

MACON COUNTY, ILLINOIS

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

*For the fiscal year ended
November 30, 2012*

May, Cocagne & King, P.C.

Certified Public Accountants & Consultants

MACON COUNTY, ILLINOIS

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

***For the fiscal year ended
November 30, 2012***

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

Amy C. Stockwell, County Auditor

MACON COUNTY, ILLINOIS

CONTENTS
November 30, 2012

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	i - v
Certificate of Achievement for Excellence in Financial Reporting	vi
List of Principal Officers	vii
Organizational Chart	viii

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1 and 2
-------------------------------------	----------------

MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 21
---	---------------

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Assets	22 - 25
Statement of Activities	26 and 27

Fund Financial Statements:

Balance Sheet - Governmental Funds	28 and 29
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	30
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	31 and 32
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	33
Statement of Net Assets - Proprietary Funds	34
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	35
Statement of Cash Flows - Proprietary Funds	36 and 37
Statement of Fiduciary Net Assets - Agency Funds	38

Notes to Financial Statements	39 - 84
--------------------------------------	----------------

MACON COUNTY, ILLINOIS

CONTENTS (Continued)
November 30, 2012

REQUIRED SUPPLEMENTARY INFORMATION

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance (Non-GAAP) - Budget and Actual:**

General Corporate Fund	85 - 90
Law Enforcement Safety Tax Fund	91 and 92
Illinois Municipal Retirement Fund	93 and 94
County Health Fund	95 and 96
County Highway Fund	97 and 98
Federal Aid Matching Fund	99 and 100
County Motor Fuel Tax Fund	101 and 102
Multi-Facility Lease Fund	103 and 104
State's Attorney Grant Fund	105 and 106
Probation Grant Fund	107 and 108

Schedule of Funding Progress:

Illinois Municipal Retirement Fund:

Regular	109
ECO	109
SLEP	109
Postemployment Benefits	110

Notes to Required Supplementary Information	111 - 113
--	------------------

COMBINING AND INDIVIDUAL FUND INFORMATION

GENERAL CORPORATE FUND

Balance Sheet	114
Statement of Revenues, Expenditures, and Changes in Fund Balance	115
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Non-GAAP) - Budget and Actual	116 - 128

**COMBINING STATEMENTS - NONMAJOR
GOVERNMENTAL FUNDS**

Combining Balance Sheet for Nonmajor Governmental Funds	129 - 133
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	134 - 138

MACON COUNTY, ILLINOIS

CONTENTS (Continued)
November 30, 2012

SPECIAL REVENUE FUNDS

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Non-GAAP) - Budget and Actual:

Social Security Fund	139
Insurance Liability Fund	140
Judgment Repayment Fund	141
Working Cash Fund	142
Special Bridge Fund	143
State-Township Bridge Fund	144
Circuit Clerk Automation Fund	145
Circuit Clerk Document Storage Fund	146
County Clerk Automation Fund	147
Treasurer Automation Fund	148
GIS Automation Fund	149
Animal Control Fund	150 and 151
Historical Museum Fund	152
Law Library Fund	153
Automation Fund	154
Environmental Management Fund	155 and 156
Veterans Assistance Commission Fund	157
Sheriff's Grant Fund	158
Workforce Investment Solutions Fund	159

AGENCY FUNDS

Combining Statement of Assets and Liabilities - Fiduciary Funds	160 and 161
---	-------------

Statement of Changes in Assets and Liabilities:

County Collector's Fund	162
County Treasurer's Funds	163
County Clerk's Fund	164
Circuit Clerk's Funds	165
County Sheriff's Funds	166
Township Road Fund	167
Total All Agency Funds	168

MACON COUNTY, ILLINOIS

CONTENTS (Continued)
November 30, 2012

STATISTICAL SECTION (Unaudited)

Financial Trends:

Net Assets by Component - Last Ten Fiscal Years	169 and 170
Changes in Net Assets - Last Ten Fiscal Years	171 - 174
Fund Balances, Governmental Funds - Last Ten Fiscal Years	175 and 176
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	177 and 178
Tax Revenues by Source, Governmental Funds - Last Ten Fiscal Years	179

Revenue Capacity:

Assessed Valuation and Estimated Actual Valuation - Last Ten Tax Levy Years	180 and 181
Schedule of Property Tax Rates - All Direct and Overlapping Governments - Last Ten Tax Levy Years	182 and 183
Principal Taxpayers - Current Year and Nine Years Ago	184
Property Tax Levies and Collections - County Funds - Last Ten Tax Levy Years	185 and 186

Debt Capacity:

Legal Debt Margin Information - Last Ten Fiscal Years	187 and 188
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	189 and 190
Direct and Overlapping Debt	191

Demographic and Economic Information:

Demographic and Economic Statistics - Last Ten Fiscal Years	192
Principal Employers in the County - Current Year and Nine Years Ago	193

Operating Information:

Full-time Equivalent County Government Employees by Function/Program - Last Ten Fiscal Years	194
Operating Indicators by Function - Last Seven Fiscal Years	195
Capital Asset Statistics by Function - Last Seven Fiscal Years	196

MACON COUNTY, ILLINOIS

CONTENTS (Continued)

November 30, 2012

FEDERAL AWARDS - COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards 197 - 212

Notes to Schedule of Expenditures of Federal Awards 213

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 214 and 215

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 216 and 217

Schedule of Findings and Questioned Costs 218 - 225

Summary of Schedule of Prior Audit Findings 226

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

Workforce Investment Solutions - Schedule of Expenditures - Budget and Actual, Programs Passed Through Illinois Department of Commerce and Economic Opportunity - Completed by November 30, 2012 227 and 228

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, 2012 229 and 230

INTRODUCTORY SECTION

AMY C. STOCKWELL



Macon County Auditor

May 23, 2013

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

Ladies and Gentlemen:

We are pleased to present Macon County, Illinois' (the County) Comprehensive Annual Financial Report (CAFR) for the year ended November 30, 2012. It has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. 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 me with any comments or questions concerning this report.

In accordance with requirements established by Illinois law, the County's financial statements have been audited by independent certified public accountants. The independent auditor's report is presented as the first component of the financial section of this report and includes an unqualified opinion.

An audit was also conducted to meet the requirements of the Federal Single Audit Act Amendment of 1996 and related U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with

Macon County Office Building • 141 South Main, Room 312 • Decatur, Illinois 62523
Phone: 217/424-1385 • Fax: 217/424-1356 • astockwell@co.macon.il.us

special emphasis on the administration of Federal and state awards. The results of the Federal Single Audit are presented as part of the CAFR.

The role of the auditors is to audit the basic financial statements to determine if they are free of material misstatements and to assess the accounting principles used. Based on their findings, they express an opinion on the fairness of the statements and disclose any material weaknesses. Responsibility for the accuracy of the data presented as well as the completeness and fairness of the presentation of this report rests with County management.

A system of internal control consists of all measures that the management of an organization implements in order to protect the organization's assets from theft, loss, or misuse (intentional and unintentional) and to ensure the accuracy of the County's financial statements. Internal control over financial reporting has inherent limitations because it involves human diligence and judgment which can be subject to lapses or breakdowns. Internal control over financial reporting also can be circumvented by collusion or improper override, and there is thus a risk that material misstatements will not be prevented or detected on a timely basis. However, these inherent limitations are known features of the financial reporting process and every effort has been made to design safeguards to reduce, though not eliminate, this risk.

The management of Macon County is responsible for developing, monitoring and maintaining a cost beneficial system of internal control over all financial related activities of the County. This responsibility is undertaken jointly by the Audit Sub Committee of the Macon County Board, the Finance Committee of the Macon County Board, the Macon County Auditor, and the elected officials. There is an ongoing assessment of the effectiveness of existing internal controls, taking into consideration their costs and benefits. Recommendations for improvement also consider costs and benefits.

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 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 has a rich history of agricultural productivity, innovative manufacturing and now world scale industrial agriculture. Macon County has been on the front lines of both the new industries in the 20th century and the structural changes in and loss of manufacturing in the 21st century. Starting in the 1990's, Macon County began to lose manufacturing jobs and employers and has experienced a

long term gradual decline in population dating back to the 1970's. These factors are crucial to understanding the financial standing of the community and county government today.

Macon County is the location for the headquarters of Archer Daniels Midland; Caterpillar has a major plant here. Both employers serve world-wide markets, have added employees in the past 10 years, and are responsible for a higher share of the county's employment than they were a decade ago. In contrast, many of the other smaller principal industrial employers have dropped employment and many have left Macon County while healthcare related employment has grown slightly.

The 2010 Census shows a decline in total population and a stronger decline in population in the central city. Macon County and Decatur have shown falling populations for decades; the most recent loss was less dramatic than at other points in Macon County's history. This long term population loss is the single most important factor to understanding Macon County's financial position. It is not a short term, business cycle trend but a long term structural trend and is in marked contrast to the population growth seen in the neighboring counties of McLean and Champaign.

As population declines, demand for housing declines. To clear the market by the inexorable laws of supply and demand, housing prices also fall thus inevitably reducing the Equalized Assessed Valuation (EAV) as we have already started to see. This trend of falling EAV will continue until the structural decline in total population is reduced. As population declines, total demand for goods and services of the residents also declines. Any attempts at economic development which bring in retailers or other employers relying on resident demand for goods and services will be unsuccessful. With a fixed or declining total demand for goods and services, new retailers will take business from existing retailers so that there is no net increase in employment. The only factors which will change the structural decline in the Macon County economy are: 1) new or existing business exporting goods or services outside Macon County, and/or 2) increase in the population of the county.

Unemployment in the County basically and consistently trends higher than state averages. In two important respects, Macon County is negatively outstanding: Macon County has the highest per capita rate in the State of Illinois of incarceration at the Department of Corrections despite normal crime rates, and the highest per capita rates in the state of teen pregnancy, obesity and heart disease. These facts mean an increasing demand for government services with especially high demand for criminal justice and public health services.

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 which is the historic first and still the most essential function of County government. 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 veteran's commission and environmental 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.

County government is thus structured by state law as the checks and balances of all three branches of government. Elected officials, department heads and county board members largely 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. County leadership has indicated their strong desire to develop additional cooperative arrangements.

Future Outlook

Macon County has now completed eleven years in which revenues exceed spending in the general fund, a highly unusual situation caused by sound financial management practices. Reserves are healthy, and Macon County Board leadership has made good on their promise to return \$1,000,000 to taxpayers by reducing the levy for property taxes being collected now. These financial results are fully discussed in the Management Discussion and Analysis section of this report.

Going forward, significant financial challenges are ahead because of the declining population and the increasing demand for services from the remaining population. The declining population means continuing pressure on various revenue sources including property taxes, sales taxes and income taxes, and fees as well. The remaining population will have an increasing demand for services because of our unfavorable health and incarceration situation. These twin trends will continue to require the very best effort from all parts of Macon County. Everyone will be challenged to continue to provide expanded and smarter services at reduced costs, to do more with less and to be smart about working for better outcomes for all the citizens of this community.

GFOA Certificate

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Macon County for its comprehensive annual financial report for the fiscal years ended November 30, 2006, 2007, 2008, 2009, 2010 and 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and

efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 throughout Macon County who helped make this possible. I am especially appreciative of the initiative and care shown by Chief Deputy Auditor Carol Reed. We are also indebted to the professionalism and commitment of our independent auditors, May, Cocagne and King, P.C. The cooperation of everyone is greatly appreciated, as is the commitment of the Macon County Board to professional financial management of Macon County for the benefit of our ultimate bosses, the citizens and taxpayers of this County.

Sincerely,



Amy C. Stockwell
Macon County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Macon County
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
November 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moville

President

Jeffrey R. Emer

Executive Director

MACON COUNTY, ILLINOIS

LIST OF PRINCIPAL OFFICERS

November 30, 2012

COUNTY BOARD MEMBERS:

District	Representative	District	Representative
3	Jay Dunn (Chairman)	4	Kevin Meachum (Vice Chair)
4	Keith Ashby	2	Gary Minich
1	Jon Baxter	2	William Oliver
5	Patricia Cox	7	Bryan Smith
6	Dave Drobisch	2	Verzell Taylor
3	Tim Dudley	6	Don Westerman
7	Kevin Greenfield	3	Mark Wicklund
5	Phillip Hogan	1	Melverta Wilkins
5	Mervil Jacobs, Jr.	6	David Williams
1	Linda Little	7	Susanna Zimmerman
4	Joe McGlaughlin		

OTHER ELECTED OFFICIALS:

Auditor, Amy Stockwell

County Clerk, Stephen Bean

Treasurer, Edward Yoder

Recorder, Mary Eaton

Circuit Clerk, Lois Durbin

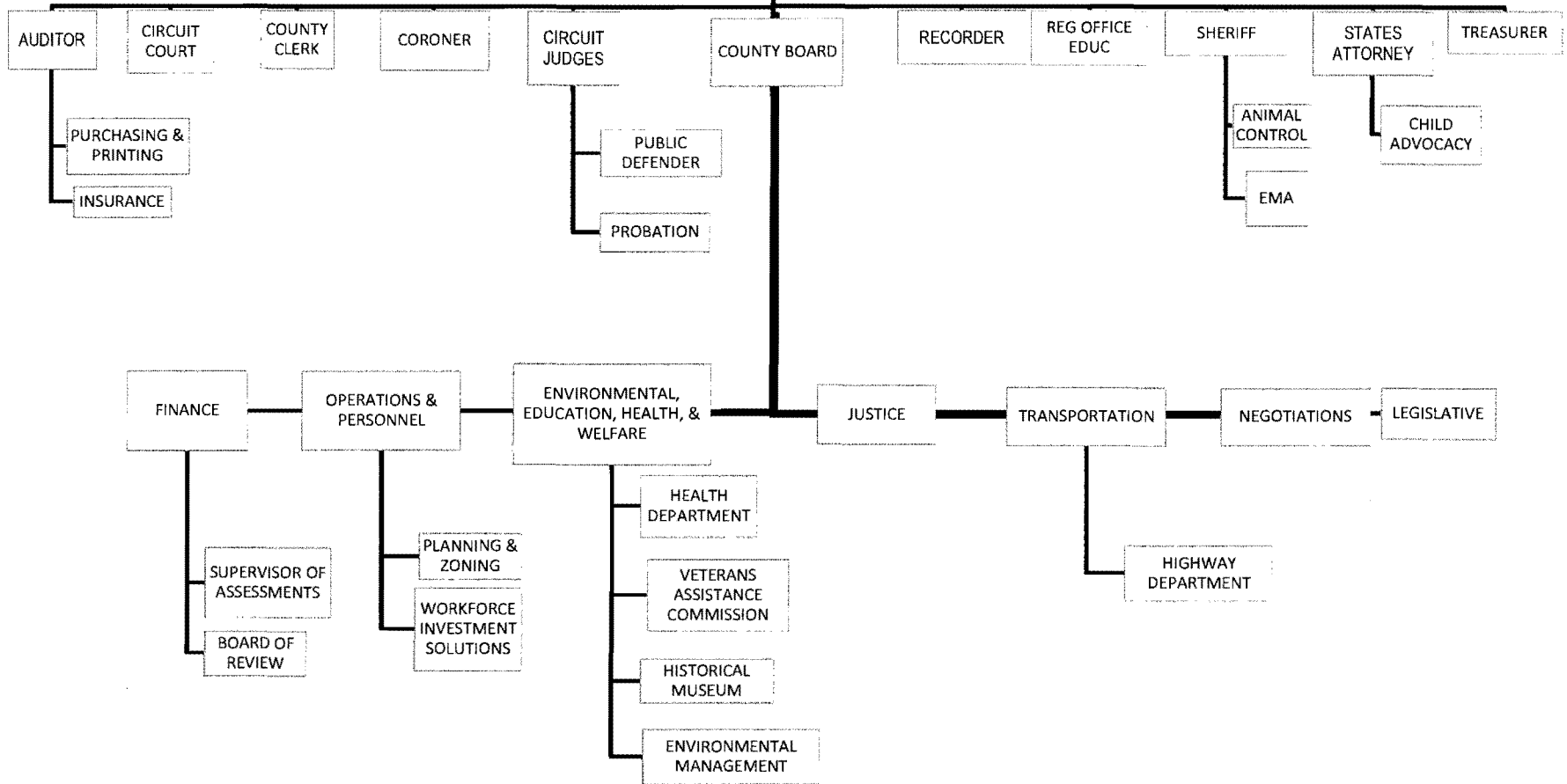
State's Attorney, Jack Ahola

Coroner, Michael Day

Regional Superintendent of Education, Matthew Snyder

Sheriff, Tom Schneider

MACON COUNTY VOTERS



FINANCIAL SECTION



May, Cocagne & King, P.C.

Certified Public Accountants and Consultants

1353 E. MOUND ROAD, SUITE 300, DECATUR, ILLINOIS 62526-9344 217/875-2655 FAX 217/875-1660

ALAN R. KING
PHILIP R. BAUER
ANDREW D. THOMAS
HELGA J. TOWLER
WILLIAM R. MOSS
CATHERINE J. MANSUR
STEVEN R. GROHNE
MARK S. WOOD

INDEPENDENT AUDITORS' REPORT

Macon County Board
Macon County, Illinois
Decatur, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Illinois as of and for the year ended November 30, 2012, 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, 2012, as listed in the table of contents. These financial statements are the responsibility of Macon County, Illinois' management. Our responsibility is to express opinions 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 54% and 46% of the assets, 95% and 5% of the liabilities and 32% and 68% of the net assets of the discretely presented component units. We did not audit the financial statements of the Decatur Public Building Commission which is both a major fund and 100 percent of the assets, net assets and revenues of the business-type activities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Decatur Public Building Commission, Macon County Mental Health Board and the Macon County Emergency Telephone System Board, is based 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. The financial statements of the Decatur Public Building Commission, Macon County Mental Health Board and the Macon County Emergency Telephone System Board were not audited in accordance with *Government Auditing Standards*. 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 and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Illinois as of November 30, 2012, 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, 2012, 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 May 14, 2013, on our consideration of the Macon County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis and budgetary comparison information on pages 3 through 21 and 85 through 108 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Macon County, Illinois' financial statements as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the 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 financial statements. 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. The schedule of expenditures of federal awards and grant financial information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, based on our audit and the reports of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

May, Coagne & King, P.C.

Decatur, Illinois
May 14, 2013

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

November 30, 2012

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.

Macon County's governmental structure contains all three branches of government, with appropriate checks and balances between them as specified by State of Illinois Statutes. The Macon County Board serves as the legislative branch, with various responsibilities including most importantly responsibility for appropriating all public funds through the annual budget process. The executive branch includes eight officials responsible directly to the voters of Macon County (Sheriff, State's Attorney, Coroner, Circuit Clerk, County Clerk, Recorder, Treasurer and Auditor) as well as a number of appointed officials with duties specified by statute (County Engineer, Supervisor of Assessment and others). The judicial branch includes directly elected Circuit Judges, Associated Judges appointed by other parts of the judiciary, and officials appointed by and reporting through the Courts (Public Defender and Probation & Court Services). The County Board Chairman's position is considered part time; the County Board office now consists of a single additional person. Without central administration, many of the Elected Officials have accepted significant responsibilities in addition to their statutory duties to insure the smooth operation of County Government. Department heads and employees throughout the organization are working hard to keep things going smoothly. That this decentralized approach has been successful is evidenced by the financial results we are reporting.

Financial Highlights

- The assets of Macon County exceeded its liabilities at the close of the most recent fiscal year by \$ 79,229,421 (*net assets*), an increase of \$ 4,781,595 over the prior year. Of the total net assets of the primary government, \$ 15,007,452 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors, and an additional \$ 17,261,200 (*restricted net assets*) is available for specific purposes. Net assets invested in capital assets, net of related debt, of \$ 46,960,769 increased by \$ 5,786,470. The increase represents capital acquisitions net of depreciation plus retirement of related long-term debt. The two discretely presented component units of Macon County have a total of \$ 5,625,912 in additional net assets, of which \$ 5,222,997 is unrestricted.
- Government-wide, Macon County had \$ 49,334,695 in expenses for the primary government, down \$ 207,029 from the prior year. This result put Macon County essentially even with last year's spending and was the result of numerous efficiency improvements offsetting price increases.
- The primary government offset expenses with \$ 8,374,826 of charges for services, \$ 13,338,712 of operating grants and contributions, and \$ 4,971,150 of capital grants and contributions. This left a balance of \$ 22,650,007 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 \$ 27,502,841 government-wide, thus creating an increase in net assets for the year of \$ 4,852,834.

- Macon County component units had \$ 5,023,204 in expenses, offset by \$ 220,481 of charges for services and \$ 1,061,763 of operating grants and contributions. Expenses were higher than revenues in both of the two component units.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$ 7,477,691 or 40.64% of total general fund expenditures. In addition, the Macon County Board committed \$ 2,705,579 for a reserve for possible future self-funding of employee health costs and an economic stabilization (“rainy day”) fund. Ending fund balance is the sum of revenue minus expenditures in all prior years. Deficit spending in 1999-2001 produced negative fund balances in the general fund; operating surpluses in every year since 2002 have produced this healthy level of fund balance which has allowed Macon County to avoid having to make wrenching cuts because of the recession and population declines. County leadership made good on their promise to return \$ 1,000,000 to the taxpayers in the FY 2013 budget process by reducing the general fund levy for taxes being collected in the summer of 2013.
- Macon County’s total long term debt (due in more than one year) decreased \$ 1,066,044, because of decreases in both categories of external obligations including general obligation notes payable and revenue bonds. Claims liabilities fell, offsetting actuarial calculations of OPEB liabilities while accrued compensated absences remained virtually unchanged.

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).

In the Statement of Net Assets and the Statement of Activities, the County operations are separated as follows:

Governmental activities: Most of the County's basic services are reported in this category, including general government, public safety, transportation, public health and welfare. Property and sales taxes, user fees, interest income and state and federal grants finance most of these activities.

Business-type activities: The County charges a fee to customers to cover all or most of the cost of certain services it provides. The Decatur Public Building Commission (DPBC) is reported in this category.

The government-wide financial statements include Macon County government and two component units: the Macon County Mental Health Board (708 Board) and the Emergency Telephone System Board (ETSB Board), which are reported separately from the financial information for the primary government itself. The government-wide financial statements can be found on pages 22 through 27 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 37 governmental funds, including the General Fund, 36 special revenue funds, and one capital project funds. (There are a number of additional funds for management reporting and control purposes.) Of these 37 governmental funds, 10 (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 governmental funds are also presented in the form of combining statements and individually in the supplemental information to this report.

Macon County government adopts annual appropriated budgets for the General Fund and most special revenue funds. Budgetary comparison schedules (original versus final) have been provided as Required Supplementary Information for the General Fund, the Law Enforcement Safety Tax Fund, the Illinois Municipal Retirement Fund, the County Health Fund, the County Highway Fund, the Federal Aid Matching Fund, the County Motor Fuel Tax Fund, the Multi-Facility Lease Fund, the State's Attorney's Grant Fund and the Probation Grant Fund to demonstrate compliance with the adopted budget. Non-major budgeted funds are also presented individually in the supplemental information to this report.

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*. The basic governmental fund financial statements can be found on pages 28 through 33 of this report.

Proprietary Funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County maintains two different types of proprietary funds; an internal service fund and an enterprise fund. The Internal Service Fund is used to report activities that provide supplies and services for other programs and activities - such as the County's self-insurance program. Because these services predominately benefit governmental rather than business-type functions, the Internal Service Fund is reported with governmental activities in the government-wide financial statements.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Decatur Public Building Commission for which activities are financed in whole or in part by fees charged to external parties for goods or services they provide. The basic proprietary fund financial statements can be found on pages 34 through 37 of this report.

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 Net Assets. 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 notes to the financial statements can be found on pages 39 through 84 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning budgetary comparison information for the general and major special revenue funds, and the County's progress in funding its obligation to provide pension benefits to its employees. Required supplemental information can be found on pages 85 through 113 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplemental information on pensions. Combining and individual statements and schedules can be found on pages 114 through 159 of this report.

The County's Government-wide Financial Analysis

Of the County's primary government total assets of \$ 88,987,801, a substantial portion (31.68%) is held in cash (\$ 24,130,046) and monetary investments (\$ 3,214,329). Cash and investments were down from the prior year by \$ 4,435,371 or 13.96% because of planned spending on two major highway capital projects (County Club Road and CH 30), planned reductions in special revenue fund balances, and timing differences for cash held for payroll and payables. Another substantial portion of assets are capital assets including the County's transportation infrastructure and all County buildings (\$ 50,190,239).

The government-wide balance sheet includes two component units, each of which have significant operational and/or financial relationships with the County.

Liabilities total \$ 9,758,380 for the primary government, including accounts payable, accrued salaries, liability for future compensated employee absences, bonds payable, and deferred revenue. A major external obligation of primary government liabilities is the general obligation note on the health department building. Another major liability is the revenue bonds payable on the other County buildings totaling \$ 2,502,425 issued through the Decatur Public Building Commission.

Assets minus liabilities equal net assets or assets available after satisfaction of obligations. Net assets for Macon County currently stand at \$ 79,229,421 for the primary government, up 6.42% from the prior year. Unrestricted net assets are up 10.55% from the prior year.

The County's net assets for the primary government for fiscal year ended November 30 are summarized as follows (dollars in millions):

	Governmental Activities			Business-type Activities			Total Primary Government		
	2012	2011	% Change	2012	2011	% Change	2012	2011	% Change
Assets:									
Current and other assets	\$ 36.58	40.95	(10.67)	2.22	2.07	7.25	38.80	43.02	(9.81)
Capital assets	49.73	45.38	9.59	0.46	0.27	70.37	50.19	45.65	9.95
Total Assets	86.31	86.33	(0.02)	2.68	2.34	14.53	88.99	88.67	0.14
Liabilities:									
Long-term liabilities	4.52	5.58	(19.00)				4.52	5.58	(19.00)
Other liabilities	4.93	8.50	(42.00)	0.31	0.15	106.67	5.24	8.65	(39.42)
Total Liabilities	9.45	14.08	(32.88)	0.31	0.15	106.67	9.76	14.23	(31.41)
Net Assets:									
Invested in capital assets	46.50	40.90	13.69	0.46	0.27	70.37	46.96	41.17	14.06
Restricted	17.26	19.70	(12.39)				17.26	19.70	(12.39)
Unrestricted	13.10	11.65	12.45	1.91	1.92	(0.52)	15.01	13.57	10.61
Total Net Assets	\$ 76.86	72.25	6.38	2.37	2.19	8.22	79.23	74.44	6.43

Governmental activities showed an increase in the County's net assets of \$ 4,676,698 due to the change in net assets (expenses over revenues) during fiscal year. The business-type activities include the blended component unit, the Decatur Public Building Commission, as its only major enterprise fund. This fund showed an increase in net assets of \$ 176,136. The key components of these changes for the primary government are the following (dollars in millions):

	Governmental Activities			Business-type Activities			Total Primary Government		
	2012	2011	% Change	2012	2011	% Change	2012	2011	% Change
Revenues:									
Program revenues:									
Charges for services	\$ 7.81	7.46	4.69	0.57	0.57	0.00	8.38	8.03	4.36
Operating grants and contributions	13.34	12.44	7.23				13.34	12.44	7.23
Capital grants and contributions	4.97	0.45	1,004.44				4.97	.45	1,004.44
General revenues:									
Property taxes	16.88	17.15	(1.57)				16.88	17.15	(1.57)
Sales tax	5.90	5.98	(1.34)				5.90	5.98	(1.34)
Income and replacement taxes	2.30	2.02	14.43				2.30	2.02	14.43
Investment income	0.05	0.10	(50.00)	0.02	0.03	(33.33)	0.07	0.13	(46.15)
Miscellaneous	2.35	2.29	3.07				2.35	2.29	3.07
Internal transfers - rent	(2.92)	(2.90)	0.69	2.92	2.90	0.69			
Total revenues	<u>50.68</u>	<u>44.99</u>	12.70	<u>3.51</u>	<u>3.50</u>	0.29	<u>54.19</u>	<u>48.49</u>	11.80
Expenditures paid:									
Current:									
General control and administration	7.47	7.18	4.04	3.33	3.47	(4.03)	10.80	10.65	1.41
Public safety	13.74	13.37	2.77				13.74	13.37	2.77
Judiciary and court-related	8.81	8.45	4.26				8.81	8.45	4.26
Public health and welfare	10.49	10.25	2.34				10.49	10.25	2.34
Transportation	5.34	6.60	(19.09)				5.34	6.60	(19.09)
Interest on long-term debt	0.16	0.23	(30.43)				0.16	0.23	(30.43)
Total expenditures paid	<u>46.01</u>	<u>46.08</u>	(0.15)	<u>3.33</u>	<u>3.47</u>	(4.03)	<u>49.34</u>	<u>49.55</u>	(0.42)
Change in net assets	<u>4.67</u>	<u>(1.09)</u>	529.44	<u>0.18</u>	<u>0.03</u>	500.00	<u>4.85</u>	<u>(1.06)</u>	557.55
Net assets, beginning, as previously reported	72.26	73.35	(1.49)	2.19	2.16	1.39	74.45	75.51	(1.40)
Prior period adjustment	(0.07)		100.00				(0.07)		100.00
Net assets, beginning, as restated	<u>72.19</u>	<u>73.35</u>	(1.58)	<u>2.19</u>	<u>2.16</u>	1.39	<u>74.38</u>	<u>75.51</u>	(1.50)
Net assets, ending	<u>\$ 76.86</u>	<u>72.26</u>	6.37	<u>2.37</u>	<u>2.19</u>	8.22	<u>79.23</u>	<u>74.45</u>	6.42

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

- The overall financial position of the County improved during fiscal year 2012 as the County responded to various factors created by the economic downturn and implemented long term capital investments through its highway funds. Because of prior year's good actions, effects of the economic downturn continue to be minimized and the County remains relatively strong and with options for future action. Further losses in revenue are being anticipated and steps are being taken now to minimize their effects before this expected loss becomes an emergency in future years. For the governmental activities of the government as a whole, revenue exceeded expenses by \$4.68 million which reflected continued hard work throughout the organization to spend only on essential items and to find every opportunity to streamline and modernize operations.
- Government-wide, Macon County had \$ 46.00 million in expenses in its primary government functions and \$ 50.68 million in revenues. As planned, current revenue shortfalls were covered by fund reserves accumulated over previous years. In this way, Macon County coped with the economic downturn with minimal effect on operations and continued investment in infrastructure. Wherever possible, reserves were accumulated for future needs and/or expected revenue shortfalls.
- Expenses for retiree health costs (OPEB expenses) were recorded for the fourth year. This expense added a total of \$ 221,760 to total expense government-wide. This expense was fully attributed to general control and administration although retirees came from all parts of the government.
- The following summarizes changes in the major expense categories excluding the depreciation expense:

	<u>2012</u>	2011	Change
Operating Expenses without Depreciation:			
General Control and Administration	\$ 7,220,548	6,949,148	271,400
Public Safety	12,875,843	12,477,366	398,477
Judiciary and Court	8,555,673	8,192,030	363,643
Public Health and Welfare	10,390,007	10,149,870	240,137
Transportation	3,781,708	4,825,404	(1,043,696)
Interest on Long Term Debt	159,640	227,944	(68,304)
	<u>\$ 42,983,419</u>	42,821,762	161,657

- Overall, expenses remained fairly constant with an increase of \$ 161,657 or 0.4%. The largest dollar volume of change in expenses was in the Transportation sector which reflects timing of major highway projects. Removing transportation from the totals, the other parts of Macon County increased expenses by only 3.2% reflecting normal payroll and vendor increases offset by improvements in efficiency. Office holders and managers throughout the County have been working to streamline operations and find new ways of working more efficiently without negatively impacting customer service. In many areas, customer service has actually improved and there is clear direction from the top to improve customer service. The new Property Tax Self Help center had a full year of operation in FY 2012, and helped many citizens use our GIS data to understand and question their assessments. The Sheriff's housing of Federal prisoners was enabled by cooperation throughout the criminal justice system to speed our own cases through the system; Federal prisoners made a substantial contribution to overall performance.

- The \$ 271,400 increase or 3.91% in operating expenditures in the General Control and Administration (GC&A) (without depreciation) was very much in line with the increase noted overall. This category includes additional appraisal expense for major employers, modest increases in health insurance, minor increases in workers compensation claims liability, and normal replacement of equipment including computers and vehicles.
- The \$ 398,477 increase in operating expenses government-wide for Public Safety (excluding depreciation) was due to recording retirement expenses within the group rather than as GC&A as previously and contractual personnel increases, partially offset by changes in non-payroll items and continued work to negotiate more favorable vendor contracts. The contract with the U.S. Marshalls to hold federal prisoners awaiting court appearances in Macon County continued to generate revenues helping offset increases in payroll costs.
- Public Health and Welfare increased by only 2.37% overall. The Public Health Department continued to streamline and modernize operations, reducing staffing and reorganizing functions which making additional investments in technology and facility. Expenditures in the Animal Control Fund, included in the Public Health and Welfare expense category at the government-wide level, also increased because of management changes and expanded warden scheduling to further improve customer service which occurred at the end of the prior year. The additional expenses are being supported by increased support from the City of Decatur (which accounts for well over 80% of the animals at the facility) as well as for the first time from the County's General Fund. It is abundantly clear there is substantial community support for the increased enforcement and increased adoptions provided by the current Animal Control administration under the Sheriff.
- The Judiciary and Courts expenditures (excluding depreciation) increased \$ 363,643. Notable reasons for the change included court ordered evaluations of sexually violent persons, settlement of the Probation Officers labor agreement with FOP, a new contract for housing juvenile offenders and receipt and operation of three new grants for Probation and Court Services. The new grants support the continuing efforts of the criminal justice system to find alternatives to incarceration which will promote community repair and discourage costly recidivism. The programs addressed by these grants are especially important because Macon County has the highest rates of incarceration in the State per capita and many of the parolees return to the community. Research shows that they are much more likely to be successful with adequate supervision and services. It should also be noted that several major grants in the State's Attorney grant fund ended toward the end of FY 2012 or early FY 2013. Plans to absorb these functions have been implemented.
- Public Health and Welfare operating expenses increased \$ 240,137 (excluding depreciation) because of long term investments by the Health Department in their building and in computer technology. The multi-year building renovation project centering on roof and drainage repairs began this year, and continued investments in computer technology continue to prepare the way for future service improvements. The Health Department and Macon County continue to devote an enormous amount of energy to securing and managing grants; it is to be devoutly hoped that the State's Public Health departments will move to a block grant system of grant management. Workforce Investment recorded a decline in expenditures because of reduction in grant funding and expiration of federal ARRA grant funding despite continued job losses in Macon County.

- Transportation operating expenses (excluding depreciation) decreased \$ 1,043,696 because of the timing of major projects. As was the case last year, work continued on the South and East Beltway engineering study with \$ 49,761 paid for environmental and engineering studies in preparation for planned route approval by the U.S. Department of Transportation. The two major projects undertaken were restoration of Country Club Road and CH 30 between Rte. 48 and Elwin. Macon County secured funding for and began offering rural on-demand transportation services during FY 2012. Looking ahead, if the Beltway receives all of the appropriate state and federal approvals, it will require a very large (many millions of dollars) financial commitment from Macon County in future years.
- Interest on long-term debt is incurred on the mortgage for the expanded building at the Health Department. These expenditures decreased with the renegotiation of the mortgage at more favorable rates. The interest payments on the two outstanding bonds for the facilities is also included in governmental activities.
- For governmental activities, revenues were up in total by 12.65%. Fees for services increased slightly due to increases in several fees, while grant funds also increased primarily due to Highway construction projects funded through the state. Property taxes were down slightly, as were sales taxes.

The government-wide balance sheet includes two discretely presented component units, each of which have significant operational and/or financial relationships with the County. In addition, activities of the DPBC are shown in the business-type activities of the primary government. Business-type activities accounted for \$ 2,368,623 of net assets including \$ 2,069,767 in cash and cash equivalents, constituting 77.22% of its total assets.

Financial Analysis of Macon County's Major Funds

As noted earlier, Macon County's 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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Expenditures and Program Revenues - Government Activities. Macon County's 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 and for the provision of health services among other reasons.

Operating grants include both State and Federal grants; federal grants are primarily passed through state agencies, however some are received directly from the federal government. These revenues 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.

Receivables from all sources (including other governments) totaled \$ 5,069,790 or 5.87% of total assets, a slight decrease of 0.6% from the prior year. There was a slight decrease in the amounts due from other governments (primarily the State of Illinois) from \$ 3,798,746 to \$ 3,537,262. For financial reporting purposes, we have applied generally accepted accounting principles provisions regarding modified accrual accounting for governmental funds. However, given the current circumstances this is no longer helpful and we use full accrual for management accounting. Continued cash flow difficulties with the State of Illinois have substantially lengthened payment times; all payments are eventually made. To apply the current rules for modified accrual essentially throws us back to cash basis accounting, which is not helpful for sound financial management. Given the current facts, we are choosing to retain full accrual for management accounting purposes but will respond to additional facts if they become available. The State cash flow situation is monitored constantly by management throughout the organization, and using full accrual for management accounting purposes retains decentralized accountability for insuring that we collect all owed sums.

