

JACKSON COUNTY, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED NOVEMBER 30, 2007

JACKSON COUNTY, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED NOVEMBER 30, 2007

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTIONS	
Letter of Transmittal	1 thru 3
Organizational Chart	4
List of Elected and Appointed Officials	5
FINANCIAL SECTION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	6 thru 9
INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION	10 thru 11
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets	12
Statement of Activities	13
Balance Sheet – Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Net Assets – Proprietary Funds	18
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	21
Notes to the Financial Statements	22 thru 39
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules	40 thru 42
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Nonmajor Governmental Funds	43
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	44
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	45
Combining Balance Sheet – Discrete Component Units	46
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances- Discrete Component Units	47
Reconciliation of the Discretely Presented Component Units Balance Sheet to the Statement of Net Assets	48

JACKSON COUNTY, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED NOVEMBER 30, 2007

TABLE OF CONTENTS – CONTINUED

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Discretely Presented Component Units to the Statement of Activities	49
FEDERAL FINANCIAL ASSISTANCE	
INDEPENDENT AUDITORS' 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	50 thru 51
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	52 thru 53
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	54
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	55
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	56
SUMMARY SCHEDULE OF PROIR AUDIT FINDINGS	57
CORRECTIVE ACTION PLAN	58

INTRODUCTORY SECTION



OFFICE OF COUNTY BOARD JACKSON COUNTY, ILLINOIS

November 30, 2007

To the Chairman of the Jackson County Board, Members of the Jackson County Board, Elected Officeholders of Jackson County, and Citizens of Jackson County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Jackson County for the fiscal year ended November 30, 2007.

This report consists of management's representations concerning the finances of Jackson County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Jackson County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Jackson County's financial statements in conformity with GAAP. Because of the cost of internal controls should not outweigh their benefits, Jackson County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Jackson County's financial statements have been audited by Kerber, Eck & Braeckel, and a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Jackson County for the fiscal year ended November 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Jackson County's financial statements for the fiscal year ended November 30, 2007, are fairly presented in

conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Jackson County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A. Jackson County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Jackson County, incorporated January 10, 1816, is located in the southwestern part of the State of Illinois. Jackson County currently occupies a land area of 588 square miles and serves a population of 59,627 (2000 census). Jackson County is empowered to levy a property tax on real property located within its boundaries.

Jackson County operates under the county board form of government. Policy-making and legislative authority are vested in the county board consisting of fourteen members, two members representing each of the counties seven districts. The county board is responsible, among other things, for passing resolutions/ordinances, adopting the budget, and appointing committees. Board members serve four-year staggered terms, with seven county board members elected every two years.

Jackson County consists of the following publicly elected constitutional offices: County Clerk & Recorder, County Coroner, County Treasurer, Circuit Clerk, Sheriff, State's Attorney, and Superintendent of Schools. Jackson County provides a full range of services, including: animal & rabies control; supervisor of assessments and board of review; the construction of roads, bridges, and other infrastructure; emergency & disaster services; ambulance service; health department; and a rehab and care center.

The annual budget serves as the foundation for Jackson County's financial planning and control. All departments and agencies of Jackson County are required to submit requests for appropriation to the accounting coordinator upon request of the Finance Committee in August of each year. The accounting coordinator uses these requests as the starting point for developing a proposed budget. The accounting coordinator then presents this proposed budget to the Finance Committee for review. The Finance Committee and accounting coordinator hold budget meetings with all elected officeholders and department heads. The county board is required to hold a special board meeting on the

proposed budget and to adopt a final budget by no later than November 30, the close of Jackson County's fiscal year. The appropriated budget is prepared by fund (e.g. county general), and department (e.g. Sheriff's Department). Elected Officeholders and department heads may request adjustments to the final budget, however, the adjustments require approval of the Finance Committee and the full Jackson County Board. Budget-to-actual comparisons are provided to all elected office holders and department heads monthly, as well as in this report for which an appropriated annual budget has been adopted.

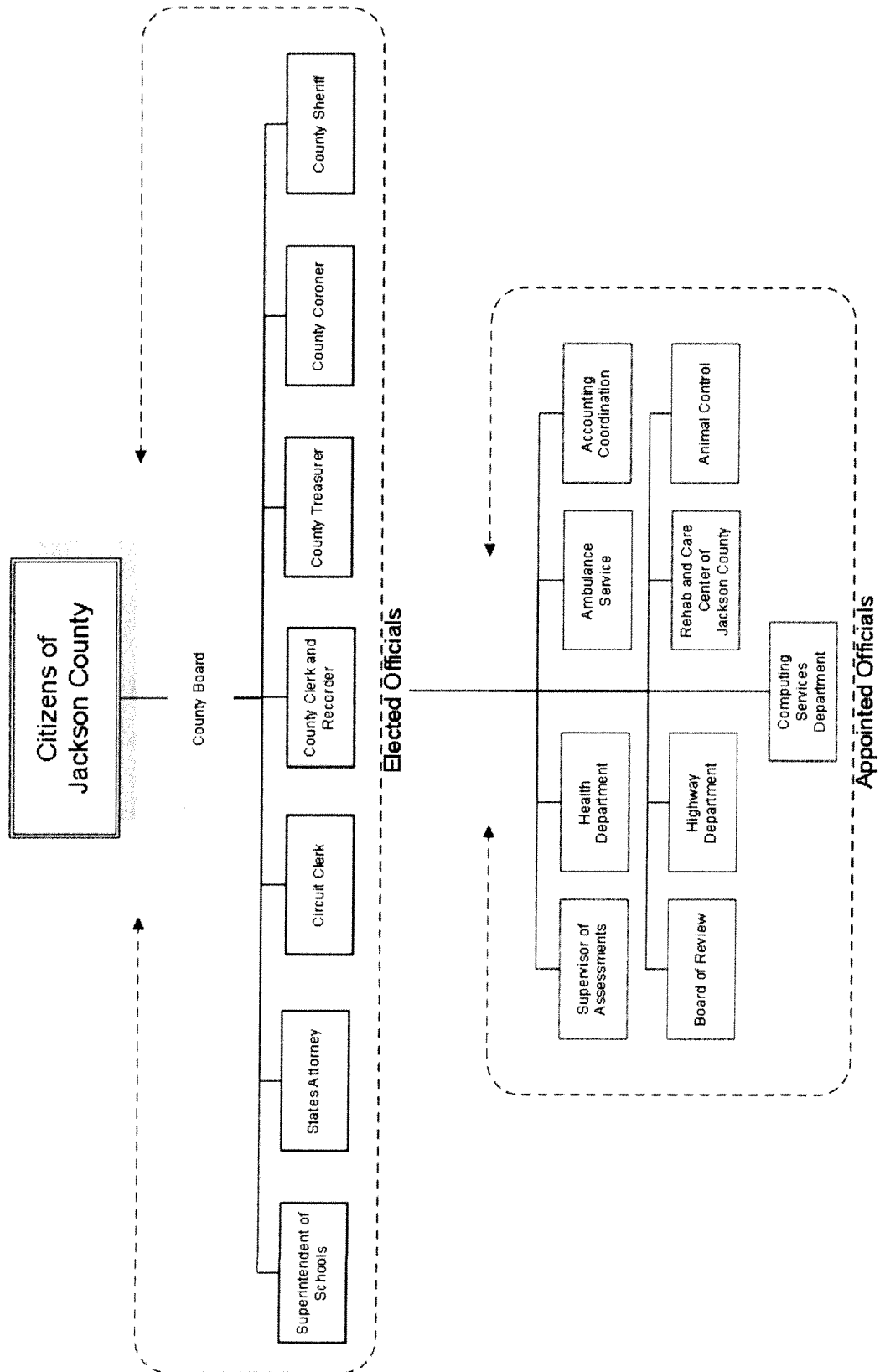
Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the Accounting Coordinator, Jackson County Treasurer's Office, Jackson County Ambulance Service, Jackson County Health Department, Jackson County Highway Department, and the Rehab & Care Center of Jackson County. I would like to express my appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Chairman of the Jackson County Board and the Jackson County Board members for their unfailing support for maintaining the highest standards of professionalism in the management of Jackson County's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gerald Compton', with a long horizontal flourish extending to the right.

Gerald Compton
Finance Committee Chairman
Jackson County Board



JACKSON COUNTY, ILLINOIS
LIST OF ELECTED OFFICIALS
NOVEMBER 30, 2007

JACKSON COUNTY ELECTED OFFICIALS

County Clerk & Recorder	Larry Reinhardt
Circuit Clerk	Cindy Svanda
Treasurer	Shirley Booker
Sheriff	Robert Burns
State's Attorney	Michael Wepsiec
Regional Superintendent of Schools	Robert Koehn
Coroner	Thomas Kupferer

JACKSON COUNTY BOARD MEMBERS

District 1	William Alstat
	Karl Maple
District 2	Dan Bost
	Mark Holt
District 3	Frank Puttman
	Mary Korando
District 4	Darnecea Moultrie
	Bob Lorinskas
District 5	Don Barrett
	John Rendleman
District 6	Gerald Compton
	Donna McCann
District 7	John Evans
	Breton O'Neill

JACKSON COUNTY APPOINTED OFFICIALS

Ambulance Service Director	Dottie Miles
Animal Control Officer	Lloyd Nelson
Board of Review	Ira Reeves
	Raymond Amschler
	Jim Pribble
Emergency & Disaster Services	Derek Miesner
Health Department Administrator	Miriam Link-Mullison
Highway Engineer	Grant Guthman
Rehab & Care Center Administrator	Merle Taylor
Supervisor of Assessments	Maureen Berkowitz

FINANCIAL SECTION



OFFICE OF COUNTY BOARD JACKSON COUNTY, ILLINOIS

Management's Discussion and Analysis

As management of Jackson County, we offer readers of Jackson County's financial statements this narrative overview and analysis of the financial activities of Jackson County for the fiscal year ended November 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Jackson County placed a referendum on the March 21, 2006, ballot asking voters to allow the county to impose a public safety tax at the rate of a one-quarter percent (0.25%) upon all persons engaged in the business of selling tangible personal property at retail in the county on gross receipts from sales made in the course of their business to be used for crime prevention, detention, and other public safety purposes. The referendum was narrowly defeated by 211 votes and cannot be placed on another ballot until spring 2008.
- Jackson County, as a result of the surrounding cities property annexations, began to see a decrease in sales tax receipts.
- The Rehab & Care Center began to experience positive cash flow as a result of layoffs and Jackson County reallocating its aggregate levy in FY04-05 as well as in FY05-06 to eliminate the loan to the Jackson County Ambulance Service and to place the Rehab & Care Center on the tax roles for the State mandated taxes, i.e. FICA/Medicare, IMRF, Workers Compensation, and Unemployment.
- Jackson County and its Health Department explored the possibility of constructing and operating a Household Hazardous Waste Collection Facility with the use of solid waste funds.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Jackson County's basic financial statements. Jackson County's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains federal financial assistance information in addition to the basic financial statement themselves.

