

Kankakee County, Illinois
Annual Financial Statements
As of and for the year ended
November 30, 2008

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For The Year Ended November 30, 2008
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Independent Auditor's Report

Kankakee County Board
Kankakee County, Illinois
Kankakee, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kankakee County, Illinois, as of and for the year ended November 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Kankakee County Public Building Commission, which represents 100 percent of the assets and revenues of the component unit column. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Kankakee County Public Building Commission, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and aggregate remaining fund information of Kankakee County, Illinois, as of November 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 7, 2009 on our consideration of Kankakee County, Illinois's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the accompanying required supplementary information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kankakee County, Illinois's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Smith, Kallberg, Glatton & Johnson P.C.

July 7, 2009

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**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

Kankakee County Board
Kankakee County, Illinois
Kankakee, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kankakee County, Illinois as of and for the year ended November 30, 2008, which collectively comprise Kankakee County, Illinois's basic financial statements and have issued our report thereon dated July 7, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Kankakee County, Illinois's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Kankakee County, Illinois's financial statements that is more than inconsequential will not be prevented or detected by Kankakee County, Illinois's internal control. We consider the following to be a significant deficiency in internal control over financial reporting: Policies have not been established governing the creation of and scrutiny of transactions in certain offline accounts. This compromises reliable financial reporting and disclosure as well as effective monitoring and oversight.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Kankakee County, Illinois's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.



Compliance and Other Matters

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

We noted certain matters that we reported to management of Kankakee County, Illinois, in a separate letter dated July 7, 2009.

Kankakee County, Illinois's response to findings identified in our audit is described in the schedule of findings and questioned costs found in our separately issued "Reports Under OMB Circular A-133 For The Year Ended November 30, 2008". We did not audit the Kankakee County, Illinois's response and, accordingly, we express no opinion on it.

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

July 7, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the County of Kankakee presents readers of the County's financial statement this narrative overview and analysis of the financial activities for the fiscal year ended November 30, 2008 and 2007.

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

FINANCIAL HIGHLIGHTS

- The assets of the County of Kankakee exceeded its liabilities at the close of the most recent fiscal year by \$72.3 million (*net assets*). Net assets invested in capital assets (net of depreciation and related debt) accounts for over 64 percent of this amount (\$46.5 million). Of the total, \$7.4 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$1.5 million (2.1 percent). The governmental net assets increased by \$1.2 million (1.9 percent), while the business-type net assets increased by \$0.3 million (5.8 percent).
- At the close of fiscal year 2008, the County of Kankakee's governmental funds reported combined ending fund balances of \$25.2 million. The majority of this amount, \$22.85 million is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$3.2 million, or 10.0 percent of total general fund expenditures, up from 8.9 percent a year ago.
- Overall revenues were \$53.5 million, however fund balances of governmental funds in total decreased by \$0.23 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

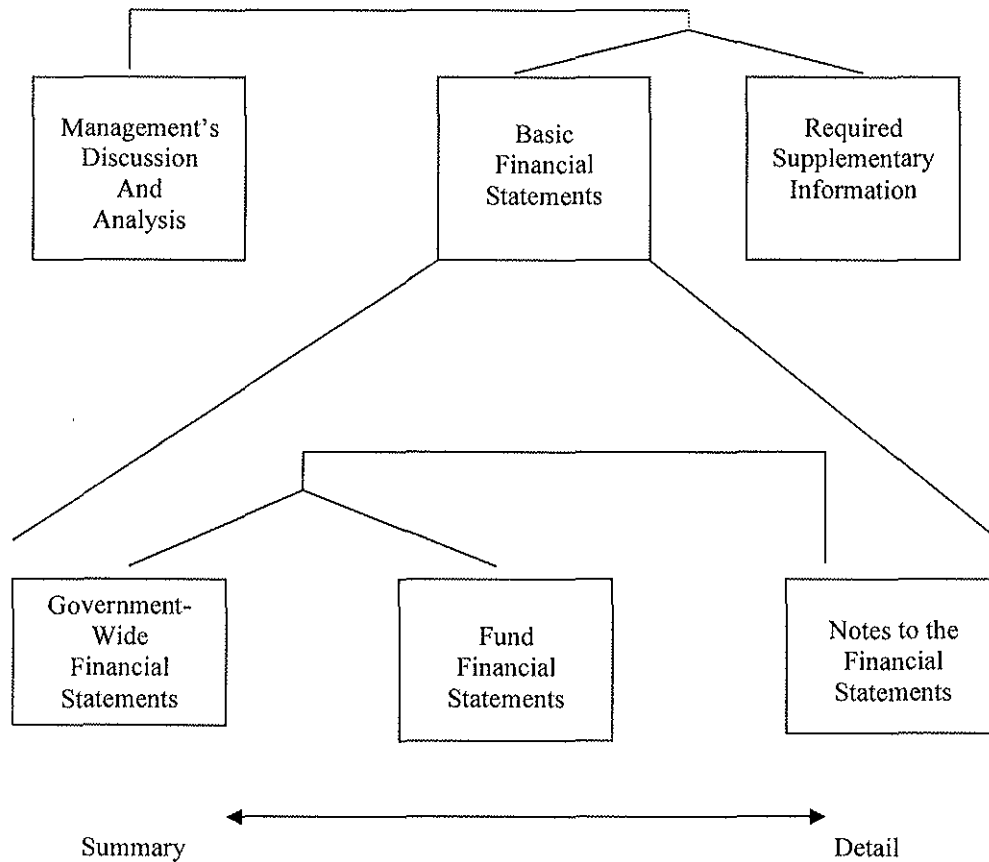


Illustration B summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of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

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

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

Government-wide Statements

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

The two government-wide statements report the County's net assets and how they have changed. Net assets, the difference between the County's assets and liabilities, are one way to measure the County's financial health. Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements of the County are divided into three categories:

1. **Governmental activities** – Most of the County's basic services are included here, such as the Sheriff's Department, State's Attorney Office, Highway Department, Health Department, and General Administration. Property taxes and state and federal grants finance most of these activities.
2. **Business-type activities** – The County charges fees to customers to help cover the costs of certain services it provides. The County's Emergency Telephone (911) System and Animal Control are included here.
3. **Component units** – The County includes another entity, the Kankakee County Public Building Commission, in its report. Although legally separate, this component unit is important because the County is financially accountable for it. The Public Building Commission is a discretely-presented component unit of the County of Kankakee. The Commission issues separate financial statements which are on file at the Office of the Finance Director, Kankakee County, 189 E. Court St., Suite 300, Kankakee, Illinois 60901.

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

The government-wide financial statements can be found on pages 20-21 of this report.

Fund Financial Statements

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

The County has three categories of funds:

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

Kankakee County maintains thirty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Tort Fund, Pension Fund, and County Highway Fund. These four funds are considered to be major funds. Data from the other twenty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Kankakee County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. This schedule is found in the Required Supplementary Information section.

The basic governmental fund financial statements can be found on pages 22-24 of this report.

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

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

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

The basic fiduciary fund financial statements can be found on page 28-29 of this report.

Notes to the Financial Statements

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

The notes to the financial statements can be found on pages 30-45 of this report.

Other Information

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

Required supplementary information and related notes can be found on pages 47-60 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 63-78 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Exhibit 1 is a condensed version of the statement of net assets for the County of Kankakee. At the close of the current fiscal year the County's net assets exceeded liabilities by \$72.3 million. Net assets for governmental activities increased \$1.23 million from FY 2007. This follows an increase of \$1.74 million in the prior year. Additionally, for business-type activities, net assets increased by \$0.29 million.

Exhibit 1
Condensed Statement of Net Assets (In Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 44,433	\$ 43,558	\$ 4,697	\$ 4,151	\$ 49,130	\$ 47,709
Capital assets	<u>70,139</u>	<u>67,874</u>	<u>2,820</u>	<u>3,284</u>	<u>72,958</u>	<u>71,158</u>
Total assets	114,572	111,432	7,516	7,435	122,088	118,867
Current and other liabilities	23,782	20,309	459	438	24,242	20,747
Long-term debt	<u>23,655</u>	<u>25,219</u>	<u>1,879</u>	<u>2,104</u>	<u>25,533</u>	<u>27,324</u>
Total liabilities	47,437	45,529	2,338	2,542	49,775	48,071
Net assets invested in capital assets, net of related debt	45,762	41,837	735	965	46,497	42,802
Restricted	18,198	20,595	243	236	18,441	20,831
Unrestricted	<u>3,175</u>	<u>3,471</u>	<u>4,200</u>	<u>3,692</u>	<u>7,375</u>	<u>7,163</u>
Total net assets	<u>\$ 67,135</u>	<u>\$ 65,903</u>	<u>\$ 5,178</u>	<u>\$ 4,893</u>	<u>\$ 72,313</u>	<u>\$ 70,796</u>

A significant portion of the County's net assets (64.3 percent) reflects investment of \$46.5 million in capital assets such as land, buildings, and equipment, less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources needed to repay the debt must be provided from other sources, as capital assets cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, \$18.4 million (25.5 percent), represents resources that are subject to external restrictions on how they may be used. Of this amount, \$0.01 million of governmental activities and all of the business-type activities restricted net assets are restricted for debt service. The remainder is restricted for other purposes.

The remaining portion of the County's net assets (10.2 percent) is located in unrestricted net assets. Kankakee County's unrestricted net assets of \$7.38 million may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County of Kankakee is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

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

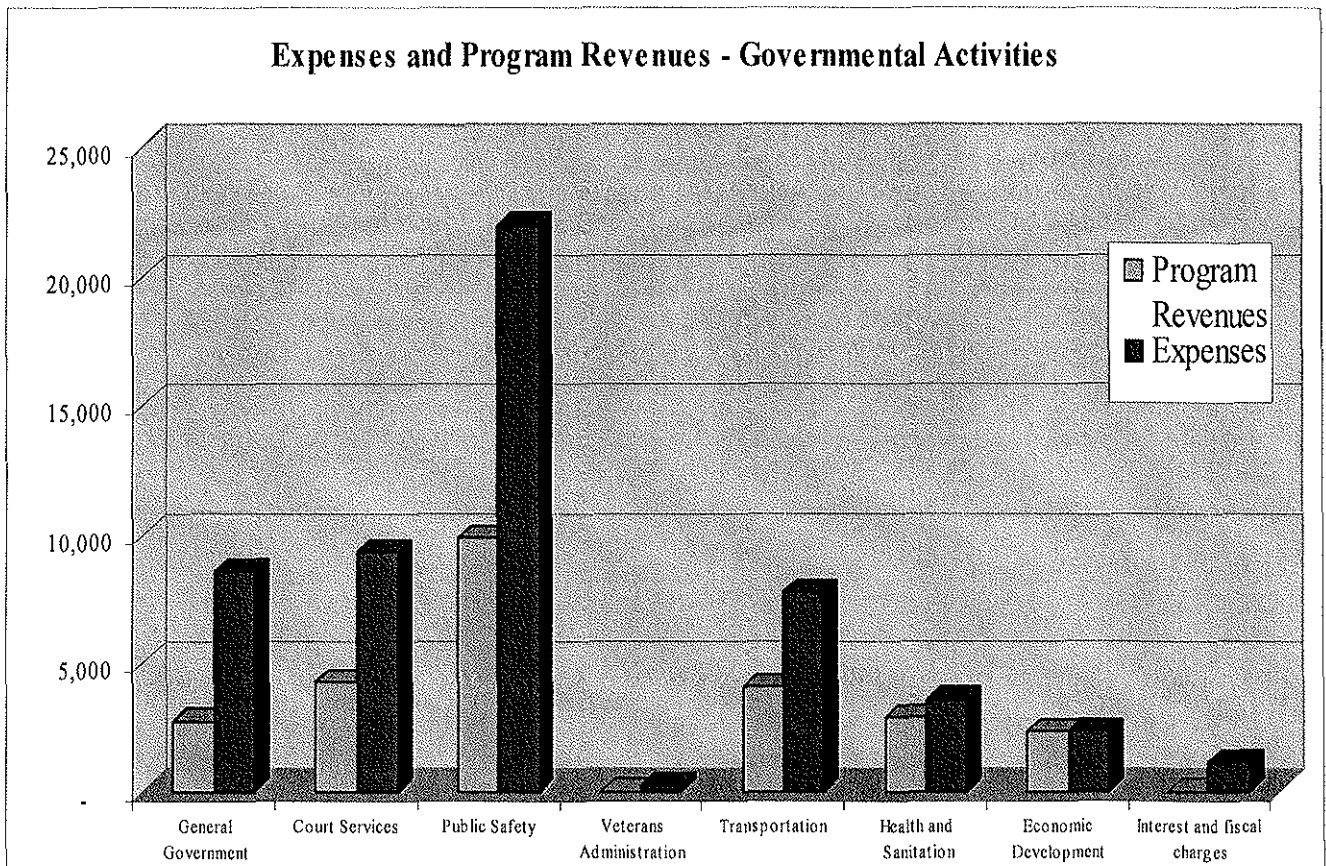
Exhibit 2**Kankakee County's Changes in Net Assets (In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues						
Charges for Services	\$ 15,800	\$ 13,873	\$ 3,076	\$ 2,853	\$ 18,875	\$ 16,726
Operating Grants and Contributions	7,377	7,630	-	-	7,377	7,630
Capital Grants and Contributions	3,070	1,998	-	-	3,070	1,998
General Revenues						
Property Taxes	14,368	13,316	-	-	14,368	13,316
Sales Tax	9,246	8,937	-	-	9,246	8,937
State Income Tax	2,701	2,599	-	-	2,701	2,599
Replacement and Other Taxes	2,964	3,181	-	-	2,964	3,181
Other	595	1,028	87	118	682	1,146
Total Revenues	56,122	52,562	3,162	2,971	59,285	55,533
Expenses						
Governmental Activities						
General Government	8,565	9,110	-	-	8,565	9,110
Public Safety	21,981	18,251	-	-	21,981	18,251
Court Services	9,329	9,480	-	-	9,329	9,480
Transportation	7,746	6,403	-	-	7,746	6,403
Health and Sanitation	3,588	3,228	-	-	3,588	3,228
Veterans Administration	229	257	-	-	229	257
Economic Development	2,348	2,738	-	-	2,348	2,738
Interest and fiscal charges	1,128	1,175	-	-	1,128	1,175
Business-Type Activities						
Emergency Telephone Services	-	-	2,560	2,482	2,560	2,482
Animal Control	-	-	318	286	318	286
Total Expenses	54,912	50,642	2,877	2,768	57,790	53,410
Excess (Deficiency) Before Special Items	1,210	1,920	285	203	1,495	2,123
Special & Extraordinary Items	22	(175)	-	-	22	(175)
Increase (Decrease) in Net Assets	1,232	1,744	285	203	1,517	1,947
Net Assets - Beginning of Year	65,903	64,159	4,893	4,690	70,796	68,849
Net Assets - End of Year	<u>\$ 67,135</u>	<u>\$ 65,903</u>	<u>\$ 5,178</u>	<u>\$ 4,893</u>	<u>\$ 72,313</u>	<u>\$ 70,796</u>

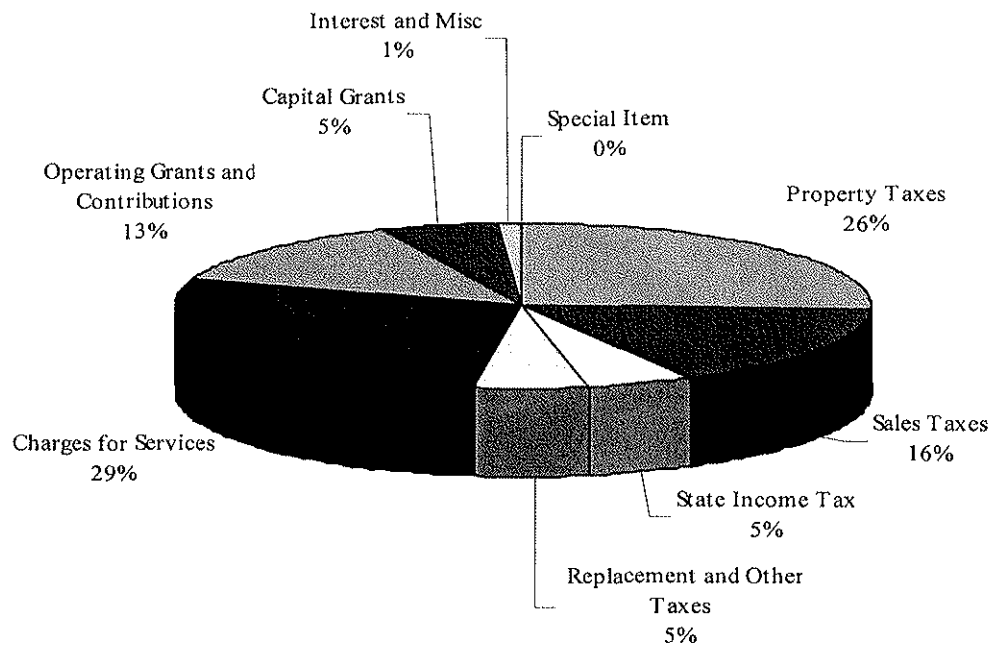
- Charges for service for governmental activities increased overall by \$1.9 million (14 percent). Slight decreases in charges for service for both general government and court services were offset by a nearly \$2.2 million increase in charges for service for public safety. The revenues received are a result of the inmate housing contracts. Charges for service in general government are slightly down from the prior year for the third consecutive year.
- Operating grants for governmental activities decreased by \$0.25 million (3.3 percent) during the year. There were several larger changes in this area that offset each other. The most significant were a \$0.4 million decrease in Economic Development resulting from decreased funds for the Workforce Investment Act, a \$0.37 million increase in grants at the Health Department, and a \$0.3 million decrease in grants for general government resulting mostly from the conclusion of Phase II of the Metra Extension grant and the completion of the HAVA Phase II Election grant.