The primary source of general revenue government-wide is property taxes. 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 presented in the financial statements includes other funds which are shown separately for management information purposes, namely the election equipment fund and the circuit clerk's maintenance account. In fiscal year 2012, for the eleventh year in a row, the General Fund again showed a positive change in fund balance (current revenues minus current expenditures). This result was quite dramatic because the budget envisioned that 2012 revenue less expenditure would be a negative \$ 346,817. The 2012 positive result means that many efforts came together to minimize the effects of the economic downturn and showed the continued and quite unusual success of the County's financial management system.

Macon County is making a very slow recovery from the economic downturn of 2009 which made a huge impact on the general fund by reducing both sales tax and income tax revenues. When the budget was developed for 2012, we were very conservative in projections of revenue although we had seen some encouraging signs especially in taxes closely tied to the economy. All major categories of revenue other than Fines, Fees and Forfeitures revenues missed the budgeted forecast. We are continuing to observe a basically downward trend in sales tax (which is based on the local economy), while income tax receipts have been bolstered by the tax increase and a strong state-wide economy.

Overall spending in all categories was again well less than budget although was slightly higher than the prior year. The better than expected revenue performance and the continued spending restraint together again moved the General Fund from the planned operating deficit to the actual positive result. The result of eleven years of surpluses means that total fund balances now stand at a very healthy \$ 10,224,689, including \$ 2,705,579 which has been committed for future needs by the County Board, and \$ 7,477,691 which is unassigned. The fund balance classifications are detailed in Note 12. It is worth noting again that Macon County's experience is in marked contrast to the situation of the State of Illinois and many surrounding counties. Positive fund balance results are produced not by growth in revenues, but by continued sound and realistic financial management and healthy checks and balances between the three branches of government.

On the revenue side, total revenue was up slightly over the prior year. Sales taxes were down slightly while income taxes were up. Fees collected by Macon County office holders were up slightly this year: items of note included increased recorder fees as property owners took advantage of low rates to refinance their mortgages and a substantial increase in fees from Sheriff sales. Court costs and fees were down in most major categories as were other categories of fees. Cable franchise fees were up due to completion of a multi-year project to renegotiate all franchise agreements. The most dramatic single increase in general revenue was additional revenue from the landfill, the "host fee." In addition to contract rate improvement, the approved expansion of the landfill enabled them to take out of county waste which provided additional revenue for the landfill operator and also for Macon County. Interest income declined again because of low interest rates. Revenue in total was up 2.94% over the prior year.

On the expenditure side, all general fund departments again spent below their budgeted appropriations. If budget was exceeded in one expenditure classification or "bucket" within a department, it was offset by spending below budget in another "bucket" for that department. Budgets were revised during the year to account for additional expense for appraisal research for a major employer's assessment, modifications to the Public Defenders budget to reflect the loss of state grant funding, funding of the Supervisor's new Self Help Center to provide additional support to citizens wishing to protest their assessments, additional fees offsetting negotiated labor contracts for employees in the Probation Department, additional expense to deal with certain state mandated cases for which special appeals are required, settlement of labor contracts in the Sheriff's operation including command and correctional officers, recognition of generous anonymous grants to purchase new vehicles for the Sheriff and additional autopsy expenses for the Coroner. There was a total favorable variance of \$ 887,934 on the spending side in the General fund because of continuing office holder restraint. On the revenue side, conservative revenue forecasting and a somewhat improved economy produced a \$ 567,037 favorable variance.

Although the plan was to have spending exceed revenue and use reserves which had been accumulated for this "rainy day", in fact spending was well less than revenue received. This was thus the eleventh year in which revenue has exceeded expenditure in the General fund. The change in fund balance (\$ 1,064,282 increase) was a dramatic improvement over the expected circumstance of needing to tap into reserves. Unrestricted ending fund balance first turned positive when the interfund debt created by the "time of troubles" was repaid at the end of 2004, remained positive in the following years, and has now grown to a comfortable and reasonable level. Eleven 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 years 1999, 2000 and 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 \$ 4 million).

In reviewing these results, the Macon County Board concluded that reserves were adequate and that the benefits of our improving circumstances would be shared with the taxpayers. The General Fund levy was reduced by \$ 1,000,000 for taxes to be collected in the summer of 2013, and the hope is that this "dividend" can be extended by an additional year.

Following is the budgetary summary of the General Fund; the detailed statement of this fund is found on pages 85 through 90 of the financial report.

Budgetary Basis	2012	2011	% Change
Revenues:			
Taxes	\$ 9,666,796	9,416,256	2.66
Intergovernmental	2,718,388	2,704,918	0.50
Fines, fees and forfeitures	4,162,621	3,982,604	4.52
Licenses and permits	67,101	71,857	(6.62)
Interest on investments	25,507	40,786	(37.46)
Miscellaneous revenue	2,153,737	2,040,568	5.55
Total revenues	18,794,150	18,256,989	2.94
General control and administration	3,589,804	3,519,380	2.00
Public safety	7,500,882	7,274,304	3.11
Judiciary and court related	7,138,588	6,944,056	2.80
Public health and welfare	153,982	157,548	(2.26)
Total expenditures	18,383,256	17,895,288	5.65
Excess (deficiency) of revenues over (under) expenditures	410,894	361,701	13.60
Transfers in	786,171	602,258	30.54
Transfers out	(95,000)		100.00
Net changes in fund balance	\$ 1,102,065	963,959	14.33

Law Enforcement Safety Tax Fund

Macon County's Law Enforcement Safety Tax Fund (LEST) collects a special sales tax which was approved by the voters and can be used only for law enforcement activities, as defined by law. This fund is used to support expenditures in the Sheriff's Jail and Court Security departments, as well as the Emergency Management Agency (which also reports to the Sheriff). For purposes of the financial statement, this fund also includes management's Disaster Contingency Fund. The Macon County Board set aside a portion of LEST receipts for disaster purposes in FY 2005, and at that time defined both the expenditures and the process for expenditures to control withdrawals from this fund. There have been no withdrawals from the contingency fund since its creation.

Tax revenues declined modestly in 2012 (-2.4%) and this trend has continued into the new year. Current results suggest that receipts have slightly declined from a recent plateau; this revenue source is highly sensitive to changes in the local economy and is most likely to have a mixed to stable outlook. Intergovernmental revenue includes several grants for emergency preparedness planning and operations. Fees collected by the Circuit Clerk for court security fell slightly, as did interest income for this fund as for all others.

Total expenditures in the fund were slightly higher (0.84%) than the decrease in revenue (-2.4%). There was a slight increase in personnel costs (3.4%) due to contractual obligations and planned retirements while expenditures for supplies (-0.19%) and equipment (-9.34%) both fell. The Sheriff manages expenditures in both the General and the LEST funds as a total consolidated department. On a year to year basis, different categories of expenditures may be recorded in different funds based on a variety of operational considerations when the budgets are drawn up. When comparing individual items of expenditure, it is important to realize that the same categories may be in different funds. A portion of gas expenses were handled in other funds, which reduced the supplies expenditures. Purchases of cars and other vehicles were slightly higher than last year, while EMA made no equipment purchases this year accounting for the decline in this category.

Details on this fund are shown on pages 91 and 92 of the financial report.

Illinois Municipal Retirement Fund

Macon County’s Illinois Municipal Retirement Fund (IMRF) is used to record receipts of property taxes and payments made from these receipts to the state for IMRF costs of current employees. Receipts from employees via payroll withholdings for their portion of the costs are remitted to the state along with the County’s portion; only the County’s portion of these costs are shown as expenditures. Within Macon County’s IMRF program, there are several categories of employees and rates: Regular Tier 1, Regular Tier 2 (recently created for new employees with reduced costs and benefits), Sheriff Law Enforcement, and the Elected Officials plan. Employees whose payroll is paid via special revenue funds also pay for fringe benefits via these special revenue funds, and their share of IMRF costs are shown in the expenditure of each special revenue fund with employee expenses. Budget basis revenues totaled \$ 1,911,953 while expenditures totaled \$ 2,322,456 in part due to this allocation of employee expenses. For financial reporting purposes (but not for management accounting), interfund transactions are eliminated. In FY 2012, the payroll distribution was more in the general fund and less in the special revenue funds than anticipated. This resulted in an apparent overspending of the budget in the fund financial statement; checks written from this fund did not exceed the total amount appropriated by the Macon County Board.

Details on this fund are shown on pages 93 and 94 of the financial report.

County Health Fund

Macon County’s Health Fund collects and administers revenue from a variety of sources. These include local property taxes (the Health levy), and a large number of specialized grants for a broad range of services including environmental health, immunizations, and well and sick child care among others. This fund also receives and administers Medicaid funding and provides primary medical and dental services to underserved populations. The Macon County Board of Health has also decided to offer a number of senior services, designed to help seniors remain in their homes and these services continue to expand. The Macon County Health Department also provides services to neighboring counties on a contract or fee for service basis. Expenditures include salaries and benefits for approximately twenty percent of the County’s total employees.

Budgetary Basis	2012	2011	% Change
Revenues:			
Taxes	\$ 1,608,422	1,649,149	(2.47)
Intergovernmental	3,709,268	3,391,027	9.38
Fines, fees and forfeitures	339,163	279,605	21.30
Licenses and permits	220,204	215,719	2.08
Interest on investments	1,011	2,420	(58.22)
Miscellaneous revenue	19,380	21,088	(8.10)
Total revenues	<u>5,897,448</u>	<u>5,559,008</u>	6.09
Expenditures:			
Public Health and Welfare:			
Personnel	4,272,111	4,169,834	2.45
Supplies and materials	1,136,845	929,062	22.36
Equipment	776,711	191,853	304.85
Debt Service	91,636	91,588	0.05
Total expenditures	<u>6,277,303</u>	<u>5,382,337</u>	16.63
Excess of revenues over expenditures	(379,855)	176,671	(315.01)
Transfers in			
Transfers out	<u>(88,848)</u>	<u>(89,658)</u>	(0.90)
Net changes in fund balance	<u>\$ (468,703)</u>	<u>87,013</u>	<u>(638.66)</u>

Revenues in this fund on a budget basis were \$ 5,897,448 while expenditures were \$ 6,277,303 resulting in a decrease in fund balance after two years of increases. Fund balance for the Health Fund stood at \$ 1,589,443 (budget basis including modified accrual adjustment) on November 30, 2012. Since the Health Department receives many state and federal grants, slow release of grant funds because of state fiscal issues means a considerable portion of this fund balance is being held as accounts receivable. As the State has begun to grapple with its budget problems, the Health Department has received notice of cuts in grants and allocations; this trend is expected to continue and to accelerate over the coming year.

Revenue trended up this year, although not in all categories. Expenditures were also up and by more than the increase in revenue. This was due to a major project to improve the Health Department facility, including roof repairs and external drainage improvements. This project will continue for the next year and will also include continued comprehensive drainage improvements, with HVAC improvements planned for the following year. Revenue was up by 6.09% in total, with notable increases in intergovernmental (9.38%) and fines, fees and forfeitures (21.3%). The increase in intergovernmental was due to completion of a major project to catch up on Medicaid billing backlog and implement systems for more timely processing of claims. Fines, fees and permits revenue increased because of more sustained enforcement actions plus the addition of inspections on swimming pools and geothermal systems. Interest income decreased for the health fund as for all other funds.

On the spending side, personnel expenditures grew modestly (2.45%). Continued efforts for attrition, job sharing and job redesign were offset by modest wage increases. The categories of supplies (22.36%) and equipment (304.85) increased substantially, as the Health Department moved to address long deferred maintenance on the building as well as building computer systems infrastructure. Major investments included a new roof, architectural services for the multi-year building maintenance project, and a number of IT investments including server upgrades. Dental records have now been completely converted to digital format; going to digital medical records will require a substantial investment which is planned for future years. Transfers out were connected with payment of administrative and insurance fees to Macon County.

Health statistics for the population of Macon County are alarmingly poor. Health Department staff are involved in a number of initiatives throughout the community to work on improvements, and the department is making this a priority. A number of grants have been received to improve public awareness of health related issues, and the department has hired two additional health educators.

Details on this fund are shown on pages 95 and 96 of the financial report.

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 costs and partially cover capital expenditures 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 department use.

Total revenue in this fund was \$ 1,641,420 while expenditures totaled \$ 1,709,235. Expenditures in this fund were for all highway staff, payments to the townships for road maintenance, utilities and fuel, tools and parts, and office expenses including supplies, communication and training. A number of right of ways were purchased for a total of \$ 48,191 Expenditures in this fund include highway staff (administration and road crews), fuel and maintenance supplies, maintenance equipment, computer equipment and so forth. The Highway fund balance decreased slightly because of the timing of capital projects. At November 30, 2012, the fund balance stood at \$ 1,256,784, down \$ 22,636 from the prior year.

Details on this fund are shown on pages 97 and 98 of the financial report.

Federal Aid Matching Fund

Macon County's Federal Aid Matching Fund is one of seven highway funds (six special revenue and one agency) which pay for highway construction and maintenance. The Federal Aid Matching Fund is used to record receipts of property taxes which provide the local match for federally-funded construction projects on the County Highway System. State statutes restrict the use of these funds to construction and engineering expenditures only. Revenues recorded in the Federal Aid Matching Fund cannot be used for other operating expenditures.

Budget basis revenues totaled \$ 4,150,421 while expenditures totaled \$ 4,971,030. Expenditures in this fund are irregular due to timing of major projects, and in FY 2012 expenditures exceeded revenue because funds had been accumulated prior to undertaking this year's major projects. In some cases, funds accumulate over several years in advance of major projects which then are quickly completed. In others, project costs are paid, for which reimbursement is received in later periods. This year, activity included two major construction projects: County Highway 26, the County Club Road Project where \$ 1,230,320 was expended; and County Highway 30 from IL 48 to Elwin with \$ 3,146,352 of expenditures. There were also engineering expenditures for a number of upcoming projects including continued work on Phase II of the Beltway expansion project

Details on this fund are shown on pages 99 and 100 of the financial report.

County Motor Fuel Tax Fund

Macon County's Motor Fuel Tax Fund (MFT) is also one of the seven highway funds mentioned above which pay for highway construction and maintenance. The Motor Fuel Tax Fund is used to record receipts of the County's motor fuel tax (MFT) allotment from the State of Illinois which is then used for the purpose of maintenance patrols on the County Highway System.

Budget basis revenues totaled \$ 2,203,014 while expenditures totaled \$ 1,590,301. MFT funds are routinely used for general maintenance of existing county highways, as well as the annual drainage maintenance project. MFT funds may be used in conjunction with other Highway funds provided that funded improvements are designed and constructed as MFT projects. MFT funds may also be used for the local share in conjunction with the Township Bridge Program. The County Engineer is concerned that reductions in total gas sales and changes in state revenue sharing formulas are impacting and will continue to impact this revenue stream.

Details on this fund are shown on pages 101 and 102 of the financial report.

Multi-Facility Lease Fund

Macon County's Multi-Facility Lease fund collects property taxes which are used to make lease payments to the Decatur Public Building Commission (DPBC) for rental of the Courthouse, Law Enforcement Center, Macon County Office Building, and Macon County Animal Control facility. The County has no levy limit on this fund as long as there is a valid lease in place with the DPBC, which can be of any mutually agreeable term. The present lease has a ten year term and can be renegotiated with the action of both the County and the DPBC.

The lease payment to the DPBC is composed of principal and interest payments on prior bonds; principal and interest payments on the bonds issued in 2005 for jail expansion, courthouse renovations and acquisition and renovation of the animal control facility, as well as Operating and Maintenance payments for each of the facilities. Operations and Maintenance items include those items typically included on a commercial lease, but also cover a wider range of building related expenditures not typically included in a commercial lease. The lease provides for payment of rent in advance; should funds not be spent, they are returned to the County in the following year at the discretion of the DPBC. In recent years, the return of "surplus" has been a substantial amount, and forms the basis of a County Board resolution to abate taxes in this fund.

Details of this fund are shown on pages 103 and 104 of the financial report. Details of the lease and its components are given in Notes 8 (Capital Assets) and 10 (Multiple Facilities Lease) to the financial statements; the latter includes analysis of the surplus account.

The lease payment is made to the Decatur Public Building Commission, shown as a blended component unit under Business Type activities and discussed elsewhere.

State's Attorney Grant Fund

Macon County's State's Attorney Grant Fund records federal and state grants received to promote specialized prosecution and victim services. There are currently 6 grants, plus two operating units (Child Advocacy Center and Teen Court) with multiple funding streams. Several of these grants are ending, but programming will continue thanks to commitments from various parts of the criminal justice system. This fund is included as a major fund because of the far reaching influence of these grants on the criminal justice system.

Revenues totaled \$ 1,539,592 while expenditures totaled \$ 1,446,730. Board action increased the budget slightly during the year, primarily to account for timing issues between grant contract periods (general federal fiscal year) and the County's fiscal year. With the ending of several major grants, this fund is budgeted to spend \$ 1,043,706 in FY 2013 at the time of this report. Grant funds support staff in the State's Attorney office as well as contract services provided by community based agencies.

Details on this fund are shown on pages 105 and 106 of the financial report.

Probation Grant Fund

Macon County's Probation Grant Fund records federal and state grants to promote reductions in recidivism, especially among juveniles. The oldest and largest grant in this fund, the Juvenile Redeploy Grant, commits the County to reductions in the number of young people sent to state correctional facilities by building community based systems to build youth skills and strengths. A related grant targets high risk youth, and two other grants help create specialty courts for drug and DUI offenders. Because of the demonstrated success of these programs, additional funding has come to Macon County for Adult Redeploy, accounted for in the State's Attorney's Grant Fund.

Revenues totaled \$ 793,177 on a budget basis, while expenditures totaled \$ 742,254. Expenditures are largely for community based contractual services to provide direct services to program participants, with the largest expenditures in the categories of home intervention and substance abuse prevention. These funds also provide a small support to probation staff.

Details on this fund are shown on pages 107 and 108 of the financial report.

Capital Asset and Debt Administration

Capital Assets. Macon County's investment in capital assets for its governmental activities as of November 30, 2012 amounted to \$ 49,726,445 net of accumulated depreciation. This investment in capital assets includes land, buildings and related improvements, vehicles, furniture and fixtures, technology and equipment, and infrastructure. Many capital assets actually purchased during 2012 were replacements of assets removed from service. In addition to general capital assets, business-type activities include net capital assets of \$ 463,794, of which \$ 214,863 relates to land purchased for future parking expansion. Component unit assets included \$ 402,372 for the ETSB where modest improvements were made to capital equipment. The ETSB has been working to ensure that costs for new capital equipment are shared equitably by end users.

Major capital asset additions included the purchases of computers, servers and related software throughout the County in a variety of offices. A number of copiers were purchased by the Capital Project Fund for lease back to County offices: this financing tool saves a very substantial amount on commercial lease interest charges. Numerous vehicles were purchased throughout the County with the majority being replacements for traded in law enforcement vehicles. Assets purchased by the DPBC and contributed to the County amounted to \$ 654,848 and included renovations to the Law Enforcement Center and HVAC upgrades included in construction in process.

A detailed schedule of capital assets and associated depreciation are shown in Note 8, pages 59 through 61 of the financial report.

Long-term Debt. The general obligation debt of the County's governmental activities consists of the mortgage for the expansion of the Health Department which is now due by November 1, 2014. Renegotiation of the prior balloon mortgage due in 2009 produced interest savings for the Health Department. Details of this debt can be found in Note 9 to the financial statements.

Additional debt of the County is comprised of two Revenue Bonds issued by the Decatur Building Commission. The 1997 issue was partially refinanced in 2005, and additional 2005 bonds were issued for certain construction projects. These projects have been successfully concluded and unspent bond proceeds were applied to the principal payment for 2014 and 2015 to reduce total interest costs. Since the DPBC is a blended component unit, the lease payable and receivable have been eliminated from the government-wide reporting, and the bonds are reported as a liability of the County's Governmental Activities since the primary revenue source for payment comes from a property tax levy.

Preliminary discussions are underway for a number of options in the area of bond financing and additional construction. Additional parking for employees and the public was completed during 2012. The County is also evaluating off site secure records and evidence storage, especially looking for re-use of existing facilities. The DPBC is evaluating the potential for refinancing existing bonds as part of this construction project to take advantage of current historically low interest rates. In addition, the County will need to reconfigure operations based on the apparent move of the City of Decatur from Law Enforcement Center to a free standing police facility. The County is making plans for re-aligning various offices to make better use of the space available and will also be looking for sub-tenants. A bill is currently pending in the Illinois General Assembly allowing sub leasing to non-profits.

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. Total County debt falls very far below this limit and additional debt does not appear to be at all necessary at this time.

Details relating to long term debt are shown in Note 9, pages 62 through 66. The terms of the Multiple Facilities Lease and its accounting treatment are covered in Note 10, pages 66 through 69.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the fiscal year 2013 period (December 1, 2012 to November 30, 2013):

- Macon County continues to be affected by the general economic decline and job loss that has reduced economic activity and local government revenues throughout the County. Because of Macon County's historic reliance on manufacturing jobs, the recession has been especially hard on this area as evidenced both by a relatively high unemployment rate and a relatively high "misery index." There has been a slight growth in education and health care related jobs however.

- Macon County's unemployment rate remains high as the County and the state experience additional difficulties with the financial crises of 2009-2010. The unemployment rate does not include those who have stopped looking for work. It now appears that if there have been increases in some jobs in Macon County; these increases have been offset by losses in other sectors. Macon County continues to deal with the long term effects of the loss of manufacturing jobs and the loss of major employers in the industrial sector which is also affecting the age distribution of the population with more older people than the state average.
- Macon County's population continues a long-term, slow decline, which limits financial resources available to all public bodies in the County. The most recent Census showed continuation of the decades long population decline: the only good news was that the loss was slightly less than the most recent estimate. The budget was prepared assuming that this trend continues.
- The long term loss of population and the more dramatic loss of population in inner city Decatur means that property values in total have declined and will continue to do so until the population trend is reversed. Although there is a lag in how quickly market conditions affect the Equalized Assessed Valuation (EAV), we have already seen declines in overall EAV. This is expected to continue because of the immutable law of supply and demand: overall population declines reduce demand for housing requiring a reduction in price of housing to clear the market. To believe otherwise is to indulge in empty boosterism. The budget was prepared assuming that the downward trend in EAV will continue, which it will until population growth turns around and increases housing demand.
- Macon County has been impacted less than other areas by the recent housing crisis, but it still remains a concern. While Macon County housing prices are relatively low and remain very affordable by national statistics, relatively high unemployment has definitely produced a significant number of foreclosures which in turn drag down the local housing market. When families are turned out of their homes, there are significant additional social costs. In addition, overall population trends continue to depress housing prices which is especially noticeable in the City of Decatur although happening in other parts as well.
- 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. Economic development initiatives have not yet produced results: the strategy of chasing big company relocations which pit regions against each other has not borne any fruit. It is to be hoped that a different strategy will be tried. Changes to basic transportation infrastructure, including expanded rail and a proposed new intermodal transportation center appear especially promising.
- Macon County is one of the unhealthiest places in the entire State of Illinois. This fact also produces very high social costs, and demands for further services through all parts of the criminal justice system as well as those of the Health Department. New community initiatives involving not only the Macon County Health Department but other parts of local government are intended to at least talk about this issue from a community wide perspective.
- Fee income is unlikely to rise significantly. The Courts system imposes a long list of fees, many of which are mandated by State law, on those least able to even contemplate paying them. A number of initiatives in the criminal justice system are designed to move toward a recovery model rather than a punishment model, and this long term positive development will likely have short term impacts of further reducing fee income.
- Inflationary trends in the region continue to compare favorably to national indices, although many citizens are hurt by slow or no wage growth while food and energy costs continue to increase.

- Budget problems for the State of Illinois have had and will continue to have a net negative impact on Macon County. This is especially true in the coming period as the State is confronted with only undesirable choices to make a down payment on long standing structural problems. Possible changes in revenue formulas, withdrawal of grant funds and salary subsidies, and very slow payments continue to make future budgets difficult and uncertain.
- In the upcoming budget, uncertainty will likely be reduced because unpleasant choices will have been made. Reductions in local revenues, further shifting responsibility to local government, and reductions in vital social services are all apparently on the table. The magnitude of the State's financial problems makes it clear that the County will be impacted, although at this point we do not know how.
- Macon County continues to be financially sound because of good decisions about doing things better, finding smarter solutions to problems, collecting data and understanding its implications, being accountable for performance, aggressive negotiation with vendors and a host of other management practices. Department heads clearly understand that in the financial environment we face, staffing levels have to come down through a gradual process. Department heads are encouraged to realign responsibilities whenever there is a resignation or retirement.
- There is a major emphasis on controlling employee benefit costs through smart purchasing and proactive development of a wellness program. The Insurance Committee (a long standing labor management working group) continues to consider all possible options for holding insurance costs to reasonable levels and to continue to expand Macon County's Wellness Program which was first offered in the spring of 2011.

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. Additional information is available on our web site: www.co.macon.il.us/auditor.php.

MACON COUNTY, ILLINOIS

STATEMENT OF NET ASSETS
November 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 22,060,279	2,069,767	24,130,046
Investments	3,214,329		3,214,329
Taxes receivable (net of allowance for uncollectibles)	566,006		566,006
Due from governmental agencies:			
State of Illinois	3,537,262		3,537,262
Other governmental agencies	754,616		754,616
Internal balances	1,497,092	(1,497,092)	
Accounts receivable	211,906		211,906
Inventories	539,617	66,545	606,162
Prepaid items	4,051,359	30,205	4,081,564
Restricted cash	148,597	1,497,092	1,645,689
Capital assets:			
Land and improvements	1,141,256	214,863	1,356,119
Construction in process	6,024,760		6,024,760
Other capital assets, net of depreciation	42,560,429	248,931	42,809,360
Other assets		49,982	49,982
Total assets	86,307,508	2,680,293	88,987,801
Liabilities			
Cash drawn in excess	144,078		144,078
Accounts payable	1,427,574	218,733	1,646,307
Accrued salaries	461,978	84,426	546,404
Unearned revenue	705,773	1,622	707,395
Accrued interest payable	52,298	6,889	59,187
Amounts due within one year:			
General obligation notes payable	63,709		63,709
Claims liabilities	881,322		881,322
Accrued compensated absences	107,368		107,368
Early retirement incentive payable	114,131		114,131
Revenue bonds payable	970,000		970,000
Amounts due in more than one year:			
General obligation notes payable	663,336		663,336
Claims liabilities	330,700		330,700
Accrued compensated absences	966,308		966,308
Net OPEB obligation	1,025,710		1,025,710
Revenue bonds payable	1,532,425		1,532,425
Total liabilities	9,446,710	311,670	9,758,380

(Continued)

Discretely Presented
Component Units

Governmental Activities

Macon County Mental Health Board	Macon County ETSB
--	-------------------------

2,150,636	3,351,449
16,701	

2,312,288

232,083	215,657
---------	---------

16,906	9,108
--------	-------

26,103	402,372
--------	---------

4,754,717	3,978,586
-----------	-----------

560,609	152,398
42,071	12,058
2,314,695	

25,560

2,942,935	164,456
-----------	---------

MACON COUNTY, ILLINOIS

STATEMENT OF NET ASSETS (Continued)
November 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Net Assets			
Invested in capital assets, net of related debt	46,496,975	463,794	46,960,769
Restricted:			
General control and administration	4,921,523		4,921,523
Public Safety	221,396		221,396
Judiciary and court-related	1,676,176		1,676,176
Public health and welfare	2,559,336		2,559,336
Transportation	4,225,478		4,225,478
Debt service	3,657,291		3,657,291
Unrestricted	13,102,623	1,904,829	15,007,452
Total net assets	\$ 76,860,798	2,368,623	79,229,421

See Notes to Financial Statements.

Discretely Presented
Component Units

Governmental Activities

<u>Macon County</u>	<u>Macon</u>
<u>Mental Health</u>	<u>County</u>
<u>Board</u>	<u>ETSB</u>

543 402,372

1,811,239 3,411,758

1,811,782 3,814,130

MACON COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES

Year ended November 30, 2012

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General control and administration	\$ 7,465,827	2,209,660	153,858	
Public safety	13,742,754	1,661,515	1,540,943	
Judiciary and court-related	8,810,365	2,747,891	1,473,991	
Public health and welfare	10,493,149	1,190,285	7,904,001	
Transportation	5,335,827		2,265,919	4,971,150
Interest on long-term debt	159,640			
Total governmental activities	<u>46,007,562</u>	<u>7,809,351</u>	<u>13,338,712</u>	<u>4,971,150</u>
Business-type activities:				
Decatur Public Building Commission	3,327,133	565,475		
Total primary government	<u>49,334,695</u>	<u>8,374,826</u>	<u>13,338,712</u>	<u>4,971,150</u>
Component Units:				
Governmental activities:				
Macon County Mental Health Board	3,758,517	220,481	1,061,763	
Macon County Emergency Telephone System Board (ETSB)	1,264,687			
Total component units	<u>\$ 5,023,204</u>	<u>220,481</u>	<u>1,061,763</u>	
General Revenues:				
Property taxes				
Sales tax				
Income and replacement tax				
Telephone surcharge				
Investment income				
Miscellaneous				
Internal transfers				
Total general revenues				
Change in net assets				
Net assets, beginning, as restated				
Net assets, ending				

See Notes to Financial Statements.

Net (Expense) Revenue and
Changes in Net Assets

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Macon County Mental Health Board	Macon County ETSB
		(5,102,309)		
		(10,540,296)		
		(4,588,483)		
		(1,398,863)		
		1,901,242		
		(159,640)		
		(19,888,349)		
	(2,761,658)	(2,761,658)		
	(2,761,658)	(22,650,007)		
			(2,476,273)	
				(1,264,687)
			(2,476,273)	(1,264,687)
		16,877,262	2,299,149	
		5,899,908		
		2,301,989	8,376	
				1,042,782
	54,749	19,134		7,121
	2,348,401	1,398	18,098	25,000
	(2,917,262)	2,917,262		
	24,565,047	2,937,794	2,325,623	1,074,903
	4,676,698	176,136	(150,650)	(189,784)
	72,184,100	2,192,487	1,962,432	4,003,914
\$	76,860,798	2,368,623	1,811,782	3,814,130

MACON COUNTY, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

November 30, 2012

	General Corporate Fund	Law Enforcement Safety Tax Fund	Illinois Municipal Retirement Fund	County Health Fund	County Highway Fund
Assets					
Cash	\$ 7,641,417	325,423	1,021,566	560,918	519,312
Investments, at cost	1,261	1,002	610,761	841,701	391,555
Taxes receivable, net of allowance or uncollectibles	134,151		63,015	53,842	49,401
Accounts receivable	186,598			25,308	
Inventory	3,667			162,748	373,202
Due from governmental agencies:					
State of Illinois	1,668,055	438,363		719,248	114,832
Other governmental agencies	662,325				
Prepaid items	31,217				
Restricted cash	148,597				
Due from other funds	1,274,949	1,210	75,773	4,111	95,765
Total assets	<u>11,752,237</u>	<u>765,998</u>	<u>1,771,115</u>	<u>2,367,876</u>	<u>1,544,067</u>
Liabilities					
Cash drawn in excess of funds availab	142,883				
Accounts payable	80,594	68,220	504,566	55,099	102,026
Accrued salaries	269,934	11,024		58,662	21,472
Deferred revenue	1,029,841			390,307	2,391
Due to other funds	4,296	2,005	9,989	220,523	111,993
Total liabilities	<u>1,527,548</u>	<u>81,249</u>	<u>514,555</u>	<u>724,591</u>	<u>237,882</u>
Fund Balances					
Nonspendable	34,884			162,748	373,202
Restricted	6,535	184,749	1,256,560	1,480,537	932,983
Unrestricted:					
Committed	2,705,579	500,000			
Unassigned	7,477,691				
Total fund balances	<u>10,224,689</u>	<u>684,749</u>	<u>1,256,560</u>	<u>1,643,285</u>	<u>1,306,185</u>
Total liabilities and fund balances	<u>\$ 11,752,237</u>	<u>765,998</u>	<u>1,771,115</u>	<u>2,367,876</u>	<u>1,544,067</u>

See Notes to Financial Statements.

Federal Aid Matching Fund	County Motor Fuel Tax	Multi-Facility Lease Fund	State's Attorney Grant Fund	Probation Grant Fund	Other Governmental Funds	Total Governmental Funds
1,288,778	1,293,926	1,990,362	163,548	14,679	7,201,170	22,021,099
250	1,016				1,366,581	3,214,127
14,492		169,837			81,268	566,006
						211,906
						539,617
24,400	126,807		230,350	127,441	87,766	3,537,262
		1,497,092			92,291	2,251,708
		4,019,937	205			4,051,359
						148,597
33,877			590		185,951	1,672,226
1,361,797	1,421,749	7,677,228	394,693	142,120	9,015,027	38,213,907
					1,195	144,078
323,143	15,451		23,048	47,705	199,528	1,419,380
			12,623	1,418	86,640	461,773
526,677			85,029		98,862	2,133,107
			94,464	30,807	1,140,630	1,614,707
849,820	15,451	-	215,164	79,930	1,526,855	5,773,045
		4,019,937	205			4,590,976
511,977	1,406,298	3,657,291	179,324	62,190	7,582,756	17,261,200
					100,000	3,305,579
					(194,584)	7,283,107
511,977	1,406,298	7,677,228	179,529	62,190	7,488,172	32,440,862
1,361,797	1,421,749	7,677,228	394,693	142,120	9,015,027	38,213,907

MACON COUNTY, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
November 30, 2012**

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

Total fund balances - total governmental funds	\$32,440,862
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	49,726,445
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 are included in governmental activities in the statement of net assets.	(1,238,558)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due	(52,298)
Some revenues will not be collected for several months after year end, are not considered "available" revenues and are deferred in the governmental funds	1,427,334
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences liability	(1,073,676)
General obligation notes payable	(727,045)
Early Retirement Incentive Liability	(114,131)
Net OPEB liability	(1,025,710)
Revenue Bonds Payable	<u>(2,502,425)</u>
Net assets of governmental activities	<u>\$76,860,798</u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

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

Year ended November 30, 2012

	General Corporate Fund	Law Enforcement Safety Tax Fund	Illinois Municipal Retirement Fund	County Health Fund	County Highway Fund
Revenues:					
Taxes	\$ 9,645,553	2,548,394	1,880,636	1,598,217	1,474,351
Intergovernmental	2,718,388	118,560		3,709,268	64,574
Fines, fees, forfeitures	4,162,621	152,464		339,163	
Licenses and permits	67,101			220,204	
Interest on investments	25,507	1,589	511	1,011	588
Miscellaneous	2,153,737	1,247		19,380	93,912
Total revenues	18,772,907	2,822,254	1,881,147	5,887,243	1,633,425
Expenditures:					
Current:					
General control and administration	3,595,740		219,222		
Public safety	7,459,340	2,895,243	1,312,145		
Judiciary and court-related	7,091,418		791,089		
Public health and welfare	153,982			5,408,956	
Transportation					1,351,690
Capital outlay	99,316	194,802		792,287	357,545
Debt service:					
Principal				59,945	
Interest				31,691	
Total expenditures	18,399,796	3,090,045	2,322,456	6,292,879	1,709,235
Excess (deficiency) of revenues over (under) expenditures	373,111	(267,791)	(441,309)	(405,636)	(75,810)
Other financing sources (uses):					
Transfers in	786,171				182,745
Transfers out	(95,000)			(88,848)	(137,566)
Total other financing sources (uses)	691,171	-	-	(88,848)	45,179
Net change in fund balances	1,064,282	(267,791)	(441,309)	(494,484)	(30,631)
Fund balances, beginning of year, as restated	9,160,407	952,540	1,697,869	2,137,769	1,336,816
Fund balances, end of year	\$ 10,224,689	684,749	1,256,560	1,643,285	1,306,185

See Notes to Financial Statements.

