

**SHELBY COUNTY, ILLINOIS  
ANNUAL FINANCIAL REPORT  
YEAR ENDED AUGUST 31, 2009**

**SHELBY COUNTY, ILLINOIS  
ANNUAL FINANCIAL REPORT  
YEAR ENDED AUGUST 31, 2009**

**MOSE, YOCKEY, BROWN & KULL, LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
SHELBYVILLE, ILLINOIS**

SHELBY COUNTY, ILLINOIS  
TABLE OF CONTENTS  
AUGUST 31, 2009

	<u>PAGES</u>
<b>Financial Section:</b>	
<b>Independent Auditor's Report</b>	1-2
<b>Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	3-4
<b>Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance In Accordance with OMB Circular A-133</b>	5-6
<b>Required Supplementary Information (Part 1 of 2):</b>	
Management's Discussion and Analysis	7-13
<b>Basic Financial Statements:</b>	
<b>Government-Wide Financial Statements (GWFS)</b>	
Statement of Net Assets – Modified Cash Basis	14
Statement of Activities – Modified Cash Basis	15
<b>Fund Financial Statements</b>	
Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis – Governmental Funds	16
Reconciliation of the Governmental Funds Statement of Assets, Liabilities and Fund Balance – Modified Cash Basis To the Statement of Net Assets – Modified Cash Basis	17
Statement of Revenues Received, Expenditures Disbursed And Changes in Fund Balance – Governmental Funds	18
Reconciliation of the Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance Of Governmental Funds to the Statement of Activities – Modified Cash Basis	19
Statement of Fiduciary Net Assets –Modified Cash Basis	20
<b>Notes to Basic Financial Statements</b>	21-42

SHELBY COUNTY, ILLINOIS  
TABLE OF CONTENTS  
AUGUST 31, 2009

**Required Supplementary Information (Part 2 of 2):**

Budgetary Comparison Schedule – Modified Cash Basis	
General Fund	43
County Health Fund	44
County Highway Fund	45
Municipal Retirement Fund	46
IMRF Schedule of Funding Progress	47
Note to Required Supplementary Information	48

**Other Supplementary Information**

General Fund

Combining Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis	49
Combining Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance	50
Combining Statement of Expenditures Disbursed	51-52
Schedule of Appropriations and Expenditures Disbursed	53-54

County Health Fund

Combining Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis	55
Combining Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance	56

County Highway Fund

Combining Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis	57
Combining Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance	58

Non-Major Governmental Funds

Combining Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis	59-62
Combining Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance	63-66

SHELBY COUNTY, ILLINOIS  
TABLE OF CONTENTS  
AUGUST 31, 2009

Fiduciary Funds

Combining Statement of Fiduciary Net Assets - Modified Cash Basis	67-68
--	-------

Other

Section 5311 Annual Financial Report	69
--------------------------------------	----

**Single Audit:**

Schedule of Expenditures of Federal Awards	70
Notes to the Schedule of Expenditures of Federal Awards	71
Schedule of Findings and Questioned Costs	72
Summary Schedule of Prior Audit Findings	73

**Financial Section**

230 N. Morgan Street  
P.O. Box 317  
Shelbyville, IL 62565  
Tel: 217.774.9587  
Fax: 217.774.9589  
Email: mybkcpas@consolidated.net



ROBIN R. YOCKEY, CPA  
HOPE M. BROWN, CPA  
KENT D. KULL, CPA

WILLIAM R. MOSE, CPA

## INDEPENDENT AUDITOR'S REPORT

County Board Members  
Shelby County  
Shelbyville, Illinois

We have audited the accompanying basic financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Shelby County, Illinois as of and for the year ended August 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Shelby County, Illinois' management. Our responsibility is to express opinions on these statements based on our audit.

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 provides a reasonable basis for our opinions.

As discussed in Note 1, Shelby County, Illinois prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

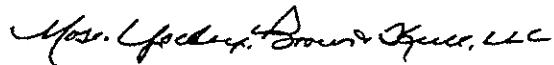
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Shelby County, Illinois, as of August 31, 2009, and the respective changes in financial position – modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2010, on our consideration of Shelby County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 on pages 7 through 13 and budgetary comparison information on pages 43 through 46, are not required parts of the 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 Shelby County, Illinois' basic financial statements. The combining fund financial statements and the Section 5311 Annual Financial Report listed as other supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Shelby County, Illinois. The combining fund financial statements, the Section 5311 Annual Financial Report, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The IMRF Schedule of Funding Progress included with this report is not a required part of the financial statements but is required supplementary information. The Schedule has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.



Mose, Yockey Brown & Kull, LLC  
Certified Public Accountants

March 5, 2010



230 N. Morgan Street  
P.O. Box 317  
Shelbyville, IL 62565  
Tel: 217.774.9587  
Fax: 217.774.9589  
Email: mybkcpas@consolidated.net



ROBIN R. YOCKEY, CPA  
HOPE M. BROWN, CPA  
KENT D. KULL, CPA  

---

WILLIAM R. MOSE, CPA

**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**

County Board Members  
Shelby County  
Shelbyville, Illinois

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Shelby County, Illinois, as of and for the year ended August 31, 2009, which collectively comprise Shelby County, Illinois' basic financial statements and have issued our report thereon dated March 5, 2010. 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 Shelby County, Illinois' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Shelby County, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Shelby County, Illinois' internal control over financial reporting.

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 Shelby County, Illinois' ability to initiate, authorize, record, process, or report financial data reliably in accordance with the modified cash basis of accounting such that there is more than a remote likelihood that a misstatement of Shelby County, Illinois' financial statements that is more than inconsequential will not be prevented or detected by Shelby County, Illinois' internal control.

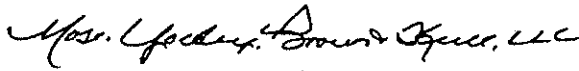
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Shelby County, Illinois' internal control.

Our consideration of 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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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



Mose, Yockey, Brown & Kull, LLC  
Certified Public Accountants

March 5, 2010

230 N. Morgan Street  
P.O. Box 317  
Shelbyville, IL 62565  
Tel: 217.774.9587  
Fax: 217.774.9589  
Email: mybkcpas@consolidated.net



ROBIN R. YOCKEY, CPA  
HOPE M. BROWN, CPA  
KENT D. KULL, CPA

WILLIAM R. MOSE, CPA

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

County Board Members  
Shelby County  
Shelbyville, Illinois

Compliance

We have audited the compliance of Shelby County, Illinois with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal programs for the year ended August 31, 2009. Shelby County, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of Shelby County, Illinois' management. Our responsibility is to express an opinion on Shelby County, Illinois' compliance based on our audit.

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

In our opinion, Shelby County, Illinois, complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended August 31, 2009.

Internal Control Over Compliance

The management of Shelby County, Illinois, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Shelby County, Illinois' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Shelby County, Illinois' internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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



Mose, Yockey, Brown & Kull, LLC  
Certified Public Accountants

March 5, 2010

**Required Supplementary Information**  
**(Part 1 of 2)**

**SHELBY COUNTY, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB No. 34), which established new requirements and a new reporting model for the annual financial reports of governments. The objective of the MD&A section is to enhance the understandability and usefulness of the basic financial statements. The MD&A should be read as an addendum to other information presented in the financial statements such as the Notes to the Financial Statements.

The financial statements incorporate the Shelby County Office of Tourism as a discretely presented component unit per GASB Statement No. 14. The Shelby County Airport Commission is included as a unit of the County. The Shelby County Airport Commission is considered a non-major governmental fund of the County.

Condensed financial statements shown in the MD&A are presented for the primary government only, and exclude the component unit. Therefore, the primary government referred to in the MD&A statements for Governmental activities is comprised of the County and the Airport Commission.

**FINANCIAL HIGHLIGHTS**

- Property taxes reported in the August 31, 2009 financial statements include three distributions of 2007 property taxes and one distribution of the 2008 property taxes. Prior year financial statements include only one year's property tax distributions. The amount of 2008 property taxes distributed to the county funds totaled \$2,170,423, with the county's General Fund receiving \$525,483 of the distribution.
- Repairs totaling \$160,867 were made to the exterior of the courthouse.
- A new base station system and voice recorder for the detention center was installed at a cost of \$131,783 and was paid from the capital improvement fund.
- Shelby County was the recipient of several grants and reimbursements during fiscal year 2009:
  - The Rural Transportation program was the recipient of two vehicles valued at \$125,466.
  - The Sheriff department received a \$32,417 grant from the Buffet Foundation for the purchase of digital video/audio recording system.
- The County's share of state income tax and local use tax decreased 18.3% from the prior year. Eleven payments were received and reported by the county in 2009, while twelve payments were received and recorded in 2008.
- The Clarksburg County Highway Bridge Project was completed during fiscal year 2009. The \$643,088 bridge was added to the County's infrastructure assets in the Statement of Net Assets. The project was 100% federally funded.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements include 1) government-wide financial statements, 2) governmental and fiduciary fund financial statements, and 3) notes to the financial statements. The basic financial statements also contain required and other supplementary information.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide financial statements provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The two government-wide statements are prepared on the modified cash basis of accounting and are explained below. Any internal activities within activity type in the government-wide financial statements have been eliminated or reclassified.

**The Statement of Net Assets – Modified Cash Basis** includes the County's total assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets can serve as a useful indicator of whether the financial position of the County is improving or deteriorating. A condensed version of this statement for Governmental activities is presented in the MD&A.

**The Statement of Activities – Modified Cash Basis** reports how the County's net assets changed during the fiscal year. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues. Governmental activities of the County include general government, public safety, corrections, judiciary, public works/transportation, and health and welfare.

### FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about significant funds available for appropriation. Fund accounting ensures compliance with finance-related legal requirements. The County has the following two types of funds:

**Governmental Funds** – Most of the County's basic services are included in governmental funds. The fund statement focuses on (1) cash and financial assets that can readily be converted to cash flow and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view. The General Fund is the main operating account of the County and the largest of the governmental funds. Fund income is comprised of various sources for non-dedicated purposes. Other major governmental funds include the County Health Fund, the County Highway Fund and the Municipal Retirement Fund. Remaining governmental funds, which include special revenue funds and capital projects funds, are considered non-major governmental funds.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The County's fiduciary funds consist of agency funds, which are used to account for monies received, held and disbursed, as required by statute.

## 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.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

On the following condensed statement, net assets are calculated as total assets less total liabilities. Assets are distinguished as capital assets and the remainder as current and other assets. Liabilities are classified as long-term (average maturity of greater than one year) and the remainder as other liabilities. Per generally accepted accounting principles, net assets are subdivided into three categories; net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County had \$899,679 and \$505,078 of restricted net assets as of August 31, 2009 and 2008, respectively. Net assets may serve over time as a useful indicator of a government's financial position. The Governmental net assets were \$21,738,641 and \$18,060,298 as of August 31, 2009 and 2008, respectively.

Following is a separate Summary of Net Assets – modified cash basis as of August 31, 2009 and 2008 for Governmental Activities:

#### Summary of Net Assets – Modified Cash Basis Governmental Activities August 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Current and other assets	\$11,510,771	\$ 8,588,557
Capital assets, net of accumulated depreciation	<u>10,390,411</u>	<u>9,672,171</u>
Total Assets	<u>\$21,901,182</u>	<u>\$18,260,728</u>
Long-term liabilities outstanding	\$ 26,007	\$ 66,230
Other Liabilities	<u>136,534</u>	<u>134,200</u>
Total Liabilities	<u>\$ 162,541</u>	<u>\$ 200,430</u>
Net Assets:		
Invested in capital assets, net of related debt	\$10,352,441	\$ 9,605,941
Restricted for Insurance	895,292	502,613
Restricted for Rescue Squad	4,387	2,465
Unrestricted	<u>10,486,521</u>	<u>7,949,279</u>
Total Net Assets	<u>\$21,738,641</u>	<u>\$18,060,298</u>

Forty-eight percent of the County's Government-wide total net assets reflect investment in capital assets such as land, buildings, machinery, and equipment, less any related outstanding debt used to acquire those assets as of August 31, 2009 compare to 53% as of August 31, 2008. The County uses these capital assets in operations and, consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



The remaining balance of unrestricted net assets may be used to meet the County's ongoing obligations. As of August 31, 2009 and 2008, the County had positive balances in all categories of net assets for the governmental activities. Net assets increased \$3,678,343 for governmental activities. The County's overall financial position improved during fiscal year 2009.

The following statement is a condensed version of the Changes in Net Assets – modified cash basis for Governmental Activities:

**Changes in Net Assets – Modified Cash Basis**  
**Year Ended August 31, 2009 and 2008**

Receipts:	<u>2009</u>	<u>2008</u>
Program Receipts:		
Charges for services	\$ 1,308,925	\$ 1,305,802
Operating grants and contributions	1,671,689	1,628,404
Capital grants and contributions	768,554	1,392,606
General Receipts:		
Property taxes	5,945,119	3,359,671
Sales and other taxes	1,912,659	2,131,479
Unrestricted investment earnings	167,737	143,688
Other receipts	<u>139,474</u>	<u>160,993</u>
Total Receipts	<u>\$11,914,157</u>	<u>\$ 10,122,643</u>
Disbursements:		
General government	\$ 2,757,260	\$ 2,687,261
Public safety	1,582,376	1,558,235
Corrections	100,537	85,007
Judiciary	385,172	392,369
Public works/transportation	2,209,152	1,938,476
Health and welfare	1,195,563	1,301,572
Interest on long-term debt	<u>5,754</u>	<u>9,790</u>
Total Disbursements	<u>\$ 8,235,814</u>	<u>\$ 7,972,710</u>
Change in net assets	\$ 3,678,343	\$ 2,149,933
Net assets – September 1,	<u>18,060,298</u>	<u>15,910,365</u>
Net assets – August 31,	<u>\$21,738,641</u>	<u>\$18,060,298</u>

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County's Governmental Funds provide information on near-term inflows, outflows, and balances of spendable resources. The unreserved fund balance indicates the net resources available for spending at the end of the fiscal year. It is a particularly useful indicator of net resources. When coupled with future resources, these resources shape the programs and the disbursements in future years. Per the Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance, the County's Governmental Funds reported a combined fund balance of \$11,064,290 and \$8,107,655 as of August 31, 2009 and 2008, respectively. Of these amounts, \$895,292 and \$502,613 are reserved for insurance, \$0 and \$2,465 are reserved for rescue squad and \$664,962 and \$503,984 are reserved for future projects and \$4,387 and \$0 for inventory, and \$1,801,702 and \$1,984,376 are designated for future capital improvement projects as of August 31, 2009 and 2008, respectively. Of the total Governmental Funds fund balance, \$7,697,947 and \$5,114,217 are unreserved and undesignated and were available for appropriations as of August 31, 2009 and 2008, respectively.

