county's general fund had deficit spending during the 1998-2001 period which created internal debt; now, four years of surpluses in the general fund (2002-2005) are allowing repayment of this internal debt. Repayment of the debt and careful management of financial assets are allowing levy reductions for some funds; County Board members have pledged to reduce the general fund levy after debt repayment.

Appropriations and spending are closely watched under the County Board's 'zero growth' budget policy. Population and employment trends make it very likely that this policy will continue for the foreseeable future. Prudent financial management policies continue to be implemented and refined throughout the county.

Acknowledgements

Preparation of the CAFR is a very significant undertaking, and I wish to thank all the employees of my office and all those in other offices who helped make this possible. We are also indebted to the professionalism and commitment of our independent auditors, May, Cocagne and King. The cooperation of everyone is greatly appreciated, as is the commitment of the County Board to professional financial management of Macon County for the benefit of our ultimate bosses, the citizens and taxpayers of this County.

Sincerely,



Andy C. Stockwell
Macon County Auditor

MACON COUNTY, ILLINOIS

LIST OF PRINCIPAL OFFICERS

November 30, 2005

COUNTY BOARD MEMBERS:

District	Representative	District	Representative
5	Patricia Cox	3	Karen Zaiz
6	Dave Drobisch	4	Kevin Meachum
3	Jay Dunn	2	William Oliver
4	Thomas Durbin	2	Jerry Potts
6	Don Westerman	1	Robert Sampson
5	Phillip Hogan	7	Bryan Smith
5	Mervil Jacobs	2	Verzell Taylor
3	John Snyder	7	Edward Yoder
4	Joe McLaughlin	6	David Williams
1	Linda Little	1	Melverta Wilkins
7	Olin D. Wolfe (Chairman)		

OTHER ELECTED OFFICIALS:

Auditor, Amy Stockwell

County Clerk, Stephen Bean

Treasurer, Steve Grimm

Recorder, Mary Eaton

Circuit Clerk, Kathy Hott

State's Attorney, Jack Ahola

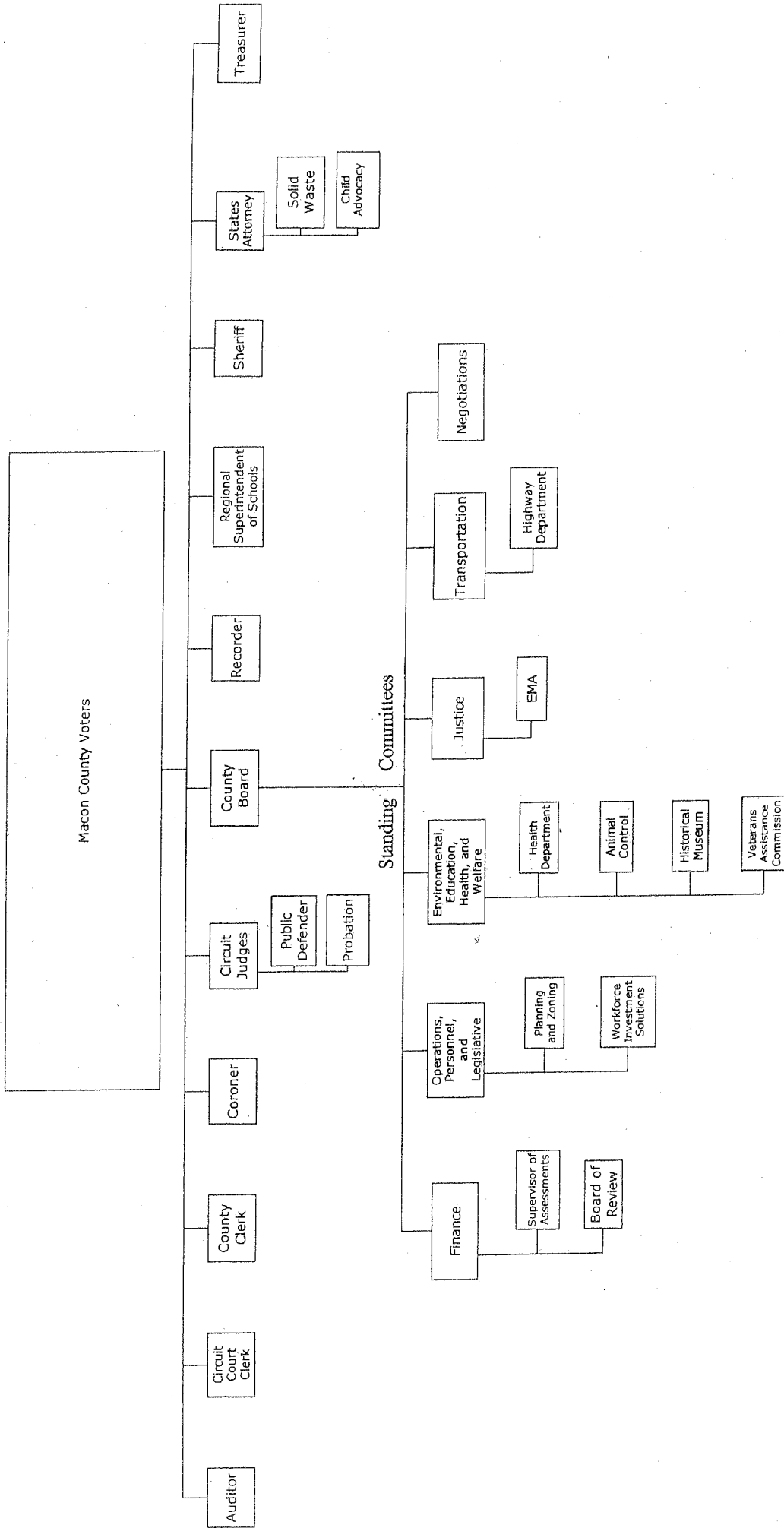
Coroner, Michael Day

Regional Superintendent of Education, Richard Shelby

Sheriff, Jerry Dawson

Supervisor of Assessments, Daysa Miller

County of Macon Organizational Chart



FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

Macon County Board
Macon County, Illinois
Decatur, Illinois

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Illinois as of and for the year ended November 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's nonmajor governmental funds, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended November 30, 2005, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Macon County Mental Health Board or the Macon County Emergency Telephone System Board which represent 19% of the assets, 12% of the liabilities and 26% of the net assets of the discretely presented component units. 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 Macon County Mental Health Board or the Macon County Emergency Telephone System Board, is based solely on the report of the other auditors.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major funds, and the aggregate remaining fund information of Macon County, Illinois as of November 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, internal service and fiduciary fund of Macon County, Illinois as of November 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2006, on our consideration of the County'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 the internal control over financial reporting or 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.

The management's discussion and analysis and budgetary comparison information on pages 3-16 and 26-35 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Macon County, Illinois' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Macon County, Illinois. The accompanying individual Workforce Investment Solutions grant financial information is presented to comply with the requirements of the Illinois Department of Commerce and Economic Opportunity and is also not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

May, COCAINE & KING, P.C.

March 9, 2006

**MACON COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

November 30, 2005

The Macon County, Illinois' (the "County") management discussion and analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the County's financial activity, (3) identify changes in the County's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the basic financial statements and accompanying notes to those financial statements.

Financial Highlights

- The assets of Macon County exceeded its liabilities at the close of the most recent fiscal year by \$ 41,081,732 (*net assets*). Of this amount, \$ 21,694,693 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. The three discretely presented component units of Macon County have a total of \$ 19,765,810 in additional net assets, of which \$ 5,313,137 is unrestricted.
- Government-wide, Macon County had \$ 40,549,279 in expenses for the primary government. The primary government offset expenses with \$ 6,572,782 of charges for services and \$ 16,303,449 of operating grants and contributions. This left a balance of \$ 17,673,048 in expenses to be covered by general revenue sources for the primary government. General revenues, including property taxes, sales taxes, income taxes and other income sources were \$ 24,571,148 government-wide, thus creating an increase in net assets for the year.
- Macon County component units had \$ 8,011,974 in expenses, offset by \$ 5,936,566 of charges for services and \$ 1,299,176 of operating grants and contributions. General revenues were higher than net expenses for all three of the component units, thus creating increases in net assets for each of the three units.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$ 1,930,881 or 12.4% of total General Fund expenditures. For management reporting purposes, reserves for debt repayment totaling \$ 2,505,000 have been created leaving a negative unrestricted fund balance of \$ 574,000. Ending fund balance is the sum of revenue minus expense in all prior years. Fiscal year 2005 saw a continuation of the trend first observed in fiscal year 2004 of positive ending fund balances reflecting now four years of surpluses in current operations finally overcoming the effects of deficit spending in fiscal years 1999, 2000 and 2001.
- Macon County reduced general obligation debt in 2005 by making scheduled payments on the mortgage for the Health Department building expansion. In addition, notes for a vehicle purchase and for the purchase of voting equipment were paid in full. Total general obligation debt was reduced by \$ 222,977 during fiscal year 2005.

- Macon County has \$ 14,158,259 in capital assets, net of accumulated depreciation for the primary government. These assets include \$ 196,809 in land and improvements, \$ 3,529,130 in buildings and improvements, \$ 1,167,923 in vehicles, and \$ 8,344,626 in infrastructure. Government-wide, there was also \$ 919,771 in furniture, fixtures, technology and equipment. Buildings and building improvements were reduced by \$ 6,793,500 because of the change in treatment of the lease with the DPBC; major capital asset purchases this year included new sheriff vehicles for the department's own use and to satisfy contractual obligations with the towns of Macon and Forsyth for which the Sheriff provides law enforcement services under an intergovernmental agreement. Net infrastructure additions totaled \$ 6,275,828 which included road improvements connected with the Farm Progress site adjacent to Richland Community College (\$ 3,999,310), bridge improvements on County Highway 20 in Oreana (\$ 2,220,692 of which \$ 2,017,577 was construction in progress at the end of 2004) and a box culvert for County Highway 20 (\$ 201,059).
- The Decatur Public Building Commission, a component unit, has \$ 23,818,351 of capital assets including \$ 1,305,813 in land and improvements, \$ 1,699,367 in construction in progress, and \$ 20,813,171 in other capital assets including the Law Enforcement Center, the Court House, and the Macon County Office Building.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Macon County's basic financial statements. The County's basic financial statements are comprised of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Macon County's finances, in a manner similar to a private sector business. They present the financial picture of the County from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the County (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to interfund activity, payables and receivables.

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as the underlying event giving rise to the change occurs. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The government-wide financial statements include Macon County government and three component units: the Macon County Mental Health Board (708 Board), the Emergency Telephone System Board (ETSB Board) and for the first time this year, the Decatur Public Building Commission (DPBC).

Fund Financial Statements

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

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

Macon County maintains 40 governmental funds, including the General Fund, 36 special revenue funds, two debt service funds and two capital project funds. (There are a number of additional funds for management reporting and control purposes.) Of these 40 governmental funds, five (including the General Fund) are major funds as defined by GASB Statement No. 34 for each of which are presented statements of revenues, expenditures, and changes in fund balances as well as fund balance sheets. Non-major funds are also presented individually in the supplemental information.

Macon County government adopts annual appropriated budgets for the General Fund and most special revenue funds. Budgetary comparison statements (original versus final) have been provided for the General Fund, Insurance Liability Fund, Judgment Repayment Fund, County Health Fund, and County Highway Fund to demonstrate compliance with budget.

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

Proprietary Funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Funds (a proprietary fund) are used to report activities that provide supplies and services for other programs and activities - such as the County's self-insurance program and employee benefits trust, and capital projects revolving fund. Because these services predominately benefit governmental rather than business type functions, the Internal Service Funds are reported with governmental activities in the government-wide financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the County's financial statements.

The County's Government-wide Financial Analysis

Of the County's primary government total assets of \$ 45,075,592, the largest portion is held as cash and equivalents (\$ 4,677,089) and monetary investments (\$ 21,236,008). Cash and investments again increased, up 2.9% from the prior year. These items account for 57.5% of total assets. Receivables from all sources are 9.1% of assets and increased 5.7% from the prior year. Receivables include taxes receivable (\$ 454,648), from the State (\$ 2,511,450) and other governmental agencies (\$ 885,379) and other accounts receivable (\$ 257,649). Assets also include \$ 14,158,259 of net capital assets or 31.4% of the total.

The government-wide balance sheet now includes three component units, with the DPBC added for the first time this year. The DPBC has \$ 31,249,504 in assets including \$ 1,525,350 in cash and cash equivalents, and \$ 5,474,678 in restricted cash or 22.4% of its total assets. The DPBC holds the county facilities (office building, court house and law enforcement center) on its books for a total of \$ 23,818,351 or 76.2% of total DPBC assets.

This change in reporting the DPBC has had a material affect on the liability side of the Macon County balance sheet. Because the DPBC is reported as a component unit, capital lease obligations are no longer shown as part of the primary government. Rather, the DPBC shows revenue bonds payable as part of its liabilities.

Liabilities now total \$ 3,993,860 for the primary government, including accounts payable, accrued salaries, and deferred revenue. The major external obligation of primary government liabilities is now the general obligation notes payables for the mortgage for the expanded health department building; the liability for future compensated employee absences is another major portion of government-wide liabilities.

Assets minus liabilities equal net assets, or assets available after satisfaction of obligations. Net assets for Macon County currently stand at \$ 41,081,732 for the primary government, up 20.9% from the prior year which is due in part to the change in treatment of the capital lease liability. Some 31.6% of these assets are invested in capital assets net of associated debt and are, therefore, not liquid in the short term. Another 15.6% of net assets are restricted for capital projects, debt service and other items and are not available for additional obligations. Capital assets have been reduced, but the corresponding debt has also been removed which has resulted in an increase in restricted net assets. Restricted assets for current debt service has increased with the new multi facility lease with the DPBC - a full year of payments will be due in 2006 and thus is shown as a restricted asset at the end of 2005.

By far, the largest portion of net assets (\$ 21,694,693) for the County is unrestricted and available for the County's operating activity. This amount decreased by 8% from last year's levels.

The County's net assets for fiscal year ended November 30 are summarized as follows:

	2005 Governmental Activities	2004 Governmental Activities	2004- 2005 % Change
Current and other assets	\$ 30,917,333	29,916,492	3.3%
Capital assets	14,158,259	15,213,761	-6.9%
Total assets	45,075,592	45,130,253	-0.1%
Long term liabilities	1,129,191	7,871,569	-85.7%
Other liabilities	2,864,669	3,286,349	-12.8%
Total liabilities	3,993,860	11,157,918	-64.2%
Net Assets:			
Invested in capital assets, net of related debt	12,984,934	6,658,161	95.0%
Restricted	6,402,105	3,736,880	71.3%
Unrestricted	21,694,693	23,577,294	-8.0%
Total net assets	\$ 41,081,732	33,972,335	20.9%

Governmental activities increased the County's net assets by \$ 7,109,397 during fiscal year 2005. The key components of this change for the primary government are the following:

	2005	2004	% Change
Revenue:			
Program revenue:			
Charges for services	\$ 6,572,782	6,503,186	1.1%
Operating grants and contributions	16,303,449	12,690,489	28.5%
General revenue:			
Property taxes	14,420,074	16,052,100	-10.2%
Sales tax	5,757,499	5,266,907	9.3%
Income and replacement taxes	2,039,441	1,599,709	27.5%
Investment income	566,649	323,540	75.1%
Loss on Capital Lease	(103,500)		-100.0%
Miscellaneous	1,890,985	2,467,316	-23.4%
Total revenue	47,447,379	44,903,247	5.7%
Expenses:			
General control and administration	8,727,125	8,391,661	4.0%
Public safety	11,444,061	11,532,508	-0.8%
Judiciary and court related	6,190,711	6,287,988	-1.5%
Public health and welfare	8,745,459	8,510,230	2.8%
Transportation	5,027,838	8,657,610	-41.9%
Interest on long term debt	414,085	433,837	-4.6%
Total expenses	40,549,279	43,813,834	-7.5%
Change in net assets	6,898,100	1,089,413	533.2%
Net assets, beginning	33,929,371	32,882,922	
Prior period adjustment	254,261		
Net assets, ending	\$ 41,081,732	33,972,335	20.9%

The loss on capital lease results from the completion of the prior lease with the Decatur Public Building Commission. The prior capital asset and associated depreciation was removed, as well as the unpaid remaining portion of the capital lease; the new multi facility lease with the DPBC has been classified as an operating lease. The prior period adjustment results from the reclassification of the Township Road Fund as an Agency Fund (was a special revenue fund) and removed from the government-wide net asset total. In addition, there was an adjustment to properly reflect highway construction in process at November 30, 2004.

Key elements of the analysis of government-wide revenues and expenses reflect the following:

- The overall financial position of the County has continued to show improvement again during fiscal year 2005. For the government as a whole, revenues exceeded expenses by \$ 6,898,100.
- Government-wide, Macon County had \$ 40,549,279 in expenses in its primary government functions, down 7.5% from the prior year. These expenses were offset by \$ 6,572,782 of user's fees (charges for services) and \$ 16,303,449 of operating grants and contributions, leaving \$ 17,673,048 of expenses to be covered by general revenue sources. User fees showed a slight increase of 1.1%, as fee increases in court costs filled out the entire year. Operating grants were up substantially, including both new programs and expanded receipts for existing programs.
- The \$ 17,673,048 not covered by service charges and operating grants was down 28.2% from last year because of the favorable increase in operating grants. Before these offsets, expenses were down 7.5% from the prior year. The biggest change was in the transportation area, which was down 42%. Transportation expenses are scheduled on a multi-year basis, with expenditures consolidated into periods of more intense activity. This year was planned to be a low spending year as part of the multi-year transportation capital budgeting cycle.
- Expenses decreased for Public Safety (-0.8%) and for Judiciary and Court Related (-1.5%) operations. Both of these declines were primarily reduced lease payments to the DPBC. With the expiration of the prior lease arrangement, the DPBC covered seven months of operations and maintenance expenses from their existing surpluses which produced a net decrease in overall spending for these categories.
- Expenditures for general control and administration (up 4% over the prior year) and public health and welfare (up 2.8% over last year) have both grown. General control and administration increased because of increases in costs of benefits in the IMRF and Social Security funds, as well as an increase in the use of the Judgment Fund for legal expenses. There was also an increase in the rent paid for Operations and Maintenance expenses to the DPBC under terms of the long term lease agreement. Health and welfare expenditures grew primarily because of increases in the Health Fund for the health department; increases in Probation and Sheriff grant funds were largely offset by decreases in Workforce Investment and EMA grants. General Fund spending in this category fell because of the direct expensing of fund expenses (mainly health insurance) in the individual funds.
- Grants and other contributions contributed 34.0% of all revenues during fiscal year 2005; charges for services were 14.0% of all revenues which was comparable to last year's proportion of 14.5%. Together, grants and charges totaled 48% of total receipts, leaving 52% of receipts to be contributed from general revenue. Last year, 57% of total receipts were contributed by general revenue.

- General revenues were 52% of total revenue and of this number, 58.7% of general revenues were collected from Macon County residents in the form of property taxes. This was down from the prior year's property tax collection in both total and percent of general revenues. Property taxes were down because of reductions in the levies for the Judgment and Insurance funds, and because of the Decatur Public Building Commission covering a portion of Operating and Maintenance expenses out of prior surplus funds.
- The next largest portion of general revenues is from sales taxes collected by retailers in the County, and this category showed a healthy 9.3% increase. A portion of this increase is due to higher gasoline prices, while the balance is due to increased Illinois employment and incomes. The next largest source is from state income and replacement taxes collected in Springfield and passed back to Macon County by the State of Illinois' Department of Revenue. Income tax receipts were up 27.5% in total, including 37% growth in personal property taxes and a 2.6% increase in inheritance taxes. Macon County has benefited from a statewide increase in the number of jobs and decrease in unemployment rates; income taxes are allocated to Macon County by a formula so that the County is tied to statewide trends which were positive during fiscal year 2005.

Financial Analysis of Macon County's Major Funds

As noted earlier, Macon County government 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 *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Expenses and Program Revenues - Governmental Activities

Macon County government provides a number of services to the citizens of Macon County. These include law enforcement and administration of the criminal justice system, administration of consolidated elections, property tax records and tax collection for all taxing bodies, maintenance of county roads, bridges and highways and the provision of health services.

Revenues by Source - Government Activities

Revenues to support these programs are provided by fees for services, by operating grants and other intergovernmental transfers and from general revenue.

Charges for services include a wide variety of fees for court costs, fees collected when deeds are recorded, and fees collected when vital records are recorded. Fees are also collected for County building permits.

Operating Grants include both State and Federal grants; federal grants are passed through state agencies. These may be in the form of subsidies for County personnel (such as Probation, Supervisor of Assessments or State's Attorney) or in the form of grants which require certain services be provided within the term of the grant. These revenue sources are earmarked for provision of specific services and may not be used for other purposes.

The primary source of general revenue is property tax, of which \$ 14,420,074 was collected in fiscal year 2005. Property taxes are collected for and recorded in separate funds, such as the General Fund, the Retirement Fund, the Highway Fund, and so forth. The Equalized Assessed Valuation, on which all property taxes are raised, has been growing 2-3% in recent years.

General Fund

The General Fund is the main operating fund of the County. The General Fund as defined in the financial statements is the sum of the General Fund plus the election equipment fund and the circuit clerk's maintenance account, which are shown separately for management information purposes. In fiscal year 2005, for the fourth year in a row, the General Fund again showed a positive balance in the operating account (current revenue minus current expense). Both revenue and expense showed favorable variances to budget contributing to this positive result.

On the revenue side, several areas performed significantly better than originally expected. Sales and income taxes finished the year \$ 193,000 better than budget, as did fees from the Circuit Clerk. Although Sheriff collected fees and receipts were down slightly, the net effect of all fees was to be \$ 395,000 higher than budget. Building permits ran ahead of projection, with a \$ 36,000 positive variance to budget. Interest income continued strong, coming in \$ 17,000 over budget through higher interest rates and higher receipts from the Collector for interest, costs and penalties from real estate tax payers. With the beginning of a multi-year contract for services with several municipalities, the Sheriff received an initial up front payment for purchase of squad cars to be used for those municipalities.

Revenues were essentially the same as the prior year, although individual items changed. Decreases in intergovernmental revenues were offset by increases in sales and income taxes which have a relatively large impact on the General Fund. Investment income was down over the prior year because of the receipt of prior period interest from both the Collector and the Circuit Clerk in 2004; receipts are now annual after the one time receipt last year.

On the expenditure side, most departments spent well below their budgeted appropriations. Although in some cases these expenditure reductions were offset by reductions in planned revenue, the net effect was a favorable variance to budget of over \$ 1.5 million on the expenditure side of the equation. General Fund spending for all departments is composed largely of salaries and associated health insurance expenses. Departments also spend for office supplies and equipment, training, and capital equipment such as computers. Release of the budgeted debt repayment contingency, a favorable result on health insurance expenditures and continued restraint by the officeholders all contributed to the favorable variance to budget in the General Fund.

In the General Fund, we see decreases in spending in all the major divisions of activity when 2005 is compared to 2004. A portion of this is due to a change in accounting procedures to charge expenses of the funds directly to those funds, rather than showing them in the General Fund and offsetting them with transfers in. This changed method is the correct approach to fund accounting, and provides a more transparent method of reporting going forward. The temporary loan for the purchase of new voting machines was paid off at the beginning of 2005 and is shown under debt service. There was no external borrowing to cover the usual winter/ spring cash shortfall in anticipation of tax receipts and in fact a portion of the debt was repaid. There is every expectation that a significant additional payment on the debt will be made immediately after the first distribution of taxes in July 2006.

Budgetary Basis	2005	2004	% Change
Revenue:			
Taxes	\$ 8,562,415	7,890,873	8.5%
Intergovernmental	2,157,542	2,702,507	-20.2%
Fines, fees and forfeitures	3,827,745	3,894,394	-1.7%
Licenses and permits	117,430	119,248	-1.5%
Interest on investments	54,890	95,837	-42.7%
Miscellaneous revenue	1,459,290	1,494,570	-2.4%
Total revenue	16,179,312	16,197,429	-0.1%
Expenses:			
General control and administration	3,166,026	3,251,952	-2.6%
Public safety	6,188,475	6,587,117	-6.1%
Judiciary and court related	5,600,287	5,832,635	-4.0%
Public health and welfare	208,643	298,760	-30.1%
Capital outlay	215,508	458,491	-53.0%
Debt service:			
Principal	165,000		
Interest	(848)	2,298	-136.9%
Total expenditures	15,543,091	16,431,253	-5.4%
Excess (deficiency) of revenue over (under) expenditures	636,221	(233,824)	372.1%
Operating transfers in	889,411	951,547	-6.5%
Operating transfers out	(75,000)		
Excess of revenue over expenditures after transfers	\$ 1,450,632	717,723	102%

As was noted at the end of 2004, unrestricted Ending Fund Balance has turned positive and remained so in 2005. Four years of operating surpluses in the General Fund have finally outweighed negative ending fund balances caused by deficit spending in the General Fund in fiscal year 1999, fiscal year 2000 and fiscal year 2001. Going forward, the Illinois Comptroller recommends that General Fund unrestricted fund balances should be no less than three months of expenditures in the General Fund (about \$ 4m). To assist management, operating statements show that \$ 1,505,000 of fund balance is committed to the repayment of internal debt accumulated during the fiscal year 1999-fiscal year 2001 period.

The detailed statement of this fund is found on pages 26 and 27 of the financial report.

Insurance Liability Fund

Macon County's Insurance Liability Fund levies property taxes to pay for insurance program costs and claim losses; the fund makes contributions to the Self Insurance Fund (internal service fund). Revenues were slightly higher than budget because of good investment income and slightly higher receipts from E911 Board for their share of liability insurance costs. Revenues were below last year because surpluses in the fund have allowed reduction of the levy; additional reductions will be possible this year.

Expenditures continued well below budget because of good control of program and contract costs; transfers out to the Self Insurance Fund were way below the original budget because claim losses for both liability and workers compensation were relatively low. Workers compensation claims are an emphasis area; the program to hire outside counsel to settle old cases and manage new ones has been successful in both improving worker safety and reducing claims losses.

The details of this fund are presented on pages 28 and 29 of the financial report. Favorable revenue and expense actions in this fund left the fund with an ending fund balance of \$ 788,495, which will again be considered by the County Board when setting the levy for this fund.

Judgment Repayment Fund

Macon County's Judgment Repayment Fund levies property taxes to cover potential claims against the County as a result of legal action; the fund also pays certain expenses designated by the State's Attorney as necessary to mitigate future judgment costs.

By its nature, expenditures in this fund are uncertain. Given several past years of favorable claims experience, the County Board reduced the Judgment levy in 2005. This was partially offset by increases in investment income; overall, Judgment revenue was down by just over \$ 50,000. Expenditures to mitigate judgment losses were up but transfers out to other funds were down; as mentioned above, this change is part of the overall policy change to correctly record expenditures in the fund in which they were incurred rather than having difficult interfund transfers.

Ending fund balances continued to increase modestly to \$ 3,323,003 at November 30, 2005. The levy was reduced by the County Board in 2005, and will likely continue to be reduced again in light of the ending fund balance.

Details on this fund are shown on pages 30 and 31 of the financial report.

County Health Fund

Macon County's Health Fund levies taxes to provide health related services not covered by specialized grants such as environmental health, immunizations, and well and sick child care among others. This fund is also used to supplement a variety of federal and state grants to promote health, wellness, and disease prevention and to provide health services to underserved populations. Revenues were favorable to budget: while taxes were less than budget because property taxes are tax capped for this fund, several new grants were received which put intergovernmental receipts ahead of budget by \$ 725,408. Major grants included Family Case Management, increased Medicaid reimbursement, Aging and Disability Resources, a Health Works grant, and the Health Families grant. Expenditures exceeded budget by \$ 236,538, mostly because of the timing of grant related projects. Capital spending exceeded budget because of the installation of a concrete pad to hold a full capacity generator as well as for major repairs to the parking lot.

Details on this fund are shown on pages 32 and 33 of the financial report. The Health Fund balance grew again in fiscal year 2005, for an ending fund balance of \$ 2,227,599.

County Highway Fund

Macon County's Highway Fund levies taxes to construct and maintain county roads, bridges and highways, including resealing, snow removal and issuing permits for work along county right of ways. The fund is intended by state statute to fully cover operating expenses and partially cover capital expenses of the highway department; other highway capital costs are covered in several additional special revenue funds. In addition to property taxes, this fund receives state Motor Fuel Tax funds via rental of equipment for highway use. In 2005, the major construction project was the expansion of Mound Road for Progress City adjacent to the Richland Community College campus.

Details on this fund are shown on pages 34 and 35 of the financial report. The Highway fund balance was reduced as expected because of the capital projects undertaken during the year; spending was not as high as budget because of final payments on construction projects are held back until the completion of testing of the road or bridge. At November 30, 2005, the fund balance stood at \$ 331,564 on a budgetary basis.

Capital Asset and Debt Administration

Capital Assets. Macon County's investment in capital assets for its governmental activities as of November 30, 2005 amounted to \$ 14,158,259, net of accumulated depreciation. This investment in capital assets includes land, buildings and related improvements, vehicles, furniture and fixtures, technology and equipment, and infrastructure. Net capital assets decreased by \$ 1,055,502 in fiscal year 2005. This year, the net capital assets of the DPBC component unit are also shown: The building commission has a total of \$ 23,818,351 in land, buildings and construction in progress.