Government-Wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of Jackson County's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of Jackson County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Jackson County include general government, public safety, roads and bridges, and solid waste. The business-type activities of Jackson County include a rehab & care center and ambulance service.

The government-wide financial statements include not only Jackson County itself (known as the primary government), but also a legally separate health department, tuberculosis department, and mental health (708) department for which Jackson County is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12-13 of this report.

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

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

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

Jackson County maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

Jackson County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Proprietary funds Jackson County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Jackson County uses enterprise funds to account for its ambulance services and for its rehab and care center.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the ambulance service and for the rehab and care center, both of which are considered to be major funds of Jackson County.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government.

The basic fiduciary fund financial statements can be found on page 21 of this report.

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

The notes to the financial statements can be found on pages 22-39 of this report.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents all federal financial assistance awarded to Jackson County.

The required supplementary information can be found on pages of 40-42 of this report.

Requests for Information

This financial report is designed to provide a general overview of Jackson County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Board: Accounting Coordinator, 1001 Walnut Street, Jackson County Courthouse, Murphysboro, Illinois, 62966, or by calling 618-687-7240.

INDEPENDENT AUDITORS' REPORT

Jackson County Board
Courthouse
Murphysboro, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Illinois as of and for the year ended November 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jackson County, Illinois management. Our responsibility is to express opinions on these financial 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 general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Illinois as of November 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated April 7, 2008 on our consideration of the Jackson County, Illinois' internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 6 through 9 and 40 through 42, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson County, Illinois basic financial statements. The introductory section and combining and individual nonmajor fund financial statements 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 Jackson County, Illinois. The combining and individual nonmajor fund financial statements 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 introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Karber, Eck + Broeckel LLP

Carbondale, Illinois
April 8, 2008

BASIC FINANCIAL STATEMENTS

JACKSON COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
NOVEMBER 30, 2007

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Total
Assets:				
Cash	\$ 8,957,158	\$ 1,720,533	\$ 10,677,691	\$ 1,146,605
Investments				300,004
Accounts receivable:				
Consumers		1,868,067	1,868,067	
Other governmental units and agencies	950,156		950,156	496,838
Property taxes	3,080,577	1,460,616	4,541,193	570,204
Due from other funds	30,165		30,165	6,414
Due from others	137,060		137,060	
Due from agencies	57,429		57,429	
Prepayments	333	14,634	14,967	1,243
Inventories		53,814	53,814	80,778
Other				
Restricted assets:				
Cash	3,010,763		3,010,763	
Investments	73,257		73,257	
Accounts receivable:				
Other governmental units and agencies	10,199		10,199	
Property taxes	3,008,220		3,008,220	
Due from county general	677,916		677,916	
Capital assets, net	<u>15,552,748</u>	<u>2,936,808</u>	<u>18,489,556</u>	<u>1,195,765</u>
Total Assets	<u>35,545,981</u>	<u>8,054,472</u>	<u>43,600,453</u>	<u>3,797,851</u>
Liabilities:				
Accounts payable	369,170	336,896	706,066	115,518
Accrued payroll	258,114	245,770	503,884	59,938
Current portion - compensated absences	217,779	288,968	506,747	79,964
Current portion - notes payable	49,615		49,615	26,751
Due to other funds	30,165		30,165	6,414
Due to others		89,893	89,893	
Due to agencies	1,969		1,969	
Due to restricted funds	677,916		677,916	
Deferred revenue	3,080,577		3,080,577	702,695
Restricted liabilities				
Accounts payable	27,234		27,234	
Deferred revenue	2,953,220	1,643,820	4,597,040	
Due to others	13,328		13,328	
Noncurrent liabilities:				
Compensated absences	184,744		184,744	78,164
Notes payable	<u>389,894</u>		<u>389,894</u>	<u>144,676</u>
Total Liabilities	<u>8,253,725</u>	<u>2,605,347</u>	<u>10,859,072</u>	<u>1,214,120</u>
NET ASSETS				
Invested in capital assets, net of related debt	15,113,239	2,936,808	18,050,047	1,024,338
Restricted assets	3,786,573		3,786,573	
Designated	8,370,865		8,370,865	
Unrestricted	<u>21,579</u>	<u>2,512,317</u>	<u>2,533,896</u>	<u>1,559,393</u>
Total Net Assets	<u>\$ 27,292,256</u>	<u>\$ 5,449,125</u>	<u>\$ 32,741,381</u>	<u>\$ 2,583,731</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Service Charges, Permits, and Fees	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
Primary government:						
Governmental activities:						
General government	\$ 7,191,401	\$ 2,761,747	\$ 95,645		\$ (4,334,009)	\$ (4,334,009)
Public Works	3,072,596	236,806	722,513		(2,113,277)	(2,113,277)
Public Safety	5,182,400	194,693	216,930		(4,770,777)	(4,770,777)
Interest on long term debt	34,855				(34,855)	(34,855)
Total governmental activities	15,481,252	3,193,246	1,035,088		(11,252,918)	(11,252,918)
Business-Type activities:						
Rehab & Care	8,050,183	6,849,683			(1,200,500)	(1,200,500)
Ambulance	2,556,590	1,924,329			(632,261)	(632,261)
Total Business-Type activities	10,606,773	8,774,012			(1,832,761)	(1,832,761)
Total Primary Government	\$ 26,088,025	\$ 11,967,258	\$ 1,035,088	\$ -		
Component Units:						
Health Department	\$ 3,734,590	\$ 699,220	\$ 2,240,217	\$ -		\$ (795,153)
Tuberculosis	68,306					(68,306)
Mental Health 708 Board	427,328					(427,328)
Total Component Units	\$ 4,230,224	\$ 699,220	\$ 2,240,217	\$ -		(1,290,787)
General Revenues:						
Taxes:						
General property taxes					2,786,212	4,260,743
Property taxes, restricted					1,642,872	2,400,003
Sales and service taxes					2,108,044	2,108,044
Motor fuel tax					1,023,355	1,023,355
State Income Tax					1,746,670	1,746,670
Replacement Tax					715,431	715,431
Inheritance Tax					339	339
Local Use Tax					258,579	258,579
Investment earnings					512,864	556,153
Donations						
State grant						
Miscellaneous					52,471	81,909
Transfers						
Total general revenues and transfers					10,846,837	13,151,226
Change in net assets					(406,081)	65,547
Net assets - beginning					27,698,337	32,989,397
Prior period adjustment - See note R					(313,563)	(313,563)
Net assets - ending					\$ 27,292,256	\$ 32,741,381
						\$ 2,583,731

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
NOVEMBER 30, 2007

	General Fund	County Highway Fund	Solid Waste Management Fund	County Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash		\$ 554,285	\$ 3,502,115	\$ 2,488,727	\$ 2,412,031	\$ 8,957,158
Accounts receivable:						
Consumers						
Other governmental units and agencies	\$ 823,821	63,068	58,948		4,319	950,156
Property taxes	2,093,330	620,000			367,247	3,080,577
Due from other funds		295		29,870		30,165
Due from others	137,060					137,060
Due from agencies		57,429				57,429
Prepayments	333					333
Other						
Restricted assets						
Cash	3,010,763					3,010,763
Investments	73,257					73,257
Accounts receivable:						
Other governmental units and agencies	10,199					10,199
Property taxes	3,008,220					3,008,220
Due from county general	677,916					677,916
Total Assets	\$ 9,834,899	\$ 1,295,077	\$ 3,561,063	\$ 2,518,597	\$ 2,783,597	\$ 19,993,233
LIABILITIES, EQUITY AND OTHER CREDITS						
Liabilities:						
Accounts payable	\$ 287,912	\$ 16,145		\$ 62,789	\$ 2,324	\$ 369,170
Accrued payroll	258,021	93				258,114
Compensated absences	172,601	45,178				217,779
Due to other funds		29,870			295	30,165
Due to restricted funds	677,916					677,916
Due to agencies					1,969	1,969
Deferred revenue	2,093,330	620,000			367,247	3,080,577
Due to others						
Restricted liabilities						
Accounts payable	27,234					27,234
Deferred revenue	2,953,220					2,953,220
Due to others	13,328					13,328
Total liabilities	6,483,562	711,286		62,789	371,835	7,629,472
Fund Balances:						
Reserved for:						
Restricted assets	3,786,573					3,786,573
Debt service					(1,180)	(1,180)
Designated			3,502,115	2,455,808	2,412,942	8,370,865
Unreserved, undesignated	(435,236)	583,791	58,948			207,503
Total fund balances	3,351,337	583,791	3,561,063	2,455,808	2,411,762	12,363,761
Total Liabilities and Fund Balances	\$ 9,834,899	\$ 1,295,077	\$ 3,561,063	\$ 2,518,597	\$ 2,783,597	\$ 19,993,233

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
NOVEMBER 30, 2007

Total fund balances for governmental funds \$ 12,363,761

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Construction in progress	116,864	
Land	150,000	
Land improvements, net of \$96,390 accumulated depreciation	8,986	
Buildings, net of \$3,627,531 accumulated depreciation	3,956,623	
Building improvements, net of \$333,726 accumulated depreciation	713,882	
Fixed equipment, net of \$183,757 accumulated depreciation	84,357	
Major movable equipment, net of \$904,669 accumulated depreciation	617,318	
Vehicles, net of \$1,970,688 accumulated depreciation	327,879	
Computers, net of \$804,190 accumulated depreciation	120,696	
Infrastructure, net of \$3,389,892 accumulated depreciation	<u>9,456,143</u>	
Total capital assets		15,552,748