The fund balance for all Governmental Funds at the fiscal years ended August 31, 2009 and 2008 had a positive net change of \$2,956,635 and \$946,486, respectively.

Per the Statement of Revenues Received, Expenditures Disbursed and Change in Fund Balance, total Governmental receipts for the fiscal years 2009 and 2008 were \$11,170,395 and \$8,744,887, respectively and total disbursements were \$8,281,760 and \$7,873,401, respectively.

### GENERAL FUND

The County Board concentrates its financial oversight on the General Fund because it is the core operating fund and allows the most discretion in allocations. At the end of fiscal year 2009 and 2008, the unreserved and undesignated fund balances in the General Fund were \$1,793,172 and \$1,367,113, respectively; the reserved portions for insurance commitments were \$895,292 and \$502,613, respectively, the reserved portions for rescue squad were \$0 and \$2,465, respectively and \$4,387 and \$0 for inventory, and the designated portions were \$1,801,702 and \$1,984,376 for capital improvements, respectively. The unreserved and undesignated fund balance represents 40 and 35 percent of the General Fund's total fund balance for the years ended August 31, 2009 and 2008, respectively. For the year ended August 31, 2009, receipts of \$4,755,894 less disbursements of \$3,808,634 resulted in an increase in fund balance of \$947,260. After the net transfers of (\$309,274), the result was a net increase in the General Fund fund balance of \$637,986. For the year ended August 31, 2008, receipts of \$4,216,032 less disbursements of \$3,698,337 and net transfers of (\$156,680) resulted in a increase in fund balance of \$361,015.

The largest receipt sources for the General Fund are property taxes, sales taxes, and income taxes which account for 71 and 66 percent of receipts for the years ended August 31, 2009 and 2008. General government and public safety are the primary operations of the general fund. Approximately 84 percent of the General Fund's disbursements are for general government and public safety activities for the years ended August 31, 2009 and 2008.

## COUNTY HEALTH FUND

The largest source of revenues received for the County Health Fund are property taxes, federal and state grant receipts from State of Illinois agencies which account for 87 and 86 percent of receipts for the years ended August 31, 2009 and 2008, respectively. The County Health Fund's basic purpose is the protection and improvement of the public health in the County.

## COUNTY HIGHWAY FUND

The largest source of revenues received for the County Highway Fund are property taxes and Motor Fuel Tax which accounts for 78 and 71 percent of receipts for the years ended August 31, 2009 and 2008, respectively. The County Highway Fund accounts for the maintenance and construction of roads and bridges in the County.

## MUNICIPAL RETIREMENT

The largest source of revenues received for the Municipal Retirement Fund is property taxes which accounts for 98 and 96 percent of receipts for the years ended August 31, 2009 and 2008, respectively.

## BUDGETARY HIGHLIGHTS

The County prepares an estimate of revenues and a budget for the General Fund and all of the Special Revenue Funds using the modified cash basis of accounting. The County's Fiduciary Funds are not required to prepare budgets. The General Fund's actual receipts were more than budgeted amounts by \$534,924 and actual disbursements were less than budgeted amounts by \$404,432, resulting in a positive budget variance of \$939,356. The required Supplementary Information section contains the Budgetary Comparison Schedule – Modified Cash Basis for the General Fund, County Health Fund, County Highway Fund and Municipal Retirement on pages 43 through 46.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### CAPITAL ASSETS

The County's investments in capital assets as of August 31, 2009 and 2008 (net of accumulated depreciation), are summarized below for Governmental-Type Activities:

	<b>Capital Assets Governmental Activities (Net of Depreciation) <u>August 31, 2009 and 2008</u></b>	
	<u>2009</u>	<u>2008</u>
Land	\$ 3,303,690	\$ 3,303,690
Work in Process	160,867	182,068
Buildings and Improvements	2,027,737	1,933,747
Vehicles	324,512	253,979
Maintenance Vehicles	220,738	222,532
Infrastructure	3,942,238	3,420,787
Equipment	<u>410,629</u>	<u>355,368</u>
Total Capital Assets, net of depreciation	<u>\$10,390,411</u>	<u>\$ 9,672,171</u>

During fiscal years 2009 and 2008, total capital assets for the County had a net increase (including additions, decreases, and depreciation) of \$718,240 and \$1,162,552, respectively. These increases reflect the current additions for vehicles, equipment, building and highway infrastructure and other miscellaneous equipment. The County recorded \$545,029 and \$490,448 of depreciation expense for the fiscal years 2009 and 2008, respectively and the amounts of accumulated depreciation are \$4,740,354 and \$4,195,325 as of August 31, 2009 and 2008, respectively.

More detailed information is presented in Note 6 to the financial statements.

### **LONG TERM DEBT**

The County has a statutorily imposed legal general obligation bond limit of 5.75% of its total assessed valuation. That limit is approximately 15 million dollars, and is substantially greater than current outstanding debt principal.

The following is a summary of the County's gross outstanding long-term debt as of August 31, 2009 and 2008:

**Outstanding Long-Term Debt  
Governmental Activities  
August 31, 2009 and 2008**

<u>Debt Description</u>	<u>2009</u>	<u>2008</u>
Special Service Area Bonds	\$ --	\$ 4,500
Lease Purchase Agreements	<u>37,970</u>	<u>61,730</u>
Total County Outstanding Debt	<u>\$ 37,970</u>	<u>\$ 66,230</u>

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

### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, creditors, and pass through agencies with a general overview of the County's finances and to show the County's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Ms. Debra Page, Shelby County Treasurer, Shelby County Courthouse, Shelbyville, Illinois, 62565.

## Basic Financial Statements

**Government-Wide  
Financial Statements (GWFS)**

SHELBY COUNTY, ILLINOIS  
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS  
AUGUST 31, 2009

	Primary Government Governmental Activities	Component Unit
<b>ASSETS:</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 9,563,647	\$ 14,272
Certificates of Deposit	1,620,827	--
Notes Receivable		
Due within one year	200,988	--
Inventory	4,387	--
	<b>Total Current Assets</b>	<b>\$ 14,272</b>
Noncurrent Assets:		
Notes Receivable		
Due in more than one year	\$ 120,922	\$ --
Capital Assets		
Land	3,303,690	--
Work in Process	160,867	--
Buildings & Improvements	3,310,025	--
Vehicles	1,550,167	--
Maintenance Vehicles	656,864	--
Infrastructure	4,387,011	--
Equipment	1,762,141	4,820
Less: Accumulated Depreciation	(4,740,354)	(4,820)
	<b>Total Noncurrent Assets</b>	<b>\$ --</b>
	<b>TOTAL ASSETS</b>	<b>\$ 14,272</b>
<b>LIABILITIES:</b>		
Current Liabilities:		
Withholding Payable	\$ 51,925	\$ 963
Due to Other Governmental Units	72,646	--
Current Portion of Long-term Debt	11,963	--
	<b>Total Current Liabilities</b>	<b>\$ 963</b>
Noncurrent Liabilities		
Long term portion of debt	\$ 26,007	\$ --
	<b>Total Noncurrent Liabilities</b>	<b>\$ --</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 963</b>
<b>NET ASSETS</b>		
Investment in Capital Assets, Net of Related Debt	\$ 10,352,441	\$ --
Restricted for:		
Insurance	895,292	--
Inventory	4,387	--
Unrestricted	10,486,521	13,309
	<b>TOTAL NET ASSETS</b>	<b>\$ 13,309</b>

The accompanying notes are an integral part of these financial statements.

SHELBY COUNTY, ILLINOIS  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
YEAR ENDED AUGUST 31, 2009

Activities	PROGRAM RECEIPTS				Net (Disbursements) Receipts and Changes in Net Assets	
	Disbursements	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Primary
						Governmental Activities
<b>Primary Government:</b>						
<b>Governmental Activities</b>						
General Government	\$ 2,757,260	\$ 886,784	\$ 339,591	\$ --	\$ (1,530,885)	
Public Safety	1,582,376	154,178	3,600	--	(1,424,598)	
Corrections	100,537	--	--	--	(100,537)	
Judiciary	385,172	36,442	--	--	(348,730)	
Public Works/Transportation	2,209,152	115,645	962,945	768,554	(362,008)	
Health and Welfare	1,195,563	115,876	365,553	--	(714,134)	
Interest on Long-term Debt	5,754	--	--	--	(5,754)	
<b>Total Governmental Activities</b>	<b>\$ 8,235,814</b>	<b>\$ 1,305,925</b>	<b>\$ 1,671,689</b>	<b>\$ 768,554</b>	<b>\$ (4,486,646)</b>	
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 8,235,814</b>	<b>\$ 1,305,925</b>	<b>\$ 1,671,689</b>	<b>\$ 768,554</b>	<b>\$ (4,486,646)</b>	
<b>Component Unit:</b>						
Shelby County Tourism	\$ 92,638	\$ 18,544	\$ --	\$ --	\$ (74,094)	
<b>General Receipts:</b>						
Taxes - Property					\$ 5,945,119	
Taxes - Sales					580,276	
Taxes - Income					810,780	
Taxes - Motor Fuel					382,325	
Taxes - Replacement & Other					139,278	
Unrestricted Interest					167,737	
County Farm					28,700	
Miscellaneous					110,774	
<b>Total General Receipts and Transfers</b>					<b>\$ 8,164,989</b>	
<b>Change in Net Assets</b>					<b>\$ 3,678,343</b>	
<b>Net Assets - September 1, 2008</b>					<b>18,060,298</b>	
<b>Net Assets - August 31, 2009</b>					<b>\$ 21,738,641</b>	

The accompanying notes are an integral part of these financial statements.



## Fund Financial Statements

SHELBY COUNTY, ILLINOIS  
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -  
 MODIFIED CASH BASIS  
 GOVERNMENTAL FUNDS  
 AUGUST 31, 2009

	General Fund	County Health Fund	County Highway Fund	Municipal Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 3,454,041	\$ 1,141,414	\$ 1,138,924	\$ 964,240	\$ 2,865,028	\$ 9,563,647
Certificates of Deposit	1,124,342	246,776	--	--	249,709	1,620,827
Interfund Loans Receivable	257,466	3,980	--	--	780	262,226
Inventory	4,387	--	--	--	--	4,387
<b>TOTAL ASSETS</b>	<b>\$ 4,840,236</b>	<b>\$ 1,392,170</b>	<b>\$ 1,138,924</b>	<b>\$ 964,240</b>	<b>\$ 3,115,517</b>	<b>\$ 11,451,087</b>
<b>LIABILITIES</b>						
Withholding Payable	\$ 51,925	\$ --	\$ --	\$ --	\$ --	\$ 51,925
Interfund Loans Payable	221,112	3,980	--	37,134	--	262,226
Due to Other Governmental Units	72,646	--	--	--	--	72,646
<b>TOTAL LIABILITIES</b>	<b>\$ 345,683</b>	<b>\$ 3,980</b>	<b>\$ --</b>	<b>\$ 37,134</b>	<b>\$ --</b>	<b>\$ 386,797</b>
<b>FUND BALANCE</b>						
Fund Balance:						
Reserved:						
Reserved for Insurance	\$ 895,292	\$ --	\$ --	\$ --	\$ --	\$ 895,292
Reserved for Future Projects	--	--	664,962	--	--	664,962
Reserved for Inventory	4,387	--	--	--	--	4,387
Unreserved - Designated for Capital Improvements	1,801,702	--	--	--	--	1,801,702
Unreserved - Undesignated reported in:						
General Fund	1,793,172	--	--	--	--	1,793,172
Special Revenue Funds	--	1,388,190	473,962	927,106	3,113,857	5,903,115
Capital Projects Funds	--	--	--	--	1,660	1,660
<b>TOTAL FUND BALANCE</b>	<b>\$ 4,494,553</b>	<b>\$ 1,388,190</b>	<b>\$ 1,138,924</b>	<b>\$ 927,106</b>	<b>\$ 3,115,517</b>	<b>\$ 11,064,290</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 4,840,236</b>	<b>\$ 1,392,170</b>	<b>\$ 1,138,924</b>	<b>\$ 964,240</b>	<b>\$ 3,115,517</b>	<b>\$ 11,451,087</b>

The accompanying notes are an integral part of these financial statements.

SHELBY COUNTY, ILLINOIS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
 ASSETS, LIABILITIES AND FUND BALANCE - MODIFIED CASH BASIS  
 TO THE STATEMENT OF NET ASSETS - MODIFIED CASH BASIS  
AUGUST 31, 2009

Total Fund Balance for Governmental Funds	\$ 11,064,290
Total net assets reported for governmental activities in the statement of net assets is different because:	
Notes Receivable are not financial resources; therefore, they are not reported in the funds.	321,910
Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the funds:	
Land	3,303,690
Other Capital Assets	7,086,721
Long-term liabilities, including bonds payable are not due and payable in the current period; therefore, they are not reported in the funds	<u>(37,970)</u>
Net Assets of Governmental Activities	<u><u>\$ 21,738,641</u></u>

The accompanying notes are an integral part of these financial statements.