Federal Aid Matching Fund	County Motor Fuel Tax	Multi-Facility Lease Fund	State's Attorney Grant Fund	Probation Grant Fund	Other Governmental Funds	Total Governmental Funds
432,505		5,068,694			2,425,372	25,073,722
3,709,492	2,201,194	834,657	1,326,662	791,577	2,733,101	18,207,473
			212,689	1,523	2,078,200	6,946,660
						287,305
6,078	1,820	5,499	241	77	11,795	54,716
					136,007	2,404,283
4,148,075	2,203,014	5,908,850	1,539,592	793,177	7,384,475	52,974,159
		838,603			2,586,891	7,240,456
		2,522,448			1,040,797	15,229,973
		1,046,099			653,313	9,581,919
4,971,030	1,590,301		1,431,618	810,824	2,369,999	10,175,379
					269,375	8,182,396
			15,112	4,690	114,182	1,577,934
		1,195,000				1,254,945
		146,890				178,581
4,971,030	1,590,301	5,749,040	1,446,730	815,514	7,034,557	53,421,583
(822,955)	612,713	159,810	92,862	(22,337)	349,918	(447,424)
			26,167		165,674	1,160,757
	(182,745)		(1,205)		(904,298)	(1,409,662)
-	(182,745)	-	24,962	-	(738,624)	(248,905)
(822,955)	429,968	159,810	117,824	(22,337)	(388,706)	(696,329)
1,334,932	976,330	7,517,418	61,705	84,527	7,876,878	33,137,191
511,977	1,406,298	7,677,228	179,529	62,190	7,488,172	32,440,862

MACON COUNTY, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year ended November 30, 2012

Net change in fund balances - total governmental funds \$ (696,329)

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. (328,549)

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	\$5,561,196	
Donated capital assets	1,828,046	
Depreciation	<u>(3,024,143)</u>	
		4,365,099

Loss on capital asset disposition (23,275)

Some revenues will not be collected for several months after year-end, they are not considered "available" revenues and are deferred in the governmental funds. The change in deferred revenue recognized is: 281,157

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The net effect of these differences in the treatment of long-term debt is: 1,254,945

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:

Compensated absences payable change	(33,435)	
Decrease in accrued interest on debt	18,941	
Early retirement incentive liability change	59,904	
Net OPEB liability change	<u>(221,760)</u>	
		<u>(176,350)</u>

Change in net assets of governmental activities \$ 4,676,698

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

November 30, 2012

	Business-Type Activities Decatur Public Building Commission	Governmental Activities Internal Service Fund
ASSETS		
Current assets:		
Cash	\$ 2,069,767	39,180
Investments		202
Accounts receivable		
Due from other funds		187
Restricted cash and cash equivalents	1,497,092	
Lease receivable	970,000	
Inventory	66,545	
Prepaid expenses	30,205	
Total current assets	<u>4,633,609</u>	<u>39,569</u>
Noncurrent assets:		
Capital assets, not being depreciated	214,863	
Capital assets, net of accumulated depreciation	248,931	
Lease receivable, net of current portion	1,532,425	
Unamortized issuance costs	49,982	
Total noncurrent assets	<u>2,046,201</u>	<u>-</u>
Total assets	<u>6,679,810</u>	<u>39,569</u>
LIABILITIES		
Current liabilities:		
Accounts payable	218,733	8,194
Claims payable - workers compensation		874,398
Claims payable - liability		6,924
Current portion of revenue bonds payable	970,000	
Accrued interest payable	52,298	
Deferred rental income	1,498,714	
Accrued salaries	45,180	205
Accrued compensated absences	39,246	
Due to other funds		57,706
Total current liabilities	<u>2,824,171</u>	<u>947,427</u>
Noncurrent liabilities:		
Claims payable		330,700
Revenue bonds payable, net of unamortized discounts and defeasance losses	1,487,016	
Total liabilities	<u>4,311,187</u>	<u>1,278,127</u>
NET ASSETS		
Invested in capital assets, net of related debt	463,794	
Unrestricted	1,904,829	(1,238,558)
Total net assets	<u>\$ 2,368,623</u>	<u>(1,238,558)</u>

MACON COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 Year ended November 30, 2012

	Business-Type Activities Decatur Public Building Commission	Governmental Activities Internal Service Fund
Operating revenues:		
Rental income	\$ 4,097,590	
Parking lot fees	39,995	
Miscellaneous	1,398	7,632
	<u>4,138,983</u>	<u>7,632</u>
Total operating revenues		
Operating expenses:		
Salaries and benefits	1,494,825	17,988
Contractual services	1,458,520	
Materials and supplies	828,659	
Other expenses	12,328	5,800
Depreciation	15,026	
Claim payments		407,639
Contingency for claim loss		153,692
	<u>3,809,358</u>	<u>585,119</u>
Total operating expenses		
Operating income (loss)	<u>329,625</u>	<u>(577,487)</u>
Nonoperating revenues (expenses):		
Interest on investments	19,134	33
Amortization of debt issuance costs	(32,031)	
Interest expense	(140,592)	
	<u>(153,489)</u>	<u>33</u>
Total non-operating revenues (expenses)		
Income (loss) before transfers	<u>176,136</u>	<u>(577,454)</u>
Transfers:		
Transfers in		256,205
Transfers out		(7,300)
	<u>-</u>	<u>248,905</u>
Total transfers		
Change in net assets	176,136	(328,549)
Net assets (deficit), beginning of year	<u>2,192,487</u>	<u>(910,009)</u>
Net assets (deficit), end of year	<u>\$ 2,368,623</u>	<u>(1,238,558)</u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

Year ended November 30, 2012

	Business-Type Activities Decatur Public Building Commission	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 5,539,664	
Payments to suppliers	(2,144,081)	
Payments to employees	(1,479,070)	(24,108)
Cash received from user departments and participants		(43,014)
Cash paid for claims		(198,091)
	<u>1,916,513</u>	<u>(265,213)</u>
Net cash flows from operating activities		
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES		
Transfers in		256,205
Transfers out		(7,300)
	<u>-</u>	<u>248,905</u>
Net cash flows from non capital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(204,727)	
Principal paid on bond maturities	(1,195,000)	
Interest paid on bonds	(156,438)	
	<u>(1,556,165)</u>	<u>-</u>
Net cash flows from capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	19,134	33
	<u>19,134</u>	<u>33</u>
Net cash flows from investing activities		
Net increase (decrease) in cash and cash equivalents	379,482	(16,275)
Cash and cash equivalents, beginning of year	3,187,377	55,455
Cash and cash equivalents, end of year	<u>\$ 3,566,859</u>	<u>39,180</u>

(Continued)

MACON COUNTY, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Continued)**

Year ended November 30, 2012

	Business-Type Activities Decatur Public Building Commission	Governmental Activities Internal Service Fund
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 329,625	(577,487)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	15,026	
(Increase) decrease in assets:		
Lease receivable	1,195,000	
Inventory	(1,132)	
Prepaid expenses	2,313	
Due from other funds		(187)
Accounts receivable	1,000	
Increase (decrease) in liabilities:		
Accounts payable, excluding payable for capital assets	154,245	5,098
Accrued salaries	11,789	(320)
Compensated absences	3,966	
Deferred rental income	204,681	
Claims payable		358,142
Due to other funds		(50,459)
Net cash flows from operating activities	\$ 1,916,513	(265,213)

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

November 30, 2012

Assets

Cash	\$ 8,511,959
Investments	730,810
Accrued interest	4,197
Due from State of Illinois - allotment	<u>85,463</u>
Total assets	<u><u>9,332,429</u></u>

Liabilities

Due to other governmental agencies	1,231,853
Deposits payable	2,960,276
Due to taxing districts	5,011,577
Due to tax buyers	<u>128,723</u>
Total liabilities	<u><u>\$ 9,332,429</u></u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

November 30, 2012

Note 1 - Summary of Significant Accounting Policies

Macon County (County) is a municipal corporation comprising three branches of government. Primary governance is by an elected twenty-one member board holding both legislative and some executive branch powers. In addition, the executive branch is comprised of officials elected directly by the voters of the County including the Auditor, Circuit Clerk, County Clerk, Coroner, Recorder, Sheriff, State's Attorney 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: As required by generally accepted accounting principles, these financial statements present the County (the primary government) and its component units. The County's financial statements include all funds, departments, boards and agencies that are not legally separate from the County. The component units are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. Furthermore, their inclusion is considered necessary to avoid incomplete or misleading financial reporting.

The financial statements are formatted to allow users to clearly distinguish between the primary government and its component units. Because of the closeness of their relationship with the primary government, some component units are blended as though they are part of the primary government; others are discretely presented.

Blended Component Units - The Decatur Public Building Commission (DPBC) is a municipal corporation created under the provisions of the Public Building Commission Act of the State of Illinois. The purpose of the DPBC is to acquire or construct facilities for participating governments and to issue bonded debt to finance the acquisition or construction of such facilities. The City of Decatur organized the DPBC along with the County, and together, they appoint the five-member governing board of the DPBC. The DPBC is financially dependent on the County because the debt issued by the DPBC is paid almost entirely by the County in the form of lease payments for County facilities. As such, the County has significant influence over the DPBC and has included the organization in the reporting entity.

Discretely Presented Component Units - The following discretely presented component units are reported in separate columns in the basic financial statements to emphasize that they are legally separate from the County.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

The Financial Reporting Entity, continued:

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. As such, the County has significant influence over the 708 Board and has included the organization in the reporting entity. The 708 Board's year-end for financial reporting purposes is June 30, which differs from the County. The 708 Board's June 30, 2012, 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.

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. As such, the County has significant influence over the ETSB and has included the organization in the reporting entity. The ETSB's year end for financial reporting purposes is November 30, 2012, the same as the County. The ETSB's November 30, 2012, 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.

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, the Decatur Sanitary District, Macon County Conservation District, and the Macon County Mosquito Abatement District.

In addition, several legally separate tax exempt organizations have been established to benefit the County and others. These organizations include the Decatur and Macon County Animal Shelter Foundation, the Macon County Historical Society, Macon County Community Health Foundation and Friends of the Macon County Child Advocacy Center.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

Payments Between the County and Component Units: Resource flows (except those that affect the statement of net assets/balance sheet only, such as loans and repayments) between a primary government and its discretely presented component units are reported as external transactions - that is, as revenues and expenditures. Resource flows between the primary government and blended component units are classified as interfund transactions in the financial statements.

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 and its component units, except for fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of net assets presents the financial condition of the governmental 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. 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 is self-financing or draws from the general revenues of the County.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

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. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds, each presented in a separate column. All remaining funds are aggregated and presented in a single column and reported as nonmajor funds.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

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:

The General Fund is the government's primary operating fund and 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.

The Law Enforcement Safety Tax Fund (LEST) accounts for sales tax revenue restricted to expenditures for public safety issues.

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

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

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

The Federal Aid Matching Fund accounts for revenue, including project refunds from the State of Illinois, and property tax levies restricted to 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 restricted to expenditures for the purpose of maintenance patrols and payments to the County Highway Fund.

The Multi-Facility Lease Fund accounts for property tax revenue restricted to annual lease payments and maintenance expenditures to the Decatur Public Building Commission for the Macon County Office Building, Courts Facility, Law Enforcement Center and Animal Control Facility.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

Fund Accounting, continued:

Governmental Funds, continued:

The State's Attorney Grant Fund accounts for revenue, including federal and state grants restricted to expenditures fulfilling the grant purposes for grants under the direction of the Macon County State's Attorney.

The Probation Grant Fund accounts for revenue, including federal and state grants restricted to expenditures fulfilling the grants purposes for grants under the direction of the Macon County Probation Department.

The other governmental funds of the County account for county-wide property tax levies, grants and other resources whose use is restricted or committed 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. 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.

The County's proprietary fund types consist of one Enterprise Fund and one Internal Service Fund. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where management has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The County's Enterprise fund consists of activities of the Decatur Public Building Commission, its only major Enterprise fund.

The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments or agencies of the County. 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 and not from any cost reimbursements from other funds. 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.

Fiduciary Funds: The County's fiduciary fund types consist only of Agency Funds, which are custodial in nature and do not involve the measurement of operations. 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 property taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions. Agency Funds use the accrual basis of accounting.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

Fund Accounting, continued:

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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.

All proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. As such, revenues are recognized when earned and expenses are recorded when the obligation has been incurred.

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.

Discretely Presented Component Units: Each component unit financial statement included herein is prepared using the accrual basis of accounting.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

Basis of Accounting, continued:

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, regardless of the timing of the cash flows. 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. All other revenue items are considered to be measurable and available only when cash is received.

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, regardless of the timing of the related cash flows. On the modified accrual basis, the measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are reported only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Operating Revenues and Expenses: Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the Decatur Public Building Commission. Operating revenues consist primarily of rental charges. Operating expenses include the cost of maintaining the properties for rent, administrative expenses, depreciation and amortization. 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.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

Fund Equity: Beginning with fiscal year 2011, the County implemented GASB Statement No, 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Fund equity at the governmental fund financial reporting level is classified as "fund balance." The following classifications describe the relative nature, extent and strength of the spending constraints placed on the County's fund balances:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact (such as perpetual trusts).
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e., County Board). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.
- Assigned fund balance - amounts the County intends to use for a specific purpose. Intent can be expressed by the County Board or by an official or body to which the County Board delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The County Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by County management based on County Board direction.

The County would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents/Investments: 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 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 fund considers 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, the commissary operated at the jail by the Macon County Sheriff, and a marriage account held for judicial expenditures.

Inventories and Prepaid Items: Inventories of consumable supplies are recorded at cost (determined on a first-in, first-out basis). Inventory in the General Fund, governmental activities, Proprietary Funds and Business-type Activities consists of expendable supplies held for consumption. The costs are reported as expenditures when consumed. Reported inventories are equally offset by a nonspendable fund balance. Inventory recorded as an asset at year end consists of unused commodities (vaccines) received through grant programs, office supplies, and parts and operating materials.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The County has adopted the consumption method of accounting for prepaid items. That is, the asset is recorded when the payments to vendors are made, and the expenses are amortized in the appropriate accounting period.

Grants from Other Governments: Federal and state governmental units represent an important source of supplemental funding used to finance workforce opportunity programs, health and welfare programs, public safety and probation programs, construction programs, and other activities beneficial to the community. This funding, primarily in the form of grants is recorded in governmental funds when the County has met all eligibility requirements. In addition, grants revenue must be considered measurable and available.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

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.

Governmental Activities: Capital assets purchased or acquired with an original individual cost of at least \$ 5,000 and an estimated useful life of more than one year 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.

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	25-40 years
Vehicles	5-10 years
Furniture and fixtures	5 years
Technology and equipment	3 years
Infrastructure	25 years

Business-type Activities: Capital assets of proprietary funds are stated at cost. The cost of property additions and major replacements of retired units of property is capitalized. Interest on funds used during construction of major projects has not been capitalized. The cost of maintenance, minor repairs and small tools are charged to operations. Donated capital assets, if any, are valued at their fair market value on the date donated.

Assets capitalized have an original cost of \$ 5,000 or more. Depreciation is computed on the straight-line basis. The estimated useful lives used to compute depreciation are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	10 years
Buildings and improvements	25-40 years
Vehicles	5-10 years
Furniture and fixtures	5 years
Technology and equipment	5 years

All assets purchased by the DPBC under the provisions of the lease agreements discussed in Note 10 are considered to be assets owned by other parties, mainly the County, as ownership is transferred to the other parties upon expiration of the leases. Therefore, such purchases are not capitalized by the DPBC, but rather recorded as materials and supplies expenses on the DPBC financial statements.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

Capital Assets, continued:

Macon County Emergency Telephone System Board: Capital assets result from expenditures in the governmental funds. These assets are reported only in the government-wide statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost), depreciated on a straight-line basis over its estimated useful life ranging from 1 to 10 years and updated for additions and retirements during the year. The Board maintains a capitalization threshold of \$ 500. The Board does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

Interfund Activity: Interfund activity is reported as either loans, services provided or used, reimbursements or transfers. On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used and are classified as "due to/from other funds." 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 non-operating 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, 2012, the County allocated \$ 177,798 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. All employees' unused sick leave is utilized according to IMRF regulations to extend retirement benefits when an employee dies or retires. The deputies or correction officers or their 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. Employees covered under the AFSCME 612 contract have the option of receiving a sick leave payout of 50% for up to 30 days; Circuit Clerk covered employees may elect to receive a 50% payout on a maximum of 50 days. All employees who are enrolled in IMRF have the option of having unpaid sick leave count toward their retirement by IMRF formula; many retiring employees elect this option rather than that available in the labor contract.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

Compensated Absences, continued: 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.

Business-type Activities: Employees can earn three weeks vacation, three floating holidays, one personal day and six sick days per year. However, sick days do not accrue, as they are not paid upon termination.

Macon County Emergency Telephone System Board: The Board does not accrue compensatory time for employees. Sick and vacation time must be used in the year earned.

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 reported as other financing uses and are recognized as a liability on the fund financial statements only when due in the current period.

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. Net assets remaining that do not meet either of the two previous definitions are reported as unrestricted. 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 U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures. Actual results may differ from those estimates.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

Bond Discount/Issuance Costs: Issuance costs and discounts arising as the result of the issuance of bonds are deferred and amortized over the terms of the respective issues using the straight-line method. The defeasance loss from refunding is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. Discounts and the defeasance loss are presented as a reduction of the face amount of the underlying debt whereas issuance costs are recorded as deferred charges.

Macon County Mental Health Board - 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 \$ 121,569 for the year ended June 30, 2012.

Note 2 - Deposits and Investments

Illinois Compiled statutes authorize the County to invest in obligations of the U.S. Treasury or its 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, money market mutual funds and the Illinois Funds.

Deposits - Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's policy indicates that the Treasurer requires collateralization of public deposits be performed through pledging of appropriate securities by the depositories. As of November 30, 2012, all of the County's bank balances of \$ 30,576,757 (including checking, and savings accounts) were fully insured and collateralized. The County evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

The Decatur Public Building Commission's deposits are excluded from the above due to the fact that different custodians and deposit risk policies exist for these separate accounts. At November 30, 2012, the carrying amount of the DPBC's cash deposits totaled \$ 3,566,859 including restricted cash of \$ 1,497,092. All of the DPBC's deposits were insured by federal depository insurance or collateralized by securities held by a financial institution's trust department or agent in the DPBC's name.

Macon County Emergency Telephone System Board: The Board does not have policies regarding credit risk, custodial credit risk or concentration of credit risk. At November 30, 2012, all ETSB's cash accounts and investments are covered by federal insurance or collateralized by the pledging financial institution's trust department or agent in favor of the Board except for the amount invested in the Illinois Funds Money Market Fund. For the Illinois Funds, all deposits are collateralized by the fund over the FDIC insurance amount. However, they are not pledged specifically to the Board since it is an investment pool.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 2 - Deposits and Investments, continued

Deposits - Custodial Credit Risk, continued:

Macon County Emergency Telephone System Board, continued: As of November 30, 2012, the Board had the following cash and investments:

Demand deposit	\$ 3,351,001
Illinois Funds	<u>448</u>
	<u>\$ 3,351,449</u>

Macon County Mental Health Board: At June 30, 2012, none of the Macon County Mental Health Board's bank balances of \$ 2,357,226 were exposed to custodial credit risk.

Investments: The County invests in the Illinois Funds Money Market Fund external investment pool 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. For purposes of overall credit risk, the funds are rated AAAM by Standard and Poor's. 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 participant's account.

Investments - Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments (or related collateral securities that are held by an outside party). To limit its exposure, the County's investment policy requires assets to be secured through third party custody and safekeeping procedures. At year end, none of the County's investments were subject to custodial credit risk due to the fact that investments were part of an insured pool.

Investments - Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the County's investment policy, the County limits its exposure to interest rate risk by structuring its portfolio so that operating funds are invested primarily in short-term securities or similar investment pools in order to meet cash requirements for ongoing operations. The Illinois Funds investment pool had a weighted average maturity of 20-28 days.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 2 - Deposits and Investments, continued

Investments - Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. All of the County's investments are in certificates of deposit and external investment pools. The County's investment policy does not specifically address credit risk except that portfolio diversification is employed as a way to control risk.

The composition of the County's cash, cash equivalents and investments, including restricted cash and investments, on November 30, 2012, was as follows:

	Primary Government	Component Units	
		708 Board	ETSB
Cash on hand	\$ 8,890		
Deposits in banks	34,134,726	2,150,636	3,351,001
Certificates of deposit	600,000		
Illinois Funds Money Market Fund	3,345,139		448
Corporate stock		16,701	
Total	\$ 38,088,755	2,167,337	3,351,449

The County's cash, cash equivalents and investments for the primary government at November 30, 2012, are reported as:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 22,060,279	2,069,767	8,511,959	32,642,005
Investments	3,214,329		730,810	3,945,139
Restricted cash	148,597	1,497,092		1,645,689
Cash drawn in excess	(144,078)			(144,078)
Total	\$ 25,279,127	3,566,859	9,242,769	38,088,755

Restricted Cash and Investments: Cash and investments of \$ 1,645,689 are restricted by state statute or for specific purposes as follows:

Major governmental - General Fund:	
Circuit Clerk Separate Maintenance	\$ 73,617
Jail Commissary	63,533
Judiciary expenditures	2,862
Child Support Held in Trust	8,585
	<u>148,597</u>
Major proprietary - DPBC:	
General and surplus revenue	<u>1,497,092</u>
	<u>\$ 1,645,689</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

Note 3 - 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 2012 represents collection of the 2011 taxes. Real property taxes for the 2012 levy will be collected in and are intended to finance 2012 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.

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	2011 Levy
General Corporate	.25000	.25000
County Highway	.10000	.09221
Bridge Fund	.05000	.03166
Illinois Municipal Retirement		.11762
Federal Aid Matching	.05000	.02705
Historical Museum	.00200	.00200
County Health Department	.10700	.09981
Insurance Liability		.02459
Veterans' Assistance Commission	.03000	.00923
Mental Health (708 Board)	.15000	.14192
Judgment Fund		.01537
DPBC Lease Fund		.31701
Social Security		.06884
Macon County Cooperative Extension	.05000	.02376
		<u>1.22107</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2012

Note 4 - 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. In 2012, this tax supported the sheriff and emergency management 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, 2012.

Note 5 - Receivables

Receivables at November 30, 2012 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 collectability.

A summary of the principal amounts due is as follows:

<u>Fund Type/Fund</u>	<u>Description</u>	<u>Amount</u>
General Fund	Taxes	\$ 1,155,783
	Grants	150,436
	Federal contract	531,385
	State salary subsidies	495,987
	Municipal contract	130,940
	Other receivables	<u>186,598</u>
Total General Fund		<u>2,651,129</u>
Special Revenue Funds	Taxes	870,218
	Grants	1,430,844
	Local governments	1,589,383
	Other receivables	<u>25,308</u>
Total Special Revenue Funds		<u>3,915,753</u>
Total		<u>\$ 6,566,882</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 6 - Inventories

Physical inventories of goods on hand were taken as of November 30, 2012. Inventories on hand, stated at cost or average cost at November 30, 2012, are as follows:

General Fund - consumable supplies	<u>\$ 3,667</u>	
Health Fund:		
Dental supplies	85,860	
Vaccines - purchased	27,423	
Vaccines - donated through state grant program	<u>49,465</u>	
Total Health Fund	<u>162,748</u>	
Highway Fund:		
Consumable supplies	334,954	
Fuel	<u>38,248</u>	
Total Highway Fund	<u>373,202</u>	
Total all governmental funds	<u>539,617</u>	
Proprietary Fund - consumable supplies	<u>66,545</u>	
Total government-wide	<u><u>\$ 606,162</u></u>	

Note 7 - Interfund Receivables and Payables and Transfers

Interfund receivables and payables at November 30, 2012, resulting from transactions between funds stemming 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:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Corporate Fund:		
Law Enforcement Safety Tax	\$ 2,005	
Retirement	446	33
County Health	165,888	
Highway	7,442	
State's Attorney Grant	68,320	
Probation Grant	21,232	
Internal Service Fund	57,050	
Nonmajor governmental funds	952,566	4,263
Law Enforcement Safety Fund:		
General		2,005
Retirement	916	
Nonmajor governmental funds	294	

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 7 - Interfund Receivables and Payables and Transfers, continued

	Interfund Receivable	Interfund Payable
Illinois Municipal Retirement Fund:		
General	33	446
Law Enforcement Safety Tax		916
Health	21,001	
Highway		4,853
State's Attorney Grant	149	
Probation Grant	5,754	
Internal Service Fund		154
Nonmajor governmental funds	48,836	3,620
County Health:		
General		165,888
Retirement		21,001
Internal Service Fund	472	
Nonmajor governmental funds	3,639	33,634
Highway:		
General		7,442
Retirement	4,853	
Matching Fund		33,877
Internal Service Fund	184	
Nonmajor governmental funds	90,728	70,674
Matching:		
Highway	33,877	
State's Attorney Grant:		
General		68,320
Retirement		149
Nonmajor governmental funds	590	25,995
Probation:		
General		21,232
Retirement		5,754
Nonmajor governmental funds		3,821
Nonmajor Governmental Funds	185,951	1,140,630
Internal Service Funds:		
General		57,050
Retirement	154	
Health		472
Highway		184
Nonmajor governmental funds	33	
	\$ 1,672,413	1,672,413

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 7 - Interfund Receivables and Payables and Transfers, continued

	Transfers Out	Transfers In
General Corporate Fund:		
County Health	\$	88,848
Highway		66,892
Internal Service Fund		7,300
Nonmajor governmental funds	95,000	623,131
Health Department:		
General	88,848	
Highway:		
General	66,892	
Motor Fuel Tax Fund		182,745
Nonmajor governmental funds	70,674	
Motor Fuel Tax Fund:		
Highway	182,745	
State's Attorney Grant:		
Internal Service Fund	1,205	
Nonmajor governmental funds		26,167
Internal Service Fund:		
General	7,300	
State's Attorney Grant		1,205
Nonmajor governmental funds		255,000
Nonmajor Governmental Funds	904,298	165,674
	<u>\$ 1,416,962</u>	<u>1,416,962</u>

Transfers were made to the General Fund from other funds to offset administrative costs expenditures in the amount of \$ 177,798. An additional \$ 554,731 was transferred from the Probation and Court Services Fund to the General Fund in order to support the operations of the Probation Department.

The Liability Insurance Fund transferred \$ 255,000 to the Self Insurance Fund to provide resources for the payment of workmen's compensation insurance and other insurance claims under the County's self-insurance program.

The internal balances presented on the Statement of Net Assets of \$ 1,497,092 represent an amount due to the Governmental Activities from the Business-type Activities. Additionally, the internal transfers presented on the Statement of Activities of \$ 3,546,112 represent net transfers made by the Governmental Activities to the Business-type Activities of \$ 4,200,960 and capital assets purchased by the Business-type Activities of \$ 654,848 used in Governmental Activities.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 8 - Capital Assets

Capital asset activity for the year ended November 30, 2012, was as follows:

	Balance December 1, 2011	Additions	Deletions	Balance November 30, 2012
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	\$ 1,141,256			1,141,256
Construction progress	587,266	6,024,760	587,266	6,024,760
Total nondepreciable capital assets	1,728,522	6,024,760	587,266	7,166,016
Depreciable capital assets:				
Buildings and building improvements	48,887,953	1,597,617	175,332	50,310,238
Vehicles	3,658,290	263,683	26,188	3,895,785
Furniture and fixtures	799,459		39,115	760,344
Technology and equipment	5,030,332	90,447	58,126	5,062,653
Infrastructure	37,565,262			37,565,262
Total depreciable capital assets	95,941,296	1,951,747	298,761	97,594,282
Less accumulated depreciation for:				
Buildings and building improvements	25,667,916	1,186,343	160,904	26,693,355
Vehicles	2,901,822	338,991	21,233	3,219,580
Furniture and fixtures	780,691	8,440	39,115	750,016
Technology and equipment	4,374,631	239,190	54,234	4,559,587
Infrastructure	18,560,137	1,251,178		19,811,315
Total accumulated depreciation	52,285,197	3,024,142	275,486	55,033,853
Total depreciable assets, net	43,656,099	(1,072,395)	23,275	42,560,429
Governmental activities capital assets, net	\$ 45,384,621	4,952,365	610,541	49,726,445

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 8 - Capital Assets, continued

Depreciation expense for the year ended November 30, 2012 was charged to governmental functions as follows:

Governmental activities:

General government	\$ 245,279
Judiciary and court-related	254,692
Public safety	866,911
Transportation	1,554,118
Public health and welfare	<u>103,142</u>

Total depreciation expense - governmental activities	<u>\$ 3,024,142</u>
--	---------------------

	Balance December 1, 2011	Additions	Disposals	Balance November 30, 2012
Business-type activities:				
Capital assets, not being depreciated	\$ 214,863			<u>214,863</u>
Depreciable capital assets:				
Parking lot	256,366	159,682		416,048
Buildings and improvements	8,854			8,854
Equipment and furnishings	206,764	45,045	5,700	<u>246,109</u>
Total depreciable capital assets	<u>471,984</u>	<u>204,727</u>	<u>5,700</u>	671,011
Less accumulated depreciation for:				
Parking lot	256,366	279		256,645
Buildings and improvements	2,910	267		3,177
Equipment and furnishings	153,478	14,480	5,700	<u>162,258</u>
Total accumulated depreciation	<u>412,754</u>	<u>15,026</u>	<u>5,700</u>	422,080
Total depreciable assets, net	<u>59,230</u>	<u>189,701</u>	-	<u>248,931</u>
Business-type activities capital assets	<u>\$ 274,093</u>	<u>189,701</u>	-	<u>463,794</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 8 - Capital Assets, continued

Macon County Emergency Telephone System Board: Capital assets activity for the year ended November 30, 2012 was:

	Balance November 30, 2011	Additions	Deletions	Balance November 30, 2012
Depreciable capital assets:				
E-911 equipment	\$ 1,930,894	125,579		2,056,473
Maintenance agreements	388,785		357,535	31,250
Office furniture and equipment	100,832	1,797		102,629
Vehicles	25,478			25,478
Total depreciable capital assets	2,445,989	127,376	357,535	2,215,830
Less accumulated depreciation:				
E-911 equipment	1,337,326	326,380		1,663,706
Maintenance agreements	383,578	5,207	357,535	31,250
Office furniture and equipment	88,176	4,848		93,024
Vehicles	25,478			25,478
Total accumulated depreciation	1,834,558	336,435	357,535	1,813,458
Total capital assets, net	\$ 611,431	(209,059)	-	402,372

Total depreciation for all governmental activities assets amounted to \$ 336,436 for the current year, all of which was charged to the General Government function in the Statement of Activities.

Macon County Mental Health Board: Capital assets activity for the year ended June 30, 2012 was:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Depreciable capital assets - vehicles	\$ 22,159	13,563		35,722
Less accumulated depreciation	3,232	6,387		9,619
Total capital assets, net	\$ 18,927	7,176	-	26,103

Total depreciation for all governmental activities assets amounted to \$ 6,387 for the current year, all of which was charged to the General Government function in the Statement of Activities.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

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, 2012:

	Balance November 30, 2011	Additions	Reductions	Balance November 30, 2012	Amount Due in One Year
Governmental activities:					
General obligation debt	\$ 786,990		59,945	727,045	63,709
Compensated absences	1,040,241	1,636,161	1,602,726	1,073,676	107,368
Termination benefits	174,035		59,904	114,131	114,131
Claims liabilities	853,880	508,682	150,540	1,212,022	
Net OPEB liability	803,950	221,760		1,025,710	
1997 Public Building Revenue Bonds	1,745,000		255,000	1,490,000	270,000
2005 General Obligation Lease Revenue Bonds	1,952,425		940,000	1,012,425	700,000
 Total governmental activities	 \$ 7,356,521	 2,366,603	 3,068,115	 6,655,009	

The general obligation debt at November 30, 2012, is comprised of the following:

\$ 1,260,875 note payable due November 1, 2014. Monthly payments of \$ 7,632 are due beginning May 1, 2009, including interest at 4%. 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.

\$ 727,045

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2012

Note 9 - Long-Term Debt, continued

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

	Principal	Interest	Total
2013	\$ 63,709	27,877	91,586
2014	663,336	25,281	688,617
	<u>\$ 727,045</u>	<u>53,158</u>	<u>780,203</u>

Compensated Absences: Compensated absences represent the estimated liability for employee's accrued vacation for which employees are entitled to be paid upon termination. These benefits are not expected to be paid from current available resources. The liability will be liquidated from the general and special revenue funds of the County, based on the assignment of an employee at termination.

Termination Benefits: On September 13, 2007, Macon County authorized an early retirement incentive (ERI) program for employees who are members of the Illinois Municipal Retirement Fund (IMRF). The County's ERI program was open to eligible employees from October 1, 2007 through October 1, 2008 and 19 employees opted for early retirement during this period. The IMRF calculated an ERI liability for the County as of December 31, 2008 of \$ 2,018,078. At that time, IMRF accrued interest on the ERI liability at a rate of 7.5%, its assumed rate of return for investments and for discounting future annuity payments. During 2012, the County paid \$ 59,904 from the IMRF fund on the liability, leaving a remaining balance of \$ 114,131 accrued in the governmental activities. The liability will be liquidated from the IMRF special revenue fund.

Claims Liabilities: Internal service funds primarily serve the government funds, and thus, the related long-term liabilities are included with the governmental activities above. Estimated claims payable are recognized when the loss is probable and reasonably estimable, as required by accounting standards. Any changes in estimates from one year to the next are recognized in the year of the change. Long-term liabilities for estimated claims payable are liquidated by the Self Insurance (Internal Service) Fund.

Legal Debt Margin: The Illinois Compiled 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 \$ 46,768,323 at November 30, 2012.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 9 - Long-Term Debt, continued

The Illinois General Assembly enacted an amendment in 1978 to the Public Building Commission Act which limits the amount of debt a commission may issue to 5% of the chartering organization's property tax assessed valuation. The City of Decatur enacted the Commission's charter on July 21, 1980. The following is a computation of the Commission's legal debt margin at November 30, 2012:

Total assessed value of taxable property in the City of Decatur, Illinois	\$ 910,633,770
Debt limit percentage	<u>5%</u>
Statutory debt limitation	45,531,689
Amount of debt outstanding	<u>2,502,425</u>
Legal debt margin	<u>\$ 43,029,264</u>

Public Building Revenue Bonds: On July 31, 1997, the DPBC issued \$ 9,705,000 in Public Building Revenue Bonds. The bonds bear interest at varying fixed rates increasing with the length of maturity from 5.15% 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 DPBC 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 DPBC has removed the liability from its accounts. The amount of debt defeased in substance and being paid by the escrow agent totaled \$ 2,025,000 as of November 30, 2012.

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.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 9 - Long-Term Debt, continued

The annual requirements to amortize the remaining outstanding debt of \$ 1,490,000 as of November 30, 2012, assuming no early retirements, is as follows:

Year ending November 30	Principal	Interest	Total	Balance
2013	\$ 270,000	72,540	342,540	1,220,000
2014	280,000	58,032	338,032	940,000
2015	295,000	42,721	337,721	645,000
2016	315,000	26,325	341,325	330,000
2017	330,000	8,910	338,910	
Total	\$ 1,490,000	208,528	1,698,528	

General Obligation Lease Revenue Bonds, Series 2005: On June 2, 2005, the DPBC 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	Balance
2013	\$ 700,000	40,023	740,023	312,425
2014	312,425	12,532	324,957	
Total	\$ 1,012,425	52,555	1,064,980	

Since the DPBC is a blended component unit, the lease payable/receivable between the DPBC and the County has been eliminated at the government-wide reporting level, and the lease revenue bonds have been reported as a liability of the County, payable 100% from the governmental activities and the Multi-Facility Lease special revenue fund.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 9 - Long-Term Debt, continued

Macon County Mental Health Board: Long-term obligations consist of the following at June 30, 2012:

Notes Payable - Chase Bank:

Collateralized with vehicle:

Note payable in monthly payments of \$ 485 including interest at 4.99%, due October 2014	\$ 15,837
 Note payable in monthly payments of \$ 311 including interest at 3.75%, due March 2015	 <u>9,723</u>
 Total notes payable	 25,560
Less current maturities	<u>(8,722)</u>
	 <u><u>\$ 16,838</u></u>

The following is a summary of changes in long-term obligations for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Amount Due in One Year
Notes payable	<u>\$ 20,859</u>	<u>10,563</u>	<u>5,862</u>	<u>25,560</u>	8,722

Note 10 - 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.

As noted previously, since the DPBC is a blended component unit, the lease payable/receivable between the DPBC and the County has been eliminated at the government-wide reporting level. At the fund level, transactions relating to the lease have not been eliminated and are therefore discussed in detail.

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. 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.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 10 - Multiple Facilities Lease, continued

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. Lease terms related to the renewal option would need to be negotiated at the time of the renewal.

Lease payments are due each December 1 for the succeeding year and are divisible into a debt service component and a facilities rent portion. 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, 2012:

November 30,	Facilities Rent	Debt Service Component		
		Principal	Interest	Total
2013	\$ 4,838,699	970,000	112,563	1,082,563
2014	5,120,189	592,425	70,564	662,989
2015	5,422,599	295,000	42,721	337,721
2016	5,573,850	315,000	26,325	341,325
2017	5,914,384	330,000	8,910	338,910
	<u>\$ 26,869,721</u>	<u>2,502,425</u>	<u>261,083</u>	<u>2,763,508</u>

The DPBC agreed to apply \$ 160,157 of operating surplus towards Macon County’s fiscal year 2012 rental obligation, thus reducing rent income by this amount.

A further allocation of the rent is set out in the lease agreement to show the rent by facility which allocates the use of the rent receipts by the DPBC. However, the lease agreement states that a reallocation among the facilities is allowed upon written acceptance by both parties.