- Capital grants for governmental activities increased by \$1.07 million (53.6 percent) during the year. This is the result of transportation capital grants for the highway department.
- Sales tax revenue increased by \$0.3 million (3.5 percent) from last fiscal year. This follows a \$0.25 million decrease from FY2006 to FY2007. This recent stagnation is affected by the downturn in the economy as well as the slowed growth in the largely successful tax rebate program implemented in the City of Kankakee to draw more businesses to the area. While the increase from FY2005 to FY2006 was only \$0.52 million, sales tax had increased by \$1.2 million from FY2004 to FY2005 and by \$1.3 million from FY2003 to FY2004, giving the County a 39.5 percent increase over the two year period. From FY2005 to FY2008, there was only a net 6.7 percent increase.
- The change in special items is the result of a current year gain on disposal of assets of \$22 thousand and a prior year loss on disposal of assets of \$0.4 thousand. Also last year, there was an extraordinary item on the Financial Statements in the amount of \$175 thousand due to the early extinguishment of debt from refinancing the lease on the Health Department.
- Total expenditures on the Government-wide Statement of Activities increased by \$4.27 million. Public safety expenditures increased by \$3.73 million. Additional inmates were housed in the jails through rental agreements. The County continues to maintain a federal inmate housing contract with the federal government to offset these expenditures. Additionally, approximately \$0.95 million of this amount was booked as an expense on the Government-wide statement for public safety as an estimate of the payment due to correctional officers regarding the union contract which would be effective December 1, 2006. However, general government expenditures decreased by more than \$0.5 million due to joint efforts by the County Board and Department heads to implement cost-saving measures and reduce their expenditures.

Governmental Activities



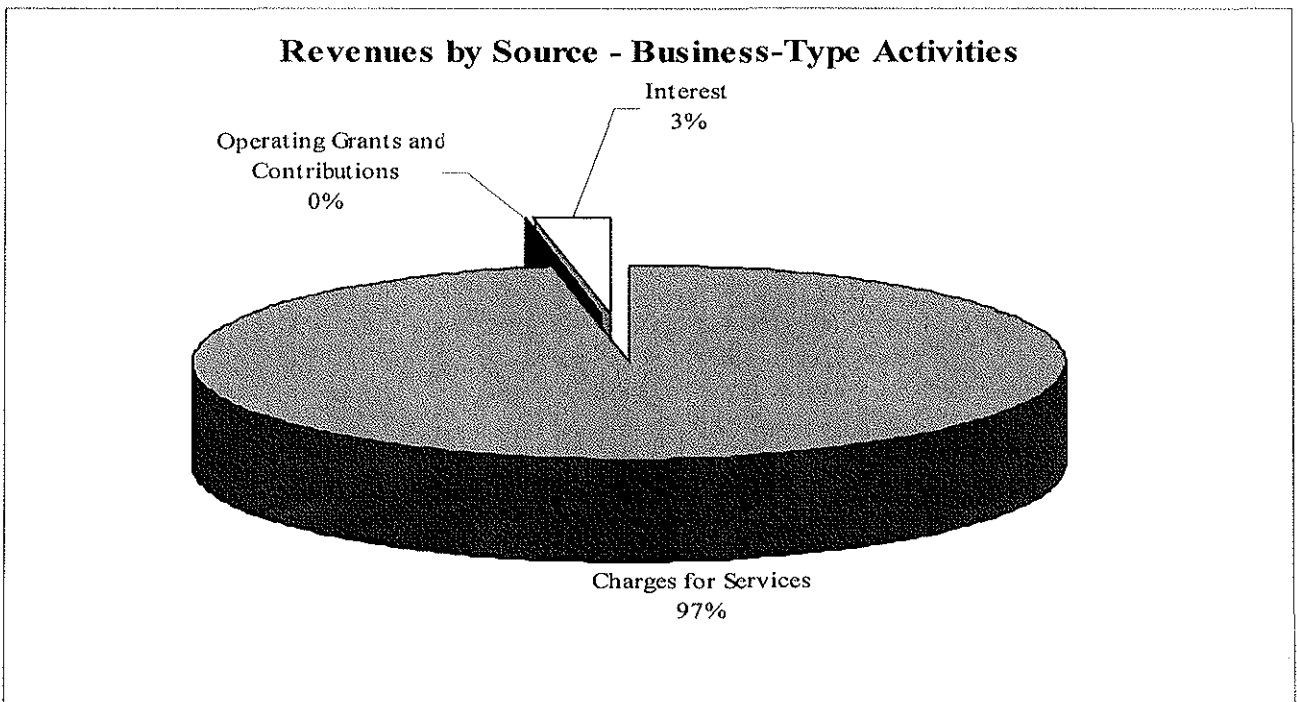
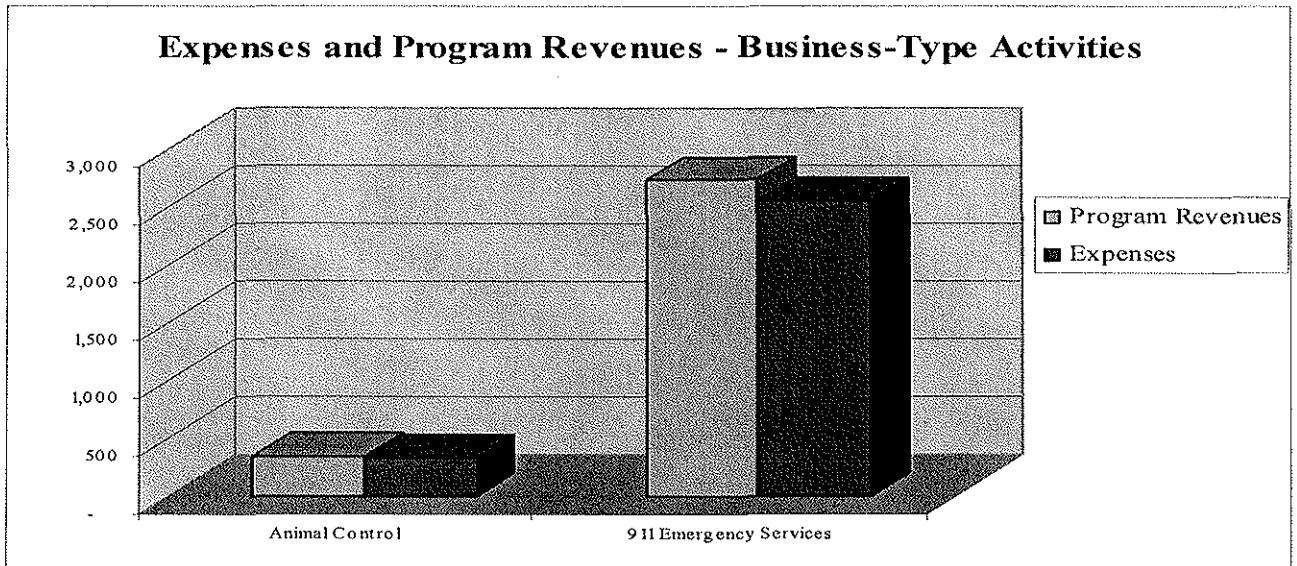
Revenues by Source - Governmental Activities



Governmental activities increased the County's net assets by \$1.2 million. This was due to an overall increase in revenues in charges for service of \$1.9 million, and in property tax and capital grants of just over \$1 million each, while expenditures across the governmental funds decreased as discussed above.

The preceding charts illustrate the County's governmental expenses and revenues by function and its revenue by source. Public safety is the largest governmental expense of the County, followed by court services, general government, and transportation. It has increased to 40 percent of total governmental activities, up from 29 percent four years ago. General revenues such as the property, sales, state income, replacement, motor fuel, and other taxes are not shown by function because they are used to support County-wide program activities. Just over one-quarter of the County's revenue for governmental funds comes from property taxes, and 52 cents of every dollar raised comes from some type of tax. However, the percent of revenue from tax has decreased from 53 cents a year ago, 55 cents two years ago, 56 cents three years ago (when you remove the one time special item), 60 cents four years ago and 63 cents five years ago. More specifically, the percentage of property taxes funding governmental activities has decreased from 32 percent in FY2003 to 26 percent in FY2008.

Business-Type Activities



Business-type activities increased the County's net assets by \$0.29 million to \$4.18 million, an increase of 5.8 percent.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

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

At the end of the current fiscal year the County's governmental funds reported combined ending fund balances of \$25.2 million. Approximately \$22.9 million (90.8 percent) of that amount constitutes unreserved fund balance, which is available for discretionary spending. Another \$1.8 million is unreserved but designated for capital projects. The remainder of the fund balance, \$0.5 million, is reserved; it is committed for various purposes and is not available for new spending.

Revenues for the governmental funds in 2008 totaled \$53.5 million. Expenditures were \$53.7 million. Overall, the fund balance decreased by \$0.2 million for the year.

The General Fund is the chief operating fund of the County. It is composed of 33 departments: Administration, Treasurer, County Clerk, Elections, Recorder, Assessments, Board of Review, Economic Development, Planning, Information Services, Building & Grounds, Health Insurance, Contingency, Auditor, Zoning Board of Appeals, I-KAN ROE Educational Agreement, Finance, Capital Development, Circuit Clerk, Maintenance & Child Support, Circuit Court, Jury Commission, State's Attorney Office, Public Defender, Probation, D.N.D.C., Sheriff Police, Corrections, Auxiliary Police, E.S.D.A., Merit Commission, Dispatch Center, and Coroner.

At the end of 2008 the total fund balance of the General Fund was \$5.1 million. The fund balance increased by \$354,106 in 2008. This follows consecutive years of decreases of \$174,787 in 2007 and \$416,616 in 2006 after increases in 2003, 2004, and 2005. The unreserved and undesignated fund balance of the General Fund was \$3.2 million.

The Tort Liability Fund, a special revenue fund and one of the major funds of the County, ended the year with a fund balance of \$2.3 million, which represents an increase of \$0.02 million from the prior fiscal year. This is the first year the Tort Liability Fund has experienced an increase following decreases each year since the end of FY03 when the fund balance was \$2.9 million. This represents a 22 percent decrease during this time from FY03 through FY07, followed by a 1 percent increase in FY08.

The Pension Fund, a special revenue fund, is another major fund of the County. Fund balance at the end of 2008 was \$2.2 million, a decrease of \$0.7 million. The Pension Fund has also experienced decreases each year since the end of FY03 when the fund balance was \$4.7 million, a 53 percent decrease for the period. Due to the declining fund balance, the percentages on the property tax limitation model for 2008 were modified to allow for additional revenue to the Pension Fund.

The final major fund for the County is the County Highway Fund. The fund closed the year with a \$2.6 million balance. This was an increase of \$0.03 million.

Proprietary Funds

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

911 System Fee Fund. This fund also qualified as a major fund of Kankakee County. Net assets at the end of the year amounted to \$4.9 million. Of this amount, \$0.7 million is invested in capital assets, net of related debt and \$0.2 million is restricted for debt service. The remainder, \$3.9 million, is unrestricted. Total net assets increased by \$0.26 million during the year.

Animal Control. There was a net asset balance of \$295,784 at the end of the fiscal year. This represented an increase of \$26,234. Of the total, \$39,906 is invested in capital assets, net of related debt and the remainder of \$255,878 is unrestricted.

Fiduciary Funds

The County maintains fiduciary funds for the assets of others in various Private Purpose Trust Funds and Agency Funds. Total net assets in the Fiduciary funds are \$1.2 million, a decrease of \$0.48 million from last year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During FY08 the County Board maintained its original General Fund budget of \$32.1 million. There were several budget adjustments within the budget between line items and/or departments. The most significant include the budget for contingency of \$979,884 which was utilized across several departments and the budget for transfers out of which \$595,630 was also utilized across several departments. Other departments which had decreases to their original budget due to various cost cutting measures leading to final expenditures being less than budgeted included Planning (\$75,000), Economic Development (\$45,000), Finance (\$30,000), DNDC (\$22,486), and Information Services (\$10,000). Departments which had the most significant increases to their original budget include Corrections (\$700,000) and Sheriff (\$600,000), mostly due to increased expenditures that were reimbursed by the inmate housing program. Other departments which had increases to their original budget include Probation (\$350,000), Elections (\$46,000), Coroner (\$30,000), ESDA, (\$20,000), and Public Defender (\$12,000).

As revenues exceeded budgeted expectations, the budget variance for revenues and other financing sources was \$0.2 million over budget; while expenditures were monitored and accordingly resulted in a variance of \$0.17 million under budget. The largest variance of revenues was sales tax which came in \$0.56 million over budget, following a year when the increase in sales tax revenue had dropped significantly. Additionally, the revenues for inmate housing came in \$0.34 million over budget. These helped offset the negative variances of \$0.23 million in State income tax and \$0.26 million in Circuit Clerk fees. For the expenditures, the substantial negative differences between budget and actual arose in capital development (\$0.1 million), and health insurance and utilities (\$0.15 million). This arose from increases in health insurance and utilities above the increases estimated at budget time. However, there were several departments that had substantial positive differences between budget and actual which include Transfers Out (\$0.1 million), and State's Attorney Office (\$0.08 million).

CAPITAL ASSETS & DEBT ADMINISTRATION

Capital Assets

The County of Kankakee's investment in capital assets for governmental and business-type activities as of November 30, 2008, amounts to \$73.0 million (net of accumulated depreciation). This investment in capital assets includes the transportation network, land, construction in progress, buildings and improvements, buildings and improvements under capital lease agreements, leasehold improvements, equipment, equipment under capital lease agreements, and vehicles. The total increase in the County's investment in capital assets for the current fiscal year was 2.5 percent (a 3.3 percent increase for governmental activities and a 14.1 percent decrease for business-type activities).

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

Exhibit 3

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Transportation Network	\$16,332	\$10,974	\$ -	\$ -	\$16,332	\$10,974
Land	701	661	61	61	762	722
Construction in Progress	415	1,161	-	-	415	1,161
Building - idle	1,770	1,770	-	-	1,770	1,770
Buildings and Improvements	42,240	43,549	-	-	42,240	43,549
Buildings and Improvements under capital lease agreements	3,694	3,844	-	-	3,694	3,844
Leasehold improvements	-	-	197	197	197	197
Equipment	3,758	4,366	2,551	3,010	6,310	7,375
Equipment under capital lease agreements	-	-	10	16	10	16
Vehicles	1,230	1,549	-	-	1,230	1,549
Total Capital Assets	\$70,139	\$67,874	\$ 2,820	\$ 3,284	\$72,958	\$71,158

Major capital asset changes that occurred during 2008 include the following:

Construction in progress in the amount of \$1.0 million was reclassified as part of the transportation network. Several items were purchased for courthouse security including a new x-ray machine. Other additions to capital assets include new sidewalks at the Courthouse, new vehicles for probation, and highway equipment and bridge replacement.