SHELBY COUNTY, ILLINOIS  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED AUGUST 31, 2009

	General Fund	County Health Fund	County Highway Fund	Municipal Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES RECEIVED:</b>						
Property Taxes	\$ 1,972,728	\$ 496,082	\$ 883,518	\$ 1,308,214	\$ 1,284,577	\$ 5,945,119
Sales Taxes	580,276	--	--	--	--	580,276
Intergovernmental Revenue:						
State Sources:						
Income Taxes	810,780	--	--	--	--	810,780
Motor Fuel Taxes	--	--	382,325	--	--	382,325
Replacement Tax	42,810	9,809	42,037	20,656	23,986	138,278
Other State Sources	334,980	239,554	203,007	--	354,104	1,131,645
Federal Sources	2,291	125,999	--	--	411,754	540,044
County Farm	28,700	--	--	--	--	28,700
Loan Repayments	--	--	--	--	24,792	24,792
Charges for Services	73,200	99,707	102,520	--	13,125	288,552
Licenses and Permits	5,751	--	--	--	--	5,751
Fines, Fees and Forfeits	687,663	--	--	--	237,431	925,094
Sales of Real Estate Stamps	89,528	--	--	--	--	89,528
Interest	78,639	18,146	18,823	1,054	51,075	167,737
Miscellaneous	48,548	40	502	--	61,884	110,774
<b>Total Revenues Received</b>	<b>\$ 4,755,894</b>	<b>\$ 989,337</b>	<b>\$ 1,632,732</b>	<b>\$ 1,329,924*</b>	<b>\$ 2,462,508</b>	<b>\$ 11,170,395</b>
<b>EXPENDITURES DISBURSED:</b>						
Current:						
General Government	\$ 1,870,895	--	--	\$ 488,151	\$ 319,718	\$ 2,658,764
Public Safety	1,321,117	--	--	--	119,417	1,440,534
Corrections	100,537	--	--	--	--	100,537
Judiciary	373,307	--	--	--	--	373,307
Public Works/Transportation	--	--	1,054,166	--	11,865	385,172
Health and Welfare	51,619	768,822	--	--	854,880	1,909,046
Debt Service	--	--	97,295	--	370,536	1,190,977
Capital Outlay	91,159	--	79,575	--	323,983	494,717
<b>Total Expenditures Disbursed</b>	<b>\$ 3,808,634</b>	<b>\$ 768,822</b>	<b>\$ 1,231,036</b>	<b>\$ 488,151</b>	<b>\$ 2,005,117</b>	<b>\$ 8,281,760</b>
<b>Revenues Received Over (Under) Expenditures Disbursed</b>	<b>\$ 947,260</b>	<b>\$ 220,515</b>	<b>\$ 401,696</b>	<b>\$ 861,773</b>	<b>\$ 457,391</b>	<b>\$ 2,888,635</b>
Other Financing Sources (Uses):						
Loan Proceeds	--	--	68,000	--	--	68,000
Operating Transfers In	616,877	--	250,000	--	309,274	1,176,151
Operating Transfers Out	(926,151)	--	(250,000)	--	--	(1,176,151)
<b>Net Change in Fund Balance</b>	<b>\$ 637,986</b>	<b>\$ 220,515</b>	<b>\$ 469,696</b>	<b>\$ 861,773</b>	<b>\$ 766,665</b>	<b>\$ 2,956,635</b>
<b>Fund Balance - September 1, 2008</b>	<b>3,656,567</b>	<b>1,167,675</b>	<b>669,228</b>	<b>65,333</b>	<b>2,348,852</b>	<b>8,107,655</b>
<b>Fund Balance - August 31, 2009</b>	<b>\$ 4,494,553</b>	<b>\$ 1,388,190</b>	<b>\$ 1,138,924</b>	<b>\$ 927,106</b>	<b>\$ 3,115,517</b>	<b>\$ 11,064,290</b>

The accompanying notes are an integral part of these financial statements.

SHELBY COUNTY, ILLINOIS  
 RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES  
 DISBURSED AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
YEAR ENDED AUGUST 31, 2009

Net Change in Fund Balance - Total Governmental Funds	\$	2,956,635
The Change in Net Assets reported for governmental activities in the Statement of Activities - modified cash basis is different because:		
Governmental funds report capital outlays as disbursements. However, in the Statement of Activities - modified cash basis the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and infrastructure additions net of insurance proceeds (\$494,717) did not exceed depreciation (\$545,029) in the current period.		(50,312)
Federal and State on-behalf payments for mini vans and road infrastructure are reported as capital grants and contributions in the Statement of Activities - modified cash basis; however, they are not recognized as receipts in the governmental funds.		768,554
Principal payments received on Notes Receivable reduce Notes Receivable and do not affect the Statement of Activities - modified cash basis		(24,793)
The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. Principal reductions were \$96,259 and debt proceeds were \$68,000.		28,259
Change in Net Assets of Governmental Activities	\$	3,678,343

The accompanying notes are an integral part of these financial statements.

SHELBY COUNTY, ILLINOIS  
STATEMENT OF FIDUCIARY NET ASSETS -  
MODIFIED CASH BASIS  
YEAR ENDED AUGUST 31, 2009

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	<u>\$ 3,330,225</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,330,225</u>
<b>LIABILITIES</b>	
Trust Funds due Others	<u>\$ 3,330,225</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 3,330,225</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ --</u></u>

The accompanying notes are an integral part of these financial statements.

**Notes to Basic Financial Statements**

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 1 - Summary of Significant Accounting Policies

Shelby County, Illinois was created on January 23, 1827 by an act of state legislature. The County is governed by an elected 22 member board and provides the following services: public safety, tax collection, highways and streets, health and social services, public improvements, planning and zoning, airport operations, corrections, public records, and general administration.

A. Reporting Entity

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The County's reporting entity includes the County's governing board and its component units for which the County is financially accountable under the definition described above. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

Blended Unit

Financial reporting for the Shelby County Airport Commission (SCAC) is blended with the primary government financial statements. The SCAC operates a landing field. Three members of the Shelby County Board serve as trustees of the SCAC. SCAC assets and activities are reported in the Airport Special Revenue Fund.

Discretely Presented Component Unit

The discretely presented component unit included in the County's financial statements is the Shelby County Office of Tourism (SCOT). The SCOT encourages and promotes tourism in the Shelby County area. All members of the SCOT board are selected by the chairman of the Shelby County Board and approved by the Shelby County board members. SCOT employees manage SCOT assets. The SCOT does not issue separate financial statements.

B. Related Organizations

The county's officials are also responsible for appointing the members of the boards of other organizations, but the county's accountability for these organizations does not extend beyond making the appointments.

C. Jointly Governed Organizations

Shelby County, in conjunction with the counties of Clark, Coles, Cumberland, Edgar and Moultrie has entered into an intergovernmental agreement for the purposes of conducting solid waste planning activities on a regional basis.



SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

D. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets-modified cash basis and the statement of activities-modified cash basis) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *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 its legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. *Direct* disbursements are those that are clearly identifiable with a specific function or segment. *Program receipts* 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) 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 receipts are reported instead as *general receipts*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting. Receipts are recorded when received and disbursements are recorded when checks are written. Capital assets are capitalized when purchased and depreciation is recognized over the estimated useful lives of the assets. Long-term liabilities are recognized when cash proceeds are received or the liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Receipts are recorded when received and expenditures are recorded when checks are written. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities.

Financial statements prepared on the modified cash basis of accounting are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *County Health Fund* is used to account for receipts and disbursements pertaining to the general operation of the Shelby County Health Department. The basic purpose of the Department is the protection and improvement of the public health in the County.

The *County Highway Fund* is used to account for receipts and disbursements pertaining to the general operation in the Shelby County Highway Department. The basic purpose of the Department is the maintenance and construction of roads and bridges in the County.

The *Municipal Retirement Fund* is used to account for receipts and disbursements pertaining to the retirement of the County's employees.

Additionally, the County reports the following fund types:

*Agency Funds* report assets and liabilities arising from collection of monies on behalf of the County and other governments and entities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance as the County does not have any business-type activities and enterprise funds as of August 31, 2008.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Budgets and Budgetary Accounting

Shelby County follows these procedures in establishing the budgetary data reflected in these financial statements.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

1. Prior to September 1, a proposed operating budget is prepared for the general fund and special revenue funds. This operating budget includes proposed disbursements for each line item in the general fund and major disbursement categories in the special revenue funds, and the proposed amount of real estate taxes to levy. No formal budgets are prepared for any funds other than the general fund and special revenue funds.
2. Public hearings are conducted through July and August to obtain taxpayer comments.
3. In September, the budget is legally enacted through the passage of an appropriation ordinance and a tax levy ordinance.
4. Budgets are adopted on the modified cash basis of accounting.
5. Budgets lapse at year end. Shelby County reappropriates the following year any unperformed contracts, commitments or any other encumbrances.
6. The County Board determines any amendments that may be made to the budget. Evaluation and financial control is also determined at the County Board level.

The original budget was adopted on August 13, 2008. Revisions were approved October 8, 2008, July 8, 2009 and the final budget on August 12, 2009.

G. Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

H. Certificates of Deposit

Certificates of deposits are stated at cost and held for investment purposes with original maturities exceeding three months.

I. Inventory

The County does not maintain inventories of supplies and materials with the exception of the value of the Real Estate Tax Stamps as held by the County Clerk's office. The tax stamp inventory is reported at cost using the specific identification method.

J. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from funds" on the governmental funds statement of assets, liabilities and fund balance - modified cash basis.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

K. Notes Receivable

The County has three notes receivable that are recorded as an asset on the government-wide statement of net assets-modified cash basis. In the fund financial statements, principal and interest payments are recorded as receipts in the statement of revenues received, expenditures disbursed and changes in fund balance.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, (e.g., roads, bridges, and similar items) are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amounts not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, and equipment of the County, as well as the component unit, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10-50
Land Improvements	15
Equipment and Vehicles	3-10
Infrastructure - Highways, Bridges, etc.	20-50

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statements of net assets-modified cash basis. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize the face amount of debt issued 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.

N. Capital Leases

Leases, which are in effect financing agreements under the provisions of FASB Statement 13, are recorded as capital leases. The present value of the asset and liability at the inception of the lease are recorded on the County's statement of net assets - modified cash basis.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

O. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. At August 31, 2009, the County had restricted net assets of \$895,292 for insurance and \$4,387 for real estate stamps inventory.

P. Interfund Transfers

The interfund transfers shown in the financial statements are categorized as operating transfers. Operating interfund transfers are those routine kinds of transfers made between funds due to the unique relationships between the funds involved. These transfers have not been recorded as loans with interfund repayment requirements.

The above transfers are made primarily for reimbursement of eligible expenditures and to supplement other funds resources.

Q. Risk Management

The County is exposed to various risks of loss including but not limited to, general liability, property casualty, auto liability, workers compensation and public official liability. To limit exposure to these risks the County purchased commercial insurance. There has not been a significant reduction in the County's insurance coverage as of August 31, 2009. Also, there have been no settlement amounts which exceeded insurance coverage in the past three years.

R. Use of Estimates

The preparation of financial statements with the modified cash basis of accounting requires the County to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues received and expenditures disbursed during the reporting period. Actual results could differ from these estimates.

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 2 - Property Taxes

Property tax revenues are recognized when they are received on the modified cash basis of accounting. Taxes levied and uncollected are not carried as an asset of the related fund.

Property taxes collected in calendar years 2008 and 2009 attached as an enforceable lien on property as of January 1, 2007 and 2008, respectively. These taxes were required to be levied by the County prior to the last Tuesday in December. The 2007 and 2008 levies were adopted by the County in September, 2007 and December, 2007. Property taxes were due from property owners in two installments in August and October. The property tax receipts for the year ending August 31, 2009, as shown in the financial statements, consist of three distributions from the 2007 levy and one distribution from the 2008 levy. Property taxes are distributed from August through February.

The following are the assessed valuations and tax rates applicable to the various levies per \$100 of assessed valuation for the property tax collections included in these financial statements.

	2008 <u>Maximum</u>	<u>2008 Levy</u>	<u>2007 Levy</u>
Assessed Valuation		<u>\$293,210,554</u>	<u>\$281,076,868</u>
Property Tax Rates:			
Extension Education	.05000	.02398	.02742
County	Unlimited	.31605	.25940
County Highway	.20000	.09587	.10000
County Bridge	.25000	.04794	.05000
Federal Aid	.05000	.04794	.05000
County Health	.17500	.10766	.11230
Municipal Retirement	Unlimited	.28376	.29623
Airport	.25000	.01418	.01621
Mental Health	.15000	.14380	.15000
Social Security	Unlimited	.10062	.10529
Tort Immunity Insurance	Unlimited	.06822	.07800
Workers' Comp. Insurance Tax	Unlimited	.05628	.06435
Unemployment Insurance Act	Unlimited	<u>.00614</u>	<u>.00585</u>
Total County Rate		<u>1.31244</u>	<u>1.31505</u>

Note 3 - Special Tax Levies, Reserved Equity and Designated Equity

Unemployment Insurance

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the General Fund. A portion, \$76,005, of the General Fund's equity represents the excess of cumulative receipts over cumulative disbursements which is restricted for future unemployment tax disbursements in accordance with *Illinois Compiled Statutes*.

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 3 - Special Tax Levies, Reserved Equity and Designated Equity (Continued)

Liability Insurance

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the General Fund. A portion, \$330,468, of the General Fund's equity represents the excess of cumulative receipts over cumulative disbursements which is restricted for future liability insurance disbursements in accordance with *Illinois Compiled Statutes*.

Workers' Compensation Insurance

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the General Fund. A portion, \$488,819, of the General Fund's equity represents the excess of cumulative receipts over cumulative disbursements which is restricted for future workers' compensation tax disbursements in accordance with *Illinois Compiled Statutes*.

Real Estate Stamps Inventory

\$4,387 is the value of the real state stamps inventory.

Future Projects

The reservation reflects Motor Fuel Tax and FASM monies.

Capital Improvements

This designated fund balance reflects the balance designated by the County Board for future capital improvement projects.

Note 4 - Cash and Investments

Cash and investments as of August 31, 2009 consist of the following:

	<u>Primary Government</u>	<u>Component Unit</u>
Cash on Hand	\$ 7,363	\$ 250
Deposits with financial institutions	11,177,111	14,022
Sub-Total Governmental Activities	\$ 11,184,474	\$ 14,272
Fiduciary Funds	3,330,225	--
Total	\$ 14,514,699	\$ 14,272

**Investments Authorized by *Illinois Compiled Statutes* and the County's Investment Policy**

The County is allowed to invest in securities as authorized by 30ILCS 235/2 and 235/6 of the *Illinois Compiled Statutes*. The County's investment policy is consistent with *Illinois Compiled Statutes*.

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 4 - Cash and Investments (Continued)

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the County manages its exposure to interest rate risk is by limiting its purchases of long term investments. At August 31, 2009 the County's investments were deposits in financial institutions. The deposits are all demand deposits with the exception of the following:

		<u>Maturity Date</u>
Certificate of Deposit	\$ 11,331	October 9, 2009
Certificate of Deposit	11,331	October 13, 2009
Certificate of Deposit	1,114,342	October 16, 2009
Certificate of Deposit	55,000	October 20, 2009
Certificate of Deposit	20,520	November 19, 2009
Certificate of Deposit	20,565	November 20, 2009
Certificate of Deposit	20,296	November 20, 2009
Certificate of Deposit	10,000	January 13, 2010
Certificate of Deposit	20,401	January 19, 2010
Certificate of Deposit	121,776	January 31, 2010
Certificate of Deposit	45,000	February 12, 2010
Certificate of Deposit	22,673	February 15, 2010
Certificate of Deposit	22,592	February 15, 2010
Certificate of Deposit	<u>125,000</u>	February 18, 2010
	<u>\$1,620,827</u>	

None of the County's investments are highly sensitive to interest rate fluctuations.