Major capital asset additions included the purchase of new squad cars for the sheriff and contractual law enforcement (\$ 437,301), new computers and software for the County Clerk, the Recorder, the Circuit Clerk, and the State's Attorney (totaling \$ 78,687), the Health Department (\$ 39,517) and technology expenditures under the EMA homeland security grant totaling \$ 296,911. Infrastructure expenditures for the construction of new roads and bridges totaled \$ 6,421,060. Infrastructure investments included construction of the extension of Mound Road as part of the Progress City/ Farm Progress Show project (\$ 3,999,309), as well as a box culvert on County Highway 20 (\$ 201,059) and reconstruction of County Highway 20 in Oreana (\$ 2,220,692).

A detailed schedule of capital assets and associated depreciation is shown on pages 59 and 60 of the financial report.

Long-term Debt. The principal component of the County's long term debt was a 30 year capital lease agreement with the Decatur Public Building Commission (DPBC), signed in 1997. This lease financed renovations on the Macon County Office Building and the Macon County Courts facility. This lease was accounted for as a capital lease; taxes were levied to pay principal and interest to the DPBC. This lease has now expired and has been removed from the long-term debt. The new lease between Macon County and the DPBC is accounted for as an operating lease.

In fiscal year 2005, the DPBC issued bonds and put into place a new lease agreement with Macon County. Some \$ 9,490,000 was raised via a private placement with a local bank with a 4.597 average life and an all-in TIC cost of 3.749392%.

The terms of the Multiple Facilities Lease and its accounting treatment are covered in Note 16, pages 68 and 69. Under the terms of the agreement, Macon County pays principal and interest on the bonds issued in June 2005 for additional construction/ renovation (court house renovations, jail expansion and purchase and construction of a new animal control facility) as well as Facilities rent (Operations and Maintenance) for the Administration Building, Court House, Law Enforcement Center, and Animal Control facility. Under terms of the facilities rent, payments are scheduled to increase 6% per year.

Other general obligation debts of the County include the mortgage for the expansion of the Health Department which is due by November 1, 2009, and a note on a vehicle for animal control which is due December 30, 2009. A loan for purchase of the new voting equipment was paid in full in December 2004.

The County had a net decrease in long-term debt of \$ 7,277,191 (additions minus reductions) largely because of the end of the capital lease payable. State statutes limit the amount of net general obligation debt of the County; this should not exceed 2.875% of the total assessed valuation of the County. County debt falls well below this limit. Capital assets and long-term debts are covered in more detail in Notes 8 and 9 of the financial statement.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the fiscal year 2005 period (December 1, 2004 to November 30, 2005):

- The unemployment rate for Macon County was reported by the BLS as 6.1% for calendar year 2005, which is an improvement from last year's rate but remains higher than state-wide averages.
- Macon County population continues a long term slow decline, which limits financial resources available to all public bodies in the county.
- Sales tax and income taxes appear to be trending slightly upward, but a portion of this increase is due to gas price increases which may be having a drag on other sectors of the economy.
- Although there have been some promising developments in the employment and local economy, the loss of good paying jobs continues to constrain resources available for government activities.
- Fees collected for services are trending higher, but may be reduced on the real estate side if the trend of mortgage refinancing observed over the past several years comes to an end.
- Federal and state budget deficits make intergovernmental receipts more at risk than previously.
- Inflationary trends in the region compare favorably to national indices.
- Benefits costs continue to increase, including especially costs of health coverage for County employees. While aggressive management of insurance programs has mitigated the immediate effect, this remains a financial threat.

With the return of the unrestricted fund balance in the General Fund to positive territory, and the set aside of at least \$ 100,000 by the County Board to repay outstanding intra-fund debt in the fiscal year 2005 budget, some \$ 269,657 of existing intra-fund debt was repaid in fiscal year 2005. County officials have announced the projected repayment of at least \$ 500,000 with the receipt of the first distribution of taxes in the summer of 2006. Improved cash flow and the cumulative effective of four years of surpluses in the General Fund mean that there is no short term internal or external borrowing for the cash using portion of fiscal year 2006 (Spring 2006). Given the amount of outstanding debt, however, the outlook for appropriations remains cautious.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in its financial structure. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Macon County Auditor, Amy C. Stockwell, 141 S. Main Street, Suite 312, Decatur, IL 62523; (217) 424-1385.

MACON COUNTY, ILLINOIS

STATEMENT OF NET ASSETS

November 30, 2005

	Primary Government	Discretely Presented Component Units		
		Governmental Activities	Business-Type Activities	
			Macon County Mental Health Board	Macon County ETSB
Assets				
Cash and cash equivalents	\$ 4,677,089	1,837,030	18,762	1,525,350
Investments	21,236,008	28,492	2,755,510	
Taxes receivable (net of allowance for uncollectibles)	454,648	1,975,844		
Due from governmental agencies:				
State of Illinois	2,511,450			
Other governmental agencies	885,379			
Accounts receivable	257,649	41,457		
Accrued interest receivable	30,104			
Notes receivable, current		6,600		
Inventories	286,638			56,269
Prepaid items	285,867	10,676		65,088
Non current asset:				
Note receivable		278,444		
Restricted cash	292,501			5,474,678
Capital assets:				
Land and improvements	196,809			1,305,813
Construction in process				1,699,367
Other capital assets, net of depreciation	13,961,450		309,644	20,813,171
Issuance cost of long-term debt, net				309,768
Total assets	45,075,592	4,178,543	3,083,916	31,249,504
Liabilities				
Cash drawn in excess of funds available	358,160			
Accounts payable	905,470	226,551		
Accrued salaries and compensated absences	1,255,571		6,291	74,200
Deferred revenue	301,334	1,993,598		1,050,791
Deposits payable				
Accrued interest payable				280,520
Amounts due within one year:				
General obligation notes payable	44,134			
Certificates of participation payable				2,113,503
Revenue bonds payable				440,000
Amounts due in more than one year:				
General obligation notes payable	1,129,191			
Revenue bonds payable				12,560,699
Total liabilities	3,993,860	2,220,149	6,291	16,519,713
Net Assets				
Invested in capital assets, net of related debt	12,984,934		309,644	8,668,351
Restricted:				
Capital projects	114,555			5,474,678
Debt service	5,995,049			
Other purposes	292,501			
Unrestricted	21,694,693	1,958,394	2,767,981	586,762
Total net assets	\$ 41,081,732	1,958,394	3,077,625	14,729,791

MACON COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES
Year ended November 30, 2005

Functions	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental activities:			
General control and administration	\$ 8,727,125	2,102,326	277,146
Public safety	11,444,061	1,323,488	818,753
Judiciary and court-related	6,190,711	2,490,949	1,522,345
Public health and welfare	8,745,459	656,019	6,814,756
Transportation	5,027,838		6,870,449
Interest on long-term debt	414,085		
Total primary government	40,549,279	6,572,782	16,303,449
Component Units:			
Governmental activities:			
Macon County Mental Health Board	3,146,161	141,952	974,176
Macon County Emergency Telephone System Board (ETSB)	775,237		
Business-type activities:			
Decatur Public Building Commission	4,090,576	5,794,614	325,000
Total component units	\$ 8,011,974	5,936,566	1,299,176

General Revenues:

Property taxes
Sales tax
Income and replacement tax
Telephone surcharge
Investment income
Miscellaneous
Loss on capital lease

Total general revenues

Change in net assets

Net assets, beginning, as restated

Net assets, ending

Net (Expense) Revenue and
Changes in Net Assets

Primary	Component Units		
Government	Macon County	Macon	Decatur Public
Governmental	Mental Health	County	Building
Activities	Board	ETSB	Commission

(6,347,653)			
(9,301,820)			
(2,177,417)			
(1,274,684)			
1,842,611			
(414,085)			
<u>(17,673,048)</u>	-		

(2,030,033)

(775,237)

2,029,038

(2,030,033) (775,237) 2,029,038

14,420,074	1,997,013		
5,757,499			
2,039,441			
566,649	74,027	1,011,760	
1,890,985	1,401	61,100	114,380
(103,500)			139
<u>24,571,148</u>	<u>2,072,441</u>	<u>1,072,860</u>	<u>114,519</u>
6,898,100	42,408	297,623	2,143,557
<u>34,183,632</u>	<u>1,915,986</u>	<u>2780002</u>	<u>12,586,234</u>
<u>\$ 41,081,732</u>	<u>1,958,394</u>	<u>3,077,625</u>	<u>14,729,791</u>

MACON COUNTY, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

November 30, 2005

	General Corporate Fund	Insurance Liability Fund	Judgment Repayment Fund	County Health Fund	County Highway Fund
Assets					
Cash	\$ 694,709	11,892	2,230	926,163	461,990
Investments, at cost	2,098,117	1,184,963	3,158,069	1,034,101	540,222
Taxes receivable, net of allowance or uncollectibles	107,096	17,883	11,711	94,193	30,939
Accounts receivable	45,487	7,500		151,083	
Accrued interest receivable			17,447		
Inventory	6,332			4,646	
Due from governmental agencies:					
State of Illinois	1,430,449			299,919	
Other governmental agencies	91,384			13,390	
Prepaid items	16,615	262,185			2,067
Restricted cash	292,501				
Due from other funds	1,419,209	1,885,425	182,765	803	
Total assets	<u>6,201,899</u>	<u>3,369,848</u>	<u>3,372,222</u>	<u>2,524,298</u>	<u>1,035,218</u>
Liabilities					
Cash drawn in excess of funds available	83,776			12,136	59,325
Accounts payable	529,936	2,303	37,508	27,285	15,095
Accrued salaries	334,924			103,102	34,556
Deferred revenue	120,854			7,001	
Due to other funds	2,865,948	58,112		52,984	203,736
Total liabilities	<u>3,935,438</u>	<u>60,415</u>	<u>37,508</u>	<u>202,508</u>	<u>312,712</u>
Fund Balances					
Reserved for encumbrances	20,132				360,000
Reserved for inventory	6,332			4,646	
Reserved for debt service		1,740,000	100,000		
Reserved for child support maintenance	292,501				
Reserved for prepaid expenditures	16,615	262,185			2,067
Reserved for disaster contingency					
Unreserved:					
Designated for grant purposes					
Undesignated	1,930,881	1,307,248	3,234,714	2,317,144	
Unreserved, reported in nonmajor:					
Special revenue funds					360,439
Capital project funds					
Total fund balances	<u>2,266,461</u>	<u>3,309,433</u>	<u>3,334,714</u>	<u>2,321,790</u>	<u>722,506</u>
Total liabilities and fund balances	<u>\$ 6,201,899</u>	<u>3,369,848</u>	<u>3,372,222</u>	<u>2,524,298</u>	<u>1,035,218</u>

See Notes to Financial Statements.

Other Governmental Funds	Total Governmental Funds
1,779,055	3,876,039
13,175,755	21,191,227
192,826	454,648
53,579	257,649
12,657	30,104
	10,978
781,082	2,511,450
780,605	885,379
5,000	285,867
	292,501
1,162,815	4,651,017
<u>17,943,374</u>	<u>34,446,859</u>
196,491	351,728
275,138	887,265
74,862	547,444
173,479	301,334
703,830	3,884,610
<u>1,423,800</u>	<u>5,972,381</u>
11,251	391,383
	10,978
4,155,049	5,995,049
	292,501
5,000	285,867
500,000	500,000
123,087	123,087
	8,789,987
11,610,632	11,971,071
114,555	114,555
<u>16,519,574</u>	<u>28,474,478</u>
<u>17,943,374</u>	<u>34,446,859</u>

MACON COUNTY, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET ASSETS
November 30, 2005

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

Total fund balances - total governmental funds	\$ 28,474,478
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	14,158,259
Inventory held for future projects, not for sale	275,660
Internal service funds are used to pay for the costs of certain activities, such as insurance and leasing. The assets and liabilities of the internal service funds is included in governmental activities in the statement of net assets.	54,664
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,881,329)</u>
Net assets of governmental activities	<u>\$ 41,081,732</u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - GOVERNMENTAL FUNDS
 Year ended November 30, 2005

	General Corporate Fund	Insurance Liability Fund	Judgment Repayment Fund	County Health Fund
Revenue:				
Taxes	\$ 8,541,030	715,770	445,500	1,459,379
Intergovernmental	2,157,542			3,354,486
Fines, fees, forfeitures	3,827,745			295,183
Licenses and permits	117,430			136,773
Interest on investments	54,890	29,061	82,222	41,914
Miscellaneous	1,459,290	7,500		57,631
Total revenue	16,157,927	752,331	527,722	5,345,366
Expenditures:				
Current:				
General control and administration	3,186,309	379,247	283,124	
Public safety	6,188,475			
Judiciary and court-related	5,600,287			
Public health and welfare	208,643			4,544,409
Transportation				
Capital outlay	215,508			175,014
Debt service:				
Principal	165,000			57,977
Interest	(848)			54,392
Total expenditures	15,563,374	379,247	283,124	4,831,792
Excess (deficiency) of revenue over (under) expenditures	594,553	373,084	244,598	513,574
Other financing sources (uses):				
Operating transfers in	889,411	143,615		413,764
Operating transfers out	(75,000)	(150,000)	(179,203)	(143,129)
Total other financing sources (uses)	814,411	(6,385)	(179,203)	270,635
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	1,408,964	366,699	65,395	784,209
Fund balances, beginning of year	857,497	2,942,734	3,269,319	1,537,581
Fund balances, end of year	\$ 2,266,461	3,309,433	3,334,714	2,321,790

See Notes to Financial Statements.

County Highway Fund	Other Governmental Funds	Total Governmental Funds
1,180,474	9,874,861	22,217,014
3,861,000	7,301,239	16,674,267
	1,824,833	5,947,761
		254,203
19,701	337,544	565,332
122,047	242,269	1,888,737
5,183,222	19,580,746	47,547,314
	4,179,234	8,027,914
	4,795,810	10,984,285
	448,937	6,049,224
	3,595,082	8,348,134
1,137,228	2,608,381	3,745,609
4,777,183	1,324,091	6,491,796
10,800	458,498	692,275
58	359,635	413,237
5,925,269	17,769,668	44,752,474
(742,047)	1,811,078	2,794,840
600,331	100,000	2,147,121
(135,507)	(1,583,282)	(2,266,121)
464,824	(1,483,282)	(119,000)
(277,223)	327,796	2,675,840
999,729	16,191,778	25,798,638
722,506	16,519,574	28,474,478

MACON COUNTY, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
Year ended November 30, 2005

Net change in fund balances - total governmental funds		\$2,675,840
Amounts reported for governmental activities in the statement of activities are different because:		
Internal service funds are used to pay for the costs of certain activities, such as insurance and leasing. The net revenue of the internal service funds is reported with governmental activities in the statement of activities.		(6,948)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	\$ 5,255,898	
Depreciation	<u>(1,535,478)</u>	
Excess of depreciation over capital outlay expense		3,720,420
Loss on capital lease, rewritten as operating lease		(103,500)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.		692,275
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds:		
Inventory change	25,097	
Compensated absences payable change	<u>(105,084)</u>	
		<u>(79,987)</u>
Change in net assets of governmental activities		<u>\$6,898,100</u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES (NON-GAAP) - BUDGET AND ACTUAL
 GENERAL FUND

Year ended November 30, 2005

	Budgeted Amounts	
	Original	Final
Revenue:		
Taxes	\$ 8,247,000	8,247,000
Intergovernmental	2,757,641	2,838,479
Fines, fees, forfeitures	3,431,770	3,431,770
Licenses and permits	87,500	87,500
Interest on investments	37,500	37,500
Miscellaneous revenue	1,606,022	1,606,022
Total revenue	<u>16,167,433</u>	<u>16,248,271</u>
Expenditures:		
Current:		
General control and administration	4,053,681	3,611,118
Public safety	6,291,205	6,291,630
Judiciary and court-related	5,812,018	5,808,694
Public health and welfare	432,710	432,710
Capital outlay	553,750	725,487
Debt service:		
Principal	172,402	266,870
Interest	5,000	4,000
Total expenditures	<u>17,320,766</u>	<u>17,140,509</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,153,333)</u>	<u>(892,238)</u>
Other financing sources (uses):		
Operating transfers in	925,100	875,100
Operating transfers out		
Total other financing sources (uses)	<u>925,100</u>	<u>875,100</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ (228,233)</u>	<u>(17,138)</u>

Budgetary fund balances, beginning of year

Budgetary fund balances, end of year

See Notes to Financial Statements.

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
8,562,415	(21,385)	8,541,030	315,415
2,157,542		2,157,542	(680,937)
3,827,745		3,827,745	395,975
117,430		117,430	29,930
54,890		54,890	17,390
1,459,290		1,459,290	(146,732)
16,179,312	(21,385)	16,157,927	(68,959)
3,166,026	20,283	3,186,309	445,092
6,188,475		6,188,475	103,155
5,600,287		5,600,287	208,407
208,643		208,643	224,067
215,508		215,508	509,979
165,000		165,000	101,870
(848)		(848)	4,848
15,543,091	20,283	15,563,374	1,597,418
636,221	(41,668)	594,553	1,528,459
889,411		889,411	14,311
(75,000)		(75,000)	(75,000)
814,411	-	814,411	(60,689)
1,450,632	(41,668)	1,408,964	1,467,770
688,601			
<u>\$ 2,139,233</u>			

MACON COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES (NON-GAAP) - BUDGET AND ACTUAL
 INSURANCE LIABILITY FUND
 Year ended November 30, 2005

	Budgeted Amounts	
	Original	Final
Revenue:		
Taxes	\$ 723,000	723,000
Interest on investments	5,950	5,950
Miscellaneous revenue	5,000	5,000
Total revenue	<u>733,950</u>	<u>733,950</u>
Expenditures:		
Current:		
General control and administration	<u>429,050</u>	<u>449,050</u>
Excess (deficiency) of revenue over (under) expenditures	<u>304,900</u>	<u>284,900</u>
Other financing sources (uses):		
Operating transfers in		
Operating transfers out	<u>(315,500)</u>	<u>(295,500)</u>
Total other financing sources (uses)	<u>(315,500)</u>	<u>(295,500)</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ (10,600)</u>	<u>(10,600)</u>
Budgetary fund balances, beginning of year		
Budgetary fund balances, end of year		

See Notes to Financial Statements.

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
727,825	(12,055)	715,770	4,825
29,061		29,061	23,111
7,500		7,500	2,500
764,386	(12,055)	752,331	30,436
379,247		379,247	69,803
385,139	(12,055)	373,084	100,239
143,615		143,615	143,615
(150,000)		(150,000)	145,500
(6,385)	-	(6,385)	289,115
378,754	(12,055)	366,699	389,354
409,741			
\$ 788,495			

MACON COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES (NON-GAAP) - BUDGET AND ACTUAL
 JUDGMENT REPAYMENT FUND

Year ended November 30, 2005

	Budgeted Amounts	
	Original	Final
Revenue:		
Taxes	\$ 450,000	450,000
Interest on investments	22,000	22,000
Total revenue	472,000	472,000
Expenditures:		
Current:		
General control and administration	550,050	550,050
Excess (deficiency) of revenue over (under) expenditures	(78,050)	(78,050)
Other financing sources (uses):		
Operating transfers out	(386,000)	(386,000)
Total other financing sources (uses)	(386,000)	(386,000)
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	\$ (464,050)	(464,050)
Budgetary fund balances, beginning of year		
Budgetary fund balances, end of year		

See Notes to Financial Statements.

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
455,341	(9,841)	445,500	5,341
82,222		82,222	60,222
537,563	(9,841)	527,722	65,563
283,124		283,124	266,926
254,439	(9,841)	244,598	332,489
(179,203)		(179,203)	206,797
(179,203)	-	(179,203)	206,797
75,236	(9,841)	65,395	539,286
3,247,767			
<u>\$ 3,323,003</u>			

MACON COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES (NON-GAAP) - BUDGET AND ACTUAL
 COUNTY HEALTH FUND

Year ended November 30, 2005

	Budgeted Amounts	
	Original	Final
Revenue:		
Taxes	\$ 1,519,120	1,519,120
Intergovernmental	2,629,078	2,629,078
Fines, fees, forfeitures	344,015	344,015
Licenses and permits	70,000	70,000
Interest on investments	10,000	10,000
Miscellaneous revenue	102,200	102,200
Total revenue	<u>4,674,413</u>	<u>4,674,413</u>
Expenditures:		
Current:		
Public health and welfare	4,428,654	4,428,654
Capital outlay	66,600	66,600
Debt service:		
Principal	100,000	100,000
Interest		
Total expenditures	<u>4,595,254</u>	<u>4,595,254</u>
Excess of revenue over expenditures	<u>79,159</u>	<u>79,159</u>
Other financing sources (uses):		
Operating transfers in		
Operating transfers out	(120,000)	(120,000)
Total other financing sources (uses)	<u>(120,000)</u>	<u>(120,000)</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ (40,841)</u>	<u>(40,841)</u>
Budgetary fund balances, beginning of year		
Budgetary fund balances, end of year		

See Notes to Financial Statements.

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
1,420,220	39,159	1,459,379	(98,900)
3,354,486		3,354,486	725,408
295,183		295,183	(48,832)
136,773		136,773	66,773
41,914		41,914	31,914
57,631		57,631	(44,569)
<u>5,306,207</u>	<u>39,159</u>	<u>5,345,366</u>	<u>631,794</u>
4,544,409		4,544,409	(115,755)
175,014		175,014	(108,414)
57,977		57,977	42,023
54,392		54,392	(54,392)
<u>4,831,792</u>	<u>-</u>	<u>4,831,792</u>	<u>(236,538)</u>
474,415	39,159	513,574	395,256
413,764		413,764	413,764
(143,129)		(143,129)	(23,129)
<u>270,635</u>	<u>-</u>	<u>270,635</u>	<u>390,635</u>
745,050	<u>39,159</u>	<u>784,209</u>	<u>785,891</u>
<u>1,482,549</u>			
<u>\$ 2,227,599</u>			

MACON COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES (NON-GAAP) - BUDGET AND ACTUAL
 COUNTY HIGHWAY FUND
 Year ended November 30, 2005

	Budgeted Amounts	
	Original	Final
Revenue:		
Taxes	\$ 1,202,398	1,202,398
Intergovernmental	3,861,000	3,861,000
Interest on investments	20,000	20,000
Miscellaneous revenue	200,000	200,000
	<hr/>	<hr/>
Total revenue	5,283,398	5,283,398
	<hr/>	<hr/>
Expenditures:		
Current:		
Transportation	1,328,899	1,443,416
Capital outlay	5,848,000	5,733,483
Debt service:		
Principal		
Interest		
	<hr/>	<hr/>
Total expenditures	7,176,899	7,176,899
	<hr/>	<hr/>
Excess (deficiency) of revenue over (under) expenditures	(1,893,501)	(1,893,501)
	<hr/>	<hr/>
Other financing sources (uses):		
Operating transfers in	600,000	600,000
Operating transfers out		
	<hr/>	<hr/>
Total other financing sources (uses)	600,000	600,000
	<hr/>	<hr/>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	\$ (1,293,501)	(1,293,501)
	<hr/>	<hr/>
Budgetary fund balances, beginning of year		
Budgetary fund balances, end of year		

See Notes to Financial Statements.

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
1,193,588	(13,114)	1,180,474	(8,810)
3,861,000		3,861,000	
19,701		19,701	(299)
122,047		122,047	(77,953)
5,196,336	(13,114)	5,183,222	(87,062)
1,137,228		1,137,228	306,188
5,137,183	(360,000)	4,777,183	596,300
10,800		10,800	(10,800)
58		58	(58)
6,285,269	(360,000)	5,925,269	891,630
(1,088,933)	346,886	(742,047)	804,568
600,331		600,331	331
(135,507)		(135,507)	(135,507)
464,824	-	464,824	(135,176)
(624,109)	346,886	(277,223)	669,392
955,673			
\$ 331,564			

MACON COUNTY, ILLINOIS

STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
November 30, 2005

	Self Insurance	Capital Projects Revolving	Governmental Activities Internal Service Fund
ASSETS			
Cash	\$	95,948	95,948
Investments	44,781		44,781
Due from other funds	59,268		59,268
Total assets	104,049	95,948	199,997
LIABILITIES			
Cash drawn in excess of funds available	6,432		6,432
Accounts payable	18,205		18,205
Accrued salaries	123		123
Due to other funds	20,573	100,000	120,573
Total liabilities	45,333	100,000	145,333
NET ASSETS			
Unreserved	58,716	(4,052)	54,664
Total net assets	\$ 58,716	(4,052)	54,664

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
Year ended November 30, 2005

	Self Insurance	Capital Projects Revolving	Governmental Activities Internal Service Fund
Operating revenue:			
Miscellaneous	\$ 1,693	555	2,248
Operating expenses:			
Salaries	4,015		4,015
Claim payments	25,062		25,062
Contingency for claim loss	95,704		95,704
Capital outlay		4,732	4,732
Total operating expenses	124,781	4,732	129,513
Operating income (loss)	(123,088)	(4,177)	(127,265)
Nonoperating revenue (expenses):			
Interest on investments	1,192	125	1,317
Income (loss) before transfers	(121,896)	(4,052)	(125,948)
Transfers in	150,000		150,000
Transfers out	(31,000)		(31,000)
	119,000	-	119,000
Change in net assets	(2,896)	(4,052)	(6,948)
Net assets, beginning of year, as restated	61,612		61,612
Net assets, end of year	\$ 58,716	(4,052)	54,664

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended November 30, 2005

	Self Insurance	Capital Projects Revolving	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from user departments and participants	\$ (6,850)	100,000	93,150
Other operating revenues	1,693	555	2,248
Cash paid to employees for services	(4,000)		(4,000)
Cash paid to suppliers, participants and others		(4,732)	(4,732)
Cash paid for claims	(107,638)		(107,638)
Net cash flows from operating activities	(116,795)	95,823	(20,972)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Net transfers	119,000		119,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1,192	125	1,317
Net investment transactions	(18,055)		(18,055)
Net cash flows from investing activities	(16,863)	125	(16,738)
Net increase (decrease) in cash and cash equivalents	(14,658)	95,948	81,290
Cash and cash equivalents, beginning of year	8,226		8,226
Cash and cash equivalents, end of year	(6,432)	95,948	89,516
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	(123,088)	(4,177)	(127,265)
Adjustment to reconcile operating loss to net cash flows from operating activities:			
Decrease in due from other funds	792		792
Increase in accounts payable	13,128		13,128
Increase in accrued salaries	15		15
Increase (decrease) in due to other funds	(7,642)	100,000	92,358
Net cash flows from operating activities	\$(116,795)	95,823	(20,972)

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

November 30, 2005

Assets

Cash	\$ 6,101,529
Investments	2,753,578
Accrued interest	3,097
Due from State of Illinois - allotment	<u>102,098</u>
Total assets	<u><u>8,960,302</u></u>

Liabilities

Due to other governmental agencies	2,454,535
Due to other funds	
Deposits payable	2,334,352
Due to taxing districts	4,023,311
Due to tax buyers	<u>148,104</u>
Total liabilities	<u><u>\$ 8,960,302</u></u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

November 30, 2005

Note 1 - Summary of Significant Accounting Policies

Macon County is a municipal corporation governed by an elected twenty-one member board. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Circuit Clerk, County Clerk, Coroner, Recorder, Sheriff, State's Attorney, Supervisor of Assessments and Treasurer. Although elected officials manage the internal operations of their respective departments, the County Board authorizes expenditures as well as serves as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

The financial statements of Macon County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the County's accounting policies.

The Financial Reporting Entity: A reporting entity is composed of the primary government, component units and other organizations that are included to ensure the financial statements of the County are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt, or the levying of taxes.

As required by generally accepted accounting principles, these financial statements present the County and its component units. The discretely presented component units are reported in separate columns in the basic financial statements to emphasize that they are legally separate from the County.

The Macon County Mental Health Board (708 Board) is a special unit of local County government, operating under the Community Mental Health Act, Chapter 405 ILCS, Section 20/01 et seq. of the Illinois Compiled Statutes (ILCS). The 708 Board is funded through Macon County property taxes and various other local and state agencies, and distributes funds to various local nonprofit agencies that deal with the developmentally disabled and mentally ill. All members of the 708 Board are appointed by the Macon County Board. The Macon County Board approves the 708 Board's annual budget, and also has the authority to determine its tax levy. The 708 Board's year-end for financial reporting purposes is June 30, which differs from the County. The 708 Board's June 30, 2005, financial statements are included herein.

Complete financial statements for the Macon County Mental Health Board can be obtained at 132 South Water Street, Decatur, Illinois 62523.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 1 - Summary of Significant Accounting Policies, continued

The Financial Reporting Entity, continued:

The Macon County Emergency Telephone System Board (ETSB) is a special unit of local County government, operating under the Emergency Telephone System Act, Chapter 50 ILCS, Section 750/15.4 et seq. of the Illinois Compiled Statutes (ILCS). The ETSB is funded through telephone surcharges and distributes funds to plan, coordinate, and supervise the implementation of an enhanced 9-1-1 system. All members of the ETSB are appointed by the Macon County Board. The Macon County Board may at any time change the rate of the surcharge imposed as long as the new rate does not exceed the rate specified in the referendum. The ETSB's year end for financial reporting purposes is November 30, 2005, the same as the County. The ETSB's November 30, 2005, financial statements are included herein.

Complete financial statements for the Macon County Emergency Telephone System Board can be obtained at 141 South Main Street, Suite 810, Decatur, Illinois 62523-1412.

