

Kankakee County, Illinois
Annual Financial Statements
As of and for the year ended
November 30, 2013

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Independent Auditor's Report

Kankakee County Board
Kankakee County, Illinois
Kankakee, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kankakee County, Illinois, as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Kankakee County Public Building Commission, which represents 1.6 percent, 2.3 percent, and 0.1 percent, respectively, of the assets, fund balances/net position, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Kankakee County Public Building Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Governmental Activities

Management has not obtained an actuarial valuation of its other postemployment benefit (OPEB) plan as of November 30, 2013, and accordingly, has not recorded any OPEB-related expenses, liabilities, and has not updated the note disclosures for the year ended November 30, 2013. Accounting principles generally accepted in the United States of America require the County to obtain an actuarial valuation at least biennially. The amount by which this departure would affect the assets, net position, and revenues of the governmental activities has not been determined.



Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Kankakee County, Illinois as of November 30, 2013, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of Kankakee County, Illinois, as of November 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 20 to the financial statements, in 2013 the County adopted new accounting guidance, *GASB Statement No. 61, The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and 34*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of funding progress – Illinois Municipal Retirement Fund, on pages 5-20 and 54-67, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted OPEB Plan Actuarial and other information for November 30, 2013, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate, operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kankakee County, Illinois' basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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**Independent Auditor's Report on
Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Kankakee County Board
Kankakee, County, Illinois
Kankakee, Illinois

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kankakee County, Illinois, as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise Kankakee County, Illinois' basic financial statements, and have issued our report thereon dated June 18, 2014. Our report includes a reference to other auditors who audited the financial statements of the Kankakee County Public Building Commission, as described in our report on Kankakee County, Illinois' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our opinion on the governmental activities was qualified because the County omitted other postemployment benefit information for November 30, 2013. Our opinions on the business-type activities, each major fund, and the aggregate remaining fund information were unmodified.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kankakee County, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kankakee County, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the Kankakee County, Illinois' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified a deficiency in internal control that we consider to be a material weakness.

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

Finding 2013-001: The year-end financial statement closing procedures failed to identify a material liability in the 911 System Fee Fund that was allocable to the current year.



The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2014, on our consideration of Kankakee County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kankakee County, Illinois' internal control over financial reporting and compliance.

Smith, Koelling, Dykstra and Ohm, P.C.

Bourbonnais, Illinois
June 18, 2014

Compliance and Other Matters

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

Kankakee County's Response to Findings

Kankakee County's response to the finding identified in our audit is described as follows:

Finding 2013-001: Management will review and analyze both routine and non-routine events and transactions occurring near year-end to ensure they are accounted for in the correct accounting period.

Kankakee County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Smith, Kelleng, Dykstra and Ohm, P.C.

Bourbonnais, Illinois
June 18, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the County of Kankakee presents readers of the County's financial statement this narrative overview and analysis of the financial activities for the fiscal year ended November 30, 2013 and 2012.

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

FINANCIAL HIGHLIGHTS

- The assets of the County of Kankakee exceeded its liabilities at the close of the most recent fiscal year by \$62 million (*net position*). Net investment in capital assets account for over 72 percent of this amount (\$45.1 million). Of the total, \$2.8 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- At the close of fiscal year 2013, the County of Kankakee's governmental funds reported combined ending fund balances of \$15.2 million.
- Overall revenues for governmental funds were \$55.9 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

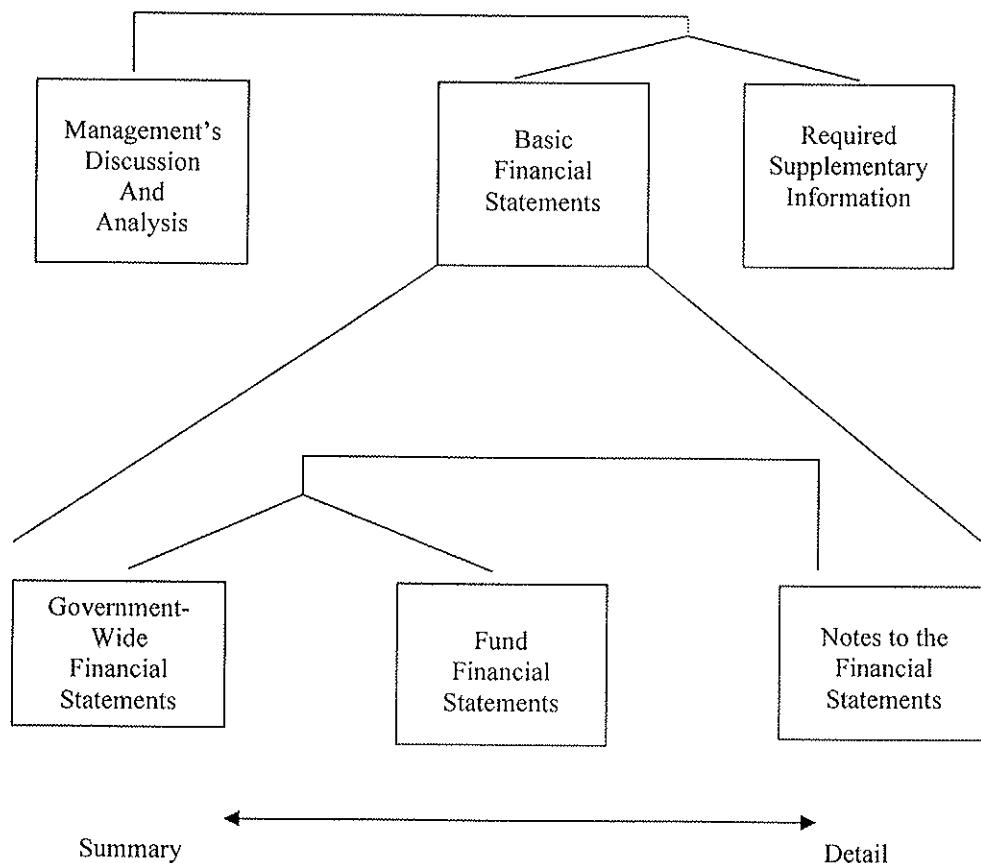


Illustration B summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of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

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

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

Government-wide Statements

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

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

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

1. **Governmental activities** – Most of the County's basic services are included here, such as the Sheriff's Department, State's Attorney Office, Highway Department, Health Department, and General Administration. Property taxes, sales tax, and state and federal grants finance most of these activities.
2. **Business-type activities** – The County charges fees to customers to help cover the costs of certain services it provides. The County's Emergency Telephone (911) System and Animal Control are included here.

Through FY 2012, the County reported the Kankakee County Public Building Commission as a discretely presented component unit. Due to GASB Statement No. 61, this is no longer discretely presented, but is now considered a blended component unit and its activity is represented in the County's Governmental Activities.

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

The government-wide financial statements can be found on pages 22-23 of this report.

Fund Financial Statements

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

The County has three categories of funds:

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

Kankakee County maintains forty-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 for the General Fund, Pension Fund, and County Highway Fund. These three funds are considered to be major funds. The Tort Fund is included in the General Fund for financial statement reporting purposes. Data from the other forty governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Kankakee County adopts an annual appropriated budget for its major funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget. These schedules are found in the Required Supplementary Information section.

The basic governmental fund financial statements can be found on pages 24-26 of this report.

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

The basic proprietary fund financial statements can be found on pages 27-29 of this report.

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

The basic fiduciary fund financial statements can be found on page 30-31 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 32-52 of this report.

Other Information

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

Required supplementary information and related notes can be found on pages 54-67 of this report.

Other supplementary information includes tort expenditures and the combining statements referred to earlier in connection with non-major governmental funds. This information is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 70-88 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* since FY 2003. The reporting model significantly changed the recording and presentation of financial data from the previous model and comparative data is provided.

Exhibit 1 is a condensed version of the statement of net position (formerly statement of net assets) for the County of Kankakee. At the close of the current fiscal year the County's net position exceeded liabilities by just over \$62 million. Net position for governmental activities decreased approximately \$1.0 million from FY 2012. This follows decreases of \$1.9 million from FY 2011, \$1.3 million from FY 2010, \$1.0 million from FY 2009 and \$5.33 million in the prior year from an all-time high of over \$72 million in FY 2008. However, for business-type activities, net position experienced a slight increase.

Exhibit 1
Condensed Statement of Net Position (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 43,132	\$ 40,219	\$ 4,280	\$ 4,587	\$ 47,412	\$ 44,806
Capital assets	64,800	64,449	2,527	2,420	67,327	66,869
Total assets	107,933	104,668	6,806	7,007	114,739	111,675
Current and other liabilities	28,713	24,787	338	575	29,051	25,362
Long-term debt	22,632	22,294	975	981	23,607	23,276
Total liabilities	51,345	47,081	1,314	1,556	52,659	48,637
Net investment in capital assets	43,520	41,962	1,583	1,238	45,103	43,201
Restricted	13,910	14,804	254	254	14,164	15,058
Unrestricted	(843)	820	3,656	3,960	2,813	4,780
Total net position	\$ 56,587	\$ 57,587	\$ 5,493	\$ 5,451	\$ 62,080	\$ 63,038

A significant portion of the County's net position (72.7 percent) reflects investment of \$45.1 million in capital assets such as land, buildings, and equipment, less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources needed to repay the debt must be provided from other sources, as capital assets cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$14.2 million (22.8 percent), represents resources that are subject to external restrictions on how they may be used. Of this amount, \$0.9 million of governmental activities and all of the business-type activities restricted net position is restricted for debt service. Additionally, \$0.2 million is restricted for Capital Projects related to the Integrated Justice Information Systems (IJIS) Project. The remainder is restricted for other purposes.

The remaining portion of the County's net position (4.5 percent) is located in unrestricted net position. Kankakee County's unrestricted net position of \$2.8 million may be used to meet the County's ongoing obligations to citizens and creditors. This is a decrease of \$1.9 million overall in the County's unrestricted net position from the prior year.

At the end of the current fiscal year, the County of Kankakee is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate business-type activities. However, in governmental activities, the County reported a negative balance in unrestricted net position.

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

Exhibit 2

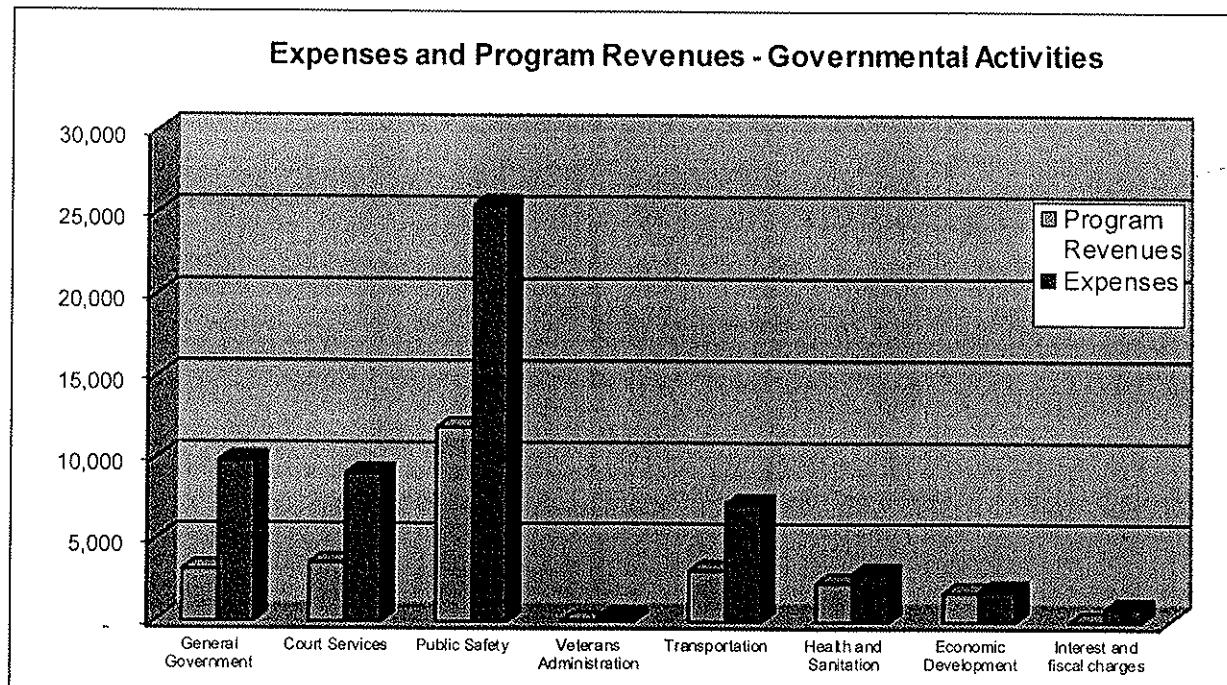
Kankakee County's Changes in Net Position (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for Services	\$ 17,345	\$ 17,055	\$ 3,109	\$ 3,102	\$ 20,453	\$ 20,156
Operating Grants and Contributions	6,682	7,499	-	-	6,682	7,499
Capital Grants and Contributions	1,997	563	-	-	1,997	563
General Revenues						
Property Taxes	17,182	16,528	-	-	17,182	16,528
Sales Tax	7,707	7,485	-	-	7,707	7,485
State Income Tax	2,734	2,522	-	-	2,734	2,522
Replacement and Other Taxes	2,623	2,495	-	-	2,623	2,495
Other	295	242	14	8	309	250
Total Revenues	56,565	54,388	3,123	3,110	59,688	57,498
Expenses						
Governmental Activities						
General Government	9,881	9,483	-	-	9,881	9,483
Public Safety	25,534	23,087	-	-	25,534	23,087
Court Services	9,109	9,463	-	-	9,109	9,463
Transportation	7,260	7,250	-	-	7,260	7,250
Health and Sanitation	3,006	3,396	-	-	3,006	3,396
Veterans Administration	314	230	-	-	314	230
Economic Development	1,947	2,431	-	-	1,947	2,431
Interest and fiscal charges	855	1,014	-	-	855	1,014
Business-Type Activities						
Emergency Telephone Services	-	-	2,783	2,747	2,783	2,747
Animal Control	-	-	299	276	299	276
Total Expenses	57,907	56,355	3,082	3,024	60,988	59,379
Excess (Deficiency) Before Special Items	(1,342)	(1,967)	41	87	(1,301)	(1,881)
Special & Extraordinary Items	-	57	-	-	-	57
Increase (Decrease) in Net Position	(1,342)	(1,910)	41	87	(1,301)	(1,824)
Net Position - Beginning of Year	57,929	59,497	5,451	5,365	63,381	64,862
Net Position - End of Year	\$ 56,587	\$ 57,587	\$ 5,493	\$ 5,451	\$ 62,080	\$ 63,038

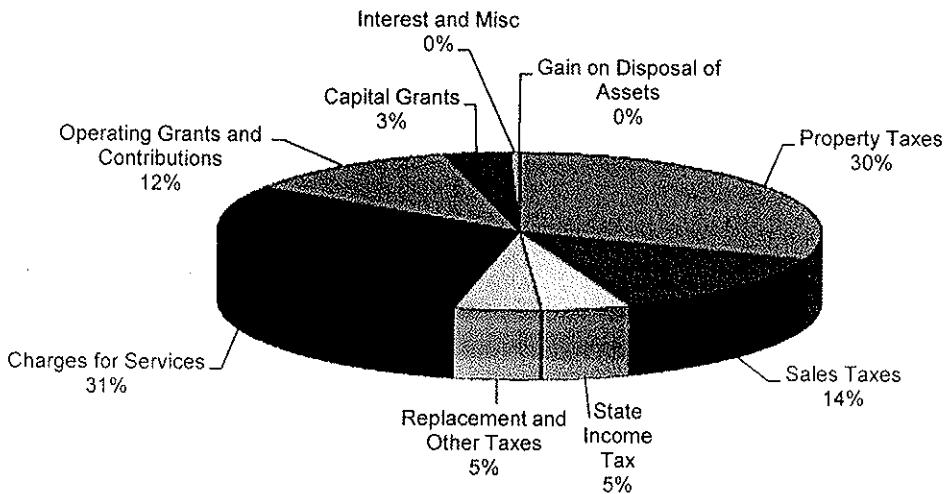
- Charges for services for governmental activities increased overall by nearly \$0.29 million (1.7 percent). There was an increase in Public Safety of \$0.24 million as a result of filled capacity in the inmate rental program, as well as an increase in General Government of \$0.2 million. This was partially offset by a decrease of \$0.16 million in charges for services for court services. This was the third consecutive year of increases in general government charges for service following four years of declines in this category.

- Operating grants for governmental activities decreased by \$0.8 million (10.9 percent) during the year. The most significant change was a decrease in Economic Development of \$0.5 million as a result of the reduced funding for the Workforce Investment Act (WIA) program. There was another significant change in Transportation, where there was a decrease of \$0.14 million in operating grants.
- Capital grants for governmental activities increased by \$1.4 million during the year. This is the result of transportation capital grants for the highway department, as well as a \$0.15 million capital grant for general government.
- Sales tax revenue had an increase of \$0.2 million (3.0 percent) from last fiscal year. This follows a \$0.4 million decrease in the prior year. The County has experienced great volatility in its sales tax revenue over the past several years. Four years ago, the County experienced a drastic decrease of \$1.8 million, followed by small increases in FY 2010 and FY 2011. Previously, sales tax experienced trends of large increases from FY 2003 to FY 2005, and mostly stagnant growth from FY 2005 to FY 2008, as evidenced in the following detail. Sales tax experienced a small increase of \$0.3 million from FY 2007 to FY 2008 preceded by a \$0.25 million decrease in the year prior. This recent stagnation is affected by the downturn in the economy as well as the slowed growth in the largely successful tax rebate program implemented in the City of Kankakee to draw more businesses to the area. While the increase from FY 2005 to FY 2006 was only \$0.52 million, sales tax had increased by \$1.2 million from FY 2004 to FY 2005 and by \$1.3 million from FY 2003 to FY 2004, giving the County a 39.5 percent increase over the two year period. From FY 2005 to FY 2008, there was a net 6.7 percent increase.
- Total expenditures on the Government-wide Statement of Activities saw an increase from the prior year of \$1.55 million, although there were varying rates of fluctuation amongst the governmental activities. The areas of significant increase were in public safety (\$2.4 million) and general government (\$0.4 million). Areas that experienced decreases from the prior year included court services (\$0.35 million), health and sanitation (\$0.39 million) and economic development (\$0.48 million).