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

Long-term Debt

At the end of the current fiscal year, the County of Kankakee had total debt outstanding of \$27.2 million. This encompasses \$25.1 million outstanding long-term debt in governmental activities and \$2.1 million outstanding long-term debt in business-type activities. This represents a decrease of approximately \$1.7 million (6.2 percent) in governmental activities and a decrease of approximately \$0.2 million (9.8 percent) in business-type activities.

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

Exhibit 4

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Debt Certificates	\$20,010	\$20,910	\$ -	\$ -	\$20,010	\$20,910
Loan / Lease Agreement	188	426	-	-	188	426
Capital Leases	4,443	4,977	-	9	4,443	4,986
Bonds - Alternate Revenue Source	-	-	2,085	2,310	2,085	2,310
Compensated Absences	435	419	24	19	459	438
Total	\$25,076	\$26,733	\$ 2,109	\$ 2,338	\$27,185	\$29,071

The compensated absences calculation required the reporting of additional liability amounts for both governmental and business-type activities, which were the only additions to long-term debt this fiscal year.

Additionally, the County had payments or retirements of \$1.67 million on debt and lease agreements for governmental activities.

Regarding business-type activities, the County retired \$225,000 in bonds and paid \$8,998 on the lease of the Animal Control truck which completed payments on that lease.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's General Fund budget for 2009 increased only 0.55 percent to approximately \$32.3 million. Accordingly, most of the revenues are budgeted at similar levels to 2008. Slight shifts include increases in the budget for sales tax revenue (\$0.3 million), and inmate housing revenue (\$0.1 million). Conversely, decreases were budgeted for county clerk fees (\$0.09 million), building/planning fees (\$0.1 million), circuit clerk/sheriff fines (\$0.09 million), and recorder fees (\$0.08 million).

On the expenditure side there were also slight variations from the 2008 budget. Expenditures for elections are budgeted to be reduced by \$0.08 million from the level budgeted for the presidential election of 2008. The budget in the planning department was also reduced by \$0.08 million, as legal fees that were charged here are now being charged to capital development. Also budgeted are a \$0.4 million increase in the County's portion of health insurance, and a \$0.4 million decrease in the capital development department. Contingency was reduced from nearly \$1.0 million in FY08 to \$0.4 million in FY09. The public defender's office budget was increased \$0.125 million as the County Board approved the hiring of additional public defenders. The probation budget was decreased by \$0.5 million as expenditures related to the Juvenile Detention Center are now being charged to its own department. Other increases include \$0.2 million to the sheriff's police budget due to personnel expenses and \$0.55 million to the corrections budget for increased costs for inmate medical expenses and inmate food expenses.

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

The last general election was in November 2008. County offices that changed leadership after the election include a new County Board Chairman and the Recorder, as well as County Board members. Additionally, government and the economy, both locally and nation-wide, are adjusting to a new United States President, new US Senator and US representative from our area, and a new Governor and State Senator for our area.

Issues at the State level continue to cause delays in payments of state payments to our area. Additionally, a number of grants, including the VOCA grants and Child Support grants have had their funding levels reduced in 2009.

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act (ARRA). ARRA increased funding for the Workforce Investment Act (WIA), of which our area, serving Grundy, Livingston, and Kankakee Counties received an additional \$2.5 million to provide job training in those three counties.

Standard & Poors affirmed Kankakee County's rating on its general obligation bonds with an 'A' rating which reflects the County's stable economic base, average income levels, stable financial operations, and average overall debt burden.

The union contract with the corrections employees ended at the end of FY06 and an agreement was reached in April 2009 resulting in a total payout in FY09 of approximately \$1.4 million for the nearly two and a half years of retroactive pay. Currently, the union contract for Teamsters (Maintenance) and the 911 contract ended at the end of FY08 and negotiations are ongoing.

The contracts with AFSCME, FOP Deputies, and FOP Probation will end at the end of FY09 and negotiations will begin.

Effective in June 2009, the federal inmate housing contract was increased from \$60 per inmate per day to \$72 per inmate per day.

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

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

The planning department of Kankakee County is working on a 3-phase study to determine the feasibility for the extension of metra commuter rail service from University Park to Kankakee. Phase I was completed in 2005 and Phase II was completed in the beginning of 2008. Other communities in Kankakee and Will County are helping to fund the local portion of the grant contract. While the study is a lengthy process, it could lead to possible future growth for our County. However, we are not expecting funding for Phase III in the foreseeable future.

Outside consultants completed a space needs study for the County offices. While it is evident that additional space is warranted, it is yet to be determined what course of action the County will pursue. However, one step has been taken in 2009 due to the space needs. The public defenders office has moved from the basement of the courthouse, and is now leasing space in a nearby building.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

Kankakee County, Illinois
Statement of Net Assets
November 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash	\$ 10,113,132	\$ 1,377,081	\$ 11,490,213	\$ 554,372
Cash - restricted	-	284,510	284,510	-
Investments, at cost	9,886,980	2,157,792	12,044,772	-
Receivables, (net, where applicable of allowance for uncollectibles):				
Taxes, including interest, penalties and liens	15,020,494	-	15,020,494	-
Accounts	7,180,947	471,467	7,652,414	-
Loans	391,306	-	391,306	2,103,793
Internal balances	(233)	233	-	-
Due from other governments	1,013,150	367,485	1,380,635	-
Prepaid expenses	386,380	15,111	401,491	-
Inventory, at cost	176,718	-	176,718	-
Other assets	264,325	22,888	287,213	44,306
Capital assets, net of accumulated depreciation	70,138,671	2,819,549	72,958,220	-
Total assets	<u>\$ 114,571,870</u>	<u>\$ 7,516,116</u>	<u>\$ 122,087,986</u>	<u>\$ 2,702,471</u>
Liabilities and Net Assets				
Liabilities				
Vouchers and accounts payable	\$ 6,547,949	\$ 110,418	\$ 6,658,367	\$ 39,100
Payable from restricted assets	-	41,261	41,261	-
Accrued wages and benefits	538,364	77,641	616,005	-
Deferred revenue	15,121,682	-	15,121,682	15,070
Noncurrent liabilities:				
Due within one year	1,574,347	230,000	1,804,347	80,000
Due in more than one year	23,654,693	1,878,618	25,533,311	2,162,538
Total liabilities	<u>47,437,035</u>	<u>2,337,938</u>	<u>49,774,973</u>	<u>2,296,708</u>
Net Assets				
Invested in capital assets, net of related debt	45,762,286	734,549	46,496,835	-
Restricted for:				
Debt service	11,372	243,249	254,621	-
Other purposes	18,186,532	-	18,186,532	-
Unrestricted	3,174,645	4,200,380	7,375,025	405,763
Total net assets	<u>67,134,835</u>	<u>5,178,178</u>	<u>72,313,013</u>	<u>405,763</u>
Total liabilities and net assets	<u>\$ 114,571,870</u>	<u>\$ 7,516,116</u>	<u>\$ 122,087,986</u>	<u>\$ 2,702,471</u>

See accompanying notes to the basic financial statements.

Kankakee County, Illinois
Statement of Activities
For the Year Ended November 30, 2008

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants	Primary Government		Total Primary Government	Component Unit
					Governmental Activities	Business-Type Activities		
Primary government:								
Governmental activities								
General government	8,565,292	\$ 2,459,318	\$ 288,707	\$ -	\$ (5,817,267)		\$ (5,817,267)	
Court services	9,328,680	2,861,635	1,432,116	-	(5,034,929)		(5,034,929)	
Public safety	21,980,747	9,265,906	597,885	-	(12,116,956)		(12,116,956)	
Health and sanitation	3,588,164	435,964	2,489,461	-	(662,739)		(662,739)	
Transportation	7,745,609	774,038	224,301	3,070,435	(3,676,835)		(3,676,835)	
Veterans administration	228,652	-	-	-	(228,652)		(228,652)	
Economic development	2,347,651	2,862	2,344,743	-	(46)		(46)	
Interest and fiscal charges	1,127,592	-	-	-	(1,127,592)		(1,127,592)	
Total governmental activities	<u>54,912,387</u>	<u>15,799,723</u>	<u>7,377,213</u>	<u>3,070,435</u>	<u>(28,665,016)</u>		<u>(28,665,016)</u>	
Business-type activities								
911 Emergency services	2,559,781	2,737,184	-	-		\$ 177,403	177,403	
Animal control	317,606	338,458	-	-		20,852	20,852	
Total business-type activities	<u>2,877,387</u>	<u>3,075,642</u>	<u>-</u>	<u>-</u>		<u>198,255</u>	<u>198,255</u>	
Total primary government	<u>\$ 57,789,774</u>	<u>\$ 18,875,365</u>	<u>\$ 7,377,213</u>	<u>\$ 3,070,435</u>	<u>(28,665,016)</u>	<u>198,255</u>	<u>(28,466,761)</u>	
Component unit:								
Kankakee County Public Building Commission	<u>\$ 140,583</u>	<u>\$ 152,875</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ 12,292</u>
General revenues:								
Taxes								
Property taxes					14,368,482	-	14,368,482	-
Sales tax					9,245,653	-	9,245,653	-
State income tax					2,701,486	-	2,701,486	-
Replacement and other taxes					2,964,294	-	2,964,294	-
Interest					447,025	86,850	533,875	3,182
Miscellaneous					148,046	-	148,046	-
Special item-gain (loss) on disposal of assets					21,805	-	21,805	-
Total general revenues and special items					<u>29,896,791</u>	<u>86,850</u>	<u>29,983,641</u>	<u>3,182</u>
Change in net assets					<u>1,231,775</u>	<u>285,105</u>	<u>1,516,880</u>	<u>15,474</u>
Net assets - beginning					<u>65,903,060</u>	<u>4,893,073</u>	<u>70,796,133</u>	<u>390,289</u>
Net assets - ending					<u>\$ 67,134,835</u>	<u>\$ 5,178,178</u>	<u>\$ 72,313,013</u>	<u>\$ 405,763</u>

Kankakee County, Illinois
Balance Sheet
Governmental Funds
November 30, 2008

	General Fund	Tort Liability	Pension	County Highway	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 583,535	\$ 2,215,057	\$ 2,274,446	\$ 722,221	\$ 4,317,873	\$ 10,113,132
Investments, at cost	7,808	6,668	327,963	1,749,156	7,795,385	9,886,980
Receivables (net of applicable allowances for estimated uncollectible amounts):						
Taxes, including interest, penalties, and liens	4,178,634	2,202,253	3,933,939	1,750,509	2,955,159	15,020,494
Accounts	6,601,332	6,253	26,739	230,064	279,076	7,143,464
Loans	-	-	-	-	391,306	391,306
Prepaid expenses	49,393	156,549	-	-	163,979	369,921
Due from other funds	11,514	-	9,521	-	-	21,035
Due from other governments	-	-	-	-	705,525	705,525
Inventory, at cost	91,285	-	-	32,844	52,589	176,718
Total assets	<u>\$ 11,523,501</u>	<u>\$ 4,586,780</u>	<u>\$ 6,572,608</u>	<u>\$ 4,484,794</u>	<u>\$ 16,660,892</u>	<u>\$ 43,828,575</u>
Liabilities and Fund Balances						
Liabilities:						
Vouchers and accounts payable	\$ 2,136,954	\$ 98,731	\$ 411,614	\$ 171,808	\$ 688,678	\$ 3,507,785
Due to other funds	9,754	-	-	-	11,514	21,268
Deferred revenue	4,234,324	2,202,253	3,933,939	1,750,509	3,000,657	15,121,682
Total liabilities	<u>6,381,032</u>	<u>2,300,984</u>	<u>4,345,553</u>	<u>1,922,317</u>	<u>3,700,849</u>	<u>18,650,735</u>
Fund balances (deficit):						
Reserved for:						
Prepaid expenses	49,393	156,549	-	-	163,979	369,921
Inventory	91,285	-	-	32,844	19,629	143,758
Debt service	-	-	-	-	11,372	11,372
Unreserved, designated for capital projects	1,801,121	-	-	-	-	1,801,121
Unreserved, reported in:						
General fund	3,200,670	-	-	-	-	3,200,670
Special revenue funds	-	2,129,247	2,227,055	2,529,633	12,765,063	19,650,998
Total fund balances	<u>5,142,469</u>	<u>2,285,796</u>	<u>2,227,055</u>	<u>2,562,477</u>	<u>12,960,043</u>	<u>25,177,840</u>
Total liabilities and fund balances	<u>\$ 11,523,501</u>	<u>\$ 4,586,780</u>	<u>\$ 6,572,608</u>	<u>\$ 4,484,794</u>	<u>\$ 16,660,892</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds as assets	70,138,671
Bond issue costs, net of amortization, are not financial resources and, therefore, are not reported in the funds as assets.....	264,325
Long-term liabilities, including liabilities for retirement obligations, are not due and payable in the current period and therefore, are not reported as a fund liability in governmental funds.....	(25,229,040)
The difference in net assets between full accrual accounting and modified accrual accounting due to differing revenue and expense recognition criteria between the two methods.....	(3,216,961)
Net assets of governmental activities.....	<u>\$ 67,134,835</u>

Kankakee County, Illinois
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended November 30, 2008

	General Fund	Tort Liability	Pension	County Highway	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 13,164,606	\$ 2,294,826	\$ 3,671,652	\$ 1,659,334	\$ 2,823,717	\$ 23,614,135
Intergovernmental	13,991,411	2,067	272,032	-	7,552,945	21,818,455
Charges for services	3,502,433	-	-	774,038	-	4,276,471
Licenses and permits	339,736	-	-	-	206,119	545,855
Fines and forfeits	847,533	-	-	-	1,430,596	2,278,129
Interest on investments	81,964	18,918	28,791	38,463	278,889	447,025
Miscellaneous	325,900	-	-	92,250	71,763	489,913
Total revenues	<u>32,253,583</u>	<u>2,315,811</u>	<u>3,972,475</u>	<u>2,564,085</u>	<u>12,364,029</u>	<u>53,469,983</u>
Expenditures:						
Current:						
General government	9,479,024	2,295,495	4,670,166	-	376,675	16,821,360
Judiciary and court related	6,838,146	-	-	-	532,391	7,370,537
Public safety	12,899,211	-	-	-	512,371	13,411,582
Health and welfare	-	-	-	-	3,400,731	3,400,731
Transportation	-	-	-	2,148,174	3,962,555	6,110,729
Economic development	-	-	-	-	2,344,451	2,344,451
Capital outlay	347,486	-	-	353,872	738,506	1,439,864
Debt service principal	1,451,873	-	-	-	221,090	1,672,963
Debt service interest	921,037	-	-	-	206,555	1,127,592
Total expenditures	<u>31,936,777</u>	<u>2,295,495</u>	<u>4,670,166</u>	<u>2,502,046</u>	<u>12,295,325</u>	<u>53,699,809</u>
Excess (deficiency) of revenues over (under) expenditures	<u>316,806</u>	<u>20,316</u>	<u>(697,691)</u>	<u>62,039</u>	<u>68,704</u>	<u>(229,826)</u>
Other financing sources (uses):						
Transfers in	37,300	-	-	-	-	37,300
Transfers out	-	-	-	-	(37,300)	(37,300)
Total other financing sources (uses)	<u>37,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,300)</u>	<u>-</u>
Net change in fund balances	354,106	20,316	(697,691)	62,039	31,404	(229,826)
Fund balances, beginning of year	4,788,363	2,265,480	2,924,746	2,500,438	12,928,639	25,407,666
Fund balances, end of year	<u>\$ 5,142,469</u>	<u>\$ 2,285,796</u>	<u>\$ 2,227,055</u>	<u>\$ 2,562,477</u>	<u>\$ 12,960,043</u>	<u>\$ 25,177,840</u>

Kankakee County, Illinois
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended November 30, 2008

Net change in fund balances - total governmental funds	\$ (229,826)
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Amounts reported for governmental activities in the statement of activities are different because:

The payment of principal on long-term debt is reflected as an expense on the fund level statements, but is reported as a reduction of liabilities on the entity wide statements	1,679,619
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The current period change in compensated absences included in noncurrent liabilities does not require or provide current financial resources and, therefore, is not reported in governmental funds	(16,257)
--	----------