Decatur Public Building Commission (DPBC) - Illinois Compiled Statutes provide for the creation of a public building commission to acquire or construct facilities for the participating governments and to issue bonded debt to finance the acquisition or construction of the facilities. The City of Decatur organized the Decatur Public Building Commission (DPBC). The County joined the City in the forming of the Commission. Prior to 2005 neither of the participating governments had unilateral control over the financial or operating policies of the DPBC. During 2005, the DPBC issued debt which was primarily related to County occupied buildings. The participants do not have an on-going financial responsibility to the DPBC; the participating governments have a financial responsibility, in the form of lease payments, to the DPBC. After the leases expire, the participant is not required to subsidize DPBC operations or otherwise make payments to the DPBC. The DPBC's year end for financial reporting purposes is November 30, 2005, the same as the County. The DPBC's November 30, 2005 financial statements are included herein.

Complete financial statements for the DPBC can be obtained from the DPBC's administrative office at 141 South Main Street, Suite 808, Decatur, Illinois 62523.

Related Organizations: The County's officials are also responsible for appointing members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County Board appoints board members of all Fire Protection Districts in Macon County, all Drainage Districts in Macon County, Macon County Conservation District, and the Mosquito Abatement District.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 1 - Summary of Significant Accounting Policies, continued

Basis of Presentation: The County's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements: The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements: During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 1 - Summary of Significant Accounting Policies, continued

Fund Accounting: The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds: Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Illinois.

Insurance Liability Fund - The Insurance Liability Fund accounts for a county-wide property tax levy used to pay the cost of providing liability insurance coverage for the entire county.

Judgment Repayment Fund - The Judgment Repayment Fund accounts for a county-wide property tax levy for judgments against the County, arbitrators for union negotiations and special prosecutors.

County Health Fund - The County Health Fund accounts for a county-wide property tax levy and federal and state grants for operating the Macon County Health Department, and the costs of services provided to the public through the department.

County Highway Fund - The County Highway Fund accounts for a county-wide property tax levy for County highway maintenance, as well as federal and state grants and subsidies, and expenditures for the purpose of highway improvements and maintenance.

The other governmental funds of the County account for county-wide property tax levies, grants and other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt; and the acquisition or construction of major capital facilities.

Proprietary Funds: Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through propriety funds. The measurement focus is on determination of operating income, financial position, changes in net assets and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the County has elected to follow GASB statements issued after November 30, 1989, rather than the Financial Accounting Standards Board, in accounting for enterprise funds and business-type activities.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 1 - Summary of Significant Accounting Policies, continued

Fund Accounting, continued:

Proprietary Funds, continued: The Internal Service Funds account for the financing of goods or services provided by one department to other departments or agencies of the County on a cost-reimbursement basis. The County established the Self Insurance Fund for the purpose of providing for the accumulation of funds to fund the County's self-funded workmen's compensation liability insurance. This internal service fund derives its funding from periodic transfers from the Insurance Liability Fund. This funding is then used to pay claims when the need arises. The internal service fund is included in governmental activities for government-wide reporting purposes.

The County established the Capital Projects Revolving Fund for the purpose of providing a low cost financing source to County departments to be used to purchase capital equipment. The fund was established with a loan from another fund but will derive future revenues from interest charged to County funds leased to the acquiring department. This revenue will then be available for future capital purchases.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The excess revenue or expenses for the fund is allocated to the appropriate functional activity.

Fiduciary Funds: Fiduciary fund reporting focuses on net assets and changes in net assets. The County's agency funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

Measurement Focus:

Government-Wide Financial Statements: The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 1 - Summary of Significant Accounting Policies, continued

Basis of Accounting: Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting, and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions: Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty (60) days after year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, income taxes and state-levied locally shared taxes.

Deferred Revenues: Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Expenses/Expenditures: On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 1 - Summary of Significant Accounting Policies, continued

Budgetary Process: All funds, except agency funds, are legally required to be budgeted and appropriated. The major document prepared is the budget and appropriations ordinance, which is prepared on the budgetary basis of accounting. The appropriations ordinance is the County Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Board.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted. These appropriations were made before the end of the prior year and before the year end fund balances were known. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended budget as of November 30, 2005.

The County uses the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) An appropriations budget is legally adopted through the budgetary process on an annual fiscal year basis for the General Fund and Special Revenue Funds.
- 2) Officeholders prepare their original appropriated budget requests before the second week of October.
- 3) By the second week of October, the officeholders meet with their respective committees and revise the original appropriated budget amounts.
- 4) The various committees present their revised appropriated budget requests to the Budget Committee for a final revision by the second week of November.
- 5) The appropriated budget goes on public display in November, with public hearings held for the next fifteen (15) days to review additional requests for changes.
- 6) The appropriated budget is reviewed and legally adopted by the Macon County Board in a special session held at the end of November preceding the new fiscal year.
- 7) The appropriated budget is prepared under the modified accrual basis of accounting as required by generally accepted accounting principles (GAAP) except for property tax revenue, which is budgeted on the cash basis, and encumbrances, which are recorded as expenditures for budgetary reporting. The budget basis for the Board, the component unit, is modified accrual. The Budget Basis of Accounting footnote shows the nature and amounts of basis and timing differences necessary to reconcile the Non-GAAP actual to GAAP actual at the fund type level.
- 8) The legal level of budgetary control is by fund and by department within the General Fund.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 1 - Summary of Significant Accounting Policies, continued

Budgetary Process, continued:

- 9) During the budget year, the adopted appropriated budget is revised by transfers of appropriations between line items within a fund or by increases in appropriations. Expenditures are classified into three broad categories - personnel, supplies and materials, and equipment. Transfers of appropriations between line items within the three broad expenditure categories do not require the approval of the Macon County Board. However, transfer of appropriations between the three broad categories require board approval. All revisions which increase or decrease a fund's total appropriations must also be approved by the Macon County Board.
- 10) During the year, several supplemental appropriation ordinances were necessary.
- 11) All nonencumbered appropriations lapse at year end, requiring reappropriation the following fiscal year.

Cash and Cash Equivalents/Investments: The County has implemented the provisions of Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*. This new standard establishes and modifies existing disclosure requirements related to deposit risks (custodial credit and foreign currency risks) and investment risks (credit, interest rate and foreign currency risks).

All deposits of the County are made in board designated official depositories and are secured as required by the Public Funds Investment Act. The County may designate, as an official depository, any bank insured by the Federal Deposit Insurance Corporation or credit union with the principal office located within the State of Illinois. Also, the County may establish time deposit accounts such as NOW and SuperNOW accounts, money-market accounts, and certificates of deposit.

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. The County maintains separate bank accounts for each individual fund.

Investments consist of interest-bearing deposits invested in the Illinois Funds Money Market Fund and certificates of deposit and are stated at cost, which equals market. The County maintains separate investment accounts for each individual fund.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the County's proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three (3) months or less when purchased to be cash equivalents.

Restricted Assets: Restricted cash in the General Fund is cash set aside for the payment of expenses related to the child support maintenance program operated by the Macon County Circuit Clerk.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 1 - Summary of Significant Accounting Policies, continued

Inventories: Inventories of consumable supplies are recorded at cost (determined on a first-in, first-out basis). Inventory in the General Fund and governmental activities consists of expendable supplies held for consumption. The costs are recorded as expenditures under the purchase method. Reported inventories are equally offset by a reservation in fund balance. Inventory recorded as an asset at year end consists of unused commodities (vaccines) received through federal grant programs, office supplies, and parts and operating materials.

Capital Assets: General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets purchased or acquired with an original cost of at least \$ 5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at their fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

In accordance with GASB Statement No. 34, the County has elected to defer, until the fiscal year ending November 30, 2007, the requirement to record and depreciate general infrastructure assets acquired before the implementation date (November 30 2004). Infrastructure acquired subsequent to December 1, 2003 is reported in these financial statements.

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	25 years
Vehicles	5-10 years
Furniture and fixtures	5 years
Technology and equipment	3 years
Infrastructure	25 years

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 1 - Summary of Significant Accounting Policies, continued

Interfund Activity: Interfund activity is reported as either loans, services provided, reimbursements or transfers. On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers which are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net assets. The only interfund balances which remain on the government-wide statement of net assets are those between governmental and business-type activities. These amounts are reflected as "Internal Balances."

Transactions Between Funds: The County allocates to the Special Revenue Funds an indirect cost amount of the salaries and wages and related costs of personnel who perform administrative services for those funds but are paid through the General Fund along with other indirect costs deemed necessary for their operations. During the year ended November 30, 2005, the County allocated \$ 300,766 for such services.

Compensated Absences: Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

County employees receive vacation and sick pay in varying amounts based upon their employment anniversary dates, and the bargaining unit to which they are a part. Deputies' and correctional officers' unused sick leave is utilized according to IMRF regulations to extend retirement benefits when a deputy or correctional officer dies or retires. The employee, or employee's beneficiary in case of death, may elect to receive a sick leave buy-out payment at the rate of 50 percent of the employee's accumulated sick leave up to a maximum of 60 days, or 120 days for employees hired before 1994. The County pays no accumulated sick leave to any other employees upon termination.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. The County does not set aside funds in its current budget to fund liabilities incurred during the period. Rather, the County funds compensated absences on a "pay-as-you-go" basis. The noncurrent portion of the liability is not reported.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 1 - Summary of Significant Accounting Policies, continued

Accrued Liabilities and Long-Term Obligations: All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences and contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

Net Assets: Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Governmental Fund Balance Reserves: The County reserves those portions of governmental fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances, inventory, debt service, restricted cash, prepaid expenditures, disaster contingency, investment and noncurrent debt.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 2 - Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the general and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

The adjustments necessary to reconcile the GAAP and budgetary basis statements are as follows:

	General Fund	Insurance Liability	Judgment Repayment	County Health	County Highway
Net change in fund balance:					
GAAP basis, November 30, 2005	\$ 1,408,964	366,699	65,395	784,209	(277,223)
Taxes receivable at November 30, 2004	128,481	29,938	21,553	55,034	44,053
Taxes receivable at November 30, 2005	(107,096)	(17,883)	(11,712)	(94,193)	(30,939)
Encumbrances recognized as expenditures per budget basis at November 30, 2004	40,415				
Encumbrances recognized as expenditures per budget basis at November 30, 2005	(20,132)				(360,000)
Budget basis	<u>\$ 1,450,632</u>	<u>378,754</u>	<u>75,236</u>	<u>745,050</u>	<u>(624,109)</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 3 - Deposits and Investments

Statutes authorize the County to invest in obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements (subject to limitations), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Metropolitan Investment Fund and the Illinois Funds Money Market Fund.

Deposits: Separate bank accounts are maintained for all County funds. At November 30, 2005, the carrying amount of the County's deposits, excluding petty cash, was \$ 10,184,639. The bank balances of these deposits totaled \$ 15,873,354. Of the total bank balance, \$ 2,626,640 was uninsured and uncollateralized.

Investments: The County is authorized by state statute to invest in obligations of the U.S. or its agencies, commercial paper rated within the three highest classifications by at least two standard rating services, money market mutual funds, credit union shares, obligations of states and their political subdivisions, and the Illinois Funds.

The County invests in the Illinois Funds Money Market Fund which consists of monies invested by individual participants that are pooled together and invested in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury. The individual participants maintain separate investment accounts representing a proportionate share of the pool assets and its respective collateral; therefore no collateral is identified with each individual participants account.

Also included in investments were certificates of deposit totaling \$ 5,744,035, of which \$ 100,000 was FDIC insured, \$ 811,998 was uninsured or uncollateralized and the remaining was covered by collateral.

At November 30, 2005, the bank balance of cash and investments included the following:

<u>Account Balances</u>		<u>Ownership of Funds</u>	
Petty cash/cash on hand	\$ 8,225	Governmental Funds	\$ 30,940,081
Demand deposit	15,873,668	Internal Service Fund	<u>142,358</u>
Certificates of deposit	5,744,035	Total governmental activities	31,082,439
Investments	<u>18,261,047</u>	Agency Funds	<u>8,804,536</u>
	<u>\$ 39,886,975</u>		<u>\$ 39,886,975</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 3 - Deposits and Investments, continued

Investments, continued:

Concentration of Credit Risk - The County's policy states that investments shall be diversified to the extent possible. The investments should not be concentrated in particular industries, issuers, holders, institutions, dealers, and brokers.

Foreign Currency Risk - This risk relates to adverse affects on the fair value of an investment from changes in exchange rates. The County does not have any exposure to foreign currency risk.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy states that the investments shall be sufficiently liquid so as to meet all operating requirements that may be reasonably anticipated.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The County's policy is to only enter into investments that seek to ensure the preservation of capital.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Note 4 - Property Taxes

The County's property tax is levied on January 1 of each year on all taxable real property located in the County. Real property tax revenue received in 2005 represents collection of the 2004 taxes. Real property taxes for the 2005 levy will be collected in and are intended to finance 2006 operations.

Macon County property is assessed as of January 1 of each year by the Township Assessors. The values are adjusted by various percentages according to the type of property (residential, commercial, etc.). The assessed values are equalized by the Illinois Department of Revenue to ensure uniformity of property assessments throughout the state. The Macon County Clerk computes the annual tax rate by dividing the requested levy into the equalized value of each taxing unit. The Clerk then computes the tax for each parcel by multiplying the aggregate rates of all the taxing units having jurisdiction over the parcel by the equalized value. The tax amounts by parcel are forwarded to the Macon County Collector and used as a basis for issuing tax bills to all taxpayers in the County.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 4 - Property Taxes, continued

Property taxes are collected by the Macon County Collector who periodically remits to each taxing unit its respective share of the collections. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds. Taxes levied in one year become due and payable in two installments during the following year. The first installment is due no later than June 1 and the second installment is due no later than September 1. A lien on taxable real property is effective thirty (30) days after the second installment due date.

The following are the taxes levied per \$ 100 of assessed valuation.

	Maximum Rate	2004 Levy
General Corporate	.2500	.2500
County Highway	.1000	.0901
Bridge Fund	.0500	.0339
Illinois Municipal Retirement		.0756
Federal Aid Matching	.0500	.0287
Historical Museum	.0020	.0020
County Health Department	.1070	.1070
Insurance Liability		.0547
Veterans' Assistance Commission	.0300	.0069
Mental Health (708 Board)	.1500	.1500
Judgment Repayment Fund		.0340
Law Facilities Center Bond		.1792
Social Security		.0699
Building Renovation Bond		.1626
Macon County Cooperative Extension	.0500	.0274
		<u>1.2720</u>

Note 5 - Permissive Sales and Use Tax

In 2003, the County Board, by resolution approved by the electors, imposed a one quarter of one percent (.25%) tax on all retail sales made in the County. Revenue from this tax is to be used exclusively for public safety purposes. The County Board established how the sales tax proceeds would be allocated to the various public safety-related departments and activities.

Vendor collections of the tax are paid to the State Treasurer by the twentieth day of the month following collection. The State Comptroller then determines the amount of the taxes to be returned to the County. A receivable is recognized at year end for amounts that will be received from sales which occurred prior to December 1, 2005.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 6 - Receivables

Receivables at November 30, 2005 consisted of accounts (billings for user charged services), sales taxes, accrued interest, grants, entitlements, shared revenues, interfunds, and property taxes. All amounts due from other governments are considered collectible in full.

Receivables are recognized to the extent the amounts are determined material and substantiated, not only by supporting documentation but also by a reasonably systematic method of determining their existence, completeness, valuation, and collectibility.

A summary of the principal amounts due is as follows:

<u>Fund Type/Fund</u>	<u>Description</u>	<u>Amount</u>
General Fund	Taxes	\$ 947,504
	Grants	113,256
	State salary subsidies	476,785
	Municipal contract	91,384
	Other receivables	<u>45,487</u>
Total General Fund		<u>1,674,416</u>
Special Revenue Funds	Taxes	229,824
	Grants	1,081,001
	Local governments	42,732
	Other receivables	<u>212,162</u>
Total Special Revenue Funds		<u>1,565,719</u>
Debt Service Funds	Taxes	117,728
	Local governments	<u>751,263</u>
Total Debt Service Funds		<u>868,991</u>
Total		<u>\$ 4,109,126</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 7 - Interfund Receivables and Payables and Transfers

Interfund receivables and payables at November 30, 2005, resulted from two types of transactions between funds. The first transaction type consists of loans made to provide working capital for operations or projects as follows:

	Interfund Receivable	Interfund Payable
General Corporate Fund:		
Insurance Liability	\$	1,816,810
Non major governmental funds		766,886
Insurance:		
General	1,816,810	
Self Insurance		58,112
Judgment Repayment:		
Capital Projects Revolving	100,000	
Self Insurance:		
Insurance	58,112	
Capital Projects Revolving:		
Judgment repayment		100,000
Non major governmental funds	766,886	
	<u>\$ 2,741,808</u>	<u>2,741,808</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 7 - Interfund Receivables and Payables and Transfers, continued

The second transaction type results from the time lag between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made, as follows:

	Interfund Receivable	Interfund Payable
General Corporate Fund:		
Judgment Repayment	\$	82,765
County Health	27,049	
Self Insurance	20,572	
Highway	135,121	
Agency funds	610,134	
Non major governmental funds	626,333	199,487
Insurance Liability:		
Highway	68,615	
Judgment:		
General	82,765	
County Health:		
General		27,049
Non major governmental funds	803	25,935
Highway:		
General		135,121
Insurance		68,615
Self Insurance:		
General		20,572
Non major funds	1,156	
Trust and Agency Funds:		
General		610,134
Non major governmental funds		94,968
Non major governmental funds	395,929	703,831
	<u>\$ 1,968,477</u>	<u>1,968,477</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 7 - Interfund Receivables and Payables and Transfers, continued

<u>Interfund transfers</u>	<u>Transfers Out</u>	<u>Transfers In</u>
General Corporate Fund:		
Judgment Repayment	\$	179,203
County Health		143,129
Highway		66,892
Self Insurance		31,000
Insurance	75,000	
Non major governmental funds		469,187
Insurance:		
General		75,000
Highway		68,615
Self insurance	150,000	
Judgment:		
General	179,203	
Health Department:		
General	143,129	
Non major governmental funds		413,764
Highway:		
General	66,892	
Insurance	68,615	
Non major governmental funds		600,331
Self Insurance:		
General	31,000	
Insurance		150,000
Non major governmental funds	1,583,282	100,000
	<u>\$ 2,297,121</u>	<u>2,297,121</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 8 - Capital Assets

Capital asset activity for the year ended November 30, 2005, was as follows:

	Balance December 1, 2004	Additions	Deletions	Balance November 30, 2005
Primary government governmental activities:				
Nondepreciable capital assets:				
Land and improvements	\$ 196,809			196,809
Total nondepreciable capital assets	196,809	-	-	196,809
Depreciable capital assets:				
Buildings and building improvements	19,839,615		9,705,000	10,134,615
Vehicles	1,893,199	437,301		2,330,500
Furniture and fixtures	84,796			84,796
Technology and equipment	1,394,407	415,115		1,809,522
Infrastructure	2,155,000	6,421,060		8,576,060
Total depreciable capital assets	25,367,017	7,273,476	9,705,000	22,935,493
Less accumulated depreciation for:				
Buildings and building improvements	8,924,951	592,034	2,911,500	6,605,485
Vehicles	787,182	375,395		1,162,577
Furniture and fixtures	9,310	16,959		26,269
Technology and equipment	542,422	405,856		948,278
Infrastructure	86,200	145,234		231,434
Total accumulated depreciation	10,350,065	1,535,478	2,911,500	8,974,043
Total depreciable assets, net	15,016,952	5,737,998	6,793,500	13,961,450
Governmental activities capital assets, net	\$ 15,213,761	5,737,998	6,793,500	14,158,259

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 8 - Capital Assets, continued

Depreciation expense for the year ended November 30, 2005 was charged to governmental functions as follows:

Governmental activities:

General government	\$ 512,271
Judicially and court related	85,880
Public safety	192,332
Transportation	521,598
Public health and welfare	223,397
	<u>223,397</u>
Total depreciation expense - governmental activities	<u>\$ 1,535,478</u>

Note 9 - Long-Term Debt

The following is a summary of changes in the County's long-term obligations for the year ended November 30, 2005:

	Balance at November 30, 2004	Additions	Reductions	Balance at November 30, 2005	Amount Due In One Year
Governmental activities:					
General obligation debt	\$ 1,396,302		222,977	1,173,325	44,134
Capital lease payable	7,140,800		7,140,800		
Vendor financed projects	18,498		18,498		
Compensated absences	602,920	105,084		708,004	
				<u>708,004</u>	
Total governmental activities	<u>\$ 9,158,520</u>	105,084	7,382,275	1,881,329	

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 9 - Long-Term Debt, continued

The general obligation debt at November 30, 2005, is comprised of the following:

\$ 1,260,875 note payable due November 1, 2009. Monthly payments of \$ 7,874 are due beginning December 1, 2003, including interest at 4.35%. Principal and interest to be serviced by the general revenue of the County. The note is secured by a mortgage on the Health Department Building.

\$ 1,173,325

The Illinois Revised Statutes provide that the net general obligation debt of the County, exclusive of certain exempt debt, should not exceed 2.875 percent of the total assessed valuation of the County. The effect of the debt limitations described above is an overall debt margin of \$ 38,061,058 at November 30, 2005.

Annual debt service requirements to maturity for the general obligation note are as follows:

	Principal	Interest	Total
2006			
2007	\$ 44,134	50,356	94,490
2008	46,093	48,397	94,490
2009	48,006	46,484	94,490
	<u>1,035,092</u>	<u>44,221</u>	<u>1,079,313</u>
	<u>\$ 1,173,325</u>	<u>189,458</u>	<u>1,362,783</u>

Note 10 - Prior Period Adjustments

Prior to 2005, the Township Road Fund was shown as a special revenue fund but the County has determined that this was an error. Accordingly, the fund is shown in these financial statements as an agency fund, and the government-wide financial statements beginning balance of net assets have been decreased by \$ 1,806,281.

In the government-wide financial statements, the beginning balance of net capital assets was increased by \$ 2,017,577 through a prior period adjustment to beginning capital asset cost to properly reflect construction in process at November 30, 2004. This increased net assets invested in capital assets by the same amount.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 11 - Intergovernmental Revenue

A summary of intergovernmental revenue for the year ended November 30, 2005, follows:

	Major Funds			Non Major Funds	Component Unit
	General	Health	Highway		708 Board
Municipal	\$ 370,818			538,681	
Federal and state grants	684,764	3,354,486	3,861,000	3,771,614	971,176
Federal government	15,750			111,773	
State of Illinois	1,086,210			2,879,171	
Total	\$ 2,157,542	3,354,486	3,861,000	7,301,239	971,176

Note 12 - Fund Equity Balances

The fund equity balances have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

Reserved fund balance represents that portion of fund balance not available for appropriation or expenditure.

Unreserved, undesignated fund balance represents the remainder of the County's equity in governmental fund balances.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 12 - Fund Equity Balances, continued

Designated fund balances of the discretely presented component unit represent amounts that are tentatively planned for capital improvements in a future period.

Fund balances reserved at November 30, 2005, are composed of the following:

	General Fund	Insurance Liability	Judgment Repayment	County Health Fund	County Highway Fund	Non Major Funds
Encumbrances	\$ 20,132				360,000	11,251
Inventory	6,332			4,646		
Debt service		1,740,000	100,000			4,155,049
Prepaid expenditures	16,615	262,185			2,067	5,000
Child support maintenance	292,501					
Disaster contingency						500,000
	<u>\$ 335,580</u>	<u>2,002,185</u>	<u>100,000</u>	<u>4,646</u>	<u>362,067</u>	<u>4,671,300</u>

Fund Equity Deficits: The Workforce Investment Solutions fund reported a deficit of \$ 34,936 as of November 30, 2005. The deficit is a result of grant recognition timing differences and will be eliminated with future grant revenues.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 13 - Excess of Expenditures over Appropriations

Excess of expenditures over appropriations for the year ended November 30, 2005, are as follows:

	Expenditures	Appropriations	Difference
Health Fund	\$ 4,831,792	4,595,254	236,538
Capital Improvement Fund	35,291		35,291
Circuit Clerk Automation Fund	102,212	100,000	2,212
Special Bridge Fund	933,719	913,500	20,219
Workforce Investment Solutions	2,028,185	1,493,261	534,924
State-Township Bridge Fund	256,474	245,000	11,474
Health Capital Improvement Fund	40,929		40,929
County Clerk Automation Fund	23		23
Treasurer Automation Fund	15,159	15,000	159

Note 14 - Illinois Municipal Retirement Fund

Plan Description: The County's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute a percentage of their annual covered salary. The member contribution rates, 4.5% for Regular members, 6.5% for Sheriff's Law Enforcement Personnel (SLEP) members, and 7.5% for Elected County Officials Plan (ECO) members, are established by state statute. The County is required to contribute an actuarially determined rate. The employer rates of covered payroll for calendar year 2005 were 5.93% for Regular members, 19.49% for SLEP members, and 43.53% for ECO members. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2005 was 27 years for SLEP and ECO members, and 6 years for Regular members.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 14 - Illinois Municipal Retirement Fund, continued

For December 31, 2005, the County's **annual pension cost** of \$ 866,250 for Regular members, \$ 495,335 for SLEP members, and \$ 208,497 for ECO members was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002-2004 experience study.

TREND INFORMATION - Regular

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/05	\$ 866,250	100%	\$ 0
12/31/04	422,836	100%	0
12/31/03	380,613	100%	0
12/31/02	284,617	100%	0
12/31/01	376,826	100%	0
12/31/00	569,268	100%	0
12/31/99	877,254	100%	0
12/31/98	881,984	100%	0
12/31/97	774,288	100%	0
12/31/96	821,173	100%	0

TREND INFORMATION - SLEP

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/05	\$ 495,335	100%	\$ 0
12/31/04	430,418	100%	0
12/31/03	348,950	100%	0
12/31/02	409,742	100%	0
12/31/01	396,691	100%	0
12/31/00	378,579	100%	0
12/31/99	362,814	100%	0
12/31/98	390,408	100%	0
12/31/97	271,463	100%	0
12/31/96	258,884	100%	0

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 14 - Illinois Municipal Retirement Fund, continued

TREND INFORMATION - ECO			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/05	\$ 208,497	100%	\$ 0
12/31/04	234,220	100%	0
12/31/03	196,153	100%	0
12/31/02	206,532	100%	0
12/31/01	260,158	100%	0
12/31/00	218,921	100%	0
12/31/99	118,484	100%	0
12/31/98	46,813	100%	0
12/31/97	1,909	100%	0
12/31/96	-	100%	0

Schedule of Funding Progress - Regular						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) /c)
12/31/05	\$ 36,250,843	35,546,006	(704,837)	101.98%	14,607,928	0.00%
12/31/04	33,786,042	33,476,685	(309,357)	100.92%	13,863,216	0.00%
12/31/03	32,541,719	29,986,734	(2,554,985)	108.52%	13,215,721	0.00%
12/31/02	32,523,578	28,495,584	(4,027,994)	114.14%	13,238,009	0.00%
12/31/01	33,791,670	26,821,562	(6,970,108)	125.99%	13,344,926	0.00%
12/31/00	32,506,888	25,022,535	(7,484,353)	129.91%	12,996,996	0.00%
12/31/99	28,618,673	22,644,183	(5,974,490)	126.38%	12,017,186	0.00%
12/31/98	24,210,110	20,474,055	(3,736,055)	118.25%	11,424,657	0.00%
12/31/97	20,701,778	18,316,937	(2,384,841)	113.02%	10,135,873	0.00%
12/31/96	17,954,260	16,522,210	(1,432,050)	108.67%	10,003,187	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$ 36,672,597. On a market basis, the funded ratio would be 103.17%.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 14 - Illinois Municipal Retirement Fund, continued

Schedule of Funding Progress - SLEP						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/05	\$ 7,356,134	11,171,736	3,815,602	65.85%	2,541,483	150.13%
12/31/04	7,241,724	9,832,435	2,590,711	73.65%	2,358,398	109.85%
12/31/03	7,042,744	9,242,009	2,199,265	76.20%	2,109,734	104.24%
12/31/02	7,461,477	9,273,879	1,812,402	80.46%	2,255,046	80.37%
12/31/01	7,464,742	9,022,779	1,558,037	82.73%	2,180,833	71.44%
12/31/00	6,301,705	8,580,521	2,278,816	73.44%	2,188,319	104.14%
12/31/99	5,083,748	7,184,584	2,100,836	70.76%	2,052,119	102.37%
12/31/98	4,622,299	6,975,476	2,353,177	66.26%	2,121,782	110.91%
12/31/97	3,613,989	5,608,224	1,994,235	64.44%	1,688,255	118.12%
12/31/96	3,406,513	5,733,520	2,327,007	59.41%	1,574,762	147.77%

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$ 7,501,280. On a market basis, the funded ratio would be 67.15%.

Schedule of Funding Progress - ECO						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/05	\$ 757,160	3,099,359	2,342,199	24.43%	478,973	489.00%
12/31/04	502,872	2,605,717	2,102,845	19.30%	469,281	448.10%
12/31/03	278,364	2,348,280	2,069,916	11.85%	480,885	430.44%
12/31/02	570,799	3,088,479	2,517,680	18.48%	575,297	437.63%
12/31/01	515,197	2,915,571	2,400,374	17.67%	571,776	419.81%
12/31/00	512,767	2,366,464	1,853,697	21.67%	501,080	369.94%
12/31/99	1,336,476	3,416,724	2,080,248	39.12%	394,031	527.94%
12/31/98	400,444	1,363,073	962,629	29.38%	240,852	399.68%
12/31/97	2,273	74,846	72,573	3.04%	45,889	158.15%

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$ 774,891. On a market basis, the funded ratio would be 25.00%.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 14 - Illinois Municipal Retirement Fund, continued

* Digest of Changes:

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and more early retirements are expected to occur.