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. Long-term liabilities consist of:

Notes payable	(439,509)	
Compensated absences	<u>(184,744)</u>	
Total long-term liabilities		<u>(624,253)</u>

Total net assets of governmental activities \$ 27,292,256

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

	General Fund	County Highway Fund	Solid Waste Management Fund	County Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues - Unrestricted Funds						
General property taxes	\$ 1,772,699	\$ 595,925			\$ 417,588	\$ 2,786,212
Sales and service taxes	2,108,044					2,108,044
Intergovernmental revenue	3,033,594	193,958		\$ 1,144,023	177,842	4,549,417
Use of money and property	14,859	24,873	\$ 173,309	122,549	85,201	420,791
Service charges, permits and fees	2,020,174		433,520			2,020,174
Sanitation fees		67,902				433,520
Other revenue						67,902
Total Unrestricted Fund Revenues	8,949,370	882,658	606,829	1,266,572	680,631	12,386,060
Expenditures - Unrestricted Funds						
Current						
General government	4,137,834					4,137,834
Public safety	4,936,681					4,936,681
Public health			363,117			363,117
Public works		1,234,073				1,234,073
Capital improvements		85,648		882,900	255,267	1,223,815
Debt Service					80,896	80,896
Total Unrestricted Fund Expenditures	9,074,515	1,319,721	363,117	882,900	336,163	11,976,416
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	(125,145)	(437,063)	243,712	383,672	344,468	409,644
Revenues - Restricted Funds						
General property taxes	1,509,398	133,474				1,642,872
Other revenues	1,046,239					1,046,239
Total Restricted Fund Revenues	2,555,637	133,474				2,689,111
Expenditures - Restricted Funds						
General property taxes	2,004,284	133,474				2,137,758
Other expenditures	801,701					801,701
Total Restricted Fund Expenditures	2,805,985	133,474				2,939,459
Excess of Revenues Over Expenditures - Restricted Funds	(250,348)					(250,348)
Other Financing Sources (Uses)						
Operating transfers in		283,248		29,870	80,896	394,014
Operating transfers out	(80,896)	(29,870)		(191,336)	(91,912)	(394,014)
Total Other Financing Sources (Uses)	(80,896)	253,378		(161,466)	(11,016)	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(456,389)	(183,685)	243,712	222,206	333,452	159,296
FUND BALANCES, BEGINNING OF YEAR	3,807,726	767,476	3,317,351	2,233,602	2,078,310	12,204,465
FUND BALANCES, END OF YEAR	\$ 3,351,337	\$ 583,791	\$ 3,561,063	\$ 2,455,808	\$ 2,411,762	\$ 12,363,761

The accompanying notes are an integral part of this statement

JACKSON COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

Net change in fund balances - total governmental funds	\$ 159,296
--	------------

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation(\$874,209) exceeds capital outlays (\$288,309) in the current period.	(585,900)
---	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund:

Change in compensated absences	(25,518)
--------------------------------	----------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of long-term debt	<u>46,041</u>
-----------------------------	---------------

Change in net assets of governmental activities	<u><u>\$ (406,081)</u></u>
---	----------------------------

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
NOVEMBER 30, 2007

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
ASSETS			
Cash	\$ 735,281	\$ 985,252	\$ 1,720,533
Accounts receivable:			
Consumers	1,427,190	440,877	1,868,067
Property taxes	506,000	954,616	1,460,616
Prepayments	1,004	13,630	14,634
Inventories	7,210	46,604	53,814
Capital Assets:			
Land and improvements	350,770	152,470	503,240
Buildings and improvements	8,005,131	616,652	8,621,783
Vehicles and equipment	2,002,595	1,705,145	3,707,740
Construction in progress			
Accumulated depreciation	(8,189,498)	(1,706,457)	(9,895,955)
Total Assets	4,845,683	3,208,789	8,054,472
LIABILITIES			
Accounts payable	299,055	37,841	336,896
Accrued payroll	217,848	27,922	245,770
Compensated absences	219,084	69,884	288,968
Due to third party payors	71,362		71,362
Due to patient trust fund	18,531		18,531
Restricted liabilities:			
Deferred revenue	689,204	954,616	1,643,820
Total Liabilities	1,515,084	1,090,263	2,605,347
NET ASSETS			
Invested in capital assets, net of related debt	2,168,998	767,810	2,936,808
Unrestricted	1,161,601	1,350,716	2,512,317
Total Net Assets	\$ 3,330,599	\$ 2,118,526	\$ 5,449,125

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
Operating Revenues:			
Charges for services	\$ 6,829,453	\$ 1,924,329	\$ 8,753,782
Other operating revenues	20,230		20,230
Total Operating Revenues	6,849,683	1,924,329	8,774,012
Operating Expenses:			
Personnel services	5,435,376	1,821,968	7,257,344
Commodities	745,519	212,466	957,985
Contractual	1,207,667	245,563	1,453,230
Maintenance	41,501	8,767	50,268
Other charges	45,436	35,680	81,116
Bad debts	275,574	93,117	368,691
Depreciation	299,110	139,029	438,139
Total Operating Expenses	8,050,183	2,556,590	10,606,773
Operating Loss	(1,200,500)	(632,261)	(1,832,761)
Nonoperating Revenues (Expenses):			
General property taxes	1,087,911	1,143,751	2,231,662
Use of money and property	16,238	27,051	43,289
Miscellaneous revenue	8,014	21,424	29,438
Total Nonoperating Revenues	1,112,163	1,192,226	2,304,389
Net income (loss)	(88,337)	559,965	471,628
Net assets - beginning of year as previously reported	3,732,499	1,558,561	5,291,060
Less adjustment relating to prior periods	(313,563)		(313,563)
Net assets - beginning of year as restated	3,418,936	1,558,561	4,977,497
Total net assets - ending	\$ 3,330,599	\$ 2,118,526	\$ 5,449,125

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from patients and third party payors	\$ 7,024,328	\$1,931,509	\$ 8,955,837
Payments to suppliers	(2,499,092)	(596,167)	(3,095,259)
Payments to employees	(5,239,423)	(1,815,705)	(7,055,128)
Net cash used in operating activities	(714,187)	(480,363)	(1,194,550)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property tax support	1,087,911	1,143,751	2,231,662
Miscellaneous revenue	8,014	21,424	29,438
Net cash provided by noncapital financing activities	1,095,925	1,165,175	2,261,100
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(52,133)	(256,737)	(308,870)
Net cash used in capital and related financing activities	(52,133)	(256,737)	(308,870)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	16,516	27,051	43,567
Net cash provided by investing activities	16,516	27,051	43,567
NET INCREASE (DECREASE) IN CASH	346,121	455,126	801,247
CASH, BEGINNING OF YEAR	389,160	530,126	919,286
CASH, END OF YEAR	\$ 735,281	\$ 985,252	\$ 1,720,533
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Loss	\$ (1,200,500)	(632,261)	\$ (1,832,761)
Items not requiring (providing) cash:			
Depreciation	299,110	139,029	438,139
Changes in:			
Accounts receivable	12,839	199,391	212,230
Prepaid expenses	2	(13,630)	(13,628)
Inventories	(1,417)	(384)	(1,801)
Accounts payable	118,469	(94,914)	23,555
Accrued payroll	180,707	12,078	192,785
Accrued vacation	15,246	(5,816)	9,430
Due to other funds	(7,040)	0	(7,040)
Due to third parties	(43,910)	0	(43,910)
Deferred revenue	(87,693)	(83,856)	(171,549)
NET CASH USED IN OPERATING ACTIVITIES	\$ (714,187)	\$ (480,363)	\$ (1,194,550)

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
NOVEMBER 30, 2007

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 1,881,360
Investments	344,000
Due from other funds	789
Due from debt service	<u>1,180</u>
Total assets	<u>2,227,329</u>
 LIABILITIES	
Due to others	1,245,398
Due to other funds	57,429
Due to individuals	571,517
Due to taxing units	286,161
Accrued interest	<u>66,824</u>
Total liabilities	<u>2,227,329</u>
 NET ASSETS	 <u><u>\$</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

Jackson County, Illinois is governed by an elected board of fourteen members. The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to governments. As required by GAAP, these financial statements present the government and its component units and entities for which the government is considered to be financially accountable. A blended component unit, although legally a separate entity, in substance, is a part of the government's operations and data from this unit is combined with data from the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

The following are the County's discretely presented component units:

The Health Department is responsible for providing various health services to the residents of Jackson County. The members of the Health Department Board are appointed by the County Board. The County Board sets the annual tax levy and approves the Health Department's budget. The Health Department is presented as a governmental fund type.

The Tuberculosis Fund is responsible for providing medication and counseling for individuals with tuberculosis. The Directors of the Tuberculosis Fund are appointed by the County Board. The County Board sets the annual tax levy and approves the Tuberculosis Fund's budget. The Tuberculosis Fund is presented as a governmental fund type.

The Mental Health (708) Board is responsible for providing grants to other social service agencies in Jackson County. The Mental Health Board members are appointed by the County Board. The County Board sets the annual tax levy and approves the 708 Board's budget. The 708 Board Fund is presented as a governmental fund type.

Complete financial statements for the discrete component units may be obtained from the respective units.

At November 30, 2007, the County did not have any blended component units.

In fiscal year 2003, the County implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB Statement No. 34), GASB Statement 37, *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* which provides additional guidance for the implementation of GASB Statement 34, and GASB Statement No. 38, *Certain Financial Statement Disclosures* which changes not disclosure requirements for governmental entities.

GASB Statement No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, county-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be retained. The GASB also determined that county-wide financial statements are needed to allow user's of financial reports to assess a government's operational accountability. The new GASB model integrates fund-based financial reporting and county-wide financial reporting as complementary components of a single comprehensive financial reporting model.