Governmental Activities



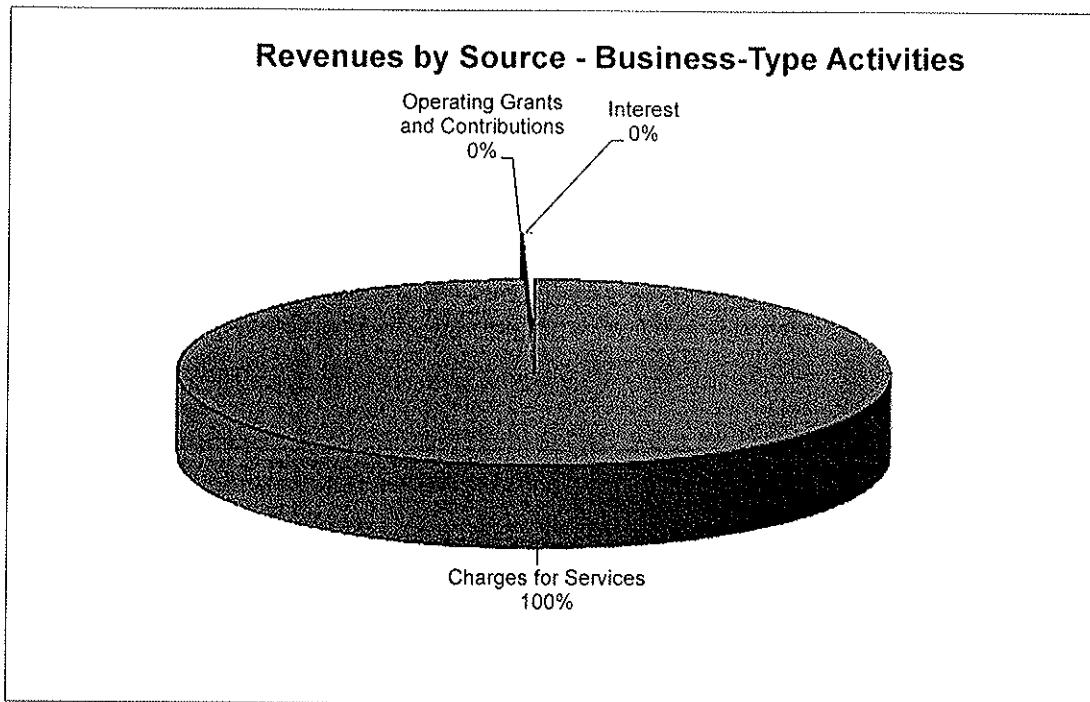
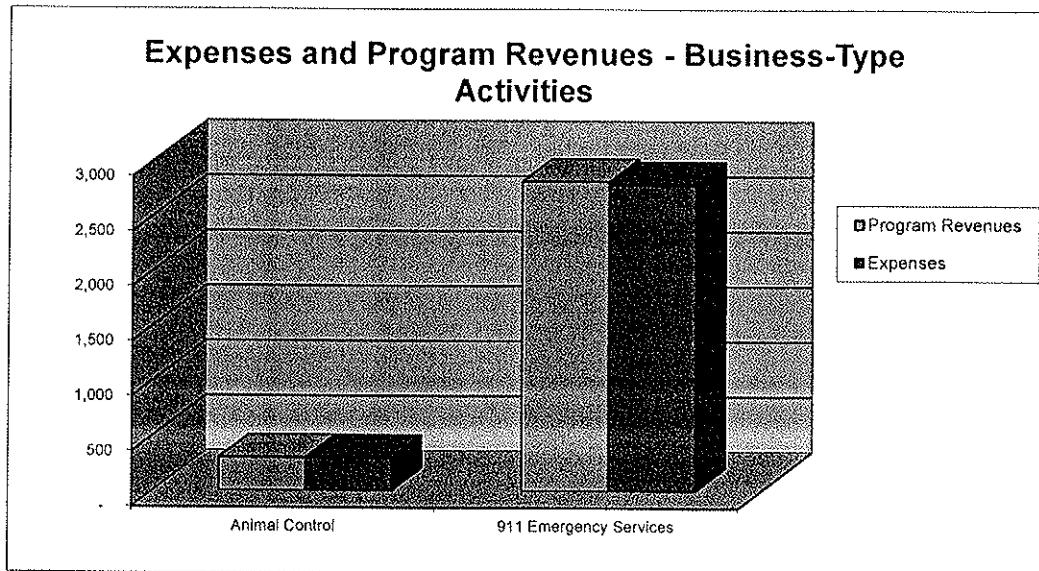
Revenues by Source - Governmental Activities



Governmental activities decreased the County's net position by \$1.3 million. In the prior fiscal year, net position decreased by \$1.9 million. A revenue increase of \$2.2 million was not enough to offset an expenditure increase of nearly \$1.6 million. State income tax has experienced a steady increase for the third consecutive year (\$0.2 million) after continuous decline in previous years, while property taxes continued its trend back up as well. After a decline in the previous year, replacement tax increased by \$0.1 million.

The preceding charts illustrate the County's governmental expenses and revenues by function and its revenue by source. Public safety is the largest governmental expense of the County, followed by general government, court services, and transportation. Public safety comprises 44.1 percent of total governmental activities, up from 29 percent nine years ago. General government had a slight increase to 17.1 percent of total governmental activities, while economic development decreased further to 3.4 percent due to the decreased funding. General revenues such as the property, sales, state income, replacement, motor fuel, and other taxes are not shown by function because they are used to support County-wide program activities. Over one-quarter, 30 cents of every dollar, of the County's revenue for governmental funds comes from property taxes (no change from previous year), and 54 cents of every dollar raised comes from some type of tax. This level has been maintained from the previous year. While this has been largely stagnant in recent years, the revenue from taxes has decreased from 60 cents eight years ago and 63 cents nine years ago. More specifically, the percentage of property taxes funding governmental activities has decreased from 32 percent in FY 2003 to just under 30 percent in FY 2013.

Business-Type Activities



Business-type activities increased the County's net position by \$0.04 million to \$5.49 million, an increase of 1.0 percent.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

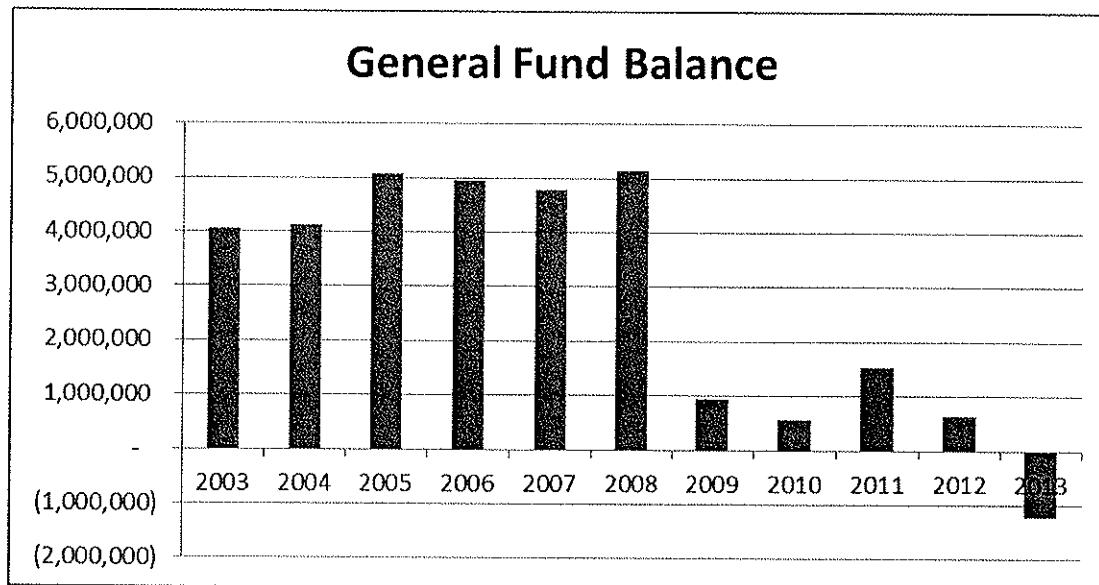
The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources available for spending. This information is useful in assessing the County's financing requirements. In particular, assigned and unassigned fund balance measures the County's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

At the end of the current fiscal year the County's governmental funds reported combined ending fund balances of \$15.2 million. About \$1.1 million (7.2 percent) of the fund balance is classified as non-spendable because it is not in spendable form due to inventories and prepaid items. The majority of the fund balance, \$12.5 million (82.5 percent), is restricted; constraints have been placed on the use of the resources. Approximately \$2.9 million (16.3 percent) is assigned, which the County intends to use for the transportation function. Approximately \$1.3 million deficit constitutes unassigned fund balance.

Revenues for the governmental funds in 2013 totaled \$55.9 million, expenditures were \$59.6 million, and other financing sources were \$0.5 million. Overall, the fund balance decreased by \$3.2 million for the year.

The General Fund is the chief operating fund of the County. It is composed of 35 departments: Administration, Treasurer, County Clerk, Elections, Recorder, Assessments, Board of Review, Economic Development, Planning, Information Services, Building & Grounds, Health Insurance, Utilities, Contingency, Auditor, Zoning Board of Appeals, I-KAN ROE Educational Agreement, Finance, Capital Development, Circuit Clerk, Maintenance & Child Support, Circuit Court, Jury Commission, State's Attorney Office, Public Defender, Probation, D.N.D.C., Juvenile Detention Center, Sheriff Police, Corrections, Auxiliary Police, E.S.D.A., Merit Commission, Dispatch Center, and Coroner.

At the end of 2013 the total fund balance of the General Fund (excluding Tort) was \$1.2 million deficit. The fund balance decreased by \$1.9 million in 2013. This follows a decrease in three of the past four years. The following chart illustrates the fund balances of the General Fund since FY 2003.



The Tort Liability Fund, reported in the General Fund, ended the year with a fund balance of \$1.0 million, which represents a decrease of \$0.3 million from the prior fiscal year. This followed a decrease of \$0.6 million in FY 2012, and no change in FY 2011 preceded by a \$0.19 million decrease in FY 2010 and a \$0.16 decrease in FY 2009. Prior to that, there were decreases from FY 2003 to FY 2007, with a slight increase in FY 2008. This represents an overall 66.2 percent decrease from FY 2003 through FY 2013.

On the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances found on pages 24-25, the general fund activity and tort fund activity are combined in one column as the general fund. However, for budgeting, accounting, and internal reporting, these funds are still presented separately. The combined fund balance ended the year with a deficit balance of \$0.2 million, a decrease of \$2.2 million.

The Pension Fund, a special revenue fund, is a major fund of the County. Fund balance at the end of 2013 was \$0.3 million, a decrease of \$0.8 million. This followed a decrease of \$0.4 million in the prior year. Previously, the Pension Fund had experienced decreases each year since the end of FY 2003 when the fund balance was \$4.7 million, with the exception of a small increase of \$0.3 million in FY 2011. Overall, the fund balance of the pension fund has experienced a 92.7 percent decrease from FY 2003 through FY 2013. Due to the declining fund balance, the percentages on the property tax limitation model have been modified each year since 2010 to allow for the additional revenue to the Pension Fund.

The final major fund for the County is the County Highway Fund. The fund closed the year with a \$3.2 million balance. This represents a slight decrease to the County Highway Fund.

Proprietary Funds

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

911 System Fee Fund. This fund also qualified as a major fund of Kankakee County. Net position at the end of the year amounted to just over \$5.1 million. Of this amount, \$1.5 million is net investment in capital assets and \$0.25 million is restricted for debt service. The remainder, \$3.3 million, is unrestricted. Total net position increased by \$0.04 million during the year.

Animal Control. There was a net position balance of \$432,681 at the end of the fiscal year. This represented an increase of \$1,336. Of the total, \$39,729 is net investment in capital assets and the remainder of \$317,445 is unrestricted.

Fiduciary Funds

The County maintains fiduciary funds for the assets of others in various Private Purpose Trust Funds and Agency Funds. Total net position in the Fiduciary funds is \$2.6 million, a net decrease of \$0.2 million from last year.

GENERAL FUND BUDGETARY HIGHLIGHTS

At the end of the fiscal year, the County Board revised the County budget due to emergency issues. Changes were made at the end of the year to account for unexpected revenue and expenditures. The original General Fund revenue budget of \$32.8 million was increased to \$34.1 million. The expenditure budget of \$31.1 million was increased to \$34.6 million.

The increase in the General Fund revenues was due to several factors including increased sales tax revenues, state income tax revenues, new grant awards, increased inmate housing rentals, and increased building and zoning fees.

Departments with increases to their original budget include Administration (\$60,000), Auditor (\$5,000), Election Commission (\$102,000), County Clerk (\$9,600), Buildings and Grounds (\$250,000), Capital Development (\$468,085), Utilities (\$30,000), Planning (\$64,820), County Treasurer (\$11,000), County Assessor (\$16,000), Economic Development (\$26,300), Circuit Court (\$5,000), Circuit Clerk (\$80,500), States Attorney (\$60,579), Probation (\$15,904), Sheriff's Office (\$486,824), Corrections (\$1,882,016), Auxiliary Police (\$3,000), Coroner (\$154,670), and ESDA (\$20,800). Several of these budget amendments came from the budget of \$320,000 in contingency.

As revenues fell short of budgeted expectations, the budget variance for revenues was \$0.8 million under the final budget; while expenditures resulted in a variance of \$0.9 million under final budget. The largest variances of revenues were circuit clerk fees and grants and other reimbursements, which each came in \$0.3 million under budget. For the expenditures, there was not a lot of variance between the final budget and actual expenditures. Significant positive differences between budgeted expenditures and actual expenditures were in Health Insurance of \$0.1 million, State's Attorney of \$0.1 million, and Juvenile Detention Center of \$0.1 million.

CAPITAL ASSETS & DEBT ADMINISTRATION

Capital Assets

The County of Kankakee's investment in capital assets for governmental and business-type activities as of November 30, 2013, amounts to \$67.3 million (net of accumulated depreciation). This investment in capital assets includes the transportation network, land, construction in progress, buildings and improvements, buildings and improvements under capital lease agreements, leasehold improvements, equipment, equipment under capital lease agreements, and vehicles. The total increase in the County's investment in capital assets for the current fiscal year was 0.7 percent (a 0.5 percent increase for governmental activities and a 4.4 percent increase for business-type activities).

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

Exhibit 3

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Transportation Network	\$ 16,804	\$ 14,672	\$ -	\$ -	\$ 16,804	\$ 14,672
Land	1,000	920	61	61	1,061	981
Construction in Progress	459	1,105	-	382	459	1,487
Intangible Assets	1,525	1,446	-	-	1,525	1,446
Building - idle	1,770	1,770	-	-	1,770	1,770
Buildings and Improvements	36,215	37,394	-	-	36,215	37,394
Buildings and Improvements under capital lease agreements	2,943	3,093	-	-	2,943	3,093
Leasehold improvements	-	-	197	197	197	197
Equipment	1,779	1,924	2,250	1,755	4,029	3,680
Equipment under capital lease agreements	-	-	18	24	18	24
Vehicles	2,305	2,126	-	-	2,305	2,126
Total Capital Assets	\$ 64,800	\$ 64,449	\$ 2,527	\$ 2,420	\$ 67,327	\$ 66,869

Major capital asset changes that occurred during 2013 include the following:

Intangible assets of \$0.1 million were added for the IJIS project, and land was added in the amount of \$0.1 million. Equipment of \$0.5 million and vehicles of \$0.7 million were added, in addition to \$3.2 million to the transportation network and \$0.2 million to building improvements. The vehicles were partially offset by \$0.2 million in retirements, as well as construction in progress of \$0.6 million was completed. Regarding business-type activities, \$0.4 million of construction in progress was completed and placed into service, resulting in an increase in equipment of this amount.

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

Long-term Debt

At the end of the current fiscal year, the County of Kankakee had total debt outstanding of \$23.6 million.

This encompasses \$22.6 million outstanding long-term debt in governmental activities and \$1.0 million outstanding long-term debt in business-type activities. This represents a decrease of approximately \$1.6 million (6.4 percent) in governmental activities and a decrease of approximately \$0.2 million (20.0 percent) in business-type activities.

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

Exhibit 4

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Debt Certificates	\$ 1,118	\$ 6,789	\$ -	\$ -	\$ 1,118	\$ 6,789
Bonds - General Obligation	17,341	13,089	-	-	17,341	13,089
Loan / Lease Agreement	175	175	-	-	175	175
Capital Leases	3,353	3,524	9	17	3,362	3,541
Bonds - Alternate Revenue Source	-	-	935	1,165	935	1,165
Compensated Absences	645	611	32	38	677	648
Total	\$ 22,632	\$ 24,188	\$ 975	\$ 1,220	\$ 23,607	\$ 25,407

The compensated absences calculation required the reporting of additional liability amounts for governmental activities. There was also an addition to capital leases for governmental activities as vehicles were purchased; however, this was partially offset by lease payments which resulted in a net reduction to capital leases. Additionally, debt certificates were retired and refinanced with lower interest rates as general obligation bonds. Accordingly, there were sizable retirements to debt certificates and additions to general obligation bonds.

Regarding business-type activities, the County retired \$230,000 in bonds and a portion of the Animal Control vehicle lease.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's General Fund revenue budget for FY 2014 increased 1.3 percent to approximately \$33.2 million from the original FY 2013 budget; while the expenditure budget for 2014 increased likewise. However, the County has amended the FY 2014 budget at its March 2014 County Board meeting. The amended FY 2014 budget represents a decrease from its original FY 2014 budget of 3.2 percent for revenues to approximately \$32.1 million; while the expenditure budget decreased even further to \$31.9 million (3.9 percent). Most of the revenues were budgeted at similar levels to FY 2013. Slight shifts include decreases in the budget for property tax (\$0.2 million), circuit clerk fees (\$0.14 million), and some grants. Conversely, increases were budgeted for out of county inmate rental (\$0.25 million), state income taxes (\$0.3 million), replacement tax (\$0.16 million) and other grants. When the budget was amended, the significant change from the original FY 2014 revenue budget was a decrease in sales tax of \$3 million. This was partially offset by an addition of wind farm fees of \$0.85 million, out of county inmate rental of \$0.5 million, and additional grants.

On the expenditure side there were slight variations from the FY 2013 budget. In the original FY 2014 budget, expenditures for elections were budgeted to be increased by \$0.13 million in anticipation of the elections of 2014. Increases to the budget included a \$0.14 million increase in Buildings and Grounds, \$0.3 million increase in Capital Development, \$0.6 million increase to the Corrections Department, and a \$0.1 million increase to the Coroner Department. Significant decreases to the original FY 2014 budget included \$0.2 million in Health Insurance, and \$0.14 million to the Sheriff's Department.

As a result of the March 2014 budget amendment, nearly all departments experienced a significant decrease to their FY 2014 budget. Significant decreases to the amended FY 2014 budget included \$0.15 million (25 percent) to Planning, \$0.17 million (16 percent) to Maintenance, \$0.25 million (6 percent) to health insurance, \$0.13 million (12 percent) to State's Attorney, \$0.13 million (12 percent) to Probation, and \$0.92 million (22 percent) to the Sheriff's Department. However, the Corrections Department did see an increase of \$0.6 million to their budget as a result of the amendment, in addition to \$0.1 million increase to utilities and \$0.2 million increase to contingency.

The amended budget projects for revenues to exceed expenditures in fiscal year 2014, in hopes of bringing the fund balance back to a positive number.

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

The union contracts with FOP Probation, FOP Deputies, and ETSB 911 ended November 30, 2012 and negotiations are ongoing. Additionally, the union contracts with Circuit Clerk/State's Attorney and Recorder/Treasurer/Auditor ended November 30, 2013 and negotiations have begun.

Sales tax revenue continues to be an issue as the long term viability of the sales tax program noted in the Government Wide Financial Analysis section is questionable as pending legislation may greatly affect that program. Many of the participants have left the program due to the uncertainty.

Higher education has continued to grow in our community as both Olivet Nazarene University and Kankakee Community College invest in new facilities and construction in our area. Olivet Nazarene University invested \$72 million into its new chapel and student life center, which are both open. ONU is currently constructing an expanded Engineering Department at its campus. KCC invested \$10 million into a north campus expansion. The new campus opened in the spring of 2014. KCC also just opened the Manufacturing and Industrial Technology Center, which will help meet the training needs of advanced manufacturers in Kankakee County.

The Illinois Army National Guard is still working on plans to build a \$48 million Readiness Center and Army Aviation Support Facility at the Greater Kankakee Airport. This project will potentially add 75 full time jobs and approximately 200 troops will be trained at this location. The project has been let for bids, and has a projected start date of fall 2014.

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

Regarding transportation, IDOT has completed a \$54 million reconfiguration of the I-57 interchange at exit 315 in Bradley. The Illiana Corridor, a project that would connect I-65 in Indiana to I-55 in Illinois is in the final stages of review. The Bi-State Commission studying this project has selected the preferred corridor, which would cross approximately two miles north of Kankakee County. A record of decision is expected from USDOT during the latter part of 2014, with land acquisition beginning soon thereafter. Another local transportation project is the construction of a new interchange at I-57 and 6000 N Road, between Bourbonnais and Manteno. This \$54 million project is anticipated to begin in late 2014 or early 2015.

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

Data is showing that personal income and job growth in the Kankakee area is on an upward trajectory. The most recent report from the U.S. Department of Commerce Bureau of Economic Analysis positions the Kankakee-Bradley Metropolitan Statistical Area (MSA) #26 among 381MSAs nationwide in Real Gross Domestic Product (GDP) growth and #2 in the State of Illinois. An additional study, produced by the Milken Institute, announced the Kankakee-Bradley MSA as the highest ranked in the State of Illinois in the "small cities" category, vaulting from #121 to #42 nationally. This ranking was based on community success in creating and sustaining jobs and economic expansion, components of which include job, wage and salary, and technology growth. These trends could lead to a positive impact for our County.

Kankakee County has proven to be a viable market for expanding companies. CSL Behring recently completed a \$180 million plant expansion creating approximately 100 new jobs. Flanders-Precisionaire Inc. in the eastern part of the County underwent a 40,000 square foot warehouse expansion with an \$8 million capital investment creating approximately 100 new jobs. Eastern Grain Marketing is completing an \$8 million agricultural train shuttle facility creating eight new jobs, while Millipore is investing \$1.3 million in upgrades at its facility creating twenty new jobs. Additionally, Bunge North America is expanding its Bradley location to make room for a new margarine line, Shoup Manufacturing is constructing a new warehouse creating approximately twenty new jobs, and Heartland Harvest plans to hire twenty new employees as it sees continued growth. In our utilities industry, Aqua Illinois is investing approximately \$17 million into the local water system.

The healthcare industry has shown abundant growth in our area, and that is ongoing as Riverside Healthcare is constructing a \$25 million memory care facility in Bourbonnais.