Depreciation on capital assets and losses on the sale of assets are not reflected on the fund level statements, but are reported as an expense on the entity wide statements	(3,834,486)
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Amortization on debt issue costs is not reflected on the fund level statements, but is reported as an expense on the entity wide statements	(11,856)
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The acquisition of capital assets is reported as an expense on the fund level statements, but is capitalized as an asset on the entity wide statements	1,566,825
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Full accrual accounting and modified accrual accounting use differing revenue and expense recognition criteria	2,077,756
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Change in net assets of governmental activities - entity wide statements	<u>\$ 1,231,775</u>
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Kankakee County, Illinois
Statement of Net Assets
Proprietary Funds - Enterprise Funds
November 30, 2008

	Enterprise Funds		
	911 System Fee Fund	Other Enter- prise Funds	Total
Assets			
Current assets			
Cash	\$ 1,305,052	\$ 72,029	\$ 1,377,081
Cash - restricted	284,510	-	284,510
Investments	1,972,215	185,577	2,157,792
Accounts receivable	442,176	29,291	471,467
Due from other funds	-	233	233
Receivable from other governments	367,485	-	367,485
Prepaid expenses and line charges	15,111	-	15,111
Total current assets	<u>4,386,549</u>	<u>287,130</u>	<u>4,673,679</u>
Property, plant, and equipment			
Building, improvements and equipment	6,564,454	142,118	6,706,572
Accumulated depreciation	(3,784,811)	(102,212)	(3,887,023)
Net property, plant, and equipment	<u>2,779,643</u>	<u>39,906</u>	<u>2,819,549</u>
Bond issue costs, net and other assets	22,888	-	22,888
Total assets	<u>\$ 7,189,080</u>	<u>\$ 327,036</u>	<u>\$ 7,516,116</u>
Liabilities			
Current liabilities			
Current portion - long-term debt	\$ 230,000	\$ -	\$ 230,000
Vouchers and accounts payable	79,166	31,252	110,418
Payable from restricted assets	41,261	-	41,261
Accrued wages and benefits	77,641	-	77,641
Total current liabilities	<u>428,068</u>	<u>31,252</u>	<u>459,320</u>
Long-term liabilities			
Long-term debt, net of current portion	1,855,000	-	1,855,000
Accrued sick time	23,618	-	23,618
Total long-term liabilities	<u>1,878,618</u>	<u>-</u>	<u>1,878,618</u>
Total liabilities	<u>2,306,686</u>	<u>31,252</u>	<u>2,337,938</u>
Net assets			
Invested in capital assets, net of related debt	694,643	39,906	734,549
Restricted for debt service (expendable)	243,249	-	243,249
Unrestricted	3,944,502	255,878	4,200,380
Total net assets	<u>4,882,394</u>	<u>295,784</u>	<u>5,178,178</u>
Total liabilities and net assets	<u>\$ 7,189,080</u>	<u>\$ 327,036</u>	<u>\$ 7,516,116</u>

Kankakee County, Illinois
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds - Enterprise Funds
For the Year Ended November 30, 2008

	Enterprise Funds		
	911 System Fee Fund	Other Enter- prise Funds	Total
Operating revenues:			
Charges for services and other fees	\$ 2,519,616	\$ 335,069	\$ 2,854,685
Miscellaneous	217,568	3,389	220,957
Total operating revenues	<u>2,737,184</u>	<u>338,458</u>	<u>3,075,642</u>
Operating expenses:			
Personal services	1,427,645	191,665	1,619,310
Contractual services	449,185	49,774	498,959
Supplies and materials	7,580	15,577	23,157
Other services and charges	106,321	53,830	160,151
Depreciation and amortization expense	469,121	6,440	475,561
Total operating expenses	<u>2,459,852</u>	<u>317,286</u>	<u>2,777,138</u>
Operating income (loss)	<u>277,332</u>	<u>21,172</u>	<u>298,504</u>
Nonoperating revenue (expense):			
Interest income	81,468	5,382	86,850
Interest expense	(99,929)	(320)	(100,249)
Net nonoperating revenue (loss)	<u>(18,461)</u>	<u>5,062</u>	<u>(13,399)</u>
Change in net assets	258,871	26,234	285,105
Net assets, beginning of year	<u>4,623,523</u>	<u>269,550</u>	<u>4,893,073</u>
Net assets, end of year	<u>\$ 4,882,394</u>	<u>\$ 295,784</u>	<u>\$ 5,178,178</u>

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

Kankakee County, Illinois
Statement of Cash Flows
Proprietary Funds - Enterprise Fund Types
For the Year Ended November 30, 2008

	Enterprise Funds		
	911 System Fee Fund	Other Enter- prise Funds	Total
Cash flows from operating activities:			
Receipts from customers	\$ 1,864,291	\$ 332,598	\$ 2,196,889
Payments to suppliers	(923,488)	(112,890)	(1,036,378)
Payments to employees	(1,034,721)	(190,843)	(1,225,564)
Internal activity - payments from (to) other funds	541,657	(233)	541,424
Other receipts	84,872	3,389	88,261
Net cash provided (used) by operating activities	<u>532,611</u>	<u>32,021</u>	<u>564,632</u>
Cash flows from capital and related financing activities:			
Interest payments on long-term debt	(104,240)	(320)	(104,560)
Payments on long-term debt	(225,000)	(8,998)	(233,998)
Purchase of equipment	(8,736)	-	(8,736)
Net cash flows provided (used) by capital and related financing activities	<u>(337,976)</u>	<u>(9,318)</u>	<u>(347,294)</u>
Cash flows from investing activities:			
Purchase of investments	(568,548)	-	(568,548)
Sale of investments	538,132	-	538,132
Interest income	92,642	5,382	98,024
Net cash flows provided (used) by investing activities	<u>62,226</u>	<u>5,382</u>	<u>67,608</u>
Net increase (decrease) in cash and cash investments	256,861	28,085	284,946
Cash and cash investments, beginning of year	<u>2,747,542</u>	<u>229,521</u>	<u>2,977,063</u>
Cash and cash investments, end of year	<u>\$ 3,004,403</u>	<u>\$ 257,606</u>	<u>\$ 3,262,009</u>
Reported on balance sheet as cash	\$ 1,589,562	\$ 72,029	\$ 1,661,591
Included in balance sheet investments	1,414,841	185,577	1,600,418
	<u>\$ 3,004,403</u>	<u>\$ 257,606</u>	<u>\$ 3,262,009</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 277,332	\$ 21,172	\$ 298,504
Adjustments to reconcile net income to net cash provided from operating activities:			
Depreciation expense	466,253	6,440	472,693
Amortization of line charges and bond issue costs	2,868	-	2,868
Undepreciated balance on disposed assets	362	-	362
Change in assets and liabilities:			
(Increase) decrease in accounts receivable/prepaid expenses	(233,071)	(10,611)	(243,682)
(Increase) decrease in other assets	-	(156)	(156)
Increase (decrease) in accrued salaries and benefits	8,863	822	9,685
Increase (decrease) in other liabilities	10,004	14,354	24,358
Net cash provided by operating activities	<u>\$ 532,611</u>	<u>\$ 32,021</u>	<u>\$ 564,632</u>

See accompanying notes to the basic financial statements.

Kankakee County, Illinois
Statement of Fiduciary Net Assets
Fiduciary Funds
November 30, 2008

	Private Purpose Trust Funds	Agency Funds
Assets		
Cash	\$ 95,629	\$ 4,147,738
Investments, at cost	1,029,545	917,796
Receivables:		
Accounts receivable	76,965	187,681
Total assets	<u>\$ 1,202,139</u>	<u>\$ 5,253,215</u>
Liabilities and Net Assets		
Liabilities		
Vouchers payable	\$ 36,572	\$ 575,927
Due to:		
Other governments	-	813,738
Others	-	3,863,550
Total liabilities	<u>36,572</u>	<u>5,253,215</u>
Net Assets		
Restricted for other purposes	1,165,567	-
Total net assets	<u>1,165,567</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 1,202,139</u>	<u>\$ 5,253,215</u>

Kankakee County, Illinois
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended November 30, 2008

	<u>Private Purpose Trust Funds</u>
Additions:	
Intergovernmental	\$ 1,228,481
Interest	<u>35,444</u>
Total additions	<u>1,263,925</u>
Deductions:	
Transportation	1,738,397
Other services and charges	<u>990</u>
Total deductions	<u>1,739,387</u>
Change in net assets	(475,462)
Net assets, beginning of year	<u>1,641,029</u>
Net assets, end of year	<u><u>\$ 1,165,567</u></u>

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 1 – The Financial Reporting Entity

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

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

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

Component Units – Discretely-presented

The **Kankakee County Public Building Commission** is a separate municipal corporation created for the purpose of acquiring or enhancing public buildings or facilities. The Commissioners are appointed by and serve at the pleasure of the Chairman of the County Board. Because of its appointment powers, the County includes the Commission in its financial statements as a discretely-presented component unit using their fiscal year end October 31, 2008. The Commission issues separate financial statements which are on file at the Office of Finance Director, Kankakee County, 189 E. Court St., Suite 300, Kankakee, Illinois 60901. The County Board is not financially responsible for obligations of the Commission unless any such improvements are for its benefit.

Component Units - Blended

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

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

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

Note 1 -- The Financial Reporting Entity (Continued)

Related Organizations

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

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

Kankakee County is one of several governmental units that jointly govern the **Kankakee Area Metropolitan Enforcement Group, (KAMEG)**, a law enforcement initiative aimed at reducing illegal drug traffic, weapons, and gang activity in the area. The County serves as implementing agency for grants received through the Illinois Criminal Justice Information Authority.

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

Joint Ventures

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

Note 2 -- Basis of Presentation

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

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

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

Note 2 – Basis of Presentation (Continued)

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

General – This is the primary operating fund of the County. It accounts for all financial resources of the general government, 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.

Tort Liability – This fund accounts for the County's operations related to risk management for claims involving employee injury, general liability and liability arising from torts.

Pension – This fund accounts for employee pension costs.

County Highway Fund – This fund accounts for operations to improve, repair and maintain all County highways.

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

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

Additionally, the government reports the following fiduciary fund types:

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

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

Note 3 – Summary of Significant Accounting Policies

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

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

Note 3 – Summary of Significant Accounting Policies (Continued)

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

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

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

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

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

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

Inventories: Inventories consist of tax stamps, postage, and supplies recorded at cost.

Note 3 – Summary of Significant Accounting Policies (Continued)

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

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

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

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

Compensated Absences: Vested or accumulated vacation/sick leave that is due is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation/sick leave of proprietary funds is recorded as an expense and liability for those funds as the benefits accrue to employees. No liability is recorded for nonvesting, accumulating rights to receive vacation/sick leave benefits; however, a liability is recognized for that portion of accumulating vacation/sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement. County policy states that an employee must use each year's vacation days during the year. Sick and extended illness days may be accumulated to a total of 120 days per employee with no amount payable upon separation from service. Under collective bargaining agreements covering employees in the departments of County Sheriff, Corrections and County Recorder, 50% of accumulated days may be paid or credited for retirement purposes at levels ranging from 50 to 80 days.

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

Property Taxes: The County is responsible for the assessment and collection of property taxes for all jurisdictions including the schools and special districts within the County. The County levies property taxes annually on or before the last Tuesday in December based on the assessed valuation determined in April of the same year. Property tax payments are due in two equal installments, June 1 and September 1, with the first installment being due no earlier than 30 days from date of mailing. Tax bills are generally mailed before May 15. Distributions to the County and other districts are made shortly thereafter. Property taxes become a lien on the property on January 1. Taxes receivable at November 30 that are intended to finance the subsequent fiscal year are appropriately deferred.

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

Note 3 - Summary of Significant Accounting Policies (Continued)

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

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

Note 4 – Deposits and Investments

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

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

	<u>% of Portfolio</u>	
Certificates of Deposit	9%	\$ 1,267,194
Illinois Funds Money Market	91%	\$12,724,919

Credit Risk. The County’s cash and investments are subject to credit risk (the risk that an issuer or counterparty to an investment will not fulfill its obligation). State Law limits investments in commercial paper, corporate bonds, and mutual funds to the top two ratings issued by nationally recognized rating organizations (NRSRO’s). The County’s investment policy conforms to these state statutes and does not further limit its investment choices. As of November 30, 2008, all the County’s investments exposed to credit risk were rated AAAM by Standard & Poor’s.

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

Custodial Credit Risk – Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the County’s deposits may not be returned to it. The County’s investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral or additional insurance in the event of default or failure of the financial institution holding the funds. As of November 30, 2008, deposits in the amount of \$944,450 were uninsured and uncollateralized.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 4 – Deposits and Investments (Continued)

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

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

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

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

The Kankakee County Public Building Commission held County funds in the amount of \$1,333,623 as of November 30, 2008. All amounts were insured or collateralized.

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

Note 5 - CDAP Loans Receivable

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

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

	Balances <u>November 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	Balances <u>November 30, 2008</u>
McIntyre's Meats	\$ 8,331	-	-	\$ 8,331
MTAE, Inc.	341,072	-	-	341,072
Exceptional Health Partners	162,563	\$ 8,521	\$29,778	141,306
Unipar	-	<u>250,000</u>	-	<u>250,000</u>
Total	511,966	258,521	29,778	740,709
Less allowance for uncollectible amounts:	(349,403)	-	<u>7,363</u>	(349,403)
CDAP loans, net	<u>\$ 162,563</u>	<u>\$258,521</u>	<u>\$37,141</u>	<u>\$391,306</u>

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

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 6 – Capital Assets

Capital asset activity for the year ended November 30, 2008 was as follows:

	Balances November 30, 2007	Additions	Retirements and Reclassifications	Balances November 30, 2008
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 660,607	\$ 40,000	\$ -	\$ 700,607
Construction in progress	1,161,324	253,216	999,757	414,783
Building – idle	<u>1,770,000</u>	-	-	<u>1,770,000</u>
Total	<u>3,591,931</u>	<u>293,216</u>	<u>999,757</u>	<u>2,885,390</u>
Capital assets being depreciated:				
Transportation network	21,378,020	6,385,441	-	27,763,461
Buildings and improvements	49,686,251	43,079	-	49,729,330
Buildings and improvements under capital lease agreements	5,180,000	-	-	5,180,000
Equipment	8,967,981	261,786	27,678	9,202,089
Vehicles	<u>4,648,768</u>	<u>115,074</u>	<u>51,239</u>	<u>4,712,603</u>
Total capital assets being depreciated	<u>89,861,020</u>	<u>6,805,380</u>	<u>78,917</u>	<u>96,587,483</u>
Less accumulated depreciation for:				
Transportation network	10,403,542	1,028,363	-	11,431,905
Buildings and improvements	6,136,787	1,352,681	-	7,489,468
Buildings and improvements under capital lease agreements	1,336,213	150,208	-	1,486,421
Equipment	4,602,430	869,112	27,678	5,443,864
Vehicles	<u>3,099,661</u>	<u>434,122</u>	<u>51,239</u>	<u>3,482,544</u>
Total accumulated depreciation	<u>25,578,633</u>	<u>3,834,486</u>	<u>78,917</u>	<u>29,334,202</u>
Governmental activity capital assets, net	<u>\$67,874,318</u>	<u>\$3,264,110</u>	<u>\$999,757</u>	<u>\$70,138,671</u>
Business-type activities:				
Capital assets not being depreciated - Land	\$ 61,013	\$ -	\$ -	\$ 61,013
Capital assets being depreciated:				
Equipment	6,402,859	8,736	4,533	6,407,062
Leasehold improvements	197,277	-	-	197,277
Equipment under capital lease agreements	<u>41,220</u>	-	-	<u>41,220</u>
Total	<u>6,641,356</u>	<u>8,736</u>	<u>4,533</u>	<u>6,645,559</u>
Less: Accumulated depreciation	3,392,982	466,804	4,171	3,855,615
Accumulated amortization, capital leases	<u>25,519</u>	<u>5,889</u>	-	<u>31,408</u>
Total accumulated depreciation	<u>3,418,501</u>	<u>472,693</u>	<u>4,171</u>	<u>3,887,023</u>
Business-type activities capital assets, net	<u>\$ 3,283,868</u>	<u>\$ (463,957)</u>	<u>\$ 362</u>	<u>\$ 2,819,549</u>

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 6 – Capital Assets (Continued)

Depreciation for the year ended November 30, 2008, was charged as follows to the following functions:

Governmental activities:	
General governmental	\$ 376,215
Court services	174,140
Public safety	1,910,205
Health and sanitation	72,477
Transportation	1,300,190
Veterans administration	<u>1,259</u>
Total governmental activities	<u>\$3,834,486</u>
Business-type activities:	
911 Emergency services	\$ 466,253
Animal control	<u>6,440</u>
Total business-type activities	<u>\$ 472,693</u>