Note 15 - Deferred Compensation Plan

The County offers all full-time employees a deferred compensation plan established in accordance with the requirements of the Internal Revenue Code Section 457. Participants authorize the County to withhold funds from their salaries which are invested, within a range of options, in individual accounts as directed by the individual. The assets are administered by Nationwide Retirement Solutions and Prudential Retirement Services. The assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. The deferred compensation is not available to the participants until termination, retirement, death or unforeseeable emergency. The County made no contributions to the plan.

Note 16 - Multiple Facilities Lease

The County had entered into a 30-year lease agreement in 1997 with the Decatur Public Building Commission (DPBC) for financing renovations to the Macon County Office Building and Macon County Courts Facility. In addition, the County, along with the City of Decatur (City) had entered into a noncancellable 20-year lease with the DPBC in 1986 in order to lease the Macon County Law Enforcement Facilities from the DPBC. The leases required that the County levy property taxes to make annual rental payments to the DPBC to service the DPBC revenue bonds and to pay maintenance and utility costs of the center.

In applying accounting standards applicable at the time, the 1997 lease qualified as a capital lease (title to both buildings transfers at the end of the lease term) and, therefore, was recorded at the present value of the minimum lease payments as of the date of its inception. The cost of the assets, \$9,705,000, had been capitalized. Conversely, the 1986 lease had been determined to be an operating lease and the law facility was not capitalized. The lease was classified as an operating lease since the fair value of the center could not be objectively allocated (the County had an approximate 86% interest) and the estimated economic life of the center was estimated to be greater than 27 years.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 16 - Multiple Facilities Lease, continued

On June 1, 2005, the County and the DPBC entered into a new Multiple Facilities Lease Agreement, encompassing the Courthouse, Office Building, Law Enforcement Facilities, and adding the Animal Control Facility. The new lease superseded both of the prior leases, except for the obligations of the County to pay the remaining rent due under the 1986 lease, all of which is due and payable on or before January 1, 2006. Concurrent with the execution of the lease, the DPBC issued the General Obligation Lease Revenue Bonds, Series 2005 for the purposes of paying the costs of the renovation projects and providing for the refunding of the 1997 bond issue.

The initial lease term of the Multiple Facilities Lease Agreement is twelve and one-half (12½) years. Prior to the expiration of the lease, the parties can extend the lease period for an additional thirty (30) years, or such lesser period as they may agree.

The rent is divisible into a debt service component and a facilities rent. The debt service component is payable in order to retire the bonds issued by the DPBC. The facilities rent component reflects the amounts necessary to cover operations and maintenance expenditures of the buildings. The following is a schedule of the future minimum lease payments under the lease and the present value of the net minimum lease payments at November 30, 2005:

	Facilities Rent	Debt Service Component		
		Principal	Interest	Total
2006	\$ 3,468,023	2,015,000	452,835	2,467,835
2007	3,652,441	1,885,000	386,731	2,271,731
2008	3,869,101	1,735,000	322,905	2,057,905
2009	4,085,905	1,575,000	262,726	1,837,726
2010	4,323,244	1,395,000	206,648	1,601,648
2011 - 2015	25,532,261	3,660,000	418,500	4,078,500
2016	5,914,385	330,000	8,910	338,910
	<u>\$ 50,845,360</u>	<u>12,595,000</u>	<u>2,059,255</u>	<u>14,654,255</u>

Rental expenditures under the 1986 lease for the fiscal year ended November 30, 2005 totaled \$ 2,393,908. The aggregate remaining rental payment of \$ 1,860,936 is due in full during 2006.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 17 - Other Leases

The County has a month to month lease agreement with the Decatur Public Building Commission for 9,000 square feet of space located on the sixth and seventh floors of the Macon County Office Building. This space is for use by the Probation Department of Macon County. The lease calls for monthly rental payments of \$ 3,750. In addition, the Commission provides utilities and upkeep of the space for the County.

Rental expenditures under this lease totaled \$ 45,000 for the fiscal year ended November 30, 2005.

The County currently has a month to month lease agreement for half of the first floor of 1075 West Pershing Road for use by the Workforce Investment Solutions administration offices. The lease calls for monthly rental payments of \$ 1,000.

Rental expenditures under this lease for the fiscal year ended November 30, 2005 totaled \$ 12,000.

The County also has a lease agreement for 757 West Pershing Road for use by the Workforce Investment Solutions One Stop Center. The lease calls for quarterly rental payments of \$ 13,275.

Rental expenditures under this lease for the fiscal year ended November 30, 2005 totaled \$ 30,415.

During 2003, the County entered into a three year lease agreement for office space at 369 West Prairie for use by the Child Advocacy Center. The lease calls for monthly rental payments of \$ 1,150 and has an option to renew for an additional three years at the same rate.

Rental expenditures under this lease for the fiscal year ended November 30, 2005 totaled \$ 13,800.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 18 - Risk Management

Property and Liability: The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County contracts with the Illinois Counties Risk Management Trust for liability, property, and crime insurance. The program has a \$ 25,000 deductible per occurrence. The list below is a general description of insurance coverage; not all policy terms, conditions, restrictions, exclusions, etc. are included.

Liability:

General (Per Occurrence/Aggregate)	\$ 1,000,000/3,000,000
Law Enforcement (Per Occurrence/Aggregate)	\$ 1,000,000/2,000,000
Auto	\$ 1,000,000
Nurses Professional	\$ 1,000,000
Public Official Errors and Omissions	\$ 1,000,000

Aggregate:

Property (Per Occurrence)	\$ 8,511,700
Inland Marine	\$ 1,006,859
Crime	\$ 500,000
Excess Liability (Per Occurrence and Aggregate)	\$ 8,000,000

The County pays all elected officials' bonds by statute.

The other County building and contents are insured under the Decatur Public Building Commission's policy. The boiler/machine are covered by the Public Building Commission. Settled claims have not exceeded this commercial coverage in any of the past three years.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 18 - Risk Management, continued

Unemployment Insurance: Under provisions of the Illinois Unemployment Insurance Act, the County has elected to self-insure for unemployment compensation benefits. Rather than contribute to the Illinois Unemployment Insurance Fund, the County has agreed to reimburse the State of Illinois for any unemployment benefits paid by the State on behalf of the County. The unemployment compensation program is funded totally by the County.

Workers' Compensation: The County has elected to self-insure for worker's compensation. The worker's compensation program is funded 90 percent by the County, with the remaining 10 percent being covered by an insurance carrier. The program is insured for amounts above the self-insured retention limits of \$ 400,000 with a statutory maximum limit of indemnity per occurrence. After these limits, the County is insured for amounts up to \$ 1,000,000.

The County's self insurance program is funded by property tax receipts. Proceeds from property taxes are initially recorded in the Insurance Liability Fund and subsequently transferred to the Self Insurance Fund as the need arises.

Claims and Judgments: When a probable claim liability has been incurred at year end and the amount of the loss can be reasonably estimated, the County records the estimated loss under its self insurance program. The claim liability includes claims incurred and an estimation for claims incurred but not reported (IBNR), based on historical data pursuant to the self-funded workmen's compensation and unemployment compensation programs.

Changes in the balances of the claims liabilities amount for the year ended November 30, 2005 are as follows:

Beginning of fiscal year liability	\$ 319,055
Current year claims and changes in estimates	139,158
Claim payments	<u>(183,374)</u>
Balance at fiscal year end	<u>\$ 274,839</u>

There was no liability reported for claims incurred but not reported (IBNR) as of November 30, 2005.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 19 - Commitments and Contingencies

The County participated in a number of federally assisted grant programs, principal of which is the Workforce Investment Act. These programs are subject to program compliance audits by the grantors or their representative. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be insignificant.

There are several lawsuits pending against the County for various reasons. The outcome and eventual liability of the County, if any, in these cases are not known at this time and, accordingly, no specific provisions for these lawsuits are included in the financial statements. However, based upon past experience, management believes that the coverage maintained by the County is sufficient to cover any potential claims.

Construction Commitments: The County has active construction projects as of November 30, 2005, consisting mainly of road construction and resurfacing projects. At year end, the County's major project commitments are as follows:

Project	Spent-to-Date	Remaining Construction Commitment	Expected Completion Date
Engineering survey Phase I, Beltway	\$ 842,789	21,689	2006
Mound Road extension	3,399,310	461,690	2006

The above construction projects are funded primarily by motor fuel tax proceeds, and state and federal grant proceeds.

Contract Commitments: During 2004, the County entered into a one year contract for computer support in connection with the 2005 election cycle. Payments are due monthly based on a total contract price of \$ 144,000.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 20 - Component Units

Macon County Mental Health Board

Basis of Presentation - The financial statements of the Macon County Mental Health Board (the 708 Board) have been prepared in accordance with generally accepted accounting principles (GAAP) for local governmental units and, accordingly, reflect all significant receivables, payables, and other liabilities. The 708 Board uses funds to report on its financial position and results of its operations. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

Basis of Accounting - The accrual basis of accounting is followed by the 708 Board. Revenues are recognized when an exchange takes place or when all eligibility requirements have been satisfied.

Deposits - Custodial credit risk is the risk that in the event of a bank failure, a government's deposit may not be returned to it. The Board's deposit policy for custodial credit risk states that they will use the State Treasurer's Illinois Funds as a principal investment vehicle.

At June 30, 2005, none of the Board's bank balances of \$ 1,702,270 were exposed to custodial credit risk.

Investments - The Board may invest in any type of security allowed by the Public Funds Investment Act of the State of Illinois.

At June 30, 2005, the District had the following investments and maturities:

	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More than 10
Corporate stock	\$ 28,492	-	-	-	-

Summary of Carrying Values - The carrying values of deposits and investments shown above are included in the statement of net assets as follows:

	2005
Carrying value:	
Deposits	\$ 1,837,030
Investments	28,492
	<u>1,865,522</u>
Included in the following balance sheet captions:	
Cash	1,837,030
Investments	28,492
	<u>\$ 1,865,522</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 20 - Component Units, continued

Macon County Mental Health Board, continued

Investment Income - Investment income for the year ended June 30, 2005, consisted of:

Interest and dividend income	\$ 69,185
Net increase in fair value of investments	<u>4,842</u>
	<u>\$ 74,027</u>

Note Receivable - The note receivable of \$ 285,044 represents a 25-year contract for deed with monthly payments including interest at 4.75%.

Fund Balances - Designated - The Board has designated fund balances as of June 30, 2005, for the following items:

Special allocations:	
Indemnification of Board of Directors	\$ 15,000
Possible property tax refund	50,000
Budget deficit	<u>22,780</u>
Total fund balances, designated	<u>\$ 87,780</u>

Related Parties - Woodford Homes, Inc., a related party through common management, pays a management fee to the Board for administrative services rendered. The fee was \$ 107,549 for the year ended June 30, 2005.

Operating Leases - The Board is committed under various leases for office space and other equipment expiring through 2008. These leases are considered for accounting purposes to be operating leases. Rent expense for the year ended June 30, 2005, amounted to \$ 53,273. Future minimum lease payments for these leases are as follows:

2006	\$ 50,018
2007	40,500
2008	<u>852</u>
Total	<u>\$ 91,370</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 20 - Component Units, continued

Macon County Emergency Telephone System Board

Basis of Presentation - The financial statements of the Macon County Emergency Telephone System Board (the 911 Board) have been prepared in accordance with the modified cash basis of accounting. The 911 Board uses funds to report on its financial position and results of its operations. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

Basis of Accounting - The modified cash basis of accounting is followed by the 911 Board. All transactions are recorded on the cash basis except for the recognition of depreciation.

Cash and Cash Equivalents - At November 30, 2005, the carrying amount of the 911 Board's cash deposits totaled \$ 18,762. The bank balance at November 30, 2005, totaled \$ 23,415 all of which was fully insured by federally depository insurance.

At November 30, 2005, the 911 Board's investments consisted of the following:

	<u>Total Carrying Amount</u>
Investment in State Treasurer's Illinois Funds	
Investment Pool	\$ 1,073,033
National City Bank certificate of deposit	656,139
Hickory Point Bank certificate of deposit	<u>1,026,338</u>
	<u>\$ 2,755,510</u>

Capital assets: Capital assets activity for the year ended November 30, 2005 was:

	Balance November 30, 2004	Additions	Deletions	Balance November 30, 2005
Furniture and fixtures	\$ 908,717	98,819		1,007,536
Less accumulated depreciation	541,126	156,766		<u>697,892</u>
Capital assets, net	<u>\$ 367,591</u>	<u>(57,947)</u>	-	<u>309,644</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 20 - Component Units, continued

Decatur Public Building Commission

Basis of Presentation - The financial statements of the Decatur Public Building Commission (DPBC) have been prepared on the full accrual basis of accounting and conform to generally accepted accounting principles. The DPBC reports its financial position and results of its operations using only one enterprise fund. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

Operating Revenues and Expenses - Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the Commission. Operating revenues consist primarily of rental charges. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities, if any.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Commission considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Inventory: The Commission values inventory at the lower of cost or market using the first-in, first-out method. Inventory consists of maintenance and janitorial supplies.

Cash and Cash Equivalents - At November 30, 2005, the carrying amount of the DPBC's cash deposits totaled \$ 6,999,828 including restricted cash of \$ 5,474,678. The bank balance at November 30, 2005, totaled \$ 7,497,489 all of which was insured by federally depository insurance or collateralized by securities held by a financial institution's trust department or agent in the Commission's name.

Capital Assets - Capital assets at November 30, 2005, and the related depreciation for the year then ended, were as follows:

	Cost	Accumulated Depreciation	Depreciated Cost	Current Depreciation
Land	\$ 1,049,447		1,049,447	
Parking lot	256,366	256,366		
Law Enforcement Center	17,746,621	7,435,655	10,310,966	452,159
Macon County Office building	14,806,288	4,810,096	9,996,192	400,599
Vehicles	76,785	58,805	17,980	1,635
Equipment and furnishings	2,962,494	2,569,037	393,457	145,315
Probation building	32,819	6,527	26,292	3,282
Construction in process	2,024,367	350	2,024,017	300
Total capital assets	\$ 38,955,187	15,136,836	23,818,351	1,003,290

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 20 - Component Units, continued

Decatur Public Building Commission, continued

Certificates of Participation - On September 1, 1991, the Commission issued \$ 22,800,000 in General Obligation Certificates of Participation. The certificates bear interest at varying fixed rates increasing with the length of maturity from 4.7% to 6.5%.

The final payment to retire the bonds occurs on January 1, 2006 as follows:

Principal	Interest	Total
\$ 2,115,000	68,738	2,183,738

Public Building Revenue Bonds - On July 31, 1997, the Commission issued \$ 9,705,000 in Public Building Revenue Bonds. The bonds bear interest at varying fixed rates increasing with the length of maturity from 4.15% to 5.40%.

On June 2, 2005, in connection with the issuance of the 2005 General Obligation Lease Revenue Bonds, \$ 3,585,000 of the 1997 bonds were advance refunded. The Commission used \$ 3,676,650 of the 2005 bond proceeds to purchase U.S. Government securities which were deposited with an escrow agent to provide for all future debt service on the refunded 1997 bonds. As a result, that portion of the 1997 bonds is considered defeased, and the Commission has removed the liability from its accounts. The call date of the defeased bonds is January 1, 2007.

The excess of the advance refunding over the book value of the defeased bonds of \$ 127,902 is being amortized over the remaining life of the 2005 bonds.

The annual requirements to amortize the remaining outstanding debt of \$ 3,545,000 as of November 30, 2005, assuming no early retirements, is as follows:

Year ending November 30	Principal	Interest	Total
2006	\$ 440,000	171,458	611,458
2007	465,000	149,511	614,511
2008	205,000	133,161	338,161
2009	220,000	122,533	342,533
2010	230,000	111,113	341,113
2011 - 2015	1,340,000	358,619	1,698,619
2016 - 2017	645,000	35,235	680,235
Total	\$ 3,545,000	1,081,630	4,626,630

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 20 - Component Units, continued

Decatur Public Building Commission, continued

General Obligation Lease Revenue Bonds, Series 2005 - On June 2, 2005, the Commission approved resolution 2005-3 authorizing the issuance of \$ 9,490,000 General Obligation Lease Revenue Bonds for the purpose of providing for the refunding of certain Public Revenue Bonds, Series 1997 and to provide for certain acquisitions, improvements and equipping of facilities.

Annual debt service requirements are as follows:

Year ending November 30	Principal	Interest	Total
2006	\$	328,115	328,115
2007	1,550,000	303,324	1,853,324
2008	1,680,000	253,570	1,933,570
2009	1,515,000	200,373	1,715,373
2010	1,345,000	151,614	1,496,614
2011-2015	3,400,000	240,204	3,640,204
Total	\$ 9,490,000	1,477,200	10,967,200

Law Enforcement Center - On May 1, 1986, the Commission entered into an operating lease of its law enforcement building with Macon County, Illinois, and the City of Decatur, Illinois. The lease requires annual rental payments to be made on or before December 1, and expires on April 1, 2006.

The Commission is required to pay all operation and maintenance costs from the rentals provided by the City and County to the extent of the rentals. If necessary operation and maintenance expenses exceed available rental funds, the City and County are required to fund such deficiencies within thirty days of notification by the Commission.

The lease was amended September 1, 1991, to assign a portion of the rental revenue to the trustee of the 1991 Certificates of Participation in amounts sufficient to meet the debt service requirements of the certificates. Under the terms of the amended lease, the remaining lease payment is:

Year ending November 30	Unassigned Rent Revenue	Rent Revenue Assigned to Trustee	Total
2006	\$ 518,743	2,183,738	2,702,481

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2005

Note 20 - Component Units, continued

Decatur Public Building Commission, continued

County Buildings - On July 1, 1997, the Commission entered into a lease agreement with Macon County, Illinois, for the office building and courts facility. The lease required rental payments to be made on or before December 1, of each year and originally expired on June 30, 2027.

This lease was superseded by a multiple facility lease agreement pursuant to the General Obligation Lease Revenue Bonds issued in June 2005.

Multiple Facilities - On June 1, 2005 the Commission entered into a multiple facility lease agreement with Macon County, Illinois. The leased facilities are the Macon County Courthouse, Macon County Office Building, Macon County Animal Control Facility and the Macon County Law Enforcement Center. This lease supersedes the July 1, 1997 lease.

The Commission is required to pay all utilities, cleaning and other operation and maintenance costs of the multiple facilities. Operational costs not related to facilities operations are born by the lessee. If operation and maintenance costs exceed rental revenue, the Commission may use funds from the General and Surplus Account to offset the deficiency. In the event the General and Surplus Account does not meet the deficiency, the Commission can, by mutual consent with the lessee, reduce services or procure additional rents.

Macon County has the option to renew the lease for up to an additional 30 years after the expiration of the lease. Lease terms related to the renewal option would need to be negotiated at the time of renewal.

Lease payments are due each December 1 for the succeeding year and are comprised of 2 components, (1) the debt service component and (2) the facilities rent component. Future minimum lease payments are as follows:

Year ending November 30	Debt Service Component	Facilities Rent Component	Total
2006	\$ 740,572	1,389,610	2,130,182
2007	2,467,835	3,468,023	5,935,858
2008	2,271,731	3,652,441	5,924,172
2009	2,057,905	3,869,101	5,927,006
2010	1,837,726	4,085,905	5,923,631
2011	1,601,648	4,323,245	5,924,893
2012	1,351,438	4,576,925	5,928,363
2013	1,082,563	4,838,699	5,921,262
2014	800,774	5,120,189	5,920,963
2015	502,401	5,422,599	5,925,000
2016	341,325	5,573,850	5,915,175
2017	338,910	5,914,384	6,253,294
Total	\$ 15,394,828	52,234,971	67,629,799

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2005

Note 20 - Component Units, continued

Decatur Public Building Commission, continued

On June 1, 2003, the Commission entered into a lease agreement with the County of Macon, whereby, the Commission leased to the County approximately 9,000 square feet located on the sixth and seventh floors of the Macon County Office Building. Monthly rentals on this lease that are received in advance are \$ 3,750.

On June 1, 2003, the Commission entered into a lease agreement with the Macon County Emergency Telephone System Board (ETSB) whereby the Commission is leasing to ETSB approximately 2,118 square feet of office space located on the eighth floor of the Macon County Office Building. The term of the lease is five years commencing on June 1, 2003 and ending on May 31, 2008. Monthly rentals are \$ 1,127. Future minimum lease receipts are:

2006	\$ 13,530
2007	13,530
2008	<u>6,765</u>
	<u>\$ 33,825</u>

OTHER SUPPLEMENTARY INFORMATION

MACON COUNTY, ILLINOIS

COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS

November 30, 2005

	Special Revenue Funds				
	Law Enforcement Safety Tax Fund	Illinois Municipal Retirement Fund	Social Security Federal	Working Cash Fund	Regional Planning Commission Fund
Assets					
Cash	\$	206,488	213,724	9,459	38,511
Investments, at cost	1,897,506	1,112,242	301,984	287,442	
Taxes receivable, net of allowance for uncollectibles		25,518	23,935		
Accounts receivable					
Accrued interest receivable	2,712				
Inventory					
Due from governmental agencies:					
State of Illinois	407,969				
Other governmental agencies					
Prepaid items	3,850				
Restricted cash					
Due from other funds	12,846	776,944	15,837		
Total assets	2,324,883	2,121,192	555,480	296,901	38,511
Liabilities					
Cash drawn in excess of funds available	5,697				
Accounts payable	19,128		(9,567)		38,062
Accrued salaries	30,171				
Deferred revenue					
Due to other funds	34,985	803	37,640		
Total liabilities	89,981	803	28,073	-	38,062
Fund Balances					
Reserved for encumbrances					
Reserved for inventory					
Reserved for debt service		765,000			
Reserved for child support maintenance					
Reserved for prepaid expenditures	3,850				
Reserved for disaster contingency	500,000				
Unreserved:					
Designated for grant purposes					
Undesignated					
Unreserved, reported in nonmajor:					
Special revenue funds	1,731,052	1,355,389	527,407	296,901	449
Capital project funds					
Total fund balances	2,234,902	2,120,389	527,407	296,901	449
Total liabilities and fund balances	\$ 2,324,883	2,121,192	555,480	296,901	38,511

(Continued)

Women, Infants, and Children Grant Fund	Federal Aid Matching Fund	County Motor Fuel Tax Fund	Special Bridge Fund	State- Township Bridge Fund	County Clerk Automation Fund	Special Re Circuit Clerk Automation Fund
22,132	343,988			14,741	6,616	20,764
103,136	1,702,554	2,036,139	362,141	199,318		52,997
	9,043		11,008			
1,974					62	
	1,289	859				
6,864	28,080	214,064				
5,415		20			6,955	8,273
139,521	2,084,954	2,251,082	373,149	214,059	13,633	82,034
		149,809	34,889			
	679	163	26,082	22,086		
54,032					112	57,769
54,032	679	149,972	60,971	22,086	112	57,769
85,489	2,084,275	2,101,110	312,178	191,973	13,521	24,265
85,489	2,084,275	2,101,110	312,178	191,973	13,521	24,265
139,521	2,084,954	2,251,082	373,149	214,059	13,633	82,034

MACON COUNTY, ILLINOIS

COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS (Continued)
November 30, 2005

	Special Revenue Funds				
	State's Attorney				
	Forfeited Federal Funds	Courtroom Security Fund	Sheriff's Drug Fund	Animal Control Fund	Historical Museum Fund
Assets					
Cash	\$ 100,639	5,629	27,577	50	
Investments, at cost		81,220		133,799	6,852
Taxes receivable, net of allowance for uncollectibles					4,185
Accounts receivable				2,595	2,150
Accrued interest receivable					
Inventory					
Due from governmental agencies:					
State of Illinois					
Other governmental agencies				20,928	
Prepaid items					
Restricted cash					
Due from other funds	5,302	14,016			
Total assets	105,941	100,865	27,577	157,372	13,187
Liabilities					
Cash drawn in excess of funds available				233	5,863
Accounts payable				2,674	
Accrued salaries		65		10,095	1,217
Deferred revenue		4,983		52,000	
Due to other funds		12,870		16,559	458
Total liabilities	-	17,918	-	81,561	7,538
Fund Balances					
Reserved for encumbrances					
Reserved for inventory					
Reserved for debt service					
Reserved for child support maintenance					
Reserved for prepaid expenditures					
Reserved for disaster contingency					
Unreserved:					
Designated for grant purposes					
Undesignated					
Unreserved, reported in nonmajor:					
Special revenue funds	105,941	82,947	27,577	75,811	5,649
Capital project funds					
Total fund balances	105,941	82,947	27,577	75,811	5,649
Total liabilities and fund balances	\$ 105,941	100,865	27,577	157,372	13,187

(Continued)

Special Revenue Funds

Law Library Fund	Probation and Court Services Fund	Automation Fund	Solid Waste Management Fund	Veterans Assistance Commission Fund	Workforce Investment Solutions Fund	State's Attorney Grant Fund
10,858	76,592	88,445	35,059	1,645	81,454	99,292
26,760	188,150	164,738	1,620,679	136,375		
				1,409		
		1,437	43,428			
			7,797			
			8,600			54,405
						1,150
4,310	36,105	112				6,276
41,928	300,847	254,732	1,715,563	139,429	81,454	161,123
3,457		1,937	18,985	85	52,427	286
916		1,462	2,908	1,169	15,647	7,980
					46,071	5,520
3,967	217,819	10,968	32,030	9,518	2,245	100,195
8,340	217,819	14,367	53,923	10,772	116,390	113,981
						1,150
					(34,936)	45,992
33,588	83,028	240,365	1,661,640	128,657		
33,588	83,028	240,365	1,661,640	128,657	(34,936)	47,142
41,928	300,847	254,732	1,715,563	139,429	81,454	161,123

MACON COUNTY, ILLINOIS

COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS (Continued)
November 30, 2005

	Debt Service Funds		
	County Building and Court Facility Fund	Law Facilities Center Fund	Total
Assets			
Cash	\$ 51,996	21,375	73,371
Investments, at cost	126,061	2,154,093	2,280,154
Taxes receivable, net of allowance for uncollectibles	55,446	62,282	117,728
Accounts receivable			
Accrued interest receivable			
Inventory			
Due from governmental agencies:			
State of Illinois			
Other governmental agencies	225,982	525,281	751,263
Prepaid items			
Restricted cash			
Due from other funds		167,533	167,533
Total assets	459,485	2,930,564	3,390,049
Liabilities			
Cash drawn in excess of funds available			
Accounts payable			
Accrued salaries			
Deferred revenue			
Due to other funds			
Total liabilities	-	-	-
Fund Balances			
Reserved for encumbrances			
Reserved for inventory			
Reserved for debt service	459,485	2,930,564	3,390,049
Reserved for child support maintenance			
Reserved for prepaid expenditures			
Reserved for disaster contingency			
Unreserved:			
Designated for grant purposes			
Undesignated			
Unreserved, reported in nonmajor:			
Special revenue funds			
Capital project funds			
Total fund balances	459,485	2,930,564	3,390,049
Total liabilities and fund balances	\$ 459,485	2,930,564	3,390,049

See Notes to Financial Statements.