Outside consultants are completing an updated space needs study and comprehensive plan for County facilities. While it is evident that additional space is warranted, the County is pursuing various cost effective methods to resolve these issues. One step was taken in early 2013 when the State's Attorney's office moved from various locations in both the courthouse and annex building, and is now leasing space in a nearby building. This has allowed the Public Defender's Office to relocate to the vacated space in the annex building, and vacated space in the courthouse will allow for planning flexibility. Suitability of the existing courthouse is still in question due to numerous violations of the Americans with Disabilities Act, as well as age and general condition of the building. This is in addition to the fact that an additional circuit court judge was assigned to the already tight facility. The move by the State's Attorney's office will help with these issues, but a thorough evaluation of the space continues.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

Kankakee County, Illinois
Statement of Net Position
November 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	Assets		
Cash	\$ 10,055,467	\$ 1,407,135	\$ 11,462,602
Cash - restricted	-	272,925	272,925
Investments, at cost	7,105,454	2,052,976	9,158,430
Receivables, (net, where applicable of allowance for uncollectibles):			
Taxes, including interest, penalties and liens	17,528,012	-	17,528,012
Accounts	5,643,094	98,489	5,741,583
Loans	239,225	-	239,225
Due from other governments	1,407,369	431,316	1,838,685
Prepaid expenses	355,677	8,174	363,851
Inventory, at cost	472,415	-	472,415
Bond issuance costs, net of amortization	303,463	8,546	312,009
Capital assets, net of accumulated depreciation	64,800,475	2,526,683	67,327,158
Other assets	21,936	-	21,936
Total assets	<u>\$ 107,932,587</u>	<u>\$ 6,806,244</u>	<u>\$ 114,738,831</u>
Liabilities and Net Position			
Liabilities			
Vouchers and accounts payable	\$ 3,843,719	\$ 319,220	\$ 4,162,939
Accrued wages and benefits	1,852,308	-	1,852,308
Payable from restricted assets	-	19,084	19,084
Tax anticipation warrants	5,300,000	-	5,300,000
Deferred revenue	17,716,866	-	17,716,866
Noncurrent liabilities:			
Due within one year	2,307,138	943,698	3,250,836
Due in more than one year	20,325,112	31,513	20,356,625
Total liabilities	<u>51,345,143</u>	<u>1,313,515</u>	<u>52,658,658</u>
Net Position			
Net investment in capital assets	43,520,320	1,582,985	45,103,305
Restricted for:			
Debt service	852,428	253,841	1,106,269
Capital projects	221,454	-	221,454
Other purposes (enabling legislation)	12,836,183	-	12,836,183
Unrestricted	(842,941)	3,655,903	2,812,962
Total net position	<u>56,587,444</u>	<u>5,492,729</u>	<u>62,080,173</u>
Total liabilities and net position	<u>\$ 107,932,587</u>	<u>\$ 6,806,244</u>	<u>\$ 114,738,831</u>

Kankakee County, Illinois
 Statement of Activities
 For the Year Ended November 30, 2013

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants	Primary Government		Total Primary Government
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities							
General government	9,880,814	\$ 2,575,640	\$ 454,187	\$ 150,000	\$ (6,700,987)		\$ (6,700,987)
Court services	9,109,459	2,488,148	1,114,331	-	(5,506,980)		(5,506,980)
Public safety	25,533,900	11,555,793	337,297	-	(13,640,810)		(13,640,810)
Health and sanitation	3,006,442	317,747	2,046,114	-	(642,581)		(642,581)
Transportation	7,260,319	407,275	885,180	1,847,107	(4,120,757)		(4,120,757)
Veterans administration	313,913	-	61,372	-	(252,541)		(252,541)
Economic development	1,946,789	-	1,783,328	-	(163,461)		(163,461)
Interest and fiscal charges	855,159	-	-	-	(855,159)		(855,159)
Total governmental activities	<u>57,906,795</u>	<u>17,344,603</u>	<u>6,681,809</u>	<u>1,997,107</u>	<u>(31,883,276)</u>		<u>(31,883,276)</u>
Business-type activities							
911 Emergency services	2,782,618	2,808,869	-	-	\$ 26,251		26,251
Animal control	298,905	299,965	-	-	1,060		1,060
Total business-type activities	<u>3,081,523</u>	<u>3,108,834</u>	<u>-</u>	<u>-</u>	<u>27,311</u>		<u>27,311</u>
Total primary government	<u>\$ 60,988,318</u>	<u>\$ 20,453,437</u>	<u>\$ 6,681,809</u>	<u>\$ 1,997,107</u>	<u>(31,883,276)</u>	<u>27,311</u>	<u>(31,855,965)</u>
General revenues:							
Taxes							
Property taxes				17,181,977	-	17,181,977	
Sales tax				7,707,300	-	7,707,300	
State income tax				2,734,356	-	2,734,356	
Replacement and other taxes				2,623,064	-	2,623,064	
Interest				18,761	13,962	32,723	
Miscellaneous				229,383	-	229,383	
Gain (loss) on disposal of assets				46,518	-	46,518	
Total general revenues				<u>30,541,359</u>	<u>13,962</u>	<u>30,555,321</u>	
Change in net position				<u>(1,341,917)</u>	<u>41,273</u>	<u>(1,300,644)</u>	
Net position - beginning				<u>57,929,361</u>	<u>5,451,456</u>	<u>63,380,817</u>	
Net position - ending				<u>\$ 56,587,444</u>	<u>\$ 5,492,729</u>	<u>\$ 62,080,173</u>	

See accompanying notes to the basic financial statements.

Kankakee County, Illinois
 Balance Sheet
 Governmental Funds
 November 30, 2013

	General Fund	Pension	County Highway	Other	Total
				Governmental Funds	Governmental Funds
Assets					
Cash	\$ 1,781,754	\$ 1,561,715	\$ 1,570,638	\$ 5,141,360	\$ 10,055,467
Investments, at cost	7,880	-	1,236,079	5,861,495	7,105,454
Receivables (net of applicable allowances for estimated uncollectible amounts):					
Taxes, including interest, penalties, and liens	7,178,767	5,492,714	1,891,162	2,965,369	17,528,012
Accounts	5,083,500	79,940	242,507	470,451	5,876,398
Loans	-	-	-	239,225	239,225
Prepaid expenses	263,467	-	-	92,210	355,677
Due from other funds	60,607	550,000	-	671,000	1,281,607
Due from other governments	-	-	-	410,647	410,647
Inventory, at cost	102,599	-	240,246	129,570	472,415
Other assets	-	-	-	21,936	21,936
Total assets	\$ 14,478,574	\$ 7,684,369	\$ 5,180,632	\$ 16,003,263	\$ 43,346,838
Liabilities and Fund Balances					
Liabilities:					
Vouchers and accounts payable	\$ 2,070,745	\$ 746,837	\$ 126,403	\$ 908,214	\$ 3,852,199
Due to other funds	1,221,000	-	-	60,607	1,281,607
Tax anticipation warrants	4,200,000	1,100,000	-	-	5,300,000
Deferred revenue	7,217,385	5,492,713	1,891,162	3,115,606	17,716,866
Total liabilities	\$ 14,709,130	\$ 7,339,550	\$ 2,017,565	\$ 4,084,427	\$ 28,150,672
Fund balances:					
Non-spendable:					
Prepaid items	639,884	-	-	82,476	742,360
Inventory	-	-	240,246	116,261	356,507
Restricted for:					
General government	-	-	-	726,679	726,679
Debt service	-	-	-	852,428	852,428
Judiciary and court	-	-	-	1,277,662	1,277,662
Public safety	-	-	-	11,432	11,432
Health and welfare	-	-	-	2,211,258	2,211,258
Transportation	-	-	-	5,724,958	5,724,958
Economic development	-	-	-	540,806	540,806
Retirement	-	344,819	-	-	344,819
Tort liability/claims	477,926	-	-	-	477,926
Public building commission	-	-	-	227,922	227,922
Capital projects	-	-	-	146,954	146,954
Assigned to transportation	-	-	2,922,821	-	2,922,821
Unassigned	(1,368,366)	-	-	-	(1,368,366)
Total fund balance	(230,556)	\$ 344,819	\$ 3,163,067	\$ 11,918,836	\$ 15,196,166
Total liabilities and fund balance	\$ 14,478,574	\$ 7,684,369	\$ 5,180,632	\$ 16,003,263	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds as assets	64,800,475
Bond issue costs, net of amortization, are not financial resources and, therefore, are not reported in the funds as assets.....	303,463
Long-term liabilities, including liabilities for retirement obligations, are not due and payable in the current period and therefore, are not reported as a fund liability in governmental funds.....	(22,632,250)
Full accrual accounting and modified accrual accounting use differing revenue and expense recognition criteria.....	(1,080,410)
Net position of governmental activities.....	\$ 56,587,444

Kankakee County, Illinois
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended November 30, 2013

	General Fund	Pension	County Highway	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 14,884,549	\$ 5,158,839	\$ 1,884,772	\$ 2,961,117	\$ 24,889,277
Intergovernmental	5,688,083	43,971	-	7,344,977	13,077,031
Charges for services	14,197,849	-	721,649	-	14,919,498
Licenses and permits	313,885	-	-	205,941	519,826
Fines and forfeits	737,166	-	-	1,420,709	2,157,875
Interest on investments	5,576	397	1,688	11,100	18,761
Miscellaneous	105,057	-	117,075	123,122	345,254
Total revenues	35,932,165	5,203,207	2,725,184	12,066,966	55,927,522
Expenditures:					
Current:					
General government	12,991,222	5,972,914	-	346,001	19,310,137
Judiciary and court related	5,906,433	-	-	1,168,795	7,075,228
Public safety	16,055,056	-	-	288,691	16,343,747
Health and welfare	-	-	-	2,886,401	2,886,401
Transportation	-	-	2,117,704	3,452,735	5,570,439
Economic development	163,461	-	-	1,783,328	1,946,789
Capital outlay	1,270,548	-	644,963	1,688,188	3,603,699
Debt service principal	307,704	-	-	1,711,131	2,018,835
Debt service interest	36,940	6,510	-	811,709	855,159
Total expenditures	36,731,364	5,979,424	2,762,667	14,136,979	59,610,434
Excess (deficiency) of revenues over (under) expenditures	(799,199)	(776,217)	(37,483)	(2,070,013)	(3,682,912)
Other financing sources (uses):					
Transfers in	7,400	-	-	2,379,754	2,387,154
Transfers out	(1,909,295)	-	-	(477,859)	(2,387,154)
Proceeds from refunding bonds	5,395,000	-	-	-	5,395,000
Proceeds from long-term debt	493,390	-	-	-	493,390
Premium on bonds sold	25,966	-	-	-	25,966
Refunded debt proceeds					
paid to escrow agent	(5,311,965)	-	-	-	(5,311,965)
Cost of issuance of long-term debt	(105,874)	-	-	-	(105,874)
Total other financing sources (uses)	(1,405,378)	-	-	1,901,895	496,517
Net change in fund balances	(2,204,577)	(776,217)	(37,483)	(168,118)	(3,186,395)
Fund balances, beginning of year	1,974,021	1,121,036	3,200,550	12,086,954	18,382,561
Fund balances, end of year	\$ (230,556)	\$ 344,819	\$ 3,163,067	\$ 11,918,836	\$ 15,196,166

Kankakee County, Illinois
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended November 30, 2013

Net change in fund balances - total governmental funds	\$ (3,186,395)
Amounts reported for governmental activities in the statement of activities are different because:	
The issuance of long-term debt and refunding bonds, including premiums, is reflected as other financing sources on the fund level statements, but is reported as an addition to liabilities on the entity wide statements	(5,914,356)
The refunded debt proceeds paid to escrow agent are reflected as other financing uses on the fund level statements, but are reported as a reduction to liabilities on the entity wide statements	5,311,965
Unamortized debt issue costs and discount related to defeased debt were expensed on the entity wide statements, but not reported on the fund level statements	(72,506)
The payment of principal on long-term debt is reflected as an expense on the fund level statements, but is reported as a reduction of liabilities on the entity wide statements	2,018,835
Debt issue costs are reflected as other financing uses on the fund level statements, but are reported as an addition to other assets on the entity wide statements	105,874
Amortization of debt issue costs, premiums, discounts, and deferred charges on refunding is not reflected on the fund level statements, but is reported as an expense on the entity wide statements	155,378
The current period change in compensated absences does not require or provide current financial resources and, therefore, is not reported in governmental funds	(45,027)
Change in pension obligation resulting from contributions paid at a rate less than the required rate is not reported on the fund level statements	(169,555)
Depreciation on capital assets and losses on the sale of assets are not reflected on the fund level statements, but are reported as an expense on the entity wide statements	(3,868,719)
The acquisition of capital assets is reported as an expense on the fund level statements, but is capitalized as an asset on the entity wide statements	4,237,289
Full accrual accounting and modified accrual accounting use differing revenue and expense recognition criteria	85,300
Change in net position of governmental activities - entity wide statements	<u>\$ (1,341,917)</u>

Kankakee County, Illinois
Statement of Net Position
Proprietary Funds - Enterprise Funds
November 30, 2013

	Enterprise Funds		
	911 System Fee Fund	Other Enter- prise Funds	Total
Assets			
Current assets			
Cash	\$ 1,236,435	\$ 170,700	\$ 1,407,135
Cash - restricted	272,925	-	272,925
Investments	1,866,229	186,747	2,052,976
Accounts receivable	71,682	26,807	98,489
Receivable from other governments	431,316	-	431,316
Prepaid expenses	8,174	-	8,174
Total current assets	<u>3,886,761</u>	<u>384,254</u>	<u>4,271,015</u>
Property, plant, and equipment			
Property and equipment	6,900,839	174,471	7,075,310
Accumulated depreciation	(4,422,583)	(126,044)	(4,548,627)
Net property, plant, and equipment	<u>2,478,256</u>	<u>48,427</u>	<u>2,526,683</u>
Bond issue costs, net and other assets	8,546	-	8,546
Total assets	<u>\$ 6,373,563</u>	<u>\$ 432,681</u>	<u>\$ 6,806,244</u>
Liabilities			
Current liabilities			
Current portion - long-term debt	\$ 935,000	\$ 8,698	\$ 943,698
Vouchers and accounts payable	252,411	66,809	319,220
Payable from restricted assets	19,084	-	19,084
Total current liabilities	<u>1,206,495</u>	<u>75,507</u>	<u>1,282,002</u>
Long-term liabilities			
Accrued sick time	31,513	-	31,513
Total long-term liabilities	<u>31,513</u>	<u>-</u>	<u>31,513</u>
Total liabilities	<u>1,238,008</u>	<u>75,507</u>	<u>1,313,515</u>
Net position			
Net investment in capital assets	1,543,256	39,729	1,582,985
Restricted for debt service	253,841	-	253,841
Unrestricted	3,338,458	317,445	3,655,903
Total net position	<u>5,135,555</u>	<u>357,174</u>	<u>5,492,729</u>
Total liabilities and net position	<u>\$ 6,373,563</u>	<u>\$ 432,681</u>	<u>\$ 6,806,244</u>

Kankakee County, Illinois

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds - Enterprise Funds
For the Year Ended November 30, 2013

	Enterprise Funds		
	911 System Fee Fund	Other Enter- prise Funds	Total
Operating revenues:			
Charges for services and other fees	\$ 2,806,541	\$ 296,527	\$ 3,103,068
Miscellaneous	2,328	3,438	5,766
Total operating revenues	<u>2,808,869</u>	<u>299,965</u>	<u>3,108,834</u>
Operating expenses:			
Personal services	1,994,586	197,806	2,192,392
Contractual services	309,180	45,330	354,510
Supplies and materials	11,371	14,226	25,597
Other services and charges	78,282	34,161	112,443
Depreciation and amortization expense	<u>342,476</u>	<u>5,819</u>	<u>348,295</u>
Total operating expenses	<u>2,735,895</u>	<u>297,342</u>	<u>3,033,237</u>
Operating income (loss)	<u>72,974</u>	<u>2,623</u>	<u>75,597</u>
Nonoperating revenue (expense):			
Interest income	13,686	276	13,962
Interest expense	(46,723)	(1,563)	(48,286)
Net nonoperating revenue (loss)	<u>(33,037)</u>	<u>(1,287)</u>	<u>(34,324)</u>
Change in net position	39,937	1,336	41,273
Net position, beginning of year	<u>5,095,618</u>	<u>355,838</u>	<u>5,451,456</u>
Net position, end of year	<u>\$ 5,135,555</u>	<u>\$ 357,174</u>	<u>\$ 5,492,729</u>

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

Kankakee County, Illinois
Statement of Cash Flows
Proprietary Funds - Enterprise Fund Types
For the Year Ended November 30, 2013

	Enterprise Funds		
	911 System Fee Fund	Other Enter- prise Funds	Total
Cash flows from operating activities:			
Receipts from customers	\$ 1,978,773	\$ 310,535	\$ 2,289,308
Payments to suppliers	(990,141)	(94,668)	(1,084,809)
Payments to employees	(1,400,349)	(199,624)	(1,599,973)
Internal activity - payments from (to) other funds	867,946	-	867,946
Other receipts	2,328	3,438	5,766
Net cash provided (used) by operating activities	<u>458,557</u>	<u>19,681</u>	<u>478,238</u>
Cash flows from capital and related financing activities:			
Interest payments on long-term debt	(51,225)	(1,563)	(52,788)
Payments on long-term debt	(230,000)	(8,106)	(238,106)
Purchase of equipment	(452,047)	-	(452,047)
Net cash flows provided (used) by capital and related financing activities	<u>(733,272)</u>	<u>(9,669)</u>	<u>(742,941)</u>
Cash flows from investing activities:			
Purchase of investments	(1,620,169)	-	(1,620,169)
Sale of investments	1,607,174	-	1,607,174
Interest income	13,686	276	13,962
Net cash flows provided (used) by investing activities	<u>691</u>	<u>276</u>	<u>967</u>
Net increase (decrease) in cash and cash investments	<u>(274,024)</u>	<u>10,288</u>	<u>(263,736)</u>
Cash and cash investments, beginning of year	<u>1,783,384</u>	<u>347,159</u>	<u>2,130,543</u>
Cash and cash investments, end of year	<u>\$ 1,509,360</u>	<u>\$ 357,447</u>	<u>\$ 1,866,807</u>
Reported on balance sheet as cash	<u>\$ 1,509,360</u>	<u>\$ 170,700</u>	<u>\$ 1,680,060</u>
Included in balance sheet investments	<u>-</u>	<u>186,747</u>	<u>186,747</u>
	<u>\$ 1,509,360</u>	<u>\$ 357,447</u>	<u>\$ 1,866,807</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 72,974	\$ 2,623	\$ 75,597
Adjustments to reconcile net income to net cash provided from operating activities:			
Depreciation expense	339,608	5,819	345,427
Amortization of bond issue costs	2,868	-	2,868
Change in assets and liabilities:			
(Increase) decrease in accounts receivable/prepaid expenses	40,255	14,008	54,263
Increase (decrease) in accrued salaries and benefits	52,171	(1,818)	50,353
Increase (decrease) in other liabilities	(49,319)	(951)	(50,270)
Net cash provided by operating activities	<u>\$ 458,557</u>	<u>\$ 19,681</u>	<u>\$ 478,238</u>

Kankakee County, Illinois
Statement of Fiduciary Net Position
Fiduciary Funds
November 30, 2013

	<u>Private Purpose</u> <u>Trust Funds</u>	<u>Agency</u> <u>Funds</u>
Assets		
Cash	\$ 823,140	\$ 2,306,194
Investments, at cost	1,770,502	215,674
Receivables:		
Accounts receivable	<u>82,857</u>	<u>177,227</u>
Total assets	<u><u>\$ 2,676,499</u></u>	<u><u>\$ 2,699,095</u></u>
Liabilities and Net Position		
Liabilities		
Vouchers payable	\$ 32,050	\$ 3,306
Due to:		
Other governments	-	115,123
Others	<u>-</u>	<u>2,580,666</u>
Total liabilities	<u><u>32,050</u></u>	<u><u>2,699,095</u></u>
Net Position		
Restricted for other purposes	2,644,449	-
Total net position	<u>2,644,449</u>	<u>-</u>
Total liabilities and net position	<u><u>\$ 2,676,499</u></u>	<u><u>\$ 2,699,095</u></u>

Kankakee County, Illinois
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended November 30, 2013

	<u>Private Purpose Trust Funds</u>
Additions:	
Intergovernmental	\$ 1,307,978
Miscellaneous	1,404,228
Interest	<u>1,598</u>
Total additions	<u>2,713,804</u>
Deductions:	
Transportation	1,273,828
Other	<u>1,629,575</u>
Total deductions	<u>2,903,403</u>
Change in net position	(189,599)
Net position, beginning of year	<u>2,834,048</u>
Net position, end of year	<u>\$ 2,644,449</u>

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 1 – The Financial Reporting Entity

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

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

Component Units: As required by generally accepted accounting principles (GAAP), the financial statements of the reporting entity include those of Kankakee County, the primary government, and its component units. The County complies with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61, in defining the reporting entity. Component units are legally separate organizations for which the elected officials of the County are financially accountable. Organizations for which the County is accountable because it appoints a majority of the voting board, but is not financially accountable for its operations, are related organizations. Financial information of component units is blended with that of Kankakee County where, among other criteria, the nature of services rendered by the component unit is almost exclusively for the benefit of the County, the governing body of the component unit is substantially the same as that of the County, or the total outstanding debt of the component unit is expected to be repaid entirely or almost entirely with County resources. Component unit financial information that is not blended with that of the County is discretely presented in a separate column on the County's government wide financial statements. A general description of the component units and related organizations follows:

Component Units - Blended

The **Kankakee County Public Building Commission** is a separate municipal corporation created for the purpose of acquiring or enhancing public buildings or facilities. The Commissioners are appointed by and serve at the pleasure of the Chairman of the County Board. Because the Commission's outstanding debt is expected to be repaid by County resources, the County includes the Commission in its financial statements as a blended component unit. The County Board is not financially responsible for obligations of the Commission unless any such improvements are for its benefit. The Commission's administrative transactions are accounted for in the Public Building Commission Fund, a special revenue fund. The Commission's debt activity is accounted for in the Public Building Commission - Health Department Fund, a debt service fund. Separate financial statements can be obtained from the Kankakee County Finance Department at 189 East Court Street in Kankakee, Illinois.