Note 7 – Long-Term Debt

Long-term debt consists of the following:

Governmental Activities

Loan/lease agreement dated September 21, 1999 and effective August 1, 2000 with National City Bank providing for monthly installments of \$21,309 through August 1, 2009, including interest at 5.25% per annum, secured by capital improvements	\$ 187,653
Debt Certificates, Series 2004 in the original amount of \$6,000,000 payable annually, December 1 in amounts ranging from \$215,000 to \$410,000 and with interest payable semiannually on June 1 and December 1 at rates ranging from 1.75% to 4.6% per annum, with an effective net interest rate of 4.1%	4,885,000
Debt Certificates, Series 2005 A in the original amount of \$8,500,000 payable annually, December 1 in amounts ranging from \$170,000 to \$635,000 and with interest payable semiannually on June 1 and December 1 at rates ranging from 2.75% to 4.6% per annum, with an effective net interest rate of 4.0%	7,645,000
Less discount	(98,872)
Debt Certificates, Series 2005 B in the original amount of \$8,265,000 payable annually, December 1 in amounts ranging from \$135,000 to \$645,000 and with interest payable semiannually on June 1 and December 1 at rates ranging from 2.75% to 5.0% per annum, with an effective net interest rate of 4.57%	7,480,000
Plus premium	252,001
Capital lease obligations – See Note 8	4,443,057
Compensated absences	<u>435,201</u>
Total governmental activities	<u>\$25,229,040</u>

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 7 – Long-Term Debt (Continued)

Business-type Activities

\$3,300,000 general obligation alternate revenue source bonds due in annual installments beginning January 1, 2003 in amounts ranging from \$220,000 to \$235,000 through 2017, plus interest at rates ranging from 3.55% to 5%, secured by surcharges on telecommunications revenues \$2,085,000

Compensated absences 23,618

Total business-type activities \$2,108,618

Changes in long-term debt are as follows:

	Balances November 30, 2007	Additions	Adjustments/ Retirements	Balances November 30, 2008
Governmental activities:				
Debt Certificates	\$20,910,000	\$ -	\$ 900,000	\$20,010,000
Loan/lease agreement	426,320	-	238,667	187,653
Capital leases	4,977,353	-	534,296	4,443,057
Compensated absences	418,944	16,257	-	435,201
Total	<u>\$26,732,617</u>	<u>\$16,257</u>	<u>\$1,672,963</u>	<u>\$25,075,911</u>
Business-type activities:				
Bonds - Alternate Revenue Source	\$ 2,310,000	\$ -	\$ 225,000	\$ 2,085,000
Capital leases	8,998	-	8,998	-
Compensated absences	19,181	4,437	-	23,618
Total	<u>\$ 2,338,179</u>	<u>\$ 4,437</u>	<u>\$ 228,632</u>	<u>\$ 2,108,618</u>

The annual requirements to amortize all long-term debt outstanding at November 30, 2008, exclusive of compensated absences and net of bond premium and discount are as follows:

Year Ending November 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 1,574,347	\$1,062,349	\$ 230,000	\$ 93,660
2010	1,274,958	1,008,029	230,000	83,080
2011	1,288,219	962,743	230,000	72,615
2012	1,337,198	914,064	230,000	61,977
2013	1,411,131	862,274	230,000	51,225
2014-2018	7,450,297	3,346,956	935,000	92,822
2019-2023	8,127,114	1,660,048	-	-
2024-2026	2,177,446	124,170	-	-
	<u>\$24,640,710</u>	<u>\$9,440,633</u>	<u>\$2,085,000</u>	<u>\$455,379</u>

Note 8 – Leases

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

Note 8 - Leases (Continued)

Operating Leases

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

Capital Leases – Juvenile Justice Center Facilities

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

Annual rental payments for Kankakee County, including operation and maintenance costs, range from \$576,398 in 2008 to \$666,200 in year 2016. For years 2017 through 2026, rental payments will be determined through negotiation. The County is not liable for any lease payments attributable to that portion of the facility leased by Will County.

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

Capital Leases - Health Department Facilities

In January 2002, the County entered into a lease agreement with the Kankakee County Public Building Commission and an intergovernmental agreement with the Kankakee County Public Health Department for lease of facilities to be occupied by the Health Department. In January 2007, the lease was amended due to the refunding of the underlying bonds issued by the Kankakee County Public Building Commission. This resulted in a loss on early extinguishment of debt in the amount of \$175,033. The lease is for a period of 20 years beginning November 1, 2007 and provides for annual rents ranging from \$175,335 to \$185,570 with an effective interest rate of 4.426%.

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

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

Capital Leases – Equipment

The County leases computer equipment and vehicles under capital lease arrangements with lease terms of periods of five years, generally. The leases are similarly structured and generally provide for lease payments on a quarterly or semi-annual basis.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 8 - Leases (Continued)

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

	Governmental Activities		
	Will County Public Building Commission	Kankakee County Public Building Commission	Other
Year ended November 30,			
2009	\$ 603,001	182,250	\$205,911
2010	548,613	183,430	36,286
2011	568,381	179,380	-
2012	577,853	180,330	-
2013	611,608	181,815	-
2014-2018	1,974,974	922,595	-
2019-2023	-	905,225	-
2024-2026	-	531,296	-
Total minimum lease payments	4,884,430	3,266,321	242,197
Less: Amount representing estimated executory costs (maintenance and insurance), included in total minimum lease payments	<u>2,357,161</u>	<u>-</u>	<u>-</u>
Net minimum lease payments	2,527,269	3,266,321	242,197
Less: Amount representing interest	<u>539,924</u>	<u>1,043,126</u>	<u>9,680</u>
Present value of net minimum lease payments	<u>\$1,987,345</u>	<u>\$2,223,195</u>	<u>\$232,517</u>

Note 9 – Restricted Net Assets

The amount of net assets restricted by enabling legislation is \$18,186,532.

Note 10 - Retirement Funds

Plan Description. The County's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement and disability benefits, post retirement increases and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension 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.

County Regular and Elected County Officials

Funding Policy. As set by statute, Regular and Elected County Official plan members are required to contribute 4.50 percent and 7.50 percent, respectively, of their annual covered salary. The statutes require the County to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 9.50 percent and 58.77 percent, respectively, of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees', while the supplemental retirement benefits rate is set by statute.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 10 –Retirement Funds (Continued)

Annual Pension Cost. For 2008, the County's annual pension cost of \$1,695,263 and \$171,353 respectively, for the Regular and Elected County Official plans was equal to the County's required and actual contributions.

Three-Year Trend Information for the County Regular and Elected County Official Plans

<u>Fiscal Year Ending</u>	<u>Regular Annual Pension Cost (APC)</u>	<u>Elected Officials Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$1,695,263	\$171,353	100%	\$-0-
12/31/07	1,584,951	179,290	100%	-0-
12/31/06	1,578,358	169,032	100%	-0-

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2006, 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 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the County Regular and Elected County Official plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period, with a 20% corridor between the actuarial and market value of assets. The County Regular and Elected County Official plans' unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006, valuation was 24 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular and Elected Official plans were 80.11 percent and 0.00 percent funded, respectively. The actuarial accrued liability for benefits was \$37,952,078 and \$1,885,888, respectively, and the actuarial value of assets was \$30,402,874 and \$(2,012,826) respectively, resulting in an underfunded actuarial accrued liability (UAAL) of \$7,549,204 and \$3,898,714, respectively. The covered payroll (annual payroll of active employees covered by the plans) was \$17,491,852 and \$291,566, respectively, and the ratio of the UAAL to the covered payroll was 43 percent and 1337 percent, respectively.

Sheriff's Law Enforcement Personnel

Funding Policy. As set by statute, The County Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 20.82 percent of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2008, the County's annual pension cost of \$848,062 for the Sheriff's Law Enforcement Personnel plan was equal to the required and actual contributions.

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$848,062	100%	\$-0-
12/31/07	758,195	100%	-0-
12/31/06	708,711	100%	-0-

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 10 – Retirement Funds (Continued)

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2006, 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 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of your Sheriff's Law Enforcement Personnel plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period, with a 20% corridor between the actuarial and market value of assets. The County Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006, valuation was 24 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 58.69 percent funded. The actuarial accrued liability for benefits was \$18,267,640 and the actuarial value of assets was \$10,720,499, resulting in an underfunded actuarial accrued liability (UAAL) of \$7,547,141. The covered payroll (annual payroll of active employees covered by the plan) was \$4,005,340 and the ratio of the UAAL to the covered payroll was 188 percent.

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

Note 11 – Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or emergency.

Note 12 – Interfund Accounts and Transfers

Interfund balances are as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General Fund	\$11,514	\$ 9,754
Pension Fund	9,521	-
Other Governmental Funds	-	11,514
Total Governmental Funds	<u>\$21,035</u>	<u>\$ 21,268</u>
Business-Type Funds: Nonmajor	\$ <u>233</u>	\$ <u>-0-</u>

The interfund balance between the General and Pension Funds in the amount of \$9,521 is due to grant revenue deposited in the General Fund that is to be reimbursed to the Pension Fund for grant expenditures incurred. Grant funds in the amount of \$10,384 were inadvertently deposited into the Forfeited Funds - States Attorney Fund rather than the General Fund, resulting in a due to/from. The remaining balances resulted from normal interfund activity when one fund incurs expenditures/ expenses for the benefit of another fund and expects repayment.

Transfers during the year ended November 30, 2008 are summarized as follows:

	<u>In</u>	<u>Out</u>
General Fund	\$37,300	\$ -
Other Nonmajor Funds	-	37,300
	<u>\$37,300</u>	<u>\$ 37,300</u>

The Arrestee Medical Fund transferred \$12,300 to the General Fund to offset inmate medical expenses paid out of the General Fund. The Treasurer's Interest Fund transferred accumulated funds in the amount of \$25,000 to the General Fund as allowed under state statute.

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 13 – Additional Fund Disclosures

The following funds had expenditures in excess of appropriations:

	<u>Actual Amount</u>	<u>Budget Amount</u>	<u>Amount in Excess of Appropriations</u>
Major Special Revenue Funds			
Tort	\$2,295,495	\$2,277,400	\$ 18,095
Pension	4,670,166	4,445,000	225,166
Nonmajor Special Revenue Funds			
Treasurer Computer	41,056	31,000	10,056
Law Library	84,880	75,000	9,880
Treasurer's Interest	27,993	18,000	9,993
Probation Service Fee	96,970	85,500	11,470
Subrecipient Grant	506,769	450,000	56,769

Special Assessments - The County acts as collection agent for improvements made to various properties and financed through special assessments against those properties. The balance owed by property owners at November 30 for special assessment debt amounted to \$-0-. The County had no obligation for this debt which is reflected in the agency funds.

Note 14 – Insurance and Related Risks

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

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

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

Note 15 – Contingencies and Commitments

Grant Contingency

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

Litigation

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

Kankakee County, Illinois
Notes to Basic Financial Statements

Note 15 – Contingencies and Commitments (Continued)

Highway Construction

The County has entered into an agreement with the State of Illinois for a road and bridge improvement project to be administered by the Illinois Department of Transportation with an estimated cost, excluding engineering, of approximately \$4,733,653. The project, which was substantially completed at November 30, 2008, includes cost participation at the federal and state level, as well as cost sharing by the Village of Aroma Park in the amount of \$341,806 payable to the County in ten annual installments beginning in 2007; the balance at November 30, 2008 on this obligation was \$307,625. The County has accrued \$2,023,967 as a liability to the State of Illinois and has recorded the balance due from the Village of Aroma Park at November 30, 2008 in the amount of \$307,625.

Corrections Union Contract

The County is currently in negotiations regarding the union contract with corrections employees effective December 1, 2006. The contract terms were settled during the first part of fiscal year 2009. The County recorded a liability and expense on the government-wide financials in the amount of approximately \$950,000 in retroactive payment for pay increases effective back to December 1, 2006.

Note 16 – Related Party Transactions

Upon the establishment of a County-wide coordinated public safety communication system, the County of Kankakee committed to an annual dispatch fee of \$538,386 with annual increases not to exceed 4%. Fees included in 911 emergency services on the entity-wide statements and in the operating revenues of the 911 System Fee Fund were \$655,028 and include outstanding receivables from the County in the amount of \$218,342 at November 30, 2008.

Note 17 - Other Disclosures

The County has agreements with the United States Marshals Service, Cook County, Illinois and Kane County, Illinois to house prisoners in local facilities. The agreements with the United States Marshals and Kane County are in effect indefinitely until terminated in writing by either party. The agreement with Cook County will renew annually, if funded. The County is reimbursed at a rate of \$60 per prisoner, per day. For the year ended November 30, 2008, revenues of approximately \$8 million, resulting from these agreements were recognized in the General Fund.

Required Supplementary Information

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Revenues and Other Financing Sources (Uses)
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Taxes:				
Property taxes	\$ 4,047,775	\$ 4,047,775	\$ 3,918,953	\$ (128,822)
Sales tax	8,685,000	8,685,000	9,245,653	560,653
Total taxes	<u>12,732,775</u>	<u>12,732,775</u>	<u>13,164,606</u>	<u>431,831</u>
Intergovernmental:				
State income tax	2,928,000	2,928,000	2,701,486	(226,514)
Replacement taxes	1,000,000	1,000,000	1,076,139	76,139
Inheritance tax	50,000	50,000	83,903	33,903
Inmate housing	7,700,000	7,700,000	8,035,965	335,965
Grants and other reimbursements	1,995,679	1,995,679	2,093,918	98,239
Total intergovernmental	<u>13,673,679</u>	<u>13,673,679</u>	<u>13,991,411</u>	<u>317,732</u>
Charges for Services:				
County Recorder fees	627,000	627,000	546,367	(80,633)
Circuit Clerk fees	2,420,500	2,420,500	2,156,169	(264,331)
Building and Zoning fees	354,000	354,000	300,868	(53,132)
Sheriff fees	290,500	290,500	290,710	210
County Clerk fees	225,900	225,900	124,803	(101,097)
Other fees and reimbursements	70,000	70,000	83,516	13,516
Total charges for services	<u>3,987,900</u>	<u>3,987,900</u>	<u>3,502,433</u>	<u>(485,467)</u>
License and Permits:				
Liquor licenses	25,000	25,000	22,275	(2,725)
Cable TV franchise fees	150,000	150,000	210,600	60,600
Contractor licenses	85,000	85,000	99,900	14,900
Gambling machine licenses	9,000	9,000	6,961	(2,039)
Total licenses and permits	<u>269,000</u>	<u>269,000</u>	<u>339,736</u>	<u>70,736</u>
Fines and Forfeits:				
County fines and forfeitures	525,500	525,500	385,888	(139,612)
Real estate tax penalties	475,000	475,000	461,645	(13,355)
Total fines and forfeitures	<u>1,000,500</u>	<u>1,000,500</u>	<u>847,533</u>	<u>(155,006)</u>
Interest	<u>135,500</u>	<u>135,500</u>	<u>81,964</u>	<u>(53,536)</u>
Miscellaneous	<u>291,400</u>	<u>291,400</u>	<u>325,900</u>	<u>34,500</u>
Total revenues	<u>32,090,754</u>	<u>32,090,754</u>	<u>32,253,583</u>	<u>162,829</u>
Other financing sources:				
Transfers in	12,000	12,000	37,300	25,300
Total other financing sources	<u>12,000</u>	<u>12,000</u>	<u>37,300</u>	<u>25,300</u>
Total revenues and other financing sources	<u>\$ 32,102,754</u>	<u>\$ 32,102,754</u>	<u>\$ 32,290,883</u>	<u>\$ 188,129</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
General Government				
Management Information Systems (MIS)				
Personal services	\$ 183,418	\$ 183,418	\$ 182,214	\$ (1,204)
Supplies	700	700	-	(700)
Capital outlay	152,632	142,632	136,627	(6,005)
Other services and charges	6,250	6,250	7,138	888
Total MIS	343,000	333,000	325,979	(7,021)
Board of Review				
Personal services	23,040	23,040	23,040	-
Contractual services	160	160	-	(160)
Supplies	600	600	833	233
Other services and charges	4,200	4,200	5,521	1,321
Total Board of Review	28,000	28,000	29,394	1,394
County Administration				
Personal services	291,115	291,115	278,935	(12,180)
Contractual services	40,200	40,200	52,726	12,526
Supplies	2,900	2,900	4,529	1,629
Capital outlay	2,500	2,500	1,346	(1,154)
Other services and charges	56,785	56,785	44,799	(11,986)
Total County Administration	393,500	393,500	382,335	(11,165)
County Auditor				
Personal services	138,425	138,425	135,096	(3,329)
Supplies	2,700	2,700	1,484	(1,216)
Capital outlay	1,000	1,000	871	(129)
Other services and charges	4,200	4,200	4,391	191
Total County Auditor	146,325	146,325	141,842	(4,483)