The initial rent allocation to each facility follows:

Courthouse and Office Building	47.25%
Law Enforcement Facilities	44.87%
Animal Control Facility	<u>7.88%</u>
	<u>100.00%</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 10 - Multiple Facilities Lease, continued

The cost of land, buildings and equipment under capital leases in capital assets at November 30, 2012 include the following:

Land (nondepreciable)	\$ 1,049,447
Other assets	<u>42,045,874</u>
	43,095,321
Less accumulated depreciation	<u>(20,599,046)</u>
Total	<u><u>\$ 22,496,275</u></u>

The DPBC 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 DPBC 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 DPBC can, by mutual consent with the lessee, reduce services or procure additional rents.

The agreement states that any amounts remaining after payment of debt service and operations and maintenance costs from the rent payments received for the year, are added to a General and Surplus Revenue Account. At the written request of the County, the DPBC shall apply any or all amounts in the General and Surplus Revenue Account as a rent reduction to future rental payments received from the County. Accordingly, any amounts held in this account, including interest earned, are reported as restricted assets and deferred rental income. The Multi-Facility Lease Fund records a receivable for the surplus at year end. The change in the surplus for 2012 is as follows:

Balance at November 30, 2011	\$ 1,290,902
2012 rents applied	(628,466)
2012 surplus	<u>834,656</u>
Balance at November 30, 2012	<u><u>\$ 1,497,092</u></u>

The following is a summary of deferred rental income as of November 30, 2012:

Macon County:	
2012 surplus	\$ 832,215
2011 surplus	658,595
Interest income	<u>6,282</u>
	1,497,092
Prepaid parking rent	<u>1,622</u>
Deferred rent income	<u><u>\$ 1,498,714</u></u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 10 - Multiple Facilities Lease, continued

The Commission entered into an operating lease agreement with the City of Decatur, Illinois for the use of the Commission's law enforcement center. The lease began on December 1, 2011 and expires on November 30, 2014. Rental payments are intended to cover the costs to operate and maintain the law enforcement center, as well as covering the costs for agreed upon facility improvements to be performed by the Commission. Future minimum lease receipts are as follows:

2013	\$ 306,829
2014	316,034
	<u>\$ 622,863</u>

Note 11 - Intergovernmental Revenue

A summary of intergovernmental revenue for the year ended November 30, 2012, follows:

	Municipal	Federal and State Grants	Federal Government	State of Illinois	Total
Major Funds:					
General	\$ 579,352	549,470	455,841	1,133,725	2,718,388
County Health		3,709,268			3,709,268
Law Enforcement Safety Tax	27,851	90,709			118,560
Highway	64,574				64,574
Federal Aid Matching	25,359	3,684,133			3,709,492
County Motor Fuel Tax	89,868			2,111,326	2,201,194
Multi-Facility Lease	834,657				834,657
State's Attorney Grant		1,068,545	258,117		1,326,662
Probation Grant		461,103	330,474		791,577
Nonmajor Funds	667,033	2,006,171	59,897		2,733,101
Total	<u>\$ 2,288,694</u>	<u>11,569,399</u>	<u>1,104,329</u>	<u>3,245,051</u>	<u>18,207,473</u>

In addition, the County participates in joint construction projects with the State of Illinois, whereby both entities pay a portion of the total costs incurred. The State approves the project, awards contracts, and pays contractors, then bills the County for its portion. Because the County will be ultimately responsible for maintaining the final asset, the amount paid by the State is included in intergovernmental revenue and capital asset costs in the Government-wide Statement of Net Assets. During 2012, the State contributed \$ 1,173,198 to these joint projects with the County contributing \$ 280,950.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2012

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:

	General Corporate Fund	Law Enforcement Safety Tax Fund	Illinois Municipal Retirement Fund	County Health Fund	County Highway Fund	Major Special Federal Aid Matching Fund
Nonspendable for inventory	\$ 3,667			162,748	373,202	
Nonspendable for prepaid expenditures	31,217					
Restricted:						
General control and administration	6,535		1,256,560			
Public safety		184,749				
Judiciary and court-related						
Public health and welfare				1,480,537		
Transportation					932,983	511,977
Debt service						
Committed:						
Committed for disaster contingency		500,000				
Committed for future health insurance expenditures	1,057,094					
Committed for economic stabilization	1,648,485					
Unassigned	7,477,691					
	<u>\$ 10,224,689</u>	<u>684,749</u>	<u>1,256,560</u>	<u>1,643,285</u>	<u>1,306,185</u>	<u>511,977</u>

Macon County Mental Health Board - Fund Balances - Assigned: The Board has assigned fund balances as of June 30, 2012, for the following items:

Capital improvements	\$ 198,919
Indemnification of Board of Directors	15,000
Tax refund possibilities	20,000
Budget reserve	<u>247,576</u>
 Total assigned fund balance	 <u><u>\$ 481,495</u></u>

Revenue Funds

County	Motor Fuel Tax Fund	Multi- Facility Lease Fund	State's Attorney Grant Fund	Probation Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
						539,617
		4,019,937	205			4,051,359
					3,658,428	4,921,523
					36,647	221,396
					1,676,176	1,676,176
			179,324	62,190	837,285	2,559,336
1,406,298					1,374,220	4,225,478
	3,657,291					3,657,291
						500,000
						1,057,094
					100,000	1,748,485
					(194,584)	7,283,107
1,406,298	7,677,228	179,529	62,190	7,488,172	32,440,862	

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

Note 12 - Fund Equity Balances, continued

Fund Balance Committed For Stabilization Arrangements: In 2007, the County Board approved Resolution G-3126-11-20-07, "Creating and Defining Use of Financial Stabilization Fund". Under the Resolution, \$ 1,500,000 of the fund balance of the General Fund is committed for stabilization arrangements, such as might be needed in emergency situations or when revenue shortages or budgetary imbalances occur. At November 30, 2012, \$ 1,648,485 of the fund balance for the General Fund was reported as committed for economic stabilization. Use of the stabilization fund requires a two-thirds vote of County Board members.

Fund Equity Deficits: The following funds reported deficit fund balances as of November 30, 2012. The Internal Service Fund deficit is created in part by recognizing claims and judgment liabilities when the loss is probable and reasonably estimable, as required by standards. These potential claims are financed with a combination of commercial insurance and self-insurance with resources transferred from the Liability Insurance Fund. As cases mature and are closed, actual claims paid tend to be less than the original estimated liability as estimated costs and final settlements are negotiated. Changes in estimates from one year to the next are recognized in the year of the change. The Treasurer Automation Fund deficit results from lower fees generated than planned and will be eliminated with future fee revenues. The Workforce Investment Solutions Fund deficit results from grant recognition timing differences and is expected to be eliminated with future grant revenues. The Animal Control Fund deficit results from lower fees generated than planned and will be eliminated with future cost reduction methods and revenue improvements.

Internal Service - Self Insurance Fund	\$ 1,238,558
Special Revenue Funds:	
Treasurer Automation Fund	4,236
Workforce Investment Solutions Fund	70,944
Animal Control Fund	119,404

Note 13 - Pension Plan

Employees of the County, the Macon County Mental Health Board and the Macon County Emergency Telephone System Board participate in the Illinois Municipal Retirement Fund. The employees of the discretely presented component units - Macon County Mental Health Board and Macon County ETSB - are included within the plan for Macon County, Illinois. The County uses general and special revenue funds to liquidate net pension obligations.

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

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2012

Note 13 - Pension Plan, continued

Funding Policy: As set by statute, the County's Regular, ECO and SLEP plan members are required to contribute 4.50%, 7.50% and 7.50%, respectively, of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 for Regular, ECO and SLEP was 11.52%, 42.49% and 25.67%, respectively. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost: For calendar year 2012, the County's required contribution was \$ 2,011,329 for the Regular plan, \$ 313,709 for the Elected County Official plan, and \$ 821,591 for the Sheriff's Law Enforcement Personnel plan.

Three-Year Trend Information for the Regular Plan:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 2,011,329	100%	\$ -0-
12/31/11	1,990,505	100%	-0-
12/31/10	1,998,068	100%	-0-

Three-Year Trend Information for the Elected County Official Plan:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 313,709	100%	\$ -0-
12/31/11	292,433	100%	-0-
12/31/10	243,967	100%	-0-

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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 821,591	100%	\$ -0-
12/31/11	802,967	100%	-0-
12/31/10	761,480	100%	-0-

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

Note 13 - Pension Plan, continued

Annual Pension Cost, continued: The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the County's Regular, ECO and SLEP plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County Regular, ECO and SLEP plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 years basis.

Funded Status and Funding Progress: As of December 31, 2012, the most recent actuarial valuation date, the *Regular plan* was 77.13 percent funded. The actuarial accrued liability for benefits was \$ 52,914,428, and the actuarial value of assets was \$ 40,811,231, resulting in an underfunded actuarial accrued liability (UAAL) of \$ 12,103,197. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$ 17,459,454, and the ratio of the UAAL to the covered payroll was 69 percent.

As of December 31, 2012, the most recent actuarial valuation date, the *Elected County Official plan* was 37.50 percent funded. The actuarial accrued liability for benefits was \$ 4,039,503, and the actuarial value of assets was \$ 1,514,828, resulting in an underfunded actuarial accrued liability (UAAL) of \$ 2,524,675. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$ 738,313, and the ratio of the UAAL to the covered payroll was 342 percent.

As of December 31, 2012, the most recent actuarial valuation date, the *Sheriff's Law Enforcement Personnel plan* was 47.41 percent funded. The actuarial accrued liability for benefits was \$ 14,333,054, and the actuarial value of assets was \$ 6,794,586, resulting in an underfunded actuarial accrued liability (UAAL) of \$ 7,538,468. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$ 3,200,589, and the ratio of the UAAL to the covered payroll was 236 percent.

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

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

Note 14 - Decatur Public Building Commission Retirement Plan

In 1998, the DPBC adopted a Savings Incentive Match Plan for Employees (SIMPLE) Individual Retirement Account (IRA) Plan under Section 408(p) of the Internal Revenue Code. The DPBC administers the SIMPLE IRA Plan as a single-employer defined contribution plan, which has been established through a trust agreement with a financial institution. Plan provisions are established and may be amended by the Board. Eligible employees are those who received at least \$ 5,000 in compensation from the DPBC during the current year. Participants may elect to make salary reduction contributions to the plan for amounts expressed either as a specific dollar amount or as a percentage of compensation. Salary reduction contributions cannot exceed \$ 11,500 (\$ 14,000 if over 50 years of age) per plan year. In addition, the DPBC is generally required to make a matching contribution on behalf of each eligible employee in an amount equal to the employee's salary reduction contributions, up to 3% of the employee's compensation for the applicable calendar year. A participant's interest in the plan, including that attributable to the DPBC's matching contribution, is nonforfeitable. For the year ended November 30, 2012, the DPBC's total matching contributions to the plan were \$ 23,468.

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 ICMA-RC. 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.

Macon County Mental Health Board: The Board offers various employees a deferred compensation plan established in accordance with the requirements of Internal Revenue Code Section 457. The assets of the plan are held in trust for the exclusive benefit of the participants (employees) and their beneficiaries.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 16 - 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 DPBC 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, 2012.

The County has a lease agreement for a portion of the space located at 757 West Pershing Road for use by the Workforce Investment Solutions One Stop Center. The lease is renegotiated annually based on a cost allocation process.

Rental expenditures under this lease for the fiscal year ended November 30, 2012 totaled \$ 29,661.

During 2008, the County entered into a two year lease agreement for office space at 369 West Prairie for use by the State's Attorney for a Child Advocacy Center. The lease calls for monthly rental payments of \$ 1,400 and has an option to renew for an additional three years at the same rate. During 2012, the Center moved locations and the County entered into a three year lease agreement for new office space at 1990 N. Water at \$ 2,625 per month.

Rental expenditures under these leases for the fiscal year ended November 30, 2012 totaled \$ 24,450.

Macon County Emergency Telephone System Board: The Board leases office space located on the eighth floor of the Macon County Office Building from the DPBC under an operating lease that expires May 31, 2013. Total rent expense was \$ 16,150 for the year ended November 30, 2012. Future minimum lease payments are as follows:

2013	<u>\$ 8,232</u>
------	-----------------

Macon County Mental Health Board: The Board is committed under various leases for office space and other equipment expiring through 2014. These leases are considered for accounting purposes to be operating leases. Rent expense for the year ended June 30, 2012, amounted to \$ 52,501. Future minimum lease payments for these leases are as follows:

2013	\$ 55,343
2014	58,128
2015	915
2016	<u>229</u>
	<u>\$ 114,615</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2012

Note 17 - 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 carries commercial insurance coverage 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 in effect at November 30, 2012; not all policy terms, conditions, restrictions, exclusions, etc. are included.

Liability:

General (per occurrence/aggregate)	\$ 1,000,000/\$ 3,000,000
Law Enforcement (each wrongful act limit/aggregate)	\$ 1,000,000/\$ 3,000,000
Auto	\$ 1,000,000
Public Entity Employment Related Practices	\$ 1,000,000
Public Entity Management Liability (each wrongful act limit/aggregate)	\$ 1,000,000/\$ 3,000,000
Crime	\$ 500,000
Umbrella Excess Liability aggregate	\$ 8,000,000
Employee Benefit Plans Liability aggregate/each employee	\$ 3,000,000/\$ 1,000,000

Aggregate:

Property	\$ 9,633,000
Inland Marine (scheduled equipment)	\$ 1,599,616
Unscheduled equipment	\$ 10,000
Earthquake	\$ 5,000,000
Voting machines	\$ 464,015

The County pays all elected officials' bonds by statute.

Subsequent to year end, the County increased its umbrella liability coverage to \$ 14,000,000.

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

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.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 17 - Risk Management, continued

Workers' Compensation: The County has elected to self-insure for workers' 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 \$ 425,000 (\$ 525,000 for police) 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 Internal Service Fund (Self Insurance Fund) as the need arises. At November 30, 2012, the Internal Service Fund had a deficit fund balance of \$ 1,238,558 due to the year end financial statement recording of pending claims and potential claims. Assets to cover these potential liabilities are held in the Insurance Fund until claims have matured to actual, at which point assets are transferred to the Internal Service Fund for payment of the claims.

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. This estimated liability for claims reported to date has been recorded in the Self-Insurance Internal Service Fund.

Changes in the balances of the claims liabilities amount for the two most recent fiscal years are as follows:

	<u>Workers' Compensation</u>		<u>Liability</u>	
	2012	2011	2012	2011
Claims liability, beginning of year	\$ 182,737	330,342	671,143	198,402
Claims incurred and changes in estimates	1,078,024	85,182	(569,342)	610,585
Claim payments	(94,897)	(232,787)	(55,643)	(137,844)
Claims liability, end of year	<u>\$ 1,165,864</u>	<u>182,737</u>	<u>46,158</u>	<u>671,143</u>

Liabilities for unpaid claims are based on recommendations by third party administrators. There have been no significant reductions in insurance coverage from coverage in prior years. The amount of settlements have not exceeded insurance coverage in any of the past three fiscal years.

There was no liability reported for claims incurred but not reported (IBNR) as of November 30, 2012.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2012

Note 18 - Commitments and Contingencies

Federally Assisted Grant Programs: The County participated in a number of federally assisted grant programs. 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.

Pending Litigation: The County is a defendant in several lawsuits, many of which normally occur in governmental operations. Such litigation includes, but is not limited to, claims assessed against the County for property damage and personal injury and other alleged violations of state and federal laws. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable loss to the County, such loss has been accrued in the accompanying financial statements. Litigation where loss to the County is reasonably possible has not been accrued nor can such an amount be estimated at year end. The outcome of the remaining claims cannot be determined at this time. Based upon past experience, management believes that the insurance coverage maintained by the County is sufficient to cover any potential claims over the amount of loss accrued.

Construction Commitments: The County has active construction projects as of November 30, 2012, consisting mainly of road construction and resurfacing projects. At year end, the County's major project commitments are as follows:

Project	Total Contract	Spent-to-Date	Remaining Construction Commitment	Expected Completion Date
South and East Beltway				
Engineering Feasibility Study	\$ 2,162,689	1,973,956	188,733	2013
Wyckles Bridge Replacement	460,000	218,062	241,938	2013
State of Illinois Illiniwik Road (County share only)	295,445	40,063	255,382	2013
County Highway 30 to Elwin Construction	3,533,400	3,236,136	297,264	2013
Lost Bridge/Baltimore Trail	250,000	91,002	158,998	2013
Newburg Road Bridge	304,888	141,881	163,007	2013
Country Club Road	3,008,246	1,205,332	1,802,914	2014
Baltimore - Lost Bridge to Rte 36	280,885	54,305	226,580	2014
Baltimore - Big Creek	271,434	193,273	78,161	2014

The Beltway Feasibility Study is funded primarily by motor fuel tax proceeds, and state and federal grant proceeds. The outcome of the study will determine whether additional construction commitments will be accepted.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

Note 18 - Commitments and Contingencies, continued

Contract Commitments: During 2011, the County entered into a twenty-four month contract for computer software service and support in connection with the 2012 election cycle. Monthly payments of \$ 16,410 are due based on a total contract price of \$ 393,840.

The County enters into various contracts to support the Sheriff's Department which includes the jail. During 2011, a one year contract for medical services for inmates of the Macon County Jail was entered into which called for \$ 22,969 payments per month based on a total contract price of \$ 275,625. Subsequent to year end, the contract was automatically renewed for another year. Another contract was entered into for dietary services at a per-meal price also for inmates of the jail.

During 2007, the County entered into an intergovernmental agreement with Sangamon County to provide beds for juvenile inmates, since Macon County currently has no facility of its own to serve this population. The agreement was for five years, at the initial annual fee stated at \$ 185,237 with annual increases based on the Consumer Price Index, or a maximum of 5% per year. During 2012, the contract was extended through November 30, 2012. The total amount paid under this contract during 2012 was \$ 211,868. Subsequent to year end, the County entered into a new agreement, replacing the previous contract with a one year intergovernmental agreement with Peoria County. The agreement is for one year beginning January 1, 2013 at an annual fee of \$ 205,638 and can be extended an additional year with an increase based on the Consumer Price Index.

Beginning December 1, 2008, the County has approved a Host Agreement with Veolia ES Valley View Landfill, Inc. The agreement calls for the company to pay the County a Host Community Fee of \$ 2.25 for each ton of solid waste received at the landfill with annual increases of 3%.

At November 30, 2012, the DPBC had contracted with various vendors for HVAC upgrades and chiller replacement project. The total cost of these contracts is \$ 184,455 with \$ 34,653 of the costs remaining to be incurred as of November 30, 2012.

Encumbrances: Encumbrances are commitments related to unperformed contracts for goods or service. Encumbrances outstanding at year end are not accounted for as expenditures and liabilities but are included in fund balance. As of November 30, 2012, encumbrances of \$ 1,010 were accounted for in the General Fund, \$ 241,938 in the Special Bridge Fund, and \$ 22,025 in the Animal Control Fund.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 19 - Postemployment Benefits

The County adopted the requirements of GASB Statement No. 45 during the year ended November 30, 2009 and recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the County's future cash flows. Recognition of the liability accumulated from prior years is being phased in over 30 years, commencing with the 2009 liability.

Plan Description: The County provides for the continuance of medical, prescription drug and dental insurance benefits for retired employees and their spouses under 65 years of age through a single employer defined benefit plan by allowing them to remain in the County's healthcare plan after retirement. Once retirees reach 65 years of age, they are eligible for Medicare enrollment and are no longer eligible to participate in the County's health insurance program. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. The retirees pay the cost of the entire annual premium, which is equal to the employee and employer costs for each plan year. For deputies and their spouses, the first three months of benefit continuation required no premium payments from the retired deputy. Amounts paid by retirees are recorded as revenue when received, and the premium paid by the County is recorded as expenditures when paid. The benefits, benefit levels, employee contributions, and employer contributions are governed by the County and can be amended by the County through its personnel manual and union contracts.

Plan Membership: At December 1, 2010 (the date of the latest actuarial valuation), membership consisted of:

Actives (fully eligible)	370
Actives (not yet fully eligible)	-
Retirees and dependents	<u>25</u>
Total	<u><u>395</u></u>

A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet plan obligations. The latest actuarial valuation was made December 1, 2010. The postemployment benefit plan does not issue stand-alone financial reports.

Funding Policy: The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to pre-fund benefits as determined annually. All retirees contribute 100% of the blended premium to the plan to cover the cost of providing the benefits to the retirees via the insured plan (pay as you go). For the fiscal year ended November 30, 2012, retirees contributed \$ 159,294. Active employees do not contribute to the plan until retirement.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 19 - Postemployment Benefits, continued

Annual OPEB Cost and Net OPEB Obligation: The County first had an actuarial valuation performed for the plan as of December 1, 2008 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended November 30, 2009. For the year ended November 30, 2012, the County estimated the cost of providing retiree healthcare benefits through the December 1, 2010 actuarial valuation. The County's annual OPEB cost, the annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2012 was as follows:

Annual required contribution (ARC)	\$ 351,546
Interest on net OPEB obligation (NOO)	32,158
Amortization of NOO	<u>(47,373)</u>
Annual OPEB costs	336,331
Contributions made	<u>(114,571)</u>
Change in net OPEB obligation (asset)	221,760
Net OPEB obligation (asset), beginning of year	<u>803,950</u>
Net OPEB obligation (asset), end of year	<u><u>\$ 1,025,710</u></u>

Trend Information:

Fiscal Year Ending	Annual Required Contribution	Actual Contribution	Percentage of ARC Contributed	Net OPEB Obligation
11/30/10	341,402	80,971	23.70%	548,851
11/30/11	341,760	86,661	25.40%	803,950
11/30/12	336,331	114,571	34.06%	1,025,710

The funded status of the plan as of December 1, 2010, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 2,773,561
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 2,773,561</u></u>
Funded ratio (actuarial value of plan assets / AAL)	0.0%
Covered payroll (active plan members)	Not Available
UAAL as a percentage of covered payroll	Not Available

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2012

Note 19 - Postemployment Benefits, continued

Annual OPEB Cost and Net OPEB Obligation, continued: Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 1, 2010 actuarial valuation, the normal cost method was used. The actuarial assumptions included an investment return for discounted liabilities of 4.0%. Mortality calculations were done using RP-2000 Combined Healthy Mortality Table - Projected with Scale AA fully generational, and a marriage assumption that 50% of males and females be married with husbands three years older than wives. The actuarial value of assets was not determined as the County has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at November 30, 2012, was 30 years.

The annual healthcare cost trend rate was 7.71% for 2012, 7.26% for 2013, 6.81% for 2014 and ultimately grades down to 5% in 2018.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2012

Note 20 - Non-Commitment Debt

On May 1, 2000, the County issued Series 2000 Adjustable Rate Demand Revenue Bonds in the amount of \$ 8,700,000. Net proceeds of the issuance were deposited by Decatur Family YMCA, Illinois for the construction of a new facility. During 2011, the County issued Economic Development Revenue Refunding Bonds (Decatur Family YMCA School Project) Series 2011 in the amount of \$ 2,400,000. The net proceeds of this issue, along with additional funds from the YMCA, were used to pay all outstanding Series 2000 bonds, accrued interest and closing costs. The Series 2011 bonds were purchased by Hickory Point Bank in exchange for a tax exempt loan to the YMCA. The YMCA has signed a promissory note payable to the bank, securing all principal and interest due under the loan. As the intent of all parties is that the YMCA will provide funds for all debt payments, the liability has not been recorded on the County's balance sheet. The outstanding balance on this obligation was \$ 2,228,140 at December 31, 2012.

During 1998, the County issued Series 1998A and 1998B Revenue Refunding Bonds in the amount of \$ 14,480,000. Net proceeds of the issuance were deposited by Millikin University, Illinois for the defeasance of Series 1995 Revenue Bonds. The University entered into an Irrevocable Escrow Agreement to defease the Series 1995 Revenue Bonds. As the intent of all parties is that the University will provide funds for all debt payments, the liability has not been recorded on the County's balance sheet. The outstanding balance on these obligations was \$ 10,145,000 at June 30, 2012. At June 30, 2012, the principal defeased of \$ 4,913,736 has been paid in full.

During 2010, the County issued Series 2010 Revenue Bonds in the amount of \$ 13,750,000. Net proceeds of the issuance were deposited by Millikin University, Illinois for the repayment of long-term debt. As the intent of all parties is that the University will provide for all debt payments, the liability has not been recorded on the County's balance sheet. The outstanding balance on this obligation was \$ 13,450,000 at June 30, 2012.

Note 21 - Significant Estimates and Concentrations

The current economic environment presents governmental organizations with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, declines in grant revenue, tax revenue, etc., constraints on liquidity and difficulty obtaining financing, the financial statements have been prepared using values and information currently available to the County. A significant decline in grant revenue and tax revenue could have an adverse impact on the County's future operating results. In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values, etc. that could negatively impact the County's ability to maintain liquidity. Long-term gradual population losses in Macon County mean that inevitably EAV will gradually decline, and in fact, the first signs of this have been observed in some areas of Macon County. This long-term development will also impact Macon County's ability to raise property taxes.

REQUIRED SUPPLEMENTARY INFORMATION

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 GENERAL CORPORATE FUND
 Year ended November 30, 2012

	Budgeted Amounts		Actual
	Original	Final	Amounts Budgetary Basis
Revenues:			
Taxes	\$ 9,101,180	9,174,263	9,666,796
Intergovernmental	2,731,489	2,660,770	2,718,388
Fines, fees, forfeitures	4,465,823	4,409,070	4,162,621
Licenses and permits	80,100	80,100	67,101
Interest on investments	30,370	30,370	25,507
Miscellaneous revenue	1,842,527	1,872,540	2,153,737
Total revenues	18,251,489	18,227,113	18,794,150
Expenditures:			
General Control and Administration:			
County Clerk:			
Personnel	261,734	261,734	263,573
Supplies and materials	48,700	48,700	43,118
County Clerk - Elections:			
Personnel	218,324	218,324	217,367
Supplies and materials	424,000	424,000	317,013
County Recorder:			
Personnel	105,792	105,792	105,129
Supplies and materials	11,595	11,595	10,615
County Treasurer:			
Personnel	230,100	230,100	230,099
Supplies and materials	65,554	65,554	65,549
Auditor:			
Personnel	339,200	339,200	333,531
Supplies and materials	27,350	27,750	25,324
Equipment	500	100	65
County Board:			
Personnel	257,417	267,667	267,589
Supplies and materials	1,667,713	1,735,853	1,350,039
Equipment	18,000	14,610	10,239
Supervisor of Assessments:			
Personnel	211,281	230,281	217,405
Supplies and materials	63,325	63,325	56,224
Equipment	500	500	

(Continued)

Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
(21,243)	9,645,553	492,533
	2,718,388	57,618
	4,162,621	(246,449)
	67,101	(12,999)
	25,507	(4,863)
	2,153,737	281,197
(21,243)	18,772,907	567,037

	263,573	(1,839)
	43,118	5,582
	217,367	957
	317,013	106,987
	105,129	663
	10,615	980
	230,099	1
	65,549	5
	333,531	5,669
90	25,414	2,426
	65	35
	267,589	78
	1,350,039	385,814
	10,239	4,371
	217,405	12,876
	56,224	7,101
		500

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 GENERAL CORPORATE FUND (Continued)
 Year ended November 30, 2012

	Budgeted Amounts		Actual
	Original	Final	Amounts Budgetary Basis
Expenditures, continued:			
General Control and Administration, continued:			
Board of Review:			
Personnel	\$ 71,886	71,886	71,886
Supplies and materials	8,850	8,850	5,039
Equipment	150	150	
Public Safety:			
County Sheriff:			
Personnel	3,599,698	3,639,698	3,432,912
Supplies and materials	246,950	246,950	181,179
Equipment		35,521	40,521
Coroner:			
Personnel	165,510	166,678	166,677
Supplies and materials	60,839	69,751	68,938
Equipment	1,065	1,065	1,021
Law Facilities Center:			
Personnel	3,369,542	3,456,691	3,430,826
Supplies and materials	94,300	95,300	76,265
Jail - Commissary Supplies			102,543
Judiciary and Court-Related:			
Circuit Clerk:			
Personnel	1,122,480	1,122,480	1,115,101
Supplies and materials	82,170	82,170	91,514
Equipment	7,500	7,500	2,110
State's Attorney:			
Personnel	1,652,756	1,652,756	1,647,187
Supplies and materials	114,000	125,492	125,488
Equipment	20,927	9,434	9,434
State's Attorney, Title IV-D, Public Aid:			
Personnel	304,300	323,946	323,946
Supplies and materials	12,109	13,109	13,234
Equipment	1,000		
Circuit Court:			
Personnel	439,210	439,874	434,975
Supplies and materials	157,120	179,551	153,897
Equipment	2,000	2,000	333
Public Defender:			
Personnel	912,745	912,744	908,882
Supplies and materials	106,950	103,950	85,615
Equipment	2,000		

(Continued)
 - 87 -

Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
	71,886	
	5,039	3,811
		150
	3,432,912	206,786
	181,179	65,771
	40,521	(5,000)
	166,677	1
16,150	85,088	813
	1,021	44
	3,430,826	25,865
	76,265	19,035
	102,543	(102,543)
	1,115,101	7,379
	91,514	(9,344)
	2,110	5,390
	1,647,187	5,569
	125,488	4
	9,434	
	323,946	
	13,234	(125)
	434,975	4,899
	153,897	25,654
	333	1,667
	908,882	3,862
	85,615	18,335

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 GENERAL CORPORATE FUND (Continued)
 Year ended November 30, 2012

	Budgeted Amounts		Actual
	Original	Final	Amounts Budgetary Basis
Expenditures, continued:			
Judiciary and Court-Related, continued:			
Probation Officers:			
Personnel	1,792,474	1,862,305	1,861,951
Supplies and materials	409,183	405,241	329,328
Equipment	35,600	35,600	35,593
Public Health and Welfare:			
Superintendent, Regional Office of Education:			
Personnel	107,070	107,070	105,632
Supplies and materials	48,343	48,343	48,350
Total expenditures	18,899,812	19,271,190	18,383,256
Excess (deficiency) of revenues over (under) expenditures	(648,323)	(1,044,077)	410,894
Other financing sources (uses):			
Transfers in	690,150	792,260	786,171
Transfers out	(95,000)	(95,000)	(95,000)
Total other financing sources (uses)	595,150	697,260	691,171
Net change in fund balance	\$ (53,173)	(346,817)	1,102,065
Budgetary fund balance, beginning of year, as restated			8,987,463
Budgetary fund balance, end of year			\$ 10,089,528

Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
	1,861,951	354
300	329,628	75,913
	35,593	7
	105,632	1,438
	48,350	(7)
16,540	18,399,796	887,934
(37,783)	373,111	1,454,971
	786,171	(6,089)
	(95,000)	
-	691,171	(6,089)
(37,783)	1,064,282	1,448,882

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 LAW ENFORCEMENT SAFETY TAX FUND
 Year ended November 30, 2012

	Budgeted Amounts	
	Original	Final
Revenues:		
Taxes	\$ 2,660,102	2,660,102
Intergovernmental	131,687	131,687
Fines, fees, forfeitures	156,000	156,000
Interest on investments	5,004	5,004
Miscellaneous revenue	6,900	6,900
Total revenues	<u>2,959,693</u>	<u>2,959,693</u>
Expenditures:		
Current:		
Public Safety:		
Personnel	2,180,347	2,180,346
Supplies and materials	982,725	988,754
Equipment	200,000	200,000
Total expenditures	<u>3,363,072</u>	<u>3,369,100</u>
Net change in fund balance	<u>\$ (403,379)</u>	<u>(409,407)</u>
Budgetary fund balance, beginning of year		
Budgetary fund balance, end of year		

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
2,548,394		2,548,394	(111,708)
118,560		118,560	(13,127)
152,464		152,464	(3,536)
1,589		1,589	(3,415)
1,247		1,247	(5,653)
<u>2,822,254</u>	-	<u>2,822,254</u>	<u>(137,439)</u>
2,045,336		2,045,336	135,010
849,907		849,907	138,847
194,802		194,802	5,198
<u>3,090,045</u>	-	<u>3,090,045</u>	<u>279,055</u>
(267,791)	-	(267,791)	141,616
<u>952,540</u>			
<u>\$ 684,749</u>			

MACON COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 ILLINOIS MUNICIPAL RETIREMENT FUND
 Year ended November 30, 2012**

	Budgeted Amounts	
	Original	Final
Revenues:		
Property taxes	\$ 1,913,292	1,913,292
Interest on investments	2,100	2,100
Total revenues	1,915,392	1,915,392
Expenditures:		
General Control and Administration:		
Personnel - IMRF Agent Trust Fund	54,747	61,900
Public Safety:		
Personnel - IMRF Agent Trust Fund	1,160,515	1,312,145
Judiciary and Court-Related:		
Personnel - IMRF Agent Trust Fund	699,672	791,089
Total expenditures	1,914,934	2,165,134
Net change in fund balance	\$ 458	(249,742)
 Budgetary fund balance, beginning of year		
 Budgetary fund balance, end of year		

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
1,911,442	(30,806)	1,880,636	(1,850)
511		511	(1,589)
<u>1,911,953</u>	<u>(30,806)</u>	<u>1,881,147</u>	<u>(3,439)</u>
219,222		219,222	(157,322)
1,312,145		1,312,145	
791,089		791,089	
<u>2,322,456</u>	<u>-</u>	<u>2,322,456</u>	<u>(157,322)</u>
(410,503)	(30,806)	(441,309)	(160,761)
<u>1,604,048</u>			
<u>\$ 1,193,545</u>			

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 COUNTY HEALTH FUND
 Year ended November 30, 2012

	Budgeted Amounts	
	Original	Final
Revenues:		
Taxes	\$ 1,626,201	1,626,201
Intergovernmental	3,532,857	4,125,278
Fines, fees, forfeitures	323,950	218,950
Licenses and permits	245,770	245,770
Interest on investments	2,000	2,000
Miscellaneous revenue	48,000	49,795
Total revenues	<u>5,778,778</u>	<u>6,267,994</u>
Expenditures:		
Current:		
Public Health and Welfare:		
Personnel	4,405,705	4,504,324
Supplies and materials	895,077	1,330,856
Equipment	213,366	811,306
Debt Service:		
Principal	75,000	72,600
Interest	35,007	35,363
Total expenditures	<u>5,624,155</u>	<u>6,754,449</u>
Excess (deficiency) of revenues over (under) expenditures	<u>154,623</u>	<u>(486,455)</u>
Other financing sources (uses):		
Transfers out	<u>(90,000)</u>	<u>(92,351)</u>
Total other financing sources (uses)	<u>(90,000)</u>	<u>(92,351)</u>
Net change in fund balance	<u>\$ 64,623</u>	<u>(578,806)</u>
Budgetary fund balance, beginning of year, as restated		
Budgetary fund balance, end of year		

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
1,608,422	(10,205)	1,598,217	(17,779)
3,709,268		3,709,268	(416,010)
339,163		339,163	120,213
220,204		220,204	(25,566)
1,011		1,011	(989)
19,380		19,380	(30,415)
<u>5,897,448</u>	<u>(10,205)</u>	<u>5,887,243</u>	<u>(370,546)</u>
4,272,111		4,272,111	232,213
1,136,845		1,136,845	194,011
776,711	(15,576)	792,287	34,595
59,945		59,945	12,655
31,691		31,691	3,672
<u>6,277,303</u>	<u>(15,576)</u>	<u>6,292,879</u>	<u>477,146</u>
<u>(379,855)</u>	<u>5,371</u>	<u>(405,636)</u>	<u>106,600</u>
<u>(88,848)</u>		<u>(88,848)</u>	<u>3,503</u>
<u>(88,848)</u>	<u>-</u>	<u>(88,848)</u>	<u>3,503</u>
<u>(468,703)</u>	<u>5,371</u>	<u>(494,484)</u>	<u>110,103</u>
<u>2,058,146</u>			
<u>\$ 1,589,443</u>			

MACON COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
COUNTY HIGHWAY FUND
Year ended November 30, 2012**

	Budgeted Amounts	
	Original	Final
Revenues:		
Taxes	\$ 1,500,000	1,500,000
Intergovernmental	10,300	10,300
Interest on investments	2,100	2,100
Miscellaneous revenue	12,200	12,200
	<hr/>	
Total revenues	1,524,600	1,524,600
Expenditures:		
Current:		
Transportation:		
Personnel	940,156	940,156
Supplies and materials	766,000	779,329
Equipment	1,206,000	1,192,671
	<hr/>	
Total expenditures	2,912,156	2,912,156
	<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(1,387,556)	(1,387,556)
Other financing sources (uses):		
Transfers in	500,000	500,000
Transfers out	(137,566)	(137,566)
	<hr/>	
Total other financing sources (uses)	362,434	362,434
	<hr/>	
Net change in fund balance	\$ (1,025,122)	(1,025,122)
	<hr/> <hr/>	
Budgetary fund balance, beginning of year		
Budgetary fund balance, end of year		