The **Kankakee County Health Department** is an Illinois governmental entity, which is governed by an eight-member board, appointed by the County, which also approves its budget. The Health Department's financial statements are blended with those of the County because of the degree of control the County can exercise over its activities. Its transactions are accounted for in the Health Fund, a special revenue fund. Separate financial statements can be obtained from the administration office of the Kankakee County Health Department at 2390 West Station Street in Kankakee, Illinois.

The **Veterans Assistance Commission** is a central assistance committee composed of one delegate from each County post to oversee assistance to military veterans and their families. The oversight is shared by the Chairman of the County Board or his designee. Under Illinois law, the County is to provide office space, phone and supplies for the Commission, and payment of assistance claims. Because of its oversight powers and the economic burden this requirement places on the County, its transactions are accounted for in the Veterans Assistance Fund, a special revenue fund. Separate financial statements are not available for the Veteran's Assistance Commission.

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 1 – The Financial Reporting Entity (Continued)

The **Kankakee County Emergency Telephone System Board** is created by the County Board which also defines its powers and duties. This Board of nine members, four of whom may be members of the County Board, oversees the implementation and operations of the emergency telephone system. Currently, no County Board members serve on this Board. Because it has reserved powers, the operations are accounted for in the 911 System Fee Proprietary Fund which is blended with other County funds. Separate financial statements can be obtained from the Kankakee County Finance Department at 189 East Court Street in Kankakee, Illinois.

Related Organizations

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

The County Board Chairman appoints 50% or more of the board members of numerous entities. These entities are separate legal entities and they have no financial accountability to the County; therefore, these entities are not included in these financial statements.

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

Joint Ventures

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

Note 2 – Basis of Presentation

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

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

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 2 – Basis of Presentation (Continued)

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

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

General – This is the primary operating fund of the County and includes the Tort Fund of the County. It accounts for all financial resources not accounted for or reported in another fund.

Pension – This fund is used to account for and report property tax revenues restricted for employee pension costs.

County Highway Fund – This fund is used to account for and report operations to improve, repair and maintain all county highways. Its revenues consist primarily of property taxes and charges for fuel and other services.

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

911 System Fee Fund – This fund is used to account for emergency dispatch services to residents of the County, for both county services and services provided by other units of local government.

Additionally, the government reports the following fiduciary fund types:

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

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

Note 3 – Summary of Significant Accounting Policies

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

Measurement Focus and Basis of Accounting: The government-wide financial statements, component unit financial statements, and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the balance sheet, and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 3 – Summary of Significant Accounting Policies (Continued)

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

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

Budgetary Accounting and Control: The County adopts an annual budget and appropriation ordinance in accordance with Illinois law. The budget covers the fiscal year ending November 30, and is available for public inspection at least fifteen days prior to final adoption. The budget document is prepared for all budgetary funds using the modified accrual basis. Once the county budget has been adopted, no further appropriations shall be made during the year, except in the event of an immediate emergency at which time the County Board by a two-thirds vote may make appropriations in excess of those authorized in the original budget. During the year, the County Board made additional appropriations of \$3,622,098 for the General Fund, \$460,000 for the Tort Fund, \$500,000 for the Pension Fund and \$508,000 for non-major special revenue funds. The original budget and all budgetary amendments and supplemental appropriations necessary during the year are included in the final budget amounts presented in the budget-to-actual comparisons.

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

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

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

Inventories: Inventories consist of tax stamps, postage, fuel, and transportation and other supplies recorded at cost, using the first in, first out method.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are defined by the County as assets with an initial, individual cost of more than its capitalization threshold and an estimated useful life in excess of one year. Categories of capital assets and associated capitalization thresholds are as follows: land - \$100,000; buildings and improvements - \$25,000 - \$100,000; infrastructure assets (county roads and bridges) - \$100,000; equipment - \$5,000; software - \$50,000. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 3 – Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Fund Balances: In accordance with GASB Statement No. 54, the County classifies fund balances in the governmental funds as follows:

Non-spendable fund balance: includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance: includes amounts that can be spent for specific purposes only, that are stipulated by the constitution, external resource providers, or through enabling legislation.

Committed fund balance: includes amounts that can be used for specific purposes determined by a formal action of the decision making authority. Commitments will only be used for specific purposes pursuant to a formal action of the Kankakee County Board. A majority vote is required to approve a commitment and a two thirds majority vote is required to remove a commitment.

Assigned fund balance: includes amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. The County delegates to the Finance Committee or other designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, or uncommitted) fund balance in any particular fund.

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 3 - Summary of Significant Accounting Policies (Continued)

Unassigned fund balance: includes the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Prioritization of fund balance use - when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the County to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the County that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Minimum unassigned fund balance - In fiscal year 2013, the County adopted a minimum fund balance policy for its General Fund. Over the next five years, the County will achieve a minimum unassigned fund balance in its General Fund of 20% of the subsequent years' budgeted expenditures and outgoing transfers.

Net Position: The County classifies net position in the government-wide and proprietary fund financial statements as follows:

Net Investment in Capital Assets: includes the County's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Unrestricted Net Position: typically includes unrestricted liquid assets.

Property Taxes: The County is responsible for the assessment and collection of property taxes for all jurisdictions including the schools and special districts within the County. The County levies property taxes annually on or before the last Tuesday in December based on the assessed valuation determined in April of the same year. Property tax payments are due in two equal installments, usually in June and September, with the first installment being due no earlier than 30 days from date of mailing. Tax bills are generally mailed in May. Distributions to the County and other districts are made shortly thereafter. Property taxes become a lien on the property on January 1. Taxes receivable at November 30 that are intended to finance the subsequent fiscal year are appropriately deferred. The 2012 tax levy collected in 2013 was recorded as revenues during this fiscal year.

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

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

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

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 4 – Deposits and Investments

The County has adopted a written investment policy which conforms to state statutes for investment of public funds. At year end, the County's investments were comprised of the following:

	<u>% of Portfolio</u>	
Certificates of Deposit	49.6%	\$ 5,524,105
Illinois Funds Money Market	50.4%	<u>5,620,501</u>
		<u><u>\$11,144,606</u></u>
Investments reported on:		
Statement of Net Position	\$ 9,158,430	
Statement of Fiduciary Net Position:		
Private Purpose Trust	1,770,502	
Agency	<u>215,674</u>	
		<u><u>\$11,144,606</u></u>

Credit Risk. The County's cash and investments are subject to credit risk (the risk that an issuer or counterparty to an investment will not fulfill its obligation). State law requires public funds to be invested within the guidelines set forth in the Public Funds Investment Act (30 ILCS/235). The County's investment policy conforms to these state statutes and does not further limit its investment choices. As of November 30, 2013, all the County's investments exposed to credit risk were rated AAA by Standard & Poor's.

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

Custodial Credit Risk – Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral or additional insurance in the event of default or failure of the financial institution holding the funds. As of November 30, 2013, all deposits were either insured or collateralized with collateral held by the County's agent in the County's name.

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

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

As of November 30, 2013, the County had \$1,326,934 invested in overnight repurchase agreements. The underlying security is held by the investment's counterparty, not in the name of the County.

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

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

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

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 5 - CDAP Loans Receivable

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

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

	Balances November 30, 2012	Additions	Retirements	Balances November 30, 2013
Exceptional Health Partners	\$ 68,580	\$ -	\$ -	\$ 68,580
Accion	75,000	-	-	75,000
Main Street Momence	50,000	-	-	50,000
Pembroke Township	45,645	-	-	45,645
Total	239,225	-0-	-0-	239,225
Less allowance for uncollectible amounts:	-0-	-	-	-0-
CDAP loans, net	\$239,225	\$ -0-	\$ -0-	\$239,225

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

Note 6 – Capital Assets

Capital asset activity for the year ended November 30, 2013 was as follows:

	Balances November 30, 2012	Additions	Retirements and Reclassifications	Balances November 30, 2013
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 920,314	\$ 80,055	\$ -	\$ 1,000,369
Construction in progress	1,104,526	-	645,078	459,448
Intangible assets	1,446,042	78,606	-	1,524,648
Building – idle	1,770,000	-	-	1,770,000
Total	5,240,882	158,661	645,078	4,754,465
Capital assets being depreciated:				
Transportation network	30,804,760	3,221,736	-	34,026,496
Buildings and improvements	50,320,343	210,964	-	50,531,307
Buildings and improvements under capital lease agreements	5,180,000	-	-	5,180,000
Equipment	10,115,467	545,597	-	10,661,064
Vehicles	6,222,106	745,409	237,776	6,729,739
Total capital assets being depreciated	102,642,676	4,723,706	237,776	107,128,606
Less accumulated depreciation for:				
Transportation network	16,133,154	1,089,216	-	17,222,370
Buildings and improvements	12,926,117	1,390,263	-	14,316,380
Buildings and improvements under capital lease agreements	2,087,253	150,209	-	2,237,462
Equipment	8,191,239	690,636	-	8,881,875
Vehicles	4,096,406	548,395	220,292	4,424,509
Total accumulated depreciation	43,434,169	3,868,719	220,292	47,082,596
Governmental activity capital assets, net	\$ 64,449,389	\$ 1,013,648	\$ 662,562	\$ 64,800,475

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 6 – Capital Assets (Continued)

	Balances November 30, 2012	Additions	Retirements and Reclassifications	Balances November 30, 2013
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 61,013	\$ -	\$ -	\$ 61,013
Construction in progress	<u>382,173</u>	<u>-</u>	<u>382,173</u>	<u>-</u>
Total	<u>443,186</u>	<u>-</u>	<u>382,173</u>	<u>61,013</u>
Capital assets being depreciated:				
Equipment	6,339,104	834,220	438,257	6,735,067
Leasehold improvements	197,277	-	-	197,277
Equipment under capital lease agreements	<u>81,953</u>	<u>-</u>	<u>-</u>	<u>81,953</u>
Total	<u>6,618,334</u>	<u>834,220</u>	<u>438,257</u>	<u>7,014,297</u>
Less: Accumulated depreciation	4,583,750	339,608	438,257	4,485,101
Accumulated amortization, capital leases	<u>57,707</u>	<u>5,819</u>	<u>-</u>	<u>63,526</u>
Total accumulated depreciation	<u>4,641,457</u>	<u>345,427</u>	<u>438,257</u>	<u>4,548,627</u>
Business-type activity capital assets, net	<u>\$2,420,063</u>	<u>\$ 488,793</u>	<u>\$382,173</u>	<u>\$2,526,683</u>

Depreciation for the year ended November 30, 2013, was charged as follows to the following functions:

Governmental activities:	
General governmental	\$ 110,412
Court services	273,319
Public safety	2,011,507
Health and sanitation	82,527
Transportation	1,388,626
Veterans administration	2,328
Total governmental activities	<u>\$3,868,719</u>
Business-type activities:	
911 Emergency services	\$ 339,608
Animal control	<u>5,819</u>
Total business-type activities	<u>\$ 345,427</u>

Amortization of buildings and improvements, and equipment under capital lease agreements is included with depreciation expense.

Note 7 – Long-Term Debt

Long-term debt consists of the following:

Governmental Activities

Notes Payable and Debt Certificates:

Installment note in the amount of \$175,000 dated October 1, 2009, for the purchase of real estate, providing for four annual interest payments at a rate of 4% and one principal payment on October 1, 2014.

Debt Certificates, Series 2004 in the original amount of \$6,000,000 payable annually, December 1 in amounts ranging from \$215,000 to \$410,000 and with interest payable semiannually on June 1 and December 1 at rates ranging from 1.75% to 4.6% per annum, with an effective net interest rate of 4.1%. The purpose of the debt certificates was to fund the construction of public safety facilities.

Portions of the Series 2004 Debt Certificates were refunded with the Series 2012 Bonds. Payments for the refunded bonds are made from escrow deposits held by a third party, and therefore are not reported as debt by the County. 40

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 7 – Long-Term Debt (Continued)

Debt Certificates, Series 2005B in the original amount of \$8,265,000 payable annually, December 1 in amounts ranging from \$135,000 to \$645,000 and with interest payable semiannually on June 1 and December 1 at rates ranging from 2.75% to 5.0% per annum, with an effective net interest rate of 4.57%. The purpose of the debt certificates was to fund the construction of public safety facilities.

Portions of the Series 2005B Debt Certificates were refunded with the Series 2012A Bonds. Payments for the refunded bonds are made from escrow deposits held by a third party, and therefore are not reported as debt by the County.

Bonds:

Taxable General Obligation Bonds (Alternate Revenue Source), Series 2009, (Build America Bonds - Direct Payment) dated September 15, 2009, in the original issue amount of \$3,500,000, provide for serial retirement of principal beginning January 15, 2011 through 2022 with Term Bonds due January 15, 2024, 2026, 2028 and 2030; and interest payable January 15 and July 15 of each year beginning January 15, 2010 at rates of 1.85% to 6.2%, secured by court fee revenues of the Circuit Clerk Automation and Document Storage Funds, and a property tax levy, if necessary. The purpose of this bond issue was to fund the integrated justice information system.

Bond Series 2009 is a Build America Bond, on which 35% of the interest paid will be refundable to the County. This amounts to \$817,659 over the life of the bonds and will be recorded as revenues at the time of receipt. During fiscal year 2013, \$57,184 of interest was refunded to the County.

General Obligation Refunding Bonds (Alternate Revenue Source), Series 2011 dated June 15, 2011, in the original issue amount of \$6,600,000 provide for serial retirement of principal beginning December 1, 2012 through 2024, and interest payable December 1 and June 1 of each year beginning December 1, 2011 at rates of 2.0% to 4.2%, secured by inmate housing fees of the General Fund, and a property tax levy, if necessary. The purpose of this bond issue was to provide monies to advance refund Series 2005A Debt Certificates.

General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012 dated April 24, 2012, in the original issue amount of \$3,690,000 provide for serial retirement of principal payable on December 1 each year for 2012 through 2024, and interest payable December 1 and June 1 each year, beginning December 1, 2012 at rates of 2.0% to 3.25%, secured by inmate housing fees of the General Fund, and a property tax levy, if necessary. The purpose of this bond issue was to provide monies to advance refund \$3,395,000 of Series 2004 Debt Certificates.

General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012A dated December 13, 2012, in the original issue amount of \$5,395,000 provide for serial retirement of principal payable on December 1 each year for 2013 through 2024, and interest payable December 1 and June 1 each year, beginning June 1, 2013 at rates of 2.0% to 2.5%, secured by inmate housing fees of the General Fund, and a property tax levy, if necessary. The purpose of this bond issue was to provide monies to advance refund \$4,850,000 of Series 2005B Debt Certificates.

Business-type Activities

\$3,300,000 General Obligation Alternate Revenue Source Bonds due in annual installments beginning January 1, 2003 in amounts ranging from \$220,000 to \$235,000 through 2017, plus interest at rates ranging from 3.55% to 5%, secured by surcharges on telecommunications revenues. The Emergency Telephone System Board paid the outstanding balance of these bonds in December 2013.

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 7 – Long-Term Debt (Continued)

Changes in long-term debt are as follows:

	Balances November 30, 2012	Additions	Reductions	Balances November 30, 2013
Governmental activities:				
Bonds – General Obligation	\$13,225,000	\$5,395,000	\$ 710,000	\$17,910,000
Adjustments for deferred amounts:				
For issuance premiums	135,474	25,966	7,407	154,033
On refunding	(271,275)	(461,965)	(9,908)	(723,332)
Total bonds – general obligation	<u>13,089,199</u>	<u>4,959,001</u>	<u>707,499</u>	<u>17,340,701</u>
Debt Certificates	6,585,000	-	5,495,000	1,090,000
Adjustments for deferred amounts:				
For issuance premiums	203,993	-	176,229	27,764
Total debt certificates	<u>6,788,993</u>	<u>-</u>	<u>5,671,229</u>	<u>1,117,764</u>
Note payable	175,000	-	-	175,000
Capital leases (Note 8)	3,523,849	493,390	663,835	3,353,404
Compensated absences	<u>610,596</u>	<u>34,785</u>	<u>-</u>	<u>645,381</u>
Total	<u>\$24,187,637</u>	<u>\$5,487,176</u>	<u>\$7,042,563</u>	<u>\$22,632,250</u>
Business-type activities:				
Bonds - Alternate Revenue Source	\$ 1,165,000	\$ -	\$ 230,000	\$ 935,000
Capital leases (Note 8)	16,804	-	8,106	8,698
Compensated absences	<u>37,703</u>	<u>-</u>	<u>6,190</u>	<u>31,513</u>
Total	<u>\$ 1,219,507</u>	<u>\$ -</u>	<u>\$ 244,296</u>	<u>\$ 975,211</u>

As of November 30, 2013, the County was obligated to make payments of principal and interest as follows:

For fiscal years ending November 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 2,307,138	\$ 773,462	\$ 3,080,600	\$ 238,698	\$ 40,935	\$ 279,633
2015	2,054,815	694,657	2,749,472	235,000	29,081	264,081
2016	2,033,027	624,698	2,657,725	235,000	17,566	252,566
2017	1,631,582	563,238	2,194,820	235,000	5,875	240,875
2018	1,682,284	516,658	2,198,942	-	-	-
2019-2023	9,167,114	1,765,360	10,932,474	-	-	-
2024-2028	3,182,444	403,708	3,586,152	-	-	-
2029-2030	<u>470,000</u>	<u>29,450</u>	<u>499,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$22,528,404</u>	<u>\$5,371,231</u>	<u>\$27,899,635</u>	<u>\$ 943,698</u>	<u>\$ 93,457</u>	<u>\$1,037,155</u>

The total interest incurred for short-term and long-term debt for the year ended November 30, 2013 was \$903,445, all of which was charged to expense.

For governmental activities, the compensated absences are liquidated by the fund in which the related salaries are charged.

Advance Refunding

The Series 2012A bonds totaled \$5,395,000 and were used to refund \$4,850,000 of the Series 2005B debt certificates. The proceeds of these bonds were placed in escrow held by a third party to generate resources for all future debt service payments of the refunded Series 2005B debt certificates. As a result, the refunded debt certificates are considered defeased and the liability has been removed from the County's statement of net position.

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 7 – Long-Term Debt (Continued)

The refunding was undertaken to reduce future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$461,965. This amount is being netted against the new debt and amortized over the new debt's life, which is the same as the refunded debt. The transaction also resulted in an economic gain of \$466,822 and a reduction of \$464,266 in future debt service payments.

The remaining balance of the defeased Series 2005A debt certificates, Series 2004 debt certificates, and Series 2005B debt certificates as of November 30, 2013 was \$6,140,000, \$3,395,000 and \$4,850,000, respectively.

Note 8 – Leases

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

Operating Leases

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

Future minimum rental commitments for this lease as of November 30, 2013 are as follows:

	<u>ETSB Fund</u>
2014	\$ 18,762
2015	18,762
2016	18,762
2017	18,762
2018	18,762
2019-2023	93,810
2024-2028	<u>84,429</u>
	<u>\$272,049</u>

Rent expenditures/expenses for operating leases for year ended November 30, 2013 were \$18,762.