In fiscal year 2005, the County adopted GASB Statement No. 40, *Deposits and Investments Risk Disclosures and Amendment of GASB Statement No. 3*, which provides improved information about risks that may potentially impact the ability to provide services and pay future debt obligations. The disclosures required by this standard are presented in Note B to the County's financial statements.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Basis of Presentation - Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds are summarized by type in the financial statements. The following fund types are used by the County:

- A. Governmental Fund Types - Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

The following are the County's governmental fund types:

- a. The General Fund is used to account for all financial transactions which are not required to be accounted for in another fund. This fund accounts for the general operating transactions of the County including police protection, administration, judiciary and court services.
 - b. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes.
 - c. Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.
- B. Proprietary Fund Types - Proprietary funds are used to account for the County's ongoing organizations and activities which are similar to those often found in the private sector. The County consistently follows all FASB pronouncements issued after November 30, 1989 for its proprietary fund activities. The measurement focus is upon the determination of net income. The following is the County's proprietary fund type:
- a. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; that is, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- C. Fiduciary Fund Types - Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent on behalf of others. The following is the County's fiduciary fund type:
- a. Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the County and its component unit. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct expenses of a given function, segment or program offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or program.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from the goods or services of a program and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function, segment or program. Taxes and other items not properly included in program revenues are reported as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than compensated absences and principal and interest on long-term debt which are recorded when due, are recorded when the related liability is incurred.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. The County considers intergovernmental revenues available if they are collected within 90 days after a year end. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. See Note D for property tax accrual policy.

5. Legal Compliance - Budgetary Control and Budgetary Accounting

As required by state statutes, the annual operating budget is prepared and adopted by the County Board. The elected officials are authorized to transfer budget amounts between departments within any fund. Any supplemental appropriations that amend the total expenditures of any fund require County Board resolution. Budgetary appropriations lapse at the end of the fiscal year. The budget must be filed with the County Clerk so that it can be available to the public for inspection fifteen days prior to adoption. The budget must be adopted prior to December 1 of each year.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Encumbrances

The County does not maintain an encumbrance accounting system. Therefore, no reservations of fund balance have been made for outstanding purchase orders, contracts or other commitments.

7. Investments

Investments are reported at fair value.

8. Inventories and prepaids

Inventories are valued at cost using the first in/first out (FIFO) method.

9. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (i.e., roads, bridges and other similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets for the Highway Fund are defined as assets with an initial, individual cost of more than \$20,000 and an estimated useful life in excess of one year.

Capital assets for Governmental and Enterprise Funds are defined by the County as assets with an initial, individual cost of \$1,000 or more and an estimated useful life. Such assets are valued at cost or estimated original cost. Depreciation has been provided using the straight-line method over the estimated useful life of each asset.

The estimated useful lives are as follows:

a. Land improvements	25-40 years
b. Buildings	20-40 years
c. Machinery & equipment	5-10 years
d. Infrastructure	40-50 years

10. Compensated Absences

Accumulated unpaid vacation and vested sick pay are accrued when incurred in proprietary funds. For all other funds, unpaid vacation and vested sick pay are accrued as a current liability for amounts expected to be used in the coming year. The long-term portion is reported in the government-wide financial statements.

11. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type financial statements.

In the fund financial statements long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE B - DEPOSITS AND INVESTMENTS

Deposits

At November 30, 2007, the carrying amount of the County's deposits with financial institutions was \$14,835,059 and the bank balances were \$14,698,033.

Custodial Credited Risk – Custodial risk is the risk that in the event of a bank failure, the County's deposits may not be returned to the County. The County does have a policy to require banks to collateralize balances over the FDIC insured amount. As of November 30, 2007, the County has \$699,015 of uninsured/uncollateralized deposits.

At November 30, 2007, the bank balance of \$17,814,116, including fiduciary funds, \$702,665 was covered by federal depository insurance, \$2,390,028 were collateralized by pledged bank assets in the County's name, \$14,023,008 was deposited in the Illinois Funds, a state investment pool, and \$699,015 was uninsured/uncollateralized. Due to the nature of the Illinois Funds, they are included as deposit balances on the balance sheet.

Investments

As of November 30, 2007, the County had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>6-12 Months</u>	<u>1-3 Years</u>
Certificates of deposit	\$ 122,175	\$ 122,175	
Illinois Funds:			
Mental Health 708 Board	<u>251,086</u>	<u>251,086</u>	
Total	<u>\$ 373,261</u>	<u>\$ 373,261</u>	<u>\$</u>

Interest Rate Risk – Interest rate risk is the risk that the fair value of an investment will decline as interest increase. The County's investment policy is described in the paragraph below. Due to the County's type of investments at November 30, 2007, certificates of deposits and U.S. Government Securities, interest rate risk is not significant.

Credit Risk – Credit risk is the risk that the financial counter party will fail to meet its defined obligations. State statutes authorize the County to invest only in direct obligations of the U.S. Governments or its agencies; direct obligations of any financial institution that is insured by the Federal Deposit Insurance Corporation; short-term obligations of corporations rated A or better by at least two standard rating services; obligations of the State of Illinois and its political subdivisions; insured accounts of credit unions located in the State of Illinois; The Illinois Funds; certain money market mutual funds where the portfolio if limited to U.S. Government securities; and certain repurchase agreements. Credit quality ratings disclosures do not apply to debt securities of the U.S. government.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At November 30, 2007, the County's U.S. government securities were being held by the Agency's investment safekeeping agent in the name of the Agency.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE C - ACCOUNTS RECEIVABLE AND CREDIT RISK

The County grants credit without collateral to the patients and residents of the Ambulance Fund and Rehab and Care Center Fund respectively, most of whom are area residents and are insured under third-party payor agreements. At November 30, 2007, accounts receivable in the Enterprise Fund totaled \$ 1,868,067 which is net of contractual allowances and provisions for bad debts of \$ 1,310,358.

NOTE D - PROPERTY TAXES

The County's property tax is levied as of January 1 each year on the assessed value listed as of the prior January 1 for all real property in the County. The County Clerk's Office determines necessary tax rates and extends the taxes based upon the equalized assessed values. Assessed values are established by the County Assessment Department at 33 1/3% of assumed market value.

Property taxes are normally due in two installments, the first installment is due 30 days after bills are issued and the second installment is due 30 days after the first installment due date. Interest at a maximum of 1 1/2% per month attaches to delinquent taxes. There is not a specific lien date; however, any property with taxes still delinquent is subject to the property tax sale.

Property taxes are recognized as revenue when they become available to finance expenditures. This occurs when the taxes have been collected.

The 2006 assessed valuation for property taxes collected in Fiscal Year 2007 was \$581,657,317. The tax levy for 2006, which represents the property taxes collected in Fiscal Year 2007, was \$143,677 per \$100 assessed valuation.

NOTE E - RESTRICTED ASSETS - GENERAL FUND

Certain resources are classified as restricted assets on the balance sheet because their use is limited to a specific purpose. A summary of restricted assets at November 30, 2007 is as follows:

<u>Restricted Assets</u>	<u>General</u>
Tort Liability	
Cash	\$ 176,040
Property tax receivable	250,000
Workers' Compensation	
Cash	783,062
Property tax receivable	100,000
Unemployment Insurance	
Cash	284,176
Property tax receivable	75,848
Social Security	
Cash	775,571
Property tax receivable	877,372
Illinois Municipal Retirement Fund	
Cash	311,644
Property tax receivable	1,705,000

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE E - RESTRICTED ASSETS - CONTINUED

Sheriff Drug Fund Cash	6,751
DUI Sheriff Law Enforcement Equipment Cash	39,904
Sheriff Drug Asset Fund Cash	21,400
Court Supervision Cash	1,823
Court Assessment Cash	427,709
Kids in the Court Cash	490
Law Library Cash	52,740
Treasurer – Court Ordered Funds Cash	52
Treasurer Inheritance Tax Cash	85
State's Attorney Drug Asset Fund Cash	21,716
State's Attorney Victim Assist Fund Cash	405
County Clerk Revenue Stamps Cash	106,854
Circuit Clerk Child Support Admin Fund Cash	166,823
Hotel Tax Cash	3,693
Automation and Capital Improvement Cash	481,574
Investments	73,257
Prisoner Trust Accounts Cash	13,284
County Board Unclaimed Monies Cash	12,883

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE E - RESTRICTED ASSETS - CONTINUED

Assessments Reimbursement Account	
Accounts receivable	2,000
Public Defender Reimbursement Account	
Accounts Receivable	7,749
Court Security Reimbursement Account	
Accounts receivable	450
Due from County General	677,916
Cash Contra account	<u>(677,916)</u>
	<u>\$ 6,780,355</u>

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2007 was as follows:
General Government

	Balance November 30, <u>2006</u>	<u>Additions</u>	Deductions and <u>Transfers</u>	Balance November 30, <u>2007</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Construction in progress	<u>116,864</u>	<u>-</u>	<u>-</u>	<u>116,864</u>
Total capital assets, not being depreciated:	<u>266,864</u>	<u>-</u>	<u>-</u>	<u>266,864</u>
Capital assets, being depreciated:				
Land improvements	105,376	-	-	105,376
Buildings	7,584,154	-	-	7,584,154
Building improvements	1,035,568	12,040	-	1,047,608
Fixed equipment	250,218	20,652	2,756	268,114
Major movable equipment	1,386,079	137,265	1,357	1,521,987
Vehicles	2,275,267	23,300	-	2,298,567
Computers	830,826	96,509	2,449	924,886
Infrastructure	<u>12,846,035</u>	<u>-</u>	<u>-</u>	<u>12,846,035</u>
Total capital assets being depreciated	26,313,523	289,766	(6,562)	26,596,727
Less accumulated depreciation for:				
Land improvements	(91,591)	(4,799)	-	(96,390)
Buildings	(3,447,398)	(180,133)	-	(3,627,531)
Building improvements	(265,780)	(67,946)	-	(333,726)
Fixed equipment	(169,455)	(14,302)	-	(183,757)
Major movable equipment	(738,733)	(165,936)	-	(904,669)
Vehicles	(1,810,902)	(159,786)	-	(1,970,688)
Computers	(809,295)	-	(5,105)	(804,190)
Infrastructure	<u>(3,108,585)</u>	<u>(281,307)</u>	<u>-</u>	<u>(3,389,892)</u>
Total accumulated depreciation	<u>(10,441,739)</u>	<u>(874,209)</u>	<u>(5,105)</u>	<u>(11,310,843)</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE F - CAPITAL ASSETS – CONTINUED