Capital Projects Funds

Capital Improvements Fund	Health Capital Improvements Fund	Total	Total Nonmajor Governmental Funds
	1,573	1,573	1,779,055
	80,521	80,521	13,175,755
			192,826
			53,579
			12,657
			781,082
			780,605
			5,000
	32,461	32,461	1,162,815
-	114,555	114,555	17,943,374
			196,491
			275,138
			74,862
			173,479
			703,830
-	-	-	1,423,800
			11,251
			4,155,049
			5,000
			500,000
			123,087
			11,610,632
	114,555	114,555	114,555
-	114,555	114,555	16,519,574
-	114,555	114,555	17,943,374

MACON COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

Year ended November 30, 2005

	Special Revenue Funds			
	Law Enforcement Safety Tax Fund	Illinois Municipal Retirement Fund	Social Security Fund	Working Cash Fund
Revenue:				
Taxes	\$ 2,552,610	990,058	915,750	
Intergovernmental	62,107			
Fines, fees, forfeitures	3,044			
Licenses and permits				
Interest on investments	53,113	35,647	4,671	7,949
Miscellaneous				
Total revenue	<u>2,670,874</u>	<u>1,025,705</u>	<u>920,421</u>	<u>7,949</u>
Expenditures:				
Current:				
General control and administration		1,276,419	1,066,770	
Public safety	1,871,054			
Judiciary and court-related				
Public health and welfare				
Transportation				
Capital outlay	189,082			
Debt service:				
Principal				
Interest				
Total expenditures	<u>2,060,136</u>	<u>1,276,419</u>	<u>1,066,770</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>610,738</u>	<u>(250,714)</u>	<u>(146,349)</u>	<u>7,949</u>
Other financing sources (uses):				
Operating transfers in				
Operating transfers out	(100,000)	(11,974)	(2,315)	(1,787)
Total other financing sources (uses)	<u>(100,000)</u>	<u>(11,974)</u>	<u>(2,315)</u>	<u>(1,787)</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	510,738	(262,688)	(148,664)	6,162
Fund balances, beginning of year	<u>1,724,164</u>	<u>2,383,077</u>	<u>676,071</u>	<u>290,739</u>
Fund balances, end of year	<u>\$ 2,234,902</u>	<u>2,120,389</u>	<u>527,407</u>	<u>296,901</u>

(Continued)

Special Revenue Funds

Regional Planning Commission Fund	Women, Infants, and Children Grant Fund	Federal Aid Matching Fund	County Motor Fuel Tax Fund	Special Bridge Fund	State- Township Bridge Fund	Au
	418,772	375,210 120,159	2,656,679	443,520	220,000	
241	3,422	39,190	38,824 125,655	14,319 102,281	6,135	
241	422,194	534,559	2,821,158	560,120	226,135	
	374,084	271,016	1,147,172 563,917	933,719	256,474	
-	376,346	271,016	1,711,089	933,719	256,474	
241	45,848	263,543	1,110,069	(373,599)	(30,339)	
	(191,662)		(600,331)			
-	(191,662)	-	(600,331)	-	-	
241	(145,814)	263,543	509,738	(373,599)	(30,339)	
208	231,303	1,820,732	1,591,372	685,777	222,312	
449	85,489	2,084,275	2,101,110	312,178	191,973	

MACON COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)

Year ended November 30, 2005

	Special Revenue Funds			
	Circuit Clerk Document Storage Fund	State's Attorney Drug Fund	State's Attorney Forfeited Federal Funds	Courtroom Security Fund
Revenue:				
Taxes	\$			
Intergovernmental				
Fines, fees, forfeitures	104,179	12,444	39,197	187,197
Licenses and permits				
Interest on investments	4,879	6,180	1,626	1,150
Miscellaneous		950		
Total revenue	109,058	19,574	40,823	188,347
Expenditures:				
Current:				
General control and administration	54,180			
Public safety				
Judiciary and court-related		161,450		239,583
Public health and welfare				
Transportation				
Capital outlay		39,230		111
Debt service:				
Principal				
Interest				
Total expenditures	54,180	200,680	-	239,694
Excess (deficiency) of revenue over (under) expenditures	54,878	(181,106)	40,823	(51,347)
Other financing sources (uses):				
Operating transfers in				100,000
Operating transfers out				(7,545)
Total other financing sources (uses)	-	-	-	92,455
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	54,878	(181,106)	40,823	41,108
Fund balances, beginning of year	162,745	256,431	65,118	41,839
Fund balances, end of year	\$ 217,623	75,325	105,941	82,947

Special Revenue Funds

Sheriff's Drug Fund	Animal Control Fund	Historical Museum Fund	Law Library Fund	Probation and Court Services Fund	Automation Fund	Solid Waste Manager Fund
		29,700				
47,352	124,800 337,643	31,150	62,742	205,046	189,261	35 177
	3,931 9,810	51	795 372	3,376	4,966	44
47,352	476,184	60,901	63,909	208,422	194,227	258
38,512	492,303	60,101	47,904		99,757	213
10,800	32,272		15,760			
49,312	524,575	60,101	63,664	-	99,757	214
(1,960)	(48,391)	800	245	208,422	94,470	44
	(19,600)	(800)		(173,606)		(24)
-	(19,600)	(800)	-	(173,606)	-	(24)
(1,960)	(67,991)		245	34,816	94,470	18
29,537	143,802	5,649	33,343	48,212	145,895	1,647
27,577	75,811	5,649	33,588	83,028	240,365	1,661

MACON COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)
 Year ended November 30, 2005

	Special Revenue Funds				
	Workforce Investment Solutions Fund	State's Attorney Grant Fund	Sheriff's Grant Fund	ESDA Grant Fund	Probation Grant Fund
Revenue:					
Taxes	\$				
Intergovernmental	2,118,946	383,188	125,070	311,464	284,682
Fines, fees, forfeitures		46,429			
Licenses and permits					
Interest on investments	77				184
Miscellaneous	2,534				
Total revenue	2,121,557	429,617	125,070	311,464	284,866
Expenditures:					
Current:					
General control and administration					
Public safety					
Judiciary and court-related					
Public health and welfare	2,019,654	484,535	154,366		271,979
Transportation					
Capital outlay	8,531	14,512		333,490	14,169
Debt service:					
Principal					
Interest					
Total expenditures	2,028,185	499,047	154,366	333,490	286,148
Excess (deficiency) of revenue over (under) expenditures	93,372	(69,430)	(29,296)	(22,026)	(1,282)
Other financing sources (uses):					
Operating transfers in					
Operating transfers out					
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	93,372	(69,430)	(29,296)	(22,026)	(1,282)
Fund balances, beginning of year	(128,308)	116,572	123,880	22,135	18,620
Fund balances, end of year	\$ (34,936)	47,142	94,584	109	17,338

Total	Debt Service Funds			Capital
	County Building and Courts Facility Fund	Law Facilities Center Fund	Total	Capital Improvements Fund
5,396,295	2,129,969	2,348,597	4,478,566	
6,928,508	127,107	245,624	372,731	
1,824,833				
284,725	18,106	31,383	49,489	147
242,269				
<u>14,676,630</u>	<u>2,275,182</u>	<u>2,625,604</u>	<u>4,900,786</u>	<u>147</u>
2,812,943	1,331,000		1,331,000	35,291
2,401,869		2,393,941	2,393,941	
448,937				
3,594,462				
2,608,381				
1,283,782				
18,498	440,000		440,000	
452	359,183		359,183	
<u>13,169,324</u>	<u>2,130,183</u>	<u>2,393,941</u>	<u>4,524,124</u>	<u>35,291</u>
1,507,306	144,999	231,663	376,662	(35,144)
100,000				
(1,344,689)	(4,999)	(11,309)	(16,308)	(183)
<u>(1,244,689)</u>	<u>(4,999)</u>	<u>(11,309)</u>	<u>(16,308)</u>	<u>(183)</u>
262,617	140,000	220,354	360,354	(35,327)
12,752,353	319,485	2,710,210	3,029,695	35,327
<u>13,014,970</u>	<u>459,485</u>	<u>2,930,564</u>	<u>3,390,049</u>	<u>-</u>

GENERAL CORPORATE FUND

The General Corporate Fund is used to account for resources traditionally associated with government which are not required legally, or by sound financial management to be accounted for in another fund.

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

BALANCE SHEET

November 30, 2005

Assets

Cash	\$ 694,709
Investments, at cost	2,098,117
Taxes receivable	107,096
Accounts receivable	45,487
Inventory	6,332
Due from governmental agencies:	
State of Illinois	1,430,449
Other governmental agencies	91,384
Prepaid items	16,615
Restricted cash	292,501
Due from other funds	<u>1,419,209</u>
Total assets	<u><u>6,201,899</u></u>

Liabilities

Cash drawn in excess of funds available	83,776
Accounts payable	529,936
Accrued salaries	334,924
Deferred revenue	120,854
Due to other funds	<u>2,865,948</u>
Total liabilities	<u><u>3,935,438</u></u>

Equity

Fund balances:	
Reserved for encumbrances	20,132
Reserved for inventory	6,332
Reserved for prepaid expenditures	16,615
Reserved for child support maintenance	292,501
Unreserved:	
Undesignated	<u>1,930,881</u>
Total equity	<u><u>2,266,461</u></u>
Total liabilities and equity	<u><u>\$ 6,201,899</u></u>

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Year ended November 30, 2005

Revenue:

Taxes	\$ 8,541,030
Intergovernmental	2,157,542
Fines, fees, forfeitures	3,827,745
Licenses and permits	117,430
Interest on investments	54,890
Miscellaneous revenue	<u>1,459,290</u>
Total revenue	<u>16,157,927</u>

Expenditures:

Current:

General control and administration	3,186,309
Public safety	6,188,475
Judiciary and court-related	5,600,287
Public health and welfare	208,643
Capital outlay	215,508
Debt service:	
Principal	165,000
Interest	<u>(848)</u>

Total expenditures 15,563,374

Excess of revenue over expenditures 594,553

Other financing sources:

Interfund transfers in	889,411
Interfund transfers out	<u>(75,000)</u>

Total other financing sources 814,411

Excess of revenue and other financing sources
over expenditures and other financing uses 1,408,964

Fund balance, beginning of year 857,497

Fund balance, end of year \$ 2,266,461

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Taxes:			
Property taxes	\$ 3,330,000	3,318,085	(11,915)
Retailers' occupational tax	3,100,000	3,204,889	104,889
Illinois State income tax	1,208,000	1,296,755	88,755
Illinois personal property replacement tax	517,000	651,568	134,568
Inheritance tax	92,000	91,118	(882)
Total revenue, taxes	8,247,000	8,562,415	315,415
Intergovernmental:			
Contracts, municipalities	300,000	370,818	70,818
State Board of Elections	20,000	28,077	8,077
Salary reimbursements	1,055,384	1,086,210	30,826
Illinois Department of Human Services, IV-D:			
Circuit Clerk IV-D	43,842	61,747	17,905
State's Attorney Child Support Enforcement	327,800	338,675	10,875
Sheriff and Jail Grants:			
COPS Grant	50,554	15,750	(34,804)
New life scan grant	18,838	18,838	
Law enforcement - correctional mileage		1,634	1,634
708 Board Mental Health	10,300		(10,300)
Medical Mental Health grant	50,000		(50,000)
Workforce Investment Administration fee	28,000	28,000	
Planning Grant, I.D.O.T.	12,000	12,611	611
State's Attorney Grants:			
Attorney General Victim Witness	25,500		(25,500)
Deferred Prosecution Grant		6,424	6,424
708 Board Victim Witness	21,218	22,484	1,266
Attorney General Domestic Violence Grant	299,993	61,490	(238,503)
State's Attorney IV-D	13,800		(13,800)
Public Defender Grants:			
Defense services grant	101,250	101,250	
Mental Health Board Grant	10,000	3,534	(6,466)
H.A.V.A. Grant - State Board of Elections	450,000		(450,000)
Total revenue, intergovernmental	2,838,479	2,157,542	(680,937)

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue (continued):			
Fines, fees, forfeitures:			
Circuit Clerk	\$ 1,475,220	1,767,818	292,598
State's Attorney	492,000	455,343	(36,657)
County Recorder	500,000	564,709	64,709
County Sheriff	345,000	325,793	(19,207)
County Collector	306,050	390,106	84,056
County Clerk	310,000	323,756	13,756
County Coroner	3,500	220	(3,280)
Total revenue, fines, fees, forfeitures	<u>3,431,770</u>	<u>3,827,745</u>	<u>395,975</u>
Licenses and permits:			
Building, rezoning permits	75,000	111,080	36,080
Liquor license	12,500	6,350	(6,150)
Total revenue, licenses and permits	<u>87,500</u>	<u>117,430</u>	<u>29,930</u>
Interest on investments	<u>37,500</u>	<u>54,890</u>	<u>17,390</u>
Miscellaneous revenue:			
Miscellaneous receipts and refunds	25,000	16,037	(8,963)
States Attorney		2,147	2,147
Circuit Clerk		2,263	2,263
Probation		4,856	4,856
Sheriff sales and commissions	335,000	325,753	(9,247)
Health insurance premiums received	1,176,022	1,021,038	(154,984)
Franchise fees	70,000	87,196	17,196
Total miscellaneous revenue	<u>1,606,022</u>	<u>1,459,290</u>	<u>(146,732)</u>
Total revenue	<u>16,248,271</u>	<u>16,179,312</u>	<u>(68,959)</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN

FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)

Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures:			
General Control and Administration:			
County Clerk:			
Salaries	\$ 173,850	173,847	3
Postage	8,221	7,659	562
Telephone	3,443	2,913	530
Copy machine	2,300	1,970	330
Supplies	8,536	8,571	(35)
Legal advertising	400	15	385
EDP	15,300	15,383	(83)
Hospitalization	23,940	24,023	(83)
Miscellaneous	300	171	129
Total County Clerk	236,290	234,552	1,738
County Clerk-Elections:			
Salaries	157,550	153,965	3,585
Rental polling places	4,000	3,400	600
Postage	9,000	4,555	4,445
Legal advertising	28,888	28,888	
Supplies	186,612	185,410	1,202
Hospitalization	19,310	16,898	2,412
H.A.V.A. grant expenditures	17,137	17,137	
Miscellaneous drayage	12,000	10,160	1,840
Total County Clerk-Elections	434,497	420,413	14,084
County Recorder:			
Salaries	163,522	163,522	
Travel	1,020	1,014	6
Postage	1,600	1,552	48
Telephone	1,656	1,725	(69)
Maintenance of equipment			
Copy machine	6,800	6,796	4
Supplies	8,385	8,147	238
Book repair	939	878	61
Hospitalization	35,353	31,629	3,724
Total County Recorder	219,275	215,263	4,012

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures (continued):			
General Control and Administration (continued):			
County Treasurer:			
Salaries	\$ 175,760	175,881	(121)
Postage	27,000	26,295	705
Telephone	4,614	4,197	417
Travel	600	628	(28)
Legal advertising	4,000	3,113	887
Copy machine	300	300	
EDP	20,640	19,986	654
Maintenance of equipment	140	34	106
Miscellaneous	165	149	16
Supplies	2,000	1,176	824
Printing	4,850	2,714	2,136
Training	150	133	17
Hospitalization	27,443	27,407	36
Total County Treasurer	267,662	262,013	5,649
Auditor:			
Salaries	213,497	210,221	3,276
Postage	3,000	2,109	891
Telephone	4,500	3,137	1,363
Travel	150	75	75
Supplies	6,800	5,344	1,456
Legal advertising	200	181	19
EDP	31,145	21,680	9,465
Training	1,500	829	671
Contractual services	950	950	
Copy machine	2,165	2,164	1
Professional services	3,940	3,888	52
Hospitalization	26,450	26,623	(173)
Total Auditor	294,297	277,201	17,096

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures (continued):			
General Control and Administration (continued):			
County Board:			
Salaries	\$ 252,845	235,164	17,681
Facility lease	45,000	45,000	
Travel	1,050	268	782
Postage	10,000	7,443	2,557
Library	650	234	416
Dues	720	678	42
Telephone	5,600	5,077	523
Maintenance of equipment	300	295	5
Legal advertising	1,500	800	700
Copy machine	7,500	2,525	4,975
Supplies	8,780	4,835	3,945
Car expense	3,000	1,671	1,329
Contractual services	12,500	9,300	3,200
Training	3,000	879	2,121
Hospitalization	76,625	74,938	1,687
Miscellaneous	250	245	5
Total County Board	429,320	389,352	39,968
Supervisor of Assessments:			
Salaries	210,616	183,261	27,355
Travel	3,350	3,347	3
Training	2,420	2,420	
Legal advertising	11,087	3,772	7,315
EDP	31,613	31,613	
Copy machine	1,000	(2,601)	3,601
Supplies	5,000	2,913	2,087
Car expense, field assessors	2,500	2,307	193
Postage	5,450	5,385	65
Telephone	2,280	2,279	1
Hospitalization	54,439	48,726	5,713
Total Supervisor of Assessments	329,755	283,422	46,333

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures (continued):			
General Control and Administration (continued):			
Board of Review:			
Salaries	\$ 45,000	45,000	
Travel	800	794	6
Training	1,200	530	670
Supplies	200		200
Postage	1,000		1,000
Appraisal research	1,500	1,239	261
Legal advertising	1,500	1,474	26
Total Board of Review	51,200	49,037	2,163
Miscellaneous:			
Telephone	59,950	2,506	57,444
CPA	61,850	66,850	(5,000)
Supplies	10,000	10,162	(162)
Maintenance of equipment	1,000	170	830
Postage		3,749	(3,749)
Miscellaneous	1,500	2,422	(922)
Hospitalization	1,211,022	943,914	267,108
Contingency			
Dues for General	3,500	5,000	(1,500)
Total Miscellaneous	1,348,822	1,034,773	314,049
Total General Control and Administration	3,611,118	3,166,026	445,092

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures (continued):			
Public Safety:			
County Sheriff:			
Salaries	\$ 2,396,079	2,379,683	16,396
Travel	1,200	1,031	169
Autos, gas, oil, repair	66,500	67,249	(749)
Investigation	1,500	1,421	79
Law enforcement training	17,342	17,311	31
Postage	5,800	5,769	31
Telephone	30,825	30,979	(154)
Maintenance of equipment	3,000	2,986	14
Maintenance of radio equipment	7,677	7,450	227
Supplies	8,298	8,274	24
Supplies, law enforcement	6,783	6,768	15
Copy machine	19,000	18,919	81
Photo supplies, processing	500	266	234
Uniforms and related items	12,000	11,999	1
Legal advertising	500	274	226
Merit commission	200	172	28
Hospitalization	381,852	381,852	
Total County Sheriff	2,959,056	2,942,403	16,653
Law Facilities Center:			
Salaries and payroll	2,271,110	2,214,215	56,895
Training	35,000	40,265	(5,265)
Prisoner medical treatment	256,359	235,947	20,412
Copy machine	585	679	(94)
Dietary expenses for prisoners	318,866	318,866	
Testing	1,515	1,514	1
Travel	300	137	163
Hospitalization	448,839	434,449	14,390
Total Law Facilities Center	3,332,574	3,246,072	86,502
Total Public Safety	6,291,630	6,188,475	103,155

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures (continued):			
Judiciary and Court-Related:			
Circuit Clerk:			
Salaries	\$ 690,665	691,092	(427)
Separate maintenance expenses		29,044	(29,044)
Travel and dues	700	753	(53)
Supplies	41,154	40,912	242
Professional services			
Postage	11,500	8,920	2,580
Telephone	6,066	6,103	(37)
Maintenance of equipment	3,480	3,480	
Copy machine	8,495	8,749	(254)
Legal advertising	1,819	1,819	
Jury fees	2,941	2,935	6
Hospitalization	131,729	131,729	
Total Circuit Clerk	898,549	925,536	(26,987)
State's Attorney:			
Salaries	1,084,820	1,084,540	280
Supplies	11,500	9,563	1,937
Foreign witness fees			
Court costs, transcripts, appeals	20,000	15,637	4,363
Investigations	1,456	227	1,229
Appellate services	27,000	27,000	
Institute training	2,000	1,878	122
Postage	4,300	4,764	(464)
Telephone	9,744	9,744	
State's Attorney's library	7,700	8,080	(380)
Copy machine	11,300	11,060	240
Miscellaneous	500	298	202
Mental exams/court transcribers	750	150	600
Hospitalization	200,000	200,741	(741)
Total State's Attorney	1,381,070	1,373,682	7,388

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures (continued):			
Judiciary and Court-Related (continued):			
State's Attorney, Title IV-D, Public Aid:			
Salaries	\$ 239,896	239,457	439
Benefits	40,604	16,099	24,505
Postage	5,000	5,025	(25)
Telephone	1,300	1,189	111
Grant administration	11,650		11,650
Institute training	1,700	1,299	401
Copy machine	1,450	967	483
Supplies	7,500	6,489	1,011
Library	9,500	9,452	48
Court costs, appeals	3,300	3,401	(101)
Miscellaneous	200	145	55
Total State's Attorney, Title IV-D, Public Aid	322,100	283,523	38,577
Circuit Court:			
Salaries, jury commission	6,000	4,650	1,350
Salaries, circuit court	393,600	303,136	90,464
Mental exams	2,600	2,123	477
Jury meals	3,200	2,960	240
Postage	1,500	880	620
Parking - jurors	6,000	6,000	
Pro rata share of Circuit and Associate Judges' Salaries	4,000	3,722	278
Attorney fees - Court of Appeals	6,900	7,735	(835)
Telephone	10,500	11,599	(1,099)
Maintenance of equipment	600	74	526
Supplies	8,000	4,458	3,542
Supplies, automation	2,500	2,174	326
Court and judge law library	11,600	10,108	1,492
EDP	10,500	7,964	2,536
Training	6,500	6,110	390
Contractual services	2,000	1,306	694
Circuit Court Chief Justice	2,000	2,700	(700)
Hospitalization	64,300	46,766	17,534
Total Circuit Court	542,300	424,465	117,835

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures (continued):			
Judiciary and Court-Related (continued):			
Public Defender:			
Salaries	\$ 732,699	732,605	94
Investigations	8,577	2,665	5,912
Mental exams, court costs	18,573	19,423	(850)
Hospitalization	103,051	97,607	5,444
Transcripts	3,350	3,350	
Total Public Defender	866,250	855,650	10,600
Probation Officers:			
Salaries	1,174,207	1,174,183	24
Travel	2,242	1,701	541
Postage	3,000	2,488	512
Telephone	10,000	9,911	89
Supplies	7,015	7,015	
Gas and oil	7,985	6,857	1,128
Offender services	172,800	133,940	38,860
Electronic monitoring	3,700	3,690	10
EDP	26,781	26,748	33
Institute training	4,928	4,928	
Private homes	49		49
Contractual services	190,000	173,298	16,702
Dues	500	389	111
Hospitalization	195,218	192,283	2,935
Total Probation Officers	1,798,425	1,737,431	60,994
Total Judiciary and Court-Related	5,808,694	5,600,287	208,407

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN

FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)

Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures (continued):			
Public Health and Welfare:			
Superintendent, Regional Office of Education:			
Salaries	\$ 104,096	76,206	27,890
Hospitalization		20,171	(20,171)
Unemployment insurance		1,202	(1,202)
Superintendent travel	1,971	1,971	
Assistant Superintendent travel	1,068	1,068	
Utilities	5,750	5,474	276
Postage	4,107	3,463	644
Telephone	4,518	4,106	412
Building maintenance, lease	24,632	24,632	
Copy machine	2,875	2,014	861
Supplies	1,150	1,150	
Total Superintendent, Reg. Office of Education	150,167	141,457	8,710
State's Attorney, Domestic Violence:			
Salaries	92,000	54,033	37,967
Travel	14,485		14,485
Supplies	480		480
Hospitalization	31,728	11,708	20,020
Contractual services	143,850	1,445	142,405
Total State's Attorney, Domestic Violence	282,543	67,186	215,357
Total Public Health and Welfare	432,710	208,643	224,067
Capital Outlay:			
County Administration	15,500	9,415	6,085
Sheriff	149,575	118,236	31,339
Sheriff Jail Facilities	19,338	19,138	200
State's Attorney IV-D	5,700	4,828	872
State's Attorney Domestic Violence	17,450		17,450
Supervisor of Assessments	1,000	486	514
Board of Review	300	294	6
Probation	600	299	301
Circuit Courts	64,000	57,957	6,043
Circuit Clerk	1,524	4,440	(2,916)
Auditor	500	415	85
County Clerk - H.A.V.A.	450,000		450,000
Total Capital Outlay	725,487	215,508	509,979

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures (continued):			
Debt Service:			
Principal	\$ 266,870	165,000	101,870
Interest	4,000	(848)	4,848
Total Debt Service	270,870	164,152	106,718
Total expenditures	17,140,509	15,543,091	1,597,418
Excess (deficiency) of revenue over (under) expenditures	(892,238)	636,221	1,528,459
Other financing sources (uses):			
Operating transfers out:			
Transfer to insurance		(75,000)	(75,000)
Operating transfers in:			
Fund administration fees	225,000	300,766	75,766
Transfer from GIS	90,000	77,000	(13,000)
Transfer from Solid Waste	6,100	5,500	(600)
Transfer from County Clerk Automation	40,000	40,000	
Transfer from Treasurer Automation	25,000	25,000	
Transfer from Circuit Clerk Automation	120,000	57,769	(62,231)
Probation and Court Services Fund reimbursement	200,000	173,606	(26,394)
Transfer from Judgment Fund	169,000	169,000	
Health Fund reimbursement			
Interest transfers from:			
Working Cash Fund		1,787	1,787
Judgment Repayment Fund		8,203	8,203
Law Facilities Center Fund		11,309	11,309
Social Security Fund		2,315	2,315
Illinois Municipal Retirement Fund		11,974	11,974
Capital Improvements Fund		183	183
Building Renovation Fund		4,999	4,999
Total other financing sources (uses)	875,100	814,411	(60,689)
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	\$ (17,138)	1,450,632	1,467,770
Budgetary fund balance, beginning of year		688,601	
Budgetary fund balance, end of year		\$ 2,139,233	

MACON COUNTY, ILLINOIS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenue from specific taxes or other earmarked revenue sources, which by statute, charter provision, or local ordinance, are designated to finance particular functions or activities of the government.

The Law Enforcement Safety Tax Fund accounts for sales tax revenue and expenditures designed for safety issues.

The Illinois Municipal Retirement Fund accounts for revenue, including property tax levies, contributions from employees and charges to other funds, and expenditures to the state administered retirement system for all general service employees.

The Social Security Fund accounts for revenue, including property tax levies and contributions from employees, and expenditures to the federal government for payroll taxes.

The Working Cash Fund provides for short-term loans to other funds.

The Women, Infants, and Children Grant Fund (WIC) accounts for revenue, including grants from the State of Illinois, and expenditures to carry out the directives of the WIC programs.

The Federal Aid Matching Fund accounts for revenue, including project refunds from the State of Illinois and property tax levies, and expenditures for the County's share of highway improvements.

The County Motor Fuel Tax Fund accounts for revenue, including the County's motor fuel tax allotment from the State of Illinois, and expenditures for the purpose of maintenance patrols and payments to the County Highway Fund.

The Special Bridge Fund accounts for revenue, including property tax levies, and expenditures for the County's share of bridge construction and maintenance.

The State-Township Bridge Fund accounts for revenue from the State of Illinois and expenditures to townships for bridge repairs and construction.

The County Clerk Automation Fund accounts for fees collected by the County Clerk for the filing of various documents and expenditures designated for the computerization of the document storage system of this department.

The Circuit Clerk Automation Fund accounts for fees collected by the Circuit Clerk, and expenditures designated for the computerization of the Circuit Clerk's office.

The Treasurer Automation Fund accounts for fees collected by the Treasurer for the filing of various documents and expenditures designated for the computerization of this department.

The Geographic Information Systems (GIS) Fund accounts for fees collected by the recorder's office and expenditures for computerization of the County offices.

The Circuit Clerk Document Storage Fund accounts for fees collected for the Circuit Clerk's storage of various documents and expenditures for electronic document storage.

MACON COUNTY, ILLINOIS

SPECIAL REVENUE FUNDS (Continued)

The Courtroom Security Fund accounts for revenue, including fees from the Circuit Clerk, and expenditures to provide security for the courtrooms.

The Animal Control Fund accounts for revenue, including fees collected by the Animal Shelter and a contract with the City of Decatur, and expenditures relating to Animal Control for the County.

The Historical Museum Fund accounts for revenue, including reimbursements received from the Macon County Historical Society, property tax levies, and expenditures relating to the operation of the Macon County Historical Museum.

The Law Library Fund accounts for revenue, including fees from Circuit Clerk, and expenditures relating to purchases of law reference material.

The Automation Fund accounts for fees collected by the Recorder for the filing of various documents, and expenditures designated for the computerization of the document storage system of this department.

The Solid Waste Management Fund accounts for revenue and expenditures relating to solid waste plans and study.

The Veterans Assistance Commissions Fund accounts for revenue, including property tax levies, and expenditures relating to services for veterans.

The Workforce Investment Solutions Fund accounts for revenue, including federal and state grants, and expenditures fulfilling the grant's purposes.

The Emergency Management Agency Grant Fund accounts for revenue, including federal and state grants, and expenditures fulfilling the grant's purposes.