Capital Leases – Juvenile Justice Center Facilities

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

Annual rental payments for Kankakee County, including operation and maintenance costs, range from \$611,608 in 2013 to \$666,199 in year 2016. For years 2017 through 2026, rental payments will be determined through negotiation. The County is not liable for any lease payments attributable to that portion of the facility leased by Will County.

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

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 8 - Leases (Continued)

Capital Leases – Equipment

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

Capital Leases - Health Department Facilities

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

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

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

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

	Governmental Activities			Business Activities	
	Will County Public Building Commission	Kankakee County Public Building Commission	Other	Business Activities	
				Animal Control	Vehicle
For fiscal years ended November 30,					
2014	\$ 648,778	\$ 183,015	\$346,072	\$1,177,865	\$ 9,333
2015	659,997	184,025	204,141	1,048,163	-
2016	666,199	184,735	125,911	976,845	-
2017	-	185,250	-	185,250	-
2018	-	185,570	-	185,570	-
2019-2023	-	905,225	-	905,225	-
2024-2026	-	531,294	-	531,294	-
Total minimum lease payments	1,974,974	2,359,114	676,124	5,010,212	9,333
Less: Amount representing estimated executory costs (maintenance and insurance), included in total minimum lease payments	952,464	-	-	952,464	-
Net minimum lease payments	1,022,510	2,359,114	676,124	4,057,748	9,333
Less: Amount representing interest Present value of net minimum lease payments	102,052	589,717	12,575	704,344	635
	\$ 920,458	\$1,769,397	\$663,549	\$3,353,404	\$ 8,698

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 9 – Short-Term Debt

Short-term debt provides financing for governmental activities. In January 2013, the County issued \$4,000,000 2013 Taxable Corporate Purpose and Pension Purpose Tax Anticipation Warrants due September 30, 2013 with an interest rate of 0.93%. This debt was issued for interim financing of General Fund and Pension Fund operations. In September 2013, the County repaid the notes plus \$26,350 in interest. In November 2013, the County issued \$5,300,000 of Taxable Corporate/Pension/Tort Tax Anticipation Warrants due by September 30, 2014, with an interest rate of 0.55%. These are recorded as a liability in each governmental fund that received proceeds. The following is a summary of changes in short-term debt for the year ended November 30, 2013:

Balance December 1, 2012	\$ -0-
Increases	9,300,000
Decreases	(4,000,000)
Balance November 30, 2013	<u>\$5,300,000</u>

Note 10 - Retirement Funds

Regular and Elected County Official Personnel

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

Funding Policy. As set by statute, Regular and Elected County Official plan members are required to contribute 4.50 and 7.50 percent, respectively, of their annual covered salary. The statute requires the County to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County contribution rate for calendar year 2013 was 13.44 and 104.01 percent, respectively, of annual covered payroll. The County annual required contribution rate for calendar year 2013 was 13.45 and 148.22 percent, respectively. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For calendar year ending December 31, 2013, the County's actual contributions for pension costs for Regular and Elected County Officials were \$2,700,622 and \$192,377, respectively. The County's annual required contributions (ARC) for calendar year 2013 were \$2,702,631 and \$274,148, respectively.

Three-Year Trend Information for the Regular County Official Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$2,713,990	100%	\$544,439
12/31/12	2,302,691	97%	531,071
12/31/11	2,067,211	92%	455,539

Three-Year Trend Information for the Elected County Official Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$ 278,171	69%	\$273,893
12/31/12	192,771	77%	188,099
12/31/11	180,818	72%	143,734

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 10 –Retirement Funds (Continued)

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the County Regular and Elected Official plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period, with a 20% corridor between the actuarial and market value of assets. The County Regular and Elected County Official plans' unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular and Elected Official plans were 73.8 and 0.00 percent funded, respectively. The actuarial accrued liability for benefits was \$50,942,376 and \$2,196,982, respectively, and the actuarial value of assets was \$37,597,145 and \$(1,970,048), respectively, resulting in an underfunded actuarial accrued liability (UAAL) of \$13,345,231 and \$4,167,030, respectively. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plans) was \$20,093,910 and \$184,960, respectively, and the ratio of the UAAL to the covered payroll was 66 percent and 2,253 percent, respectively.

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

Sheriff's Law Enforcement Personnel

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

Funding Policy. As set by statute, the County Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County contribution rate for calendar year 2013 used by the County was 29.09 percent of annual covered payroll. The County's annual required contribution rate for the calendar year 2013 was 30.67 percent. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For calendar year ending December 31, 2013, the County's actual contributions for pension cost for the Sheriff's Law Enforcement Personnel were \$1,192,680. Its annual required contribution (ARC) for calendar year 2013 was \$1,257,460.

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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$1,263,073	94%	\$332,837
12/31/12	\$1,019,480	96%	262,444
12/31/11	959,862	88%	219,515

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 10 – Retirement Funds (Continued)

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the County Sheriff's Law Enforcement Personnel plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 42.11 percent funded. The actuarial accrued liability for benefits was \$19,021,455 and the actuarial value of assets was \$8,009,742, resulting in an underfunded actuarial accrued liability (UAAL) of \$11,011,713. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$4,099,967 and the ratio of the UAAL to the covered payroll was 269 percent.

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

Net Pension Obligation

	<u>Regular Plan</u>	<u>Elected</u>	
	<u>Officials Plan</u>	<u>SLEP Plan</u>	<u>Total</u>
Annual required contribution (ARC)	\$2,702,631	\$274,148	\$4,234,239
Interest on net pension obligation	39,830	14,107	73,620
Adjustment to ARC	(28,471)	(10,084)	(52,625)
Annual pension cost	2,713,990	278,171	4,255,234
Actual contributions	(2,700,622)	(192,377)	(4,085,679)
Change in net pension obligation	13,368	85,794	169,555
Net pension obligation November 30, 2012	<u>531,071</u>	<u>188,099</u>	<u>981,614</u>
Net pension obligation November 30, 2013	<u>\$ 544,439</u>	<u>\$273,893</u>	<u>\$ 1,151,169</u>

Note 11 – Deferred Compensation Plan

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

Note 12 – Interfund Accounts and Transfers

Interfund balances are as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General Fund	\$ 60,607	\$1,771,000
Tort Fund (Reported in General Fund)	<u>550,000</u>	<u>-</u>
Total General Fund	610,607	1,771,000
Pension	550,000	
Other Governmental Funds	<u>671,000</u>	<u>60,607</u>
Subtotal	1,831,607	1,831,607
Elimination in General/Tort Funds	<u>(550,000)</u>	<u>(550,000)</u>
Total Governmental Funds	<u>\$1,281,607</u>	<u>\$1,281,607</u>

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 12 – Interfund Accounts and Transfers (Continued)

The General Fund borrowed \$1,675,000 from other governmental funds and \$205,000 from agency funds for a total of \$1,880,000 in the form of interfund loans to cover operating expenses. The remaining balances resulted from normal interfund activity when one fund incurs expenditures/expenses for the benefit of another fund and expects repayment.

Transfers during the year ended November 30, 2013 are summarized as follows:

	<u>In</u>	<u>Out</u>
General Fund	\$ 7,400	\$1,909,295
Other Nonmajor Funds:		
Arrestee Medical	-	7,400
Health Fund	-	159,889
Court Document Storage	-	155,285
Court Automation	-	155,285
Bond Fund Series 2009	310,570	-
Bond Fund Series 2011	667,013	-
Bond Fund Series 2012	416,713	-
Bond Fund Series 2012A	803,643	-
Public Building Commission Debt Service	<u>181,815</u>	<u>-</u>
	<u>\$2,387,154</u>	<u>\$2,387,154</u>

The Arrestee Medical Fund transferred \$7,400 to the General Fund to offset inmate medical expenses paid out of the General Fund. The Court Document Storage and Court Automation Funds transferred debt service principal and interest into the Bond Fund Series 2009 in accordance with debt covenants. The General Fund transferred debt service principal and interest into the Bond Fund Series 2011, Series 2012, and Series 2012A in accordance with debt covenants. The Health Fund transferred \$159,889 and the General Fund transferred \$21,926 to the Public Building Commission Debt Service Fund for payment of the capital lease related to the health department building.

Note 13 – Insurance and Related Risks

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

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

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

Note 14 – Contingencies and Commitments

Grant Contingency

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

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 14 – Contingencies and Commitments (Continued)

Litigation

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

Collective Bargaining Agreements

The County is party to a number of collective bargaining agreements covering a number of labor groups. Agreements presently expired and in varying stages of negotiation are described in the following paragraphs.

Kankakee County is a party to a labor agreement with the Illinois FOP Labor Council covering the telecommunicators and supervisors of Kankakee County, ETSB, and 911. The agreement expired on November 30, 2012, and the County is waiting on the arbitration ruling as of the date of these financial statements. Adjustments, if any, to the financial statements for the year ended November 30, 2013 are not presently determinable.

Kankakee County is a party to labor agreements with the Illinois FOP Labor Council covering probation officers and clerical employees of the Chief Judge of the 21st Judicial Circuit, and Kankakee County Sheriff's patrol and command units. These agreements expired November 30, 2012. Tentative agreements have been reached with each of these parties. However, due to anticipated budget constraints, the County may resume negotiations for these agreements. Adjustments, if any, to the financial statements for the year ended November 30, 2013, are not presently determinable.

Courthouse Renovations

In May 2012, after an inspection of the Kankakee County courthouse, the Office of the Attorney General of the State of Illinois sent a letter to the County listing 159 deficiencies within the courthouse relative to the Americans with Disabilities Act (ADA) that the County needs to address. The County has also determined that the current courthouse does not meet the Illinois Supreme Court Standards pertaining to courtrooms and courthouse traffic patterns, and does not meet space needs for current operations. Furthermore, the age of the court house and the condition of the present mechanical and electrical systems present several challenges in meeting standards and needs. The County has hired an architectural engineering planning and design firm and is in the process of completing a new space needs study, making design recommendations, and leading the County through the process of making a decision. The County must also determine how these costs will be funded. Though the County tentatively approved placing a question on the ballot for the General Primary Election in March 2014, additional time is needed in the planning process and has delayed any referendum until fall of 2014 at the earliest.

Note 15 – Other Postemployment Benefit (OPEB) Plans

Plan Description: The County provides fixed payments to certain of its employees under a defined benefit healthcare plan which is administered by the County. These payments amount to \$12.50 per month for each year of service upon attainment of various specified retirement ages and number of years of service; payments cease upon the retiree attaining Medicare eligibility status. In addition, the County provides for 100% of the healthcare premiums for life for eligible disabled police deputy and correctional officers. Employees are also eligible, upon retirement, to participate in the County health insurance plan at their own cost until attainment of Medicare eligibility. Approved compensation policies and agreements with collective bargaining units form the basis of the benefit structure.

Funding Policy: The County's contributions, which are limited to the monthly stipends as described above, are financed on a pay-as-you-go basis; this policy is reviewed annually by the governing board.

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 15 – Other Postemployment Benefit (OPEB) Plans (Continued)

Annual OPEB Cost and Net OPEB Obligation: The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). An amount actuarially determined in accordance with the parameters of GASB Statement 45 was implemented on a prospective basis as of November 30, 2009. An actuarial valuation is required at least biennially. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County's annual OPEB cost and related information as of November 30, 2011 (as of the last actuarial study) is as follows:

Annual required contribution	\$100,682
Interest on net OPEB obligation	(543)
Adjustment to annual required contribution	<u>362</u>
Annual OPEB cost	100,501
Contributions made	<u>115,273</u>
Increase in OPEB obligation (prepayment)	(14,772)
Net OPEB obligation (prepayment) beginning of year	<u>(10,859)</u>
Net OPEB obligation (prepayment) end of year	<u><u>\$ (25,631)</u></u>

Trend Information

<u>Annual</u> <u>Fiscal Year</u>	<u>% of</u> <u>OPEB Cost</u>	<u>Net</u> <u>OPEB Cost</u>	<u>Net OPEB</u> <u>Obligation</u>
11/30/12**	\$100,501	114.7%	<u><u>\$ (25,631)</u></u>
11/30/11	100,501	114.7%	<u><u>(25,631)</u></u>
11/30/10*	104,414	110.4%	<u><u>(10,859)</u></u>
11/30/09	104,414	110.4%	<u><u>(10,859)</u></u>

*Results from 2009 actuarial study

**Results from 2011 actuarial study

Funded Status: As of November 30, 2011, the most recent actuarial valuation date, the OPEB plan was 0% funded. The actuarial accrued liability for benefits was \$4,546,525, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability of \$4,546,525. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

- Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarial determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

In the November 30, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return including an inflation rate of 3.0%, a 5% projected salary increase, and a healthcare cost trend rate of 8.0%, initial, and 6.0% ultimate. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at November 30, 2011 was 30 years.

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 16 – Related Party Transactions

Upon the establishment of a County-wide coordinated public safety communication system, the County of Kankakee committed to an annual dispatch fee with annual increases not to exceed 4%. Fees included in 911 emergency services on the entity-wide statements and in the operating revenues of the 911 System Fee Fund were \$796,942 and include outstanding receivables from the County in the amount of \$132,824 at November 30, 2013.

Note 17 - Other Disclosures

The County has agreements with the United States Marshals Service and Cook County, Illinois to house prisoners in local facilities. The agreement with the United States Marshals Service is in effect until terminated in writing by either party. The agreement with Cook County will renew annually, if funded. The County is reimbursed at a rate of \$60 per prisoner, per day, under the Cook County agreement. The reimbursement rate for the United States Marshals Service during 2013 was \$72 per prisoner, per day. For the year ended November 30, 2013, revenues of approximately \$10.63 million resulting from these agreements were recognized in the General Fund.

Note 18 – Recognition of Certain Revenues from the State of Illinois

Generally accepted accounting principles expressly recognize the need for judgment and consistency in applying the modified accrual basis of accounting to revenue recognition. Generally, revenues otherwise not recorded until received should be accrued if the date of the actual receipt is delayed beyond the normal time of receipt. Due to the State of Illinois' fiscal crisis, certain tax revenues and grants in aid in the amount of approximately \$975,000 were not received before the close of the regular availability period and were delayed beyond the normal time of receipt. These revenues were recognized in the General Fund as of November 30, 2013.

Note 19 - Impact of Recently Issued Accounting Principles

The County implemented GASB Statements No. 61, No. 62, and No. 63 during fiscal year ending November 30, 2013. As a result of implementing GASB Statement No. 61, activity for the Kankakee Public Building Commission has been blended with the funds of the County during fiscal year 2013 rather than discretely presented as a component unit as in previous years.

The effect on fund balances and net position is as follows:

	<u>As previously reported</u>	<u>As currently reported</u>
Fund balance, November 30, 2012 -		
Other Governmental Funds	\$11,744,260	\$12,086,954
Net position, November 30, 2013 -		
Governmental Activities	57,586,667	57,929,361

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, effective for fiscal years beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The County does not administer pension plans and therefore this statement will not impact its financial statements.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement is effective for periods beginning after December 15, 2012, which is fiscal year ending November 30, 2014 for the County.

Kankakee County, Illinois
Notes to Basic Financial Statements
As of and for the year ended November 30, 2013

Note 19 - Impact of Recently Issued Accounting Principles (Continued)

In March 2012, the GASB issued Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statement No. 10 and No. 62*, effective for periods beginning after December 15, 2012, which is fiscal year ending November 30, 2014 for the County.

In June 2012, the GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, effective for fiscal years beginning after June 15, 2014. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions.

Management is currently evaluating the impact of the adoption of Statement Nos. 66 and 68 on the County's future financial statements, and has chosen not to early apply the provisions of these Statements.

Note 20 – Subsequent Events

In April 2014, the County Board authorized the issuance of \$3,000,000 Taxable Corporate Purpose, Pension Purpose, and Tort Purpose Tax Anticipation Warrants 2014 with an interest rate of 1.25%. Principal in the amount of \$1,350,000 is due July 7, 2014, and the remaining \$1,650,000 is due September 30, 2014.

Required Supplementary Information

Kankakee County, Illinois
 Budgetary Comparison Schedule
 General Fund - Revenues and Other Financing Sources (Uses)
 For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Taxes:				
Property taxes	\$ 4,570,000	\$ 4,570,000	\$ 4,580,616	\$ 10,616
Sales tax	7,490,000	7,735,000	7,707,300	(27,700)
Total taxes	12,060,000	12,305,000	12,287,916	(17,084)
Intergovernmental:				
State income tax	2,475,000	2,750,000	2,734,356	(15,644)
Replacement taxes	795,000	950,000	958,025	8,025
Grants and other reimbursements	2,134,224	2,334,971	1,985,617	(349,354)
Total intergovernmental	5,404,224	6,034,971	5,677,998	(356,973)
Charges for Services:				
County Recorder fees	400,000	445,000	420,398	(24,602)
Circuit Clerk fees	2,249,400	2,249,400	1,950,038	(299,362)
Inmate housing and reimbursements	10,690,000	10,890,000	10,815,833	(74,167)
Building and Zoning fees	227,000	427,000	395,491	(31,509)
Sheriff fees	260,000	260,000	343,722	83,722
County Clerk fees	186,050	186,050	171,594	(14,456)
Other fees and reimbursements	100,700	100,700	100,773	73
Total charges for services	14,113,150	14,558,150	14,197,849	(360,301)
License and Permits:				
Liquor licenses	24,000	24,000	21,350	(2,650)
Cable TV franchise fees	200,000	200,000	210,775	10,775
Contractor licenses	85,000	85,000	80,700	(4,300)
Gambling machine licenses	2,500	2,500	1,060	(1,440)
Total licenses and permits	311,500	311,500	313,885	2,385
Fines and Forfeits:				
County fines and forfeitures	289,000	289,000	245,410	(43,590)
Real estate tax penalties	525,000	525,000	491,756	(33,244)
Total fines and forfeitures	814,000	814,000	737,166	(78,274)
Interest	3,750	3,750	5,364	1,614
Miscellaneous	39,700	39,700	40,530	830
Total general fund revenues as budgeted	32,746,324	34,067,071	33,260,708	(806,363)
Tort fund-see Tort Liability				
Budget Comparison Schedule	2,607,100	2,607,100	2,671,457	64,357
Total general fund revenues as reported	35,353,424	36,674,171	35,932,165	(742,006)
Other financing sources:				
Transfers in	28,000	28,000	7,400	(20,600)
Proceeds from refunding bonds	-	-	5,395,000	5,395,000
Proceeds from long-term debt	-	-	493,390	493,390
Premium on bonds sold	-	-	25,966	25,966
Total other financing sources	28,000	28,000	5,921,756	5,893,756
Total revenues and other financing sources	\$ 35,381,424	\$ 36,702,171	\$ 41,853,921	\$ 5,151,750

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
General Government				
Management Information Systems (MIS)				
Personal services	\$ 178,500	\$ 178,500	\$ 149,911	\$ (28,589)
Supplies	500	500	-	(500)
Capital outlay	75,000	75,000	69,986	(5,014)
Other services and charges	7,500	7,500	1,952	(5,548)
	<u>261,500</u>	<u>261,500</u>	<u>221,849</u>	<u>(39,651)</u>
Total MIS				
Board of Review				
Personal services	29,000	29,000	28,250	(750)
Supplies	500	500	1,020	520
Other services and charges	500	500	-	(500)
	<u>30,000</u>	<u>30,000</u>	<u>29,270</u>	<u>(730)</u>
Total Board of Review				
County Administration				
Personal services	258,900	258,900	258,122	(778)
Contractual services	108,100	153,100	145,355	(7,745)
Supplies	3,300	3,300	3,352	52
Capital outlay	1,000	16,000	15,843	(157)
Other services and charges	28,700	28,700	24,149	(4,551)
	<u>400,000</u>	<u>460,000</u>	<u>446,821</u>	<u>(13,179)</u>
Total County Administration				
County Auditor				
Personal services	112,475	112,475	102,922	(9,553)
Contractual services	-	-	729	729
Supplies	4,475	9,475	3,866	(5,609)
Capital outlay	-	-	210	210
Other services and charges	4,450	4,450	3,392	(1,058)
	<u>121,400</u>	<u>126,400</u>	<u>111,119</u>	<u>(15,281)</u>
Total County Auditor				