**Disclosure Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As the County's investments are all deposits with financial institutions, the investments are not subject to credit risk rating.

**Concentration of Credit Risk**

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. Deposits with financial institutions are not subject to credit risk rating.



SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 4 - Cash and Investments (Continued)

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. *Illinois Compiled Statutes* and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits.

As of August 31, 2009, \$15,412,707 of the County's deposits with financial institutions in excess of federal depository insurance limits were held in accounts collateralized by securities held by the pledging financial institution and \$203,289,164 were held in uncollateralized accounts.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. None of the County's investments are directly subject to foreign currency risk.

Note 5 - Notes Receivable

The County has the following three notes receivable outstanding at August 31, 2009:

Eagle Creek Resort

The terms of this loan agreement require 59 monthly installments of \$5,303.28 including interest of 5.0% and a final payment of the unpaid principal balance plus accrued interest on October 1, 2007. No payments were received by the County during fiscal year 2009.

Whitetail Crossing, Inc

The terms of this loan agreement require 10 annual installments of \$7,048.77 including interest of 3% commencing on June 1, 2007 until June 1, 2016.

Willow Ridge Vineyards and Winery

The terms of this loan agreement require four annual installments of \$15,272, including interest at 3%, and a final payment of \$85,132. Payments began on May 26, 2007 with the final payment due May 26, 2011.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 6 – Capital Assets

Capital assets activity for the year ended August 31, 2009 was as follows:

	<u>Balance September 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance August 31, 2009</u>
<b>Primary Government</b>				
Government activities:				
Capital assets not being depreciated:				
Land	\$ 3,303,690	\$ --	\$ --	\$ 3,303,690
Work In Process	<u>182,068</u>	<u>160,867</u>	<u>182,068</u>	<u>160,867</u>
	<u>\$ 3,485,758</u>	<u>\$ 160,867</u>	<u>\$ 182,068</u>	<u>\$ 3,464,557</u>
Capital assets being depreciated:				
Buildings & Improvements	\$ 3,126,529	\$ 183,496	\$ --	\$ 3,310,025
Vehicles	1,365,110	185,057	--	1,550,167
Maintenance Vehicles	577,289	79,575	--	656,864
Infrastructure	3,726,030	660,981	--	4,387,011
Equipment	<u>1,586,780</u>	<u>175,361</u>	<u>--</u>	<u>1,762,141</u>
<b>Total Capital Assets Being Depreciated</b>	<u>\$10,381,738</u>	<u>\$ 1,284,470</u>	<u>\$ --</u>	<u>\$ 11,666,208</u>
Less: Accumulated Depreciation:				
Buildings & Improvements	\$(1,192,782)	\$ (89,506)	\$ --	\$ (1,282,288)
Vehicles	(1,111,131)	(114,524)	--	(1,225,655)
Maintenance Vehicles	(354,757)	(81,369)	--	(436,126)
Infrastructure	(305,243)	(139,530)	--	(444,773)
Equipment	<u>(1,231,412)</u>	<u>(120,100)</u>	<u>--</u>	<u>(1,351,512)</u>
<b>Total Accumulated Depreciation</b>	<u>\$(4,195,325)</u>	<u>\$ (545,029)</u>	<u>\$ --</u>	<u>\$ (4,740,354)</u>
<b>Total Capital Assets being Depreciated net</b>	<u>\$ 6,186,413</u>	<u>\$ 739,441</u>	<u>\$ --</u>	<u>\$ 6,925,854</u>
<b>Governmental Activities Capital Assets, net</b>	<u>\$ 9,672,171</u>	<u>\$ 900,308</u>	<u>\$ 182,068</u>	<u>\$10,390,411</u>

Depreciation expenses were charged to the functions/programs of the Primary Government as follows:

Governmental activities:	
General Government	\$ 98,496
Public Safety	141,842
Public Works/Transportation	360,105
Health and Welfare	<u>4,586</u>
	<u>\$545,029</u>

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 6 – Capital Assets (Continued)

Capital assets activity of Shelby County Office of Tourism for the year ended August 31, 2009 was as follows:

	<u>Balance September 1, 2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance August 31, 2009</u>
Capital assets being Depreciated:				
Equipment	\$ 4,820	\$ --	\$ --	\$ 4,820
Less: Accumulated Depreciation				
Equipment	\$ (4,132)	\$ (688)	\$ --	\$ (4,820)
Capital assets, net	<u>\$ 688</u>	<u>\$ (688)</u>	<u>\$ --</u>	<u>\$ --</u>

Note 7 - Long-Term Liabilities

The following is a summary of changes in Long-Term Debt of Shelby County for the year ended August 31, 2009.

	<u>Balance September 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance August 31, 2009</u>	<u>Due Within One Year</u>
Governmental activities:					
Cat 930G Loader	\$ 49,303	\$ --	\$ 11,333	\$ 37,970	\$ 11,963
2007 International 7400 SFA	12,427	--	12,427	--	--
Garden Acres Subdivision Special Service Area Bonds	4,500	--	4,500	--	--
T-7500 Total Patcher/ Skid Mount Tank	--	68,000	68,000	--	--
	<u>\$ 66,230</u>	<u>\$ 68,000</u>	<u>\$ 96,260</u>	<u>\$ 37,970</u>	<u>\$ 11,963</u>

A. Equipment Lease Agreements

The Shelby County Highway Department has entered into the following equipment lease agreements:

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 7 - Long-Term Liabilities (Continued)

Cat 930G Loader

The municipal lease agreement, approved October 11, 2006 provides for five annual payments of \$14,168 including 5.8% interest due October 13 of each year for the lease/purchase of a \$60,000 Caterpillar 930G Loader. The County has an option to purchase the equipment before the expiration of the lease and the option to purchase the equipment for \$1 at the expiration of the lease.

International 7400 SFA

The municipal lease agreement dated September 18, 2006 provides for two annual payments of \$21,025 and a final payment of \$17,568 including 5.812% interest due September 18 of each year for the lease/purchase of a \$53,474 International 7400 SFA. The lease was paid in full at year end and the County exercised their option to purchase the truck for \$1.

T-7500 Total Patcher/Skid Mount Tank

The municipal lease agreement, approved December 17, 2008 provides for four annual payments of \$19,575 including 5.89% interest due December 15 of each year for the lease/purchase of a \$68,000 T-7500 Total Patcher/Skid Mount Tank. The County has an option to purchase the equipment before the expiration of the lease and the option to purchase the equipment for \$1 at the expiration of the lease. The lease was paid in full at year end and the County exercised their option to purchase the equipment for \$1.

B. Special Service Area Bonds

On February 10, 1999, the Shelby County Board adopted Ordinance 99-2, authorizing the issuance of \$36,000 Garden Acres Subdivision Special Service Area Bonds for the purpose of financing the repair and construction of platted roads and streets in the special service area. The bonds are dated February 15, 1999 and are due in annual installments of \$3,000 to \$4,500 through December 1, 2008 and have a stated interest rate of 4.85%. The bonds are obligations of Shelby County payable solely from ad valorem taxes levied without limitation upon all the taxable property in the Special Service Area. These bonds were paid in full at year end 2009.

C. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2009 are as follows:

Fiscal Year Ending August 31,	<u>Capital Lease Obligations</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 11,963	\$ 2,205
2011	12,657	1,511
2012	<u>13,350</u>	<u>777</u>
Total	<u>\$ 37,970</u>	<u>\$ 4,493</u>

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 7 - Long-Term Liabilities (Continued)

D. Legal Debt Margin

The County has a statutorily imposed legal general obligation bond limit of 5.75% of its total assessed valuation. That limit is approximately 15 million dollars and is substantially greater than the current outstanding debt principal.

Note 8 - Retirement Plans

Shelby County participates in two retirement systems; the Illinois Municipal Retirement (IMRF) and Social Security. Employees who meet prescribed annual hourly standards are members of IMRF.

A. Illinois Municipal Retirement Fund

Plan Description

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

Funding Policy

Regular Plan Members

As set by statute, Regular plan members are required to contribute 4.50 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 10.72 percent of annual covered payroll. Shelby 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.

ECO Plan

As set by statute, Elected County Official 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 58.64 percent of annual covered payroll. Shelby 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.

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 8 - Retirement Plans (Continued)

SLEP Plan

As set by statute, Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employer 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 5.55 percent of annual covered payroll. Shelby 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, Shelby County's annual pension costs of \$252,863 (Regular Plan), \$178,508 (ECO) and \$29,220 (SLEP) were equal to the required and actual contributions.

Trend Information:

Regular 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	\$ 252,863	100%	\$0
12/31/07	232,530	100%	0
12/31/06	218,426	100%	0

ECO 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	\$ 178,508	100%	\$0
12/31/07	151,746	100%	0
12/31/06	206,590	100%	0

SLEP 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	\$ 29,220	100%	\$0
12/31/07	56,491	100%	0
12/31/06	66,345	100%	0

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 8 - Retirement Plans (Continued)

Regular Plan

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal 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 Regular 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. Shelby County's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 24 years.

As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 73.30 percent funded. The actuarial accrued liability for benefits was \$7,650,165 and the actuarial value of assets was \$5,607,213, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,042,952. The covered payroll (annual payroll of active employees covered by the plan) was \$2,358,798 and the ratio of the UAAL to the covered payroll was 87 percent.

ECO Plan

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal 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 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. Shelby County's Elected County Official plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 24 years.

As of December 31, 2008, the most recent actuarial valuation date, the Elected County Official plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$1,179,709 and the actuarial value of assets was \$1,240,730, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,420,439. The covered payroll (annual payroll of active employees covered by the plan) was \$304,443 and the ratio of the UAAL to the covered payroll was 795 percent.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 8 - Retirement Plans (Continued)

SLEP Plan

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal 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 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. Shelby County's 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 December 31, 2006, was 24 years.

As of December 31, 2008, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 90.83 percent funded. The actuarial accrued liability for benefits was \$1,569,592 and the actuarial value of assets was \$1,425,689, resulting in an overfunded actuarial accrued liability (UAAL) of \$143,903. The covered payroll (annual payroll of active employees covered by the plan) was \$526,489 and the ratio of the UAAL to the covered payroll was 27 percent.

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

B. Social Security

All employees, including those covered by IMRF, are covered under Social Security. Shelby County paid \$255,097, the total required contribution for the year ended August 31, 2009.

Note 9 - Required Individual Fund Disclosures

Accounting principles generally accepted in the United States of America require disclosure, as part of the financial statements, of certain information concerning individual funds including:



SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 9 - Required Individual Fund Disclosures (Continued)

A. Excess of Expenditures over Budgets in Individual Funds

The following instances of overexpending the budget were noted:

<u>Fund</u>	<u>Expenditures</u>	<u>Budgeted Amounts</u>	<u>Overexpenditure</u>
Capital Improvement	\$ 323,750	\$ 319,994	\$ 3,756
County Airport	108,390	72,900	35,490
Garden Acres	4,718	0	4,718

B. Deficit Fund Balances of Individual Funds

No funds had deficit fund balance at August 31, 2009.

C. Individual Fund Interfund Receivable and Payable Balances

Individual fund interfund receivable and payable balances at August 31, 2009 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>MAJOR FUNDS:</b>		
<b>GENERAL FUND:</b>		
Other than Fee Offices	\$ 37,314	\$ 221,112
Coal Rights	220,152	--
Total General Fund	<u>\$ 257,466</u>	<u>\$ 221,112</u>
<b>COUNTY HEALTH FUND:</b>		
Miscellaneous County Health	\$ 25	\$ 3,800
County Health	--	180
Home Nursing	3,955	--
Total County Health Fund	<u>\$ 3,980</u>	<u>\$ 3,980</u>
<b>NONMAJOR FUNDS:</b>		
<b>SPECIAL REVENUE FUNDS:</b>		
Municipal Retirement	\$ --	\$ 37,134
GIS	780	--
Total Special Revenue Funds	<u>\$ 780</u>	<u>\$ 37,134</u>
 Total	 <u>\$ 262,226</u>	 <u>\$ 262,226</u>

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 9 - Required Individual Fund Disclosures (Continued)

D. Transfers within the Reporting Entity

The composition of interfund transfers for the year ended August 31, 2009 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>MAJOR FUNDS:</b>		
<b>GENERAL FUND:</b>		
Other than Fee Offices	\$ 616,877	\$ --
County Clerk	--	192,449
Circuit Clerk	--	149,967
Sheriff	--	136,528
States Attorney	--	207,413
Supervisor of Assessments	--	3,800
Coal Rights	--	235,994
Total General Fund	<u>\$ 616,877</u>	<u>\$ 926,151</u>
 <b>COUNTY HIGHWAY FUND:</b>		
County Highway	\$ 250,000	\$ --
County Motor Fuel Tax Fund	--	250,000
Total County Highway Fund	<u>\$ 250,000</u>	<u>\$ 250,000</u>
 <b>NONMAJOR FUNDS:</b>		
<b>SPECIAL REVENUE FUNDS:</b>		
Capital Improvement	\$ 240,294	\$ --
Recording	20,211	--
Drug Traffic Prevention	1,103	--
GIS	45,510	--
DUI Equipment	2,156	--
Total Special Revenue Funds	<u>\$ 309,274</u>	<u>\$ --</u>
 Total	 <u>\$ 1,176,151</u>	 <u>\$ 1,176,151</u>

The above transfers are made primarily for reimbursement of eligible expenditures and to supplement other fund resources.

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 10 – Insurance

In accordance with PA91-0628, an analysis of the County's tort immunity activity is as follows:

Tort Immunity Receipts:	
Property Tax Collected	\$ 633,177
Mobile Home Tax Collected	1,910
Interest	574
	<u>\$ 635,661</u>
Tort Expenditures:	
Commercial Liability Insurance	\$ 139,183
Unemployment tax	19,363
Workers' Compensation Insurance	<u>84,436</u>
Total Expenditures	<u>\$ 242,982</u>
Receipts over expenditures	\$ 392,679
Restricted at September 1, 2008	<u>502,613</u>
Restricted at August 31, 2009	<u>\$ 895,292</u>

Note 11 - Due to Other Governmental Units

The Due to Other Governmental Units shown in the Primary Government column in the Statement of Net Assets-Modified Cash Basis and in the General Fund column of the Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis in the amount of \$72,646 represents fines and fees collected by the County Circuit Clerk's Office. These funds are assessed by the Court on individuals, and remitted to applicable external government units in the subsequent month.