MACON COUNTY, ILLINOIS

LAW ENFORCEMENT SAFETY TAX FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Illinois Safety tax	\$ 2,300,000	2,552,610	252,610
Interest on investments	6,000	53,113	47,113
Coroner fees		3,044	3,044
Salary reimbursement		2,492	2,492
City Emergency Management fee	10,000	10,000	
Nuclear Safety Block Grant	4,800	6,315	1,515
FEMA Grant	28,000	35,500	7,500
FEMA LEPC Grant	8,000	7,800	(200)
Total revenue	2,356,800	2,670,874	314,074
Expenditures:			
Public Safety:			
County Sheriff:			
Salaries	655,691	513,002	142,689
Group hospitalization	53,963	53,961	2
Telephone		145	(145)
MIS Contractual services	14,000	14,035	(35)
Supplies	74,050	6,713	67,337
Service charge	35	520	(485)
Total County Sheriff	797,739	588,376	209,363
Law Facilities Center:			
Salaries	468,026	410,718	57,308
Group hospitalization	86,080	25,000	61,080
Transport prisoners	30,000	14,234	15,766
Supplies	27,400	6,018	21,382
Supplies - laundry	10,600	10,551	49
Supplies -law	2,000	1,622	378
Uniforms	15,000	14,044	956
Total Law Facilities Center	639,106	482,187	156,919
Court Security:			
Salaries	63,850	63,578	272
Group hospitalization	44,587	44,591	(4)
Supplies		186	(186)
Total Court Security	108,437	108,355	82

(Continued)

MACON COUNTY, ILLINOIS

LAW ENFORCEMENT SAFETY TAX FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures, continued:			
Public Safety, continued:			
Coroner:			
Salaries	\$ 112,199	109,419	2,780
Group hospitalization	17,628	15,437	2,191
Maintenance of equipment	950	256	694
Telephone	1,900	1,898	2
Travel	1,000	555	445
Postage	500	145	355
Investigations	3,000	1,833	1,167
Autopsy - medical	67,372	46,815	20,557
Supplies	3,750	2,571	1,179
Total Coroner	208,299	178,929	29,370
Assistant State's Attorney:			
Salaries	108,891	112,397	(3,506)
Telephone	11,676	11,676	
Training	3,127	3,127	
Library	2,231	2,231	
Investigations	7,153	7,153	
Court costs - appeals	4,322	4,322	
Supplies	10,300	7,091	3,209
Total Assistant State's Attorney	147,700	147,997	(297)
Assistant Public Defender:			
Salaries	47,500	47,487	13
Investigations	2,500	300	2,200
Total Assistant Public Defender	50,000	47,787	2,213
Probation Officers:			
Salaries	200,000	200,000	

(Continued)

MACON COUNTY, ILLINOIS

LAW ENFORCEMENT SAFETY TAX FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures, continued:			
Public Safety, continued:			
Emergency Management Agency:			
Salaries	84,000	83,194	806
Group hospitalization	20,000	12,008	7,992
Maintenance of equipment	14,000	8,145	5,855
Telephone	4,000	3,586	414
Travel	1,500	836	664
Postage and printing	1,000	292	708
Underwater search	1,000	235	765
Nuclear Safety Block Grant	4,000	2,426	1,574
Supplies	11,200	3,783	7,417
Car - gas and oil		1,800	(1,800)
Miscellaneous		1,118	(1,118)
	<u>140,700</u>	<u>117,423</u>	<u>23,277</u>
Total Emergency Management Agency			
	<u>140,700</u>	<u>117,423</u>	<u>23,277</u>
Total Public Safety expenditures	<u>2,291,981</u>	<u>1,871,054</u>	<u>420,927</u>
Capital Outlay:			
County Sheriff	470,000	180,572	289,428
Coroner	500		500
Assistant State's Attorney	2,300	2,221	79
Emergency Management Agency	10,000	6,289	3,711
	<u>482,800</u>	<u>189,082</u>	<u>293,718</u>
Total Capital Outlay	<u>482,800</u>	<u>189,082</u>	<u>293,718</u>
Total expenditures	<u>2,774,781</u>	<u>2,060,136</u>	<u>714,645</u>
Excess (deficiency) of revenue over (under) expenditures	(417,981)	610,738	1,028,719
Other financing uses:			
Operating transfer:			
Courtroom security	(100,000)	(100,000)	
	<u>(100,000)</u>	<u>(100,000)</u>	
Excess (deficiency) of revenue over (under) expenditures and other financing uses	<u>\$ (517,981)</u>	<u>510,738</u>	<u>1,028,719</u>
Budgetary fund balance, beginning of year		<u>1,724,164</u>	
Budgetary fund balance, end of year		<u>\$ 2,234,902</u>	

MACON COUNTY, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Property taxes	\$ 1,000,059	1,020,531	20,472
Interest on investments	3,000	35,647	32,647
Total revenue	<u>1,003,059</u>	<u>1,056,178</u>	<u>53,119</u>
Expenditures:			
General Control and Administration:			
IMRF Agent Trust Fund	<u>1,518,225</u>	<u>1,276,419</u>	<u>241,806</u>
Excess (deficiency) of revenue over (under) expenditures	(515,166)	(220,241)	294,925
Other financing uses:			
Operating transfer:			
General Corporate Fund	<u>(3,000)</u>	<u>(11,974)</u>	<u>(8,974)</u>
Excess (deficiency) of revenue over (under) expenditures and other financing uses	<u>\$ (518,166)</u>	<u>(232,215)</u>	<u>285,951</u>
Budgetary fund balance, beginning of year		<u>2,327,086</u>	
Budgetary fund balance, end of year		<u>\$ 2,094,871</u>	

MACON COUNTY, ILLINOIS

SOCIAL SECURITY FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Property taxes	\$ 925,000	928,542	3,542
Interest on investments	1,000	4,671	3,671
Total revenue	<u>926,000</u>	<u>933,213</u>	<u>7,213</u>
Expenditures:			
General Control and Administration:			
Payroll taxes	<u>1,116,140</u>	<u>1,066,770</u>	<u>49,370</u>
Excess (deficiency) of revenue over (under) expenditures	(190,140)	(133,557)	56,583
Other financing uses:			
Operating transfer:			
General Corporate Fund	<u>(1,000)</u>	<u>(2,315)</u>	<u>(1,315)</u>
Excess (deficiency) of revenue over (under) expenditures and other financing uses	<u>\$ (191,140)</u>	<u>(135,872)</u>	<u>55,268</u>
Budgetary fund balance, beginning of year		<u>639,345</u>	
Budgetary fund balance, end of year		<u>\$ 503,473</u>	

MACON COUNTY, ILLINOIS

WORKING CASH FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Interest on investments	\$ 2,000	7,949	5,949
Other financing uses:			
Operating transfer:			
General Corporate Fund	(2,000)	(1,787)	213
Excess of revenue over expenditures and other financing uses	<u>\$ -</u>	<u>6,162</u>	<u>6,162</u>
Budgetary fund balance, beginning of year		<u>290,739</u>	
Budgetary fund balance, end of year		<u>\$ 296,901</u>	

MACON COUNTY, ILLINOIS

WOMEN, INFANTS, AND CHILDREN GRANT FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Federal grant payments	\$ 393,800	418,772	24,972
Interest on investments		3,422	3,422
Total revenue	393,800	422,194	28,394
Expenditures:			
Public Health and Welfare:			
Salaries	289,603	256,854	32,749
Travel	1,000	2,529	(1,529)
Supplies	15,000	18,556	(3,556)
Contractual services	17,000	6,068	10,932
Group hospitalization	41,851	42,521	(670)
Fringes, retirement, FICA	29,019	34,190	(5,171)
Dues and fees		1,245	(1,245)
Telephone		2,512	(2,512)
Postage		3,856	(3,856)
Printing		4,038	(4,038)
Incentives		215	(215)
Other	9,857	1,500	8,357
Total Public Health and Welfare	403,330	374,084	29,246
Capital Outlay	500	2,262	(1,762)
Total expenditures	403,830	376,346	27,484
Excess (deficiency) of revenue over (under) expenditures	(10,030)	45,848	55,878
Other financing sources (uses):			
Transfer to Health Fund	(26,919)	(191,662)	(164,743)
Excess (deficiency) of revenue over (under) expenditures and other financing uses	<u>\$ (36,949)</u>	<u>(145,814)</u>	<u>(108,865)</u>
Budgetary fund balance, beginning of year		231,303	
Budgetary fund balance, end of year		<u>\$ 85,489</u>	

MACON COUNTY, ILLINOIS

FEDERAL AID MATCHING FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Property taxes	\$ 384,000	380,038	(3,962)
Intergovernmental	500,000	120,159	(379,841)
Interest on investments	20,250	39,190	18,940
Contract project refund	10,000		(10,000)
Total revenue	914,250	539,387	(374,863)
Expenditures:			
Transportation:			
Matching projects - County share	1,140,000	271,016	868,984
Payment of other share	500,000		500,000
Total expenditures	1,640,000	271,016	1,368,984
Excess (deficiency) of revenue over (under) expenditures	<u>\$ (725,750)</u>	268,371	<u>994,121</u>
Budgetary fund balance, beginning of year		<u>1,806,861</u>	
Budgetary fund balance, end of year		<u>\$ 2,075,232</u>	

MACON COUNTY, ILLINOIS

COUNTY MOTOR FUEL TAX FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Intergovernmental:			
Motor fuel tax allotment	\$ 2,300,000	2,656,679	356,679
State of Illinois salary reimbursement	44,698		(44,698)
Interest on investments	50,100	38,824	(11,276)
Miscellaneous	10,000	125,655	115,655
Total revenue	<u>2,404,798</u>	<u>2,821,158</u>	<u>416,360</u>
Expenditures:			
Transportation:			
Salaries - reimburse highway	704,014	663,927	40,087
Maintenance patrols, material	740,000	482,735	257,265
Project expense	590,776	563,917	26,859
Miscellaneous		510	(510)
Total expenditures	<u>2,034,790</u>	<u>1,711,089</u>	<u>323,701</u>
Excess of revenue over expenditures	370,008	1,110,069	740,061
Other financing sources (uses):			
Operating transfer:			
Equipment rental, County Highway Fund	(600,000)	(600,331)	(331)
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ (229,992)</u>	<u>509,738</u>	<u>739,730</u>
Budgetary fund balance, beginning of year		<u>1,591,372</u>	
Budgetary fund balance, end of year		<u>\$ 2,101,110</u>	

MACON COUNTY, ILLINOIS

SPECIAL BRIDGE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Property taxes	\$ 453,000	448,806	(4,194)
Interest on investments	15,013	14,319	(694)
Miscellaneous	72,000	102,281	30,281
Total revenue	<u>540,013</u>	<u>565,406</u>	<u>25,393</u>
Expenditures:			
Transportation:			
County's share of bridges	776,500	802,913	(26,413)
Payment of other share	137,000	130,806	6,194
Total expenditures	<u>913,500</u>	<u>933,719</u>	<u>(20,219)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>\$ (373,487)</u>	<u>(368,313)</u>	<u>5,174</u>
Budgetary fund balance, beginning of year		<u>669,484</u>	
Budgetary fund balance, end of year		<u>\$ 301,171</u>	

MACON COUNTY, ILLINOIS

STATE-TOWNSHIP BRIDGE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
State of Illinois	\$ 165,761	220,000	54,239
Interest on investments	3,300	6,135	2,835
Miscellaneous	30,000		(30,000)
Total revenue	199,061	226,135	27,074
Expenditures:			
Transportation:			
Township bridges	245,000	256,474	(11,474)
Excess (deficiency) of revenue over (under) expenditures	<u>\$ (45,939)</u>	<u>(30,339)</u>	<u>15,600</u>
Budgetary fund balance, beginning of year		<u>222,312</u>	
Budgetary fund balance, end of year		<u>\$ 191,973</u>	

MACON COUNTY, ILLINOIS

COUNTY CLERK AUTOMATION FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
County Clerk automation fees	\$ 40,000	43,909	3,909
Interest on investments	2	41	39
Total revenue	40,002	43,950	3,948
Expenditures:			
General Control and Administration:			
Miscellaneous		23	(23)
Excess of revenue over expenditures	40,002	43,927	3,925
Other financing sources (uses):			
Operating transfer:			
Administration expense General Fund	(40,000)	(40,000)	
Excess of revenue and other financing sources over expenditures and other financing uses	<u>\$ 2</u>	3,927	<u>3,925</u>
Budgetary fund balance, beginning of year		<u>9,594</u>	
Budgetary fund balance, end of year		<u>\$ 13,521</u>	

MACON COUNTY, ILLINOIS

CIRCUIT CLERK AUTOMATION FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Circuit Clerk automation fees	\$ 99,000	104,308	5,308
Interest on investments	460	2,545	2,085
Total revenue	99,460	106,853	7,393
Expenditures:			
General Control and Administration:			
Circuit Clerk - EDP	40,000	42,212	(2,212)
Court technology administrator	60,000	60,000	
Total expenditures	100,000	102,212	(2,212)
Excess (deficiency) of revenue over (under) expenditures	(540)	4,641	5,181
Other financing uses:			
Operating transfer out:			
General Corporate Fund	(60,000)	(57,769)	2,231
Excess (deficiency) of revenue over (under) expenditures and other financing uses	<u>\$ (60,540)</u>	<u>(53,128)</u>	<u>7,412</u>
Budgetary fund balance, beginning of year		<u>77,393</u>	
Budgetary fund balance, end of year		<u>\$ 24,265</u>	

MACON COUNTY, ILLINOIS

TREASURER AUTOMATION FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Treasurer automation fees	\$ 25,000	33,845	8,845
Interest on investments		1,527	1,527
Total revenue	<u>25,000</u>	<u>35,372</u>	<u>10,372</u>
Expenditures:			
General Control and Administration:			
Treasurer - EDP	3,000	2,825	175
Extra help	12,000	12,334	(334)
Total expenditures	<u>15,000</u>	<u>15,159</u>	<u>(159)</u>
Excess of revenues over expenditures	10,000	20,213	10,213
Other financing sources (uses):			
Operating transfer:			
General Fund	<u>(25,000)</u>	<u>(25,000)</u>	
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ (15,000)</u>	<u>(4,787)</u>	<u>10,213</u>
Budgetary fund balance, beginning of year		<u>61,192</u>	
Budgetary fund balance, end of year		<u>\$ 56,405</u>	

MACON COUNTY, ILLINOIS

GIS AUTOMATION FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Intergovernmental:			
I.D.O.T. Planning Grant	\$ 30,000	35,811	5,811
Fines, fees and forfeitures:			
GIS automation fees	285,000	228,588	(56,412)
Mapping fees		2,015	2,015
Health Department	5,000		(5,000)
Interest on investments		2,925	2,925
Total revenue	<u>320,000</u>	<u>269,339</u>	<u>(50,661)</u>
Expenditures:			
General Control and Administration:			
Group hospitalization	18,000	9,858	8,142
Transportation planner	38,445	38,445	
Consulting fees	78,555	74,965	3,590
Training	6,445	1,542	4,903
Soil survey	13,137	13,137	
Supplies	10,000	375	9,625
Total General Control and Administration	<u>164,582</u>	<u>138,322</u>	<u>26,260</u>
Capital Outlay	<u>125,000</u>	<u>70,585</u>	<u>54,415</u>
Debt Service:			
Principal		18,498	(18,498)
Interest		452	(452)
Total Debt Service	<u>-</u>	<u>18,950</u>	<u>(18,950)</u>
Total expenditures	<u>289,582</u>	<u>227,857</u>	<u>61,725</u>
Excess of revenue over expenditures	<u>30,418</u>	<u>41,482</u>	<u>11,064</u>

(Continued)

MACON COUNTY, ILLINOIS

GIS AUTOMATION FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Other financing sources (uses):			
Operating transfer:			
General Fund:			
Administrative fee	(2,800)	(2,800)	
Planning supervisor	(20,000)	(20,000)	
Supervisor of Assessments	(48,000)	(18,000)	30,000
Treasurer	(3,000)	(3,000)	
Recorder	(28,000)	(28,000)	
County Clerk	(8,000)	(8,000)	
Total other financing sources (uses)	<u>(109,800)</u>	<u>(79,800)</u>	<u>30,000</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ (79,382)</u>	<u>(38,318)</u>	<u>41,064</u>
Budgetary fund balance, beginning of year		<u>127,256</u>	
Budgetary fund balance, end of year		<u>\$ 88,938</u>	

MACON COUNTY, ILLINOIS

CIRCUIT CLERK DOCUMENT STORAGE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Document storage fees	\$ 98,000	104,179	6,179
Interest on investments	1,200	4,879	3,679
Total revenue	<u>99,200</u>	<u>109,058</u>	<u>9,858</u>
Expenditures:			
General Control and Administration:			
Circuit Clerk - EDP	64,950	33,036	31,914
Microfilmer	22,935	21,144	1,791
Hospitalization	5,050		5,050
Total General Control and Administration	<u>92,935</u>	<u>54,180</u>	<u>38,755</u>
Excess of revenue over expenditures	<u>\$ 6,265</u>	<u>54,878</u>	<u>48,613</u>
Budgetary fund balance, beginning of year		<u>162,745</u>	
Budgetary fund balance, end of year		<u>\$ 217,623</u>	

MACON COUNTY, ILLINOIS

COURTROOM SECURITY FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Fees from Circuit Clerk	\$ 175,000	177,230	2,230
Building Commission	11,212	9,967	(1,245)
Interest on investments		1,150	1,150
Total revenue	186,212	188,347	2,135
Expenditures:			
Public Safety:			
Salaries	274,264	224,660	49,604
Group hospitalization	10,300	10,221	79
Special studies	3,000	1,251	1,749
Service charge	1,500	90	1,410
Uniform	2,500	1,647	853
Supplies	4,000	1,435	2,565
Travel	700	279	421
Total Public Safety	296,264	239,583	56,681
Capital Outlay	2,500	111	2,389
Total expenditures	298,764	239,694	59,070
Excess (deficiency) of revenue over (under) expenditures	(112,552)	(51,347)	61,205
Other financing sources (uses):			
Operating transfer:			
Law Enforcement Safety Tax Fund	100,000	100,000	
Administration expense General Fund	(7,545)	(7,545)	
Total other financing sources (uses)	92,455	92,455	-
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ (20,097)</u>	41,108	<u>(61,205)</u>
Budgetary fund balance, beginning of year		41,839	
Budgetary fund balance, end of year		<u>\$ 82,947</u>	

MACON COUNTY, ILLINOIS

ANIMAL CONTROL FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Intergovernmental:			
City-County contract	\$ 129,800	124,800	(5,000)
Fines, fees and forfeitures:			
Sales tags	450,000	287,297	(162,703)
Board	7,800	4,873	(2,927)
Impound fees, destruction	9,000	3,340	(5,660)
Animal adoptions	5,500	2,670	(2,830)
Warden	6,000	2,655	(3,345)
Offense	8,000	8,584	584
Avid chip fee	10,000	4,212	(5,788)
Rabies vaccination and observation	11,500	6,318	(5,182)
Spay neuter fees	30,000	13,100	(16,900)
Owner release	10,000	1,034	(8,966)
Trap rental	1,000	232	(768)
Disposal fee	5,000	425	(4,575)
Animal care fee	6,000	2,904	(3,096)
Interest on investments	150	3,931	3,781
Miscellaneous donations	8,000	9,809	1,809
Total revenue	<u>697,750</u>	<u>476,184</u>	<u>(221,566)</u>
Expenditures:			
Public Safety:			
Salaries	340,638	327,511	13,127
Group hospitalization and fringes	70,000	38,123	31,877
Vehicle maintenance, gas, and insurance	26,000	22,120	3,880
Contractual services - building	3,700	3,248	452
Supplies	37,000	32,410	4,590
Telephone	10,700	8,532	2,168
Travel	4,500	125	4,375
Postage	150	132	18
Printing	700	240	460
Maintenance of equipment	500	357	143
Utilities	14,800	10,770	4,030
Maintenance of building	3,000	2,041	959

(Continued)

MACON COUNTY, ILLINOIS

ANIMAL CONTROL FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures, continued:			
Public Safety, continued:			
Computer/software	7,000	2,591	4,409
Training	5,500	1,532	3,968
Professional services	11,500	9,919	1,581
Animal disposal	3,000	2,238	762
Drug testing	500	360	140
Spay/neuter	30,000	18,790	11,210
Avid chip	4,500	4,236	264
Rabies vaccination	9,000	5,335	3,665
Stock claims	100		100
Uniforms	2,000	1,044	956
Miscellaneous	2,000	66	1,934
Total Public Safety	586,788	491,720	95,068
Capital Outlay:			
Equipment	34,000	32,272	1,728
Total expenditures	620,788	523,992	96,796
Excess (deficiency) of revenues over (under) expenditures	76,962	(47,808)	(124,770)
Other financing sources (uses):			
Operating transfer:			
Administration expense General Fund	(19,600)	(19,600)	
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	\$ 57,362	(67,408)	(124,770)
Budgetary fund balance, beginning of year		143,219	
Budgetary fund balance, end of year		\$ 75,811	

MACON COUNTY, ILLINOIS

HISTORICAL MUSEUM FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Property taxes	\$ 30,000	26,544	(3,456)
Interest on investments		51	51
Payroll refund, Historical Society	29,200	31,150	1,950
Total revenue	59,200	57,745	(1,455)
Expenditures:			
General Control and Administration:			
Salaries	51,900	51,328	572
Retirement/fringes	6,000	6,847	(847)
Group hospitalization	2,100	1,851	249
Miscellaneous	100	75	25
Total expenditures	60,100	60,101	(1)
Excess (deficiency) of revenue over (under) expenditures	(900)	(2,356)	(1,456)
Other financing uses:			
Operating transfer out:			
General Corporate Fund	(800)	(800)	
Excess (deficiency) of revenue over (under) expenditures and other financing uses	<u>\$ (1,700)</u>	<u>(3,156)</u>	<u>(1,456)</u>
Budgetary fund balance, beginning of year		<u>4,621</u>	
Budgetary fund balance, end of year		<u>\$ 1,465</u>	

MACON COUNTY, ILLINOIS

LAW LIBRARY FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Law Library fees	\$ 56,827	62,742	5,915
Interest on investments	200	795	595
Miscellaneous	100	372	272
Total revenue	<u>57,127</u>	<u>63,909</u>	<u>6,782</u>
Expenditures:			
Judiciary and Court-related:			
Law librarian	21,500	20,948	552
Group hospitalization	3,920	3,711	209
Election research	22,000	22,515	(515)
Supplies	500	10	490
Telephone	300	372	(72)
Copy machine	1,500	348	1,152
Total Judiciary and Court-related	<u>49,720</u>	<u>47,904</u>	<u>1,816</u>
Capital Outlay	<u>14,000</u>	<u>15,760</u>	<u>(1,760)</u>
Total expenditures	<u>63,720</u>	<u>63,664</u>	<u>56</u>
Excess (deficiency) of revenue over (under) expenditures	<u>\$ (6,593)</u>	245	<u>6,838</u>
Budgetary fund balance, beginning of year		<u>33,343</u>	
Budgetary fund balance, end of year		<u>\$ 33,588</u>	

MACON COUNTY, ILLINOIS

AUTOMATION FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Fines, fees and forfeitures:			
Recorder automation fees	\$ 135,000	189,261	54,261
Interest on investments		4,966	4,966
Total revenue	<u>135,000</u>	<u>194,227</u>	<u>59,227</u>
Expenditures:			
General Control and Administration:			
Recorder salaries	71,200	57,709	13,491
Recorder automation expense	40,000	37,958	2,042
Employee benefits	7,000	3,765	3,235
Miscellaneous		325	(325)
Total General Control and Administration	<u>118,200</u>	<u>99,757</u>	<u>18,443</u>
Excess of revenue over expenditures	<u>\$ 16,800</u>	<u>94,470</u>	<u>77,670</u>
Budgetary fund balance, beginning of year		<u>145,895</u>	
Budgetary fund balance, end of year		<u>\$ 240,365</u>	

MACON COUNTY, ILLINOIS

SOLID WASTE MANAGEMENT FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Intergovernmental:			
Energy and Recycling Grant	\$ 37,815	35,680	(2,135)
Fines, fees and forfeitures:			
Tipping fee surcharge	200,000	172,334	(27,666)
Disposal fee	6,000	5,300	(700)
Interest on investments	45,300	44,223	(1,077)
Miscellaneous		667	667
Total revenue	289,115	258,204	(30,911)
Expenditures:			
Public Health and Welfare:			
Grant, Clean Community System	5,000	981	4,019
Grant, Health EPA	7,825	5,116	2,709
Grant, City of Decatur	15,000	11,018	3,982
Recycling program	10,762	8,813	1,949
Salaries	135,500	115,687	19,813
Consultant	15,000		15,000
Solid waste sundry	20,000	11,877	8,123
Computer tech support	500		500
Fringe benefits	23,860	14,760	9,100
Group hospitalization	27,500	14,018	13,482
Travel	2,500	690	1,810
Library	750	341	409
Education expense	10,000	5,224	4,776
Promotional materials	4,000	3,111	889
Equipment maintenance	2,500	1,290	1,210
Telephone	3,000	2,857	143
Car mileage	1,000	494	506
Vehicle gas, oil tires	2,000	2,369	(369)
Postage	1,750	850	900

(Continued)

MACON COUNTY, ILLINOIS

SOLID WASTE MANAGEMENT FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures, continued:			
Public Health and Welfare, continued:			
Printing	238	192	46
Legal advertising	500		500
Dues	750	246	504
Training	3,000	1,582	1,418
Supplies	1,250	767	483
Miscellaneous	12,700	11,417	1,283
Total Public Health and Welfare	306,885	213,700	93,185
Capital Outlay	10,000	312	9,688
Total expenditures	316,885	214,012	102,873
Excess (deficiency) of revenue over (under) expenditures	(27,770)	44,192	71,962
Other financing sources (uses):			
Administration expense General Fund	(20,600)	(25,500)	(4,900)
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	\$ (48,370)	18,692	67,062
Budgetary fund balance, beginning of year		1,639,533	
Budgetary fund balance, end of year		\$ 1,658,225	

MACON COUNTY, ILLINOIS

VETERANS ASSISTANCE COMMISSION FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Property taxes	\$ 90,350	91,539	1,189
Interest on investments	700	2,738	2,038
Total revenue	91,050	94,277	3,227
Expenditures:			
Public Health and Welfare:			
Salaries	60,765	58,718	2,047
Dues	200		200
Supplies	14,000	692	13,308
Printing	150		150
Insurance	700		700
Service charge	300	90	210
Group hospitalization	15,700	14,214	1,486
Copy machine	350	346	4
Repairs and maintenance of equipment	300		300
Travel	150	118	32
Telephone	1,300	1,312	(12)
Postage	650	626	24
Miscellaneous	1,680	28	1,652
Total Public Health and Welfare	96,245	76,144	20,101
Capital Outlay	10,500		10,500
Total expenditures	106,745	76,144	30,601
Excess (deficiency) of revenue over (under) expenditures	(15,695)	18,133	33,828
Other financing sources (uses):			
Administration expense General Fund	(7,400)	(7,000)	400
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	\$ (23,095)	11,133	34,228
Budgetary fund balance, beginning of year		117,255	
Budgetary fund balance, end of year		\$ 128,388	

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Intergovernmental:			
Illinois Department of Commerce and Economic Opportunity	\$ 1,712,009	2,118,946	406,937
Interest on investments		77	77
Miscellaneous		2,534	2,534
Total revenue	1,712,009	2,121,557	409,548
Expenditures:			
Public Health and Welfare:			
Child care and transportation expenses		130,256	(130,256)
Annual membership fees		16,751	(16,751)
Equipment rental		14,137	(14,137)
Facility costs		30,415	(30,415)
Group hospitalization		105,044	(105,044)
Retirement and fringes		81,216	(81,216)
Liability		36,522	(36,522)
Maintenance agreement		34,407	(34,407)
Marketing		18,214	(18,214)
Payroll processing		2,595	(2,595)
Periodicals/subscriptions		5,941	(5,941)
Rent		12,000	(12,000)
Salaries		573,570	(573,570)
SDA Contracts		348,658	(348,658)
Program expense	1,493,261	18,769	1,474,492
Staff capacity building		24,280	(24,280)
Work experience stipends		40,259	(40,259)
Supplies		40,234	(40,234)
Telephone		20,130	(20,130)
Vocational training		317,425	(317,425)
On-the-job training		100,126	(100,126)
Travel		32,803	(32,803)
Utilities		6,040	(6,040)
Workforce Investment Board expenses		9,862	(9,862)
Total Public Health and Welfare	1,493,261	2,019,654	(526,393)

(Continued)

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS FUNDS
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures, continued:			
Capital Outlay		8,531	(8,531)
Total expenditures	1,493,261	2,028,185	(534,924)
Excess (deficiency) of revenue over (under) expenditures	<u>\$ 218,748</u>	93,372	<u>(125,376)</u>
Budgetary fund balance (deficit), beginning of year		<u>(128,308)</u>	
Budgetary fund balance (deficit), end of year		<u>\$ (34,936)</u>	

MACON COUNTY, ILLINOIS

EMERGENCY MANAGEMENT AGENCY GRANT FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Federal grant payments	\$ 366,828	311,464	(55,364)
Expenditures:			
Public Health and Welfare:			
Training	6,400		6,400
Capital Outlay	360,428	333,490	26,938
Total expenditures	366,828	333,490	33,338
Excess (deficiency) of revenue over (under) expenditures	\$ -	(22,026)	(22,026)
Budgetary fund balance, beginning of year		22,135	
Budgetary fund balance, end of year		\$ 109	

MACON COUNTY, ILLINOIS

DEBT SERVICE FUNDS

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

The County Building and Courts Facility Fund accounts for property tax revenue and annual lease payments and maintenance expenditures to the Decatur Public Building Commission for the Macon County Office Building and the Macon County Courts Facility.

The Law Facilities Center Fund accounts for property tax revenue and annual lease payments to the Decatur Public Building Commission for the County's share of the Law Facilities Center.

MACON COUNTY, ILLINOIS

COUNTY BUILDING AND COURTS FACILITY FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Property taxes	\$ 2,130,183	2,154,812	24,629
Interest on investments	3,500	18,106	14,606
Rent surplus		127,107	127,107
Total revenue	<u>2,133,683</u>	<u>2,300,025</u>	<u>166,342</u>
Expenditures:			
General Control and Administration:			
Maintenance		1,331,000	(1,331,000)
Debt Service:			
Principal	2,130,183	440,000	1,690,183
Interest		359,183	(359,183)
Total expenditures	<u>2,130,183</u>	<u>2,130,183</u>	<u>-</u>
Excess of revenue over expenditures	3,500	169,842	166,342
Other financing uses:			
Operating transfer out:			
General Corporate Fund	(3,500)	(4,999)	(1,499)
Excess of revenue over expenditures and other financing uses	<u>\$ -</u>	<u>164,843</u>	<u>164,843</u>
Budgetary fund balance, beginning of year		<u>239,198</u>	
Budgetary fund balance, end of year		<u>\$ 404,041</u>	

MACON COUNTY, ILLINOIS

LAW FACILITIES CENTER FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Property taxes	\$3,425,000	2,419,989	(1,005,011)
Interest on investments	7,000	31,383	24,383
Rent surplus		245,624	245,624
Total revenue	<u>3,432,000</u>	<u>2,696,996</u>	<u>(735,004)</u>
Expenditures:			
Public Safety:			
Public Building Commission lease payments	4,246,436	2,393,908	1,852,528
Miscellaneous	50	33	17
Total expenditures	<u>4,246,486</u>	<u>2,393,941</u>	<u>1,852,545</u>
Excess (deficiency) of revenue over (under) expenditures	(814,486)	303,055	1,117,541
Other financing uses:			
Operating transfer out:			
General Corporate Fund	(7,000)	(11,309)	(4,309)
Excess (deficiency) of revenue over (under) expenditures and other financing uses	<u>\$ (821,486)</u>	<u>291,746</u>	<u>1,113,232</u>
Budgetary fund balance, beginning of year		<u>2,576,537</u>	
Budgetary fund balance, end of year		<u>\$ 2,868,283</u>	

MACON COUNTY, ILLINOIS

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resource to be used for the acquisition or construction of major capital facilities.