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
General Government (continued)				
County Recorder				
Personal services	155,134	155,134	143,906	(11,228)
Contractual services	-	-	559	559
Supplies	3,500	3,500	4,049	549
Other services and charges	1,366	1,366	982	(384)
Total County Recorder	<u>160,000</u>	<u>160,000</u>	<u>149,496</u>	<u>(10,504)</u>
Election Commission				
Personal services	234,050	309,050	310,924	1,874
Contractual services	42,850	69,850	55,829	(14,021)
Supplies	127,000	127,000	100,357	(26,643)
Capital outlay	-	-	-	-
Other services and charges	21,100	21,100	24,355	3,255
Total Election Commission	<u>425,000</u>	<u>527,000</u>	<u>491,465</u>	<u>(35,535)</u>
Regional Superintendent of Schools				
Contractual services	<u>370,065</u>	<u>370,065</u>	<u>370,065</u>	<u>-</u>
Total Regional Superintendent of Schools	<u>370,065</u>	<u>370,065</u>	<u>370,065</u>	<u>-</u>
County Clerk				
Personal services	174,983	174,983	168,638	(6,345)
Supplies	10,600	10,600	10,949	349
Capital outlay	-	9,600	-	(9,600)
Other services and charges	1,217	1,217	1,711	494
Total County Clerk	<u>186,800</u>	<u>196,400</u>	<u>181,298</u>	<u>(15,102)</u>
Buildings and Grounds				
Personal services	703,392	703,392	730,168	26,776
Contractual services	93,640	193,640	198,620	4,980
Supplies	92,800	92,800	103,499	10,699
Capital outlay	8,268	158,268	84,904	(73,364)
Other services and charges	37,900	37,900	32,001	(5,899)
Debt service principal	14,000	14,000	-	(14,000)
Total Buildings and Grounds	<u>950,000</u>	<u>1,200,000</u>	<u>1,149,192</u>	<u>(50,808)</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
General Government (continued)				
Capital Development				
Contractual services	83,676	383,676	344,941	(38,735)
Capital outlay	525,000	693,085	879,310	186,225
Other services and charges	840	840	11,840	11,000
Debt service principal	357,047	357,047	307,704	(49,343)
Debt service interest	70,840	70,840	36,940	(33,900)
Total Capital Development	1,037,403	1,505,488	1,580,735	75,247
Health Insurance				
Other services and charges	20,000	20,000	15,431	(4,569)
Insurances	4,130,000	4,130,000	4,023,536	(106,464)
Total Health Insurance	4,150,000	4,150,000	4,038,967	(111,033)
Utilities				
Contractual services	30,000	30,000	30,588	588
Other services and charges	1,065,000	1,095,000	1,085,631	(9,369)
Total Utilities	1,095,000	1,125,000	1,116,219	(8,781)
Planning Department				
Personal services	605,208	605,208	583,136	(22,072)
Contractual services	74,179	105,179	74,192	(30,987)
Supplies	15,929	15,929	10,487	(5,442)
Capital outlay	10,664	10,664	9,938	(726)
Other services and charges	57,800	57,800	62,072	4,272
Insurances	-	33,820	29,643	(4,177)
Total Planning Department	763,780	828,600	769,468	(59,132)
County Treasurer				
Personal services	156,050	156,050	153,930	(2,120)
Contractual services	4,500	6,500	6,340	(160)
Supplies	38,000	47,000	46,202	(798)
Other services and charges	5,450	5,450	4,742	(708)
Total County Treasurer	204,000	215,000	211,214	(3,786)

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
General Government (continued)				
Finance Department				
Personal services	122,391	122,391	124,117	1,726
Contractual services	6,000	6,000	4,948	(1,052)
Supplies	2,700	2,700	1,405	(1,295)
Capital outlay	3,000	3,000	-	(3,000)
Other services and charges	8,909	8,909	2,815	(6,094)
Total Finance Department	143,000	143,000	133,285	(9,715)
Contingency				
Other services and charges	350,000	120,000	-	(120,000)
Total Contingency	350,000	120,000	-	(120,000)
Supervisor of Assessments				
Personal services	261,500	261,500	262,020	520
Contractual services	75,635	86,635	85,043	(1,592)
Supplies	20,365	20,365	23,605	3,240
Capital outlay	3,500	8,500	10,725	2,225
Other services and charges	9,000	9,000	4,419	(4,581)
Total Supervisor of Assessments	370,000	386,000	385,812	(188)
ZBA - BOE Planning				
Personal services	4,000	4,000	2,400	(1,600)
Contractual services	4,000	4,000	3,277	(723)
Total ZBA - BOE Planning	8,000	8,000	5,677	(2,323)
Total General Government	\$ 11,025,948	\$ 11,812,453	\$ 11,391,952	\$ (420,501)
Economic Development				
Personal services	\$ 143,700	\$ 170,000	\$ 163,461	\$ (6,539)
Total Economic Development	\$ 143,700	\$ 170,000	\$ 163,461	\$ (6,539)

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Judiciary and Court Related				
Circuit Court				
Personal services	\$ 152,900	\$ 152,900	\$ 149,852	\$ (3,048)
Contractual services	137,375	142,375	148,590	6,215
Supplies	7,650	7,650	9,228	1,578
Capital outlay	1,000	1,000	90	(910)
Other services and charges	31,075	31,075	25,492	(5,583)
Insurances	7,000	7,000	4,711	(2,289)
Total Circuit Court	<u>337,000</u>	<u>342,000</u>	<u>337,963</u>	<u>(4,037)</u>
Circuit Clerk				
Personal services	755,000	835,500	811,231	(24,269)
Supplies	34,000	34,000	35,444	1,444
Other services and charges	5,500	5,500	5,500	-
Total Circuit Clerk	<u>794,500</u>	<u>875,000</u>	<u>852,175</u>	<u>(22,825)</u>
Child Support and Maintenance				
Personal services	45,100	45,100	45,306	206
Supplies	1,600	1,600	1,326	(274)
Total Child Support and Maintenance	<u>46,700</u>	<u>46,700</u>	<u>46,632</u>	<u>(68)</u>
Jury Commission				
Personal services	39,112	39,112	38,987	(125)
Contractual services	3,000	3,000	-	(3,000)
Supplies	21,800	21,800	20,568	(1,232)
Capital outlay	1,500	1,500	2,077	577
Other services and charges	99,588	99,588	97,150	(2,438)
Total Jury Commission	<u>165,000</u>	<u>165,000</u>	<u>158,782</u>	<u>(6,218)</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Judiciary and Court Related (continued)				
States Attorney				
Personal services	1,537,723	1,593,302	1,508,123	(85,179)
Contractual services	25,350	25,350	18,144	(7,206)
Supplies	28,500	28,500	24,410	(4,090)
Capital outlay	22,000	22,000	25,649	3,649
Other services and charges	4,000	4,000	2,530	(1,470)
Insurances	29,000	34,000	26,475	(7,525)
Total States Attorney	<u>1,646,573</u>	<u>1,707,152</u>	<u>1,605,331</u>	<u>(101,821)</u>
Public Defender				
Personal services	804,562	804,562	799,223	(5,339)
Contractual Services	3,700	3,700	3,600	(100)
Supplies	6,650	6,650	5,950	(700)
Capital outlay	300	300	2,133	1,833
Other services and charges	3,288	3,288	4,996	1,708
Total Public Defender	<u>818,500</u>	<u>818,500</u>	<u>815,902</u>	<u>(2,598)</u>
Probation				
Personal services	1,232,096	1,248,000	1,236,491	(11,509)
Contractual services	1,000	1,000	4,508	3,508
Supplies	1,000	1,000	973	(27)
Capital outlay	500	500	440	(60)
Other services and charges	9,500	9,500	12,128	2,628
Insurances	9,500	9,500	14,098	4,598
Total Probation	<u>1,253,596</u>	<u>1,269,500</u>	<u>1,268,638</u>	<u>(862)</u>
DNDC				
Contractual Services	32,000	32,000	15,500	(16,500)
Other services and charges	<u>108,000</u>	<u>108,000</u>	<u>34,174</u>	<u>(73,826)</u>
Total DNDC	<u>140,000</u>	<u>140,000</u>	<u>49,674</u>	<u>(90,326)</u>
Juvenile Detention Center				
Contractual services	<u>900,000</u>	<u>900,000</u>	<u>801,725</u>	<u>(98,275)</u>
Total Juvenile Detention Center	<u>900,000</u>	<u>900,000</u>	<u>801,725</u>	<u>(98,275)</u>
Total Judiciary and Court Related	<u>\$ 6,101,869</u>	<u>\$ 6,263,852</u>	<u>\$ 5,936,822</u>	<u>\$ (327,030)</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Public Safety				
Sheriff's Office				
Personal services	\$ 3,791,656	\$ 4,164,980	\$ 4,155,799	\$ (9,181)
Contractual services	36,500	36,500	32,968	(3,532)
Supplies	54,900	54,900	83,044	28,144
Capital outlay	74,820	118,320	94,743	(23,577)
Other services and charges	496,116	566,116	558,386	(7,730)
Total Sheriff's Office	<u>4,453,992</u>	<u>4,940,816</u>	<u>4,924,940</u>	<u>(15,876)</u>
Corrections				
Personal services	6,424,584	7,708,600	7,690,621	(17,979)
Contractual services	56,000	121,000	123,037	2,037
Supplies	98,000	133,000	131,634	(1,366)
Capital outlay	20,000	58,000	54,658	(3,342)
Other services and charges	1,684,400	2,144,400	2,152,756	8,356
Total Corrections	<u>8,282,984</u>	<u>10,165,000</u>	<u>10,152,706</u>	<u>(12,294)</u>
Auxiliary Police				
Supplies	1,000	4,000	3,087	(913)
Other services and charges	1,500	1,500	2,245	745
Total Auxiliary Police	<u>2,500</u>	<u>5,500</u>	<u>5,332</u>	<u>(168)</u>
Coroner				
Personal services	242,839	242,839	239,950	(2,889)
Contractual services	56,661	207,661	162,137	(45,524)
Supplies	2,600	2,600	4,330	1,730
Capital outlay	500	4,170	680	(3,490)
Other services and charges	18,900	18,900	21,244	2,344
Total Coroner	<u>321,500</u>	<u>476,170</u>	<u>428,341</u>	<u>(47,829)</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
General Fund - Expenditures
For the Year Ended November 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Public Safety (continued)				
Dispatch Services				
Contractual services	<u>578,200</u>	<u>578,200</u>	<u>550,768</u>	<u>(27,432)</u>
Total Dispatch Services	<u>578,200</u>	<u>578,200</u>	<u>550,768</u>	<u>(27,432)</u>
Merit Commission				
Personal services	1,000	1,000	88	(912)
Supplies	-	-	1	1
Other services and charges	<u>4,000</u>	<u>4,000</u>	<u>423</u>	<u>(3,577)</u>
Total Merit Commission	<u>5,000</u>	<u>5,000</u>	<u>512</u>	<u>(4,488)</u>
ESDA				
Personal services	97,144	111,944	108,539	(3,405)
Contractual services	6,500	6,500	2,226	(4,274)
Supplies	3,000	3,000	2,236	(764)
Capital outlay	8,700	8,700	17,399	8,699
Other services and charges	23,625	29,625	28,820	(805)
Insurances	150	150	380	230
Total ESDA	<u>139,119</u>	<u>159,919</u>	<u>159,600</u>	<u>(319)</u>
Total Public Safety	<u>\$ 13,783,295</u>	<u>\$ 16,330,605</u>	<u>\$ 16,222,199</u>	<u>\$ (108,406)</u>
Total general fund expenditures as budgeted	<u>\$ 31,054,812</u>	<u>\$ 34,576,910</u>	<u>\$ 33,714,434</u>	<u>\$ (862,476)</u>
Tort fund-see Tort Liability				
Budget Comparison Schedule	<u>\$ 2,819,991</u>	<u>\$ 3,279,991</u>	<u>\$ 3,016,930</u>	<u>\$ (263,061)</u>
Total general fund expenditures as reported	<u>\$ 33,874,803</u>	<u>\$ 37,856,901</u>	<u>\$ 36,731,364</u>	<u>\$ (1,125,537)</u>
Other financing uses:				
Transfers out	<u>\$ 1,719,512</u>	<u>\$ 1,819,512</u>	<u>\$ 1,909,295</u>	<u>\$ 89,783</u>
Refunded debt proceeds paid to escrow agent	<u>-</u>	<u>-</u>	<u>5,311,965</u>	<u>5,311,965</u>
Cost of issuance of long-term debt	<u>-</u>	<u>-</u>	<u>105,874</u>	<u>105,874</u>
Total other financing uses	<u>\$ 1,719,512</u>	<u>\$ 1,819,512</u>	<u>\$ 7,327,134</u>	<u>\$ 5,507,622</u>
Total expenditures and other financing uses	<u>\$ 35,594,315</u>	<u>\$ 39,676,413</u>	<u>\$ 44,058,498</u>	<u>\$ 4,382,085</u>

Kankakee County, Illinois
Budgetary Comparison Schedule
Tort Liability Fund (reported in General Fund)
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:				
Property taxes	\$ 2,559,200	\$ 2,559,200	\$ 2,596,633	\$ 37,433
Intergovernmental	2,000	2,000	10,085	8,085
Interest on investments	900	900	212	(688)
Miscellaneous	<u>45,000</u>	<u>45,000</u>	<u>64,527</u>	<u>19,527</u>
Total revenue	<u>2,607,100</u>	<u>2,607,100</u>	<u>2,671,457</u>	<u>64,357</u>
Expenditures:				
Personal services	550,691	585,691	575,694	(9,997)
Contractual services	2,083,000	2,488,000	2,195,713	(292,287)
Supplies and materials	7,800	7,800	6,104	(1,696)
Capital outlay	1,000	1,000	1,763	763
Other services and charges	<u>177,500</u>	<u>197,500</u>	<u>237,656</u>	<u>40,156</u>
Total expenditures	<u>2,819,991</u>	<u>3,279,991</u>	<u>3,016,930</u>	<u>(263,061)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (212,891)</u>	<u>\$ (672,891)</u>	<u>\$ (345,473)</u>	<u>\$ 327,418</u>

**Kankakee County, Illinois
Budgetary Comparison Schedule
Pension Fund
For the Year Ended November 30, 2013**

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues:				
Property taxes	\$ 5,118,400	\$ 5,118,400	\$ 5,158,839	\$ 40,439
Intergovernmental	35,000	35,000	43,971	8,971
Interest on investments	1,600	1,600	397	(1,203)
Total revenues	5,155,000	5,155,000	5,203,207	48,207
Expenditures:				
Personal services	5,310,000	5,810,000	5,972,914	162,914
Debt service interest	11,000	11,000	6,510	(4,490)
Total expenditures	5,321,000	5,821,000	5,979,424	158,424
Excess (deficiency) of revenues over expenditures	\$ (166,000)	\$ (666,000)	\$ (776,217)	\$ (110,217)

Kankakee County, Illinois
Budgetary Comparison Schedule
County Highway Fund
For the Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:				
Property taxes	\$ 1,885,816	\$ 1,885,816	\$ 1,884,772	\$ (1,044)
Fines and fees	485,750	485,750	721,649	235,899
Interest on investments	1,300	1,300	1,688	388
Miscellaneous	17,040	17,040	117,075	100,035
Total revenues	2,389,906	2,389,906	2,725,184	335,278
Expenditures:				
Personal services	1,671,289	1,671,289	1,205,494	(465,795)
Contractual services	380,600	380,600	36,188	(344,412)
Capital outlay	1,995,000	1,995,000	644,963	(1,350,037)
Other services and charges	329,000	329,000	140,919	(188,081)
Total expenditures	5,325,889	5,325,889	2,762,667	(2,563,222)
Excess (deficiency) of revenues over expenditures	\$ (2,935,983)	\$ (2,935,983)	\$ (37,483)	\$ 2,898,500

Kankakee County, Illinois

Required Supplementary Information - Schedule of Funding Progress
November 30, 2013

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Regular County Employees						
12/31/13	\$37,597,145	\$50,942,376	\$13,345,231	73.80%	\$20,093,910	66.41%
12/31/12	32,262,077	47,521,886	15,259,809	67.89%	19,349,775	78.86%
12/31/11	28,284,708	43,027,140	14,787,432	65.67%	18,534,612	79.78%
Elected Officials						
12/31/13	\$(1,970,048)	\$2,196,982	\$4,167,030	0.00%	\$184,960	2252.94%
12/31/12	(2,139,053)	2,188,988	4,328,041	0.00%	181,181	2388.79%
12/31/11	(2,197,092)	2,131,766	4,328,858	0.00%	173,355	2497.11%
Sheriff's Law Enforcement Personnel (SLEP)						
12/31/13	\$8,009,742	\$19,021,455	\$11,011,713	42.11%	\$4,099,967	268.58%
12/31/12	5,762,265	17,841,897	12,079,632	32.30%	3,982,668	303.31%
12/31/11	4,049,412	14,593,987	10,544,575	27.75%	3,786,649	278.47%

On a market value basis, the actuarial value of assets as of December 31, 2013, is \$44,485,378 and \$(1,658,782), for County Regular and Elected County Official members, respectively. On a market basis, the funded ratio would be 87.32% and 0.00%, respectively.

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$11,202,370 for the Sheriff's Law Enforcement Personnel. On a market basis, the funded ratio would be 58.89%.

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

Other Postemployment Benefit (OPEB) Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
11/31/12	\$-0-	\$4,546,525	\$4,546,525	0.0%**
11/30/11	-0-	4,546,525	4,546,525	0.0%
11/30/10	-0-	1,527,209	1,527,209	0.0%*
11/30/09	-0-	1,527,209	1,527,209	0.0%

Membership in the plan consisted of the following:

	November 30, 2012**	November 30, 2011	November 30, 2010*
Retirees and beneficiaries receiving benefits	37	37	21
Active vested plan members	200	200	203
Active nonvested plan members	233	233	287
Total	470	470	511

*Results from 2009 actuarial study

**Results from 2011 actuarial study

Kankakee County, Illinois
Notes to Required Supplementary Information
As of and for the year ended November 30, 2013

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end.

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

The County receives a proposed budget for the fiscal year commencing December 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to December 1, the budget is legally enacted by the County Board. Responsibility for control of and amendments to the budget rests with the County. Supplemental appropriations totaling \$5,731,798 were approved in December of 2013.