Total capital assets, being depreciated, net	<u>15,871,784</u>	<u>(584,443)</u>	<u>(1,457)</u>	<u>15,285,884</u>
Governmental activities capital assets, net	<u>\$ 16,138,648</u>	<u>\$ (584,443)</u>	<u>\$ (1,457)</u>	<u>\$ 15,552,748</u>
	Balance November 30, 2006	Additions	Deductions and Transfers	Balance November 30, 2007
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 76,458	\$ -	\$ -	\$ 76,458
Construction in progress	<u>304,340</u>	<u>6,059</u>	<u>(310,399)</u>	<u>-</u>
Total capital assets, not being depreciated:	<u>380,798</u>	<u>6,059</u>	<u>(310,399)</u>	<u>76,458</u>
Capital assets, being depreciated:				
Land improvements	246,595	180,187	-	426,782
Buildings and improvements	8,513,790	107,993	-	8,621,783
Vehicles and equipments	<u>3,443,345</u>	<u>325,030</u>	<u>(60,635)</u>	<u>3,707,740</u>
Total capital assets being depreciated	12,203,730	613,210	(60,635)	12,756,305
Less accumulated depreciation for:				
Land improvements	(213,294)	(6,874)	-	(220,168)
Buildings and improvements	(6,440,655)	(264,044)	-	(6,704,699)
Vehicles and equipment	<u>(2,864,502)</u>	<u>(167,221)</u>	<u>60,635</u>	<u>(2,971,088)</u>
Total accumulated depreciation	<u>(9,518,451)</u>	<u>(438,139)</u>	<u>60,635</u>	<u>(9,895,955)</u>
Total capital assets, Being depreciated, net	<u>2,685,279</u>	<u>175,071</u>	<u>-</u>	<u>2,860,350</u>
Business-type activities Capital assets, net	<u>\$ 3,066,077</u>	<u>\$ 181,130</u>	<u>\$ (310,399)</u>	<u>\$ 2,936,808</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 222,064
Public Safety	245,719
Public works	<u>406,426</u>
Total depreciation expense – governmental activities	<u>\$ 874,209</u>
Business-type activities:	
Rehab & Care Center	\$ 299,110
Ambulance	<u>139,029</u>
Total depreciation expense – business-type activities	<u>\$ 438,139</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE F - CAPITAL ASSETS - CONTINUED

Capital asset activity of the component unit for the year ended November 30, 2007 follows:

	Balance November 30, <u>2006</u>	<u>Additions</u>	Deductions And <u>Transfers</u>	Balance November 30, <u>2007</u>
Capital assets, not being depreciated:				
Land	\$ 49,500	\$ -	\$ -	\$ 49,500
Total capital assets, not being depreciated	49,500	-	-	49,500
Capital assets, being depreciated:				
Land improvements	59,468	-	-	59,468
Buildings and improvements	1,534,600	6,600	-	1,541,200
Equipment	392,170	20,623	-	412,793
Total capital assets being depreciated	1,986,238	27,223	-	2,013,461
Less accumulated depreciation for:				
Land improvements	(28,172)	(3,269)	-	(31,441)
Buildings and improvements	(478,682)	(44,054)	-	(522,736)
Equipment	(266,598)	(46,421)	-	(313,019)
Total accumulated depreciation	(773,452)	(93,744)	-	(867,196)
Total capital assets, being depreciated, net	1,212,786	(66,521)	-	1,146,265
Component unit, capital assets, net	<u>\$ 1,262,286</u>	<u>\$ (66,521)</u>	<u>\$ -</u>	<u>\$ 1,195,765</u>

NOTE G - LONG-TERM DEBT

Governmental Activity Long-Term Debt Notes Payable

The County has financed certain capital expenditures through an installment agreement at November 30, 2007 as follows:

Installment agreement, due in monthly installments of \$ 6,741.31 Beginning in December 2004 through November 2014 including interest at 7.5%	<u>\$ 439,509</u>
---	-------------------

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE G – LONG TERM DEBT - CONTINUED

The annual requirements to amortize all governmental activity long-term debt notes payable as of November 30, 2007 are as follows:

<u>Year Ending November 30</u>	<u>Principal</u>	<u>Interest</u>
2008	49,615	31,281
2009	53,467	27,429
2010	57,618	23,278
2011	62,091	18,805
2012-2014	<u>216,718</u>	<u>25,968</u>
	<u>\$ 439,509</u>	<u>\$ 126,761</u>

Component Unit Notes Payable

The component unit funds notes payable at November 30, 2007, are described as follows:

Term bank loan, for the construction of a new building,
due in monthly installments of \$3,064 beginning in June,
2000 through May, 2030 including interest at 6.00% \$ 171,427

The annual requirements to amortize all component unit fund notes payable at November 30, 2006, are as follows:

<u>Year Ending November 30,</u>	<u>Principle</u>	<u>Interest</u>
2008	27,247	9,520
2009	28,928	7,839
2010	30,712	6,055
2011	32,606	4,161
2012-2030	<u>51,934</u>	<u>2,442</u>
	<u>\$171,427</u>	<u>\$ 30,017</u>

During the year ended November 30, 2007, the following changes occurred in long-term liabilities reported in the government-wide financial statements of primary government:

	<u>Balance November 30, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance November 30, 2007</u>	<u>Due Within One Year</u>
Notes Payable	\$ 485,550	\$ -	\$ 46,041	\$ 439,509	\$ 49,615
Compensated absences	<u>383,050</u>	<u>31,986</u>	<u>12,513</u>	<u>402,523</u>	<u>217,779</u>
	<u>\$ 868,600</u>	<u>\$ 31,986</u>	<u>\$ 58,554</u>	<u>\$ 842,032</u>	<u>\$ 267,394</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE G - LONG-TERM DEBT- CONTINUED

During the year ended November 30, 2007, the following changes occurred in long-term liabilities reported in the government-wide financial statements within the Component Unit Fund:

	Balance November 30, 2006	Additions	Reductions	Balance November 30, 2007	Due Within One Year
Notes payable	\$ 196,826	\$	\$ 25,399	\$ 171,427	\$ 26,751
Compensated absences	<u>134,692</u>	<u>23,436</u>	<u></u>	<u>158,128</u>	<u>79,964</u>
	<u>\$ 331,518</u>	<u>\$ 23,436</u>	<u>\$ 25,399</u>	<u>\$ 329,555</u>	<u>\$ 106,715</u>

NOTE H - RETIREMENT PLANS

The employees of the County are covered by the Illinois Municipal Retirement Fund (IMRF) defined benefit pension plan. The Illinois Municipal Retirement Fund is a multiple-employer agent PERS (Public Employee Retirement System). The Illinois Municipal Retirement Fund is not included in the balances shown in the financial statements, except for the contributions made during the year and charged to operating expenditures or expenses. Except for the Rehab and Care Center, County contributions to these pension plans are funded with property taxes.

Illinois Municipal Retirement Fund - Countywide:

Plan Description. Substantially all County employees are covered under this plan, with the exception of the Sheriff Law Enforcement personnel who are covered by their own IMRF plan. The County's defined benefit pension plan, IMRF, provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at www.irmf.org/pubs/pub_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Funding Policy. Employees participating in IMRF are required to contribute 4.5 percent of their annual covered salary. The member rate is established by State Statute. The employer is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 8.35% percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 26 years.

Annual Pension Cost. For December 31, 2006, the employer's annual pension cost of \$850,830 was equal to the employer's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. However, the 2006 actuarial valuation information is based on the assumptions based on the 2002-2004 experience study.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE H - RETIREMENT PLANS- CONTINUED

The actuarial assumptions used to determine the actuarial accrued liability for 2006 were based on the 2002-2004 Experience Study. The principal changes were:

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

Illinois Municipal Retirement Fund – Sheriff Law Enforcement Personnel:

Plan Description. Sheriff personnel are covered under this plan. The Sheriff's defined benefit pension plan, IMRF, provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pub_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Funding Policy. Employees participating in IMRF are required to contribute 7.5 percent of their annual covered salary. The member rate is established by State Statute. The employer is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 20.37 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 26years.

Annual Pension Cost. For December 31, 2006, the employer's annual pension cost of 548,520 was equal to the employer's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. However, the 2006 actuarial valuation information is based on the assumptions based on the 2002-2004 experience study.

The actuarial assumptions used to determine the actuarial accrued liability for 2006 were based on the 2002-2004 Experience Study. The principal changes were:

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

Illinois Municipal Retirement Fund – Elected County Official:

Plan Description. Elected County Official (ECO) personnel are covered under this plan. The ECO's defined benefit pension plan, IMRF, provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pub_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE H - RETIREMENT PLANS – CONTINUED

Funding Policy. Employees participating in IMRF are required to contribute 7.5 percent of their annual covered salary. The member rate is established by State Statute. The employer is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 25.39 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 30 years.

Annual Pension Cost. For December 31, 2006, the employer's annual pension cost of \$87.580 was equal to the employer's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. However, the 2006 actuarial valuation information is based on the assumptions based on the 2002-2004 experience study.

The actuarial assumptions used to determine the actuarial accrued liability for 2006 were based on the 2002-2004 Experience Study. The principal changes were:

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

Trend Information and Required Supplementary Information:

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Below is three year trend information and required supplementary information.

Trend Information:

Countywide IMRF:

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/04	\$ 629,862	100%	\$ 0
12/31/05	\$ 857,203	100%	\$ 0
12/31/06	\$ 850,830	100%	\$ 0

Sheriff's IMRF:

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/04	\$ 181,209	100%	\$ 0
12/31/05	\$ 299,187	100%	\$ 0
12/31/06	\$ 548,520	100%	\$ 0

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE H - RETIREMENT PLANS – CONTINUED

Elected County Official IMRF:

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/04	\$ 66,399	100%	\$ 0
12/31/05	\$ 95,132	100%	\$ 0
12/31/06	\$ 87,580	100%	\$ 0

Required supplementary information - schedule of funding progress:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarially Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
---	--	--	--	-----------------------------------	------------------------------------	--

Countywide IMRF:

12/31/04	\$ 28,677,859	\$ 28,076,426	\$ (601,433)	102.14%	\$ 11,535,935	0.00%
12/31/05	\$ 31,169,783	\$ 29,310,733	\$ (1,859,050)	106.34%	\$ 11,274,495	0.00%
12/31/06	\$ 33,873,601	\$ 31,477,409	\$ (2,396,192)	107.61%	\$ 10,189,581	0.00%

Sheriff's IMRF:

12/31/04	\$ 3,364,365	\$ 4,797,179	\$ 1,432,814	70.13 %	\$ 1,155,669	123.98 %
12/31/05	\$ 3,806,378	\$ 5,708,962	\$ 1,902,584	66.67%	\$ 1,453,745	130.87 %
12/31/06	\$ 4,831,387	\$ 8,212,519	\$ 3,381,132	58.83%	\$ 2,692,786	125.56%

Elected County Official IMRF:

12/31/04	\$ 533,870	\$ 927,218	\$ 393,348	57.58 %	\$ 338,600	116.17 %
12/31/05	\$ 685,371	\$ 1,094,498	\$ 409,127	62.62 %	\$ 338,668	120.80 %
12/31/06	\$ 954,260	\$ 2,268,190	\$ 1,313,930	42.07%	\$ 344,939	380.92%

NOTE I - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation, which aggregated \$1,997,318 at November 30, 2007, is not available to employees until termination, retirement, death, or unforeseeable emergency. The deferred compensation plan assets are held in trust by a third party.