The Capital Improvement Fund accounts for revenue and expenditures relating to capital improvements of the County courthouse.

The Health Capital Improvement Fund accounts for revenue and expenditures designated for construction of the Health Department facility.

MACON COUNTY, ILLINOIS

CAPITAL IMPROVEMENT FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Interest on investments	\$	147	147
Expenditures:			
General Control and Administration:			
Contractual services		35,291	(35,291)
Total expenditures	-	35,291	(35,291)
Excess (deficiency) of revenue over (under) expenditures	-	(35,144)	(35,144)
Other financing uses:			
Operating transfer:			
General Corporate Fund		(183)	(183)
Excess (deficiency) of revenue over (under) expenditures and other financing uses	\$ -	(35,327)	(35,327)
Budgetary fund balance, beginning of year		35,327	
Budgetary fund balance, end of year		\$ -	

MACON COUNTY, ILLINOIS

HEALTH CAPITAL IMPROVEMENT FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenue:			
Interest on investments	\$	3,183	3,183
Expenditures:			
Capital Outlay:			
Telephone system		6,200	(6,200)
Construction costs and supplies		620	(620)
Interior finishes			
Building construction		34,109	(34,109)
Total expenditures	-	40,929	(40,929)
Excess (deficiency) of revenue over (under) expenditures	-	(37,746)	(37,746)
Other financing sources (uses):			
Transfer to Health Fund		(222,102)	(222,102)
Excess (deficiency) of revenue over (under) expenditures and other financing uses	\$ -	(259,848)	(259,848)
Budgetary fund balance, beginning of year		374,403	
Budgetary fund balance, end of year		\$ 114,555	

MACON COUNTY, ILLINOIS

AGENCY FUNDS

Agency Funds are used to account for resources received and held by the County as agent or trustee for individuals, private organizations, and other governmental units. The resources are expended or invested in accordance with the fiduciary agreement or applicable legislative enactment for each fund.

COUNTY COLLECTOR'S FUND -

The County Collector's Fund accounts for property tax collections and disbursements to taxing authorities.

COUNTY TREASURER'S FUNDS -

The Macon County Drainage District Fund is designated for disbursements to drainage districts from property tax receipts.

The Illini Drainage District Fund accounts for all collections for Illini Drainage. Warrants are issued for expenses as requests are received from commissioners.

The Inheritance Tax Fund accounts for all collections for inheritance tax. The Treasurer's office transfers moneys to the State of Illinois.

The General Assistance Fund accounts for all collections from the State of Illinois for General Assistance. Warrants are issued to transfer moneys to the Decatur Township Office.

The Trust Fund accounts for wage deductions, moneys for condemnation suits, and court ordered deposits. Warrants are issued based on court orders.

COUNTY CLERK'S FUND -

The Trust Fund accounts for deposits from delinquent taxpayers for the portion of the tax bill that is for tax buyers. Warrants are then issued to tax buyers after tax sales.

CIRCUIT CLERK'S FUNDS -

The Trust Fund charges and collects fees incurred from court cases and distributes the proceeds to the applicable governmental agencies and funds.

The Support Fund accounts for moneys collected for child support and disbursed on court order.

COUNTY SHERIFF'S FUND -

The County Sheriff's Trust Fund is used only for reimbursements for overpayments on warrant billing, sheriff sale, and civil process fees.

TOWNSHIP ROAD FUND

The Township Road Fund - Motor Fuel Tax provides for disbursements to Township in Macon County for road repairs. The Highway Department is custodian of funds provided by state motor fuel tax designed for each township.

MACON COUNTY, ILLINOIS

COMBINING STATEMENT OF ASSETS AND LIABILITIES

FIDUCIARY FUNDS

November 30, 2005

	County Collector's Fund	County Treasurer's Funds	County Clerk's Fund
Assets			
Cash	\$ 4,747,451	510,641	154,779
Investments	599,793	20,333	
Accrued interest receivable			
Due from State of Illinois - allotment			
	<hr/>		
Total assets	<u>5,347,244</u>	<u>530,974</u>	<u>154,779</u>
Liabilities			
Due to other governmental agencies		491,668	
Due to other funds	433,145	7,945	
Deposits payable	890,788	31,361	6,675
Due to taxing districts	4,023,311		
Due to drainage districts			
Due to tax buyers			148,104
	<hr/>		
Total liabilities	<u>\$ 5,347,244</u>	<u>530,974</u>	<u>154,779</u>

Circuit Clerk's Funds	County Sheriff's Fund	Township Road Fund	Total
1,301,571	1,160	91,029	6,806,631
404,390		1,729,062	2,753,578
1,378		1,719	3,097
		102,098	102,098
<u>1,707,339</u>	<u>1,160</u>	<u>1,923,908</u>	<u>9,665,404</u>
38,959		1,923,908	2,454,535
264,012			705,102
1,404,368	1,160		2,334,352
			4,023,311
			148,104
<u>1,707,339</u>	<u>1,160</u>	<u>1,923,908</u>	<u>9,665,404</u>

MACON COUNTY, ILLINOIS

COUNTY COLLECTOR'S FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

November 30, 2005

	Balance November 30, 2004	Additions	Deductions	Balance November 30, 2005
Assets				
Cash	\$ 6,104,065	91,597	1,448,211	4,747,451
Investments	17,223	111,529,998	110,947,428	599,793
Total assets	6,121,288	111,621,595	112,395,639	5,347,244
Liabilities				
Due to other funds	363,624	433,145	363,624	433,145
Deposits payable	1,315,582	401,622	826,416	890,788
Due to taxing districts	4,442,082	110,786,828	111,205,599	4,023,311
Total liabilities	\$ 6,121,288	111,621,595	112,395,639	5,347,244

MACON COUNTY, ILLINOIS

COUNTY TREASURER'S FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
November 30, 2005

	Balance November 30, 2004	Additions	Deductions	Balance November 30, 2005
<u>Macon County Drainage District Fund</u>				
Assets				
Cash	\$ 1,517	6	1,523	
Investments	17,814	271	18,085	
Total assets	19,331	277	19,608	-
Liabilities				
Due to drainage districts	19,331	277	19,608	-
<u>Illini Drainage District Fund</u>				
Assets				
Investments	11	-	11	-
Liabilities				
Due to drainage districts	11	-	11	-
<u>Inheritance Tax Fund</u>				
Assets				
Cash	243,916	2,023,455	1,778,096	489,275
Investments	723	3,075	1,000	2,798
Total assets	244,639	2,026,530	1,779,096	492,073
Liabilities				
Due to other funds	167	2,474	725	1,916
Due to other governmental agencies	244,472	2,024,056	1,778,371	490,157
Total liabilities	244,639	2,026,530	1,779,096	492,073
<u>General Assistance Fund</u>				
Assets				
Cash	1,486	409,009	408,984	1,511
Liabilities				
Due to other governmental agencies	\$ 1,486	409,009	408,984	1,511

(Continued)

MACON COUNTY, ILLINOIS

COUNTY TREASURER'S FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)

November 30, 2005

	Balance November 30, 2004	Additions	Deductions	Balance November 30, 2005
<u>Trust Fund</u>				
Assets				
Cash	\$ 19,433	31,738	31,316	19,855
Investments	5,045	15,490	3,000	17,535
Total assets	24,478	47,228	34,316	37,390
Liabilities				
Deposits payable	18,850	46,678	34,167	31,361
Due to other funds	5,628	550	149	6,029
Total liabilities	24,478	47,228	34,316	37,390
<u>Total Funds</u>				
Assets				
Cash	266,363	2,464,208	2,219,930	510,641
Investments	23,582	18,836	22,085	20,333
Total assets	289,945	2,483,044	2,242,015	530,974
Liabilities				
Due to other governmental agencies	245,958	2,433,065	2,187,355	491,668
Due to other funds	5,795	3,024	874	7,945
Deposits payable	18,850	46,678	34,167	31,361
Due to drainage districts	19,342	277	19,619	
Total liabilities	\$ 289,945	2,483,044	2,242,015	530,974

MACON COUNTY, ILLINOIS

COUNTY CLERK'S FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

November 30, 2005

	Balance November 30, 2004	Additions	Deductions	Balance November 30, 2005
<hr/>				
<u>Trust Fund</u>				
Assets				
Cash	\$ 186,510	2,331,403	2,363,134	154,779
				<hr/>
Liabilities				
Deposits payable	1,599	83,331	78,255	6,675
Due to tax buyers	184,911	2,248,072	2,284,879	148,104
				<hr/>
Total liabilities	\$ 186,510	2,331,403	2,363,134	154,779
				<hr/>

MACON COUNTY, ILLINOIS

CIRCUIT CLERK'S FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 November 30, 2005

	Balance November 30, 2004	Additions	Deductions	Balance November 30, 2005
<u>Trust Fund</u>				
Assets				
Cash	\$ 996,683	6,246,329	5,940,306	1,302,706
Certificates of deposit	502,039	2,853	100,502	404,390
Accrued interest	1,542	1,378	1,542	1,378
Total assets	1,500,264	6,250,560	6,042,350	1,708,474
Liabilities				
Deposits payable	1,254,213	2,715,520	2,564,230	1,405,503
Due to other governmental agencies	38,355	534,867	534,263	38,959
Due to other funds	207,696	3,000,173	2,943,857	264,012
Total liabilities	1,500,264	6,250,560	6,042,350	1,708,474
<u>Support Fund</u>				
Assets				
Cash	1,704	5,723,854	5,726,693	(1,135)
Liabilities				
Deposits payable	1,704	5,723,854	5,726,693	(1,135)
<u>Total Circuit Clerk's Funds</u>				
Assets				
Cash	998,387	11,970,183	11,666,999	1,301,571
Certificates of deposit	502,039	2,853	100,502	404,390
Accrued interest	1,542	1,378	1,542	1,378
Total assets	1,501,968	11,974,414	11,769,043	1,707,339
Liabilities				
Due to other governmental agencies	38,355	534,867	534,263	38,959
Due to other funds	207,696	3,000,173	2,943,857	264,012
Deposits payable	1,255,917	8,439,374	8,290,923	1,404,368
Total liabilities	\$ 1,501,968	11,974,414	11,769,043	1,707,339

MACON COUNTY, ILLINOIS

COUNTY SHERIFF'S FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
November 30, 2005

	Balance November 30, 2004	Additions	Deductions	Balance November 30, 2005
<u>County Sheriff's Trust Fund</u>				
Assets				
Cash	\$ 1,147	1,228	1,215	1,160
Liabilities				
Deposits payable	\$ 1,147	1,228	1,215	1,160

MACON COUNTY, ILLINOIS

TOWNSHIP ROAD FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 November 30, 2005

	Balance November 30, 2004	Additions	Deductions	Balance November 30, 2005
<u>Township Road Fund - Motor Fuel Tax</u>				
Assets				
Cash	\$ 176,567	947,100	1,032,638	91,029
Investment	1,565,525	163,537		1,729,062
Accrued interest receivable		1,719		1,719
Due from State of Illinois - allotment	93,962	102,098	93,962	102,098
Total assets	1,836,054	1,214,454	1,126,600	1,923,908
Liabilities				
Due to other governmental agencies	1,836,054	1,214,454	1,126,600	1,923,908
Total liabilities	\$ 1,836,054	1,214,454	1,126,600	1,923,908

FEDERAL AWARDS - COMPLIANCE SECTION

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended November 30, 2005

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount	Federal Expenditures
Major Programs				
U.S. Department of Labor:				
Passed Through Illinois Department of Commerce and Economic Opportunity:				
WIA Rapid Response	17.260	04-65119	100,000	\$ 40,209
				<u>40,209</u>
WIA Youth, Adult, Dislocated Worker	17.258	03-68119	1,708,336	241,215
WIA Youth, Adult, Dislocated Worker	17.258	04-68119	1,513,858	942,851
WIA 10% Statewide Activities Incentive	17.258	02-67219	29,717	18,769
WIA Administration-Workforce Investment Board	17.258	03-63119	50,000	14,631
WIA Statewide Administration	17.258	03-63219	17,500	11,612
WIA 10% Private Sector Based Training	17.258	03-67401	173,000	55,666
WIA TAA Training	17.258	05-66119	45,320	33,382
WIA Youth, Adult, Dislocated Worker	17.258	05-681019	1,472,690	594,412
WIA 10% Statewide Activities Incentive	17.258	03-67219	27,051	20,240
WIA 10% Statewide Activities Training	17.258	05-671004	15,000	5,855
WIA Statewide Administration	17.258	04-63219	14,691	14,292
WIA Planning Grant	17.258	04-63319	25,000	967
				<u>1,953,892</u>
WIA Administration-Workforce Investment Board	17.259	04-63119	50,000	<u>35,626</u>
Total U.S. Department of Labor				<u>2,029,727</u>
U.S. Department of Agriculture:				
Passed through Illinois Department of Human Services:				
Supplemental Nutrition Program for Women, Infants and Children	10.557	11G5322000	393,800	226,628
Birth to Five Assurance Network	10.557	11G5322000	80,000	50,764
Supplemental Nutrition Program for Women, Infants and Children	10.557	11G6322000	458,500	197,864
Birth to Five Assurance Network	10.557	11G6322000	80,000	35,958
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	240000115	Non-cash Instruments	851,355
Total U.S. Department of Agriculture				<u>1,362,569</u>

(Continued)

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year ended November 30, 2005

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount	Federal Expenditures
U.S. Department of Homeland Security,				
Office of Domestic Preparedness:				
Passed through Illinois Emergency Management Agency:				
Local Preparedness Grant	97.004	FFY2004	608,496	\$ 333,463
U.S. Department of Health and Human Services:				
Passed through Illinois Department of Healthcare and Family Services:				
Medical Assistance Program	93.778		N/A	361,625
Non major Programs				
U.S. Department of Agriculture:				
Passed Through Illinois Department of Public Health:				
Summer Food Inspection Program	10.559		N/A	3,500
U.S. Department of Transportation:				
Passed through Illinois Department of Transportation:				
Highway Planning and Construction - Feasibility Study-Decatur Beltway	20.205	P-95-042-99	1,200,000	88,933
Passed through Macon County Regional Planning Commission:				
P.L. Transportation Planning	20.205	3000-02T0013	102,096	63,436
				152,369
Occupant Protection - Traffic Safety	20.600	5OP5-0058-082	33,370	9,225
Occupant Protection - Traffic Safety	20.600	6OP5-0058-082	24,678	20,253
				29,478
Passed through Illinois Emergency Management Agency:				
Hazardous Materials Emergency Preparedness Grant Program				
	20.703	2005	7,800	7,800
		2006		4,900
				12,700
Total U.S. Department of Transportation				194,547

(Continued)

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year ended November 30, 2005

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount	Federal Expenditures
U.S. Department of Justice:				
Office of Community Oriented Policing Services:				
COPS In School Award	16.710	2002SHWX0184	125,000	\$ 15,750
Office on Violence Against Women:				
Computer Tracking Project Grant	16.590	2004-WE-AX-0071	299,992	91,131
Bureau of Justice Assistance:				
Passed through City of Decatur:				
Justice Assistance Grant-Disparate Jurisdiction	16.592	2005F4967-IL-DJ	21,812	
Passed through Illinois Criminal Justice Information Authority:				
Curfew Violation Grant	16.523	502012	40,451	17,461
Curfew Violation Grant	16.523	503012		42,163
Assessment, Services & Supervision Program	16.523	501078	149,400	16,061
				75,685
Hidden Victims	16.575	203007	31,950	28,882
Specialized Domestic Violence				
Public Defender	16.579	403028	101,250	101,250
Local Drug Prosecution Support Grant	16.579	403025	47,000	15,667
Local Drug Prosecution Support Grant	16.579	404025	47,000	31,333
				148,250
State's Attorney Office				
Domestic Violence Unit	16.588	600051	138,982	
Domestic Violence Law Enforcement	16.588	600054	34,084	16,950
				16,950
Juvenile Justice and Delinquency Prevention:				
Passed through National Children's Alliance:				
Child Advocacy Program Support	16.543	236-PS05	8,500	5,379
Total U.S. Department of Justice				<u>382,027</u>

(Continued)

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 Year ended November 30, 2005

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount	Federal Expenditures
U.S. Department of Health and Human Services:				
Passed through Illinois Department of Healthcare and Family Services:				
Title IV D, Child Support Enforcement	93.563	44KSAO00008	330,000	\$ 10,009
Title IV D, Child Support Enforcement	93.563	55KSAO00008	330,000	126,633
Title IV D, Child Support Enforcement	93.563	66KSAO00008	300,000	63,679
Title IV D, Child Support Enforcement	93.563	55KCC000054	56,676	5,587
Title IV D, Child Support Enforcement	93.563	65KCC000054		33,912
				<u>239,820</u>
Passed through Illinois Department of Human Services:				
Maternal Child Health	93.994	11G5322000	20,000	20,000
Passed Through Illinois Department of Public Health:				
Maternal Child Health	93.994	53780443		<u>100</u>
				<u>20,100</u>
Passed through Illinois Department of Human Services:				
Family Case Mgmt Community Grants	93.667	11G5322000	22,000	<u>12,000</u>
Child Care Services	93.575	11G5322000	40,000	<u>15,555</u>
Healthy Families	93.558	11G5322000	152,880	75,257
Healthy Families	93.558	11G6322000	156,000	<u>68,653</u>
				<u>143,910</u>

(Continued)

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 Year ended November 30, 2005

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount	Federal Expenditures
U.S. Department of Health and Human Services, continued:				
Passed Through Illinois Department of Public Health:				
Bioterrorism Preparedness	93.283	57081003	20,000	\$ 20,000
Bioterrorism Preparedness	93.283	57181088	65,998	65,998
Bioterrorism Preparedness	93.283	57181183	158,469	158,469
Bioterrorism Preparedness	93.283	67181056	108,004	28,864
Hepatitis Prevention	93.283	35180404	4,250	124
				<u>273,455</u>
Illinois Immunization Program - Immunization Action	93.268	55180388	25,156	19,323
Childhood Immunization Grants	93.268	000399	Non-cash	<u>220,253</u>
				<u>239,576</u>
Passed Through East Central Illinois Area Agency on Aging:				
Title III B Health Screening	93.044	04-05	3,836	1,807
Title III B Health Screening	93.044	05-06		31,207
Title III B Health Screening	93.044	06-07		<u>5,802</u>
				<u>38,816</u>
Title III E Caregiver Services	93.052	04-05	28,256	23,731
Title III E Caregiver Services	93.052	05-06		<u>5,276</u>
				<u>29,007</u>
Total U.S. Department of Health and Human Services				<u>1,012,239</u>

(Continued)

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 Year ended November 30, 2005

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount	Federal Expenditures
Environmental Protection Agency:				
Passed Through Illinois Department of Public Health:				
Potable Water Supply Program	66.605		N/A	<u>975</u>
Department of Housing and Urban Development:				
Passed Through Illinois Department of Public Health:				
Lead Grant	14.900	15380708	4,820	<u>530</u>
Federal Emergency Management Agency:				
Passed through Illinois Emergency Management Agency:				
Emergency Management Assistance Grant	97.042	2005 2006	35,501	21,999 <u>13,500</u>
				<u>35,499</u>
Total Expenditures of Federal Awards				<u><u>\$5,716,701</u></u>

MACON COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended November 30, 2005

Note 1 - Single Audit Reporting Entity

The County includes expenditures in its Schedule of Expenditures of Federal Awards for all federal programs administered by the same funds, agencies, boards, and commissions included in the County's reporting entity used for its basic financial statements, except for the component unit, Macon County Mental Health Board, for which a separate single audit is conducted.

Note 2 - Basis of Accounting

The Schedule of Expenditures of Federal Awards has been presented on the accrual basis of accounting. Accordingly, expenditures are recorded when incurred rather than when paid.

As an agent of the Illinois Department of Human Services, the County is required to determine eligibility and initiate the payment process from the State of Illinois' Special Supplemental Nutrition Program for Women, Infants and Children (WIC). The noncash expenditures of \$ 851,355 reported under CFDA No. 10.557, WIC, represent the dollar value retail WIC Food Instruments redemptions for WIC benefits issued by the County. This value represents the amount of WIC benefits redeemed, net of rebates issued by the County on behalf of individuals determined to be eligible. The Illinois Department of Human Services only issues statements of non-cash transactions for the State fiscal year ending June 30, 2005. The amount included in the Schedule represents the State fiscal year non-cash transaction figures.

The noncash expenditures of \$ 220,253 reported under CFDA No. 93.268, Illinois Immunization Program, represent the value of vaccine doses received from the Illinois Department of Public Health. The cost per dose is based on the State's highest cost per dose found in inventory receipt records.

Note 3 - Categorization of Expenditures

The Schedule of Expenditures of Federal Awards reflects federal expenditures for all individual grants which were active during the year. The categorization of expenditures by program included in the schedule is based on the Catalog of Federal Domestic Assistance (CFDA). Changes in the categorization of expenditures occur based on revisions to the CFDA, which are issued in June and December of each year.

Note 4 - Subrecipients

Of the federal expenditures presented in the schedule, Macon County provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount provided to Subrecipients</u>
WIA Youth, Adult, Dislocated Worker	WIA Cluster # 17.258	\$ 348,658



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**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***

Macon County Board
Macon County, Illinois
Decatur, Illinois

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Illinois, as of and for the year ended November 30, 2005, which collectively comprise the Macon County, Illinois' basic financial statements and have issued our report thereon dated March 9, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 Macon County, Illinois' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Macon County, Illinois' ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 05-1 through 05-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Compliance and Other Matters

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

We noted certain matters that we have reported to management of Macon County, Illinois, in a separate letter dated March 9, 2006.

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Board, 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.

MAY, COCAINE & KING, P.C.

March 9, 2006



May, Cocagne & King, P.C.

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

Macon County Board
Macon County, Illinois
Decatur, Illinois

Compliance

We have audited the compliance of Macon County, Illinois with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended November 30, 2005. Macon County, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Macon County, Illinois' management. Our responsibility is to express an opinion on Macon County, Illinois' compliance based on our audit.

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

In our opinion, Macon County, Illinois complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended November 30, 2005.

Internal Control over Compliance

The management of Macon County, Illinois is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Macon County, Illinois' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, others within the organization, County Board, 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.

May, Coagne & King, P.C.

March 9, 2006

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

November 30, 2005

Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Macon County, Illinois.
2. Reportable conditions in internal control were disclosed during the audit of the financial statements and are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No reportable conditions were material weaknesses.
3. No instances of noncompliance material to the financial statements of Macon County, Illinois were disclosed during the audit.
4. No reportable conditions in internal control over major programs were disclosed during the audit.
5. The auditor's report on compliance for major programs for Macon County, Illinois expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section .510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs included:
 - Workforce Investment Act, CFDA #17.258 and 17.260
 - Local Preparedness Grant, CFDA #97.004
 - Medical Assistance Program, CFDA #93.778
 - Title IV-D, Child Support Enforcement, CFDA #93.563
 - Bioterrorism Preparedness, CFDA #93.283
8. The threshold for distinguishing Types A and B programs was \$ 300,000.
9. Macon County, Illinois was determined not to be a low risk auditee.

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

November 30, 2005

Financial Statement Audit Findings

05-1 Finding: Duplication of Effort/Information Sharing

As noted in previous years, several departments maintain their own accounting records as well as those maintained by the auditor's office. This results in a duplication of effort. Furthermore, in some instances, those responsible for the separate accounting records do not possess the level of accounting background necessary to properly account for these transactions. This practice also creates two very different sets of records. When grant reports are prepared from the individual department's records, they cannot be easily reconciled to the Countywide accounting records from which the financial statements are prepared.

Recommendation:

We recommend that the County Auditor's office be the primary source of all accounting records. The County has spent a substantial amount of money installing and implementing the current accounting software and related accounting procedures, and it should be used as the primary source of accounting information. The only exception is when County officials determine that it is appropriate for a department to perform the accounting function autonomously.

If this practice is to continue, the individual department records should be compared with and reconciled to the Countywide accounting records maintained by the County Auditor's office. The reconciliation would have to be done for a set time frame (i.e. last day of each month, last day of each quarter, etc.) and any discrepancies settled at once. This will ensure that all transactions are accounted for uniformly and within the parameters of the approved budget.

County's Response:

The County Auditor's office will continue to provide accounting information to each department, and will assist in reconciling the reports prepared by those offices as recommended and requested by officeholders and/or finance committee.

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

November 30, 2005

Financial Statement Audit Findings, continued

05-2 Finding: Federal Funds not Tracked

As noted in previous years, we were unable to determine if all federal source revenue and related expenditures were identified and included in the Schedule of Expenditures of Federal Awards. It is the responsibility of the County to monitor all federal monies received and spent by all departments and divisions within the County.

During our audit, we noted that the County does not identify federal source funds. The current process of dealing with grants is decentralized and each department obtaining grants is responsible for their particular grant. Reporting and monitoring of federal grants is done by those responsible for the grant, but the reported results are not communicated to the County Auditor's office for reconciliation to the general ledger.

Recommendation:

We recommend that all revenue sources be communicated to the County Auditor's office by all departments and identified as federal, state or local source funds, and that reports filed with grantor agencies be reconciled to the general ledger.

County's Response:

The County Auditor has revised the chart of accounts to more easily separate grant revenue from other revenue. A grant administration checklist has been developed to improve grant administration, including identification of the source (federal/ state/ local) of each grant. The Auditor's office has in place a policy of not assigning new grant revenue account numbers until contracts are received. A workflow plan is being developed to track all department submissions of grant reports.

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
November 30, 2005

Financial Statement Audit Findings, continued

05-3 Finding: Weak Internal Controls Over Cash Management Activities

Oversight and monitoring of cash management activities, primarily bank activity and its relationship to the accounting system, need strengthening. Specifically, we noted the following:

- Bank reconciliations were not prepared in a timely manner.
- Not all bank account reconciliations were reviewed and approved by appropriate management personnel in a timely manner.
- Activity of various cash accounts was not posted to the general ledger during the fiscal year, specifically, activity for the following bank accounts:
 - Judge's Marriage account
 - Circuit Clerk Separate Maintenance account
 - Sheriff's Drug account

Reconciliations for these accounts were performed at year end and adjustments were posting during the closing period.

Standard cash management procedures have not been adopted for use by all departments, thus, there is no consistent method for treating all types of transactions. The County has made a concerted effort to implement policies and procedures over this process. However, we believe improvement is still needed on consistent application of the various procedures.

A government entity needs an internal control system which provides controls to ensure compliance with laws and regulations, safeguards its assets, checks the accuracy and reliability of its accounting data, and promotes operational efficiency. A good internal control system is essential for the achievement of full accountability, which is a primary issue in today's government.

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
November 30, 2005

Financial Statement Audit Findings, continued

05-3 Finding: Weak Internal Controls Over Cash Management Activities, continued

Good cash management dictates all bank accounts are reconciled monthly. Additionally, bank account information should be verified against general ledger activity. Standard reporting procedures, use of standard reporting forms, and timeliness of fulfilling standard operating procedures, ensures adequate oversight management of the cash functions.

Failure to accurately reconcile bank accounts could cause errors to occur and not be detected in a timely manner. Errors identified during our audit that could result in adjustments include:

- Interbank transfers recorded in the general ledger but not communicated to the bank for processing.
- Checks and electronic transfers omitted from cash disbursement records.
- Old outstanding checks not written off.
- Incorrect ending cash balances on monthly bank reconciliations.

Inconsistent treatment of accounting policies could result in loss of or misappropriation of assets, inadequate financial reporting, and potential for fraud and abuse.

Recommendation:

We recommend that the County:

- Determine a reasonable time frame for performing the monthly bank reconciliations, and ensure completion of that process in that time frame. Appropriate management personnel should review and approve this process and ensure any adjustments made as a result of this process are accurate.
- Ensure that banking information is appropriately reflected in the general ledger.
- Develop standard cash management procedures for reporting financial transactions from each department, i.e., use of standard forms.

County's Response:

During fiscal year 2004, the Treasurer made several improvements over the management and monitoring of cash activity. While there were some exceptions on the timeliness of preparation and review of cash accounts' reconciliations, the Treasurer did develop better reconciliation procedures over cash monitoring. Major cash accounts are monitored frequently and formal reconciliations are prepared for each account each month. These reconciliations reflect current account activity and update the general ledger in a timely manner.

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
November 30, 2005

Major Federal Awards Program Audit Findings and Questioned Costs

05-4 Workforce Investment Act - CFDA No. 17.258 and 17.260

Condition:

We noted that one individual within the Workforce Investment department applies for WIA grants, determines the drawdown amount, approves and enters all bills into the general ledger, prepares the reports required by the Illinois Department of Commerce and Economic Opportunity, and submits all reports.

Criteria:

OMB Circular A-133 Subpart C Section .300(b) states, "The auditee shall maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Cause:

The County does not have internal controls in place to ensure accurate reporting of federal expenditures in that no supervisory review is required prior to submission of expenditure reports.