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
1,482,346	(7,995)	1,474,351	(17,654)
64,574		64,574	54,274
588		588	(1,512)
93,912		93,912	81,712
1,641,420	(7,995)	1,633,425	116,820
783,728		783,728	156,428
567,962		567,962	211,367
357,545		357,545	835,126
1,709,235	-	1,709,235	1,202,921
(67,815)	(7,995)	(75,810)	1,319,741
182,745		182,745	(317,255)
(137,566)		(137,566)	
45,179	-	45,179	(317,255)
(22,636)	(7,995)	(30,631)	1,002,486
1,279,420			
<u>\$ 1,256,784</u>			

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 FEDERAL AID MATCHING FUND
 Year ended November 30, 2012

	Budgeted Amounts	
	Original	Final
Revenues:		
Taxes	\$ 440,000	440,000
Intergovernmental	2,554,000	2,554,000
Interest on investments	500	500
Total revenues	<u>2,994,500</u>	<u>2,994,500</u>
Expenditures:		
Current:		
Transportation:		
Supplies and materials	4,200,000	5,036,000
Net change in fund balance	<u>\$ (1,205,500)</u>	<u>(2,041,500)</u>
Budgetary fund balance, beginning of year		
Budgetary fund balance, end of year		

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
434,851	(2,346)	432,505	(5,149)
3,709,492		3,709,492	1,155,492
6,078		6,078	5,578
4,150,421	(2,346)	4,148,075	1,155,921
4,971,030	-	4,971,030	64,970
(820,609)	(2,346)	(822,955)	1,220,891
1,318,094			
<u>\$ 497,485</u>			

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 COUNTY MOTOR FUEL TAX FUND
 Year ended November 30, 2012

	Budgeted Amounts	
	Original	Final
Revenues:		
Intergovernmental	\$ 1,870,100	1,870,100
Interest on investments	5,100	5,100
Miscellaneous revenue	500	500
	<hr/>	
Total revenues	1,875,700	1,875,700
<hr/>		
Expenditures:		
Current:		
Transportation:		
Personnel	811,005	811,005
Supplies and materials	1,000,000	1,000,000
Equipment	100,000	100,000
	<hr/>	
Total expenditures	1,911,005	1,911,005
	<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(35,305)	(35,305)
	<hr/>	
Other financing sources (uses):		
Transfers out	(300,000)	(300,000)
	<hr/>	
Total other financing sources (uses)	(300,000)	(300,000)
	<hr/>	
Net change in fund balance	\$ (335,305)	(335,305)
	<hr/> <hr/>	
Budgetary fund balance, beginning of year		
Budgetary fund balance, end of year		

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
2,201,194		2,201,194	331,094
1,820		1,820	(3,280)
			(500)
2,203,014	-	2,203,014	327,314
755,498		755,498	55,507
834,803		834,803	165,197
			100,000
1,590,301	-	1,590,301	320,704
612,713	-	612,713	648,018
(182,745)		(182,745)	117,255
(182,745)	-	(182,745)	117,255
429,968	-	429,968	765,273
976,330			
<u>\$ 1,406,298</u>			

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 MULTI-FACILITY LEASE FUND
 Year ended November 30, 2012

	Budgeted Amounts	
	Original	Final
Revenues:		
Taxes	\$ 5,921,262	5,921,262
Intergovernmental		
Interest on investments	4,500	4,500
Total revenues	<u>5,925,762</u>	<u>5,925,762</u>
Expenditures:		
Current:		
General Control and Administration:		
Public Building Commission lease payments	870,909	870,981
Public Safety:		
Public Building Commission lease payments	2,619,619	2,619,838
Judiciary and Court-Related:		
Public Building Commission lease payments	1,086,397	1,086,489
Debt Service:		
Principal	1,285,000	1,204,164
Interest	66,437	146,890
Total expenditures	<u>5,928,362</u>	<u>5,928,362</u>
Net change in fund balance	<u>\$ (2,600)</u>	<u>(2,600)</u>
Budgetary fund balance, beginning of year		
Budgetary fund balance, end of year		

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
5,097,620	(28,926)	5,068,694	(823,642)
834,657		834,657	834,657
5,499		5,499	999
<u>5,937,776</u>	<u>(28,926)</u>	<u>5,908,850</u>	<u>12,014</u>
838,603		838,603	32,378
2,522,448		2,522,448	97,390
1,046,099		1,046,099	40,390
1,195,000		1,195,000	9,164
146,890		146,890	
<u>5,749,040</u>	<u>-</u>	<u>5,749,040</u>	<u>179,322</u>
188,736	(28,926)	159,810	191,336
<u>7,318,655</u>			
<u>\$ 7,507,391</u>			

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 STATE'S ATTORNEY GRANT FUND
 Year ended November 30, 2012

	Budgeted Amounts	
	Original	Final
Revenues:		
Intergovernmental	\$ 1,334,168	1,337,628
Fines, fees, forfeitures	254,785	257,749
Interest on investments		
Miscellaneous revenue	5,215	5,215
Total revenues	<u>1,594,168</u>	<u>1,600,592</u>
Expenditures:		
Current:		
Public Health and Welfare:		
Personnel	1,161,724	1,121,477
Supplies and materials	414,090	487,727
Equipment	3,858	5,488
Total expenditures	<u>1,579,672</u>	<u>1,614,692</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,496</u>	<u>(14,100)</u>
Other financing sources (uses):		
Transfers in		
Transfer out		
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 14,496</u>	<u>(14,100)</u>
Budgetary fund balance, beginning of year, as restated		
Budgetary fund balance, end of year		

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
1,326,662		1,326,662	(10,966)
212,689		212,689	(45,060)
241		241	241
			(5,215)
1,539,592	-	1,539,592	(61,000)
1,095,162		1,095,162	26,315
336,456		336,456	151,271
15,112		15,112	(9,624)
1,446,730	-	1,446,730	167,962
92,862	-	92,862	106,962
26,167		26,167	26,167
(1,205)		(1,205)	(1,205)
24,962	-	24,962	24,962
117,824	-	117,824	131,924
61,705			
\$ 179,529			

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 PROBATION GRANT FUND
 Year ended November 30, 2012

	Budgeted Amounts	
	Original	Final
Revenues:		
Intergovernmental	\$ 737,413	1,031,513
Fines, fees, forfeitures		
Interest on investments		
	<hr/>	
Total revenues	737,413	1,031,513
	<hr/>	
Expenditures:		
Current:		
Public Health and Welfare:		
Personnel	144,265	134,099
Supplies and materials	593,148	890,168
Equipment		7,246
	<hr/>	
Total expenditures	737,413	1,031,513
	<hr/>	
Net change in fund balance	\$ -	-
	<hr/> <hr/>	

Budgetary fund balance, beginning of year

Budgetary fund balance, end of year

Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
791,577		791,577	(239,936)
1,523		1,523	1,523
77		77	77
793,177	-	793,177	(238,336)
93,910		93,910	40,189
643,654	(73,260)	716,914	246,514
4,690		4,690	2,556
742,254	(73,260)	815,514	289,259
50,923	73,260	(22,337)	50,923
11,267			
\$ 62,190			

MACON COUNTY, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
November 30, 2012**

Illinois Municipal Retirement Fund

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)
12/31/12	\$ 40,811,231	52,914,428	12,103,197	77.13	17,459,454	69.32%
12/31/11	39,344,186	50,842,366	11,498,180	77.38	16,665,608	68.99%
12/31/10	37,583,030	48,374,772	10,791,742	77.69	16,975,943	63.57%

Schedule of Funding Progress - Elected County Officials						
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)
12/31/12	\$ 1,514,828	4,039,503	2,524,675	37.50	738,313	341.95%
12/31/11	1,824,447	4,649,287	2,824,840	39.24	735,682	383.98%
12/31/10	1,317,257	4,123,809	2,806,552	31.94	644,904	435.19%

Schedule of Funding Progress - Sheriff Law Enforcement Personnel						
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)
12/31/12	\$ 6,794,586	14,333,054	7,538,468	47.41	3,200,589	235.53%
12/31/11	5,975,218	13,405,327	7,430,109	44.57	3,171,276	234.29%
12/31/10	5,377,504	12,491,000	7,113,496	43.05	3,182,114	223.55%

On a market value basis, the actuarial value of assets as of December 31, 2012 for Regular, ECO and SLEP is \$ 1,633,507, \$ 42,237,872 and \$ 7,230,537, respectively. On a market basis, the funded ratio for Regular, ECO and SLEP would be 40.44%, 79.82% and 50.45%, respectively.

The actuarial value of assets and accrued liabilities cover active and inactive members who have service credit with Macon County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

MACON COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS (Continued)

November 30, 2012

Postemployment Benefits

Schedule of Funding Progress - Postemployment Benefits						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/1/11	\$ -	2,773,561	2,773,561	0%	Not Available	Not Available
12/1/10	-	2,773,561	2,773,561	0%	20,305,451	13.66%
12/1/09	-	2,698,680	2,698,680	0%	Not Available	Not Available

See Notes to Required Supplementary Information.

MACON COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION November 30, 2012

Note 1 - Budgetary Process

The budget and appropriations ordinance 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, 2012.

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; Special Revenue Funds (except for the State's Attorney Drug Fund, State's Attorney Forfeited Federal Fund, Sheriff's Drug Fund, and Probation and Court Services Fund); Capital Project Funds and the Internal Service Fund. The State's Attorney Automation Fund has the authority to authorize appropriations but did not for 2012 as it was the first year for the fund.
- 2) Officeholders prepare their original appropriated budget requests in June and July.
- 3) The officeholders meet with their respective oversight committees and revise the original appropriated budget amounts during July through August.
- 4) The various committees present their revised appropriated budget requests to the Finance Committee at a series of budget hearings held during August through October.
- 5) As approved by the Finance Committee, a display budget is prepared in October for a mandatory 15 day public display.
- 6) The appropriated budget is reviewed and legally adopted by the Macon County Board in a regular or special session held in 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 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) Transfers of budgeted amounts between funds or any amendments to the originally approved budget by means of an emergency or supplemental appropriation require approval by two-thirds of the County Board members. Budget amendments are typically made if a new revenue source had been secured or identified. Budget amendments were made during the fiscal year.

MACON COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)
November 30, 2012

Note 1 - Budgetary Process, continued

- 9) Expenditures are classified into three broad categories - personnel, supplies and materials, and equipment. Transfers of budgeted line items may be made within an expenditure category of a fund by the elected official or department head without seeking approval of the County Board. Transfers or any budget amendments made during the year are reflected in the budget information included in the financial statements.
- 10) Formal budgetary integration is employed as a management control device during the year through an internal reporting basis for all budgeted funds. It is budgetary control policy that expenditures do not exceed appropriations. The legal level of budgetary control (level at which disbursements may not exceed budgets) is at the "three broad categories" level (personnel, supplies and materials, and equipment); however, budgetary control is also maintained with each department at the line item level. The County uses an encumbrance accounting system.
- 11) All nonencumbered appropriations lapse at year end, requiring reappropriation the following fiscal year.

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 Schedule of Revenues, Expenditures, and Changes in Fund Balance (Non-GAAP) - Budget 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. Property tax 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).

MACON COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)
November 30, 2012

Note 2 - Budgetary Basis of Accounting, continued

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

	General Fund	Illinois Municipal Retirement	County Health	County Highway	Federal Aid Matching	Multi- Facility Lease	Probation Grant
Net change in fund balance:							
GAAP basis, November 30, 2012	\$ 1,064,282	(441,309)	(494,484)	(30,631)	(822,955)	159,810	(22,337)
Taxes receivable at November 30, 2011	155,394	93,821	64,047	57,396	16,838	198,763	
Taxes receivable at November 30, 2012	(134,151)	(63,015)	(53,842)	(49,401)	(14,492)	(169,837)	
Encumbrances recognized as expenditures per budget basis at November 30, 2011	17,550		15,576				73,260
Encumbrances recognized as expenditures per budget basis at November 30, 2012	(1,010)						
Budget basis	<u>\$ 1,102,065</u>	<u>(410,503)</u>	<u>(468,703)</u>	<u>(22,636)</u>	<u>(820,609)</u>	<u>188,736</u>	<u>50,923</u>

Note 3 - Excess of Expenditures over Appropriations

Excess of expenditures over appropriations for the year ended November 30, 2012 are as follows:

	Expenditures	Appropriations	Variance
Major Funds:			
Illinois Municipal Retirement Fund	\$ 2,322,456	2,165,134	157,322
Non Major Funds:			
Social Security Fund	1,088,782	1,039,595	49,187

COMBINING AND INDIVIDUAL FUND INFORMATION

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, 2012

Assets

Cash	\$ 7,641,417
Investments, at cost	1,261
Taxes receivable	134,151
Accounts receivable	186,598
Inventory	3,667
Due from governmental agencies:	
State of Illinois	1,668,055
Other governmental agencies	662,325
Prepaid items	31,217
Restricted cash	148,597
Due from other funds	1,274,949
	<hr/>
Total assets	11,752,237
	<hr/> <hr/>

Liabilities

Cash drawn in excess of available funds	142,883
Accounts payable	80,594
Accrued salaries	269,934
Deferred revenue	1,029,841
Due to other funds	4,296
	<hr/>
Total liabilities	1,527,548
	<hr/> <hr/>

Fund Balances

Nonspendable	34,884
Restricted	6,535
Unrestricted:	
Committed	2,705,579
Unassigned	7,477,691
	<hr/>
Total fund balances	10,224,689
	<hr/> <hr/>

 Total liabilities and fund balances \$ 11,752,237

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Year ended November 30, 2012

Revenues:	
Taxes	\$ 9,645,553
Intergovernmental	2,718,388
Fines, fees, forfeitures	4,162,621
Licenses and permits	67,101
Interest on investments	25,507
Miscellaneous revenue	<u>2,153,737</u>
Total revenues	<u>18,772,907</u>
Expenditures:	
Current:	
General control and administration	3,595,740
Public safety	7,459,340
Judiciary and court-related	7,091,418
Public health and welfare	153,982
Capital outlay	<u>99,316</u>
Total expenditures	<u>18,399,796</u>
Excess of revenues over expenditures	<u>373,111</u>
Other financing sources (uses):	
Transfers in	786,171
Transfers out	<u>(95,000)</u>
Total other financing sources (uses)	<u>691,171</u>
Net change in fund balance	1,064,282
Fund balance, beginning of year, as restated	<u>9,160,407</u>
Fund balance, end of year	<u><u>\$ 10,224,689</u></u>

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Taxes:			
Property taxes	\$ 4,082,379	4,018,730	(63,649)
Retailers' occupational tax	3,445,301	3,351,514	(93,787)
Illinois State income tax	1,100,000	1,555,105	455,105
Illinois personal property replacement tax	463,000	654,312	191,312
Inheritance tax	83,583	87,135	3,552
Total revenues, taxes	9,174,263	9,666,796	492,533
Intergovernmental:			
Contracts, municipalities	375,000	575,386	200,386
State Board of Elections	100,000	78,239	(21,761)
HAVA Grant State Board of Elections	100,000		(100,000)
Salary reimbursements	1,022,704	1,124,478	101,774
Sheriff training reimbursement	13,000	9,247	(3,753)
Federal Prisoner Contract	550,000	455,841	(94,159)
Death Certificate reimbursement		3,813	3,813
Illinois Department of Human Services, IV-D:			
Circuit Clerk IV-D	58,952	49,685	(9,267)
State's Attorney Child Support Enforcement	317,409	292,912	(24,497)
City Mapping contract		151	151
Township Assessor Contracts	2,000	3,815	1,815
State's Attorney Grants:			
Attorney General Victim Witness	25,000	15,000	(10,000)
708 Board Deferred Prosecution	24,605	31,201	6,596
Public Defender Grants:			
Defense services grant	40,500	54,000	13,500
Mental Health Board Grant	16,600	6,650	(9,950)
Probation:			
Mental Health Board Grant	15,000	17,970	2,970
Total revenues, intergovernmental	2,660,770	2,718,388	57,618

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

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

Year ended November 30, 2012

	Budget	Actual	Variance
Revenues (continued):			
Fines, fees, forfeitures:			
Circuit Clerk	\$ 2,101,740	1,772,325	(329,415)
State's Attorney	415,000	360,283	(54,717)
County Recorder	390,000	476,258	86,258
County Sheriff	427,250	307,474	(119,776)
County Coroner	25,080	24,380	(700)
County Collector	405,000	471,205	66,205
County Clerk	325,000	296,318	(28,682)
County Board	20,000	138	(19,862)
Public Defender Behavioral Court Fee	50,000	43,334	(6,666)
General Host Fee	250,000	410,906	160,906
Total revenues, fines, fees, forfeitures	4,409,070	4,162,621	(246,449)
Licenses and permits:			
Building, rezoning permits	75,000	61,021	(13,979)
Liquor license	5,100	6,080	980
Total revenues, licenses and permits	80,100	67,101	(12,999)
Interest on investments	30,370	25,507	(4,863)
Miscellaneous revenues:			
Miscellaneous receipts and refunds	5,200	23,603	18,403
Copy and fax	2,000	6,365	4,365
State's Attorney		1,032	1,032
Planning and Zoning	1,000	1,959	959
Probation	2,500	5,721	3,221
Sheriff sales and commissions	386,263	521,289	135,026
Health insurance premiums received	1,404,327	1,351,079	(53,248)
Commissary revenue		130,311	130,311
Miscellaneous	1,250	228	(1,022)
Franchise fees	70,000	112,150	42,150
Total miscellaneous revenues	1,872,540	2,153,737	281,197
Total revenues	18,227,113	18,794,150	567,037

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

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

Year ended November 30, 2012

	Budget	Actual	Variance
Expenditures:			
General Control and Administration:			
County Clerk:			
Salaries	\$ 213,962	215,801	(1,839)
Hospitalization	47,772	47,772	
	<u>261,734</u>	<u>263,573</u>	<u>(1,839)</u>
Postage	8,000	6,914	1,086
Telephone	2,000	1,413	587
Copy machine	1,500	1,034	466
Supplies	14,175	14,138	37
Legal advertising	200	19	181
EDP	22,000	19,595	2,405
Miscellaneous	825	5	820
	<u>48,700</u>	<u>43,118</u>	<u>5,582</u>
Total County Clerk	<u>310,434</u>	<u>306,691</u>	<u>3,743</u>
County Clerk - Elections:			
Salaries	202,400	201,443	957
Hospitalization	15,924	15,924	
	<u>218,324</u>	<u>217,367</u>	<u>957</u>
Rental polling places	6,000	5,310	690
Postage	18,300	12,193	6,107
Legal advertising	38,700	38,631	69
Supplies	248,800	248,743	57
HAVA grant supplies	100,000		100,000
Miscellaneous drayage	12,200	12,136	64
	<u>424,000</u>	<u>317,013</u>	<u>106,987</u>
Total County Clerk - Elections	<u>642,324</u>	<u>534,380</u>	<u>107,944</u>
County Recorder:			
Salaries	73,944	73,944	
Hospitalization	31,848	31,185	663
	<u>105,792</u>	<u>105,129</u>	<u>663</u>
Travel	2,350	2,230	120
Postage	1,000	605	395
Dues	375	345	30
Telephone	1,200	1,364	(164)
Maintenance of equipment	420	420	
Copy machine	2,500	2,501	(1)
Supplies	2,250	1,861	389
Book repair	1,500	1,289	211
	<u>11,595</u>	<u>10,615</u>	<u>980</u>
Total County Recorder	<u>117,387</u>	<u>115,744</u>	<u>1,643</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2012

	Budget	Actual	Variance
Expenditures (continued):			
General Control and Administration (continued):			
County Treasurer:			
Salaries	\$ 190,290	190,289	1
Hospitalization	39,810	39,810	
	<u>230,100</u>	<u>230,099</u>	<u>1</u>
Postage	32,731	32,730	1
Telephone	2,438	2,437	1
Legal advertising	5,106	5,105	1
Dues	500	500	
Copy machine	492	492	
EDP	20,283	20,282	1
Maintenance of equipment	80	80	
Travel	771	770	1
Training	50	50	
Supplies	379	379	
Printing	2,724	2,724	
	<u>65,554</u>	<u>65,549</u>	<u>5</u>
Total County Treasurer	<u>295,654</u>	<u>295,648</u>	<u>6</u>
Auditor:			
Salaries	283,466	282,441	1,025
Hospitalization	55,734	51,090	4,644
	<u>339,200</u>	<u>333,531</u>	<u>5,669</u>
Postage	2,515	2,073	442
Telephone	2,253	2,252	1
Travel	247	122	125
Supplies	5,175	5,172	3
Legal advertising	400	73	327
EDP	11,070	11,069	1
Training	1,025	1,024	1
Dues	1,000	900	100
Copy machine	1,000	770	230
Professional services	3,065	1,869	1,196
	<u>27,750</u>	<u>25,324</u>	<u>2,426</u>
Total Auditor	<u>366,950</u>	<u>358,855</u>	<u>8,095</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

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

Year ended November 30, 2012

	Budget	Actual	Variance
Expenditures (continued):			
General Control and Administration (continued):			
County Board:			
Salaries	\$ 195,971	195,931	40
Hospitalization	71,696	71,658	38
	<u>267,667</u>	<u>267,589</u>	<u>78</u>
Facility lease	45,000	45,000	
Travel	550	43	507
Postage	900	521	379
Library	300		300
Telephone	4,500	3,503	997
Maintenance of equipment	250		250
Legal advertising	1,150	1,183	(33)
Copy machine	1,500	684	816
Contractual services	97,700	27,625	70,075
Dues	2,300	1,905	395
Training	600	29	571
Supplies	2,500	2,091	409
Car expense	3,300	3,378	(78)
Economic Development	5,700	4,135	1,565
Nuisance expense	50		50
Demolition expense	7,000		7,000
Miscellaneous	250	224	26
	<u>173,550</u>	<u>90,321</u>	<u>83,229</u>
Total County Board	<u>441,217</u>	<u>357,910</u>	<u>83,307</u>
Supervisor of Assessments:			
Salaries	184,879	176,003	8,876
Hospitalization	45,402	41,402	4,000
	<u>230,281</u>	<u>217,405</u>	<u>12,876</u>
Travel	2,600	2,469	131
Training	2,000	1,983	17
Dues	325	325	
Legal advertising	14,050	13,164	886
EDP	26,600	26,567	33
Copy machine	2,800	2,417	383
Supplies	5,500	4,773	727
Car expense, field assessors	1,200	1,017	183
Postage	7,000	2,259	4,741
Telephone	1,250	1,250	
	<u>63,325</u>	<u>56,224</u>	<u>7,101</u>
Total Supervisor of Assessments	<u>293,606</u>	<u>273,629</u>	<u>19,977</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2012

	Budget	Actual	Variance
Expenditures (continued):			
General Control and Administration (continued):			
Board of Review:			
Salaries	\$ 48,000	48,000	
Hospitalization	23,886	23,886	
	<u>71,886</u>	<u>71,886</u>	<u>-</u>
Travel	500		500
Training	650		650
Supplies	200	104	96
Postage	1,500	983	517
Appraisal research	5,000	3,255	1,745
Legal advertising	1,000	697	303
	<u>8,850</u>	<u>5,039</u>	<u>3,811</u>
Total Board of Review	<u>80,736</u>	<u>76,925</u>	<u>3,811</u>
Miscellaneous:			
Telephone	(1,000)	496	(1,496)
CPA	98,765	93,575	5,190
Supplies	10,290	18,169	(7,879)
Network - EDP	15,835	15,835	
Postage	15,400	6,568	8,832
Training	100		100
Miscellaneous	100	239	(139)
Hospitalization	1,415,313	1,124,836	290,477
Sick bank expense	7,500		7,500
	<u>1,562,303</u>	<u>1,259,718</u>	<u>302,585</u>
Total Miscellaneous	<u>1,562,303</u>	<u>1,259,718</u>	<u>302,585</u>
Total General Control and Administration	<u>4,110,611</u>	<u>3,579,500</u>	<u>531,111</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

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

Year ended November 30, 2012

	Budget	Actual	Variance
Expenditures (continued):			
Public Safety:			
County Sheriff:			
Salaries	\$ 3,639,698	3,432,912	206,786
	<u>3,639,698</u>	<u>3,432,912</u>	<u>206,786</u>
Travel	2,000	536	1,464
Investigation	1,700	1,624	76
Law enforcement training	25,250	12,804	12,446
Postage	10,000	4,739	5,261
Cars - gas, oil, tires	148,000	114,206	33,794
Copy machine	20,500	12,502	7,998
Telephone	29,000	25,684	3,316
Youth Advocate service grant	6,000	6,000	
Legal advertising	2,000	926	1,074
Supplies	2,000	1,765	235
MIS Contract	300	240	60
Merit commission	200	153	47
	<u>246,950</u>	<u>181,179</u>	<u>65,771</u>
Total County Sheriff	<u>3,886,648</u>	<u>3,614,091</u>	<u>272,557</u>
Coroner:			
Salaries	142,792	142,791	1
Hospitalization	23,886	23,886	
	<u>166,678</u>	<u>166,677</u>	<u>1</u>
Travel	1,026	1,026	
Investigation	3,000	2,888	112
Autopsy - medical	58,451	58,322	129
Postage	500	218	282
Maintenance of equipment	972	972	
Dues	452	425	27
Supplies	3,750	3,716	34
Telephone	1,600	1,371	229
	<u>69,751</u>	<u>68,938</u>	<u>813</u>
Total Coroner	<u>236,429</u>	<u>235,615</u>	<u>814</u>
Law Facilities Center:			
Salaries and payroll	3,456,691	3,430,826	25,865
	<u>3,456,691</u>	<u>3,430,826</u>	<u>25,865</u>
Training	35,000	31,455	3,545
Transport prisoners	17,700	7,490	10,210
Testing	1,500	750	750
Maintenance of equipment	2,000	1,743	257

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

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

Year ended November 30, 2012

	Budget	Actual	Variance
Expenditures (continued):			
Public Safety (continued):			
Law Facilities Center (continued):			
Supplies	\$ 9,457	7,016	2,441
Supplies, law enforcement	5,343	5,498	(155)
Supplies, laundry	1,000		1,000
Uniforms and related items	23,000	22,313	687
Travel	300		300
	<u>95,300</u>	<u>76,265</u>	<u>19,035</u>
Total Law Facilities Center	<u>3,551,991</u>	<u>3,507,091</u>	<u>44,900</u>
Jail - Commissary:			
Commissary supplies		102,543	(102,543)
Total Jail - Commissary	<u>-</u>	<u>102,543</u>	<u>(102,543)</u>
Total Public Safety	<u>7,675,068</u>	<u>7,459,340</u>	<u>215,728</u>
Judiciary and Court-Related:			
Circuit Clerk:			
Salaries	856,210	858,482	(2,272)
Hospitalization	246,822	237,533	9,289
Fringes	19,448	19,086	362
	<u>1,122,480</u>	<u>1,115,101</u>	<u>7,379</u>
Travel	500	500	
Supplies	32,500	28,596	3,904
Postage	30,000	30,520	(520)
Telephone	7,515	7,514	1
Dues	470	410	60
Jury fees		8,116	(8,116)
Jury meals	1,485	1,342	143
Jury parking	700	6,600	(5,900)
General	5,000	4,927	73
Legal advertising	4,000	2,989	1,011
	<u>82,170</u>	<u>91,514</u>	<u>(9,344)</u>
Total Circuit Clerk	<u>1,204,650</u>	<u>1,206,615</u>	<u>(1,965)</u>
State's Attorney:			
Salaries	1,434,378	1,429,473	4,905
Hospitalization	218,378	217,714	664
	<u>1,652,756</u>	<u>1,647,187</u>	<u>5,569</u>
Supplies	8,200	8,200	
Court costs, transcripts, appeals	17,641	15,715	1,926
Investigations	8,073	8,073	

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2012

	Budget	Actual	Variance
Expenditures (continued):			
Judiciary and Court-Related (continued):			
State's Attorney (continued):			
Appellate services	\$ 20,000	20,000	
Institute training	6,827	6,827	
Postage	5,130	5,130	
Telephone	21,876	21,876	
State's Attorney's library	17,475	17,475	
Copy machine	11,500	12,576	(1,076)
Travel	2,094	2,094	
Contractual	6,625	7,471	(846)
Miscellaneous	51	51	
	<u>125,492</u>	<u>125,488</u>	<u>4</u>
Total State's Attorney	<u>1,778,248</u>	<u>1,772,675</u>	<u>5,573</u>
State's Attorney, Title IV-D, Public Aid:			
Salaries	245,676	245,676	
Hospitalization	78,270	78,270	
	<u>323,946</u>	<u>323,946</u>	<u>-</u>
Postage	4,145	4,120	25
Institute training	892	892	
Copy machine	42	42	
Supplies	3,994	4,144	(150)
Court costs, appeals	4,036	4,036	
	<u>13,109</u>	<u>13,234</u>	<u>(125)</u>
Total State's Attorney, Title IV-D, Public Aid	<u>337,055</u>	<u>337,180</u>	<u>(125)</u>
Probation Officers:			
Salaries	1,607,551	1,607,167	384
Hospitalization	254,754	254,784	(30)
	<u>1,862,305</u>	<u>1,861,951</u>	<u>354</u>
Travel	2,000	1,161	839
Postage	4,500	4,130	370
Telephone	15,000	12,662	2,338
Supplies	5,946	5,946	
Gas and oil	19,000	9,607	9,393
Offender services	68,650	44,864	23,786

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2012

	Budget	Actual	Variance
Expenditures (continued):			
Judiciary and Court-Related (continued):			
Probation Officers (continued):			
EDP	\$ 17,366	16,223	1,143
Institute training	2,000	504	1,496
Contractual services	270,779	234,231	36,548
	<u>405,241</u>	<u>329,328</u>	<u>75,913</u>
Total Probation Officers	<u>2,267,546</u>	<u>2,191,279</u>	<u>76,267</u>
Public Defender:			
Salaries	801,276	798,077	3,199
Hospitalization	111,468	110,805	663
	<u>912,744</u>	<u>908,882</u>	<u>3,862</u>
Telephone	1,750	1,779	(29)
Postage	1,500	416	1,084
EDP	3,000	1,837	1,163
Contractual services	68,200	68,724	(524)
Publications	1,500	1,069	431
Supplies	2,000	839	1,161
Investigations	5,500	2,839	2,661
Witness expense	1,500		1,500
Mental exams, court costs	12,500	7,050	5,450
Transcripts	6,500	1,062	5,438
	<u>103,950</u>	<u>85,615</u>	<u>18,335</u>
Total Public Defender	<u>1,016,694</u>	<u>994,497</u>	<u>22,197</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2012

	Budget	Actual	Variance
Expenditures (continued):			
Judiciary and Court-Related (continued):			
Circuit Court:			
Salaries, Circuit Court	\$ 351,628	346,729	4,899
Hospitalization	88,246	88,246	
	<u>439,874</u>	<u>434,975</u>	<u>4,899</u>
Mental exams	1,000		1,000
Transcripts	4,896	4,896	
Jury fees	60,000	47,840	12,160
Juror mileage	6,500	5,421	1,079
Dues		1,800	(1,800)
Postage	2,000	873	1,127
Interpreters	5,526	5,526	
Pro rata share of Circuit and Associate Judges' salaries	3,721	3,631	90
Attorney fees - Court of Appeals	38,492	26,058	12,434
Telephone	8,662	8,470	192
Maintenance of equipment	1,200	574	626
Supplies	4,837	4,503	334
Supplies, automation	3,500	2,643	857
Court and judge law library	21,338	21,338	
EDP		7,108	(7,108)
CASA Program grant	10,000	10,000	
Training	5,000	1,473	3,527
Legal advertising	1,379	993	386
Contractual services	500		500
Circuit Court Chief Justice	1,000	750	250
	<u>179,551</u>	<u>153,897</u>	<u>25,654</u>
Total Circuit Court	<u>619,425</u>	<u>588,872</u>	<u>30,553</u>
Total Judiciary and Court-Related	<u>7,223,618</u>	<u>7,091,118</u>	<u>132,500</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2012

	Budget	Actual	Variance
Expenditures (continued):			
Public Health and Welfare:			
Superintendent, Regional Office of Education:			
Salaries	\$ 90,972	89,206	1,766
Hospitalization	16,098	16,426	(328)
	<u>107,070</u>	<u>105,632</u>	<u>1,438</u>
Superintendent travel	4,617	4,761	(144)
Utilities	5,174	5,318	(144)
Postage	3,582	2,915	667
Dues	1,672	1,672	
Telephone	3,582	3,619	(37)
Building maintenance, lease	25,790	26,341	(551)
Copy machine	1,750	1,733	17
Miscellaneous	810		810
Unemployment insurance	331	1,193	(862)
Supplies	1,035	798	237
	<u>48,343</u>	<u>48,350</u>	<u>(7)</u>
Total Superintendent, Regional Office of Education	<u>155,413</u>	<u>153,982</u>	<u>1,431</u>
Total Public Health and Welfare	<u>155,413</u>	<u>153,982</u>	<u>1,431</u>
Capital Outlay:			
County Administration	14,610	10,239	4,371
Circuit Clerk	7,500	2,110	5,390
Coroner	1,065	1,021	44
State's Attorney	9,434	9,434	
Supervisor of Assessments	500		500
Board of Review	150		150
Probation	35,600	35,593	7
Circuit Courts	2,000	333	1,667
Sheriff Vehicles	35,521	40,521	(5,000)
Auditor	100	65	35
	<u>106,480</u>	<u>99,316</u>	<u>7,164</u>
Total Capital Outlay	<u>106,480</u>	<u>99,316</u>	<u>7,164</u>
Total expenditures	<u>19,271,190</u>	<u>18,383,256</u>	<u>887,934</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2012

	Budget	Actual	Variance
Excess (deficiency) of revenues over (under) expenditures	(1,044,077)	410,894	1,454,971
Other financing sources (uses):			
Transfers in:			
Fund administration fees	80,000	177,798	97,798
Transfer from other funds		5,642	5,642
Transfer from County Clerk Automation	48,000	48,000	
Probation and court services reimbursement	664,260	554,731	(109,529)
	792,260	786,171	(6,089)
Transfers out:			
Transfer to Animal Control	(95,000)	(95,000)	
Total other financing sources (uses)	697,260	691,171	(6,089)
Net changes in fund balance	\$ (346,817)	1,102,065	1,448,882
Budgetary fund balance, beginning of year, as restated		8,987,463	
Budgetary fund balance, end of year		\$ 10,089,528	

MACON COUNTY, ILLINOIS

COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS

November 30, 2012

	Special Revenue Funds				
	Social Security Fund	Insurance Liability Fund	Judgment Repayment Fund	Working Cash Fund	Regional Planning Commission Fund
Assets					
Cash	\$ 454,838	625,717	1,661,819	313,219	41,013
Investments, at cost	320,690	245	490	251	700
Taxes receivable, net of allowance for uncollectibles	36,881	13,174	8,235		
Due from governmental agencies:					
State of Illinois					
Other governmental agencies		13,500			
Due from other funds	65,430	71,809	52		
Total assets	877,839	724,445	1,670,596	313,470	41,713
Liabilities					
Cash drawn in excess of funds available					
Accounts payable	571		26,029		38,062
Accrued salaries		806	5,379		
Deferred revenue					
Due to other funds	130,873		1,116		
Total liabilities	131,444	806	32,524	-	38,062
Fund Balances					
Restricted	746,395	723,639	1,538,072	313,470	3,651
Unrestricted:					
Committed			100,000		
Unassigned					
Total fund balances	746,395	723,639	1,638,072	313,470	3,651
Total liabilities and fund balances	\$ 877,839	724,445	1,670,596	313,470	41,713

(Continued)

Special Revenue Funds

Special Bridge Fund	State- Township Bridge Fund	Circuit Clerk Automation Fund	Circuit Clerk Document Storage Fund	State's Attorney Drug Fund	State's Attorney Forfeited Federal Funds	State's Attorney Automation Fund	County Clerk Automation Fund
417,093	77,693	262,361	129,710	87,621	14,549	3,267	18,644
975,976	364		251	426	30,552		
16,962							
12,000		275	2,476	25,995			
1,422,031	78,057	262,636	132,437	114,042	45,101	3,267	18,644
26,785		24,350	1,217				
		1,798	3,285				
87,083	12,000	1,802		7,912			18,000
113,868	12,000	27,950	4,502	7,912	-	-	18,000
1,308,163	66,057	234,686	127,935	106,130	45,101	3,267	644
1,308,163	66,057	234,686	127,935	106,130	45,101	3,267	644
1,422,031	78,057	262,636	132,437	114,042	45,101	3,267	18,644

MACON COUNTY, ILLINOIS

COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS (Continued)
November 30, 2012