NOTE J - RESERVES OF RETAINED EARNINGS AND FUND BALANCES

The governmental funds balance sheet includes a number of reserves which are maintained for specific purposes. The nature and purpose of the significant reserves are to segregate the monies which are reserved for tort liability, employee benefit accounts, automation, capital improvements and Circuit Clerk bond funds.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE K - OTHER REQUIRED DISCLOSURE

Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations in individual funds for the year ended November 30, 2006, are as follows:

<u>Fund</u>	<u>Expenditures</u>	<u>Budget</u>
General Fund	\$11,880,500	\$11,378,535
Component Units:		
Health Department	\$ 3,688,871	\$ 3,594,906

NOTE L – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and interfund payables are as follows at November 30, 2007:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Special Revenue Funds:		
Highway	\$ 57,724	\$ 29,870
Bridge		1,084
Motor Fuel Tax	29,870	
Debt Service Fund		1,180
Component Units:		
Health Department	6,414	-
Tuberculosis	-	6,414
Agency Funds:		
Township Bridge	789	27,502
Township Motor Fuel		29,927
County Collector's Fund	<u>1,180</u>	<u></u>
Total All Funds	<u>\$ 95,977</u>	<u>\$ 95,977</u>

Interfund balances result from the time lag between the dates that the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payment between funds are made.

NOTE M – INTERFUND TRANSFERS

The following is a schedule of operating transfers as included in the Statement of Net Assets of the County.

	Transfers In	Transfers Out
Major Funds:		
General Fund		\$ 80,896
County Highway	\$ 283,248	29,870
County Motor Fuel Tax Fund	<u>29,870</u>	<u>191,336</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE M – INTERFUND TRANSFERS - CONTINUED

Total Major Funds	313,118	302,102
Nonmajor Governmental Funds:		
County Bridge Fund		91,912
Federal Aid and Matching Fund		
Debt Service Fund	<u>80,896</u>	<u> </u>
 Total Nonmajor Funds	 <u>80,896</u>	 <u>91,912</u>
 Total All Funds	 <u>\$ 394,014</u>	 <u>\$ 394,014</u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

NOTE N – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County purchases commercial insurance.

The commercial insurance coverage is consistent with the prior year; no significant reductions in coverage have occurred in and of the preceding years. Settled claims have not exceeded insurance coverage in any of the three preceding years.

The County maintains a partially self-funded employee health benefit plan. All full-time employees and certain retired employees who contribute to the fund are covered. It is self-funded to a maximum of \$75,000 per individual per plan year. Coverage amounts in excess of this limit have been obtained by means of a stop-loss policy. The amount of insurance claim settlements has not exceeded insurance coverage.

Workers' Compensation is partially self-funded up to a maximum of \$1,000,000 per plan year.

NOTE O - CONTINGENCIES

Litigation and Claims

The County is a defendant in various lawsuits. County management believes that such litigation will ultimately be resolved without material financial liability to the County. Matters include allegations relating to personal injury, discrimination, and civil rights violations.

NOTE P - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County maintains two enterprise funds which provide rehab and nursing care and ambulance services. Segment information for the year ended November 30, 2007, is as follows:

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2007

NOTE P - SEGMENT INFORMATION FOR ENTERPRISE FUNDS—CONTINUED

	<u>Rehab & Care Center</u>	<u>Ambulance Service</u>	<u>Total Enterprise Funds</u>
Operating revenues	\$ 6,849,683	\$ 1,924,329	\$ 8,774,012
Operating expenses:			
Depreciation	\$ 299,109	\$ 139,029	\$ 438,138
Other	\$ 7,751,074	\$ 2,417,561	\$ 10,168,635
Operating loss	\$ (1,200,500)	\$ (632,261)	\$ (1,832,761)
Non-operating revenues	\$ 1,112,163	\$ 1,192,226	\$ 2,304,389
Capital assets:			
Additions	\$ 336,283	\$ 282,986	\$ 619,269
Deletions	\$ 284,149	\$ 86,885	\$ 371,034
Net working capital	\$	\$	\$
Change in net assets	\$ (88,337)	\$ 559,965	\$ 471,628
Beginning net assets	\$ 3,418,936	\$ 1,558,561	\$ 4,977,497
Prior period adjustment	\$ 313,563	\$ -	\$ 313,563
Ending net assets	\$ 3,330,599	\$ 2,118,526	\$ 5,449,125
Current assets	\$ 2,676,685	\$ 2,440,979	\$ 5,117,664
Capital assets	\$ 2,168,998	\$ 767,810	\$ 2,936,808
Current liabilities	\$ 1,515,084	\$ 1,090,263	\$ 2,605,347
Long-term liabilities	\$ -	\$ -	\$ -
Invested in capital assets	\$ 2,168,998	\$ 767,810	\$ 2,936,808
Unrestricted net assets	\$ 1,161,601	\$ 1,350,716	\$ 2,512,317
Net cash used in operating activities	\$ (714,188)	\$ (480,363)	\$ (1,194,551)
Net cash provided by noncapital financing activities	\$ 1,095,925	\$ 1,165,175	\$ 2,261,100
Net cash used in capital and related financing activities	\$ (52,132)	\$ (256,737)	\$ (308,869)
Net cash provided by investing activities	\$ 16,516	\$ 27,501	\$ 44,017
Beginning cash	\$ 389,160	\$ 530,126	\$ 919,286
Ending cash	\$ 735,281	\$ 985,252	\$ 1,720,533

NOTE Q - INTEREST EXPENDITURES/EXPENSES

The total interest expenditures/expenses of the County aggregated \$46,223.

NOTE R – PRIOR PERIOD ADJUSTMENT

The prior period adjustment is due to prior year Intergovernmental Transfer expenses being included in current year and to accrue current year Intergovernmental Transfer expenses.

REQUIRED SUPPLEMENTARY INFORMATION

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues - Unrestricted Funds:				
General Property Taxes:				
Real property taxes	\$ 1,606,188	1,606,188	1,477,438	(128,750)
Penalties on late taxes	190,000	190,000	295,261	105,261
Total General Property Taxes	1,796,188	1,796,188	1,772,699	(23,489)
Sales and Service Taxes:				
Sales tax	420,000	420,000	433,358	13,358
Supplemental sales tax	1,650,000	1,650,000	1,599,538	(50,462)
Cable television franchise tax	22,000	22,000	22,586	586
Pari-Mutual handle tax	59,000	59,000	52,562	(6,438)
Total Sales and Service Taxes	2,151,000	2,151,000	2,108,044	(42,956)
Intergovernmental Revenue:				
Illinois state income tax	2,000,000	2,000,000	1,746,670	(253,330)
Replacement tax	750,000	750,000	715,431	(34,569)
Local use tax	245,000	245,000	258,579	13,579
Inheritance tax	2,000	2,000	339	(1,661)
Federal flood reimbursement	16,500	16,500	16,120	(380)
Federal reimbursement in lieu of property tax	90,000	90,000	79,525	(10,475)
Other federal/state grants	217,880	217,880	216,930	(950)
Total Intergovernmental Revenue	3,321,380	3,321,380	3,033,594	(287,786)
Use of Money and Property:				
Interest on investments			3,898	3,898
Timber sales	6,100	6,100	6,161	61
Rental payments	4,800	4,800	4,800	-
Total Use of Money and Property	10,900	10,900	14,859	3,959
Service Charges, Permits and Fees:				
General Government:				
Executive	249,200	249,200	205,581	(43,619)
County clerk	281,000	281,000	306,607	25,607
Judiciary and courts	813,500	813,500	922,835	109,335
Assessments	77,000	77,000	65,521	(11,479)
Total General Government	1,420,700	1,420,700	1,500,544	79,844
Public Safety:				
Sheriff	89,500	89,500	97,744	8,244
Jail	357,000	357,000	389,911	32,911
Animal control	30,000	30,000	31,250	1,250
Coroner	450	450	725	275
Total Public Safety	476,950	476,950	519,630	42,680
Total Service Charges, Permits and Fees	1,897,650	1,897,650	2,020,174	122,524
Total Unrestricted Fund Revenues	9,177,118	9,177,118	8,949,370	(227,748)

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Expenditures - Unrestricted Funds - Current:				
General Government:				
Executive:				
County Board	284,733	284,733	178,850	105,883
Board of Review	77,431	77,431	78,426	(995)
Total Executive	362,164	362,164	257,276	104,888
Treasurer:				
Treasurer's office	287,324	287,324	288,057	(733)
Total Treasurer	287,324	287,324	288,057	(733)
County Clerk:				
County Clerk's office	443,238	443,238	428,061	15,177
Elections	104,000	104,000	105,118	(1,118)
Total County Clerk	547,238	547,238	533,179	14,059
Judiciary and Courts:				
State's Attorney	653,984	653,984	547,245	106,739
Circuit Clerk's office	481,916	481,916	540,326	(58,410)
Jury Commission	144,600	143,350	74,842	68,508
Courts	216,832	218,082	222,289	(4,207)
Public Defender	455,579	455,579	382,801	72,778
Probation circuit	359,558	359,558	362,197	(2,639)
Total Judiciary and Courts	2,312,469	2,312,469	2,129,700	182,769
Assessments:				
Assessments	290,286	290,286	309,659	(19,373)
Total Assessments	290,286	290,286	309,659	(19,373)
Other:				
Data processing	109,396	109,396	90,333	19,063
Building maintenance	358,400	358,400	199,407	158,993
Education	80,349	80,349	103,087	(22,738)
Central Services	7,600	7,600	227,136	(219,536)
Total Other	555,745	555,745	619,963	(64,218)
Total General Government	4,355,226	4,355,226	4,137,834	217,392
Public Safety:				
Sheriff's office	2,370,795	2,370,795	2,368,406	2,389
Jail	2,098,755	2,098,755	2,050,929	47,826
Jail building maintenance	219,800	219,800	250,809	(31,009)
Merit board	2,950	2,950	2,931	19
Animal control	99,281	99,281	96,429	2,852
Coroner	86,505	86,505	113,498	(26,993)
Emergency service	60,182	60,182	53,679	6,503
Total Public Safety	4,938,268	4,938,268	4,936,681	1,587
Total Unrestricted Fund Expenditures	9,293,494	9,293,494	9,074,515	218,979
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	(116,376)	(116,376)	(125,145)	(8,769)