Effect:

While the WIS Director is experienced in all areas of the grant program, the current work load is too much for one person to do timely and accurately. However, we noted no mistakes during our testing.

Recommendation:

The County should follow established procedures and approve bills for payment as soon as the necessary backup has been collected.

MACON COUNTY, ILLINOIS

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS

November 30, 2005

Financial Statement Audit Findings

01-1 Finding: Unrecorded Transactions

Minor bank accounts exist throughout the County that are not being accounted for on a regular basis. These accounts appear to have been initially set up with donations or other outside revenue sources that were not handled in the customary manner. These transactions have not been subjected to normal approval procedures and are not recorded in the County's financial records.

Recommendation:

We recommend that all transactions affecting the County's programs and departments be accounted for and reported in the County's financial records.

Current Status:

This finding is still an issue but has been incorporated into the more encompassing cash management issue at Finding 04-3.

MACON COUNTY, ILLINOIS

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)
November 30, 2005

Financial Statement Audit Findings, continued

00-2 Finding: Duplication of Effort/Information Sharing

Several departments maintain their own accounting records as well as those maintained by the auditor's office. This results in a duplication of effort. Furthermore, in some instances, those responsible for the separate accounting records do not possess the level of accounting background necessary to properly account for these transactions. This practice also creates two very different sets of records. When grant reports are prepared from the individual department's records, they cannot be easily reconciled to the Countywide accounting records from which the financial statements are prepared.

Recommendation:

We recommend that the County Auditor's office be the primary source of all accounting records. The County has spent a substantial amount of money installing and implementing the current accounting software and related accounting procedures, and it should be used as the primary source of accounting information. The only exception is when County officials determine that it is appropriate for a department to perform the accounting function autonomously.

If this practice is to continue, the individual department records should be compared with and reconciled to the Countywide accounting records maintained by the County Auditor's office. The reconciliation would have to be done for a set time frame (i.e. last day of each month, last day of each quarter, etc.) and any discrepancies settled at once. This will ensure that all transactions are accounted for uniformly and within the parameters of the approved budget.

County's Response:

As indicated at Finding 05-1, the County has not resolved this issue.

MACON COUNTY, ILLINOIS

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)
November 30, 2005

Financial Statement Audit Findings, continued

00-8 Finding: Federal Funds not Tracked

We were unable to determine if all federal source revenue and related expenditures were identified and included in the Schedule of Expenditures of Federal Awards. It is the responsibility of the County to monitor all federal monies received and spent by all departments and divisions within the County.

During our audit, we noted that the County does not identify federal source funds. The current process of dealing with grants is decentralized and each department obtaining grants is responsible for their particular grant. Reporting and monitoring of federal grants is done by those responsible for the grant, but the reported results are not communicated to the County Auditor's office for reconciliation to the general ledger.

Recommendation:

We recommend that all revenue sources be communicated to the County Auditor's office by all departments and identified as federal, state or local source funds, and that reports filed with grantor agencies be reconciled to the general ledger.

Current Status:

The County Auditor has revised the chart of accounts to more easily separate grant revenue from other revenue. There is also in place a policy of not assigning new grant revenue account numbers until contracts are received. While these steps are positive, the issue has not fully been resolved, as noted in Finding 05-2.

MACON COUNTY, ILLINOIS

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)
November 30, 2005

Financial Statement Audit Findings, continued

03-4 Finding: Bank Reconciliations not Prepared

The bank accounts under the direction of the County Treasurer were not being reconciled. Steps were taken to catch up on all monthly bank reconciliations, which uncovered numerous unrecorded transactions. Timely, accurate bank reconciliations are a necessary part of a strong internal control system - it affects the safeguarding of assets, leads to the discovery of intentional or unintentional errors and contributes to the strength of other controls in place and functioning.

We also noted that there is no review process of monthly reconciliations for bank accounts maintained by the Circuit Clerk. The outstanding check lists are not reviewed for voided checks or old, long outstanding checks, several of which were found during the audit.

Recommendation:

We recommend that all bank reconciliations be performed timely and that a proper review is made of each account reconciliation to determine the propriety of outstanding items.

Current Status:

This finding is still an issue but has been incorporated into the more encompassing cash management issue at Finding 05-3.

**INFORMATION REQUIRED BY THE ILLINOIS
DEPARTMENT OF COMMERCE AND ECONOMIC
OPPORTUNITY FOR WORKFORCE INVESTMENT ACT FUNDS**

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL, PROGRAMS PASSED THROUGH
ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY - COMPLETED
BY NOVEMBER 30, 2005

Year ended November 30, 2005 and
Cumulative from Beginning of Grant

	Budget	Current Year	Cumulative
<u>WIA Rapid Response, Dislocated Worker, Grant Number 04-65119</u>			
Administrative	\$ 10,000		
Local program activities	90,000	40,209	100,000
Total expenditures	100,000	40,209	100,000
<u>WIA Title I, Grant Number 03-68119</u>			
Administrative	170,832	87,017	170,832
Youth - in school	197,331	27,708	279,370
Youth - out of school	296,632	1,423	214,593
Adult	444,143	39,533	444,143
Dislocated workers	599,398	85,534	599,398
Total expenditures	1,708,336	241,215	1,708,336
<u>WIA Board Grant, Grant Number 03-63119</u>			
Salaries	24,030	7,807	22,781
Fringe	3,948	1,744	3,969
Contractual	12,022		
Marketing	5,000		
Other/supplies	5,000	5,080	11,705
Total expenditures	50,000	14,631	38,455
<u>WIA 5% Statewide Administration, Grant Number 03-63219</u>			
High speed internet	17,500	11,613	17,500
Total expenditures	17,500	11,613	17,500
<u>WIA 10% Statewide-Private Sector Based Training Grant Number 03-67401</u>			
Planning	173,000	55,666	155,194
Total expenditures	\$ 173,000	55,666	155,194

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - BUDGET AND ACTUAL, PROGRAMS PASSED THROUGH
 ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC
 OPPORTUNITY - NOT COMPLETED BY NOVEMBER 30, 2005
 Year ended November 30, 2005 and
 Cumulative from Beginning of Grant

	Budget	Cumulative	Current Year
<u>WIA TAA Training, Grant Number 05-66119</u>			
Revenue:			
Grant funds	\$ 45,320	33,382	33,382
Expenditures:			
Administrative	3,827		
Training	36,493	33,382	33,382
Out of area job search	1,000		
Out of area relocation	4,000		
Total expenditures	45,320	33,382	33,382
Excess of revenue over expenditures	-	-	-
Fund balance, beginning of year			-
Fund balance, end of year			-
<u>WIA Title I, Grant Number 04-68119</u>			
Revenue:			
Grant funds	1,513,858	1,316,474	942,851
Expenditures:			
Administrative	151,385	109,781	61,566
Youth - in school	238,425	156,191	134,770
Youth - out of school	220,084	219,167	189,017
Adult	401,490	392,975	226,671
Dislocated workers	502,474	438,360	330,827
Total expenditures	1,513,858	1,316,474	942,851
Excess of revenue over expenditures	\$ -	-	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

(Continued)

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - BUDGET AND ACTUAL, PROGRAMS PASSED THROUGH
 ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC
 OPPORTUNITY - NOT COMPLETED BY NOVEMBER 30, 2005 (Continued)
 Year ended November 30, 2005 and
 Cumulative from Beginning of Grant

	Budget	Cumulative	Current Year
<u>WIA Title I, Grant Number 05-681019</u>			
Revenue:			
Grant funds	\$ 1,472,690	594,412	594,412
Expenditures:			
Administrative	147,267	53,763	53,763
Youth - in school	232,264	53,034	53,034
Youth - out of school	197,855	96,219	96,219
Adult	373,919	192,530	192,530
Dislocated workers	521,385	198,866	198,866
Total expenditures	1,472,690	594,412	594,412
Excess of revenue over expenditures	-	-	-
Fund balance, beginning of year			-
Fund balance, end of year			-
<u>WIA 10% Statewide Activities, Grant Number 02-67219</u>			
Revenue:			
Grant funds	29,717	29,717	18,769
Expenditures:			
Incentive funds	29,717	29,717	18,769
Excess of revenue over expenditures	\$ -	-	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

(Continued)

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - BUDGET AND ACTUAL, PROGRAMS PASSED THROUGH
 ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC
 OPPORTUNITY - NOT COMPLETED BY NOVEMBER 30, 2005 (Continued)
 Year ended November 30, 2005 and
 Cumulative from Beginning of Grant

	Budget	Cumulative	Current Year
<u>WIA 10% Statewide Activities, Grant Number 03-67219</u>			
Revenue:			
Grant funds	\$ 27,051	20,240	20,240
Expenditures:			
Incentive funds	27,051	20,240	20,240
Excess of revenue over expenditures	-	-	-
Fund balance, beginning of year			-
Fund balance, end of year			-
<u>WIA 10% Statewide Activities Training, Grant Number 05-671004</u>			
Revenue:			
Grant funds	15,000	5,855	5,855
Expenditures:			
Training and technical assistance	15,000	5,855	5,855
Excess of revenue over expenditures	\$ -	-	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

(Continued)

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - BUDGET AND ACTUAL, PROGRAMS PASSED THROUGH
 ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC
 OPPORTUNITY - NOT COMPLETED BY NOVEMBER 30, 2005 (Continued)
 Year ended November 30, 2005 and
 Cumulative from Beginning of Grant

	Budget	Cumulative	Current Year
<u>WIA Board Grant, Grant Number 04-63119</u>			
Revenue:			
Grant funds	\$ 50,000	35,626	35,626
Expenditures:			
Salaries	27,423	25,828	25,828
Fringe	4,323	5,016	5,016
Travel	6,000		
Contractual	4,254		
Other supplies	8,000	4,782	4,782
Total expenditures	50,000	35,626	35,626
Excess of revenue over expenditures	-	-	-
Fund balance, beginning of year			-
Fund balance, end of year			-
<u>WIA 5% Statewide Administration, Grant Number 04-63219</u>			
Revenue:			
Grant funds	14,691	14,292	14,292
Expenditures:			
High speed internet	14,691	14,292	14,292
Excess of revenue over expenditures	\$ -	-	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

(Continued)

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - BUDGET AND ACTUAL, PROGRAMS PASSED THROUGH
 ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC
 OPPORTUNITY - NOT COMPLETED BY NOVEMBER 30, 2005 (Continued)
 Year ended November 30, 2005 and
 Cumulative from Beginning of Grant

	Budget	Cumulative	Current Year
<u>WIA Planning grant, Grant Number 04-63319</u>			
Revenue:			
Grant funds	\$ 25,000	967	967
Expenditures:			
Planning	25,000	967	967
Excess of revenue over expenditures	\$ -	-	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

STATISTICAL SECTION
(Unaudited)

MACON COUNTY, ILLINOIS

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	General Government and Capital Outlay	Public Safety	Judiciary and Court-Related	Public Health and Welfare	Transportation	Debt Service	Total
1995	\$ 10,238,106	7,851,728	3,800,140	5,687,379	9,303,876	672,239	37,553,468
1996	8,965,240	8,077,810	4,094,330	4,874,998	4,686,038	590,757	31,289,173
1997	14,241,643	8,472,846	4,295,055	5,574,698	3,784,388	661,357	37,029,987
1998	9,438,202	9,065,536	4,830,567	5,662,906	4,164,571	1,025,836	34,187,618
1999	10,568,809	9,136,630	5,566,739	6,372,417	3,857,572	1,008,178	36,510,345
2000	11,644,443	10,070,210	7,133,910	6,027,061	4,691,800	883,304	40,450,728
2001	11,953,641	9,888,752	6,831,218	6,588,511	5,879,571	923,843	42,065,536
2002	9,028,250	9,863,964	6,756,603	8,380,261	6,510,644	931,955	41,471,677
2003	12,189,482	9,466,188	5,550,206	7,705,262	5,267,006	1,058,605	41,236,749
2004	10,180,269	11,283,184	6,203,159	8,103,792	7,267,977	947,692	43,986,073

(1) Includes General Corporate, Special Revenue, and Capital Projects Funds.
 Excludes "Other Uses of Funds."

Source: Financial Report, 1995-2004

MACON COUNTY, ILLINOIS

**GENERAL GOVERNMENTAL REVENUE BY SOURCE (1)
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	General Taxes	Inter-governmental	Fines, Fees, Forfeitures	Licenses and Permits	Interest on Investments	Miscellaneous Revenue	Total
1995	\$ 16,579,706	12,306,855	4,655,056	47,485	907,379	1,005,793	35,502,274
1996	17,103,223	7,394,350	4,992,606	49,733	810,263	1,151,224	31,501,399
1997	18,278,621	7,776,417	5,162,834	51,225	1,044,576	1,341,093	33,654,766
1998	18,191,984	8,559,364	5,688,599	73,535	1,197,696	1,583,501	35,294,679
1999	18,758,464	10,155,010	5,631,176	58,609	1,027,157	2,123,395	37,753,811
2000	18,991,581	9,624,963	5,743,207	83,457	1,513,110	2,974,577	38,930,895
2001	18,798,749	12,916,953	5,761,317	96,596	1,166,620	1,837,460	40,577,695
2002	19,315,963	14,657,622	6,339,340	90,953	465,429	1,252,459	42,121,766
2003	21,020,037	13,135,830	5,276,095	119,880	202,805	1,500,168	41,254,815
2004	22,918,716	13,030,618	5,964,843	198,214	322,822	2,465,857	44,901,070

(1) Includes General Corporate and Special Revenue Funds.
Excludes "Other Financing Sources."

Source: Financial Report, 1995-2004

MACON COUNTY, ILLINOIS

ASSESSED VALUATIONS, RATES, EXTENSIONS AND DISTRIBUTIONS
 TAX LEVY YEARS 1995-2004
 (Unaudited)

	Tax Levy			
	2004	2003	2002	2001
Assessed Valuations:				
Real estate	\$ 1,310,728,120	1,332,089,906	1,257,587,721	1,206,961,765
Railroads	11,780,781	12,062,815	11,574,187	11,263,206
	<u>\$ 1,322,508,901</u>	<u>1,344,152,721</u>	<u>1,269,161,908</u>	<u>1,218,224,971</u>
Tax Rates:				
General Corporate Fund	.2500	.2500	.2500	.2400
County Highway Fund	.0901	.0853	.0849	.0960
Special Bridge Fund	.0339	.0316	.0314	.0339
Illinois Municipal Retirement Fund	.0756	.1098	.1111	.0771
Federal Aid Matching Fund	.0287	.0269	.0267	.0289
Historical Museum Fund	.0020	.0020	.0020	.0020
County Health Department Fund	.1070	.1070	.1070	.1034
Insurance Liability Fund	.0547	.0581	.0615	.0610
Veterans Commission Fund	.0069	.0068	.0070	.0070
708 Board Fund	.1500	.1500	.1500	.1500
Judgment Repayment Fund	.0340	.0413	.0585	.0610
Law Facilities Center Fund	.1792	.2594	.2679	.2729
Social Security Tax Fund	.0699	.0716	.0733	.0643
Building Renovation Fund	.1626	.1559	.1594	.1608
Macon County Coop Extension	.0274	.0272	.0228	.0236
	<hr/>			
Total tax rate per \$ 100 of assessed valuation	1.2720	1.3829	1.4135	1.3819

Source: Financial Report 1995-2004

(Continued)

Year					
2000	1999	1998	1997	1996	1995
1,124,646,483	1,087,345,909	1,286,998,463	1,039,456,138	987,259,060	941,076,621
11,201,302	14,689,302	14,318,217	14,309,408	13,774,039	12,462,876
1,135,847,785	1,102,035,211	1,301,316,680	1,053,765,546	1,001,033,099	953,539,497
.2390	.2463	.2500	.2500	.2500	.2500
.0956	.0986	.1000	.1000	.1000	.1000
.0353	.0364	.0400	.0400	.0500	.0203
.0803	.0828	.0867	.0920	.1224	.1238
.0301	.0310	.0500	.0500	.0267	.0473
.0020	.0020	.0020	.0020	.0020	.0020
.1070	.1012	.1070	.1070	.1070	.1067
.0615	.0634	.0066	.0700	.0700	.0708
.0072	.0074	.0075	.0075	.0068	.0069
.1500	.1500	.1463	.1353	.1321	.1319
.0615	.0634	.0660	.0700	.0700	.0708
.2846	.2868	.2895	.3801	.3262	.3283
.0669	.0690	.0750	.0800	.0995	.1007
.1650	.1646	.1694	.1687	.1367	.1403
.0238	.0245	.2590	.0025		
1.4098	1.4274	1.6550	1.5551	1.4994	1.4998

MACON COUNTY, ILLINOIS

ASSESSED VALUATIONS, RATES, EXTENSIONS AND DISTRIBUTIONS (Continued)
 TAX LEVY YEARS 1995-2004
 (Unaudited)

	Tax Levy			
	2004	2003	2002	2001
Tax Extensions:				
General Corporate Fund	\$ 3,309,657	3,330,292	3,144,033	2,896,768
County Highway Fund	1,192,800	1,136,293	1,067,711	1,158,704
Special Bridge Fund	448,790	420,947	394,889	409,167
Illinois Municipal Retirement Fund	1,000,840	1,462,659	1,397,206	930,584
Federal Aid Matching Fund	379,949	358,337	335,782	348,818
Historical Museum Fund	26,477	26,642	25,152	24,139
County Health Department Fund	1,416,590	1,425,336	1,397,271	1,300,121
Insurance Liability Fund	724,153	773,957	773,430	736,260
Veterans Commission Fund	91,347	90,583	88,032	84,488
708 Board Fund	1,985,873	1,998,134	1,958,792	1,886,057
Judgment Repayment Fund	450,113	550,162	735,701	736,260
Law Facilities Center Fund	2,372,362	3,455,503	3,369,139	3,293,860
Social Security Tax Fund	925,380	953,793	921,828	776,091
Building Renovation Fund	2,152,601	2,076,764	2,004,631	1,940,836
Macon County Coop Extension	362,753	362,327	297,737	296,740
Total	\$ 16,839,685	18,421,729	17,911,334	16,818,893

(Continued)

Year					
2000	1999	1998	1997	1996	1995
2,714,734	2,714,377	2,804,705	2,622,639	2,543,008	2,307,343
1,085,890	1,086,628	1,100,000	1,039,100	1,010,543	922,933
400,962	401,148	434,000	409,640	495,272	187,354
912,101	912,504	964,971	965,130	1,145,357	1,142,591
341,896	341,638	556,500	524,550	316,165	436,547
22,716	22,040	22,260	20,981	20,410	18,457
266,294	1,161,938	1,179,200	1,120,961	1,088,481	998,646
698,558	698,704	734,580	734,338	713,300	653,437
81,782	81,551	84,505	78,678	70,046	63,681
1,775,178	1,722,240	1,550,696	1,351,782	1,282,782	1,234,503
698,558	698,704	734,338	734,338	713,300	653,437
3,232,681	3,160,701	3,221,943	3,231,793	3,321,899	3,029,993
759,895	760,420	834,750	839,244	1,013,906	929,393
1,874,183	1,813,987	1,885,430	1,344,888	1,392,389	1,294,876
281,299	281,299	251,634	249,775		
<u>15,146,727</u>	<u>15,857,879</u>	<u>16,359,512</u>	<u>15,267,837</u>	<u>15,126,858</u>	<u>13,873,191</u>

MACON COUNTY, ILLINOIS

ASSESSED VALUATIONS, RATES, EXTENSIONS AND DISTRIBUTIONS (Continued)
 TAX LEVY YEARS 1995-2004
 (Unaudited)

	2004	2003	2002	Tax Levy 2001
Distributions by County Collector:				
General Corporate Fund	\$ 3,303,230	3,328,170	3,133,400	2,885,284
County Highway Fund	1,189,655	1,135,785	1,063,711	1,154,110
Special Bridge Fund	447,744	420,733	393,402	407,545
Illinois Municipal Retirement Fund	998,505	1,461,290	1,392,861	926,895
Federal Aid Matching Fund	379,061	358,156	334,606	347,435
Historical Museum Fund	26,413	26,626	25,062	24,044
County Health Department Fund	1,413,227	1,424,440	1,390,470	1,299,822
Insurance Liability Fund	722,462	773,543	770,744	733,341
Veterans Commission Fund	91,138	90,532	87,711	84,154
708 Board Fund	1,981,479	1,996,975	1,949,154	1,885,622
Judgment Repayment Fund	449,064	550,139	733,023	733,341
Law Facilities Center Fund	2,366,825	3,453,664	3,357,046	3,280,800
Social Security Tax Fund	923,219	953,115	918,669	773,014
County Building and Courts Facility Fund	2,147,574	2,075,610	1,997,459	1,933,136
Macon County Coop Extension	361,927	362,028	296,217	296,687
Total	\$ 16,801,523	18,410,806	17,843,535	16,765,230
Percentage of extensions distributed	99.77%	99.94%	99.62%	99.68%

Year					
2000	1999	1998	1997	1996	1995
2,699,904	2,691,469	2,587,676	2,492,577	2,471,685	2,219,922
1,079,958	1,077,433	1,035,090	997,580	956,885	887,965
398,771	397,778	418,054	403,380	466,851	180,256
907,119	903,698	901,608	926,583	1,098,344	1,099,300
340,028	341,907	518,595	491,570	299,322	420,007
22,592	22,218	20,701	19,967	19,135	17,758
1,259,690	1,151,852	1,114,543	1,067,696	1,045,018	960,107
694,742	692,639	688,161	698,096	671,967	628,679
81,335	82,388	78,768	74,689	66,940	61,268
1,765,921	1,707,204	1,473,161	1,284,192	1,278,825	1,240,437
694,742	692,639	688,161	698,096	671,967	628,679
3,215,021	3,131,648	3,047,510	3,109,204	3,157,980	2,915,191
755,744	753,247	780,259	806,322	969,090	894,180
1,863,944	1,799,373	1,730,456	1,702,113	1,344,346	1,245,815
280,150	280,067	239,052	237,286		
16,059,661	15,725,560	15,321,795	15,009,351	14,518,355	13,399,564
99.46%	99.17%	93.66%	98.31%	95.98%	96.59%

MACON COUNTY, ILLINOIS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 TAX LEVY YEARS 1995-2004
 (Unaudited)

Tax Levy Year	Real Estate		Railroads	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1995	\$ 941,076,621	2,823,258,095	12,462,876	37,389,001
1996	987,259,060	2,964,741,921	13,774,039	41,363,780
1997	1,039,456,138	3,118,680,282	14,309,408	42,932,517
1998	1,286,998,463	3,860,999,250	14,318,217	42,954,694
1999	1,087,345,909	3,515,600,327	14,689,302	44,112,018
2000	1,124,646,483	3,620,285,295	11,201,302	32,583,006
2001	1,206,961,765	3,582,095,677	11,263,206	33,789,618
2002	1,257,587,721	3,738,040,602	11,574,187	34,722,561
2003	1,332,089,906	3,960,081,273	12,062,815	36,188,445
2004	1,310,728,120	3,932,184,360	11,780,781	35,342,343

Source: Macon County Clerk's Office

Total		Ratio of Total Assessed to Total Estimated Actual Value
Assessed Value	Estimated Value	
953,539,497	2,860,647,096	33 1/3
1,001,033,099	3,006,105,701	33 1/3
1,053,765,546	3,161,612,799	33 1/3
1,301,316,680	3,903,953,944	33 1/3
1,102,035,211	3,559,712,345	33 1/3
1,135,847,785	3,652,868,301	33 1/3
1,218,224,971	3,615,885,295	33 1/3
1,269,161,908	3,772,763,163	33 1/3
1,344,152,721	3,996,269,718	33 1/3
1,322,508,901	3,967,526,703	33 1/3

MACON COUNTY, ILLINOIS

**PROPERTY TAX RATES (PER \$ 100 OF ASSESSED VALUATION) -
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Unaudited)**

	2004	2003	2002	2001	2000	1999
County of Macon	1.2720	1.3829	1.4135	1.3819	1.4098	1.6550
City of Decatur	1.2717	1.1925	1.2796	1.2857	1.3939	1.3716
Conservation District	.1146	.1082	.1061	.1052	.1070	.1097
Decatur Park District	.9988	.9988	.9721	.9325	.9980	.9910
Decatur Sanitary District	.2964	.2616	.2873	.3047	.3301	.3380
Decatur Township	.2664	.2494	.2647	.2653	.2840	.2686
Hickory Point Township	.3022	.2913	.3010	.3005	.3217	.3311
Richland Community College	.3895	.3839	.3840	.3724	.3721	.3328
Decatur School District	4.1670	4.0734	4.1053	3.9862	3.6250	3.2946
Mt. Zion School District	4.0149	3.9609	3.9901	3.9629	3.9571	3.9896

(1) Represents the ten largest taxing districts within the County of Macon, Illinois.

(2) Taxes are collected during the year following the year taxes are levied.

Source: Macon County Clerk's Office

1998	1997	1996	1995
1.5551	1.4994	1.4998	1.5185
1.3444	1.3829	1.4098	1.4184
.1046	.1051	.1102	.1111
.9879	.9838	.9979	.9720
.3504	.3611	.3800	.3867
.2637	.2455	.2343	.2491
.3356	.3387	.3436	.3429
.3337	.2871	.2826	.2816
3.3086	3.2600	3.2600	3.2742
3.9830	3.9775	3.9775	3.9404

MACON COUNTY, ILLINOIS

**PRINCIPAL TAXPAYERS
(Unaudited)**

<u>Company Name</u>	<u>Business Category</u>	<u>2004 Assessed Valuation</u>	<u>Percent to Equal</u>
Archer Daniels Midland Co.	Mfg. - Food Products	\$ 26,350,493	33 1/3
CWB Investments	Retail Sales	11,165,019	33 1/3
Wal-Mart Stores	Retail Sales	8,513,509	33 1/3
Caterpillar, Inc.	Mfg. - Heavy Industry	7,316,611	33 1/3
Real Estate Investors	Real Estate	4,266,799	33 1/3
Pittsburg Plate Glass Co.	Mfg. - Glass	3,921,468	33 1/3
Millikin University	Student Housing	3,659,585	33 1/3
Northgate Ltd. Partnership	Retail Sales	3,445,630	33 1/3
Decatur Memorial Health Foundation	Hospital Grounds	3,357,532	33 1/3
Ameren/IP	Utilities	4,269,454	33 1/3

The ten principal taxpayers in Macon County account for \$ 76,266,100 or 5.77 percent of the total taxable assessed valuation.

Source: Macon County Supervisor of Assessments

MACON COUNTY, ILLINOIS

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Year	Population (1)	Medium Age (2)	School Enrollment (3)	Unemployment Rates (4)		
				County	State	United States
1995	\$ 118,200	36.4	17,940	7.5	5.2	5.6
1996	117,822	36.7	17,664	8.1	5.3	5.2
1997	117,206	37.7	19,196	7.0	4.7	4.4
1998	117,643	37.7	18,948	5.5	4.4	4.0
1999	118,051	38.4	18,742	5.2	4.1	4.0
2000	114,706	38.0	17,870	5.0	4.4	4.0
2001	114,706	38.0	17,959	6.3	5.4	4.8
2002	112,391	38.0	17,490	8.2	6.5	5.8
2003	111,175	38.0	17,466	7.4	6.7	6.0
2004	110,502	38.0	19,006	6.7	6.2	5.5

(1) U.S. Census Bureau

(2) U.S. Census Bureau

(3) Macon-Piatt Regional Superintendent of Education

(4) Illinois Department of Employment Security

MACON COUNTY, ILLINOIS

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
(Unaudited)

Year	Property Value (1)			Residential Construction (2)		Commercial Industrial Construction (2)	
	Real Estate	Railroads	Total	Permits	Estimated Value	Permits	Estimated Value
1994	\$ 2,478,005,262	31,070,053	2,509,075,315	214	\$ 8,408,797	9	\$ 458,500
1995	2,733,291,695	35,476,047	2,768,767,742	194	9,433,890	28	818,300
1996	2,823,258,095	37,389,001	2,860,647,096	195	8,859,142	29	1,593,659
1997	2,964,741,921	41,363,780	3,006,105,701	188	10,388,102	28	1,278,207
1998	3,118,680,282	42,932,517	3,161,612,799	218	12,423,717	24	3,390,000
1999	3,860,999,250	42,954,694	3,903,953,944	285	13,447,676	30	1,680,700
2000	3,515,600,327	44,112,018	3,559,712,345	212	13,407,525	32	3,256,000
2001	3,620,285,295	32,583,006	3,652,868,301	212	12,660,809	17	3,321,000
2002	3,582,095,677	33,789,618	3,615,885,295	179	11,441,102	16	1,618,550
2003	3,738,040,602	34,722,561	3,772,763,163	186	13,735,962	16	2,268,562
2004	3,960,081,273	36,188,455	3,996,269,728	255	17,612,801	13	1,230,899

(1) Estimated actual value from prior schedule

(2) Source: Macon County Zoning

(3) Source: Federal Deposit Insurance Company
1994 and 1995 information not available

Commercial Industrial
Construction (2)

<u>Permits</u>	<u>Estimated Value</u>	<u>Bank Deposits (3)</u>
9	\$ 458,500	-
28	818,300	-
29	1,593,659	1,378,000,000
28	1,278,207	1,441,000,000
24	3,390,000	1,457,000,000
30	1,680,700	1,468,000,000
32	3,256,000	1,430,000,000
17	3,321,000	1,468,000,000
16	1,618,550	1,640,000,000
16	2,268,562	1,613,000,000
13	1,230,899	1,618,000,000