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
General Government (continued)				
County Recorder				
Personal services	180,468	180,468	184,489	4,021
Supplies	6,600	6,600	2,853	(3,747)
Other services and charges	1,200	1,200	700	(500)
Total County Recorder	188,268	188,268	188,042	(226)
Election Commission				
Personal services	313,348	338,348	320,777	(17,571)
Contractual services	19,350	19,350	26,136	6,786
Supplies	119,890	140,890	154,031	13,141
Capital outlay	6,000	6,000	-	(6,000)
Other services and charges	46,375	46,375	49,396	3,021
Total Election Commission	504,963	550,963	550,340	(623)
Regional Superintendent of Schools				
Contractual services	344,456	344,456	333,602	(10,854)
Total Regional Superintendent of Schools	344,456	344,456	333,602	(10,854)
County Clerk				
Personal services	209,000	209,000	210,549	1,549
Supplies	22,850	22,850	20,004	(2,846)
Capital outlay	-	-	1,659	1,659
Other services and charges	5,150	5,150	3,196	(1,954)
Total County Clerk	237,000	237,000	235,408	(1,592)
Buildings and Grounds				
Personal services	633,321	633,321	570,556	(62,765)
Contractual services	80,500	80,500	109,398	28,898
Supplies	110,000	110,000	137,047	27,047
Capital outlay	78,779	78,779	69,641	(9,138)
Other services and charges	12,900	12,900	17,219	4,319
Total Buildings and Grounds	915,500	915,500	903,861	(11,639)

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
General Government (continued)				
Capital Development				
Contractual services	-	-	70,508	70,508
Capital outlay	-	-	47,659	47,659
Other services and charges	15,785	15,785	16,967	1,182
Debt service principal	1,504,027	1,504,027	1,451,873	(52,154)
Debt service interest	890,562	890,562	921,037	30,475
Total Capital Development	2,410,374	2,410,374	2,508,044	97,670
Health Insurance and Utilities				
Contractual services	-	-	7,483	7,483
Supplies	48,000	48,000	36,162	(11,838)
Other services and charges	925,000	925,000	1,044,690	119,690
Insurances	3,513,332	3,513,332	3,550,092	36,760
Total Health Insurance and Utilities	4,486,332	4,486,332	4,638,427	152,095
Planning Department				
Personal services	687,818	612,818	625,969	13,151
Contractual services	75,090	75,090	71,792	(3,298)
Supplies	17,900	17,900	18,847	947
Capital outlay	12,800	12,800	3,783	(9,017)
Other services and charges	112,838	112,838	101,356	(11,482)
Total Planning Department	906,446	831,446	821,747	(9,699)
County Treasurer				
Personal services	207,180	207,180	204,627	(2,553)
Contractual services	4,000	4,000	3,791	(209)
Supplies	38,300	38,300	41,873	3,573
Other services and charges	6,520	6,520	5,673	(847)
Total County Treasurer	256,000	256,000	255,964	(36)

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
General Government (continued)				
Finance Department				
Personal services	203,000	196,500	196,174	(326)
Contractual services	49,702	35,202	34,640	(562)
Supplies	3,700	3,700	2,298	(1,402)
Capital outlay	2,000	-	-	-
Other services and charges	15,700	8,700	6,639	(2,061)
Total Finance Department	274,102	244,102	239,751	(4,351)
Contingency				
Other services and charges	979,884	-	-	-
Total Contingency	979,884	-	-	-
Supervisor of Assessments				
Personal services	317,000	317,000	315,355	(1,645)
Contractual services	77,800	77,800	73,699	(4,101)
Supplies	23,000	23,000	28,122	5,122
Capital outlay	2,000	2,000	297	(1,703)
Other services and charges	5,700	5,700	2,469	(3,231)
Total Supervisor of Assessments	425,500	425,500	419,942	(5,558)
Economic Development				
Personal services	132,260	97,260	82,956	(14,304)
Contractual services	13,894	13,894	26,479	12,585
Supplies	7,200	7,200	3,072	(4,128)
Capital outlay	8,000	8,000	5,375	(2,625)
Other services and charges	27,200	17,200	18,543	1,343
Total Economic Development	188,554	143,554	136,425	(7,129)
ZBA - BOE Planning				
Personal services	7,000	7,000	4,379	(2,621)
Contractual services	8,500	8,500	3,155	(5,345)
Other services and charges	500	500	-	(500)
Total ZBA - BOE Planning	16,000	16,000	7,534	(8,466)
Total General Government	\$ 13,044,204	\$ 11,950,320	\$ 12,118,637	\$ 168,317

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Judiciary and Court Related				
Circuit Court				
Personal services	\$ 131,205	\$ 131,205	\$ 135,508	\$ 4,303
Contractual services	153,475	153,475	133,441	(20,034)
Supplies	9,200	9,200	11,305	2,105
Capital outlay	2,500	2,500	1,564	(936)
Other services and charges	48,353	48,353	52,450	4,097
Total Circuit Court	344,733	344,733	334,268	(10,465)
Circuit Clerk				
Personal services	1,083,050	1,083,050	1,057,232	(25,818)
Supplies	48,000	48,000	45,024	(2,976)
Capital outlay	1,500	1,500	2,291	791
Other services and charges	2,750	2,750	2,487	(263)
Total Circuit Clerk	1,135,300	1,135,300	1,107,034	(28,266)
Child Support and Maintenance				
Personal services	52,356	52,356	56,558	4,202
Supplies	5,500	5,500	5,462	(38)
Total Child Support and Maintenance	57,856	57,856	62,020	4,164
Jury Commission				
Personal services	36,982	36,982	37,493	511
Contractual services	3,500	3,500	3,491	(9)
Supplies	18,600	18,600	21,865	3,265
Capital outlay	13,000	13,000	3,305	(9,695)
Other services and charges	160,620	160,620	135,413	(25,207)
Total Jury Commission	232,702	232,702	201,567	(31,135)

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Judiciary and Court Related (continued)				
States Attorney				
Personal services	1,669,933	1,669,933	1,642,865	(27,068)
Contractual services	104,495	104,495	77,601	(26,894)
Supplies	46,375	46,375	37,311	(9,064)
Capital outlay	8,189	8,189	493	(7,696)
Other services and charges	99,499	99,499	89,360	(10,139)
Total States Attorney	<u>1,928,491</u>	<u>1,928,491</u>	<u>1,847,630</u>	<u>(80,861)</u>
Public Defender				
Personal services	718,973	718,973	709,715	(9,258)
Contractual Services	5,000	17,000	12,543	(4,457)
Supplies	6,450	6,450	5,546	(904)
Other services and charges	2,830	2,830	15,683	12,853
Total Public Defender	<u>733,253</u>	<u>745,253</u>	<u>743,487</u>	<u>(1,766)</u>
Probation				
Personal services	1,397,768	1,397,768	1,365,802	(31,966)
Contractual services	474,000	824,000	831,828	7,828
Supplies	10,000	10,000	9,052	(948)
Capital outlay	32	32	-	(32)
Other services and charges	29,675	29,675	45,413	15,738
Total Probation	<u>1,911,475</u>	<u>2,261,475</u>	<u>2,252,095</u>	<u>(9,380)</u>
DNDC				
Contractual Services	30,000	30,000	72,964	42,964
Other services and charges	300,215	277,729	222,603	(55,126)
Total DNDC	<u>330,215</u>	<u>307,729</u>	<u>295,567</u>	<u>(12,162)</u>
Total Judiciary and Court Related	<u>\$ 6,674,025</u>	<u>\$ 7,013,539</u>	<u>\$ 6,843,668</u>	<u>\$ (169,871)</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Public Safety				
Sheriff's Office				
Personal services	\$ 3,594,754	\$ 4,121,754	\$ 4,050,444	\$ (71,310)
Contractual services	136,300	136,300	142,904	6,604
Supplies	57,300	57,300	68,939	11,639
Capital outlay	35,107	35,107	34,185	(922)
Other services and charges	429,083	502,083	531,571	29,488
Debt service principal	4,000	4,000	-	(4,000)
Debt service interest	500	500	-	(500)
Total Sheriff's Office	4,257,044	4,857,044	4,828,043	(29,001)
Corrections				
Personal services	5,011,251	5,167,971	5,135,759	(32,212)
Contractual services	39,615	39,615	26,653	(12,962)
Supplies	115,300	138,580	160,259	21,679
Capital outlay	40,629	40,629	21,554	(19,075)
Other services and charges	1,193,205	1,713,205	1,723,592	10,387
Total Corrections	6,400,000	7,100,000	7,067,817	(32,183)
Auxiliary Police				
Contractual services	200	200	97	(103)
Supplies	3,400	3,400	1,871	(1,529)
Other services and charges	900	900	317	(583)
Total Auxiliary Police	4,500	4,500	2,285	(2,215)
Coroner				
Personal services	207,024	207,024	201,864	(5,160)
Contractual services	90,000	120,000	120,565	565
Supplies	6,200	6,200	3,742	(2,458)
Capital outlay	1,500	1,500	3,008	1,508
Other services and charges	21,500	21,500	22,158	658
Total Coroner	326,224	356,224	351,337	(4,887)

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Public Safety (continued)				
Dispatch Services				
Contractual services	520,000	520,000	526,187	6,187
Total Dispatch Services	520,000	520,000	526,187	6,187
Merit Commission				
Personal services	500	500	1,175	675
Contractual services	-	-	555	555
Supplies	700	700	279	(421)
Other services and charges	3,800	3,800	2,358	(1,442)
Total Merit Commission	5,000	5,000	4,367	(633)
ESDA				
Personal services	111,060	120,660	131,142	10,482
Contractual services	4,200	4,200	3,728	(472)
Supplies	2,820	2,820	5,531	2,711
Capital outlay	38,050	38,050	13,828	(24,222)
Other services and charges	22,327	32,727	40,207	7,480
Total ESDA	178,457	198,457	194,436	(4,021)
Total Public Safety	\$ 11,691,225	\$ 13,041,225	\$ 12,974,472	\$ (66,753)
Transfers out	\$ 693,300	\$ 97,670	\$ -	\$ (97,670)
Total Fund Expenditures	\$ 32,102,754	\$ 32,102,754	\$ 31,936,777	\$ (165,977)

Kankakee County, Illinois
Budgetary Comparison Schedule
Tort Liability Fund
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:				
Property taxes	\$ 2,208,400	\$ 2,208,400	\$ 2,294,826	\$ 86,426
Intergovernmental	5,000	5,000	2,067	(2,933)
Interest on investments	<u>64,000</u>	<u>64,000</u>	<u>18,918</u>	<u>(45,082)</u>
Total revenue	<u>2,277,400</u>	<u>2,277,400</u>	<u>2,315,811</u>	<u>38,411</u>
Expenditures:				
Personal services	386,191	386,191	359,797	(26,394)
Contractual services	1,841,009	1,841,009	1,881,074	40,065
Supplies and materials	3,800	3,800	1,474	(2,326)
Capital outlay	1,000	1,000	-	(1,000)
Other services and charges	<u>45,400</u>	<u>45,400</u>	<u>53,150</u>	<u>7,750</u>
Total expenditures	<u>2,277,400</u>	<u>2,277,400</u>	<u>2,295,495</u>	<u>18,095</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,316</u>	<u>\$ 20,316</u>

Kankakee County, Illinois
 Budgetary Comparison Schedule
 Pension Fund
 For the Year Ended November 30, 2008

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues:				
Property taxes	\$ 3,453,700	\$ 3,453,700	\$ 3,671,652	\$ 217,952
Intergovernmental	65,000	65,000	272,032	207,032
Interest on investments	90,000	90,000	28,791	(61,209)
Total revenues	<u>3,608,700</u>	<u>3,608,700</u>	<u>3,972,475</u>	<u>363,775</u>
Expenditures:				
Personal services	<u>4,445,000</u>	<u>4,445,000</u>	<u>4,670,166</u>	<u>225,166</u>
Total expenditures	<u>4,445,000</u>	<u>4,445,000</u>	<u>4,670,166</u>	<u>225,166</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (836,300)</u>	<u>\$ (836,300)</u>	<u>\$ (697,691)</u>	<u>\$ 138,609</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
County Highway Fund
For the Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:				
Property taxes	\$ 1,675,538	\$ 1,675,538	\$ 1,659,334	\$ (16,204)
Fines and fees	722,500	722,500	774,038	51,538
Interest on investments	84,500	84,500	38,463	(46,037)
Miscellaneous	36,450	36,450	92,250	55,800
	<u>2,518,988</u>	<u>2,518,988</u>	<u>2,564,085</u>	<u>45,097</u>
Total revenues				
Expenditures:				
Personal services	1,362,657	1,362,657	1,100,513	(262,144)
Contractual services	487,000	487,000	86,887	(400,113)
Capital outlay	1,760,000	1,760,000	353,872	(1,406,128)
Other services and charges	1,094,500	1,094,500	960,774	(133,726)
	<u>4,704,157</u>	<u>4,704,157</u>	<u>2,502,046</u>	<u>(2,202,111)</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>\$ (2,185,169)</u>	<u>\$ (2,185,169)</u>	<u>\$ 62,039</u>	<u>\$ 2,247,208</u>

Kankakee County, Illinois
Illinois Municipal Retirement Fund
Required Supplementary Information - Schedule of Funding Progress
November 30, 2008

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)
<u>Regular County Employees</u>						
12/31/08	\$30,402,874	\$37,952,078	\$7,549,204	80.11%	\$17,491,852	43.16%
12/31/07	33,422,106	36,016,561	2,594,455	92.80%	16,701,277	15.53%
12/31/06	30,540,714	33,809,217	3,268,503	90.33%	16,105,693	20.29%
<u>Elected Officials</u>						
12/31/08	\$(2,012,826)	\$1,885,888	\$3,898,714	0.0%	\$291,566	1337.16%
12/31/07	401,554	2,485,226	2,083,672	16.16%	284,272	732.99%
12/31/06	779,001	2,549,438	1,770,437	30.56%	248,285	713.07%
<u>Sheriff's Law Enforcement Personnel (SLEP)</u>						
12/31/08	\$10,720,499	\$18,267,640	\$7,547,141	58.69%	\$4,005,340	188.43%
12/31/07	13,525,386	18,083,478	4,558,092	74.79%	3,874,273	117.65%
12/31/06	13,940,051	19,601,376	5,661,325	71.12%	3,757,747	150.66%

*Digest of Changes

Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2002-2004 Experience Study.

The principal changes were:

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

Kankakee County, Illinois
Notes to Required Supplementary Information

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

The County receives a proposed budget for the fiscal year commencing December 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to December 1, the budget is legally enacted by the County Board. Responsibility for control of and amendments to the budget rests with the County. No supplemental appropriations for the County Budget were necessary during the year.