	Special Revenue Funds				
	Treasurer Automation Fund	GIS Automation Fund	Sheriff's Drug Fund	Animal Control Fund	Historical Museum Fund
Assets					
Cash	\$ 8,267	259,115	36,647	132,625	5,102
Investments, at cost				35,597	8
Taxes receivable, net of allowance for uncollectibles					1,071
Due from governmental agencies:					
State of Illinois				78,791	
Other governmental agencies					
Due from other funds		4,041		102	329
Total assets	8,267	263,156	36,647	247,115	6,510
Liabilities					
Cash drawn in excess of funds available				4,969	
Accounts payable	600	7,500			
Accrued salaries	498	2,478		52,597	859
Deferred revenue				70,724	
Due to other funds	11,405			238,229	
Total liabilities	12,503	9,978	-	366,519	859
Fund Balances					
Restricted		253,178	36,647		5,651
Unrestricted:					
Committed					
Unassigned	(4,236)			(119,404)	
Total fund balances	(4,236)	253,178	36,647	(119,404)	5,651
Total liabilities and fund balances	\$ 8,267	263,156	36,647	247,115	6,510

(Continued)

Special Revenue Funds

Law Library Fund	Probation and Court Services Fund	Automation Fund	Environmental Management Fund	Veterans Assistance Commission Fund	Sheriff's Grant Fund	EMA Grant Fund	Workforce Investment Solutions Fund
70,861	1,648,101	79,423	385,544	79,961	305,673		17,500
275	251		252	253			
				4,945			
					23,198		64,568
190		1,366	983	660		243	
71,326	1,648,352	80,789	386,779	85,819	328,871	243	82,068
							1,195
5,175		786	685	400	3,433		58,966
578		3,701	2,653	1,722	1,339		8,947
							28,138
137	554,731	2,574	742	1,859	12,762		55,766
5,890	554,731	7,061	4,080	3,981	17,534	-	153,012
65,436	1,093,621	73,728	382,699	81,838	311,337	243	
							(70,944)
65,436	1,093,621	73,728	382,699	81,838	311,337	243	(70,944)
71,326	1,648,352	80,789	386,779	85,819	328,871	243	82,068

MACON COUNTY, ILLINOIS

COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS (Continued)

November 30, 2012

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	Total	Health Capital Improvements Fund	
Assets			
Cash	\$ 7,136,363	64,807	7,201,170
Investments, at cost	1,366,581		1,366,581
Taxes receivable, net of allowance for uncollectibles	81,268		81,268
Due from governmental agencies:			
State of Illinois	87,766		87,766
Other governmental agencies	92,291		92,291
Due from other funds	185,951		185,951
Total assets	<u>8,950,220</u>	<u>64,807</u>	<u>9,015,027</u>
Liabilities			
Cash drawn in excess of funds available	1,195		1,195
Accounts payable	199,528		199,528
Accrued salaries	86,640		86,640
Deferred revenue	98,862		98,862
Due to other funds	1,136,991	3,639	1,140,630
Total liabilities	<u>1,523,216</u>	<u>3,639</u>	<u>1,526,855</u>
Fund Balances			
Restricted	7,521,588	61,168	7,582,756
Unrestricted:			
Committed	100,000		100,000
Unassigned	(194,584)		(194,584)
Total fund balances	<u>7,427,004</u>	<u>61,168</u>	<u>7,488,172</u>
Total liabilities and fund balances	<u>\$ 8,950,220</u>	<u>64,807</u>	<u>9,015,027</u>

MACON COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 Year ended November 30, 2012

	Special Revenue Funds				
	Social Security Fund	Insurance Liability Fund	Judgment Repayment Fund	Working Cash Fund	Regional Planning Commission Fund
Revenues:					
Taxes	\$ 1,100,686	393,168	245,752		
Intergovernmental					
Fines, fees, forfeitures					
Interest on investments	240	1,165	3,297	314	42
Miscellaneous		13,500	24,160		
Total revenues	1,100,926	407,833	273,209	314	42
Expenditures:					
Current:					
General control and administration	1,088,782	382,493	517,534		
Public safety					
Judiciary and court-related					
Public health and welfare					
Transportation					
Capital outlay			33,170		
Total expenditures	1,088,782	382,493	550,704	-	-
Excess (deficiency) of revenues over (under) expenditures	12,144	25,340	(277,495)	314	42
Other financing sources (uses):					
Transfers in		70,674			
Transfers out		(255,000)			
Total other financing sources (uses)	-	(184,326)	-	-	-
Net change in fund balances	12,144	(158,986)	(277,495)	314	42
Fund balances (deficit), beginning of year	734,251	882,625	1,915,567	313,156	3,609
Fund balances (deficit), end of year	\$ 746,395	723,639	1,638,072	313,470	3,651

(Continued)

Special Revenue Funds

Special Bridge Fund	State- Township Bridge Fund	Circuit Clerk Automation Fund	Circuit Clerk Document Storage Fund	State's Attorney Drug Fund	State's Attorney Forfeited Federal Funds	State's Attorney Automation Fund	County Clerk Automation Fund
506,213							
88,460		252,633	246,965	63,420	2,687	3,266	44,464
724	71	432	196	259	26	1	35
2,592				357			
597,989	71	253,065	247,161	64,036	2,713	3,267	44,499
							45
		220,477	342,021	23,699			
269,375				2,229			
269,375	-	220,477	342,021	25,928	-	-	45
328,614	71	32,588	(94,860)	38,108	2,713	3,267	44,454
				(26,167)			(48,000)
-	-	-	-	(26,167)	-	-	(48,000)
328,614	71	32,588	(94,860)	11,941	2,713	3,267	(3,546)
979,549	65,986	202,098	222,795	94,189	42,388	-	4,190
1,308,163	66,057	234,686	127,935	106,130	45,101	3,267	644

MACON COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)
 Year ended November 30, 2012

	Special Revenue Funds				
	Treasurer Automation Fund	GIS Automation Fund	Sheriff's Drug Fund	Animal Control Fund	Historical Museum Fund
Revenues:					
Taxes	\$				31,972
Intergovernmental			5,507	514,306	28,000
Fines, fees, forfeitures	38,620	198,363	24,903	510,801	
Interest on investments	16	477		84	20
Miscellaneous		7,939	16,561	34,966	
Total revenues	38,636	206,779	46,971	1,060,157	59,992
Expenditures:					
Current:					
General control and administration	54,734	204,439			60,889
Public safety			27,513	1,013,284	
Judiciary and court-related					
Public health and welfare					
Transportation					
Capital outlay	1,422	19,146		9,677	
Total expenditures	56,156	223,585	27,513	1,022,961	60,889
Excess (deficiency) of revenues over (under) expenditures	(17,520)	(16,806)	19,458	37,196	(897)
Other financing sources (uses):					
Transfers in				95,000	
Transfers out				(19,600)	(800)
Total other financing sources (uses)	-	-	-	75,400	(800)
Net change in fund balances	(17,520)	(16,806)	19,458	112,596	(1,697)
Fund balances (deficit), beginning of year	13,284	269,984	17,189	(232,000)	7,348
Fund balances (deficit), end of year	\$ (4,236)	253,178	36,647	(119,404)	5,651

(Continued)

Special Revenue Funds

Law Library Fund	Probation and Court Services Fund	Automation Fund	Environmental Management Fund	Veterans Assistance Commission Fund	Sheriff's Grant Fund	EMA Grant Fund	Workforce Investment Solutions Fund
				147,581			
118,595	450,088	117,595	44,565		176,277		1,875,986
53	2,214	530	5,800				
			921	113	538		27
			2,830		30,600		2,502
118,648	452,302	118,125	54,116	147,694	207,415	-	1,878,515
		277,975					
66,996	120						
			230,734	138,800	172,742		1,827,723
15,102			32,140		1,296		
82,098	120	277,975	262,874	138,800	174,038	-	1,827,723
36,550	452,182	(159,850)	(208,758)	8,894	33,377	-	50,792
	(554,731)						
-	(554,731)	-	-	-	-	-	-
36,550	(102,549)	(159,850)	(208,758)	8,894	33,377	-	50,792
28,886	1,196,170	233,578	591,457	72,944	277,960	243	(121,736)
65,436	1,093,621	73,728	382,699	81,838	311,337	243	(70,944)

MACON COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)
 Year ended November 30, 2012

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	Total	Health Capital Improvements Fund	
Revenues:			
Taxes	\$ 2,425,372		2,425,372
Intergovernmental	2,733,101		2,733,101
Fines, fees, forfeitures	2,078,200		2,078,200
Interest on investments	11,795		11,795
Miscellaneous	136,007		136,007
Total revenues	7,384,475	-	7,384,475
Expenditures:			
Current:			
General control and administration	2,586,891		2,586,891
Public safety	1,040,797		1,040,797
Judiciary and court-related	653,313		653,313
Public health and welfare	2,369,999		2,369,999
Transportation	269,375		269,375
Capital outlay	114,182		114,182
Total expenditures	7,034,557	-	7,034,557
Excess (deficiency) of revenues over (under) expenditures	349,918	-	349,918
Other financing sources (uses):			
Transfers in	165,674		165,674
Transfers out	(904,298)		(904,298)
Total other financing sources (uses)	(738,624)	-	(738,624)
Net change in fund balances	(388,706)	-	(388,706)
Fund balances (deficit), beginning of year	7,815,710	61,168	7,876,878
Fund balances (deficit), end of year	\$ 7,427,004	61,168	7,488,172

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

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 entity.

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

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

The Regional Planning Commission Fund (non-budgeted) accounts for proceeds of grant revenue and expenditures for planning purposes.

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

The State's Attorney Drug Fund (non-budgeted) accounts for revenue, including court ordered forfeitures and expenditures for professional services.

The State's Attorney Forfeited Funds Fund (non-budgeted) accounts for revenue obtained in federal cases whereby some of the monies are distributed to the State's Attorney.

The State's Attorney Automation Fund accounts for fees collected by the State's Attorney and expenditures made by the State's Attorney for hardware, software, research and development costs and personnel.

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 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.

MACON COUNTY, ILLINOIS

SPECIAL REVENUE FUNDS (Continued)

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

The Sheriff's Drug Fund (non-budgeted) accounts for revenues, including fees collected through the Circuit Clerk and court ordered forfeitures and expenditures for drug enforcement.

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 and property tax levies, and expenditures relating to the operation of the Macon County Historical Museum.

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

The Probation and Court Services Fund (non-budgeted) accounts for fees collected through the Circuit Clerk in order to supplement County appropriations for probation and court services.

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 Environmental Management Fund accounts for revenue and expenditures relating to solid waste education, plans and study.

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

The Sheriff's Grant Fund accounts for revenue, including federal and state grants, and expenditures fulfilling the grants purposes.

The Emergency Management Agency (EMA) Grant Fund (non-budgeted) accounts for revenue, including federal and state grants, and expenditures fulfilling the grants purposes.

Workforce Investment Solutions Fund accounts for federal and state grant revenues and expenditures to support employment opportunities for grant participants.

MACON COUNTY, ILLINOIS

SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,119,814	1,105,606	(14,208)
Interest on investments	1,100	240	(860)
Total revenues	<u>1,120,914</u>	<u>1,105,846</u>	<u>(15,068)</u>
Expenditures:			
General Control and Administration:			
Personnel - payroll taxes	<u>1,039,595</u>	<u>1,088,782</u>	<u>(49,187)</u>
Total expenditures	<u>1,039,595</u>	<u>1,088,782</u>	<u>(49,187)</u>
Net change in fund balance	<u>\$ 81,319</u>	17,064	<u>(64,255)</u>
Budgetary fund balance, beginning of year		<u>692,450</u>	
Budgetary fund balance, end of year		<u>\$ 709,514</u>	

MACON COUNTY, ILLINOIS

INSURANCE LIABILITY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 400,000	385,738	(14,262)
Interest on investments	6,000	1,165	(4,835)
Miscellaneous	10,500	13,500	3,000
Total revenues	416,500	400,403	(16,097)
Expenditures:			
General Control and Administration:			
Personnel - salaries	40,815	40,815	
Personnel - fringes	16,153	14,036	2,117
Unemployment	50,000	32,706	17,294
Supplies and materials - insurance expense	354,200	294,936	59,264
Total expenditures	461,168	382,493	78,675
Excess (deficiency) of revenues over (under) expenditures	(44,668)	17,910	62,578
Other financing sources (uses):			
Transfers in - Highway Fund		70,674	70,674
Transfers out - Self Insurance Fund	(255,000)	(255,000)	
Total other financing sources (uses)	(255,000)	(184,326)	70,674
Net change in fund balance	\$ (299,668)	(166,416)	133,252
Budgetary fund balance, beginning of year		876,881	
Budgetary fund balance, end of year		\$ 710,465	

MACON COUNTY, ILLINOIS

JUDGMENT REPAYMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 250,000	237,517	(12,483)
Interest on investments	16,100	3,297	(12,803)
Lease income	24,000	24,160	160
Total revenues	290,100	264,974	(25,126)
Expenditures:			
General Control and Administration:			
Personnel:			
Salaries	199,509	198,140	1,369
Personnel - payroll taxes	63,109	36,201	26,908
Hospitalization		23,886	(23,886)
Supplies and materials:			
Contractual	140,000	114,799	25,201
Special prosecutor	10,000	550	9,450
Miscellaneous	175		175
Payments of judgments	435,000	143,958	291,042
Total General Control and Administration	847,793	517,534	330,259
Capital Outlay	40,000	33,170	6,830
Total expenditures	887,793	550,704	337,089
Excess (deficiency) of revenues over (under) expenditures	(597,693)	(285,730)	311,963
Other financing sources (uses):			
Transfers out - General Fund	(2,000)		2,000
Net change in fund balance	\$ (599,693)	(285,730)	313,963
Budgetary fund balance, beginning of year		1,915,567	
Budgetary fund balance, end of year		\$ 1,629,837	

MACON COUNTY, ILLINOIS

**WORKING CASH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
Year ended November 30, 2012**

	Budget	Actual	Variance
Revenues:			
Interest on investments	\$ 587	314	(273)
Net change in fund balance	<u>\$ 587</u>	314	<u>(273)</u>
Budgetary fund balance, beginning of year		<u>313,156</u>	
Budgetary fund balance, end of year		<u>\$ 313,470</u>	

MACON COUNTY, ILLINOIS

SPECIAL BRIDGE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL

Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 515,000	508,962	(6,038)
Intergovernmental:			
State, Township and Village Share	3,000	88,460	85,460
Interest on investments	2,100	724	(1,376)
Miscellaneous income	10,000	2,592	(7,408)
Total revenues	<u>530,100</u>	<u>600,738</u>	<u>70,638</u>
Expenditures:			
Transportation:			
Supplies and materials:			
County's share of bridges	550,000	187,841	362,159
Payment of other share	225,000	11,534	213,466
Total expenditures	<u>775,000</u>	<u>199,375</u>	<u>575,625</u>
Net change in fund balance	<u>\$ (244,900)</u>	401,363	<u>646,263</u>
Budgetary fund balance, beginning of year		<u>647,900</u>	
Budgetary fund balance, end of year		<u>\$ 1,049,263</u>	

MACON COUNTY, ILLINOIS

**STATE-TOWNSHIP BRIDGE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012**

	Budget	Actual	Variance
Revenues:			
State of Illinois	\$ 165,500		(165,500)
Interest on investments	200	71	(129)
Miscellaneous	15,000		(15,000)
	<hr/>		
Total revenues	180,700	71	(180,629)
<hr/>			
Expenditures:			
Transportation:			
Supplies and materials - Township bridges	210,000		210,000
	<hr/>		
Net change in fund balance	<u>\$ (29,300)</u>	71	<u>29,371</u>
Budgetary fund balance, beginning of year		<u>65,986</u>	
Budgetary fund balance, end of year		<u>\$ 66,057</u>	

MACON COUNTY, ILLINOIS

CIRCUIT CLERK AUTOMATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Circuit Clerk automation fees	\$ 250,000	252,633	2,633
Interest on investments		432	432
		<hr/>	<hr/>
Total revenues	250,000	253,065	3,065
	<hr/>	<hr/>	<hr/>
Expenditures:			
Judiciary and Court-Related:			
Personnel:			
Court technology administrator	94,230	94,228	2
Personnel - payroll taxes	25,590	25,144	446
Supplies and materials:			
Circuit Clerk - EDP	100,000	89,918	10,082
Circuit Courts - EDP	25,000	11,187	13,813
	<hr/>	<hr/>	<hr/>
Total expenditures	244,820	220,477	24,343
	<hr/>	<hr/>	<hr/>
Net change in fund balance	<u>\$ 5,180</u>	32,588	<u>27,408</u>
Budgetary fund balance, beginning of year		<u>202,098</u>	
Budgetary fund balance, end of year		<u>\$ 234,686</u>	

MACON COUNTY, ILLINOIS

CIRCUIT CLERK DOCUMENT STORAGE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Document storage fees	\$ 220,000	246,965	26,965
Interest on investments		196	196
Total revenues	<u>220,000</u>	<u>247,161</u>	<u>27,161</u>
Expenditures:			
Judiciary and Court-Related:			
Personnel:			
Salaries	172,157	172,157	
Personnel - payroll taxes	31,548	30,054	1,494
Hospitalization	39,810	39,810	
Supplies and materials:			
Circuit Clerk - EDP	100,000	100,000	
Total expenditures	<u>343,515</u>	<u>342,021</u>	<u>1,494</u>
Net change in fund balance	<u>\$ (123,515)</u>	<u>(94,860)</u>	<u>28,655</u>
Budgetary fund balance, beginning of year		<u>222,795</u>	
Budgetary fund balance, end of year		<u>\$ 127,935</u>	

MACON COUNTY, ILLINOIS

COUNTY CLERK AUTOMATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
County Clerk automation fees	\$ 48,000	44,464	(3,536)
Interest on investments		35	35
Total revenues	<u>48,000</u>	<u>44,499</u>	<u>(3,501)</u>
Expenditures:			
Judiciary and Court-Related:			
Miscellaneous		45	(45)
Excess of revenues over expenditures	48,000	44,454	(3,546)
Other financing sources (uses):			
Transfers out - General Fund administration	<u>(48,000)</u>	<u>(48,000)</u>	
Net change in fund balance	<u>\$ -</u>	<u>(3,546)</u>	<u>(3,546)</u>
Budgetary fund balance, beginning of year		<u>4,190</u>	
Budgetary fund balance, end of year		<u>\$ 644</u>	

MACON COUNTY, ILLINOIS

TREASURER AUTOMATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Treasurer automation fees	\$ 47,000	38,620	(8,380)
Interest on investments	375	16	(359)
Total revenues	<u>47,375</u>	<u>38,636</u>	<u>(8,739)</u>
Expenditures:			
General Control and Administration:			
Personnel:			
Salaries	40,650	40,649	1
Personnel - payroll taxes	6,116	6,049	67
Supplies and materials:			
Treasurer - EDP	910	910	
Tax sale license	5,188	5,188	
Automation expense	1,938	1,938	
Total General Control and Administration	<u>54,802</u>	<u>54,734</u>	<u>68</u>
Capital Outlay	<u>1,423</u>	<u>1,422</u>	<u>1</u>
Total expenditures	<u>56,225</u>	<u>56,156</u>	<u>69</u>
Net change in fund balance	<u>\$ (8,850)</u>	<u>(17,520)</u>	<u>(8,670)</u>
Budgetary fund balance, beginning of year		<u>13,284</u>	
Budgetary fund balance (deficit), end of year		<u>\$ (4,236)</u>	

MACON COUNTY, ILLINOIS

GIS AUTOMATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Fines, fees and forfeitures:			
GIS automation fees	\$ 150,000	198,363	48,363
Interest on investments	2,000	477	(1,523)
Miscellaneous income	1,000	7,939	6,939
Total revenues	<u>153,000</u>	<u>206,779</u>	<u>53,779</u>
Expenditures:			
General Control and Administration:			
Personnel:			
Salaries	132,076	131,978	98
Group hospitalization	22,294	22,294	
Personnel - payroll taxes	24,452	23,810	642
Supplies and materials:			
Consulting fees	5,000	4,583	417
Training	1,000	1,000	
EDP	20,700	20,352	348
Supplies	500	422	78
Total General Control and Administration	<u>206,022</u>	<u>204,439</u>	<u>1,583</u>
Capital Outlay	<u>20,000</u>	<u>19,146</u>	<u>854</u>
Total expenditures	<u>226,022</u>	<u>223,585</u>	<u>2,437</u>
Net change in fund balance	<u>\$ (73,022)</u>	<u>(16,806)</u>	<u>56,216</u>
Budgetary fund balance, beginning of year		<u>269,984</u>	
Budgetary fund balance, end of year		<u>\$ 253,178</u>	

MACON COUNTY, ILLINOIS

ANIMAL CONTROL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Intergovernmental:			
City-County contract	\$ 503,135	511,924	8,789
Municipality contract	800	2,382	1,582
Fines, fees and forfeitures:			
Sales tags	425,000	427,852	2,852
Board	5,800	2,319	(3,481)
Impound fees, destruction	3,100	5,429	2,329
Euthanasia	2,500	2,355	(145)
Animal adoptions	44,000	44,167	167
Warden	5,000	2,410	(2,590)
Offense	11,000	5,115	(5,885)
Avid chip fee	4,000	1,555	(2,445)
Citations	2,000	975	(1,025)
Rabies vaccination and observation	5,000	2,555	(2,445)
Owner release	14,000	13,689	(311)
Trap rental	300	225	(75)
Disposal fee	1,400	1,875	475
Animal care fee	1,300	280	(1,020)
Interest on investments	300	84	(216)
Miscellaneous donations	42,200	34,966	(7,234)
Total revenues	1,070,835	1,060,157	(10,678)
Expenditures:			
Public Safety:			
Personnel:			
Salaries	663,171	615,523	47,648
Personnel - payroll taxes	124,000	121,295	2,705
Group hospitalization and fringes	148,850	147,961	889
Supplies and materials:			
Vehicle maintenance, gas, and insurance	28,000	26,631	1,369
Contractual services - building	1,000	758	242
Dues	190	190	
Supplies	57,000	54,600	2,400
Telephone	4,000	3,466	534

(Continued)

MACON COUNTY, ILLINOIS

ANIMAL CONTROL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2012

	Budget	Actual	Variance
Expenditures, continued:			
Public Safety, continued:			
Supplies and materials, continued:			
Radio fees	4,500	3,414	1,086
Postage	500	543	(43)
Printing	1,500	1,143	357
Maintenance of equipment	500	371	129
Legal advertising	460	233	227
Computer/software	19,000	13,187	5,813
Training	5,000	1,070	3,930
Professional services	5,000	4,628	372
Animal disposal	1,000		1,000
Drug testing	1,000	350	650
Spay/neuter	1,500	544	956
Avid chip	6,000	4,950	1,050
Rabies vaccination	500	210	290
Uniforms	4,500	4,263	237
Miscellaneous	9,800	7,954	1,846
Total Public Safety	1,086,971	1,013,284	73,687
Capital Outlay	35,000	31,702	3,298
Total expenditures	1,121,971	1,044,986	76,985
Excess (deficiency) of revenues over (under) expenditures	(51,136)	15,171	66,307
Other financing sources (uses):			
Transfer in - General Fund	95,000	95,000	
Transfers out - General Fund administration	(19,600)	(19,600)	
Other financing sources (uses)	75,400	75,400	-
Net change in fund balance	\$ 24,264	90,571	66,307
Budgetary fund balance (deficit), beginning of year		(232,000)	
Budgetary fund balance (deficit), end of year		\$ (141,429)	

MACON COUNTY, ILLINOIS

HISTORICAL MUSEUM FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 34,000	32,144	(1,856)
Interest on investments		20	20
Payroll refund, Historical Society	30,382	28,000	(2,382)
Total revenues	64,382	60,164	(4,218)
Expenditures:			
General Control and Administration:			
Personnel:			
Salaries	47,000	44,751	2,249
Retirement/fringes	8,520	8,176	344
Group hospitalization	7,962	7,962	
Supplies and materials:			
Miscellaneous	100		100
Total expenditures	63,582	60,889	2,693
Excess (deficiency) of revenues over (under) expenditures	800	(725)	(1,525)
Other financing sources (uses):			
Transfer out - General Fund	(800)	(800)	
Net change in fund balance	\$ -	(1,525)	(1,525)
Budgetary fund balance, beginning of year		6,105	
Budgetary fund balance, end of year		\$ 4,580	

MACON COUNTY, ILLINOIS

LAW LIBRARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Law Library fees	\$ 61,885	118,595	56,710
Interest on investments	101	53	(48)
Miscellaneous	25		(25)
Total revenues	<u>62,011</u>	<u>118,648</u>	<u>56,637</u>
Expenditures:			
Judiciary and Court-Related:			
Personnel:			
Law librarian	29,177	29,177	
Group hospitalization	7,962	7,962	
Personnel - payroll taxes	5,467	4,840	627
Supplies and materials:			
Election research	25,600	24,651	949
Supplies	250	138	112
Copy machine	450	228	222
Total Judiciary and Court-Related	<u>68,906</u>	<u>66,996</u>	<u>1,910</u>
Capital Outlay	<u>15,766</u>	<u>15,102</u>	<u>664</u>
Total expenditures	<u>84,672</u>	<u>82,098</u>	<u>2,574</u>
Net change in fund balance	<u>\$ (22,661)</u>	<u>36,550</u>	<u>59,211</u>
Budgetary fund balance, beginning of year		<u>28,886</u>	
Budgetary fund balance, end of year		<u>\$ 65,436</u>	

MACON COUNTY, ILLINOIS

AUTOMATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Fines, fees and forfeitures:			
Recorder automation fees	\$ 95,000	117,595	22,595
Interest on investments	4,500	530	(3,970)
Miscellaneous	700		(700)
Total revenues	100,200	118,125	17,925
Expenditures:			
General Control and Administration:			
Personnel:			
Recorder salaries	199,921	199,919	2
Personnel - payroll taxes	29,234	29,212	22
Employee benefits	23,886	23,886	
Supplies and materials:			
Recorder automation expense	25,935	24,958	977
Total General Control and Administration	278,976	277,975	1,001
Capital Outlay	70		70
Total expenditures	279,046	277,975	1,071
Net change in fund balance	<u>\$ (178,846)</u>	<u>(159,850)</u>	<u>18,996</u>
Budgetary fund balance, beginning of year		<u>233,578</u>	
Budgetary fund balance, end of year		<u>\$ 73,728</u>	

MACON COUNTY, ILLINOIS

ENVIRONMENTAL MANAGEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Intergovernmental:			
IEPA Solid Waste Enforcement grant	\$ 46,265	44,565	(1,700)
Fines, fees and forfeitures:			
Disposal fees and fines	8,300	5,800	(2,500)
Interest on investments	5,500	921	(4,579)
Miscellaneous	9,000	2,830	(6,170)
Total revenues	69,065	54,116	(14,949)
Expenditures:			
Public Health and Welfare:			
Personnel:			
Salaries	156,307	139,783	16,524
Fringe benefits	34,657	26,750	7,907
Group hospitalization	15,930	15,924	6
Supplies and materials:			
Grants, Clean Community System	1,000		1,000
Grants, Municipal	25,000	6,982	18,018
Recycling programs	20,000	12,624	7,376
Consultant	3,243	3,243	
Solid waste sundry	21,000	2,601	18,399
Legal contractor	5,000		5,000
Computer supplies	2,415	1,455	960
Maintenance equipment	1,050	68	982
Travel	460	349	111
Library	500		500
Education expense	6,500	2,780	3,720
Promotional materials	6,757	2,532	4,225
Telephone	3,625	3,262	363
Car mileage	250		250

(Continued)

MACON COUNTY, ILLINOIS

ENVIRONMENTAL MANAGEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2012

	Budget	Actual	Variance
Expenditures, continued:			
Public Health and Welfare, continued:			
Supplies and materials, continued:			
Vehicle gas, oil tires	6,010	6,133	(123)
Legal advertising	250		250
Postage	1,650	601	1,049
Printing	2,275	1,851	424
Surplus property recycle	250		250
Training	3,975	2,352	1,623
IL EPA fines	175		175
Rural clean up	1,500	428	1,072
Advertising - Enforcement	40		40
Supplies	1,677	1,016	661
Miscellaneous	4,100		4,100
Total Public Health and Welfare	325,596	230,734	94,862
Capital Outlay	51,694	32,140	19,554
Total expenditures	377,290	262,874	114,416
Net change in fund balance	<u>\$ (308,225)</u>	<u>(208,758)</u>	<u>99,467</u>
Budgetary fund balance, beginning of year		<u>591,457</u>	
Budgetary fund balance, end of year		<u>\$ 382,699</u>	

MACON COUNTY, ILLINOIS

VETERANS ASSISTANCE COMMISSION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 150,000	148,380	(1,620)
Interest on investments	320	113	(207)
Total revenues	150,320	148,493	(1,827)
Expenditures:			
Public Health and Welfare:			
Personnel:			
Salaries	90,271	90,234	37
Personnel - payroll taxes	16,421	16,004	417
Group hospitalization	15,924	15,924	
Supplies and materials:			
Dues	200	70	130
Supplies	4,400	4,381	19
EDP	3,000		3,000
Printing	250		250
Service charge	200		200
Copy machine	500	532	(32)
Veterans burial	1,000	(390)	1,390
Bus transportation	9,000	7,795	1,205
Maintenance of equipment	500	45	455
Travel	1,000	958	42
Telephone	1,300	1,157	143
Postage	1,025	1,006	19
Miscellaneous	2,475	1,084	1,391
Total Public Health and Welfare	147,466	138,800	8,666
Capital Outlay	2,000		2,000
Total expenditures	149,466	138,800	10,666
Net change in fund balance	\$ 854	9,693	8,839
Budgetary fund balance, beginning of year		67,200	
Budgetary fund balance, end of year		<u>\$ 76,893</u>	

MACON COUNTY, ILLINOIS

SHERIFF'S GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL

Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Intergovernmental:			
U.S. Marshall's Grant	\$ 16,000	16,051	51
US Marshall Gas reimbursement	3,000	732	(2,268)
Millikin Hire Back	10,000		(10,000)
Local Law Enforcement Block Grant - City of Decatur	18,000	16,793	(1,207)
Traffic Safety	92,000	79,087	(12,913)
Liquor Sting Grant	9,400	9,020	(380)
Sheriff Jail Drug Grant	12,000	11,480	(520)
SSA Incentive and SCAAP reimbursements	40,000	43,114	3,114
Donations	25,000	26,500	1,500
Miscellaneous - Community Revenue	5,000	4,100	(900)
Interest income		538	538
Total revenues	230,400	207,415	(22,985)
Expenditures:			
Public Health and Welfare:			
Personnel:			
Salaries	89,903	88,700	1,203
Fringes	28,253	19,646	8,607
Hospitalization	7,962	7,962	
Supplies and materials:			
Liquor Sting Grant	9,400	7,816	1,584
US Marshall gas, oil expenditures	6,000	661	5,339
Traffic Safety	6,000	6,000	
Sheriff Jail Drug Grant	12,000	1,708	10,292
Alien Assistance Grant	10,000	10,746	(746)
DHS Grant	4,000		4,000
Community expenditures	2,354	2,134	220
OP Supplies Law	30,000	729	29,271
Contractual	25,000	26,640	(1,640)
Total Public Health and Welfare	230,872	172,742	58,130
Capital Outlay	4,000	1,296	2,704
Total expenditures	234,872	174,038	60,834
Net change in fund balance	\$ (4,472)	33,377	37,849
Budgetary fund balance, beginning of year		277,960	
Budgetary fund balance, end of year		<u>\$ 311,337</u>	

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
Year ended November 30, 2012

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 2,366,665	1,875,986	(490,679)
Interest on investments	50	27	(23)
Miscellaneous	2,724	2,502	(222)
Total revenues	2,369,439	1,878,515	(490,924)
Expenditures:			
Public Health and Welfare:			
Personnel:			
Salaries	556,248	468,833	87,415
Group hospitalization	85,286	70,964	14,322
Payroll taxes, retirement, fringes	106,414	82,861	23,553
Supplies and materials:			
Telephone	12,326	11,827	499
Workforce Investment Board expenses	4,943	4,943	
Travel	13,389	10,411	2,978
Marketing	7,854	6,633	1,221
Vocational training	610,012	403,990	206,022
On-the-job training	423,695	335,398	88,297
Annual membership fees	636	636	
Facility costs	74,792	75,097	(305)
SDA Contracts	151,811	151,811	
Child care and transportation expenses	186,335	108,194	78,141
Liability	1,516	383	1,133
Payroll processing	3,807	3,267	540
Work experience stipends	113,726	77,978	35,748
Supplies	13,167	14,497	(1,330)
Total expenditures	2,365,957	1,827,723	538,234
Net change in fund balance	\$ 3,482	50,792	47,310
Budgetary fund balance (deficit), beginning of year		(121,736)	
Budgetary fund balance (deficit), end of year		\$ (70,944)	

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 Inheritance Tax Fund accounts for all collections for inheritance tax. The Treasurer's office transfers monies 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 monies to the Decatur Township Office.

The Trust Fund accounts for wage deductions, monies 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 monies 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.

The Correctional Center Resident Trust Fund accounts for monies held by the Sheriff as trustee for jail detainees that can be used for commissary purchases. Any balance remaining is returned to the detainees upon release or transfer.

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, 2012

	County Collector's Fund	County Treasurer's Funds	County Clerk's Fund
Assets			
Cash	\$ 5,008,793	110,674	143,581
Investments	125,950	4,676	
Accrued interest receivable			
Due from State of Illinois - allotment			
Total assets	<u>5,134,743</u>	<u>115,350</u>	<u>143,581</u>
Liabilities			
Due to other governmental agencies		5,800	
Deposits payable	123,166	109,550	14,858
Due to taxing districts	5,011,577		
Due to tax buyers			128,723
Total liabilities	<u>\$ 5,134,743</u>	<u>115,350</u>	<u>143,581</u>

Circuit Clerk's Funds	County Sheriff's Funds	Township Road Fund	Total
2,112,028	33,996	1,102,887	8,511,959
600,000		184	730,810
4,197			4,197
		85,463	85,463
<u>2,716,225</u>	<u>33,996</u>	<u>1,188,534</u>	<u>9,332,429</u>
37,519		1,188,534	1,231,853
2,678,706	33,996		2,960,276
			5,011,577
			128,723
<u>2,716,225</u>	<u>33,996</u>	<u>1,188,534</u>	<u>9,332,429</u>

MACON COUNTY, ILLINOIS

COUNTY COLLECTOR'S FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended November 30, 2012

	Balance November 30, 2011	Additions	Deductions	Balance November 30, 2012
Assets				
Cash	\$ 5,915,625	1,166,262	2,073,094	5,008,793
Investments	82,851	135,796,348	135,753,249	125,950
Total assets	<u>5,998,476</u>	<u>136,962,610</u>	<u>137,826,343</u>	<u>5,134,743</u>
Liabilities				
Due to other funds		531,890	531,890	
Deposits payable	161,049	690,520	728,403	123,166
Due to taxing districts	5,837,427	135,740,200	136,566,050	5,011,577
Total liabilities	<u>\$ 5,998,476</u>	<u>136,962,610</u>	<u>137,826,343</u>	<u>5,134,743</u>

MACON COUNTY, ILLINOIS

COUNTY TREASURER'S FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year ended November 30, 2012

	Balance November 30, 2011	Additions	Deductions	Balance November 30, 2012
<u>Inheritance Tax Fund</u>				
Assets				
Cash	\$ 4,215	1,757,555	1,761,555	215
Investments	44	4,021		4,065
Total assets	4,259	1,761,576	1,761,555	4,280
Liabilities				
Due to other governmental agencies	4,259	1,761,576	1,761,555	4,280
<u>General Assistance Fund</u>				
Assets				
Cash	1,518	2	-	1,520
Liabilities				
Due to other governmental agencies	1,518	2	-	1,520
<u>Trust Fund</u>				
Assets				
Cash	98,673	20,869	10,603	108,939
Investments	611			611
Total assets	99,284	20,869	10,603	109,550
Liabilities				
Deposits payable	99,284	20,869	10,603	109,550
<u>Total Funds</u>				
Assets				
Cash	104,406	1,778,426	1,772,158	110,674
Investments	655	4,021		4,676
Total assets	105,061	1,782,447	1,772,158	115,350
Liabilities				
Due to other governmental agencies	5,777	1,761,578	1,761,555	5,800
Deposits payable	99,284	20,869	10,603	109,550
Total liabilities	\$ 105,061	1,782,447	1,772,158	115,350

MACON COUNTY, ILLINOIS

COUNTY CLERK'S FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended November 30, 2012

	Balance November 30, 2011	Additions	Deductions	Balance November 30, 2012
<hr/>				
<u>Trust Fund</u>				
Assets				
Cash	\$ 212,403	2,681,398	2,750,220	143,581
				<hr/>
Liabilities				
Deposits payable	13,372	1,486		14,858
Due to tax buyers	199,031	2,679,912	2,750,220	128,723
				<hr/>
Total liabilities	\$ 212,403	2,681,398	2,750,220	143,581
				<hr/>

MACON COUNTY, ILLINOIS

CIRCUIT CLERK'S FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended November 30, 2012

	Balance November 30, 2011	Additions	Deductions	Balance November 30, 2012
<u>Trust Fund</u>				
Assets				
Cash	\$ 1,710,977	6,300,220	5,917,119	2,094,078
Certificates of deposit	600,000	600,000	600,000	600,000
Accrued interest	7,091	7,047	9,941	4,197
Total assets	2,318,068	6,907,267	6,527,060	2,698,275
Liabilities				
Deposits payable	2,267,142	2,465,486	2,071,872	2,660,756
Due to other governmental agencies	50,926	651,243	664,650	37,519
Due to other funds		3,790,538	3,790,538	
Total liabilities	2,318,068	6,907,267	6,527,060	2,698,275
<u>Support Fund</u>				
Assets				
Cash	13,586	1,221,513	1,217,149	17,950
Liabilities				
Deposits payable	13,586	1,206,661	1,202,297	17,950
Due to other funds		14,852	14,852	
Total liabilities	13,586	1,221,513	1,217,149	17,950
<u>Total Circuit Clerk's Funds</u>				
Assets				
Cash	1,724,563	7,521,733	7,134,268	2,112,028
Certificates of deposit	600,000	600,000	600,000	600,000
Accrued interest	7,091	7,047	9,941	4,197
Total assets	2,331,654	8,128,780	7,744,209	2,716,225
Liabilities				
Deposits payable	2,280,728	3,672,147	3,274,169	2,678,706
Due to other governmental agencies	50,926	651,243	664,650	37,519
Due to other funds		3,805,390	3,805,390	
Total liabilities	\$ 2,331,654	8,128,780	7,744,209	2,716,225

MACON COUNTY, ILLINOIS

COUNTY SHERIFF'S FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year ended November 30, 2012

	Balance November 30, 2011	Additions	Deductions	Balance November 30, 2012
<u>County Sheriff's Trust Fund</u>				
Assets				
Cash	\$ 4,153	142	215	4,080
Liabilities				
Deposits payable	4,153	142	215	4,080
 <u>Correctional Center Resident Trust Fund</u>				
Assets				
Cash	28,505	576,997	575,586	29,916
Liabilities				
Deposits payable	28,505	576,997	575,586	29,916
 <u>Total Sheriff's Funds</u>				
Assets				
Cash	32,658	577,139	575,801	33,996
Liabilities				
Deposits payable	\$ 32,658	577,139	575,801	33,996

MACON COUNTY, ILLINOIS

TOWNSHIP ROAD FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year ended November 30, 2012

	Balance November 30, 2011	Additions	Deductions	Balance November 30, 2012
<u>Township Road Fund - Motor Fuel Tax</u>				
Assets				
Cash	\$ 1,193,500	1,363,577	1,454,190	1,102,887
Investment	183	1		184
Due from other governmental agencies	35,506		35,506	
Due from State of Illinois - allotment	89,290	85,463	89,290	85,463
	<hr/>			
Total assets	1,318,479	1,449,041	1,578,986	1,188,534
<hr/>				
Liabilities				
Due to other funds		36,470	36,470	
Due to other governmental agencies	1,318,479	1,412,571	1,542,516	1,188,534
	<hr/>			
Total liabilities	\$ 1,318,479	1,449,041	1,578,986	1,188,534
<hr/>				

MACON COUNTY, ILLINOIS

**TOTAL ALL AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended November 30, 2012**

	Balance November 30, 2011	Additions	Deductions	Balance November 30, 2012
Assets				
Cash	\$ 9,183,155	15,088,535	15,759,731	8,511,959
Investments	683,689	136,400,370	136,353,249	730,810
Accrued interest receivable	7,091	7,047	9,941	4,197
Due from other governmental agencies	35,506		35,506	
Due from State of Illinois - allotment	89,290	85,463	89,290	85,463
Total assets	9,998,731	151,581,415	152,247,717	9,332,429
Liabilities				
Due to other governmental agencies	1,375,182	3,825,392	3,968,721	1,231,853
Due to other funds		4,373,750	4,373,750	
Deposits payable	2,587,091	4,962,161	4,588,976	2,960,276
Due to taxing districts	5,837,427	135,740,200	136,566,050	5,011,577
Due to tax buyers	199,031	2,679,912	2,750,220	128,723
Total liabilities	\$ 9,998,731	151,581,415	152,247,717	9,332,429

STATISTICAL SECTION
(Unaudited)

MACON COUNTY, ILLINOIS

STATISTICAL SECTION

This part of Macon County, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help readers understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help readers assess the County's most significant local revenue source - its property tax.