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues - Restricted Funds:				
General Property Taxes:				
Tort Liability	213,509	213,509	205,017	(8,492)
Worker's Compensation	72,804	72,804	59,085	(13,719)
Unemployment Insurance	29,167	29,167	(40,460)	(69,627)
Social Security	295,304	295,304	225,341	(69,963)
Illinois Municipal Retirement Fund	827,454	827,454	1,060,415	232,961
Total General Property Taxes	1,438,238	1,438,238	1,509,398	71,160
Other:				
Law Library Fees	12,600	12,600	14,125	1,525
DUI Sheriff Law Enforcement Equipment	-	-	4,955	4,955
Drug Federal Seizures	-	-	14,212	14,212
Inheritance Tax	-	-	22,734	22,734
Treasurer's Automation	-	-	21,242	21,242
County Clerk Automation	-	-	67,426	67,426
Court Automation	-	-	174,520	174,520
Court Document Storage	-	-	125,144	125,144
Court Security	-	-	191,796	191,796
Child Support Administration	7,500	7,500	38,289	30,789
Assessments	120,000	120,000	125,132	5,132
Victim Assistance	-	-	2,021	
Kids in Court	-	-	1,000	
Court Supervision	-	-	1,800	
County Hotel Tax	-	-	923	
Hotel Tax	-	-	3,693	
Disease Test	-	-	180	
Central Services	130,000	130,000	134,008	
Interest	49,100	49,100	103,039	53,939
Total Other	319,200	319,200	1,046,239	713,414
Total Restricted Fund Revenues	1,757,438	1,757,438	2,555,637	784,574
Expenditures - Restricted Funds:				
General Property Taxes:				
Tort Liability	372,600	372,600	362,609	9,991
Worker's Compensation	136,814	136,814	112,008	24,806
Unemployment Insurance	29,659	29,659	52,725	(23,066)
Social Security	504,694	504,694	520,330	(15,636)
Illinois Municipal Retirement Fund	976,074	976,074	965,485	10,589
Reimbursements from Funds	-	-	(8,873)	8,873
Total General Property Taxes	2,019,841	2,019,841	2,004,284	15,557
Other:				
Law Library	1,000	1,000	379	621
Drug	-	-	2,068	(2,068)
Inheritance Tax	-	-	22,734	(22,734)
Treasurer's Automation	-	-	12,228	(12,228)
County Clerk Automation	-	-	176,597	(176,597)
Court Automation	-	-	101,356	(101,356)
Court Document Storage	-	-	161,337	(161,337)
Court Security	-	-	174,654	(174,654)
Child Support Administration	-	-	41,446	(41,446)
Assessments	-	-	-	-
States Attorney	-	-	-	-
Public Defender	-	-	-	-
Courts	64,200	64,200	73,527	(9,327)
Misc. Expenses	-	-	35,375	(35,375)
Total Other	65,200	65,200	801,701	(736,501)
Total Restricted Fund Expenditures	2,085,041	2,085,041	2,805,985	(720,944)
Deficiency of Revenues Over Expenditures - Restricted Funds	(327,603)	(327,603)	(250,348)	63,630
Other Financing Sources and (Uses):				
Transfers to Debt Service Fund	(83,000)	(83,000)	(80,896)	2,104
Total Other Financing Sources and (Uses)	(83,000)	(83,000)	(80,896)	2,104
DEFICIENCY OF REVENUES OVER EXPENDITURES	(526,979)	(526,979)	(456,389)	56,965
FUND BALANCE, BEGINNING OF YEAR	3,807,726	3,807,726	3,807,726	
FUND BALANCE, END OF YEAR	\$ 3,280,747	\$ 3,280,747	\$ 3,351,337	\$ 56,965

SUPPLEMENTARY INFORMATION

JACKSON COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

	Special Revenue Funds			Total Nonmajor Governmental Funds
	County Bridge Fund	Federal Aid & Matching Fund	Debt Service Funds	
ASSETS				
Cash	\$ 913,451	\$ 1,498,580	\$ -	\$ 2,412,031
Investments				
Accounts receivable:				
Consumers				
Other governmental units and agencies		4,319		4,319
Property taxes	57,247	310,000		367,247
Total Assets and Other Debits	<u>\$ 970,698</u>	<u>\$ 1,812,899</u>	<u>\$ -</u>	<u>\$ 2,783,597</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable	2,324			2,324
Due to other funds	295			295
Due to other agencies	789		1,180	1,969
Deferred revenue	57,247	310,000		367,247
Total Liabilities	60,655	310,000	1,180	371,835
Fund Balances:				
Reserved for:				
Debt service			(1,180)	(1,180)
Designated	910,043	1,502,899		2,412,942
Total Fund Balances	910,043	1,502,899	(1,180)	2,411,762
Total Liabilities and Fund Balances	<u>\$ 970,698</u>	<u>\$ 1,812,899</u>	<u>\$ -</u>	<u>\$ 2,783,597</u>

JACKSON COUNTY, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

	Special Revenue Funds			Total Nonmajor
	County Bridge	Federal Aid	Debt Service	Governmental
	Fund	& Matching Fund	Funds	Funds
Revenues - Unrestricted Funds:				
General property taxes	\$ 101,741	\$ 315,847	\$	\$ 417,588
Sales and service taxes				
Intergovernmental revenue	9,803	168,039		177,842
Use of money and property	45,750	39,451		85,201
Service charges, permits and fees				
Sanitation fees				
Other revenue				
Total Unrestricted Fund Revenues	157,294	523,337		680,631
Expenditures - Unrestricted Funds:				
Current:				
General government				
Public safety				
Public Health				
Public Works				
Capital improvements	37,370	217,897		255,267
Debt service				
Principle			46,041	46,041
Interest			34,855	34,855
Total Unrestricted Fund Expenditures	37,370	217,897	80,896	336,163
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	119,924	305,440	(80,896)	344,468
Other Financing Sources (Uses):				
Operating transfers in			80,896	80,896
Operating transfers out	(91,912)			(91,912)
Total Other Financing Sources (Uses)	(91,912)		80,896	(11,016)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	28,012	305,440		333,452
FUND BALANCES, BEGINNING OF YEAR	882,031	1,197,459	(1,180)	2,078,310
FUND BALANCES, END OF YEAR	\$ 910,043	\$ 1,502,899	\$ (1,180)	\$ 2,411,762

JACKSON COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2007

	Agency Funds						
	County Collector's Funds	Township Bridge Program	Township Motor Fuel Tax Fund	Tax Sale Fund	Rentall Housing Support Program	Circuit Clerk Bond Fund	Total
ASSETS							
Cash	\$ 284,981	\$ 153,777	\$ 918,932	\$ 219,191	\$ 5,483	\$ 298,996	\$ 1,881,360
Investments						344,000	344,000
Due from other funds		\$ 789				-	789
Due from debt service	1,180						1,180
Total assets	286,161	154,566	918,932	219,191	5,483	642,996	2,227,329
LIABILITIES							
Due to others		127,064	889,005	219,191	5,483	4,655	1,245,398
Due to other funds		27,502	29,927			571,517	57,429
Due to individuals							571,517
Due to taxing units	286,161					66,824	286,161
Accrued interest							66,824
Total liabilities	286,161	154,566	918,932	219,191	5,483	642,996	2,227,329
NET ASSETS	\$	\$	\$	\$	\$	\$	\$

JACKSON COUNTY, ILLINOIS
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING BALANCE SHEET
NOVEMBER 30, 2007

	Health Department	Tuberculosis	Mental Health (708) Board	Totals
Assets and Other Debits				
Cash	\$ 987,869	\$ 127,080	\$ 31,656	\$ 1,146,605
Investments	48,918		251,086	300,004
Accounts Receivable:				
Other governmental units and agencies	496,838			496,838
Property taxes	508,315	61,889		570,204
Due from other funds	6,414			6,414
Prepayments	1,030		213	1,243
Inventory	76,829	3,949		80,778
Total Assets	\$ 2,126,213	\$ 192,918	\$ 282,955	\$ 2,602,086
Liabilities, Equity and Other Credits				
Liabilities:				
Accounts payable	\$ 115,257	\$ 116	\$ 145	\$ 115,518
Accrued payroll	58,877		1,061	59,938
Compensated absences	79,964			79,964
Due to other funds		6,414		6,414
Deferred revenue	640,806	61,889		702,695
Total Liabilities	894,904	68,419	1,206	964,529
Fund Balance:				
Unreserved, undesignated	1,231,309	124,499	281,749	1,637,557
Total Fund Balances	1,231,309	124,499	281,749	1,637,557
Total Liabilities and Fund Balances	\$ 2,126,213	\$ 192,918	\$ 282,955	\$ 2,602,086