The following funds had expenditures in excess of appropriations for the year ending November 30, 2008:

	<u>Actual</u>	<u>Budget</u>	<u>Amount in Excess of Budget</u>
Major Special Revenue Funds			
Tort	\$2,295,495	\$2,277,400	\$ 18,095
Pension	4,670,166	4,445,000	225,166
Nonmajor Special Revenue Funds			
Treasurer Computer	41,056	31,000	10,056
Law Library	84,880	75,000	9,880
Treasurer's Interest	27,993	18,000	9,993
Probation Service Fee	96,970	85,500	11,470
Subrecipient Grant	506,769	450,000	56,769

Other Supplementary Information

Kankakee County, Illinois

Tort Liability Insurance Fund

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

November 30, 2008

Property and liability insurance	\$1,141,707
Illinois Public Risk Fund, workmen's compensation insurance	711,602
Salaries (States Attorney, Civil Division and administrative)	306,274
Illinois Department of Employment Security, unemployment insurance	53,523
River Valley Detention Center insurance	26,595
Miscellaneous claims, net of insurance reimbursements	37,422
Other	<u>18,372</u>
	<u>\$2,295,495</u>

Kankakee County, Illinois
Combining Balance Sheet - Nonmajor Governmental Funds
November 30, 2008

	Special Revenue	Debt Service	Total Nonmajor Governmental Funds
Assets			
Cash	\$ 4,306,501	\$ 11,372	\$ 4,317,873
Investments, at cost	7,795,385	-	7,795,385
Receivables, (net, where applicable of allowance for uncollectibles):			
Taxes, including interest, penalties and liens	2,352,833	602,326	2,955,159
Accounts	279,076	-	279,076
Loans	391,306	-	391,306
Prepaid expenses	163,979	-	163,979
Due from other governments	705,525	-	705,525
Inventory, at cost	52,589	-	52,589
Total assets	\$ 16,047,194	\$ 613,698	\$ 16,660,892
Liabilities and Fund Balances:			
Liabilities			
Vouchers and accounts payable	\$ 688,678	\$ -	\$ 688,678
Due to other funds	11,514	-	11,514
Deferred revenue	2,398,331	602,326	3,000,657
Total liabilities	3,098,523	602,326	3,700,849
Fund balances			
Reserved - debt service	-	11,372	11,372
Reserved - other	183,608	-	183,608
Unreserved	12,765,063	-	12,765,063
Total fund balances	12,948,671	11,372	12,960,043
Total liabilities and fund balances	\$ 16,047,194	\$ 613,698	\$ 16,660,892

Kankakee County, Illinois
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended November 30, 2008

	Nonmajor Special Revenue	Debt Service	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 2,241,477	\$ 582,240	\$ 2,823,717
Intergovernmental	7,552,945	-	7,552,945
Licenses and permits	206,119	-	206,119
Fines and fees	1,430,596	-	1,430,596
Interest on investments	277,547	1,342	278,889
Miscellaneous	71,763	-	71,763
Total revenues	<u>11,780,447</u>	<u>583,582</u>	<u>12,364,029</u>
Expenditures:			
General government	376,675	-	376,675
Judiciary and court related	224,790	307,601	532,391
Public safety	512,371	-	512,371
Public health and welfare	3,400,731	-	3,400,731
Transportation	3,962,555	-	3,962,555
Economic development	2,344,451	-	2,344,451
Capital outlay	738,506	-	738,506
Debt service principal	69,469	151,621	221,090
Debt service interest	89,379	117,176	206,555
Total expenditures	<u>11,718,927</u>	<u>576,398</u>	<u>12,295,325</u>
Excess (deficiency) of revenues over expenditures	<u>61,520</u>	<u>7,184</u>	<u>68,704</u>
Other financing sources (uses):			
Operating transfers out	<u>(37,300)</u>	<u>-</u>	<u>(37,300)</u>
Total other financing sources (uses)	<u>(37,300)</u>	<u>-</u>	<u>(37,300)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	24,220	7,184	31,404
Fund balance, beginning of year	12,924,451	4,188	12,928,639
Fund balance, end of year	<u>\$ 12,948,671</u>	<u>\$ 11,372</u>	<u>\$ 12,960,043</u>

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Balance Sheets
November 30, 2008

	Major Funds			Nonmajor Funds					
	Tort Liability	Pension	County Highway	Recorder Computer	County Clerk Computer	County Treasurer Computer	Treasurer's Interest	Subrecipient Grants	Court Security Fee
Assets									
Cash	\$ 2,215,057	\$ 2,274,446	\$ 722,221	\$ 172,410	\$ 27,418	\$ 6,079	\$ 1,657	\$ -	\$ 341,625
Investments, at cost	6,668	327,963	1,749,156	21,247	41,688	83,423	99,892	-	295,816
Receivables:									
Taxes (net of allowance for estimated uncollectibles)	2,202,253	3,933,939	1,750,509	-	-	-	-	-	-
Accounts	6,253	26,739	230,064	692	1,110	19,920	19,920	47,816	19,543
Loans	-	-	-	-	-	-	-	-	-
Prepaid expenses	156,549	-	-	9,265	-	-	-	-	131
Due from other funds	-	9,521	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Inventory, at cost	-	-	32,844	-	-	-	-	-	-
Total assets	<u>\$ 4,586,780</u>	<u>\$ 6,572,608</u>	<u>\$ 4,484,794</u>	<u>\$ 203,614</u>	<u>\$ 70,216</u>	<u>\$ 109,422</u>	<u>\$ 121,469</u>	<u>\$ 47,816</u>	<u>\$ 657,115</u>
Liabilities and Fund Balance									
Liabilities									
Vouchers payable	\$ 98,731	\$ 411,614	\$ 171,808	\$ 8,941	\$ -	\$ (2,675)	\$ 542	\$ 47,816	\$ 8,441
Due to other funds	-	-	-	70	-	1,060	-	-	-
Deferred revenue	2,202,253	3,933,939	1,750,509	-	-	-	-	-	-
Total liabilities	<u>2,300,984</u>	<u>4,345,553</u>	<u>1,922,317</u>	<u>9,011</u>	<u>-</u>	<u>(1,615)</u>	<u>542</u>	<u>47,816</u>	<u>8,441</u>
Fund balance - reserved	156,549	-	32,844	9,265	-	-	-	-	131
Fund balance - unreserved	2,129,247	2,227,055	2,529,633	185,338	70,216	111,037	120,927	-	648,543
Total fund balance (deficit)	<u>2,285,796</u>	<u>2,227,055</u>	<u>2,562,477</u>	<u>194,603</u>	<u>70,216</u>	<u>111,037</u>	<u>120,927</u>	<u>-</u>	<u>648,674</u>
Total liabilities and fund balance	<u>\$ 4,586,780</u>	<u>\$ 6,572,608</u>	<u>\$ 4,484,794</u>	<u>\$ 203,614</u>	<u>\$ 70,216</u>	<u>\$ 109,422</u>	<u>\$ 121,469</u>	<u>\$ 47,816</u>	<u>\$ 657,115</u>

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Balance Sheets
November 30, 2008

	Nonmajor Funds							
	Court Document Storage	Law Library	Probation Service Fee	Forfeited Funds -State's Attorney	Gang Violence Victims and Witness	Dispute Resolution	Circuit Clerk Administration/ Operations	Court Automation
Assets								
Cash	\$ 884,724	\$ 5,902	\$ 237,077	\$ 4,304	\$ 53,218	\$ 10,162	\$ 33,972	\$ 435,965
Investments, at cost	424,490	12,113	121,062	31,461	68,270	-	-	408,402
Receivables:								
Taxes (net of allowance for estimated uncollectibles)	-	-	-	-	-	-	-	-
Accounts	7,999	4,326	6,667	11,073	489	361	1,475	7,995
Loans	-	-	-	-	-	-	-	-
Prepaid expenses	257	-	-	-	-	-	-	3,712
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Inventory, at cost	-	-	-	-	-	-	-	-
Total assets	\$ 1,317,470	\$ 22,341	\$ 364,806	\$ 46,838	\$ 121,977	\$ 10,523	\$ 35,447	\$ 856,074
Liabilities and Fund Balance								
Liabilities								
Vouchers payable	\$ 962	\$ 15,862	\$ -	\$ 1,138	\$ -	\$ -	\$ -	\$ 1,169
Due to other funds	-	-	-	10,384	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	962	15,862	-	11,522	-	-	-	1,169
Fund balance - reserved	257	-	-	-	-	-	-	3,712
Fund balance - unreserved	1,316,251	6,479	364,806	35,316	121,977	10,523	35,447	851,193
Total fund balance (deficit)	1,316,508	6,479	364,806	35,316	121,977	10,523	35,447	854,905
Total liabilities and fund balance	\$ 1,317,470	\$ 22,341	\$ 364,806	\$ 46,838	\$ 121,977	\$ 10,523	\$ 35,447	\$ 856,074

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Balance Sheets
November 30, 2008

	Nonmajor Funds						
	Driver Improvement Program	Arrestee Medical	Health	Veterans Assistance	Forfeited Funds - Sheriff	Revolving CDAP Loans	County Motor Fuel Tax
Assets							
Cash	\$ 4,477	\$ 12,624	\$ 240,567	\$ 156,388	\$ 4,044	\$ 463,748	\$ 63,656
Investments, at cost	-	-	1,011,334	176,492	-	338,268	172,868
Receivables:							
Taxes (net of allowance for estimated uncollectibles)	-	-	451,744	207,049	-	-	-
Accounts	4,785	578	-	120	-	3,639	-
Loans	-	-	-	-	-	391,306	-
Prepaid expenses	-	-	-	-	-	-	119,662
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	554,259	-	-	-	151,266
Inventory, at cost	-	-	52,589	-	-	-	-
Total assets	<u>\$ 9,262</u>	<u>\$ 13,202</u>	<u>\$ 2,310,493</u>	<u>\$ 540,049</u>	<u>\$ 4,044</u>	<u>\$ 1,196,961</u>	<u>\$ 507,452</u>
Liabilities and Fund Balance							
Liabilities							
Vouchers payable	\$ 6,715	\$ 12,300	\$ 62,729	\$ 14,974	\$ -	\$ -	\$ 123,600
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	489,460	214,831	-	-	-
Total liabilities	<u>6,715</u>	<u>12,300</u>	<u>552,189</u>	<u>229,805</u>	<u>-</u>	<u>-</u>	<u>123,600</u>
Fund balance - reserved	-	-	19,629	-	-	-	119,662
Fund balance - unreserved	2,547	902	1,738,675	310,244	4,044	1,196,961	264,190
Total fund balance (deficit)	<u>2,547</u>	<u>902</u>	<u>1,758,304</u>	<u>310,244</u>	<u>4,044</u>	<u>1,196,961</u>	<u>383,852</u>
Total liabilities and fund balance	<u>\$ 9,262</u>	<u>\$ 13,202</u>	<u>\$ 2,310,493</u>	<u>\$ 540,049</u>	<u>\$ 4,044</u>	<u>\$ 1,196,961</u>	<u>\$ 507,452</u>

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Balance Sheets
November 30, 2008

	Nonmajor Funds						Total Nonmajor Funds	Total
	Matching Tax	County Bridge	Township Bridge	Geographical Information System	Marriage Fund	WIA Grants		
Assets								
Cash	\$ 377,109	\$ 526,484	\$ 30,145	\$ 206,657	\$ 2,663	\$ 3,426	\$ 4,306,501	\$ 9,518,225
Investments, at cost	2,609,470	1,760,809	-	118,280	-	-	7,795,385	9,879,172
Receivables:								
Taxes (net of allowance for estimated uncollectibles)	847,020	847,020	-	-	-	-	2,352,833	10,239,534
Accounts	-	-	-	1,557	-	119,011	279,076	542,132
Loans	-	-	-	-	-	-	391,306	391,306
Prepaid expenses	-	-	-	-	-	30,952	163,979	320,528
Due from other funds	-	-	-	-	-	-	-	9,521
Due from other governments	-	-	-	-	-	-	705,525	705,525
Inventory, at cost	-	-	-	-	-	-	52,589	85,433
Total assets	\$ 3,833,599	\$ 3,134,313	\$ 30,145	\$ 326,494	\$ 2,663	\$ 153,389	\$ 16,047,194	\$ 31,691,376
Liabilities and Fund Balance								
Liabilities								
Vouchers payable	\$ 146,435	\$ 59,239	\$ -	\$ 27,101	\$ -	\$ 153,389	\$ 688,678	\$ 1,370,831
Due to other funds	-	-	-	-	-	-	11,514	11,514
Deferred revenue	847,020	847,020	-	-	-	-	2,398,331	10,285,032
Total liabilities	993,455	906,259	-	27,101	-	153,389	3,098,523	11,667,377
Fund balance - reserved	-	-	-	-	-	30,952	183,608	373,001
Fund balance - unreserved	2,840,144	2,228,054	30,145	299,393	2,663	(30,952)	12,765,063	19,650,998
Total fund balance (deficit)	2,840,144	2,228,054	30,145	299,393	2,663	-	12,948,671	20,023,999
Total liabilities and fund balance	\$ 3,833,599	\$ 3,134,313	\$ 30,145	\$ 326,494	\$ 2,663	\$ 153,389	\$ 16,047,194	\$ 31,691,376

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Statements of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended November 30, 2008

	Major Funds			Nonmajor Funds					
	Tort Liability	Pension	County Highway	Recorder Computer	County Clerk Computer	County Treasurer Computer	Treasurer's Interest	Subrecipient Grants	Court Security Fee
Revenues:									
Property taxes	\$ 2,294,826	\$ 3,671,652	\$ 1,659,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,067	272,032	-	-	-	-	-	506,769	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Fines and fees	-	-	774,038	101,715	20,562	21,193	19,920	-	323,988
Interest on investments	18,918	28,791	38,463	2,879	1,050	1,926	2,276	-	9,410
Miscellaneous	-	-	92,250	-	-	16,803	-	-	-
Total revenues	<u>2,315,811</u>	<u>3,972,475</u>	<u>2,564,085</u>	<u>104,594</u>	<u>21,612</u>	<u>39,922</u>	<u>22,196</u>	<u>506,769</u>	<u>333,398</u>
Expenditures:									
General government	2,295,495	4,670,166	-	77,904	7,683	29,799	2,993	-	-
Judiciary and court related	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	285,686	226,685
Public health and welfare	-	-	-	-	-	-	-	-	-
Transportation	-	-	2,148,174	-	-	-	-	221,083	-
Economic development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	353,872	6,365	6,240	11,257	-	-	68,052
Debt service principal	-	-	-	-	-	-	-	-	-
Debt service interest	-	-	-	-	-	-	-	-	-
Total expenditures	<u>2,295,495</u>	<u>4,670,166</u>	<u>2,502,046</u>	<u>84,269</u>	<u>13,923</u>	<u>41,056</u>	<u>2,993</u>	<u>506,769</u>	<u>294,737</u>
Excess (deficiency) of revenues over expenditures	<u>20,316</u>	<u>(697,691)</u>	<u>62,039</u>	<u>20,325</u>	<u>7,689</u>	<u>(1,134)</u>	<u>19,203</u>	<u>-</u>	<u>38,661</u>
Other financing sources (uses):									
Operating transfers out	-	-	-	-	-	-	(25,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>20,316</u>	<u>(697,691)</u>	<u>62,039</u>	<u>20,325</u>	<u>7,689</u>	<u>(1,134)</u>	<u>(5,797)</u>	<u>-</u>	<u>38,661</u>
Fund balance, beginning of year	<u>2,265,480</u>	<u>2,924,746</u>	<u>2,500,438</u>	<u>174,278</u>	<u>62,527</u>	<u>112,171</u>	<u>126,724</u>	<u>-</u>	<u>610,013</u>
Fund balance (deficit), end of year	<u>\$ 2,285,796</u>	<u>\$ 2,227,055</u>	<u>\$ 2,562,477</u>	<u>\$ 194,603</u>	<u>\$ 70,216</u>	<u>\$ 111,037</u>	<u>\$ 120,927</u>	<u>\$ -</u>	<u>\$ 648,674</u>

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Statements of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended November 30, 2008

	Nonmajor Funds							
	Court Document Storage	Law Library	Probation Service Fee	Forfeited Funds -State's Attorney	Gang Violence Victims and Witness	Dispute Resolution	Circuit Clerk Administration/ Operations	Court Automation
Revenues:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	8,246	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Fines and fees	135,954	68,408	89,257	-	8,707	5,772	20,343	137,158
Interest on investments	23,594	295	5,354	712	1,734	27	273	17,267
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>159,548</u>	<u>68,703</u>	<u>94,611</u>	<u>8,958</u>	<u>10,441</u>	<u>5,799</u>	<u>20,616</u>	<u>154,425</u>
Expenditures:								
General government	-	-	-	318	-	-	-	-
Judiciary and court related	18,318	84,880	1,015	11,152	-	-	-	40,907
Public safety	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Capital outlay	-	-	95,955	-	-	-	-	240
Debt service principal	-	-	-	-	-	-	-	-
Debt service interest	-	-	-	-	-	-	-	-
Total expenditures	<u>18,318</u>	<u>84,880</u>	<u>96,970</u>	<u>11,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,147</u>
Excess (deficiency) of revenues over expenditures	<u>141,230</u>	<u>(16,177)</u>	<u>(2,359)</u>	<u>(2,512)</u>	<u>10,441</u>	<u>5,799</u>	<u>20,616</u>	<u>113,278</u>
Other financing sources (uses):								
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>141,230</u>	<u>(16,177)</u>	<u>(2,359)</u>	<u>(2,512)</u>	<u>10,441</u>	<u>5,799</u>	<u>20,616</u>	<u>113,278</u>
Fund balance, beginning of year	<u>1,175,278</u>	<u>22,656</u>	<u>367,165</u>	<u>37,828</u>	<u>111,536</u>	<u>4,724</u>	<u>14,831</u>	<u>741,627</u>
Fund balance (deficit), end of year	<u>\$ 1,316,508</u>	<u>\$ 6,479</u>	<u>\$ 364,806</u>	<u>\$ 35,316</u>	<u>\$ 121,977</u>	<u>\$ 10,523</u>	<u>\$ 35,447</u>	<u>\$ 854,905</u>