Note 12 - CEFS Agreement

Shelby County is the grant recipient of a Rural Transportation Program Section 18 Operating Assistance Grant. The grant represents federal funding from the Urban Mass Transportation Administration and is passed through the Illinois Department of Transportation to the County. There is a third party agreement between Shelby County and five other participating counties - Clay, Montgomery, Fayette, Moultrie and Douglas.

The Section 18 Operating Grant allows Fayette, Clay, Shelby, Montgomery, Moultrie and Douglas counties to provide, via CEFS Economic Opportunity Corporation (a service provider), rural public transportation service.

The Section 18 Operating Grant proceeds and related purchased transportation service expenditures are accounted for in the "Rural Transportation" Special Revenue Fund.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 13 - Commitments and Contingencies

Airport Operator's Agreement

On June 7th, 1994, the Shelby County Airport and Landing Fields Commission entered into an "Airport Operator's Agreement" with B & M Aviation, Inc. for the operation and management of Shelby County Airport. This was for a two year term, expiring in June 1996, requiring a monthly rent of \$1,500. The Shelby County Airport continued to operate under the terms of the expired agreement through August 31, 2009.

Highway Department

The Shelby County Board approves township petitions and commits county funds on a cost-sharing basis for sundry projects. The amount committed for projects at August 31, 2009 is not reflected in the financial statements but is estimated to be \$572,000.

Lease Agreement - County Health Building

On July 10, 1996, the Shelby County Board approved the County Health Department to become a party to a 25 year lease with SCCS Enterprises, Inc. for the lease of a structure to house the operations of the County Health Department. The lease provides for a minimum annual rent of \$36,000 payable in twelve monthly installments of \$3,000. The County paid \$36,000 in rental payments to SCCS Enterprises, Inc. during the year ended August 31, 2009.

Grant Audits

The County receives state and federal grants for specific purposes that are subject to review and audit by State agencies. Such audits could result in a request for reimbursement by the State for expenditures disallowed under the terms and conditions of the appropriate agency. Management expects such disallowances, if any, will not be significant to the financial statements.

Compensated Absences

County employees are entitled to paid vacations depending on job classification, length of service and other factors. The computed amounts of compensation for future absences at August 31, 2009 was \$15,247. This liability is not included in the County's financial statements as they are prepared on the modified cash basis of accounting.

Lease Agreement – County Farm

On February 11, 2009 the County extended the lease agreement for the Shelby County Farmland. This lease provides for minimum annual rent of \$28,700 payable in semi-yearly installments of \$14,350. The County received \$28,700 in rent income during the year ended August 31, 2009.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009

Note 13 - Commitments and Contingencies (Continued)

Other Post Employment Benefits

The County has committed to provide eleven months of the former Sheriff and his wife's health insurance annually. The benefit is being provided in accordance with Illinois statutes regarding disability of law enforcement officers disabled in the line of duty. When the parties become Medicare eligible, the provided coverage shall be reduced to a Medicare supplement.

If the former sheriff or his wife secure employment that provides health insurance, Shelby County's insurance coverage of the former Sheriff or his wife will terminate.

The benefits are not advance funded; therefore, they are expensed in the period paid. The County recognized expenditures of \$10,331 during the year ended August 31, 2009 for this benefit. The benefit commenced in September, 2006.

Subscription Agreement

The County has a subscription agreement with Fike & Fike, Inc, for property tax software, training and support on a per parcel basis. The agreement expires on August 31, 2009.

Note 14 - Subsequent Events

Assumption Blacktop

Shelby County has secured \$450,000 for the Assumption blacktop resurfacing project.

Fiscal Year 2010 Budget

On September 9, 2009 the County board approved the fiscal year 2009-10 budget totaling \$9,963,859.

Stewardson Road Project

On January 13, 2010, a joint agreement between the State and Shelby County was approved to expend construction dollars up to \$749,000 for the Stewardson Road Project. Shelby County has been awarded grant funding for the project.

**Required Supplementary Information**  
(Part 2 of 2)

SHELBY COUNTY, ILLINOIS  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 GENERAL FUND  
 YEAR ENDED AUGUST 31, 2009

	Original (Final) Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES RECEIVED:</b>			
Property Taxes	\$ 1,148,770	\$ 1,972,728	\$ 823,958
Sales Taxes	496,000	580,276	84,276
Intergovernmental Revenue:			
State Sources:			
Income Taxes	980,000	810,780	(169,220)
Replacement Tax	36,800	42,810	6,010
Other State Sources	370,000	334,980	(35,020)
Federal Sources	170,600	2,291	(168,309)
County Farm	22,000	28,700	6,700
Charges for Services	63,000	73,200	10,200
Licenses and Permits	7,300	5,751	(1,549)
Fines, Fees and Forfeits	725,000	687,663	(37,337)
Sales of Real Estate Stamps	96,500	89,528	(6,972)
Interest	75,000	78,639	3,639
Miscellaneous	30,000	48,548	18,548
Total Revenues Received	<u>\$ 4,220,970</u>	<u>\$ 4,755,894</u>	<u>\$ 534,924</u>
<b>EXPENDITURES DISBURSED:</b>			
Current:			
General Government	\$ 2,133,161	\$ 1,870,895	\$ 262,266
Public Safety	1,408,557	1,321,117	87,440
Corrections	138,006	100,537	37,469
Judiciary	418,717	373,307	45,410
Health and Welfare	50,625	51,619	(994)
Capital Outlay	64,000	91,159	(27,159)
Total Expenditures Disbursed	<u>\$ 4,213,066</u>	<u>\$ 3,808,634</u>	<u>\$ 404,432</u>
Revenues Received Over Expenditures Disbursed	\$ 7,904	\$ 947,260	\$ 939,356
Other Financing Sources (Uses):			
Operating Transfers In	--	616,877	616,877
Operating Transfers Out	--	(926,151)	(926,151)
Net Change in Fund Balance	<u>\$ 7,904</u>	\$ 637,986	<u>\$ 630,082</u>
Fund Balance - September 1, 2008		<u>3,856,567</u>	
Fund Balance - August 31, 2009		<u>\$ 4,494,553</u>	

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 COUNTY HEALTH FUND - SPECIAL REVENUE MAJOR FUND  
YEAR ENDED AUGUST 31, 2009

	Original (Final) Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES RECEIVED:</b>			
Property Taxes	\$ 315,600	\$ 496,082	\$ 180,482
Intergovernmental Revenue:			
State Sources:			
Replacement Tax	8,071	9,809	1,738
Other State Sources	234,416	239,554	5,138
Federal Sources	75,000	125,999	50,999
Charges for Services	83,128	99,707	16,579
Interest	15,177	18,146	2,969
Miscellaneous	33	40	7
Total Revenues Received	<u>\$ 731,425</u>	<u>\$ 989,337</u>	<u>\$ 257,912</u>
<b>EXPENDITURES DISBURSED:</b>			
Current:			
Health and Welfare	<u>\$ 1,068,191</u>	<u>\$ 768,822</u>	<u>\$ 299,369</u>
Net Change in Fund Balance	<u>\$ (336,766)</u>	<u>\$ 220,515</u>	<u>\$ 557,281</u>
Fund Balance - September 1, 2008		<u>1,167,675</u>	
Fund Balance - August 31, 2009		<u>\$ 1,388,190</u>	

Reference should be made to the auditor's report regarding this information.



SHELBY COUNTY, ILLINOIS  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 COUNTY HIGHWAY FUND - SPECIAL REVENUE MAJOR FUND  
YEAR ENDED AUGUST 31, 2009

	Original (Final) Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES RECEIVED:</b>			
Property Taxes	\$ 562,100	\$ 883,518	\$ 321,418
Intergovernmental Revenue:			
State Sources:			
Motor Fuel Tax	420,982	382,325	(38,657)
Replacement Taxes	49,223	42,037	(7,186)
Other State Sources	228,087	203,007	(25,080)
Charges for Services	107,581	102,520	(5,061)
Interest	22,713	18,823	(3,890)
Miscellaneous	514	502	(12)
<b>Total Revenues Received</b>	<b>\$ 1,391,200</b>	<b>\$ 1,632,732</b>	<b>\$ 241,532</b>
<b>EXPENDITURES DISBURSED:</b>			
Current:			
Public Works/Transportation	\$ 1,386,770	\$ 1,054,166	\$ 332,604
Capital Outlay	45,693	79,575	(33,882)
Debt Service	-	97,295	(97,295)
<b>Total Expenditures Disbursed</b>	<b>\$ 1,432,463</b>	<b>\$ 1,231,036</b>	<b>\$ 201,427</b>
Revenues Received Over (Under) Expenditures Disbursed	\$ (41,263)	\$ 401,696	\$ 442,959
Other Financing Sources (Uses):			
Transfers In	-	250,000	250,000
Loan Proceeds	-	68,000	68,000
Transfers Out	-	(250,000)	(250,000)
Net Change in Fund Balance	<u>\$ (41,263)</u>	\$ 469,696	<u>\$ 510,959</u>
Fund Balance - September 1, 2008		<u>669,228</u>	
Fund Balance - August 31, 2009		<u>\$ 1,138,924</u>	

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 MUNICIPAL RETIREMENT FUND - SPECIAL REVENUE MAJOR FUND  
YEAR ENDED AUGUST 31, 2009

	Original (Final) Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES RECEIVED:</b>			
Property Taxes	\$ 832,600	\$ 1,308,214	\$ 475,614
Intergovernmental Revenue:			
State Sources:			
Replacement Taxes	--	20,656	20,656
Interest	150	1,054	904
Total Revenues Received	<u>\$ 832,750</u>	<u>\$ 1,329,924</u>	<u>\$ 497,174</u>
<b>EXPENDITURES DISBURSED:</b>			
Current:			
General Government	\$ 832,000	\$ 468,151	\$ 363,849
Capital Outlay	--	--	--
Total Expenditures Disbursed	<u>\$ 832,000</u>	<u>\$ 468,151</u>	<u>\$ 363,849</u>
Revenues Received Over (Under) Expenditures Disbursed	\$ 750	\$ 861,773	\$ 861,023
Other Financing Sources (Uses):			
Transfers In	--	--	--
Transfers Out	--	--	--
Net Change in Fund Balance	<u>\$ 750</u>	\$ 861,773	<u>\$ 861,023</u>
Fund Balance - September 1, 2008		<u>65,333</u>	
Fund Balance - August 31, 2009		<u>\$ 927,106</u>	

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 IMRF SCHEDULE OF FUNDING PROGRESS  
YEAR ENDED AUGUST 31, 2009

The following information was provided by the Illinois Municipal Retirement Fund as it pertains to the County's retirement plan:

Schedule of Funding Progress

**A. SLEP Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	1,425,689	1,569,592	143,903	90.83%	526,489	27.63%
12/31/07	2,000,434	1,491,283	(509,151)	134.14%	489,099	0.00%
12/31/06	1,743,438	1,245,901	(497,537)	139.93%	480,762	0.00%

**B. ECO Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	(1,240,730)	1,179,709	2,420,439	0.00%	304,413	795.12%
12/31/07	(762,550)	1,739,551	2,502,101	0.00%	316,137	791.46%
12/31/06	(532,483)	1,941,927	2,474,410	0.00%	393,280	629.17%

**C. Regular Employees' Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	5,607,213	7,650,165	2,042,952	73.30%	2,358,798	86.61%
12/31/07	6,590,758	7,605,867	1,015,109	86.65%	2,264,167	44.83%
12/31/06	5,925,939	6,766,811	840,872	87.57%	2,047,108	41.08%

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
AUGUST 31, 2009

Note – Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on the modified cash basis of accounting for all governmental funds. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end. The Board holds public hearings and a final budget must be prepared and adopted no later than November 30.

The appropriated budget is prepared by fund. Budgetary control over expenditures is exercised by the County Board. The legal level of budgetary control is at the fund level.

B. Excess of Expenditures Disbursed Over Appropriations in Budgeted Major Funds

No major funds have excess of expenditures disbursed over appropriations.

## Other Supplementary Information

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
 - MODIFIED CASH BASIS  
 GENERAL FUND  
 AUGUST 31, 2009

	Fee Offices							Total
	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	Coal Rights	
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 2,823,594	\$ 18,389	\$ 130,377	\$ 14,409	\$ --	\$ 64	\$ 467,208	\$ 3,454,041
Certificates of Deposit	--	--	10,000	--	--	--	1,114,342	1,124,342
Interfund Loans Receivable	37,314	--	--	--	--	--	220,152	257,466
Inventory	--	4,387	--	--	--	--	--	4,387
<b>TOTAL ASSETS</b>	<b>\$ 2,860,908</b>	<b>\$ 22,776</b>	<b>\$ 140,377</b>	<b>\$ 14,409</b>	<b>\$ --</b>	<b>\$ 64</b>	<b>\$ 1,801,702</b>	<b>\$ 4,840,236</b>
<b>LIABILITIES</b>								
Withholding Payable	\$ 51,925	--	--	--	--	--	--	\$ 51,925
Interfund Loans Payable	221,112	--	--	--	--	--	--	221,112
Due to Other Governmental Units	--	--	72,646	--	--	--	--	72,646
<b>TOTAL LIABILITIES</b>	<b>\$ 273,037</b>	<b>\$ --</b>	<b>\$ 72,646</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 345,683</b>
<b>FUND BALANCE</b>								
Fund Balance:								
Reserved:								
Reserved for Insurance	\$ 895,292	--	--	--	--	--	--	\$ 895,292
Reserved for Inventory	--	4,387	--	--	--	--	--	4,387
Unreserved:								
Designated for Capital Improvement	--	--	--	--	--	--	1,801,702	1,801,702
Undesignated	1,692,579	18,389	67,731	14,409	--	64	--	1,793,172
<b>TOTAL FUND BALANCE</b>	<b>\$ 2,587,871</b>	<b>\$ 22,776</b>	<b>\$ 67,731</b>	<b>\$ 14,409</b>	<b>\$ --</b>	<b>\$ 64</b>	<b>\$ 1,801,702</b>	<b>\$ 4,494,553</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,860,908</b>	<b>\$ 22,776</b>	<b>\$ 140,377</b>	<b>\$ 14,409</b>	<b>\$ --</b>	<b>\$ 64</b>	<b>\$ 1,801,702</b>	<b>\$ 4,840,236</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE  
 GENERAL FUND  
 YEAR ENDED AUGUST 31, 2009