The following funds had expenditures in excess of appropriations for the year ending November 30, 2013:

	<u>Actual Amount</u>	<u>Budget Amount</u>	<u>Amount in Excess of Appropriations</u>
Pension Fund	\$5,979,424	\$5,821,000	\$158,424
Nonmajor Special Revenue Funds			
Recorder computer	123,705	121,000	2,705
Gang Violence Victims and Witness	42,185	30,000	12,185
Health Fund	2,689,577	2,607,243	82,334
Circuit Clerk Administration/Operations	30,723	30,000	723
Coroner's Fee	30,365	30,100	265
Marriage Fund	815	-0-	815

Other Supplementary Information

Kankakee County, Illinois

Tort Liability Insurance Fund

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

November 30, 2013

Property and liability insurance	\$1,086,665
Illinois Public Risk Fund, workmen's compensation insurance	886,581
Salaries (States Attorney, Civil Division and administrative) and related benefits	438,534
Illinois Department of Employment Security, unemployment insurance	137,160
River Valley Detention Center insurance	37,732
Litigation Fees	156,379
Miscellaneous claims, net of insurance reimbursements	78,866
Other	<u>195,013</u>
	<u>\$3,016,930</u>

Kankakee County, Illinois
Combining Balance Sheet - General Fund
November 30, 2013

	General Fund	Tort Fund	Eliminations	Total General Fund
Assets				
Cash	\$ 309,558	\$ 1,472,196	\$ -	\$ 1,781,754
Investments, at cost	1,170	6,710	-	7,880
Receivables (net of applicable allowances for estimated uncollectible amounts):				
Taxes, including interest, penalties, and liens	4,345,501	2,833,266	-	7,178,767
Accounts	5,073,450	10,050	-	5,083,500
Prepaid expenses	51,785	211,682	-	263,467
Due from other funds	60,607	550,000	(550,000)	60,607
Inventory, at cost	102,599	-	-	102,599
Total assets	\$ 9,944,670	\$ 5,083,904	\$ (550,000)	\$ 14,478,574
Liabilities and Fund Balances				
Liabilities:				
Vouchers and accounts payable	\$ 1,915,809	\$ 154,936	\$ -	\$ 2,070,745
Due to other funds	1,771,000	-	(550,000)	1,221,000
Tax anticipation warrants	3,100,000	1,100,000	-	4,200,000
Deferred revenue	4,371,843	2,845,542	-	7,217,385
Total liabilities	11,158,652	4,100,478	(550,000)	14,709,130
Fund balances:				
Non-spendable:				
Prepaid items	51,785	505,500	-	557,285
Inventory	102,599	-	-	102,599
Restricted for:				
Tort liability/claims	-	477,926	-	477,926
Unassigned	(1,368,366)	-	-	(1,368,366)
Total fund balance	(1,213,982)	983,426	-	(230,556)
Total liabilities and fund balance	\$ 9,944,670	\$ 5,083,904	\$ (550,000)	\$ 14,478,574

Kankakee County, Illinois
Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the Year Ended November 30, 2013

	General Fund	Tort Fund	Total General Fund
Revenues:			
Taxes	\$ 12,287,916	\$ 2,596,633	\$ 14,884,549
Intergovernmental	5,677,998	10,085	5,688,083
Charges for services	14,197,849	-	14,197,849
Licenses and permits	313,885	-	313,885
Fines and forfeits	737,166	-	737,166
Interest on investments	5,364	212	5,576
Miscellaneous	40,530	64,527	105,057
Total revenues	33,260,708	2,671,457	35,932,165
Expenditures:			
Current:			
General government	9,976,055	3,015,167	12,991,222
Judiciary and court related	5,906,433	-	5,906,433
Public safety	16,055,056	-	16,055,056
Economic development	163,461	-	163,461
Capital outlay	1,268,785	1,763	1,270,548
Debt service principal	307,704	-	307,704
Debt service interest	36,940	-	36,940
Total expenditures	33,714,434	3,016,930	36,731,364
Excess (deficiency) of revenues over (under) expenditures	(453,726)	(345,473)	(799,199)
Other financing sources (uses):			
Transfers in	7,400	-	7,400
Transfers out	(1,909,295)	-	(1,909,295)
Proceeds from refunding bonds	5,395,000	-	5,395,000
Proceeds from long-term debt	493,390	-	493,390
Premium on bonds sold	25,966	-	25,966
Refunded debt proceeds paid to escrow agent	(5,311,965)	-	(5,311,965)
Cost of issuance of long-term debt	(105,874)	-	(105,874)
Total other financing sources (uses)	(1,405,378)	-	(1,405,378)
Net change in fund balances	(1,859,104)	(345,473)	(2,204,577)
Fund balances, beginning of year	645,122	1,328,899	1,974,021
Fund balances, end of year	\$ (1,213,982)	\$ 983,426	\$ (230,556)

Kankakee County, Illinois

Combining Balance Sheet - Nonmajor Governmental Funds

November 30, 2013

	Nonmajor Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash	\$ 4,162,984	\$ 826,547	\$ 151,829	\$ 5,141,360
Investments, at cost	5,861,495	-	-	5,861,495
Receivables, (net, where applicable of allowance for uncollectibles):				
Taxes, including interest, penalties and liens	2,320,497	644,872	-	2,965,369
Accounts	444,570	25,881	-	470,451
Loans	239,225	-	-	239,225
Prepaid expenses	17,710	-	74,500	92,210
Due from other funds	671,000	-	-	671,000
Due from other governments	410,647	-	-	410,647
Inventory, at cost	129,570	-	-	129,570
Other assets	21,936	-	-	21,936
Total assets	<u>\$ 14,279,634</u>	<u>\$ 1,497,300</u>	<u>\$ 226,329</u>	<u>\$ 16,003,263</u>
Liabilities and Fund Balances:				
Liabilities				
Vouchers and accounts payable	\$ 903,339	\$ -	\$ 4,875	\$ 908,214
Due to other funds	60,607	-	-	60,607
Deferred revenue	<u>2,470,734</u>	<u>644,872</u>	<u>-</u>	<u>3,115,606</u>
Total liabilities	<u>3,434,680</u>	<u>644,872</u>	<u>4,875</u>	<u>4,084,427</u>
Fund balances:				
Non-spendable:				
Prepaid items	7,976	-	74,500	82,476
Inventory	116,261	-	-	116,261
Restricted for:				
General government	726,679	-	-	726,679
Debt service	-	852,428	-	852,428
Judiciary and court	1,277,662	-	-	1,277,662
Public safety	11,432	-	-	11,432
Health and welfare	2,211,258	-	-	2,211,258
Transportation	5,724,958	-	-	5,724,958
Economic development	540,806	-	-	540,806
Public building commission	227,922	-	-	227,922
Capital projects	-	-	146,954	146,954
Total fund balance	<u>10,844,954</u>	<u>852,428</u>	<u>221,454</u>	<u>11,918,836</u>
Total liabilities and fund balance	<u>\$ 14,279,634</u>	<u>\$ 1,497,300</u>	<u>\$ 226,329</u>	<u>\$ 16,003,263</u>

Kankakee County, Illinois
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended November 30, 2013

	Nonmajor Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 2,339,066	\$ 622,051	\$ -	\$ 2,961,117
Intergovernmental	7,344,977	-	-	7,344,977
Licenses and permits	205,941	-	-	205,941
Fines and fees	1,420,709	-	-	1,420,709
Interest on investments	10,888	212	-	11,100
Miscellaneous	123,122	-	-	123,122
Total revenues	11,444,703	622,263	-	12,066,966
Expenditures:				
General government	331,001	15,000	-	346,001
Judiciary and court related	637,973	290,083	240,739	1,168,795
Public safety	288,691	-	-	288,691
Public health and welfare	2,886,401	-	-	2,886,401
Transportation	3,452,735	-	-	3,452,735
Economic development	1,783,328	-	-	1,783,328
Capital outlay	1,688,188	-	-	1,688,188
Debt service principal	-	1,711,131	-	1,711,131
Debt service interest	-	811,709	-	811,709
Total expenditures	11,068,317	2,827,923	240,739	14,136,979
Excess (deficiency) of revenues over expenditures	376,386	(2,205,660)	(240,739)	(2,070,013)
Other financing sources (uses):				
Operating transfers in	-	2,379,754	-	2,379,754
Operating transfers out	(477,859)	-	-	(477,859)
Total other financing sources (uses)	(477,859)	2,379,754	-	1,901,895
Excess (deficiency) of revenues over expenditures and other sources (uses)	(101,473)	174,094	(240,739)	(168,118)
Fund balance, beginning of year	10,946,427	678,334	462,193	12,086,954
Fund balance, end of year	\$ 10,844,954	\$ 852,428	\$ 221,454	\$ 11,918,836

Kankakee County, Illinois
 Major and Nonmajor Special Revenue Funds
 Balance Sheets
 November 30, 2013

Assets	Major Funds				Nonmajor Funds					Court Security Fee
	Pension	County Highway	Matching Tax	Recorder Computer	County Clerk Computer	County Treasurer Computer	Treasurer's Interest	Subrecipient Grants		
Cash	\$ 1,561,715	\$ 1,570,638	\$ 636,384	\$ 104,531	\$ 30,596	\$ 51,305	\$ 71,667	\$ -	\$ (66,794)	
Investments, at cost	-	1,236,079	2,510,637	1,288	825	694	-	-	-	
Receivables:										
Taxes (net of allowance for estimated uncollectibles)	5,492,714	1,891,162	848,241	-	-	-	-	-	-	
Accounts	79,940	242,507	-	164	1,313	-	-	182,609	9,426	
Loans	-	-	-	-	-	-	-	-	-	
Prepaid expenses	-	-	-	3,465	-	-	-	-	-	
Due from other funds	550,000	-	-	50,000	-	-	25,000	-	68,000	
Due from other governments	-	-	-	-	-	-	-	-	-	
Inventory, at cost	-	240,246	-	-	-	-	-	-	-	
Other assets	-	-	-	-	-	-	-	-	-	
Total assets	<u>\$ 7,684,369</u>	<u>\$ 5,180,632</u>	<u>\$ 3,995,262</u>	<u>\$ 159,448</u>	<u>\$ 32,734</u>	<u>\$ 51,999</u>	<u>\$ 96,667</u>	<u>\$ 182,609</u>	<u>\$ 10,632</u>	
Liabilities and Fund Balance										
Liabilities:										
Vouchers payable	\$ 746,837	\$ 126,403	\$ -	\$ 8,958	\$ 14,458	\$ 2,070	\$ -	\$ 182,609	\$ 7,713	
Due to other funds	-	-	-	-	-	-	-	-	-	
Tax anticipation warrants	1,100,000	-	-	-	-	-	-	-	-	
Deferred revenue	5,492,713	1,891,162	848,241	-	-	-	-	-	-	
Total liabilities	<u>\$ 7,339,550</u>	<u>\$ 2,017,565</u>	<u>848,241</u>	<u>8,958</u>	<u>14,458</u>	<u>2,070</u>	<u>-</u>	<u>\$ 182,609</u>	<u>7,713</u>	
Fund balances:										
Non-spendable:										
Prepaid items	-	-	-	3,465	-	-	-	-	-	
Inventory	-	240,246	-	-	-	-	-	-	-	
Restricted for:										
General government	-	-	-	147,025	18,276	49,929	96,667	-	-	
Judiciary and court	-	-	-	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	-	-	2,919	
Health and welfare	-	-	-	-	-	-	-	-	-	
Transportation	-	-	3,147,021	-	-	-	-	-	-	
Economic development	-	-	-	-	-	-	-	-	-	
Retirement	344,819	-	-	-	-	-	-	-	-	
Public building commission	-	-	-	-	-	-	-	-	-	
Assigned to transportation	-	2,922,821	-	-	-	-	-	-	-	
Total fund balance	<u>\$ 344,819</u>	<u>\$ 3,163,067</u>	<u>\$ 3,147,021</u>	<u>\$ 150,490</u>	<u>\$ 18,276</u>	<u>\$ 49,929</u>	<u>\$ 96,667</u>	<u>-</u>	<u>\$ 2,919</u>	
Total liabilities and fund balance	<u>\$ 7,684,369</u>	<u>\$ 5,180,632</u>	<u>\$ 3,995,262</u>	<u>\$ 159,448</u>	<u>\$ 32,734</u>	<u>\$ 51,999</u>	<u>\$ 96,667</u>	<u>\$ 182,609</u>	<u>\$ 10,632</u>	

Kankakee County, Illinois
 Major and Nonmajor Special Revenue Funds
 Balance Sheets
 November 30, 2013

	Nonmajor Funds									
	Court Document Storage	Law Library	Probation Service Fee	Forfeited Funds-State's Attorney	Equitable Sharing-State's Attorney	Gang Violence Victims and Witness	SAO Records/Automation	Dispute Resolution	Circuit Clerk Administration/Operations	
Assets										
Cash	\$ 150,835	\$ 1,687	\$ 47,312	\$ 83,368	\$ 1,008	\$ 81,731	\$ 5,050	\$ 9,548	\$ 35,492	
Investments, at cost	191	-	1,267	-	-	-	-	-	-	
Receivables:										
Taxes (net of allowance for estimated uncollectibles)	-	-	-	-	-	-	-	-	-	
Accounts	15,262	3,550	8,844	8,895	-	172	528	304	2,362	
Loans	-	-	-	-	-	-	-	-	-	
Prepaid expenses	447	-	-	464	-	3,200	-	-	83	
Due from other funds	100,000	-	53,000	-	-	-	-	-	25,000	
Due from other governments	-	-	-	-	-	-	-	-	-	
Inventory, at cost	-	-	-	-	-	-	-	-	-	
Other assets	-	-	-	-	-	-	-	-	-	
Total assets	\$ 266,735	\$ 5,237	\$ 110,423	\$ 92,727	\$ 1,008	\$ 85,103	\$ 5,578	\$ 9,852	\$ 62,937	
Liabilities and Fund Balance										
Liabilities:										
Vouchers payable	\$ 39,757	\$ 3,550	\$ 1,502	\$ -	\$ -	\$ 19,603	\$ -	\$ -	\$ 552	
Due to other funds	-	-	-	-	-	-	-	-	-	
Tax anticipation warrants	-	-	-	-	-	-	-	-	-	
Deferred revenue	-	-	-	-	-	-	-	-	-	
Total liabilities	39,757	3,550	1,502	-	-	19,603	-	-	552	
Fund balances:										
Non-spendable:										
Prepaid items	447	-	-	464	-	3,200	-	-	83	
Inventory	-	-	-	-	-	-	-	-	-	
Restricted for:										
General government	-	-	-	-	-	-	-	-	-	
Judiciary and court	226,531	1,687	108,921	92,263	1,008	62,300	5,578	9,852	62,302	
Public safety	-	-	-	-	-	-	-	-	-	
Health and welfare	-	-	-	-	-	-	-	-	-	
Transportation	-	-	-	-	-	-	-	-	-	
Economic development	-	-	-	-	-	-	-	-	-	
Retirement	-	-	-	-	-	-	-	-	-	
Public building commission	-	-	-	-	-	-	-	-	-	
Assigned to transportation	-	-	-	-	-	-	-	-	-	
Total fund balance	\$ 226,978	\$ 1,687	\$ 108,921	\$ 92,727	\$ 1,008	\$ 65,500	\$ 5,578	\$ 9,852	\$ 62,385	
Total liabilities and fund balance	\$ 266,735	\$ 5,237	\$ 110,423	\$ 92,727	\$ 1,008	\$ 85,103	\$ 5,578	\$ 9,852	\$ 62,937	

Kankakee County, Illinois
 Major and Nonmajor Special Revenue Funds
 Balance Sheets
 November 30, 2013

	Nonmajor Funds										Forfeited Funds - Sheriff	Revolving CDAP Loans		
	Court Automation		Driver Improvement Program		Arrestee Medical		Sheriff TBL Account		Coroner's Fee		Health			
	Assets													
Cash	\$ 540,262	\$ 11,269	\$ 7,589	\$ 1,100	\$ 33,870	\$ 552,352	\$ 215,582	\$ 1	\$ 301,581					
Investments, at cost	9,302	-	-	-	-	1,206,403	178,634							
Receivables:														
Taxes (net of allowance for estimated uncollectibles)	-	-	-	-	-	476,267	147,748	-	-					
Accounts	29,460	3,867	663	-	2,690	-	-	222	-					
Loans	-	-	-	-	-	-	-	-	239,225					
Prepaid expenses	-	-	-	-	-	-	-	-	-					
Due from other funds	150,000	-	-	-	-	-	-	-	-					
Due from other governments	-	-	-	-	-	301,081	-	-	-					
Inventory, at cost	-	-	-	-	-	26,704	-	-	-					
Other assets	-	-	-	-	-	-	-	-	-					
Total assets	<u>\$ 729,024</u>	<u>\$ 15,136</u>	<u>\$ 8,252</u>	<u>\$ 1,100</u>	<u>\$ 36,560</u>	<u>\$ 2,562,807</u>	<u>\$ 542,186</u>	<u>\$ 1</u>	<u>\$ 540,806</u>					
Liabilities and Fund Balance														
Liabilities:														
Vouchers payable	\$ 32,470	\$ 11,084	\$ -	\$ -	\$ -	\$ 74,720	\$ 8,445	\$ -	\$ -					
Due to other funds	-	-	7,400	-	30,000	-	23,207	-	-					
Tax anticipation warrants	-	-	-	-	-	-	-	-	-					
Deferred revenue	-	-	-	-	-	626,221	147,747	-	-					
Total liabilities	<u>32,470</u>	<u>11,084</u>	<u>7,400</u>	<u>-</u>	<u>30,000</u>	<u>700,941</u>	<u>179,399</u>	<u>-</u>	<u>-</u>					
Fund balances:														
Non-spendable:														
Prepaid items	-	-	-	-	-	-	-	-	-					
Inventory	-	-	-	-	-	-	13,395	-	-					
Restricted for:														
General government	-	-	-	-	-	-	-	-	-					
Judiciary and court	696,554	4,052	-	-	-	-	-	-	-					
Public safety	-	-	852	1,100	6,560	-	-	-	1					
Health and welfare	-	-	-	-	-	1,848,471	362,787	-	-					
Transportation	-	-	-	-	-	-	-	-	-					
Economic development	-	-	-	-	-	-	-	-	540,806					
Retirement	-	-	-	-	-	-	-	-	-					
Public building commission	-	-	-	-	-	-	-	-	-					
Assigned to transportation	-	-	-	-	-	-	-	-	-					
Total fund balance	<u>696,554</u>	<u>4,052</u>	<u>852</u>	<u>1,100</u>	<u>6,560</u>	<u>1,861,866</u>	<u>362,787</u>	<u>1</u>	<u>540,806</u>					
Total liabilities and fund balance	<u>\$ 729,024</u>	<u>\$ 15,136</u>	<u>\$ 8,252</u>	<u>\$ 1,100</u>	<u>\$ 36,560</u>	<u>\$ 2,562,807</u>	<u>\$ 542,186</u>	<u>\$ 1</u>	<u>\$ 540,806</u>					

Kankakee County, Illinois
 Major and Nonmajor Special Revenue Funds
 Balance Sheets
 November 30, 2013

	Nonmajor Funds										Total Nonmajor Funds	Total		
	County Motor Fuel Tax	County Bridge	Township Bridge	Geographical Information System	Marriage Fund	WIA Grants	Public Building Commission							
Assets														
Cash	\$ 51,374	\$ 711,603	\$ 56,653	\$ 213,705	\$ 6,614	\$ 7,056	\$ 208,653			\$ 4,162,984		\$ 7,295,337		
Investments, at cost	1,047,001	901,762	-	3,491	-	-	-			5,861,495		7,097,574		
Receivables:														
Taxes (net of allowance for estimated uncollectibles)	-	848,241	-	-	-	-	-			2,320,497		9,704,373		
Accounts	-	50,000	-	396	-	123,843	-			444,570		767,017		
Loans	-	-	-	-	-	-	-			239,225		239,225		
Prepaid expenses	-	-	-	-	-	9,734	317			17,710		17,710		
Due from other funds	-	-	-	200,000	-	-	-			671,000		1,221,000		
Due from other governments	109,566	-	-	-	-	-	-			410,647		410,647		
Inventory, at cost	102,866	-	-	-	-	-	-			129,570		369,816		
Other assets	-	-	-	-	-	-	-			21,936		21,936		
Total assets	\$ 1,310,807	\$ 2,511,606	\$ 56,653	\$ 417,592	\$ 6,614	\$ 140,633	\$ 230,906			\$ 14,279,634		\$ 27,144,635		
Liabilities and Fund Balance														
Liabilities:														
Vouchers payable	\$ 125,825	\$ 224,197	\$ -	\$ 2,810	\$ -	\$ 140,349	\$ 2,667			\$ 903,339		\$ 1,776,579		
Due to other funds	-	-	-	-	-	-	-			60,607		60,607		
Tax anticipation warrants	-	-	-	-	-	-	-			-		1,100,000		
Deferred revenue	-	848,241	-	-	-	-	284	-		2,470,734		9,854,609		
Total liabilities	125,825	1,072,438	-	2,810	-	140,633	2,667			3,434,680		12,791,795		
Fund balances:														
Non-spendable:														
Prepaid items	-	-	-	-	-	-	-			317		7,976		
Inventory	102,866	-	-	-	-	-	-			116,261		356,507		
Restricted for:														
General government	-	-	-	414,782	-	-	-			726,679		726,679		
Judiciary and court	-	-	-	-	6,614	-	-			1,277,662		1,277,662		
Public safety	-	-	-	-	-	-	-			11,432		11,432		
Health and welfare	-	-	-	-	-	-	-			2,211,258		2,211,258		
Transportation	1,082,116	1,439,168	56,653	-	-	-	-			5,724,958		5,724,958		
Economic development	-	-	-	-	-	-	-			540,806		540,806		
Retirement	-	-	-	-	-	-	-			-		344,819		
Public building commission	-	-	-	-	-	-	-			227,922		227,922		
Assigned to transportation	-	-	-	-	-	-	-			-		2,922,821		
Total fund balance	1,184,982	1,439,168	56,653	414,782	6,614	-	228,239			10,844,954		14,352,840		
Total liabilities and fund balance	\$ 1,310,807	\$ 2,511,606	\$ 56,653	\$ 417,592	\$ 6,614	\$ 140,633	\$ 230,906			\$ 14,279,634		\$ 27,144,635		

Kankakee County, Illinois
 Major and Nonmajor Special Revenue Funds
 Statements of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended November 30, 2013

	Major Funds				Nonmajor Funds					Court Security Fee
	Pension	County Highway	Matching Tax	Recorder Computer	County Clerk Computer	County Treasurer Computer	Treasurer's Interest	Subrecipient Grants		
Revenues:										
Property taxes	\$ 5,158,839	\$ 1,884,772	\$ 860,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	43,971	-	-	-	-	-	-	629,081	-	
Licenses and permits	-	-	-	-	-	-	-	-	-	
Fines and fees	-	721,649	-	164,376	23,372	19,442	15,482	-	135,410	
Interest on investments	397	1,688	5,190	34	61	108	55	-	13	
Miscellaneous	-	117,075	-	-	-	12,100	-	-	-	
Total revenues	5,203,207	2,725,184	865,575	164,410	23,433	31,650	15,537	629,081	135,423	
Expenditures:										
General government	5,972,914	-	-	104,175	56,618	47,729	12,667	-	-	
Judiciary and court related	-	-	-	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	-	-	258,326	
Public health and welfare	-	-	-	-	-	-	-	-	-	
Transportation	-	2,117,704	717,141	-	-	-	-	629,081	-	
Economic development	-	-	-	-	-	-	-	-	-	
Capital outlay	-	644,963	-	19,530	4,922	-	-	-	650	
Debt service interest	6,510	-	-	-	-	-	-	-	-	
Total expenditures	5,979,424	2,762,667	717,141	123,705	61,540	47,729	12,667	629,081	258,976	
Excess (deficiency) of revenues over expenditures	(776,217)	(37,483)	148,434	40,705	(38,107)	(16,079)	2,870	-	(123,553)	
Other financing sources (uses):										
Operating transfers out	-	-	-	-	-	-	-	-	-	
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(776,217)	(37,483)	148,434	40,705	(38,107)	(16,079)	2,870	-	(123,553)	
Fund balance, beginning of year	1,121,036	3,200,550	2,998,587	109,785	56,383	66,008	93,797	-	126,472	
Fund balance, end of year	\$ 344,819	\$ 3,163,067	\$ 3,147,021	\$ 150,490	\$ 18,276	\$ 49,929	\$ 96,667	\$ -	\$ 2,919	