JACKSON COUNTY, ILLINOIS
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

	Health Department	Tuberculosis	Mental Health (708) Board	Totals
Revenues - Unrestricted Funds:				
General property taxes	\$ 518,679	\$ 61,931	\$ 390,870	\$ 971,480
Intergovernmental revenue	2,136,208			2,136,208
Use of money and property	45,048	514	5,339	50,901
Service charges, permits and fees	692,045			692,045
Other income	111,184		3,267	114,451
Total Unrestricted Fund Revenues	<u>3,503,164</u>	<u>62,445</u>	<u>399,476</u>	<u>3,965,085</u>
Expenditures - Unrestricted Funds:				
Public health	3,464,834	61,266	423,363	3,949,463
Capital improvements				
Debt service:				
Principal	25,400			25,400
Interest	11,368			11,368
Total Unrestricted Fund Expenditures	<u>3,501,602</u>	<u>61,266</u>	<u>423,363</u>	<u>3,986,231</u>
Excess (Deficiency) of Revenues Over Expenditures				
Expenditures - Unrestricted Funds	<u>1,562</u>	<u>1,179</u>	<u>(23,887)</u>	<u>(21,146)</u>
Revenues - Restricted Funds:				
General property taxes:				
Employee benefits	187,269			187,269
Total Restricted Fund Revenues	<u>187,269</u>			<u>187,269</u>
Expenditures - Restricted Funds:				
General property taxes:				
Employee benefits	187,269			187,269
Total Restricted Fund Expenditures	<u>187,269</u>			<u>187,269</u>
Excess (Deficiency) of Revenues Over Expenditures				
Restricted Funds				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,562</u>	<u>\$ 1,179</u>	<u>\$ (23,887)</u>	<u>\$ (21,146)</u>

JACKSON COUNTY, ILLINOIS
RECONCILIATION OF THE DISCRETELY PRESENTED COMPONENT UNITS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
NOVEMBER 30, 2007

Total fund balances for discretely presented component units	\$ 1,637,557
--	--------------

Total net assets reported for discretely presented component units in the statement of net assets is different because:

Capital assets used in discretely presented component units are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	49,500	
Land improvements, net of \$31,441 accumulated depreciation	28,027	
Buildings, net of \$501,907 accumulated depreciation	966,147	
Building improvements, less \$20,829 accumulated depreciation	52,317	
Equipment, less \$313,019 accumulated depreciation	99,774	
Total capital assets		1,195,765

Long-term liabilities applicable to the County's discretely presented component units are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. Long-term liabilities consist of:

Notes payable	(171,427)	
Compensated absences	(78,164)	
Total long-term liabilities		(249,591)

Total net assets of discretely presented component units	\$ <u>2,583,731</u>
--	---------------------

JACKSON COUNTY
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF DISCRETELY PRESENTED COMPONENT UNITS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

Net change in fund balances - total discretely presented component units	\$ (21,146)
--	-------------

The change in net assets reported for discretely presented component units in the statement of activities is different because:

Governemental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$93,744) exceeded capital outlays (\$27,223) in the current period.	(66,521)
--	----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund: Change in compensated absences	(15,602)
--	----------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activites. This amount is the net effect of these differences in the treatment of long-term debt and related items. Repayment of notes payable	<div style="border-top: 1px solid black; display: inline-block;">25,399</div>
---	---

Change in net assets of discretely presented component units	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ (77,870)</div>
--	---

FEDERAL FINANCIAL ASSISTANCE

INDEPENDENT AUDITORS' 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

Jackson County Board
Courthouse
Murphysboro, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Illinois, as of and for the year ended November 30, 2007, which collectively comprise the Jackson County, Illinois' basic financial statements and have issued our report thereon dated April 8, 2008. 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 Jackson 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 Jackson County, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Jackson County, Illinois' internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Jackson County, Illinois' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Jackson County, Illinois' financial statements that is more than inconsequential will not be prevented or detected by Jackson County, Illinois' internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

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 Jackson County, Illinois' internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jackson 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 that are required to be reported under Government Auditing Standards.

We noted certain other matters that we reported to the County Board of Jackson County, Illinois, in a separate letter dated April 8, 2008.

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

This report is intended solely for the information of the County Board, management, the 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.

Kerben, Eck + Brachel LLP

Carbondale, Illinois
April 8, 2008



Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

1116 W. Main Street
Carbondale, IL 62903-1417
ph 618.529.1040
fax 618.549.2311
www.kebcpa.com

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

Jackson County Board
Courthouse
Murphysboro, Illinois

Compliance

We have audited the compliance of Jackson County, Illinois with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended November 30, 2007. Jackson County, Illinois' major federal programs are identified in the accompanying Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Jackson County, Illinois' management. Our responsibility is to express an opinion on Jackson 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 Jackson 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 Jackson County, Illinois' compliance with those requirements.

In our opinion, Jackson County, Illinois complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended November 30, 2007.

Internal Control Over Compliance

The management of Jackson 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 Jackson County, Illinois' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

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 on internal control that might be significant deficiencies or material weaknesses. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Kerber, Eck + Broedel LLP

Carbondale, Illinois
April 8, 2008

JACKSON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

Program	CFDA Number	Grantor	Pass-through Grantor's Number	Pass-through Grantor	Expenditures
Cash Federal Award Expenditures					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	U.S. Department of Agriculture	11G7270000 11G8270000	Illinois Department of Human Services	128,600 98,500
Non-cash Women, Infants & Children			N/A		439,715
					666,815
Women, Infants, & Children Farmers' Market Nutrition Program	10.572	U.S. Department of Agriculture	11G8270000	Illinois Department of Human Services	1,000
Social Services Block Grant - Title XX	93.667	U.S. Department of Health and Human Services	11G6270000 11G7270000 11G8270000	Illinois Department of Human Services	49,828 - 49,828
HIV Care Formula Grants	93.917	U.S. Department of Health and Human Services	55780361 65780196 55780406 65780407	Illinois Department of Public Health	152,609 80,762 14,141
					247,512
HIV Prevention Program	93.940	U.S. Department of Health & Human Services	05 G75 5-003 07 G75 5-003	Illinois Public Health Association	14,391 46,761
					61,152
Family Planning Services - Title X	93.217	U.S. Department of Health and Human Services	11G6270000 11G7270000 11G8270000	Illinois Department of Human Services	31,900 74,400
					106,300
Centers for Disease Control and Prevention	93.283	U.S. Department of Health and Human Services	60067181038 70073281119 70077181038 80087181038 80075380122 70077181133	Illinois Department of Public Health	3,600 52,935 6,930 7,000 31,508
					101,973
Maternal and Child Health Services Grant	93.994	U.S. Department of Health and Human Services	11G6270000 11G7270000 11G8270000	Illinois Department of Human Services	15,000 15,000
					30,000
Summer Food Service Program for Children	10.559	U.S. Department of Agriculture	60065280609 70078281031	Illinois Department of Public Health	50 675
					725
Housing Opportunities for Persons with AIDS	14.241	U.S. Department of Housing and Urban Development	55780315 65780267 75780307	Illinois Department of Public Health	14,490 36,386
					50,876
Emergency Management Performance Grants	97.042	U.S. Department of Homeland Security	N/A	Illinois Emergency Management Agency	18,700
Public Safety Partnership and Community	16.710	U.S. Department of Justice	2003CKWX0090	N/A	143,382
Immunization Grant	93.268	U.S. Department of Health and Human Services	N/A 75180502	Illinois Department of Public Health	111,288 500
					111,788
Highway Planning and Construction	20.205	Federal Highway Administration	99-02118-00-FP 99-02118-00-FP	Illinois Department of Transportation	10,000 121,626 13,119
					144,745
Performance Partnership Programs	66.605	U.S. Environmental Protection Agency	N/A	Illinois Department of Public Health	163
Edward Byrne Memorial Justice Assistance Grant Program	16.738	U.S. Department of Justice	987755	City of Carbondale, Illinois	9,512
Bulletproof Vest Partnership Program	16.607	U.S. Department of Justice	N/A	N/A	205
Child Support Enforcement	93.563	U.S. Department of Health and Human Services	N/A	Illinois Department of Healthcare and Family Services	10,553
Diabetes Program	93.988	U.S. Department of Health and Human Services	11G7270000	Illinois Department of Human Services	1,200
Medical Assistance Program	93.778	U.S. Department of Health and Human Services	N/A	Illinois Department of Healthcare and Family Services	10,747
Help America Vote Act Requirements Payments	90.401	Election Assistance Commission	N/A	Illinois State Board of Elections	76,124
Total Federal Expenditures					<u>\$ 1,843,300</u>

* Denotes Major Program
DUNS - 884008483

The accompanying notes are an integral part of this schedule

JACKSON COUNTY, ILLINOIS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes federal grant activity of Jackson County, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Note 2: Subrecipients

As required by O.M.B. Circular A-133 section 310(b)(5), Jackson County, Illinois provided \$143,382 of Public Safety Partnership and Community Policing Grants federal funds (cfda 16.710) to subrecipient Southern Illinois Enforcement Group and provided \$15,000 of Maternal and Child Health Services Grants federal funds (cfda 93.994) to subrecipient University of Illinois Extension during fiscal year ended November 30, 2007.

Note 3: Non-cash Assistance, Insurance or Loans

As required by O.M.B. Circular A-133 section 310(b)(6), Jackson County, Illinois did not have any insurance in effect during the year, and had no loans or loan guarantees outstanding at year ended November 30, 2007.

Non-cash assistance received in the amount \$439,715 as reflected in the Schedule of Expenditures of Federal Awards.

JACKSON COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____yes Xno
- Significant deficiencies identified that are not considered to be material weaknesses? _____Xyes _____none reported

Noncompliance material to financial statements noted? _____yes Xno

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____yes Xno
- Significant deficiencies identified that are not considered to be material weakness(es)? _____yes Xnone reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____yes Xno

Identification of major programs:

<i>CFDA Number</i>	<i>Name of Federal Program</i>
10.557	Special Supplemental Nutrition Program for Women, Infants & Children
93.917	HIV Care Formula Grants

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

Auditee qualified as low-risk auditee? _____yes Xno

Section II - Financial Statement Findings

1. Accounts Receivable – Rehab & Care Center
2. Undisclosed cash account set-up in FY05.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

JACKSON COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

Prior Audit Findings

No prior year audit findings.

JACKSON COUNTY, ILLINOIS
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2007

ACCOUNTS RECEIVABLE – REHAB & CARE CENTER

The County of Jackson and the staff of its Rehab & Care Center will develop more specific billing and collection policies, review Medicare billings on a more frequent basis, familiarize itself with the IGT (Medicaid) agreement, and ensure that all financial statements are review on a timelier basis.

UNDISCLOSED CASH ACCOUNT

The County of Jackson will ensure that all newly created/opened accounts are reported.