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	Coal Rights	Total
<b>REVENUES RECEIVED:</b>								
Property Taxes	\$ 1,972,728	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,972,728
Sales Taxes	580,276	--	--	--	--	--	--	580,276
Intergovernmental Revenues:								
Income Taxes	810,780	--	--	--	--	--	--	810,780
Replacement Taxes	42,810	--	--	--	--	--	--	42,810
Other State Sources	334,980	--	--	--	--	--	--	334,980
Federal Source	2,291	--	--	--	--	--	--	2,291
County Farm	28,700	--	--	--	--	--	--	28,700
Charges for Services	73,200	--	--	--	--	--	--	73,200
Licenses and Permits	5,751	--	--	--	--	--	--	5,751
Fees, Fines and Forfeits	35,301	197,217	157,566	86,795	207,413	3,371	--	687,663
Sales of Real Estate Stamps	--	89,528	--	--	--	--	--	89,528
Interest	24,679	--	640	--	--	--	53,320	78,639
Miscellaneous	7,104	--	--	41,444	--	--	--	48,548
<b>Total Revenues Received</b>	\$ 3,918,600	\$ 286,745	\$ 158,206	\$ 128,239	\$ 207,413	\$ 3,371	\$ 53,320	\$ 4,755,894
<b>EXPENDITURES DISBURSED:</b>								
See Schedule at Page 52	\$ 3,686,505	\$ 97,356	\$ 24,773	\$ --	\$ --	\$ --	\$ --	\$ 3,808,634
Revenues Received Over (Under) Expenditures Disbursed	\$ 232,095	\$ 189,389	\$ 133,433	\$ 128,239	\$ 207,413	\$ 3,371	\$ 53,320	\$ 947,260
Other Financing Sources (Uses):								
Operating Transfers In	616,877	--	--	--	--	--	--	616,877
Operating Transfers Out	--	(192,449)	(149,967)	(136,528)	(207,413)	(3,800)	(235,994)	(926,151)
Net Change in Fund Balance	\$ 848,972	\$ (3,060)	\$ (16,534)	\$ (8,289)	\$ --	\$ (429)	\$ (182,674)	\$ 637,986
Fund Balance - September 1, 2008	1,738,899	25,836	84,265	22,698	--	493	1,984,376	3,856,567
Fund Balance - August 31, 2009	\$ 2,587,871	\$ 22,776	\$ 67,731	\$ 14,409	\$ --	\$ 64	\$ 1,801,702	\$ 4,494,553

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF EXPENDITURES DISBURSED  
 GENERAL FUND  
 YEAR ENDED AUGUST 31, 2009

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	Coal Rights	Total
<b>EXPENDITURES DISBURSED:</b>								
General Government:								
Operating Expenses Pertaining to the Office of:								
County Clerk	\$ 342,093	\$ 1,545	--	--	--	--	--	\$ 343,638
Circuit Clerk	162,102	--	24,773	--	--	--	--	186,875
Supervisor of Assessments	175,438	--	--	--	--	--	--	175,438
County Treasurer	170,922	--	--	--	--	--	--	170,922
County Coroner	51,804	--	--	--	--	--	--	51,804
Regional Superintendent of Schools	42,776	--	--	--	--	--	--	42,776
Board of Review	29,904	--	--	--	--	--	--	29,904
Board of Appeals	747	--	--	--	--	--	--	747
Planning Commission	1,467	--	--	--	--	--	--	1,467
Zoning Administrator	16,748	--	--	--	--	--	--	16,748
Community & Economic Development	15,000	--	--	--	--	--	--	15,000
Utilities	67,325	--	--	--	--	--	--	67,325
Maintenance, Repairs and Improvement	29,195	--	--	--	--	--	--	29,195
Insurance and Taxes	242,982	--	--	--	--	--	--	242,982
Employee Insurance	284,452	--	--	--	--	--	--	284,452
County Board Expenses	64,151	--	--	--	--	--	--	64,151
Services, Supplies and Miscellaneous	47,563	--	--	--	--	--	--	47,563
County Farm	4,097	--	--	--	--	--	--	4,097
State Rental Housing Fee	--	36,126	--	--	--	--	--	36,126
Purchase of Real Estate Tax Stamps	--	59,685	--	--	--	--	--	59,685
Total General Government	\$ 1,748,766	\$ 97,356	\$ 24,773	\$ --	\$ --	\$ --	\$ --	\$ 1,870,895
Public Safety:								
Operating Expenses Pertaining to the Office of:								
County Sheriff	\$ 1,256,791	--	--	--	--	--	--	\$ 1,256,791
Rescue Squad	13,115	--	--	--	--	--	--	13,115
ESDA	25,141	--	--	--	--	--	--	25,141
911 Emergency Services	24,230	--	--	--	--	--	--	24,230
Merit Commission	1,840	--	--	--	--	--	--	1,840
Total Public Safety	\$ 1,321,117	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,321,117

Reference should be made to the auditor's report regarding this information.



SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF EXPENDITURES DISBURSED - (CONTINUED)  
 GENERAL FUND  
 YEAR ENDED AUGUST 31, 2009

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	Coal Rights	Total
<b>Corrections:</b>								
Operating Expenses Pertaining to the Office of:								
Probation Office	\$ 100,537	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 100,537
<b>Judiciary:</b>								
Operating Expenses Pertaining to the Office of:								
States Attorney	\$ 245,023	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 245,023
Public Defender	112,971	--	--	--	--	--	--	112,971
Appointed Counsel Fee	6,041	--	--	--	--	--	--	6,041
Circuit Judge Expenses	9,272	--	--	--	--	--	--	9,272
<b>Total Judiciary</b>	<b>\$ 373,307</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 373,307</b>
<b>Health and Welfare:</b>								
Operating Expenses Pertaining to the Office of:								
Animal Control	\$ 51,619	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 51,619
<b>Capital Outlay:</b>								
Public Safety	\$ 91,159	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 91,159
<b>TOTAL EXPENDITURES DISBURSED</b>	<b>\$ 3,686,505</b>	<b>\$ 97,356</b>	<b>\$ 24,773</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 3,808,634</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES DISBURSED  
GENERAL FUND  
YEAR ENDED AUGUST 31, 2009

	Original Budget	Disbursements	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES DISBURSED:</b>			
<b>General Government:</b>			
Operating Expenses Pertaining to the Office of:			
County Clerk	\$ 365,634	\$ 343,638	\$ 21,996
Circuit Clerk	213,365	186,875	26,490
Supervisor of Assessments	220,320	175,438	44,882
County Treasurer	192,016	170,922	21,094
County Coroner	62,190	51,804	10,386
Regional Superintendent of Schools	43,646	42,776	870
Farmland Assessment	150	--	150
Board of Review	36,700	29,904	6,796
Board of Appeals	3,615	747	2,868
Planning Commission	2,450	1,467	983
Zoning Administrator	20,640	16,748	3,892
Community & Economic Development	15,000	15,000	--
Utilities	87,200	67,325	19,875
Maintenance, Repairs and Improvement	40,000	29,195	10,805
Insurance and Taxes	386,000	242,982	143,018
Employee Insurance	285,000	284,452	548
County Board Expenses	59,435	64,151	(4,716)
Services, Supplies and Miscellaneous	94,300	47,563	46,737
County Farm	5,500	4,097	1,403
State Rental Housing Fee	--	36,126	(36,126)
Purchase of Real Estate Tax Stamps	--	59,685	(59,685)
<b>Total General Government</b>	<b>\$ 2,133,161</b>	<b>\$ 1,870,895</b>	<b>\$ 262,266</b>
<b>Public Safety:</b>			
Operating Expenses Pertaining to the Office of:			
County Sheriff	\$ 1,304,552	\$ 1,256,791	\$ 47,761
Rescue Squad	14,000	13,115	885
ESDA	38,380	25,141	13,239
911 Emergency Services	40,000	24,230	15,770
Merit Commission	11,625	1,840	9,785
<b>Total Public Safety</b>	<b>\$ 1,408,557</b>	<b>\$ 1,321,117</b>	<b>\$ 87,440</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES DISBURSED - (CONTINUED)  
GENERAL FUND  
YEAR ENDED AUGUST 31, 2009

	Original Budget	Disbursements	Variance with Final Budget Positive (Negative)
<b>Corrections:</b>			
Operating Expenses Pertaining to the Office of: Probation Office	\$ 138,006	\$ 100,537	\$ 37,469
<b>Judiciary:</b>			
Operating Expenses Pertaining to the Office of:			
States Attorney	\$ 255,141	\$ 245,023	\$ 10,118
Public Defender	114,406	112,971	1,435
Appointed Counsel Fee	30,000	6,041	23,959
Circuit Judge Expenses	19,170	9,272	9,898
Total Judiciary	\$ 418,717	\$ 373,307	\$ 45,410
<b>Health and Welfare:</b>			
Operating Expenses Pertaining to the Office of: Animal Control	\$ 50,625	\$ 51,619	\$ (994)
<b>Capital Outlay:</b>			
Public Safety	\$ 64,000	\$ 91,159	\$ (27,159)
General and Administrative	--	--	--
Total Capital Outlay	\$ 64,000	\$ 91,159	\$ (27,159)
<b>TOTAL EXPENDITURES DISBURSED</b>	<b>\$ 4,213,066</b>	<b>\$ 3,808,634</b>	<b>\$ 404,432</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -  
 MODIFIED CASH BASIS  
 COUNTY HEALTH FUND - SPECIAL REVENUE MAJOR FUND  
 AUGUST 31, 2009

	County Health	Miscellaneous County Health	Home Nursing	County Health WIC	Total County Health Fund
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 349,394	\$ 206,684	\$ 571,519	\$ 13,817	\$ 1,141,414
Certificates of Deposits	121,776	--	125,000	--	246,776
Interfund Loans Receivable	--	25	3,955	--	3,980
<b>TOTAL ASSETS</b>	<b>\$ 471,170</b>	<b>\$ 206,709</b>	<b>\$ 700,474</b>	<b>\$ 13,817</b>	<b>\$ 1,392,170</b>
<b>LIABILITIES</b>					
Interfund Loans Payable	\$ 180	\$ 3,800	\$ --	\$ --	\$ 3,980
<b>FUND BALANCE</b>					
Fund Balance:					
Unreserved:					
Undesignated	\$ 470,990	\$ 202,909	\$ 700,474	\$ 13,817	\$ 1,388,190
<b>TOTAL FUND BALANCE</b>	<b>\$ 470,990</b>	<b>\$ 202,909</b>	<b>\$ 700,474</b>	<b>\$ 13,817</b>	<b>\$ 1,388,190</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 471,170</b>	<b>\$ 206,709</b>	<b>\$ 700,474</b>	<b>\$ 13,817</b>	<b>\$ 1,392,170</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE  
 COUNTY HEALTH FUND - SPECIAL REVENUE MAJOR FUND  
 YEAR ENDED AUGUST 31, 2009

	County Health	Miscellaneous County Health	Home Nursing	County Health WIC	Total County Health Fund
<b>REVENUES RECEIVED:</b>					
Property Taxes	\$ 496,082	\$ --	\$ --	\$ --	\$ 496,082
Intergovernmental Revenues:					
Replacement Taxes	9,809	--	--	--	9,809
Other State Sources	117,410	83,752	38,392	--	239,554
Federal Source	213	55,169	5,117	65,500	125,999
Charges for Services	15,779	11,165	72,763	--	99,707
Interest	4,082	1,379	12,685	--	18,146
Miscellaneous	40	--	--	--	40
<b>Total Revenues Received</b>	<b>\$ 643,415</b>	<b>\$ 151,465</b>	<b>\$ 128,957</b>	<b>\$ 65,500</b>	<b>\$ 989,337</b>
<b>EXPENDITURES DISBURSED:</b>					
Current:					
Health and Welfare:					
Personnel and Fringe Benefits	\$ 392,261	\$ 134,012	\$ --	\$ 77,938	\$ 604,211
Commodities	21,297	9,513	41,520	1,743	74,073
Contractual Services	77,014	10,799	590	2,135	90,538
<b>Total Expenditures Disbursed</b>	<b>\$ 490,572</b>	<b>\$ 154,324</b>	<b>\$ 42,110</b>	<b>\$ 81,816</b>	<b>\$ 768,822</b>
<b>Net Change in Fund Balance</b>	<b>\$ 152,843</b>	<b>\$ (2,859)</b>	<b>\$ 86,847</b>	<b>\$ (16,316)</b>	<b>\$ 220,515</b>
<b>Fund Balance - September 1, 2008</b>	<b>318,147</b>	<b>205,768</b>	<b>613,627</b>	<b>30,133</b>	<b>1,167,675</b>
<b>Fund Balance - August 31, 2009</b>	<b>\$ 470,990</b>	<b>\$ 202,909</b>	<b>\$ 700,474</b>	<b>\$ 13,817</b>	<b>\$ 1,388,190</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -  
 MODIFIED CASH BASIS  
 COUNTY HIGHWAY FUND - SPECIAL REVENUE MAJOR FUND  
AUGUST 31, 2009

	County Bridge	County Highway	County Motor Fuel Tax Fund	Federal Aid Secondary Matching	Total County Highway Fund
Cash and Cash Equivalents	\$ 250,894	\$ 223,068	\$ 458,908	\$ 206,054	\$ 1,138,924
<b>TOTAL ASSETS</b>	<b>\$ 250,894</b>	<b>\$ 223,068</b>	<b>\$ 458,908</b>	<b>\$ 206,054</b>	<b>\$ 1,138,924</b>
<b>LIABILITIES</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
<b>FUND BALANCE</b>					
Fund Balance:					
Reserved:					
Reserved for Future Projects	\$ --	\$ --	\$ 458,908	\$ 206,054	\$ 664,962
Unreserved:					
Undesignated	250,894	223,068	--	--	473,962
<b>TOTAL FUND BALANCE</b>	<b>\$ 250,894</b>	<b>\$ 223,068</b>	<b>\$ 458,908</b>	<b>\$ 206,054</b>	<b>\$ 1,138,924</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 250,894</b>	<b>\$ 223,068</b>	<b>\$ 458,908</b>	<b>\$ 206,054</b>	<b>\$ 1,138,924</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE  
 COUNTY HIGHWAY FUND - SPECIAL REVENUE MAJOR FUND  
 YEAR ENDED AUGUST 31, 2009