Debt Capacity

These schedules present information to help readers assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help readers understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help readers understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Except where noted, the information in these schedules is derived from Macon County, Illinois' comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning that year.

MACON COUNTY, ILLINOIS

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

(Prepared using the accrual basis of accounting)

	2012	2011	2010	2009
Governmental activities:				
Invested in capital assets, net of related debt	\$ 46,496,975	40,900,206	46,932,054	25,165,706
Restricted	17,261,200	19,698,652		61,553
Unrestricted	13,102,623	11,656,481	26,415,656	32,779,098
	<hr/>			
Total governmental activities net assets	76,860,798	72,255,339	73,347,710	58,006,357
<hr/>				
Business-type activities:				
Invested in capital assets, net of related debt	463,794	274,093	74,356	88,534
Restricted				307,495
Unrestricted	1,904,829	1,918,394	2,084,177	1,507,640
	<hr/>			
Total business-type activities net assets	2,368,623	2,192,487	2,158,533	1,903,669
<hr/>				
Primary government:				
Invested in capital assets, net of related debt	46,960,769	41,174,299	47,006,410	25,254,240
Restricted	17,261,200	19,698,652		369,048
Unrestricted	15,007,452	13,574,875	28,499,833	34,286,738
	<hr/>			
Total primary government net assets	\$ 79,229,421	74,447,826	75,506,243	59,910,026
<hr/>				

Note: Entity-wide financial information for the County government as a whole is available beginning in fiscal year 2003, the year GASB Statement No. 34 was implemented.

Note: The Decatur Public Building Commission is considered a Blended Component Unit beginning in fiscal year 2010. Comparative data for 2009 is included as the Commission restated the 2009 financial statements to retroactively report the change in reporting. Information for prior years is not presented.

2008	2007	2006	2005	2004	2003
26,844,685	28,636,255	12,699,438	12,984,934	6,658,161	6,380,924
91,352	106,493	429,487	6,402,105	3,736,880	3,333,021
34,537,452	34,603,813	33,852,391	21,694,693	23,577,294	23,168,978
61,473,489	63,346,561	46,981,316	41,081,732	33,972,335	32,882,923

-	-	-	-	-	-
---	---	---	---	---	---

26,844,685	28,636,255	12,699,438	12,984,934	6,658,161	6,380,924
91,352	106,493	429,487	6,402,105	3,736,880	3,333,021
34,537,452	34,603,813	33,852,391	21,694,693	23,577,294	23,168,978
61,473,489	63,346,561	46,981,316	41,081,732	33,972,335	32,882,923

MACON COUNTY, ILLINOIS

**CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS**

(Prepared using the accrual basis of accounting)

	2012	2011	2010
Expenses:			
Governmental activities:			
General control and administration	\$ 7,465,827	7,184,382	9,697,557
Public safety	13,742,754	13,367,326	11,539,009
Judiciary and court-related	8,810,365	8,448,670	7,634,752
Public health and welfare	10,493,149	10,251,619	10,926,305
Transportation	5,335,827	6,599,454	7,918,036
Interest on long-term debt	159,640	227,944	296,242
Total governmental activities expenses	<u>46,007,562</u>	<u>46,079,395</u>	<u>48,011,901</u>
Business-type activities:			
Decatur Public Building Commission	3,327,133	3,462,329	3,339,612
Total business-type activities expenses	<u>3,327,133</u>	<u>3,462,329</u>	<u>3,339,612</u>
Total primary government expenses	<u>49,334,695</u>	<u>49,541,724</u>	<u>51,351,513</u>
Program Revenues:			
Governmental activities:			
Charges for services:			
General government	2,209,660	2,092,862	2,121,306
Public safety	1,661,515	1,531,731	1,547,196
Judiciary and court-related	2,747,891	2,822,799	2,891,779
Other activities	1,190,285	1,011,329	859,130
Operating grants and contributions	13,338,712	12,442,302	14,188,230
Capital grants and contributions	4,971,150	453,195	47,673
Total governmental activities program revenues	<u>26,119,213</u>	<u>20,354,218</u>	<u>21,655,314</u>
Business-type activities:			
Charges for services:			
Decatur Public Building Commission	565,475	573,764	18,883
Total business-type activities program revenues	<u>565,475</u>	<u>573,764</u>	<u>18,883</u>
Total primary government program revenues	<u>\$ 26,684,688</u>	<u>20,927,982</u>	<u>21,674,197</u>

Note: Entity-wide financial information for the County government as a whole is available beginning in fiscal year 2003, the year GASB Statement No. 34 was implemented.

Note: The Decatur Public Building Commission is considered a Blended Component Unit beginning in fiscal year 2010. Comparative data for 2009 is included as the Commission restated the 2009 financial statements to retroactively report the change in reporting. Information for prior years is not presented.

(Continued)

2009	2008	2007	2006	2005	2004	2003
9,269,751	9,160,744	9,421,696	10,384,209	8,830,625	8,391,661	8,958,859
13,748,618	14,054,775	13,637,829	9,715,600	11,444,061	11,532,508	9,470,243
9,074,775	9,115,238	8,037,076	6,299,870	6,190,711	6,287,988	5,663,855
11,636,433	11,497,511	9,637,112	8,954,194	8,745,459	8,510,230	7,961,185
8,445,713	6,962,170	6,897,914	4,877,917	5,027,838	8,657,610	3,977,462
38,132	50,442	42,247	51,688	414,085	433,837	433,567
52,213,422	50,840,880	47,673,874	40,283,478	40,652,779	43,813,834	36,465,171
3,650,280						
3,650,280	-	-	-	-	-	-
55,863,702	50,840,880	47,673,874	40,283,478	40,652,779	43,813,834	36,465,171
2,117,617	2,354,360	2,195,857	2,103,590	2,102,326	2,296,057	2,042,848
1,489,165	1,581,616	1,380,536	1,370,284	1,323,488	1,304,160	1,227,747
2,993,428	2,637,566	2,674,929	2,480,065	2,490,949	2,382,172	2,004,940
997,452	761,205	733,117	686,144	656,019	520,797	454,994
14,005,544	14,737,366	13,519,377	13,164,103	16,303,449	12,690,489	12,801,276
732,095						
22,335,301	22,072,113	20,503,816	19,804,186	22,876,231	19,193,675	18,531,805
3,633,235						
3,633,235	-	-	-	-	-	-
25,968,536	22,072,113	20,503,816	19,804,186	22,876,231	19,193,675	18,531,805

MACON COUNTY, ILLINOIS

**CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS (Continued)
(Prepared using the accrual basis of accounting)**

	2012	2011	2010
Net (expense) revenue:			
Governmental activities	\$ (19,888,349)	(25,725,177)	(26,356,587)
Business-type activities	(2,761,658)	(2,888,565)	(3,320,729)
Total primary government net expense (revenues)	<u>(22,650,007)</u>	<u>(28,613,742)</u>	<u>(29,677,316)</u>
General revenues and other changes in net assets:			
Governmental activities:			
Taxes:			
Property taxes	16,877,262	17,149,602	17,001,022
Sales taxes	5,899,908	5,976,995	5,883,667
Other taxes	2,301,989	2,014,766	2,262,050
Investment earnings	54,749	102,321	169,650
Miscellaneous	2,348,401	2,284,679	2,675,427
Internal transfers - rent	(2,917,262)	(2,895,557)	(3,546,428)
Total governmental activities	<u>24,565,047</u>	<u>24,632,806</u>	<u>24,445,388</u>
Business-type activities:			
Investment earnings	19,134	26,387	39,542
Miscellaneous	1,398	575	333
Loss on disposal of capital assets			(10,710)
Internal transfers - rent	2,917,262	2,895,557	3,546,428
Total business-type activities	<u>2,937,794</u>	<u>2,922,519</u>	<u>3,575,593</u>
Total primary government	<u>27,502,841</u>	<u>27,555,325</u>	<u>28,020,981</u>
Change in net assets:			
Governmental activities	4,676,698	(1,092,371)	(1,911,199)
Business-type activities	176,136	33,954	254,864
Total primary government change in net assets	<u>\$ 4,852,834</u>	<u>(1,058,417)</u>	<u>(1,656,335)</u>

2009	2008	2007	2006	2005	2004	2003
(29,878,121) (17,045)	(28,768,767)	(27,170,058)	(20,479,292)	(17,776,548)	(24,620,159)	(17,933,366)
(29,895,166)	(28,768,767)	(27,170,058)	(20,479,292)	(17,776,548)	(24,620,159)	(17,933,366)
16,248,038	15,759,831	14,956,074	15,507,295	14,420,074	16,052,100	15,686,659
5,564,180	6,010,009	5,905,221	5,902,593	5,757,499	5,266,907	3,722,735
2,281,553	2,522,896	2,409,412	2,223,615	2,039,441	1,599,709	1,610,643
252,218	700,547	1,294,699	1,199,480	566,649	323,540	203,226
2,065,000	1,902,412	1,971,218	1,820,732	1,890,985	2,467,316	1,500,168
26,410,989	26,895,695	26,536,624	26,653,715	24,674,648	25,709,572	22,723,431
46,918						
942						
(35,051)						
12,809	-	-	-	-	-	-
26,423,798	26,895,695	26,536,624	26,653,715	24,674,648	25,709,572	22,723,431
(3,467,132) (4,236)	(1,873,072)	(633,434)	6,174,423	6,898,100	1,089,413	4,790,065
(3,471,368)	(1,873,072)	(633,434)	6,174,423	6,898,100	1,089,413	4,790,065

MACON COUNTY, ILLINOIS

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Prepared using the modified accrual basis of accounting)

	2012	2011	2010
General Fund:			
Reserved	\$		223,566
Unreserved			8,725,715
Nonspendable	34,884	47,725	
Restricted	6,535	21,198	
Committed	2,705,579	2,700,820	
Unassigned	7,477,691	7,173,566	
Total general fund	<u>10,224,689</u>	<u>9,943,309</u>	<u>8,949,281</u>
All Other Governmental Funds:			
Reserved			6,537,996
Unreserved, reported in:			
Special revenue funds			18,861,173
Capital projects funds			61,786
Nonspendable	4,556,092	4,416,341	
Restricted	17,254,665	19,677,454	
Committed	600,000	600,000	
Unassigned	(194,584)	(353,736)	
Total all other governmental funds	<u>\$ 22,216,173</u>	<u>24,340,059</u>	<u>25,460,955</u>

Note: During 2011, the County adopted GASB Statement No. 54 which changed reporting standards for governmental fund balances.

2009	2008	2007	2006	2005	2004	2003
247,728	301,915	320,873	374,000	335,580	344,028	325,342
8,549,767	8,252,424	6,467,445	4,199,370	1,930,881	513,469	(310,780)
8,797,495	8,554,339	6,788,318	4,573,370	2,266,461	857,497	14,562
5,196,210	4,953,122	5,313,756	4,875,463	7,140,198	3,326,728	2,852,857
21,374,170	23,947,602	23,227,450	25,231,682	18,953,264	20,507,992	21,105,874
61,553	91,352	106,493	109,881	114,555	409,730	214,778
26,631,933	28,992,076	28,647,699	30,217,026	26,208,017	24,244,450	24,173,509

MACON COUNTY, ILLINOIS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Prepared using the modified accrual basis of accounting)

	2012	2011	2010
Revenues:			
Taxes	\$ 25,073,722	25,141,364	25,146,739
Intergovernmental	18,207,473	14,071,449	14,717,277
Fines, fees and forfeitures	6,946,660	6,620,209	6,617,717
Licenses and permits	287,305	287,576	279,007
Investment earnings	54,716	102,243	169,552
Miscellaneous revenues	2,404,283	2,309,131	2,692,602
Total revenues	<u>52,974,159</u>	<u>48,531,972</u>	<u>49,622,894</u>
Expenditures:			
Current:			
General control and administration	7,240,456	6,908,101	9,262,094
Public safety	15,229,973	14,792,916	12,983,804
Judiciary and court-related	9,581,919	9,410,941	8,729,505
Public health and welfare	10,175,379	10,082,133	10,885,605
Transportation	8,182,396	4,098,831	3,897,990
Capital outlay	1,577,934	1,490,449	3,016,529
Debt service:			
Principal	1,254,945	1,454,825	1,923,029
Interest	178,581	227,944	296,242
Total expenditures	<u>53,421,583</u>	<u>48,466,140</u>	<u>50,994,798</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(447,424)</u>	<u>65,832</u>	<u>(1,371,904)</u>
Other financing sources (uses):			
Capital lease proceeds			
Loan proceeds			
Refinancing payments			
Transfers in	1,160,757	663,458	758,006
Transfers out	(1,409,662)	(856,158)	(1,008,006)
Total other financing sources (uses)	<u>(248,905)</u>	<u>(192,700)</u>	<u>(250,000)</u>
Net change in fund balances	<u>\$ (696,329)</u>	<u>(126,868)</u>	<u>(1,621,904)</u>
Debt service as a percentage of noncapital expenditures	3.00%	3.50%	4.63%
Debt service as a percentage of total expenditures	2.68%	3.47%	4.35%
Ratio of capital outlay to total expenditures	2.95%	3.08%	5.92%

2009	2008	2007	2006	2005	2004	2003
24,093,771	24,292,736	23,270,707	23,633,503	22,217,014	22,918,716	21,020,037
15,113,852	15,053,144	13,875,412	13,572,273	16,674,267	13,030,618	13,135,830
6,888,443	6,643,508	6,388,513	5,977,479	5,947,761	5,964,843	5,276,095
213,712	241,622	239,891	254,434	254,203	198,214	119,880
252,045	699,688	1,294,021	1,198,017	565,332	322,822	202,805
2,117,751	2,005,191	1,948,249	1,820,732	1,888,737	2,465,857	1,500,168
48,679,574	48,935,889	47,016,793	46,456,438	47,547,314	44,901,070	41,254,815
8,927,804	8,725,566	8,591,866	9,815,467	8,027,914	7,480,110	8,251,404
13,437,092	13,204,313	13,049,148	9,323,558	10,984,285	11,283,184	9,466,188
9,206,354	8,433,313	7,872,428	6,180,166	6,049,224	6,203,159	5,550,206
11,528,447	10,911,602	9,317,880	8,632,064	8,348,134	8,103,792	7,705,262
3,837,905	3,479,896	5,277,127	3,785,442	3,745,609	7,267,977	5,267,006
3,496,728	2,331,931	1,959,107	2,164,129	6,491,796	2,700,159	3,938,078
61,935	87,797	66,369	54,954	692,275	511,557	614,183
38,132	50,442	42,247	51,688	413,237	436,135	444,422
50,534,397	47,224,860	46,176,172	40,007,468	44,752,474	43,986,073	41,236,749
(1,854,823)	1,711,029	840,621	6,448,970	2,794,840	914,997	18,066
						106,093
					182,879	2,589,202
						(1,309,191)
843,811	738,772	1,833,529	4,959,152	2,147,121	1,977,160	1,699,967
(1,105,975)	(888,772)	(2,028,529)	(5,088,152)	(2,266,121)	(2,161,160)	(1,809,467)
(262,164)	(150,000)	(195,000)	(129,000)	(119,000)	(1,121)	1,276,604
(2,116,987)	1,561,029	645,621	6,319,970	2,675,840	913,876	1,294,670
0.21%	0.31%	0.25%	0.28%	2.89%	2.30%	2.84%
0.20%	0.29%	0.24%	0.27%	2.47%	2.15%	2.57%
6.92%	4.94%	4.24%	5.41%	14.51%	6.14%	9.55%

MACON COUNTY, ILLINOIS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Prepared using the modified accrual basis of accounting)

Fiscal year ended November 30	Property	Retailer's Occupational	Other	Total
2003	\$ 15,686,659	3,722,735	1,610,643	21,020,037
2004	16,052,100	5,266,907	1,599,709	22,918,716
2005	14,420,074	5,757,499	2,039,441	22,217,014
2006	15,507,295	5,902,593	2,223,615	23,633,503
2007	14,956,074	5,905,221	2,409,412	23,270,707
2008	15,759,831	6,010,009	2,522,896	24,292,736
2009	16,248,038	5,564,180	2,281,553	24,093,771
2010	17,001,022	5,883,667	2,262,050	25,146,739
2011	17,149,602	5,976,995	2,014,766	25,141,363
2012	16,877,262	5,899,908	2,301,989	25,079,159

MACON COUNTY, ILLINOIS

**ASSESSED VALUATION AND ESTIMATED ACTUAL VALUATION
LAST TEN TAX LEVY YEARS**

Year Property Assessed	Fiscal Year Ended	Real Estate		Railroads	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	2003	\$ 1,257,587,721	3,738,040,602	11,574,187	34,722,561
2003	2004	1,332,089,906	3,960,081,273	12,062,815	36,188,445
2004	2005	1,310,728,120	3,932,184,360	11,780,781	35,342,343
2005	2006	1,374,064,456	4,122,193,368	12,117,906	36,353,718
2006	2007	1,435,141,676	4,305,425,028	14,270,070	42,810,210
2007	2008	1,508,990,727	4,526,972,181	16,226,554	48,679,662
2008	2009	1,548,760,053	4,646,280,159	18,914,828	56,744,484
2009	2010	1,596,487,575	4,789,462,725	23,571,226	70,713,678
2010	2011	1,600,599,923	4,801,799,769	23,986,508	71,959,524
2011	2012	1,600,754,394	4,802,263,182	25,969,869	77,909,607

Source: Macon County Clerk's Office

Note: Property in the County of Macon, Illinois is reassessed every year. The County assesses property at approximately 33.3% of actual value. Estimated actual value is calculated by dividing taxable value by that percentage. Assessed value includes tax-exempt property.

Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
1,269,161,908	3,772,763,163	33 1/3	1.4135
1,344,152,721	3,996,269,718	33 1/3	1.3829
1,322,508,901	3,967,526,703	33 1/3	1.2720
1,386,182,362	4,158,547,086	33 1/3	1.3233
1,449,411,746	4,348,235,238	33 1/3	1.1983
1,525,217,281	4,575,651,843	33 1/3	1.2032
1,567,674,881	4,703,024,643	33 1/3	1.2067
1,620,058,801	4,860,176,403	33 1/3	1.2209
1,624,586,431	4,873,759,293	33 1/3	1.2279
1,626,724,263	4,880,172,789	33 1/3	1.2211

MACON COUNTY, ILLINOIS

**SCHEDULE OF PROPERTY TAX RATES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX LEVY YEARS
(Per \$ 100 of Assessed Valuation)**

Governmental Unit	Year of Levy			
	2011	2010	2009	2008
County of Macon, direct rates:				
General Corporate Fund	0.25000	0.2500	0.2443	0.2321
County Highway Fund	0.09221	0.0923	0.0926	0.0957
Special Bridge Fund	0.03166	0.0317	0.0318	0.0328
Illinois Municipal Retirement Fund	0.11762	0.1509	0.1575	0.1588
Federal Aid Matching Fund	0.02705	0.0271	0.0272	0.0281
Historical Museum Fund	0.00200	0.0020	0.0020	0.0019
County Health Department Fund	0.09981	0.1023	0.1024	0.1042
Insurance Liability Fund	0.02459	0.0092	0.0000	0.0000
Veterans Commission Fund	0.00923	0.0092	0.0093	0.0051
708 Board Fund	0.14192	0.1422	0.1425	0.1416
Judgment Repayment Fund	0.01537	0.0000	0.0000	0.0000
Law Facilities Center Fund				
Social Security Tax Fund	0.06884	0.0673	0.0674	0.0697
Decatur Public Building Commission Lease Fund	0.31701	0.3198	0.3208	0.3128
Building Renovation Fund				
Macon County Coop Extension	0.02376	0.0238	0.0231	0.0239
Total direct rates	1.22107	1.2279	1.2209	1.2067
City of Decatur	1.2905	1.2435	1.2167	1.2064
Conservation District	0.1013	0.1015	0.1002	0.1026
Decatur Park District	1.0399	1.0379	1.0379	1.0382
Decatur Sanitary District	0.2752	0.2610	0.2601	0.2640
Decatur Township	0.3132	0.2965	0.2819	0.2739
Hickory Point Township	0.3368	0.3231	0.3070	0.3006
Richland Community College	0.4780	0.4325	0.3947	0.3943
Decatur School District	4.3155	4.2872	4.3487	4.3361
Mt. Zion School District	3.8266	4.0338	4.0108	3.9553

Note: Taxes are collected during the year following the year taxes are levied.

Source: Macon County Clerk's Office

Year of Levy					
2007	2006	2005	2004	2003	2002
0.2386	0.2500	0.2447	0.2500	0.2500	0.2500
0.0852	0.0897	0.0893	0.0901	0.0853	0.0849
0.0321	0.0338	0.0500	0.0339	0.0316	0.0314
0.1410	0.0690	0.0974	0.0756	0.1098	0.1111
0.0272	0.0286	0.0285	0.0287	0.0269	0.0267
0.0020	0.0020	0.0020	0.0020	0.0020	0.0020
0.0921	0.0821	0.1054	0.1070	0.1070	0.1070
0.0066	0.0138	0.0260	0.0547	0.0581	0.0615
0.0052	0.0062	0.0066	0.0069	0.0068	0.0070
0.1397	0.1500	0.1500	0.1500	0.1500	0.1500
0.0164	0.0207	0.0216	0.0340	0.0413	0.0585
			0.1792	0.2594	0.2679
0.0794	0.0669	0.0700	0.0699	0.0716	0.0733
0.3131	0.3596	0.4047			
			0.1626	0.1559	0.1594
0.0246	0.0259	0.0271	0.0274	0.0272	0.0228
1.2032	1.1983	1.3233	1.2720	1.3829	1.4135
1.2324	1.2418	1.2699	1.2717	1.1925	1.2796
0.1035	0.1056	0.1088	0.1146	0.1082	0.1061
1.0280	1.0288	1.0141	0.9988	0.9988	0.9721
0.2727	0.2644	0.2828	0.2964	0.2616	0.2873
0.2745	0.2691	0.2679	0.2664	0.2494	0.2647
0.2948	0.3009	0.3006	0.3022	0.2913	0.3010
0.3941	0.3868	0.3889	0.3895	0.3839	0.3840
4.3615	4.3107	4.3201	4.1670	4.0734	4.1053
3.9824	3.9197	3.9851	4.0149	3.9609	3.9901

MACON COUNTY, ILLINOIS

**PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Type of Business Property	2012 Equalized Assessed Valuation	Percentage of Total 2012 Equalized Assessed Valuation	2012 Rank
Archer Daniels Midland Co.	Industrial	\$ 26,528,366	1.63%	1
Hickory Point, LLC	Retail	11,427,390	0.70%	2
Wal-Mart Stores, Inc.	Retail	7,622,724	0.47%	3
Caterpillar, Inc.	Industrial	7,161,805	0.44%	4
Ventas, Inc.	Medical Buildings	5,660,590	0.35%	5
Illinois Power Company	Utility	4,328,310	0.27%	6
Tate and Lyle North America	Industrial	3,343,873	0.21%	7
Millikin University	University Apartments	3,087,500	0.19%	8
Brettwood Village Associates	Retail	3,038,000	0.19%	9
Pittsburg Plate Glass Co.	Industrial	2,723,468	0.17%	10
		<u>\$ 74,922,026</u>	<u>4.62%</u>	
Total 2012 County assessed valuation		<u>\$ 1,626,724,263</u>		

Taxpayer	Type of Business Property	2003 Equalized Assessed Valuation	Percentage of Total 2003 Equalized Assessed Valuation	2003 Rank
Archer Daniels Midland Co.	Industrial	\$ 25,366,910	1.89%	1
CWB Investments	Retail	9,878,735	0.73%	2
Wal-Mart Stores, Inc.	Retail	8,253,178	0.61%	3
Caterpillar, Inc.	Industrial	7,085,829	0.53%	4
Real Estate Investors of Decatur	Real Estate	4,269,454	0.32%	5
Pittsburg Plate Glass Co.	Industrial	3,833,303	0.29%	6
Millikin University	University apartments	3,692,294	0.27%	7
Northgate Limited Partnership	Retail	3,587,831	0.27%	8
Decatur Memorial Foundation	Medical Buildings	3,529,328	0.26%	9
Ameren/IP	Utility	3,378,070	0.25%	10
		<u>\$ 72,874,932</u>	<u>5.42%</u>	
Total 2003 County assessed valuation		<u>\$ 1,344,152,721</u>		

Source: Macon County Supervisor of Assessments

MACON COUNTY, ILLINOIS

**PROPERTY TAX LEVIES AND COLLECTIONS - COUNTY FUNDS
LAST TEN TAX LEVY YEARS**

	Tax Levy Year Fiscal Year Ended	2011 2012	2010 2011	2009 2010
Tax Extensions:				
General Corporate Fund	\$	4,066,810	4,061,467	3,958,452
County Highway Fund		1,500,002	1,500,143	1,500,012
Special Bridge Fund		515,021	515,156	515,017
Illinois Municipal Retirement Fund		1,913,353	2,452,151	2,552,079
Federal Aid Matching Fund		440,029	440,100	440,008
Historical Museum Fund		32,534	32,492	32,401
County Health Department Fund		1,626,359	1,662,310	1,660,575
Insurance Liability Fund		400,011	150,112	
Veterans Commission Fund		150,147	150,112	150,017
708 Board Fund		2,312,522	2,312,440	2,312,474
Judgment Repayment Fund		250,027		
Law Facilities Center Fund				
Social Security Tax Fund		1,119,837	1,092,535	1,092,568
Decatur Public Building Commission Lease Fund		5,156,878	5,194,941	5,196,662
Building Renovation				
Macon County Extension		387,135	387,225	375,896
Total	\$	19,870,665	19,951,184	19,786,161
Total Collections		19,530,213	19,833,753	19,674,965
Percentage of extensions collected		98.29%	99.41%	99.44%

Note: Taxes are collected during the year following the year taxes are levied.

Subsequent year collections are not presented because there was no subsequent adjustment to the levy.

Source: Macon County Clerk's Office and Macon County Treasurer's Office

2008	2007	2006	2005	2004	2003	2002
2009	2008	2007	2006	2005	2004	2003
3,638,887	3,638,864	3,623,529	3,392,410	3,309,657	3,330,292	3,144,033
1,500,108	1,300,095	1,300,122	1,238,279	1,192,800	1,136,293	1,067,711
515,138	489,137	489,032	465,065	448,790	420,947	394,889
2,488,684	2,150,099	1,000,094	1,350,005	1,000,840	1,462,659	1,397,206
440,046	415,012	415,111	395,063	379,949	358,337	335,782
29,002	30,504	28,988	27,724	26,477	26,642	25,152
1,635,688	1,407,190	1,190,950	1,461,774	1,416,590	1,425,336	1,397,271
	100,054	200,019	360,131	724,153	773,957	773,430
80,108	80,074	90,009	92,043	91,347	90,583	88,032
2,223,361	2,135,853	2,176,708	2,080,719	1,985,873	1,998,134	1,958,792
	250,136	300,028	300,109	450,113	550,162	735,701
				2,372,362	3,455,503	3,369,139
1,092,513	1,211,023	970,091	970,052	925,380	953,793	921,828
4,904,157	4,775,913	5,211,504	5,609,890			
				2,152,601	2,076,764	2,004,631
375,848	375,846	375,671	375,612	362,753	362,327	297,737
18,923,540	18,359,800	17,371,856	18,118,876	16,839,685	18,421,729	17,911,334
18,835,124	18,245,426	17,375,414	18,047,742	16,801,523	18,410,806	17,843,535
99.53%	99.38%	100.02%	99.61%	99.77%	99.94%	99.62%

MACON COUNTY, ILLINOIS

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2012	2011	2010
Debt limit	\$ 46,768,323	46,706,860	46,576,691
Total net debt applicable to limit			
Legal debt margin	\$ 46,768,323	46,706,860	46,576,691
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value (2011 tax year)	<u>\$ 1,626,724,263</u>
Debt limit (2.875% of assessed value)	<u>46,768,323</u>
Debt outstanding applicable to limit: NONE	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Total legal debt margin	<u>\$ 46,768,323</u>

Illinois Compiled Statutes, 50 ILCS 405/1, provide that no county having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness, in the aggregate exceeding 2.875% on the value of the taxable property therein, to be ascertained by the last assessment for State and county taxes, previous to the incurring of such indebtedness.

Additionally, the limitation "... shall not apply to any indebtedness of any county of the purpose of building a county court house, jail, and other necessary county buildings..."

Reference: Illinois Compiled Statutes - 50 ILCS 405/1.10

2009	2008	2007	2006	2005	2004	2003
45,070,653	43,849,997	41,260,323	39,852,743	37,683,433	38,297,585	36,155,646
45,070,653	43,849,997	41,260,323	39,852,743	37,683,433	38,297,585	36,155,646
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

MACON COUNTY, ILLINOIS

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended November 30,	Governmental Activities			Revenue Bonds	Total Primary Government	Estimated Actual Value
	Capital Leases	General Obligation Debt	Contractual Obligations			
2003	\$ 7,569,651	1,260,875	53,752		8,884,278	3,772,763,163
2004	7,140,800	1,396,302	18,498		8,555,600	3,996,269,718
2005		1,173,325			1,173,325	3,967,526,703
2006		1,118,371			1,118,371	4,158,547,086
2007		1,052,002			1,052,002	4,348,235,238
2008		964,205			964,205	4,575,651,843
2009		902,270			902,270	4,703,024,643
2010		846,815		5,015,458	5,862,273	4,860,176,403
2011		786,990		3,697,425	4,484,415	4,873,759,293
2012		727,045		2,502,425	3,229,470	4,880,172,789

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of demographic and economic statistics for personal income data.

Population estimates for 2003-2009 are based on the 2000 census per the U.S. Census Bureau, with 2010-2012 population based on the 2010 Census.

During 2005, the capital lease applicable to the County buildings was re-negotiated with the Decatur Public Building Commission. It was determined at that time that the lease was an operating lease and no longer a capital lease obligation. During 2010, a change in reporting entity was made to include the Commission as a blended component unit of the County, making the debt that of the County.

Additional details of this lease agreement can be found in Note 10 to the current financial statements.

Percentage of General Bonded Debt to Estimated Actual Value	Percentage of Personal Income (1)	Population	General Bonded Debt Per Capita
0.24%	0.28%	111,175	79.91
0.21%	0.28%	110,502	77.42
0.03%	0.05%	110,167	10.65
0.03%	0.04%	109,309	10.23
0.02%	0.04%	108,732	9.68
0.02%	0.04%	108,328	8.90
0.02%	0.03%	108,204	8.34
0.12%	0.21%	110,768	52.92
0.09%	0.16%	110,715	40.50
0.07%	0.11%	110,122	29.33

MACON COUNTY, ILLINOIS

DIRECT AND OVERLAPPING DEBT

As of November 30, 2012

Governmental Unit	Total Debt Outstanding	Percentage Applicable to County	Debt Applicable to County
Direct Debt:			
County	\$ 3,229,470	100.0%	<u>3,229,470</u>
Overlapping Debt:			
City of Decatur	104,360,147	100.0%	104,360,147
Decatur Park District	12,900,000	100.0%	12,900,000
Decatur School District #61	14,324,534	100.0%	14,324,534
Argenta School District #1	1,420,539	99.8%	1,417,698
Meridian School District #15	2,064,941	95.0%	1,961,694
Mt. Zion School District #3	8,267,502	98.0%	8,102,152
Richland Community College	27,254,161	70.9%	19,323,200
Warrensburg School District #11	17,073,932	92.9%	15,861,683
Maroa-Forsyth School District #2	24,069,616	96.7%	23,275,319
Village of Mt. Zion	4,028,849	100.0%	4,028,849
Village of Niantic	26,137	100.0%	26,137
City of Maroa	1,374,797	100.0%	<u>1,374,797</u>
Total overlapping debt			<u>206,956,210</u>
Total debt applicable to County			<u><u>\$ 210,185,680</u></u>

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County of Macon's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the County's boundaries and dividing it by each unit's total taxable assessed value.