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Statements of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended November 30, 2008

	Nonmajor Funds						
	Driver Improvement Program	Arrestee Medical	Health	Veterans Assistance	Forfeited Funds - Sheriff	Revolving CDAP Loans	County Motor Fuel Tax
Revenues:							
Property taxes	\$ -	\$ -	\$ 424,093	\$ 194,137	\$ -	\$ -	\$ -
Intergovernmental	-	-	2,564,763	3,218	-	-	1,804,252
Licenses and permits	-	-	206,119	-	-	-	-
Fines and fees	58,218	12,164	211,083	-	-	-	-
Interest on investments	46	41	38,008	4,819	22	43,418	12,419
Miscellaneous	-	-	21,031	4,848	-	25	-
Total revenues	58,264	12,205	3,465,097	207,022	22	43,443	1,816,671
Expenditures:							
General government	-	-	-	-	-	-	-
Judiciary and court related	66,314	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public health and welfare	-	-	3,199,294	201,437	-	-	-
Transportation	-	-	-	-	-	-	2,095,248
Economic development	-	-	-	-	-	-	-
Capital outlay	-	-	78,367	-	-	-	-
Debt service principal	-	-	69,469	-	-	-	-
Debt service interest	-	-	89,379	-	-	-	-
Total expenditures	66,314	-	3,436,509	201,437	-	-	2,095,248
Excess (deficiency) of revenues over expenditures	(8,050)	12,205	28,588	5,585	22	43,443	(278,577)
Other financing sources (uses):							
Operating transfers out	-	(12,300)	-	-	-	-	-
Total other financing sources (uses)	-	(12,300)	-	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(8,050)	(95)	28,588	5,585	22	43,443	(278,577)
Fund balance, beginning of year	10,597	997	1,729,716	304,659	4,022	1,153,518	662,429
Fund balance (deficit), end of year	\$ 2,547	\$ 902	\$ 1,758,304	\$ 310,244	\$ 4,044	\$ 1,196,961	\$ 383,852

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Statements of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended November 30, 2008

	Nonmajor Funds						Total Nonmajor Funds	Total
	Matching Tax	County Bridge	Township Bridge	Geographical Information System	Marriage Fund	WIA Grants		
Revenues:								
Property taxes	\$ 811,232	\$ 812,015	\$ -	\$ -	\$ -	\$ -	\$ 2,241,477	\$ 9,867,289
Intergovernmental	-	-	320,954	-	-	2,344,743	7,552,945	7,827,044
Licenses and permits	-	-	-	-	-	-	206,119	206,119
Fines and fees	-	-	-	190,972	2,320	2,862	1,430,596	2,204,634
Interest on investments	63,874	42,215	1,075	4,756	11	46	277,547	363,719
Miscellaneous	783	-	-	28,273	-	-	71,763	164,013
Total revenues	875,889	854,230	322,029	224,001	2,331	2,347,651	11,780,447	20,632,818
Expenditures:								
General government	-	-	-	257,978	-	-	376,675	7,342,336
Judiciary and court related	-	-	-	-	2,204	-	224,790	224,790
Public safety	-	-	-	-	-	-	512,371	512,371
Public health and welfare	-	-	-	-	-	-	3,400,731	3,400,731
Transportation	1,226,317	79,779	340,128	-	-	-	3,962,555	6,110,729
Economic development	-	-	-	-	-	2,344,451	2,344,451	2,344,451
Capital outlay	-	453,452	-	15,378	-	3,200	738,506	1,092,378
Debt service principal	-	-	-	-	-	-	69,469	69,469
Debt service interest	-	-	-	-	-	-	89,379	89,379
Total expenditures	1,226,317	533,231	340,128	273,356	2,204	2,347,651	11,718,927	21,186,634
Excess (deficiency) of revenues over expenditures	(350,428)	320,999	(18,099)	(49,355)	127	-	61,520	(553,816)
Other financing sources (uses):								
Operating transfers out	-	-	-	-	-	-	(37,300)	(37,300)
Total other financing sources (uses)	-	-	-	-	-	-	(37,300)	(37,300)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(350,428)	320,999	(18,099)	(49,355)	127	-	24,220	(591,116)
Fund balance, beginning of year	3,190,572	1,907,055	48,244	348,748	2,536	-	12,924,451	20,615,115
Fund balance (deficit), end of year	\$ 2,840,144	\$ 2,228,054	\$ 30,145	\$ 299,393	\$ 2,663	\$ -	\$ 12,948,671	\$ 20,023,999

Kankakee County, Illinois
 Juvenile Detention Debt Service Fund
 Statement of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended November 30, 2008

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ 570,720	\$ 582,240	\$ 11,520
Interest on investments	1,500	1,342	(158)
Total revenue	572,220	583,582	11,362
Expenditures:			
Other services and charges	301,923	307,601	5,678
Debt service principal	150,000	151,621	1,621
Debt service interest	118,797	117,176	(1,621)
Total expenditures	570,720	576,398	5,678
Excess (deficiency) of revenues over expenditures	<u>\$ 1,500</u>	7,184	<u>\$ 5,684</u>
Fund balance, beginning of year		<u>4,188</u>	
Fund balance, end of year		<u>\$ 11,372</u>	

Kankakee County, Illinois
Statement of Fiduciary Net Assets
Fiduciary Funds - Private Purpose Trust Funds
November 30, 2008

	Township MFT	Contract Appraisal Work	Total
Assets			
Cash	\$ 38,263	\$ 57,366	\$ 95,629
Investments, at cost	1,020,005	9,540	1,029,545
Receivables:			
Accounts receivable	76,965	-	76,965
Total assets	<u>\$ 1,135,233</u>	<u>\$ 66,906</u>	<u>\$ 1,202,139</u>
Liabilities and Net Assets			
Liabilities			
Vouchers payable	\$ 36,572	\$ -	\$ 36,572
Total liabilities	<u>36,572</u>	<u>-</u>	<u>36,572</u>
Net Assets			
Restricted for other purposes	1,098,661	66,906	1,165,567
Total net assets	<u>1,098,661</u>	<u>66,906</u>	<u>1,165,567</u>
Total liabilities and net assets	<u>\$ 1,135,233</u>	<u>\$ 66,906</u>	<u>\$ 1,202,139</u>

Kankakee County, Illinois
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds - Private Purpose Trust Funds
For the Year Ended November 30, 2008

	Township MFT	Contract Appraisal Work	Total
Additions:			
Intergovernmental	\$ 1,223,981	\$ 4,500	\$ 1,228,481
Interest	33,943	1,501	35,444
Total additions	1,257,924	6,001	1,263,925
Deductions:			
Transportation	1,738,397	-	1,738,397
Other services and charges	-	990	990
Total deductions	1,738,397	990	1,739,387
Change in net assets	(480,473)	5,011	(475,462)
Net assets, beginning of year	1,579,134	61,895	1,641,029
Net assets, end of year	\$ 1,098,661	\$ 66,906	\$ 1,165,567

Kankakee County, Illinois
Fiduciary Funds - Agency Funds
Combining Balance Sheet
November 30, 2008

	Back Tax	Riverside Country Estates S.A.	Arrowhead Hills S.A.	Drainage Districts	Collector	Sheriff Civil Process	Inheritance Tax	Condemnation Account	Tax Refund Account	Unclaimed Legacies and Bonds
Assets										
Cash	\$ 50,604	\$ (14,018)	\$ 58	\$ 251,885	\$ 598,471	\$ 27,648	\$ 571,167	\$ 16,084	\$ 2,403	\$ 81,166
Investments, at cost	-	-	13,299	335,495	-	-	-	37,908	-	31,094
Receivables										
Accounts	-	-	-	-	185,718	-	-	-	-	-
Total assets	<u>\$ 50,604</u>	<u>\$ (14,018)</u>	<u>\$ 13,357</u>	<u>\$ 587,380</u>	<u>\$ 784,189</u>	<u>\$ 27,648</u>	<u>\$ 571,167</u>	<u>\$ 53,992</u>	<u>\$ 2,403</u>	<u>\$ 112,260</u>
Liabilities										
Vouchers payable	\$ -	\$ -	\$ -	\$ 5,652	\$ -	\$ -	\$ 569,350	\$ -	\$ -	\$ -
Due to other governments	29,549	-	-	-	784,189	-	-	-	-	-
Due to others	<u>21,055</u>	<u>(14,018)</u>	<u>13,357</u>	<u>581,728</u>	<u>-</u>	<u>27,648</u>	<u>1,817</u>	<u>53,992</u>	<u>2,403</u>	<u>112,260</u>
Total liabilities	<u>\$ 50,604</u>	<u>\$ (14,018)</u>	<u>\$ 13,357</u>	<u>\$ 587,380</u>	<u>\$ 784,189</u>	<u>\$ 27,648</u>	<u>\$ 571,167</u>	<u>\$ 53,992</u>	<u>\$ 2,403</u>	<u>\$ 112,260</u>

Kankakee County, Illinois
Fiduciary Funds - Agency Funds
Combining Balance Sheet
November 30, 2008

	Sheriff Seizure	Sheriff Sale Account	Sheriff Commissary	Circuit Clerk	County Clerk	Teen Court	Total
Assets							
Cash	\$ 7,452	\$ 47,448	\$ 231,032	\$ 1,650,530	\$ 613,605	\$ 12,203	\$ 4,147,738
Investments, at cost	-	-	-	500,000	-	-	917,796
Receivables							
Accounts	-	-	-	-	-	1,963	187,681
Total assets	<u>\$ 7,452</u>	<u>\$ 47,448</u>	<u>\$ 231,032</u>	<u>\$ 2,150,530</u>	<u>\$ 613,605</u>	<u>\$ 14,166</u>	<u>\$ 5,253,215</u>
Liabilities							
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 925	\$ 575,927
Due to other governments	-	-	-	-	-	-	813,738
Due to others	7,452	47,448	231,032	2,150,530	613,605	13,241	3,863,550
Total liabilities	<u>\$ 7,452</u>	<u>\$ 47,448</u>	<u>\$ 231,032</u>	<u>\$ 2,150,530</u>	<u>\$ 613,605</u>	<u>\$ 14,166</u>	<u>\$ 5,253,215</u>

Kankakee County, Illinois
Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended November 30, 2008

	Beginning of Year	Additions	Reductions	End of Year
Back Tax	\$ 750,396	\$ 576,853	\$ 1,276,645	\$ 50,604
Riverside Country Estates Special Assessment	7,136	14,622	35,776	(14,018)
Arrowhead Hill Special Assessment	13,069	288	-	13,357
Drainage Districts	582,598	112,827	108,045	587,380
Collector	5,623,563	142,916,800	147,756,174	784,189
Sheriff Civil Process	2,880	269,388	244,620	27,648
Inheritance Tax	1,235	1,398,139	828,207	571,167
Condemnation Account	53,108	884	-	53,992
Tax Refund Account	2,399	4	-	2,403
Legacies	99,270	12,990	-	112,260
Sheriff Seizure	8,802	18,434	19,784	7,452
Sheriff Sale Account	168,771	2,131,905	2,253,228	47,448
Sheriff Commissary	141,579	1,096,224	1,006,771	231,032
Circuit Clerk	2,363,897	9,406,109	9,619,476	2,150,530
County Clerk	388,868	4,079,905	3,855,168	613,605
Teen Court	9,614	34,072	29,520	14,166
Total	<u>\$ 10,217,185</u>	<u>\$ 162,069,444</u>	<u>\$ 167,033,414</u>	<u>\$ 5,253,215</u>

Kankakee County, Illinois
Assessed Valuations, Rates and Extensions
For the tax levy years 1998 through 2007

Extension year	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Assessed valuation, net of special districts and general abatements	<u>\$1,775,003,707</u>	<u>\$1,706,053,999</u>	<u>\$1,518,196,140</u>	<u>\$1,379,219,189</u>	<u>\$1,354,612,444</u>	<u>\$1,324,721,431</u>	<u>\$1,259,599,751</u>	<u>\$1,192,275,916</u>	<u>\$1,120,355,538</u>	<u>\$1,059,065,406</u>
Tax rates:										
General corporate	\$ 0.222	\$ 0.232	\$ 0.237	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250
IMRF	0.117	0.116	0.112	0.118	0.115	0.113	0.114	0.115	0.106	0.114
County health	0.024	0.025	0.026	0.027	0.025	0.025	0.025	0.025	0.027	0.025
Liability insurance	0.130	0.133	0.134	0.141	0.129	0.127	0.120	0.121	0.112	0.121
County highway	0.094	0.096	0.098	0.100	0.100	0.100	0.100	0.100	0.100	0.094
Social security	0.091	0.092	0.091	0.096	0.095	0.092	0.094	0.094	0.091	0.094
Veterans	0.011	0.009	0.009	0.010	0.009	0.009	0.016	0.018	0.018	0.018
Highway matching	0.046	0.047	0.049	0.050	0.050	0.050	0.050	0.050	0.050	0.048
Joint Bridge	0.046	0.047	0.049	0.050	0.050	0.050	0.050	0.050	0.050	0.048
Public Building Commission	0.033	0.016	0.016	0.017	0.037	0.036	0.038	0.038	0.039	0.041
Extension education	0.019	0.020	0.021	0.022	0.021	0.020	0.020	0.020	0.020	0.020
Total tax rates	<u>\$ 0.833</u>	<u>\$ 0.833</u>	<u>\$ 0.842</u>	<u>\$ 0.881</u>	<u>\$ 0.881</u>	<u>\$ 0.872</u>	<u>\$ 0.877</u>	<u>\$ 0.881</u>	<u>\$ 0.863</u>	<u>\$ 0.873</u>
Tax extensions:										
General corporate	\$ 4,090,085	\$ 3,818,656	\$ 3,598,125	\$ 3,448,048	\$ 3,386,531	\$ 3,311,804	\$ 3,148,999	\$ 2,980,690	\$ 2,800,889	\$ 2,647,664
IMRF	2,155,586	1,909,328	1,700,380	1,627,479	1,557,804	1,496,935	1,435,944	1,371,117	1,187,577	1,207,335
County health	442,171	411,493	394,731	372,389	338,653	331,180	314,900	298,069	302,496	264,766
Liability insurance	2,395,095	2,189,143	2,034,383	1,944,699	1,747,450	1,682,396	1,511,520	1,442,654	1,254,798	1,281,469
County highway	1,731,838	1,580,134	1,487,832	1,379,219	1,354,612	1,324,721	1,259,600	1,192,276	1,120,356	995,521
Social security	1,676,567	1,514,295	1,381,558	1,324,050	1,286,882	1,218,744	1,184,024	1,120,739	1,019,524	995,521
Veterans	202,662	148,138	136,638	137,922	121,915	119,225	201,536	214,610	201,664	190,632
Highway matching	847,495	773,607	743,916	689,610	677,306	662,361	629,800	596,138	560,178	508,351
Joint bridge	847,495	773,607	743,916	689,610	677,306	662,361	629,800	596,138	560,178	508,351
Public Building Commission	607,986	263,356	242,911	234,467	501,207	476,900	478,648	453,065	436,939	434,217
Extension education	350,052	329,194	318,821	303,428	284,469	264,944	251,920	238,455	224,071	211,813
Total tax extensions	<u>\$ 15,347,032</u>	<u>\$ 13,710,951</u>	<u>\$ 12,783,211</u>	<u>\$ 12,150,921</u>	<u>\$ 11,934,135</u>	<u>\$ 11,551,571</u>	<u>\$ 11,046,691</u>	<u>\$ 10,503,951</u>	<u>\$ 9,668,670</u>	<u>\$ 9,245,640</u>