Kankakee County, Illinois

Major and Nonmajor Special Revenue Funds

Statements of Revenues, Expenditures and

Changes in Fund Balances

For the Year Ended November 30, 2013

	Nonmajor Funds								
	Court Document Storage	Law Library	Probation Service Fee	Forfeited Funds-State's Attorney	Equitable Sharing-State's Attorney	Gang Violence Victims and Witness	SAO Records/Automation	Dispute Resolution	Circuit Clerk Administration/Operations
Revenues:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	25,043	1,008	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Fines and fees	234,135	50,936	110,370	-	-	2,206	5,578	4,254	33,681
Interest on investments	93	4	19	79	-	73	-	10	15
Miscellaneous	28,615	-	-	-	-	-	-	-	-
Total revenues	262,843	50,940	110,389	25,122	1,008	2,279	5,578	4,264	33,696
Expenditures:									
General government	-	-	-	-	-	-	-	-	-
Judiciary and court related	266,242	50,936	82,346	8,939	-	42,185	-	4,685	30,723
Public safety	-	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	3,454	34,884	-	-	-	-	-
Debt service interest	-	-	-	-	-	-	-	-	-
Total expenditures	266,242	50,936	85,800	43,823	-	42,185	-	4,685	30,723
Excess (deficiency) of revenues over expenditures	(3,399)	4	24,589	(18,701)	1,008	(39,906)	5,578	(421)	2,973
Other financing sources (uses):									
Operating transfers out	(155,285)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(155,285)	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(158,684)	4	24,589	(18,701)	1,008	(39,906)	5,578	(421)	2,973
Fund balance, beginning of year	385,662	1,683	84,332	111,428	-	105,406	-	10,273	59,412
Fund balance, end of year	\$ 226,978	\$ 1,687	\$ 108,921	\$ 92,727	\$ 1,008	\$ 65,500	\$ 5,578	\$ 9,852	\$ 62,385

Kankakee County, Illinois
Major and Nonmajor Special Revenue Funds
Statements of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended November 30, 2013

	Nonmajor Funds								Forfeited Funds - Sheriff	Revolving CDAP Loans
	Court Automation	Driver Improvement Program	Arrestee Medical	Sheriff TBL Account	Coroner's Fee	Health	Veterans Assistance			
Revenues:										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 471,970	\$ 146,326	\$ -	\$ -	
Intergovernmental	-	-	-	-	-	2,152,800	61,372	-	-	
Licenses and permits	-	-	-	-	-	205,941	-	-	-	
Fines and fees	236,770	55,486	7,345	-	32,130	93,044	-	-	-	
Interest on investments	613	13	12	-	39	598	644	-	301	
Miscellaneous	28,569	-	-	200	-	26,510	3,513	-	-	
Total revenues	265,952	55,499	7,357	200	32,169	2,950,863	211,855	-	-	301
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	
Judiciary and court related	99,560	51,542	-	-	-	-	-	-	-	
Public safety	-	-	-	-	30,365	-	-	-	-	
Public health and welfare	-	-	-	-	-	2,623,878	262,523	-	-	
Transportation	-	-	-	-	-	-	-	-	-	
Economic development	-	-	-	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	41,467	25,978	-	-	
Debt service interest	-	-	-	-	-	-	-	-	-	
Total expenditures	99,560	51,542	-	-	30,365	2,665,345	288,501	-	-	
Excess (deficiency) of revenues over expenditures	166,392	3,957	7,357	200	1,804	285,518	(76,646)	-	301	
Other financing sources (uses):										
Operating transfers out	(155,285)	-	(7,400)	-	-	(159,889)	-	-	-	
Total other financing sources (uses)	(155,285)	-	(7,400)	-	-	(159,889)	-	-	-	
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	11,107	3,957	(43)	200	1,804	125,629	(76,646)	-	301	
Fund balance, beginning of year	685,447	95	895	900	4,756	1,736,237	439,433	1	540,505	
Fund balance, end of year	\$ 696,554	\$ 4,052	\$ 852	\$ 1,100	\$ 6,560	\$ 1,861,866	\$ 362,787	\$ 1	\$ 540,806	

Kankakee County, Illinois

Major and Nonmajor Special Revenue Funds
 Statements of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended November 30, 2013

	Nonmajor Funds							Total Nonmajor Funds	Total
	County Motor Fuel Tax	County Bridge	Township Bridge	Geographical Information System	Marriage Fund	WIA Grants	Public Building Commission		
Revenues:									
Property taxes	\$ -	\$ 860,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,339,066	\$ 9,382,677
Intergovernmental	1,921,138	742,407	28,800	-	-	1,783,328	-	7,344,977	7,388,948
Licenses and permits	-	-	-	-	-	-	-	205,941	205,941
Fines and fees	-	-	-	194,276	2,416	-	-	1,420,709	2,142,358
Interest on investments	770	526	13	97	-	-	1,508	10,888	12,973
Miscellaneous	-	-	-	5,280	-	-	18,335	123,122	240,197
Total revenues	1,921,908	1,603,318	28,813	199,653	2,416	1,783,328	19,843	11,444,703	19,373,094
Expenditures:									
General government	-	-	-	87,177	-	-	22,635	331,001	6,303,915
Judiciary and court related	-	-	-	-	815	-	-	637,973	637,973
Public safety	-	-	-	-	-	-	-	288,691	288,691
Public health and welfare	-	-	-	-	-	-	-	2,886,401	2,886,401
Transportation	2,023,424	66,663	16,426	-	-	-	-	3,452,735	5,570,439
Economic development	-	-	-	-	-	1,783,328	-	1,783,328	1,783,328
Capital outlay	-	1,548,841	-	8,462	-	-	-	1,688,188	2,333,151
Debt service interest	-	-	-	-	-	-	-	-	6,510
Total expenditures	2,023,424	1,615,504	16,426	95,639	815	1,783,328	22,635	11,068,317	19,810,408
Excess (deficiency) of revenues over expenditures	(101,516)	(12,186)	12,387	104,014	1,601	-	(2,792)	376,386	(437,314)
Other financing sources (uses):									
Operating transfers out	-	-	-	-	-	-	-	(477,859)	(477,859)
Total other financing sources (uses)	-	-	-	-	-	-	-	(477,859)	(477,859)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(101,516)	(12,186)	12,387	104,014	1,601	-	(2,792)	(101,473)	(915,173)
Fund balance, beginning of year	1,286,498	1,451,354	44,266	310,768	5,013	-	231,031	10,946,427	15,268,013
Fund balance, end of year	\$ 1,184,982	\$ 1,439,168	\$ 56,653	\$ 414,782	\$ 6,614	\$ -	\$ 228,239	\$ 10,844,954	\$ 14,352,840

Kankakee County, Illinois
 Combining Balance Sheet - Debt Service Funds
 November 30, 2013

	2009 Bond Series	2011 Bond Series	2012 Bond Series	2012A Bond Series	Juvenile Detention	Public Building Commission- Health Department	Total Debt Service Funds
Assets							
Cash	\$ 224,729	\$ 166,753	\$ 105,688	\$ 162,856	\$ 54,275	\$ 112,246	\$ 826,547
Receivables, (net, where applicable of allowance for uncollectibles):							
Taxes, including interest, penalties and liens	-	-	-	-	644,872	-	644,872
Accounts	<u>25,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,881</u>
Total assets	<u><u>\$ 250,610</u></u>	<u><u>\$ 166,753</u></u>	<u><u>\$ 105,688</u></u>	<u><u>\$ 162,856</u></u>	<u><u>\$ 699,147</u></u>	<u><u>\$ 112,246</u></u>	<u><u>\$ 1,497,300</u></u>
Liabilities and Fund Balances:							
Liabilities							
Deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ 644,872	\$ -	\$ 644,872
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>644,872</u>	<u>-</u>	<u>644,872</u>
Fund balances:							
Restricted for:							
Debt service	<u>250,610</u>	<u>166,753</u>	<u>105,688</u>	<u>162,856</u>	<u>54,275</u>	<u>112,246</u>	<u>852,428</u>
Total fund balance	<u><u>250,610</u></u>	<u><u>166,753</u></u>	<u><u>105,688</u></u>	<u><u>162,856</u></u>	<u><u>54,275</u></u>	<u><u>112,246</u></u>	<u><u>852,428</u></u>
Total liabilities and fund balance	<u><u>\$ 250,610</u></u>	<u><u>\$ 166,753</u></u>	<u><u>\$ 105,688</u></u>	<u><u>\$ 162,856</u></u>	<u><u>\$ 699,147</u></u>	<u><u>\$ 112,246</u></u>	<u><u>\$ 1,497,300</u></u>

Kankakee County, Illinois
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Debt Service Funds
 For the Year Ended November 30, 2013

	2009 Bond Series	2011 Bond Series	2012 Bond Series	2012A Bond Series	Juvenile Detention	Public Building Commission- Health Department	Total Debt Service Funds
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 622,051	\$ -	\$ 622,051
Interest on investments	-	-	-	-	212	-	212
Total revenues	-	-	-	-	622,263	-	622,263
Expenditures:							
General government	-	5,000	5,000	5,000	-	-	15,000
Judiciary and court related	-	-	-	-	290,083	-	290,083
Debt service principal	140,000	450,000	295,000	470,000	257,021	99,110	1,711,131
Debt service interest	170,570	212,013	116,713	165,787	64,504	82,122	811,709
Total expenditures	310,570	667,013	416,713	640,787	611,608	181,232	2,827,923
Excess (deficiency) of revenues over expenditures	(310,570)	(667,013)	(416,713)	(640,787)	10,655	(181,232)	(2,205,660)
Other financing sources (uses):							
Operating transfers in	310,570	667,013	416,713	803,643	-	181,815	2,379,754
Total other financing sources (uses)	310,570	667,013	416,713	803,643	-	181,815	2,379,754
Excess (deficiency) of revenues over expenditures and other sources (uses)	-	-	-	162,856	10,655	583	174,094
Fund balance, beginning of year	250,610	166,753	105,688	-	43,620	111,663	678,334
Fund balance, end of year	\$ 250,610	\$ 166,753	\$ 105,688	\$ 162,856	\$ 54,275	\$ 112,246	\$ 852,428

Kankakee County, Illinois
Statement of Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
November 30, 2013

	Township MFT	Contract Appraisal Work	Circuit Clerk Bonds	Total
Assets				
Cash	\$ 105,632	\$ 40,251	\$ 677,257	\$ 823,140
Investments, at cost	1,270,502	-	500,000	1,770,502
Receivables:				
Accounts receivable	82,857	-	-	82,857
Total assets	<u>\$ 1,458,991</u>	<u>\$ 40,251</u>	<u>\$ 1,177,257</u>	<u>\$ 2,676,499</u>
Liabilities and Net Position				
Liabilities				
Vouchers payable	\$ 32,050	\$ -	\$ -	\$ 32,050
Total liabilities	<u>32,050</u>	<u>-</u>	<u>-</u>	<u>32,050</u>
Net Position				
Restricted for other purposes	1,426,941	40,251	1,177,257	2,644,449
Total net position	<u>1,426,941</u>	<u>40,251</u>	<u>1,177,257</u>	<u>2,644,449</u>
Total liabilities and net position	<u>\$ 1,458,991</u>	<u>\$ 40,251</u>	<u>\$ 1,177,257</u>	<u>\$ 2,676,499</u>

Kankakee County, Illinois
Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
For the Year Ended November 30, 2013

	Township MFT	Contract Appraisal Work	Circuit Clerk Bonds	Total
Additions:				
Intergovernmental	\$ 1,307,978	\$ -	\$ -	\$ 1,307,978
Miscellaneous	-	-	1,404,228	1,404,228
Interest	1,562	36	-	1,598
Total additions	1,309,540	36	1,404,228	2,713,804
Deductions:				
Transportation	1,273,828	-	-	1,273,828
Other	-	26,492	1,603,083	1,629,575
Total deductions	1,273,828	26,492	1,603,083	2,903,403
Change in net position	35,712	(26,456)	(198,855)	(189,599)
Net position, beginning of year	1,391,229	66,707	1,376,112	2,834,048
Net position, end of year	\$ 1,426,941	\$ 40,251	\$ 1,177,257	\$ 2,644,449

Kankakee County, Illinois
 Fiduciary Funds - Agency Funds
 Combining Balance Sheet
 November 30, 2013

	Back Tax	Riverside Country Estates S.A.	Arrowhead Hills S.A.	Drainage Districts	Collector	Sheriff Civil Process	Inheritance Tax	Condemnation Account	Unclaimed Legacies and Bonds	Sheriff Seizure
Assets										
Cash	\$ 61	\$ (14,018)	\$ 58	\$ 270,696	\$ 115,062	\$ 61,747	\$ -	\$ 115,583	\$ 80,097	\$ 21,365
Investments, at cost	-	-	13,383	202,291	-	-	-	-	-	-
Receivables:										
Accounts	-	-	-	-	-	-	-	-	175,000	-
Total assets	\$ 61	\$ (14,018)	\$ 13,441	\$ 472,987	\$ 115,062	\$ 61,747	\$ -	\$ 115,583	\$ 255,097	\$ 21,365
Liabilities										
Vouchers payable	\$ -	\$ -	\$ -	\$ 3,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	61	-	-	-	115,062	-	-	-	-	-
Due to others	-	(14,018)	13,441	469,785	-	61,747	-	115,583	255,097	21,365
Total liabilities	\$ 61	\$ (14,018)	\$ 13,441	\$ 472,987	\$ 115,062	\$ 61,747	\$ -	\$ 115,583	\$ 255,097	\$ 21,365

Kankakee County, Illinois
 Fiduciary Funds - Agency Funds
 Combining Balance Sheet
 November 30, 2013

	Sheriff Sale Account	Sheriff Commissary	Circuit Clerk	County Clerk	Sheriff Safety	Teen Court	Total
Assets							
Cash	\$ 241,501	\$ 306,202	\$ 349,965	\$ 743,627	\$ 9,488	\$ 4,760	\$ 2,306,194
Investments, at cost	-	-	-	-	-	-	215,674
Receivables:							
Accounts	-	-	-	-	-	2,227	177,227
Total assets	<u>\$ 241,501</u>	<u>\$ 306,202</u>	<u>\$ 349,965</u>	<u>\$ 743,627</u>	<u>\$ 9,488</u>	<u>\$ 6,987</u>	<u>\$ 2,699,095</u>
Liabilities							
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104	\$ 3,306
Due to other governments	-	-	-	-	-	-	115,123
Due to others	<u>241,501</u>	<u>306,202</u>	<u>349,965</u>	<u>743,627</u>	<u>9,488</u>	<u>6,883</u>	<u>2,580,666</u>
Total liabilities	<u>\$ 241,501</u>	<u>\$ 306,202</u>	<u>\$ 349,965</u>	<u>\$ 743,627</u>	<u>\$ 9,488</u>	<u>\$ 6,987</u>	<u>\$ 2,699,095</u>

Kankakee County, Illinois
Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended November 30, 2013

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>
Back Tax	\$ 49	\$ 298	\$ 286	\$ 61
Riverside Country Estates Special Assessment	(14,018)	-	-	(14,018)
Arrowhead Hills Special Assessment	13,436	5	-	13,441
Drainage Districts	461,953	106,019	94,985	472,987
Collector	33,333	220,319,757	220,238,028	115,062
Sheriff Civil Process	74,226	286,054	298,533	61,747
Inheritance Tax	2,693	2	2,695	-
Condemnation Account	335,511	928,622	1,148,550	115,583
Legacies	240,637	14,685	225	255,097
Sheriff Seizure	96,528	35,166	110,329	21,365
Sheriff Sale Account	15,605	955,889	729,993	241,501
Sheriff Commissary	148,672	2,780,835	2,623,305	306,202
Circuit Clerk	331,354	4,944,632	4,926,021	349,965
County Clerk	854,641	6,706,783	6,817,797	743,627
Sheriff Safety	6,386	16,049	12,947	9,488
Teen Court	6,601	31,893	31,507	6,987
Total	\$ 2,607,607	\$ 237,126,689	\$ 237,035,201	\$ 2,699,095

Kankakee County, Illinois
 Assessed Valuations, Rates and Extensions
 For the tax levy years 2003 through 2012

Extension year	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Assessed valuation, net of special districts and general abatements	\$ 1,836,225,848	\$ 1,894,580,741	\$ 1,977,819,149	\$ 1,936,746,108	\$ 1,895,536,281	\$ 1,775,003,707	\$ 1,706,053,999	\$ 1,518,196,140	\$ 1,379,219,189	\$ 1,354,612,444
Tax rates:										
General corporate	\$ 0.250	\$ 0.250	\$ 0.224	\$ 0.218	\$ 0.222	\$ 0.222	\$ 0.232	\$ 0.237	\$ 0.250	\$ 0.250
IMRF	0.180	0.158	0.151	0.131	0.119	0.117	0.116	0.112	0.118	0.115
County health	0.026	0.024	0.022	0.023	0.024	0.024	0.025	0.026	0.027	0.025
Liability insurance	0.142	0.121	0.113	0.107	0.117	0.130	0.133	0.134	0.141	0.129
County highway	0.103	0.096	0.090	0.092	0.093	0.094	0.096	0.098	0.100	0.100
Social security	0.102	0.096	0.092	0.089	0.090	0.091	0.092	0.091	0.096	0.095
Veterans	0.008	0.007	0.010	0.011	0.011	0.011	0.009	0.009	0.010	0.009
Highway matching	0.047	0.046	0.044	0.045	0.045	0.046	0.047	0.049	0.050	0.050
Joint bridge	0.047	0.046	0.044	0.045	0.045	0.046	0.047	0.049	0.050	0.050
Public Building Commission	0.034	0.031	0.029	0.029	0.032	0.033	0.016	0.016	0.017	0.037
Extension education	0.014	0.015	0.014	0.017	0.018	0.019	0.020	0.021	0.022	0.021
Total tax rates	\$ 0.953	\$ 0.890	\$ 0.833	\$ 0.807	\$ 0.816	\$ 0.833	\$ 0.833	\$ 0.842	\$ 0.881	\$ 0.881
Tax extensions:										
General corporate	\$ 4,590,565	\$ 4,736,452	\$ 4,430,315	\$ 4,222,107	\$ 4,208,091	\$ 4,090,085	\$ 3,818,656	\$ 3,598,125	\$ 3,448,048	\$ 3,386,531
IMRF	3,305,206	2,993,437	2,986,507	2,537,137	2,255,688	2,155,586	1,909,328	1,700,380	1,627,479	1,557,804
County health	477,419	454,699	435,120	445,452	454,929	442,171	411,493	394,731	372,389	338,653
Liability insurance	2,607,441	2,292,443	2,234,936	2,072,318	2,217,777	2,395,095	2,189,143	2,034,383	1,944,699	1,747,450
County highway	1,891,312	1,818,798	1,780,037	1,781,806	1,762,849	1,731,838	1,580,134	1,487,832	1,379,219	1,354,612
Social security	1,872,950	1,818,798	1,819,594	1,723,704	1,705,983	1,676,567	1,514,295	1,381,558	1,324,050	1,286,882
Veterans	146,898	132,621	197,782	213,042	208,509	202,662	148,138	136,638	137,922	121,915
Highway matching	863,026	871,507	870,240	871,536	852,991	847,495	773,607	743,916	689,610	677,306
Joint bridge	863,026	871,507	870,240	871,536	852,991	847,495	773,607	743,916	689,610	677,306
Public Building Commission	624,317	587,320	573,568	561,656	606,572	607,986	263,356	242,911	234,467	501,207
Extension education	257,072	284,187	276,895	329,247	341,196	350,052	329,194	318,821	303,428	284,469
Total tax extensions	\$ 17,499,232	\$ 16,861,769	\$ 16,475,234	\$ 15,629,541	\$ 15,467,576	\$ 15,347,032	\$ 13,710,951	\$ 12,783,211	\$ 12,150,921	\$ 11,934,135