MACON COUNTY, ILLINOIS

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Population (1)	Personal Per Capita Income (1)	Personal Income (in thousands)	Median Age (1)	School Enrollment (2)	Unemployment Rates (3)		
						County	State	United States
2003	111,175	\$ 28,094	3,123,350	38.0	19,759	7.4	6.7	6.0
2004	110,502	28,094	3,104,443	38.0	19,006	6.7	6.2	5.5
2005	110,167	23,330	2,570,196	38.0	18,589	6.1	5.7	5.1
2006	109,309	23,330	2,550,179	39.3	18,575	5.3	4.6	4.6
2007	108,732	22,512	2,447,775	39.3	18,303	5.7	5.0	4.6
2008	108,328	24,125	2,613,413	39.3	17,744	7.2	6.5	5.8
2009	108,204	25,151	2,721,439	39.4	18,272	11.4	10.1	9.3
2010	110,768	25,044	2,774,074	39.7	17,906	11.8	10.3	9.6
2011	110,715	24,726	2,737,539	40.3	17,392	9.9	9.2	8.9
2012	110,122	25,797	2,840,817	40.3	17,371	10.1	8.2	8.1

(1) U.S. Census Bureau

(2) Macon-Piatt Regional Office of Education

(3) US Department of Labor, Bureau of Labor Statistics

MACON COUNTY, ILLINOIS

**PRINCIPAL EMPLOYERS IN THE COUNTY
CURRENT YEAR AND NINE YEARS AGO**

Employer	2012			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Caterpillar, Inc.	4,665	1	9.92%	2,000	3	3.87%
Archer Daniels Midland Co.	4,040	2	8.59%	3,500	1	6.77%
Decatur Memorial Hospital	2,374	3	5.05%	2,266	2	4.38%
Decatur Public School District	1,500	4	3.19%	1,500	4	2.90%
Ameren/IL Power Company	512	5	1.09%	901	6	1.74%
St. Mary's Hospital	1,136	6	2.42%	1,058	5	2.05%
Tate and Lyle North America	634	7	1.35%	720	7	1.39%
Norfolk Southern Corp.	500	8	1.06%	600	8	1.16%
Millikin University	627	9	1.33%	545	10	1.05%
Macon County	518	10	1.10%			**
Mueller	455			600	9	1.16%
Total	16,961		35.10%	13,690		26.47%
Total County employment			47,024			51,709

Includes 10 largest employers

Source: The Economic Development Corporation of Decatur and Macon County

** Employer not included in top 10 employers in 2003.

MACON COUNTY, ILLINOIS

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Function/Program										
General government:										
Management services	27	21	22	21	20	22	19	22	23	21
Finance	20	21	20	21	19	20	19	19	19	19
Other	23	27	28	27	27	29	29	30	29	29
Public safety:										
Officers	50	51	51	49	51	51	50	49	46	46
Civilians	140	140	145	147	145	147	145	149	145	144
Judiciary	118	113	114	111	105	105	106	106	101	96
Public Health	114	113	122	123	129	124	119	119	115	113
Transportation	26	23	25	26	30	25	26	26	25	25
Total	518	509	527	525	526	523	513	520	503	493

Source: Macon County Payroll Records

MACON COUNTY, ILLINOIS

**OPERATING INDICATORS BY FUNCTION
LAST SEVEN FISCAL YEARS**

Function	2012	2011	2010	2009	2008	2007	2006
General government:							
Accounts payable checks issued	8,427	7,640	8,206	7,380	6,912	5,985	6,684
Payroll checks and direct deposits issued	15,763	15,435	15,737	15,483	15,285	15,442	15,063
Births	1,642	1,541	1,738	1,742	1,736	1,572	1,756
Deaths	1,279	1,237	1,246	1,158	1,341	1,189	1,282
Marriage licenses	646	723	695	619	660	744	724
Public safety:							
Jail bookings	5,692	6,027	6,286	6,793	6,817	6,206	5,638
Year end inmate population	311	270	262	288	262	265	259
Calls for service	19,740	17,456	18,340	17,626	19,455	20,245	21,871
Health:							
Dental Clinic - patients seen	9,086	8,259	7,641	15,677	12,976	12,976	13,775
Women, Infants and Children Program - active clients	3,208	3,290	3,152	3,281	3,152	3,267	3,084
TB skin tests administered	2,262	2,155	2,434	2,353	2,474	2,982	2,849
Influenza immunizations	3,985	3,553	4,283	4,278	4,516	5,254	5,354
Judicial:							
Juvenile probation caseload	146	200	159	228	225	302	243
Adult probation caseload	1,932	1,842	1,848	1,728	1,148	954	815
Divorce cases filed	663	577	635	616	564	570	620
Small claims filed	2,227	2,358	2,684	2,719	2,810	3,168	2,668
Highway:							
Lane miles of road resurfaced		2	46	18	6	2	14
Chip and seal general road maintenance	25	49	70	23	28	34	16
New signs installed	700	750	800	750	750	750	800
Bridges rebuilt	3	3	5	3	1	4	5
Roadside culverts installed	80	55	50	80	100	100	100
Planning and zoning/Environmental Management							
Residential construction building permits	70	62	73	95	129	190	142
Commercial construction building permits	13	12	5	11	28	18	17
Gallons of Paint Recycled	2,000	5,550	4,550	3,900	4,850	4,450	1,150

Sources: Various County departments.

Notes: Fiscal year 2006 was the initial year of presenting this information. Ten years of data have not yet been completed.

MACON COUNTY, ILLINOIS

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST SEVEN FISCAL YEARS**

	2012	2011	2010	2009	2008	2007	2006
Function/Program							
General government:							
Land area (square miles)	581	581	581	581	581	581	581
Animal Control vehicles	8	8	8	6	6	5	4
Environmental Management vehicles	3	3	4	3	3	3	3
Environmental Management recycling boxes	9	10	7	6	6	6	
Environmental Management recycling trailers	5	3	4	5	5	5	4
Public Safety:							
Sheriff - marked patrol units	19	17	17	19	19	20	17
Sheriff - non-patrol units	16	16	13	7	7	7	5
Probation - vehicles	7	8	9	11	11	11	10
Emergency Management - vehicles	3	3	4	4	4	4	4
Highway:							
Miles of streets or roads	250	250	250	250	250	250	250
Bridges	63	63	63	63	63	63	63

Sources: Various county departments.

Notes: Fiscal year 2006 was the initial year of presenting this information. Ten years of data have not yet been completed.

FEDERAL AWARDS - COMPLIANCE SECTION

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended November 30, 2012

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount
Major Programs			
U.S. Department of Labor:			
Passed Through Illinois Department of Commerce and Economic Opportunity:			
WIA 10% Statewide Activities Incentive	17.258	09-672019	23,812
WIA Youth, Adult, Dislocated Worker	17.258	11-681019	1,156,273
WIA Youth, Adult, Dislocated Worker	17.258	12-681019	1,057,052
WIA 10% Statewide Activities Incentive	17.259	09-672019	
WIA Youth, Adult, Dislocated Worker	17.259	11-681019	
WIA Youth, Adult, Dislocated Worker	17.259	12-681019	
ARRA - WIA National Emergency Grants	17.260	09-741019	375,594
WIA 10% Statewide Activities Incentive	17.260	09-672019	
WIA Adult Dislocated Worker	17.278	10-651019	696,000
WIA Adult Dislocated Worker	17.278	11-651019	561,000
WIA Adult Dislocated Worker	17.278	11-681019	
WIA Adult Dislocated Worker	17.278	12-681019	
WIA Adult Dislocated Worker	17.278	11-654119	74,330
Total U.S. Department of Labor			

(Continued)

	Deferred Revenue at November 30, 2011	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30, 2012
\$	(246)	246		
	(11,238)	243,932	225,253	7,441
		103,428	105,344	(1,916)
	(11,484)	347,606	330,597	5,525
	(267)	267		
	(12,112)	262,877	242,747	8,018
		111,228	113,289	(2,061)
	(12,379)	374,372	356,036	5,957
	(12,064)	344,411	332,347	
	(361)	361		
	(12,425)	344,772	332,347	-
	36,263	60,342	96,605	
		115,000	122,513	(7,513)
	(17,584)	381,657	352,432	11,641
		153,344	156,184	(2,840)
		20,000	26,962	(6,962)
	18,679	730,343	754,696	(5,674)
	(17,609)	1,797,093	1,773,676	5,808

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year ended November 30, 2012

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount
Major programs, continued			
U.S. Department of Transportation:			
Passed through Illinois Department of Transportation:			
Highway Safety - Child Passenger Safety	20.613	OP2-0058-808	14,975
Highway Safety Project - LAP Enforcement	20.601	AL2-0058-156	94,772
Highway Safety Project - LAP Enforcement	20.601	AL-13-195	48,461
Highway Safety Project - LAP Enforcement	20.601	AL1-0058-212	84,057
Highway Safety Project - LAP	20.601	AL2-0058-103	79,337
Highway Safety Project - LAP	20.601	AL2-13-295	70,500
Highway Safety Project - Non Law Enforcement	20.600	AL2-0058-152	208,412
Highway Safety Project -Non Law Enforcement	20.601	OP-13-213	195,860
Total U.S. Department of Transportation			
U.S. Department of Justice:			
Bureau of Justice Assistance:			
Passed through Illinois Criminal Justice Information Authority:			
ARRA - Adult Redeploy	16.803	809051.04	350,000
ARRA - Adult Redeploy	16.803	193004	233,117
Defense Services - JAG	16.738	408028	130,401
Defense Services - JAG	16.738	407028	123,424

(Continued)

	Deferred Revenue at November 30, 2011	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30, 2012
\$		5,840	14,975	(9,135)
	(13,368)	78,711	72,244	(6,901)
			6,843	(6,843)
	(6,715)	6,715		
		30,679	72,782	(42,103)
			10,686	(10,686)
	(31,750)	157,533	161,428	(35,645)
			32,617	(32,617)
	(51,833)	279,478	371,575	(143,930)
	(36,503)	219,504	232,318	(49,317)
			18,881	(18,881)
	(36,503)	219,504	251,199	(68,198)
	(13,500)	54,000	40,500	
	(13,500)	13,500		
	(27,000)	67,500	40,500	-

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year ended November 30, 2012

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount
Major programs, continued			
U.S. Department of Justice, continued:			
Bureau of Justice Assistance:			
Passed through Illinois State's Attorney Appellate Prosecutor:			
Local Drug Prosecution Support Grant	16.738	MAC1025	40,000
Local Drug Prosecution Support Grant	16.738	MAC9025	40,000
Passed through City of Decatur:			
Justice Assistance Grant - Disparity	16.738	2011-H3447-IL-DJ	16,793
Justice Assistance Grant - Disparity	16.738	2012-H3359-IL-DJ	13,187
	cluster total		
Bureau of Justice Assistance:			
Passed through Illinois Criminal Justice Information Authority:			
ARRA - Violence Against Women Act	16.588	609909	499,998
Office on Violence Against Women:			
Solutions to Violence Against Women Program	16.590	2008-WE-AX-0021	799,977
Juvenile Justice and Delinquency Prevention:			
Second Chance Juvenile Re-entry	16.812	2011-CZ-BX-0008	422,906
Total U.S. Department of Justice			
U.S. Department of Health and Human Services:			
Passed through Illinois Department of Healthcare and Family Services:			
Medical Assistance Program (Title XIX)	93.778	none	N/A

(Continued)

Deferred Revenue at November 30, 2011	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30, 2012
\$			
(6,667)	23,333	16,666	
(6,667)	23,333	16,666	-
(7,389)	16,793	9,404	
		8,596	(8,596)
(7,389)	16,793	18,000	(8,596)
(77,559)	327,130	326,365	(76,794)
(33,607)	180,410	146,803	
(18,555)	194,789	179,620	(3,386)
(163)	233,000	253,636	(20,799)
(129,884)	935,329	906,424	(100,979)
(40,261)	283,791	260,674	(17,144)

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year ended November 30, 2012

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount
Non major Programs			
U.S. Department of Labor:			
Passed Through Illinois Department of Commerce and Economic Opportunity:			
WIA TAA Training	17.245	10-661019	58,846
WIA TAA Training	17.245	11-661019	825
WIA TAA Training	17.245	10-662019	15,841
Total U.S. Department of Labor			
U.S. Department of Agriculture:			
Passed through Illinois Department of Human Services:			
Supplemental Nutrition Program for Women, Infants and Children	10.557	11GQ00322	433,400
WIC Breastfeeding Peer Counselor	10.557	11GQ00322	31,000
Supplemental Nutrition Program for Women, Infants and Children	10.557	FCSRE01054	432,606
WIC Breastfeeding Peer Counselor	10.557	FCSRE01193	26,000
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	11GQ00322	Non-cash Instruments
Passed Through Illinois Department of Public Health:			
Summer Food Inspection Program	10.559	25280139	4,200
Passed Through Illinois Department of Human Services:			
WIC Farmers Market - admin	10.572	FCSRE01266	1,000
Total U.S. Department of Agriculture			

(Continued)

	Deferred Revenue at November 30, 2011	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30, 2012
\$	(1,461)	10,626	9,165	
			461	(461)
	54	7,878	7,932	
	(1,407)	18,504	17,558	(461)
	(108,352)	325,100	216,748	
	(5,000)	22,500	17,500	
		144,400	243,123	(98,723)
		6,000	13,134	(7,134)
		1,483,599	1,483,599	
	(113,352)	1,981,599	1,974,104	(105,857)
	-	3,550	3,550	-
	-	1,000	1,000	-
	(113,352)	1,986,149	1,978,654	(105,857)

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year ended November 30, 2012

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount
U.S. Department of Transportation:			
Passed through Illinois Department of Transportation:			
Highway Planning and Construction - Connector Project	20.205	P-97-063-10	148,000
Feasibility Study - Decatur Beltway	20.205	P-95-042-99	1,809,379
Passed through Illinois Emergency Management Agency:			
Hazardous Materials Emergency Preparedness Grant Program	20.703	1HMEPMACO11	13,990
Hazardous Materials Emergency Preparedness Grant Program	20.703	1HMEPMACO12	13,800
Total U.S. Department of Transportation			
U.S. Department of Justice:			
Bureau of Justice Assistance:			
Gun Violence Grant	16.580	2008-DD-BX-0180	142,715
Justice and Mental Health Collaboration	16.745	2010-MO-BX-0015	312,500
Adult Drug Court	16.585	2011-DC-BX-0131	350,000
Passed through Illinois Criminal Justice Information Authority:			
Teen Truancy Court Grant	16.523	508012	51,111
Teen Truancy Court Grant	16.523	508212	17,400
Hidden Victims Prosecutor Based Services	16.575	211159	16,122
Hidden Victims Prosecutor Based Services	16.575	210159	16,122

(Continued)

Deferred Revenue at November 30, 2011	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30, 2012
\$	68,332	72,802	(4,470)
(106,063)	19,569	37,436	(123,930)
(106,063)	87,901	110,238	(128,400)
	4,333	9,528	(5,195)
		2,129	(2,129)
(106,063)	92,234	121,895	(135,724)
(891)	40,892	43,106	(3,105)
-	32,361	37,031	(4,670)
4,624	44,600	52,406	(3,182)
644	31,000	31,644	
	10,000	3,371	6,629
644	41,000	35,015	6,629
	3,794	3,180	614
(1,047)	359	(688)	
(1,047)	4,153	2,492	614

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Program Title

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount
U.S. Department of Justice, continued:			
Juvenile Justice and Delinquency Prevention:			
Passed through National Children's Alliance:			
Child Advocacy Program Support	16.758	DECA-IL-SA12	10,000
Child Advocacy Program Support	16.758	DECA-IL-SA11	10,000
Total U.S. Department of Justice			
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	2011-55-013-K2H	317,409
Title IV D, Child Support Enforcement	93.563	11KSAO00008	330,673
Title IV D, Child Support Enforcement	93.563	2011-55-013-K3	304,712
Title IV D, Child Support Enforcement	93.563	12KCC000054	56,952
Title IV D, Child Support Enforcement	93.563	31KCC000054	56,952
Passed Through Illinois Department of Human Services:			
Personal Responsibility Educ Prog-TPP	93.092	FCSRE01838	307,750
TANF - Healthy Families	93.558	11GQ00322	165,000
Title XX Block Grant-FCM Community	93.667	011GQ01139	10,000
Title XX Block Grant-FCM Community	93.667	FCSRE01549	10,000
MIECHV Formula	93.505	011GQ02074	184,190
MIECHV Formula	93.505	011GQ02200	80,000
MIECHV Formula	93.505	011GQ02074	7,000
MIECHV Formula	93.505	011GQ02074	58,663
MIECHV Formula	93.505	011GQ02200	13,333

(Continued)

Deferred Revenue at November 30, 2011	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30, 2012
\$	10,000	10,000	
(98)	5,380	5,282	
(98)	15,380	15,282	-
3,232	178,386	185,332	(3,714)
(61,255)	191,048	129,793	
(212)	212		
	15,895	79,458	(63,563)
(15,509)	27,364	11,855	
	10,671	26,273	(15,602)
(76,976)	245,190	247,379	(79,165)
-	95,600	95,600	-
(22,521)	22,521	-	-
	10,000	10,000	
	10,000	10,000	
-	20,000	20,000	-
	53,994	63,098	(9,104)
	24,265	30,772	(6,507)
	7,000	7,000	
	58,663	58,663	
	13,333	13,333	
-	157,255	172,866	(15,611)

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Bureau of Justice Assistance:

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount
U.S. Department of Health and Human Services, continued:			
Passed Through Illinois Department of Public Health:			
Dental Sealant Grant	93.994	33480125A	13,500
Bioterrorism Preparedness	93.069	27180053	80,129
Bioterrorism Preparedness	93.069	37180053	85,329
Illinois Immunization Program - Childhood Immunization Grants	93.268	15180111	35,000
Childhood Immunization Grants	93.268	25180015	35,000
Childhood Immunization Grants	93.268	none	
Vaccines for Children - Obesity Prevention	93.539	35100002A	8,300
Passed Through Illinois Department on Aging:			
Passed Through East Central Illinois Area Agency on Aging:			
Title III D Medication Management	93.043	12-06	13,725
Title III B Health Screening	93.044	12-06	33,044
Title III B Diabetes Self Management	93.044	12-06A	6,000
Title III E Caregiver Services	93.052	10-11	33,233
Title III E Caregiver Services	93.052	11-12	26,582
Aging & Disability Resource Center	93.071	12-06	4,828
ARRA - CDSMP	93.725	10-11	5,296

(Continued)

Deferred Revenue at November 30, 2011	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30, 2012
-	7,200	8,482	(1,282)
(31,150)	80,129	48,979 46,982	(46,982)
(31,150)	87,329	104,443	(48,264)
(9,771)	9,771 20,986 800	35,000 800	(14,014)
(9,771)	31,557	35,800	(14,014)
-	7,500	7,500	-
-	12,258	12,258	-
-	27,089 6,000	27,089 6,000	-
-	33,089	33,089	-
11,857		11,857	
11,857	37,716 37,716	37,716 49,573	-
-	4,828	4,828	-
(473)	3,638	3,165	-

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Passed through Illinois Department

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount
U.S. Department of Health and Human Services, continued:			
Passed Through Illinois State Board of Elections: Help America Vote Act - VAID III	93.617	Phase III	
Passed Through National Assoc. of County and City Officials: NACCHO	93.008	MRC 12-324	5,000
Total U.S. Department of Health and Human Services			
Environmental Protection Agency:			
Passed Through Illinois Department of Public Health: Potable Water Supply Program	66.432	35382053A	850
U.S. Department of Housing and Urban Development			
Passed Through City of Decatur, Illinois: Capital Development Block Grant, Education, Employment and Training Program	14.218		80,000
U.S. Department of Homeland Security, Office of Domestic Preparedness:			
Passed through Illinois Emergency Management Agency: Citizen Corps	97.067	10CCPMACON1	5,500
Emergency Management Preparedness	97.042	11EMAMACON	37,910
Emergency Management Preparedness	97.042	12EMAMACON	37,910
Emergency Management Preparedness	97.042	13EMAMACON	37,910
Hazzard Mitigation Grant Program	97.039	HM12MACON	52,500
Total U.S. Department of Homeland Security			
Total Expenditures of Federal Awards			

Deferred Revenue at November 30, 2011	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30, 2012
-	21,000	36,594	(15,594)
-	5,184	5,184	-
(129,034)	784,665	828,279	(172,648)
-	400	850	(450)
-	4,248	36,267	(32,019)
-	5,500	5,500	-
(22,347)	4,256	4,256	
	37,608	15,261	
		21,736	(21,736)
(22,347)	41,864	41,253	(21,736)
-	30,274	30,274	-
(22,347)	77,638	77,027	(21,736)
\$ (608,558)	6,437,915	6,558,211	(728,854)

MACON COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

November 30, 2012

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.

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 \$ 1,483,599 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 issues statements of non-cash transactions for the state fiscal year ending June 30, 2012. The amount included in the schedule represents the state fiscal year non-cash transaction figures.

There were no federal awards expended in the form of insurance in effect during the year, or loans or loan guarantees, including interest subsidies outstanding at year end.

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, 17.259, 17.260 and 17.278	\$ 150,811



May, Cocagne & King, P.C.

Certified Public Accountants and Consultants

1353 E. MOUND ROAD, SUITE 300 DECATUR, ILLINOIS 62526-9344 217/875-2655 FAX 217/875-1660

ALAN R. KING
PHILIP R. BAUER
ANDREW D. THOMAS
HELGA J. TOWLER
WILLIAM R. MOSS
CATHERINE J. MANSUR
STEVEN R. GROHNE
MARK S. WOOD

**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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Illinois, as of and for the year ended November 30, 2012, which collectively comprise the Macon County, Illinois' basic financial statements and have issued our report thereon dated May 14, 2013. Our report includes a reference to 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. As described in our report on the Macon County, Illinois' financial statements, other auditors audited the financial statements of the blended component unit, the Decatur Public Building Commission, and the two discretely presented component units, the Macon County Mental Health Board and the Macon County Emergency Telephone System Board. The financial statements of these component units were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting items 12-1 through 12-3. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

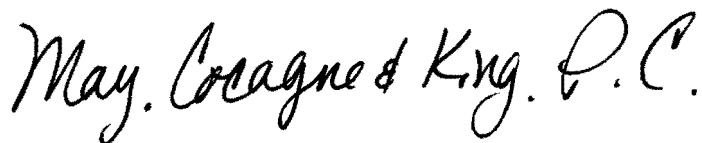
Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 reported to management of Macon County, Illinois, in a separate letter dated May 14, 2013.

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

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



Decatur, Illinois
May 14, 2013



May, Cocagne & King, P.C.

Certified Public Accountants and Consultants

1353 E. MOUND ROAD, SUITE 300 DECATUR, ILLINOIS 62526-9344 217/875-2655 FAX 217/875-1660

ALAN R. KING
PHILIP R. BAUER
ANDREW D. THOMAS
HELGA J. TOWLER
WILLIAM R. MOSS
CATHERINE J. MANSUR
STEVEN R. GROHNE
MARK S. WOOD

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Macon County Board
Macon County, Illinois
Decatur, Illinois

Compliance

We have audited Macon County, Illinois' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Macon County, Illinois' major federal programs for the year ended November 30, 2012. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2012.

Internal Control Over Compliance

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

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

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

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

Decatur, Illinois
May 14, 2013

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
November 30, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiencies identified not considered to be material weaknesses? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiencies identified not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? X yes no

Identification of major programs:

CFDA #17.258, 17.259, 17.260 and 17.278, Workforce Investment Act Cluster	CFDA #16.588 ARRA - Violence Against Women Act
CFDA #20.600, 20.601 and 20.613 Highway Safety Cluster	CFDA #16.590 Solutions to Violence Against Women Program
CFDA #16.738 and 16.803 Justice Assistance Grant Program Cluster	CFDA #16.812 Second Chance Act Prisoner Re-entry Initiative
CFDA #93.778 Medical Assistance Program	

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

Auditee qualified as low-risk auditee? yes X no

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
November 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

12-1 Significant Audit Adjustments

Criteria: Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

Condition: During our audit, we identified and proposed four types of adjustments (which were approved and posted by management) that were significant, either individually or in the aggregate, to the County's Financial Statements. These adjustments included corrections to accounts receivable, deferred revenue, and inventory.

Cause: Internal controls did not detect all adjustments necessary to properly record year-end balances.

Effect: As a result, the following areas were initially misstated:

- 1) Accounts receivable in the Law Enforcement Safety Tax Fund, Health Fund, Federal Aid Matching Fund and Workforce Investment Fund were understated by \$ 33,818, \$ 502,383, \$ 22,679, and \$ 64,568 respectively, because the amounts had not been recorded based on submitted billings, reported grant expenditures and claimed reimbursements.
- 2) Revenue received by the Federal Aid Matching Fund on future Highway projects had not been properly recorded as deferred revenue in the amount of \$ 526,677.
- 3) In accordance with the modified accrual basis of accounting, receivables recorded that do not meet the available criteria are to be reported as deferred revenue. A prior period adjustment was made to reflect previous year amounts in the General Fund, Health Fund and State's Attorney Grant Fund of \$ 782,902, \$ 157,262 and \$ 206,013, respectively. Additionally, an entry was made to record deferred revenue for the current year in the General Fund, Health Fund and State's Attorney Grant Fund of \$ 952,612, \$ 390,307 and \$ 84,415, respectively.
- 4) Inventory for use in the Health Fund was overstated by \$ 11,992, and inventory held for use in the Highway fund was overstated by \$ 63,136 due to an oversight at year end.

Recommendation: We recommend that the County take steps to insure that all year end adjustments are identified and properly made for financial reporting purposes.

Corrective Action Plan: Person responsible - Amy C. Stockwell, Macon County Auditor

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

November 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS, continued

12-1 Significant Audit Adjustments, continued

County's Response:

- (1) The Auditor has made significant strides in the effort to record receivables in each fund throughout the year, and continues to work with each department and division to understand the flow of funds in their operations and accurately record accruals. Timely, accurate financial reports are provided to office holders and their designated grant administrators throughout the County on a regular monthly schedule. To maintain accurate reports, both sides of the information feedback loop need to be present. We will continue to request information back from the departments to correct errors and make reconciling adjustments. This process is immensely complicated by the decentralized nature of Macon County's grant reporting system which has grant administration throughout the County in individual offices with varying degrees of understanding of the accounting and reporting requirements for grants.

The largest total adjustment relates to the Health Department accounts receivable adjustments which primarily result from amounts due for services provided to patients and billed to Medicaid for reimbursement. These billings had not been communicated to the accounting office for recording in the general ledger. Additionally, grant-related receivable and deferral adjustments are based on a comparison of grant funding received to grant expenditures made. The Health Department has numerous grants, all of which have varying reporting periods that do not coincide with the County's fiscal year. Grant reports are prepared by the grant administrator or their designee at the Health Department using reports provided by the Auditor. Normal reporting practice involves recording grant-related accruals based on the final accounting at the end of the grant period, not on the County's fiscal year.

- (2) The Federal Aid matching Fund is used to account for various large construction projects, normally spanning several years, with funding provided both locally and through state and federal grant dollars. It is unusual for this fund to receive grant revenue in advance of project expenditures. This circumstance arose in 2011 whereby the County received an advance of over \$ 2 million which had been deferred in the previous year. It was presumed that the entire project would be completed during 2012, thereby justifying the recognition of the entire grant amount as revenue. However, as the project was incomplete at year end, it was determined that a portion of that funding had not been earned, requiring the adjustment.

The County Auditor and Engineer have worked together to create a system of tracking highway projects throughout the construction period (lifecycle). Additional attention will be placed on grant reporting and recognition.

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
November 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS, continued

12-1 Significant Audit Adjustments, continued

- (3) For financial reporting purposes, we have applied generally accepted accounting principles provisions regarding modified accrual accounting in governmental funds. However, given the current economic circumstances this is no longer helpful and we use full accrual for management accounting. Continued cash flow difficulties with the State of Illinois have substantially lengthened payment times even though we have eventually received payments. To accept the current rules for modified accrual essentially throws us back to cash basis accounting, which is not helpful for sound financial management. Given the current facts, we are choosing to retain full accrual for management accounting purposes but will respond to additional facts if they become available. The State cash flow situation is monitored constantly by management throughout the organization, and using full accrual for management accounting purposes retains decentralized accountability for insuring that we collect all owed sums. Adjustments from full accrual to modified accrual will be made only for external financial statements.
- (4) The County Highway department performs an annual inventory valuation at year end, which includes fuel and road materials, and has a process in place to monitor usage of such for the purpose of restocking and control over the assets. However, there is no process in place for adjusting the inventory at year-end. We will work with the department to get highway inventory adjustment added to our year end procedures.

The Health Department maintains an inventory of vaccines in order to assure proper control, storage and usage of the vaccines. Additionally, an inventory of dental supplies and equipment is documented and maintained. The year-end closing process of obtaining balances from the departments for these inventories will be monitored in order to adjust the assets accordingly.

MACON COUNTY, ILLINOIS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
November 30, 2012**

SECTION II - FINANCIAL STATEMENT FINDINGS, continued

12-2 Preparation of Grant Reports

Criteria: Grant reports submitted to grantor agencies should be supported by the actual books and records of the County.

Condition: Several departments maintain their own accounting records apart from those from which the financial statements are prepared. When grant reports are prepared from these independent records, no attempt is made to reconcile to the County-wide accounting records.

Context: During our review of numerous grant reports, there were instances where the amounts reported and claimed as expenditures could not be reconciled to the accounting records.

Effect: As a result, the grant reports for programs administered by the following County departments were not reconcilable to the accounting records:

- Health Department
- Emergency Management Agency
- Highway
- Sheriff's Department
- State's Attorney

While none of the discrepancies were individually material to the financial statements, they represent a significant deficiency in internal control that has the potential to subject the financial records to misstatements.

Recommendation: We recommend that the County Auditor's office be the primary source of all accounting records from which grant reports are prepared. When preparing grant reports, information should come from or be compared with and reconciled to the County-wide 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.

Corrective Action Plan: Persons responsible - Health Department Accountant, Highway Engineer, Sheriff's Department Grant Supervisor and State's Attorney grant program directors.

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

November 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS, continued

12-2 Preparation of Grant Reports, continued

County's Response: The County Auditor's office will continue providing accounting information to each department or program director, and will assist in reconciling the reports prepared by those offices as recommended and requested by officeholders and/or finance committee. Each grantee department is being encouraged to submit all reports to the Auditor's Office concurrently with submissions to grantor agencies. If reports are not submitted, additional action will be taken to ensure correct reporting. The Audit Subcommittee has requested that all requests for grant related signatures be made one week before the signature is required. There are also discussions underway for notification to the Board well in advance of any grant application although this policy has not yet been released or enforced. We expect the Audit Subcommittee to have a new grant policy prepared by the end of the summer that will be tied to the budget amendment process for all major grants.

The Auditor provides detailed ledgers to a number of departments at their request to facilitate reconciliation at the department level. At their request, the Auditor is available to perform regular formal reconciliations of grant reports to accounting records for any department. An individual within the Auditor's Office has been designated to collect grant reports, review reported information as compared to the accounting records, and work with departments to encourage their compliance with our policy. Regular reports of noncompliance with established grant procedures will be made to the Audit Subcommittee Committee.

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
November 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS, continued

12-3 Source of Grant Funding Not Identified

Criteria: The County is responsible for identifying all Federal programs and awards received and expended, and for preparing the Schedule of Expenditures of Federal Awards (SEFA) to include all identified federal awards.

Condition: We were unable to determine from the County's accounting records if all federal source revenue and related expenditures were identified for inclusion in the Schedule of Expenditures of Federal Awards. It is the responsibility of the County to monitor all direct or indirect federal monies received and spent by all departments and divisions within the County.

Context: During our audit, we noted that, while the County does identify most federal source funds within the chart of accounts, not all of the program managers are communicating new or changed federal funding sources. The current process of dealing with grants is decentralized, and each department obtaining grants is responsible for their particular grant, as well as reporting and monitoring those grants.

Effect: Several grants were identified during the audit as being federal source funds passed through other state or local agencies. Because the funds were passed through other agencies and not received directly from a federal department, the funding was considered to be state or local funds. However, the County was a subrecipient of the award and therefore mandated to follow the compliance requirements of the programs and include it on the SEFA.

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, subsequently, noted in the chart of accounts. In addition, we recommend that this information be accumulated for preparation of the SEFA. This process is much improved from past years, as seen by the use of a central location for all grant reports (Auditor's office).

Corrective Action Plan: Person responsible - Amy C. Stockwell, Macon County Auditor

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
November 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS, continued

12-3 Source of Grant Funding Not Identified, continued

County's Response: The decentralized nature of the County's grant system means that the County Auditor has to devote a great deal of time to tracking down grant information from the departments. While in general compliance is good, grant reporting in the State's Attorney's office represented a very significant challenge throughout all of FY 2012. For FY 2012, internal controls in the State's Attorney's office were not adequate to insure timely and correct grant reporting. With the new State's Attorney coming into office at the beginning of FY 2013, this situation has changed dramatically. New procedures have been established within the office, and new avenues of communication have opened up with the Auditor's office. We are optimistic that the previously encountered problems will not be an issue going forward.

More generally, new grant related accounts are not opened until grant documents are received by the County Auditor either from the department or from the County Board. Grant documents are reviewed to identify the source of funds; revenue account numbers are set to distinguish federal from state funds and matching requirements. In addition, we have modified the information contained in our Accounts Receivable system to capture CFDA numbers as we learn about them from any source. We will also solicit additional information from funders about the ultimate source of grant funding as some of the problem seems to be with grants which have passed through several hands but retain their federal original source. This information will then be captured and used in the preparation of the SEFA.

We are working with the Audit Subcommittee of the Macon County Finance Committee to prepare and implement a new comprehensive policy on grants management. This policy will be tied to the grant application and budget amendment processes and is expected to be adopted by the end of the summer. In the meantime, we will continue to work with all departments on grant management and continue to stress to all concerned the importance of good two way communication.

MACON COUNTY, ILLINOIS

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS

November 30, 2012

None

**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, 2012

Year ended November 30, 2012 and
Cumulative from Beginning of Grant

	Budget	Current Year	Cumulative
<u>WIA TAA Training, Grant Number 10-661019</u>			
Revenue:			
Grant funds	\$ 68,120	9,165	54,126
Expenditures:			
Administration	22,500		5,143
Youth - in school	242,664	514	39,503
Youth - out of school	448,944	8,651	9,480
Total expenditures	714,108	9,165	54,126
<u>WIA Local Incentive, Grant Number 09-672019</u>			
Revenue:			
Grant funds	23,812		23,812
Expenditures:			
Incentive funds	23,812	-	23,812
<u>WIA National Emergency Grants, Grant Number 09-741019</u>			
Revenue:			
Grant funds	500,409	366,074	500,411
Expenditures:			
Worker wages and fringes	81,119	34,955	78,270
Administration	9,516	7,576	9,516
Travel	1,600	1,183	1,594
Contract	1,000	1,000	1,000
Supplies	7,421	5,427	7,421
On the Job Training	380,886	298,364	383,744
Participant support	18,866	17,569	18,866
Total expenditures	500,408	366,074	500,411

(Continued)

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, 2012 (Continued)

Year ended November 30, 2012 and
Cumulative from Beginning of Grant

	Budget	Current Year	Cumulative
<u>WIA TTA Training, Grant Number 10-662019</u>			
Revenue:			
Grant funds	\$ 18,966	7,932	16,878
Expenditures:			
Training	18,966	7,932	16,878
<u>WIA Rapid Response Layoffs and Closings, Grant Number 10-651019</u>			
Revenue:			
Grant funds	696,000	96,605	576,342
Expenditures:			
Case management	100,000	24,404	85,539
Direct training	460,336	56,449	401,397
Supportive services	135,664	14,715	88,369
Total expenditures	696,000	95,568	575,305

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, 2012
 Year ended November 30, 2012 and
 Cumulative from Beginning of Grant

	Budget	Cumulative	Current Year
<u>WIA Rapid Response Layoffs & Closings, Grant Number 11-651019</u>			
Revenue:			
Grant funds	\$ 561,000	122,513	122,513
Expenditures:			
Case Management	50,000	17,611	17,611
Direct Training	401,000	96,671	96,671
Supportive Services	110,000	8,231	8,231
Total expenditures	561,000	122,513	122,513
 <u>WIA TAA Training, Grant Number 11-661019</u>			
Revenue:			
Grant funds	825	461	461
Expenditures:			
Administration	825	461	461
 <u>WIA Training for Dislocated Workers, Grant Number 11-654119</u>			
Revenue:			
Grant funds	74,330	26,962	26,962
Expenditures:			
Salaries	4,951	6,162	6,162
Travel	1,000	173	173
Participant wages/fringes	58,944	17,846	17,846
Support Services	5,895	2,781	2,781
Administration	3,540		
Total expenditures	74,330	26,962	26,962

(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, 2012 (Continued)
 Year ended November 30, 2012 and
 Cumulative from Beginning of Grant**

	Budget	Cumulative	Current Year
<u>WIA Youth, Adult, Dislocated Worker Formula Funds, Grant Number 11-681019</u>			
Revenue:			
Grant funds	\$ 1,156,273	1,216,365	820,432
Expenditures:			
Administration	115,626	121,134	64,508
Youth - in school	115,135	112,423	51,407
Youth - out of school	271,983	266,297	207,791
Adult	291,066	302,726	237,385
Dislocated worker	362,463	413,785	259,341
Total expenditures	1,156,273	1,216,365	820,432

<u>WIA Youth, Adult, Dislocated Worker Formula Funds, Grant Number 12-681019</u>			
Revenue:			
Grant funds	1,057,052	374,816	374,816
Expenditures:			
Administration	105,704	51,243	51,243
Youth - in school	119,668	30,804	30,804
Youth - out of school	223,934	102,106	102,106
Adult	285,861	90,554	90,554
Dislocated worker	321,885	100,109	100,109
Total expenditures	1,057,052	374,816	374,816