	County Bridge	County Highway	County Motor Fuel Tax Fund	Federal Aid Secondary Matching	Total County Highway Fund
<b>REVENUES RECEIVED:</b>					
Property Taxes	\$ 220,882	\$ 441,755	\$ --	\$ 220,881	\$ 883,518
Intergovernmental Revenues:					
Motel Fuel Tax	--	--	382,325	--	382,325
Replacement Taxes	10,340	21,357	--	10,340	42,037
Other State Sources	65,793	--	137,214	--	203,007
Charges for Services	17,329	85,191	--	--	102,520
Interest	5,058	292	9,018	4,455	18,823
Miscellaneous	--	502	--	--	502
<b>Total Revenues Received</b>	<b>\$ 319,402</b>	<b>\$ 549,097</b>	<b>\$ 528,557</b>	<b>\$ 235,676</b>	<b>\$ 1,632,732</b>
<b>EXPENDITURES DISBURSED:</b>					
Current:					
Public Works/Transportation					
Personnel and Fringe Benefits	--	\$ 346,657	\$ 49,745	\$ --	\$ 396,402
Commodities	196,008	60,040	--	136,036	392,084
Contractual Services	--	98,206	167,474	--	265,680
Capital Outlay	--	79,575	--	--	79,575
Debt Service	--	97,295	--	--	97,295
<b>Total Expenditures Disbursed</b>	<b>\$ 196,008</b>	<b>\$ 681,773</b>	<b>\$ 217,219</b>	<b>\$ 136,036</b>	<b>\$ 1,231,036</b>
Revenues Received Over (Under) Expenditures Disbursed	\$ 123,394	\$ (132,676)	\$ 311,338	\$ 99,640	\$ 401,696
Other Financing Sources (Uses):					
Transfers In	--	250,000	--	--	250,000
Loan Proceeds	--	68,000	--	--	68,000
Transfers Out	--	--	(250,000)	--	(250,000)
<b>Net Change in Fund Balance</b>	<b>\$ 123,394</b>	<b>\$ 185,324</b>	<b>\$ 61,338</b>	<b>\$ 99,640</b>	<b>\$ 469,696</b>
<b>Fund Balance - September 1, 2008</b>	<b>127,500</b>	<b>37,744</b>	<b>397,570</b>	<b>106,414</b>	<b>669,228</b>
<b>Fund Balance - August 31, 2009</b>	<b>\$ 250,894</b>	<b>\$ 223,068</b>	<b>\$ 458,908</b>	<b>\$ 206,054</b>	<b>\$ 1,138,924</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -  
 MODIFIED CASH BASIS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2009

	Special Revenue						
	Animal Control	Ambulance	Social Security	Indemnity	Rescue Squad	Capital Improvement	Probation
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 79,617	\$ 125,000	\$ 262,553	\$ 34,760	\$ 1,822	\$ 217,258	\$ 245,715
Certificates of Deposit	--	--	--	45,000	--	--	--
Interfund Loans Receivable	--	--	--	--	--	--	--
<b>TOTAL ASSETS</b>	<u>\$ 79,617</u>	<u>\$ 125,000</u>	<u>\$ 262,553</u>	<u>\$ 79,760</u>	<u>\$ 1,822</u>	<u>\$ 217,258</u>	<u>\$ 245,715</u>
<b>LIABILITIES</b>							
Interfund Loans Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<b>FUND BALANCE</b>							
Fund Balance:							
Unreserved - Undesignated	\$ 79,617	\$ 125,000	\$ 262,553	\$ 79,760	\$ 1,822	\$ 217,258	\$ 245,715
<b>TOTAL FUND BALANCE</b>	<u>\$ 79,617</u>	<u>\$ 125,000</u>	<u>\$ 262,553</u>	<u>\$ 79,760</u>	<u>\$ 1,822</u>	<u>\$ 217,258</u>	<u>\$ 245,715</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 79,617</u>	<u>\$ 125,000</u>	<u>\$ 262,553</u>	<u>\$ 79,760</u>	<u>\$ 1,822</u>	<u>\$ 217,258</u>	<u>\$ 245,715</u>

Reference should be made to the auditor's report regarding this information.



SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -  
 MODIFIED CASH BASIS - (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2009

	Fees to Assist Court	Special Revenue							GIS
		Automation	Recording	Drug Traffic Prevention	Airport	Rural Transportation	Court Security		
Cash and Cash Equivalents	\$ 92,541	\$ 90,742	\$ 78,279	\$ 15,527	\$ 89,946	\$ --	\$ 1,264	\$ 41,315	
Certificates of Deposit	55,000	--	--	--	149,709	--	--	--	
Interfund Loans Receivable	--	--	--	--	--	--	--	780	
<b>TOTAL ASSETS</b>	<b>\$ 147,541</b>	<b>\$ 90,742</b>	<b>\$ 78,279</b>	<b>\$ 15,527</b>	<b>\$ 239,655</b>	<b>\$ --</b>	<b>\$ 1,264</b>	<b>\$ 42,095</b>	
<b>LIABILITIES</b>									
Interfund Loans Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	
<b>FUND BALANCE</b>									
Fund Balance:									
Unreserved - Undesignated	\$ 147,541	\$ 90,742	\$ 78,279	\$ 15,527	\$ 239,655	\$ --	\$ 1,264	\$ 42,095	
<b>TOTAL FUND BALANCE</b>	<b>\$ 147,541</b>	<b>\$ 90,742</b>	<b>\$ 78,279</b>	<b>\$ 15,527</b>	<b>\$ 239,655</b>	<b>\$ --</b>	<b>\$ 1,264</b>	<b>\$ 42,095</b>	
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 147,541</b>	<b>\$ 90,742</b>	<b>\$ 78,279</b>	<b>\$ 15,527</b>	<b>\$ 239,655</b>	<b>\$ --</b>	<b>\$ 1,264</b>	<b>\$ 42,095</b>	

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -  
 MODIFIED CASH BASIS - (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2009

	Special Revenue										Total Special Revenue
	Law Library	Document Storage	Revolving Loan	Victim Impact Panel	Attorney Forfeited	DUI Equipment	Mental Health				
Cash and Cash Equivalents	\$ 5,922	\$ 44,545	\$ 353,227	\$ 12,450	\$ 36	\$ 10,083	\$ 1,060,766				\$ 2,863,368
Certificates of Deposit	--	--	--	--	--	--	--				249,709
Interfund Loans Receivable	--	--	--	--	--	--	--				780
<b>TOTAL ASSETS</b>	<b>\$ 5,922</b>	<b>\$ 44,545</b>	<b>\$ 353,227</b>	<b>\$ 12,450</b>	<b>\$ 36</b>	<b>\$ 10,083</b>	<b>\$ 1,060,766</b>				<b>\$ 3,113,857</b>
<b>LIABILITIES</b>											
Interfund Loans Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --				\$ --
<b>FUND BALANCE</b>											
Fund Balance:											
Undesignated	\$ 5,922	\$ 44,545	\$ 353,227	\$ 12,450	\$ 36	\$ 10,083	\$ 1,060,766				\$ 3,113,857
<b>TOTAL FUND BALANCE</b>	<b>\$ 5,922</b>	<b>\$ 44,545</b>	<b>\$ 353,227</b>	<b>\$ 12,450</b>	<b>\$ 36</b>	<b>\$ 10,083</b>	<b>\$ 1,060,766</b>				<b>\$ 3,113,857</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 5,922</b>	<b>\$ 44,545</b>	<b>\$ 353,227</b>	<b>\$ 12,450</b>	<b>\$ 36</b>	<b>\$ 10,083</b>	<b>\$ 1,060,766</b>				<b>\$ 3,113,857</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -  
 MODIFIED CASH BASIS - (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2009

	Capital Projects			Garden Acres	Total Capital Projects	Total Nonmajor Governmental Funds
	Carriage Park	Findlay Road				
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 179	\$ 620	\$ 861	\$ 1,660	\$ 2,865,028	
Certificates of Deposit	--	--	--	--	249,709	
Interfund Loans Receivable	--	--	--	--	780	
<b>TOTAL ASSETS</b>	<b>\$ 179</b>	<b>\$ 620</b>	<b>\$ 861</b>	<b>\$ 1,660</b>	<b>\$ 3,115,517</b>	
<b>LIABILITIES</b>						
Interfund Loans Payable	\$ --	\$ --	\$ --	\$ --	\$ --	
<b>FUND BALANCE</b>						
Fund Balance:						
Unreserved - Undesignated	\$ 179	\$ 620	\$ 861	\$ 1,660	\$ 3,115,517	
<b>TOTAL FUND BALANCE</b>	<b>\$ 179</b>	<b>\$ 620</b>	<b>\$ 861</b>	<b>\$ 1,660</b>	<b>\$ 3,115,517</b>	
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 179</b>	<b>\$ 620</b>	<b>\$ 861</b>	<b>\$ 1,660</b>	<b>\$ 3,115,517</b>	

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED AUGUST 31, 2009

	Special Revenue						
	Animal Control	Ambulance	Social Security	Indemnity	Rescue Squad	Capital Improvement	Probation
<b>REVENUES RECEIVED:</b>							
Property Taxes	\$ --	\$ 83,282	\$ 464,587	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenue:							
State Sources							
Replacement Taxes	--	--	--	--	--	--	--
Other State Sources	--	--	--	--	--	--	--
Federal Sources	--	--	--	--	--	--	--
Loan Repayments	--	--	--	--	--	--	--
Charges for Services	--	--	--	4,280	--	--	110,754
Fines and Fees	16,169	--	--	1,261	9	16,053	1,622
Interest	551	519	352	--	665	--	--
Miscellaneous	--	--	--	--	--	--	--
Total Revenues Received	\$ 16,720	\$ 83,801	\$ 464,939	\$ 5,541	\$ .674	\$ 16,053	\$ 112,376
<b>EXPENDITURES DISBURSED:</b>							
Current:							
General Government	\$ --	\$ --	\$ 252,386	\$ --	\$ --	\$ 17,660	\$ --
Public Safety	--	--	--	--	2,474	--	59,600
Judiciary	--	--	--	--	--	--	--
Public Works/Transportation	--	--	--	--	--	--	--
Health and Welfare	8,819	43,925	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--
Capital Outlay	5,793	--	--	--	--	306,090	--
Total Expenditures Disbursed	\$ 14,612	\$ 43,925	\$ 252,386	\$ --	\$ 2,474	\$ 323,750	\$ 59,600
Revenues Received Over (Under) Expenditures Disbursed	\$ 2,108	\$ 39,876	\$ 212,553	\$ 5,541	\$ (1,800)	\$ (307,697)	\$ 52,776
Other Financing Sources (Uses):							
Operating Transfers In	--	--	--	--	--	240,294	--
Loan Proceeds	--	--	--	--	--	--	--
Net Change in Fund Balance	\$ 2,108	\$ 39,876	\$ 212,553	\$ 5,541	\$ (1,800)	\$ (67,403)	\$ 52,776
Fund Balance - September 1, 2008	77,509	85,124	50,000	74,219	3,622	284,661	192,939
Fund Balance - August 31, 2009	\$ 79,617	\$ 125,000	\$ 262,553	\$ 79,760	\$ 1,822	\$ 217,258	\$ 245,715

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE - (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED AUGUST 31, 2009

	Special Revenue									
	Fees to Assist Court	Automation	Recording	Drug Traffic Prevention	Airport	Rural Transportation	Court Security	GIS		
<b>REVENUES RECEIVED:</b>										
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ 69,347	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenue:										
State Sources										
Replacement Taxes	--	--	--	4,687	--	--	--	--	--	--
Other State Sources	--	773	--	3,600	--	349,731	--	--	--	--
Federal Sources	--	1,547	--	--	1,348	408,859	--	--	--	--
Loan Repayments	--	--	--	--	--	--	--	--	--	--
Charges for Services	--	--	--	--	13,125	--	--	--	--	--
Fines and Fees	23,661	13,431	--	846	--	--	42,578	--	--	--
Interest	1,659	177	144	27	4,681	--	4	--	22	--
Miscellaneous	--	--	--	4,545	54,540	--	--	--	1,934	--
<b>Total Revenues Received</b>	<b>\$ 25,320</b>	<b>\$ 15,928</b>	<b>\$ 144</b>	<b>\$ 9,018</b>	<b>\$ 147,728</b>	<b>\$ 758,590</b>	<b>\$ 42,582</b>	<b>\$ --</b>	<b>\$ 1,956</b>	<b>\$ --</b>

<b>EXPENDITURES DISBURSED:</b>										
Current:										
General Government	\$ --	\$ 12,094	\$ 8,441	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 5,003	\$ --
Public Safety	--	--	--	10,942	--	--	43,931	--	--	--
Judiciary	1,553	--	--	--	--	--	--	--	--	--
Public Works/Transportation	--	--	--	--	96,290	758,590	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	12,100	--	--	--	--	--
<b>Total Expenditures Disbursed</b>	<b>\$ 1,553</b>	<b>\$ 12,094</b>	<b>\$ 8,441</b>	<b>\$ 10,942</b>	<b>\$ 108,390</b>	<b>\$ 758,590</b>	<b>\$ 43,931</b>	<b>\$ --</b>	<b>\$ 5,003</b>	<b>\$ (3,047)</b>
<b>Revenues Received Over (Under) Expenditures Disbursed</b>	<b>\$ 23,767</b>	<b>\$ 3,834</b>	<b>\$ (8,297)</b>	<b>\$ (1,924)</b>	<b>\$ 39,338</b>	<b>\$ --</b>	<b>\$ (1,349)</b>	<b>\$ --</b>	<b>\$ 45,510</b>	<b>\$ --</b>
Other Financing Sources (Uses):										
Operating Transfers In	--	--	20,211	1,103	--	--	--	--	--	--
Loan Proceeds	--	--	--	--	--	--	--	--	--	--
<b>Net Change in Fund Balance</b>	<b>\$ 23,767</b>	<b>\$ 3,834</b>	<b>\$ 11,914</b>	<b>\$ (821)</b>	<b>\$ 39,338</b>	<b>\$ --</b>	<b>\$ (1,349)</b>	<b>\$ --</b>	<b>\$ 42,463</b>	<b>\$ (368)</b>
<b>Fund Balance - September 1, 2008</b>	<b>123,774</b>	<b>86,908</b>	<b>66,365</b>	<b>16,348</b>	<b>200,317</b>	<b>--</b>	<b>2,613</b>	<b>--</b>	<b>(368)</b>	<b>--</b>
<b>Fund Balance - August 31, 2009</b>	<b>\$ 147,541</b>	<b>\$ 90,742</b>	<b>\$ 78,279</b>	<b>\$ 15,527</b>	<b>\$ 239,655</b>	<b>\$ --</b>	<b>\$ 1,264</b>	<b>\$ --</b>	<b>\$ 42,095</b>	<b>\$ --</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE - (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED AUGUST 31, 2009

	Special Revenue							Total Special Revenue
	Law Library	Document Storage	Revolving Loan	Victim Impact Panel	Attorney Forfeited	DUI Equipment	Mental Health	
REVENUES RECEIVED:								
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 662,621	\$ 1,279,837
Intergovernmental Revenue:								
State Sources								
Replacement Taxes	--	--	--	--	--	--	19,279	23,966
Other State Sources	--	--	--	--	--	--	--	354,104
Federal Sources	--	--	24,792	--	--	--	--	411,754
Loan Repayments	--	--	--	--	--	--	--	24,792
Charges for Services	--	--	--	1,580	--	--	--	13,125
Fines and Fees	11,201	12,931	--	--	--	--	--	237,431
Interest	9	114	6,584	23	--	22	17,228	51,061
Miscellaneous	--	--	--	--	--	--	--	61,684
Total Revenues Received	\$ 11,210	\$ 13,045	\$ 31,376	\$ 1,603	\$ --	\$ 22	\$ 699,128	\$ 2,457,754

	Special Revenue							Total Special Revenue
	Law Library	Document Storage	Revolving Loan	Victim Impact Panel	Attorney Forfeited	DUI Equipment	Mental Health	
EXPENDITURES DISBURSED:								
Current:								
General Government	\$ --	\$ 24,134	\$ --	\$ --	\$ --	\$ 2,470	\$ --	\$ 319,718
Public Safety	--	--	--	317	36	--	--	119,417
Judiciary	9,959	--	--	--	--	--	--	11,865
Public Works/Transportation	--	--	--	--	--	--	--	854,880
Health and Welfare	--	--	--	--	--	--	317,792	370,536
Debt Service	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	323,983
Total Expenditures Disbursed	\$ 9,959	\$ 24,134	\$ --	\$ 317	\$ 36	\$ 2,470	\$ 317,792	\$ 2,000,390

Revenues Received Over (Under) Expenditures Disbursed	\$ 1,251	\$ (11,089)	\$ 31,376	\$ 1,286	\$ (36)	\$ (2,448)	\$ 381,336	\$ 457,355
Other Financing Sources (Uses):								
Operating Transfers In	--	--	--	--	--	2,156	--	309,274
Loan Proceeds	--	--	--	--	--	--	--	--
Net Change in Fund Balance	\$ 1,251	\$ (11,089)	\$ 31,376	\$ 1,286	\$ (36)	\$ (292)	\$ 381,336	\$ 766,629
Fund Balance - September 1, 2008	4,671	55,634	321,851	11,164	72	10,375	679,430	2,347,228
Fund Balance - August 31, 2009	\$ 5,922	\$ 44,545	\$ 353,227	\$ 12,450	\$ 36	\$ 10,083	\$ 1,060,766	\$ 3,113,857

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE - (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED AUGUST 31, 2009

	Capital Projects			Total Capital Projects	Total Nonmajor Governmental Funds
	Carriage Park	Findlay Road	Garden Acres		
REVENUES RECEIVED:					
Property Taxes	\$ --	\$ --	\$ 4,740	\$ 4,740	\$ 1,284,577
Intergovernmental Revenue:					
State Sources					
Replacement Taxes	--	--	--	--	23,966
Other State Sources	--	--	--	--	354,104
Federal Sources	--	--	--	--	411,754
Loan Repayments	--	--	--	--	24,792
Charges for Services	--	--	--	--	13,125
Fines and Fees	--	--	--	--	237,431
Interest	--	4	10	14	51,075
Miscellaneous	--	--	--	--	61,684
Total Revenues Received	\$ --	\$ 4	\$ 4,750	\$ 4,754	\$ 2,462,508

EXPENDITURES DISBURSED:					
Current:					
General Government	\$ --	\$ --	\$ --	\$ --	\$ 319,718
Public Safety	--	--	--	--	119,417
Judiciary	--	--	--	--	11,865
Public Works/Transportation	--	--	--	--	854,880
Health and Welfare	--	--	--	--	370,536
Debt Service	--	--	4,718	4,718	4,718
Capital Outlay	--	--	--	--	323,983
Total Expenditures Disbursed	\$ --	\$ --	\$ 4,718	\$ 4,718	\$ 2,005,117
Revenues Received Over (Under) Expenditures Disbursed	\$ --	\$ 4	\$ 32	\$ 36	\$ 457,391
Other Financing Sources (Uses):					
Operating Transfers In	--	--	--	--	309,274
Loan Proceeds	--	--	--	--	--
Net Change in Fund Balance	\$ --	\$ 4	\$ 32	\$ 36	\$ 766,065
Fund Balance - September 1, 2008	179	616	829	1,624	2,348,852
Fund Balance - August 31, 2009	\$ 179	\$ 620	\$ 861	\$ 1,660	\$ 3,115,517

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS -  
 MODIFIED CASH BASIS  
 AUGUST 31, 2009

	Drainage	Local Bridge Program	Township Bridge Supervisory Engineering	Township Construction	Township Motor Fuel Tax	Inmate Commissary	Circuit Clerk's Marriage Fund	Circuit Clerk's Cash Ball
Cash and Cash Equivalents	\$ 292,452	\$ 183,134	\$ 18,359	\$ 714	\$ 1,261,884	\$ 6,989	\$ 410	\$ 118,420
<b>TOTAL ASSETS</b>	<b>\$ 292,452</b>	<b>\$ 183,134</b>	<b>\$ 18,359</b>	<b>\$ 714</b>	<b>\$ 1,261,884</b>	<b>\$ 6,989</b>	<b>\$ 410</b>	<b>\$ 118,420</b>
<b>LIABILITIES</b>								
Trust Funds due Others	\$ 292,452	\$ 183,134	\$ 18,359	\$ 714	\$ 1,261,884	\$ 6,989	\$ 410	\$ 118,420
<b>TOTAL LIABILITIES</b>	<b>\$ 292,452</b>	<b>\$ 183,134</b>	<b>\$ 18,359</b>	<b>\$ 714</b>	<b>\$ 1,261,884</b>	<b>\$ 6,989</b>	<b>\$ 410</b>	<b>\$ 118,420</b>
<b>TOTAL NET ASSETS</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

Reference should be made to the auditor's report regarding this information.



SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS -  
 MODIFIED CASH BASIS - (CONTINUED)  
 AUGUST 31, 2009

	Circuit Clerk's Trust Fund	Sheriff's Trust Fund	Property Tax Fund	Taxes In Litigation	Inheritance Tax	Minor and Unknown Heirs	County Clerk's Real Estate Redemption	Total Fiduciary Funds
Cash and Cash Equivalents	\$ 18	\$ 7,150	\$ 1,278,104	\$ 71,172	\$ 1,129	\$ 88,125	\$ 2,165	\$ 3,330,225
<b>TOTAL ASSETS</b>	<b>\$ 18</b>	<b>\$ 7,150</b>	<b>\$ 1,278,104</b>	<b>\$ 71,172</b>	<b>\$ 1,129</b>	<b>\$ 88,125</b>	<b>\$ 2,165</b>	<b>\$ 3,330,225</b>
<b>LIABILITIES</b>								
Trust Funds due Others	\$ 18	\$ 7,150	\$ 1,278,104	\$ 71,172	\$ 1,129	\$ 88,125	\$ 2,165	\$ 3,330,225
<b>TOTAL LIABILITIES</b>	<b>\$ 18</b>	<b>\$ 7,150</b>	<b>\$ 1,278,104</b>	<b>\$ 71,172</b>	<b>\$ 1,129</b>	<b>\$ 88,125</b>	<b>\$ 2,165</b>	<b>\$ 3,330,225</b>
<b>NET ASSETS</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS - CEFS  
SECTION 5311 ANNUAL FINANCIAL REPORT  
OPERATING PERIOD JULY 1, 2008 TO JUNE 30, 2009  
CONTRACT NUMBER IL-18-X025

<u>Line Item</u>	<u>Revenue</u>	
401.01	Passenger Fare / Donations	\$ 12,372
411.00	State Cash Grants	<u>349,731</u>
Total Revenue		<u>\$ 362,103</u>

<u>Expenses</u>		Actual Administrative Expenses	Actual Operating Expenses	Total
501.00	Labor	\$ 133,562	\$ 210,139	\$ 343,701
502.00	Fringe Benefits	29,160	40,381	69,541
503.00	Services	6,171	78,395	84,566
504.01	Fuel and Oil	--	60,536	60,536
504.02	Tires and Tubes	--	2,372	2,372
504.03	Inventory Purchases	30	2,141	2,171
504.99	Other Materials	15,106	1,724	16,830
505.00	Utilities	9,634	--	9,634
506.00	Casualty and Liability	20,783	916	21,699
509.00	Miscellaneous	12,638	8,193	20,831
512.00	Lease and Rentals	12,953	--	12,953
Total Direct Expense		<u>\$ 240,037</u>	<u>\$ 404,797</u>	<u>\$ 644,834</u>
Total Indirect Expense		18,483	31,169	49,652
Total Expense		<u>\$ 258,520</u>	<u>\$ 435,966</u>	<u>\$ 694,486</u>

Section 5311 Grant Reimbursement

	Administrative Expenses	Operating Expenses	Total	Grant Total
Expenses:	\$ 258,520	\$ 435,966	\$ 694,486	
Less: Ineligible Expense	--	--	--	
Net Eligible Expenses	<u>\$ 258,520</u>	<u>\$ 435,966</u>	<u>\$ 694,486</u>	
Less: Total Operating Revenues	--	12,372	12,372	
Section 5311 Operating Deficit	258,520	\$ 423,594	\$ 682,114	
Section 5311 Reimbursement	X 80%	X 50%		
Eligible Reimbursement Per Percentages	\$ 206,816	\$ 211,797		\$ 418,613
Funding Limits Per Contract				332,383
Maximum Section 5311 Reimbursement			<u>332,383</u>	332,383
Less: IDOT Payments - Section 5311 Reimbursement to Grantee				<u>332,383</u>
Amount Under Paid				<u>\$ --</u>
Grantee Local Match Requirement			<u>\$ 349,731</u>	
<u>Grantee Match Sources</u>				
State Cash Grant			<u>\$ 349,731</u>	

Reference should be made to the auditor's report regarding this information.

# Single Audit

SHELBY COUNTY, ILLINOIS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED AUGUST 31, 2009

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Disbursements/ Expenditures
<b><u>U.S. Department of Transportation</u></b>			
Passed through Illinois Department of Transportation Airport Improvement Program	20.106		\$ 1,348
Public Transportation		RPT-08-019	\$ 110,028
Public Transportation		RPT-09-019	298,831
Total Public Transportation	20.509		\$ 408,859
<b>Total U.S. Department of Transportation</b>			<b>\$ 410,207</b>
<b><u>U.S. Department of General Service Administration</u></b>			
Passed through Illinois State Board of Elections Business Services - Help America Vote Act	39.001		\$ 375
<b><u>U.S. Department of Environment Quality</u></b>			
Passed through Illinois Department of Public Health Performance Partnership Grants - Groundwater Testing	66.605	4740	\$ 213
<b><u>U.S. Department of Health &amp; Human Services</u></b>			
Passed through Illinois Department of Human Services Diabetes Program		11GK454000	\$ 1,400
Diabetes Program		11GL454000	217
Total Diabetes Program	93.988		\$ 1,617
Passed through Illinois Department of Healthcare and Family Services Child Support/Computer Interface	93.563		\$ 3,463
Passed through Illinois Department of Healthcare and Family Services Medicaid Matching - Administrative Outreach		FY08	\$ 55,169
Passed through Illinois Department of Human Services Title XX Block Grant - Teen Parents	93.667	11GK454000	\$ 3,500
Passed through Illinois Department of Public Health Health Protection	93.268	000283	\$ 125,774
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 189,523</b>
<b><u>U.S. Department of Agriculture</u></b>			
Passed through the Illinois Department of Human Services			
(M) WIC Administration		11GK454000	\$ 67,324
(M) WIC Administration		11GL454000	11,510
(M) WIC Special Supplemental Nutrition Program			244,720
Total Women, Infants and Children Program	10.557		\$ 323,554
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 923,872</b>

(M) denotes major program.

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2009

Note 1 – Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is a summary of the activity of the County's federal award programs presented on the modified cash basis of accounting. Expenditures are recognized and recorded upon the disbursement of cash.

Note 2 – Nonmonetary Assistance

Nonmonetary assistance for immunization vaccines, and food supplements are reported in the schedule at the fair market value of these items received and disbursed.

Note 3 – Subrecipients

Of the federal expenditures presented in the schedule, Shelby County provided federal awards to the subrecipient as follows:

<u>Program Title/Subrecipient</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipient</u>
Public Transportation CEFS Economic Opportunity Corporation	20.509	<u>\$408,859</u>

Note 4 – Insurance Provided by Federal Agencies

The County did not receive any insurance coverage provided by a federal agency during the fiscal year ending August 31, 2009.

SHELBY COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2009

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the financial statements of Shelby County, Illinois due to the financial statements being presented on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
2. No significant deficiencies relating to the audit of the financial statements is reported in the Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements performed on accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Shelby County were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award programs is reported in the Report on Compliance with Requirements applicable to each Major Program and Internal Control over Compliance in accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Shelby County expresses an unqualified opinion.
6. There were no audit findings relative to the major programs for Shelby County.
7. The program tested as a major program includes:

<u>Name</u>	<u>CFDA No.</u>
Women, Infants and Children Program	10.557
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Shelby County was determined to be a low-risk auditee.

B. FINDINGS — FINANCIAL STATEMENT AUDITS

Our tests revealed no noncompliance and internal control over financial reporting findings.

C. FINDINGS AND QUESTIONED COSTS — MAJOR FEDERAL AWARD PROGRAMS AUDIT

Our tests did not reveal any findings or questioned costs relative to major federal award programs.

SHELBY COUNTY, ILLINOIS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED AUGUST 31, 2009

This schedule is not applicable because the County did not have any findings related to federal financial awards for the fiscal year ended August 31, 2008.