

# County of McLean, Illinois

## Popular Annual Financial Report

For the Fiscal Year Ended December 31, 2011



Submitted by:

Michelle L. Anderson,

McLean County Auditor

County of McLean, Illinois  
POPULAR ANNUAL FINANCIAL REPORT  
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December 31, 2011

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**Michelle L. Anderson**

COUNTY AUDITOR

Government Center

115 E. Washington Street, Room 402, Bloomington, Illinois 61701

(309) 888-5150 Fax (309) 888-5209

michelle.anderson@mcleancountyil.gov

www.mcleancountyil.gov/auditor



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**To the residents of McLean County:**

I am pleased to present McLean County’s Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2011, prepared by the Auditor’s Office. This report provides a summary of the County’s revenue, spending, and financial condition. The report also includes supplementary information on local economic conditions, major accomplishments by the County government, and other reference information for your usage in contacting your Board Members or individual County departments. My goal in producing this report is to communicate the County’s financial operations in a straightforward and easy-to-read format so that you may obtain a better understanding of McLean County government.

The information in this report is derived from McLean County’s Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2011, which was audited by McGladrey, LLP and received an unqualified (clean) opinion. The CAFR is a highly detailed financial report that is prepared in conformity with Generally Accepted Accounting Principles (GAAP). McLean County has received GFOA’s Certificate of Achievement in Financial Reporting for the CAFR for 26 consecutive years. The financial schedules presented in the PAFR have been summarized and combined from assorted financial statements in the CAFR. The PAFR omits the financial statements on business-type activities, discretely presented component units, proprietary funds, and fiduciary funds, which are included in the CAFR. Anyone who is interested in reading the December 31, 2011 CAFR can find the report under the [Comprehensive Annual Financial Report](#) link on the County Auditor’s website at [www.mcleancountyil.gov/auditor](http://www.mcleancountyil.gov/auditor). Copies of past CAFRs, PAFR, and Quarterly Financial Reports are also available through the link.

**REPORT SUMMARY**

This report is for your use in understanding the operations of McLean County government and is not intended to replace the CAFR. It is simply a means of increasing public confidence in the County government. It is an honor to serve as your Auditor and I encourage questions, concerns, or feedback as to the contents of this report or the operations of my office. Feel free to contact me at my office—309.888.5150, by e-mail michelle.anderson@mcleancountyil.gov, or by stopping in at my office in the Government Center—Room 402.

Respectfully submitted,

*Michelle L. Anderson*

McLean County Auditor

June 30, 2012

## Profile of McLean County, Illinois

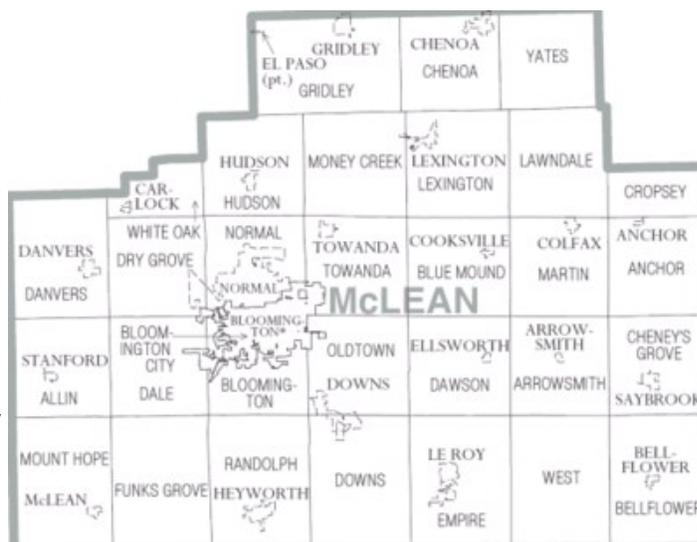
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McLean County is located in central Illinois, situated very near the geographical center of the State of Illinois. In area, McLean County is the largest County in the State, comprising just over 1,100 square miles, making it similar in size to the State of Rhode Island in total land. McLean County recorded a population of 169,832 in the 2010 Census, making it one of the largest 15 counties in Illinois (out of 102). McLean County's highest concentration of population are the twin cities of Bloomington-Normal, with Bloomington serving as the County seat. McLean County was established on December 25, 1830, and was named in honor of John McLean, a twice elected United States Senator from Illinois. Before being established, it was part of Tazewell County.

The County operates under the County Board form of government according to the mandates of the State of Illinois, in addition to the nine independently elected County officials. The Board is comprised of a 20-member board, two representatives being elected from each of ten districts, and serving four-year terms. The Board is both the legislative policy maker and the supervisor of County Administration. The County Administrator is the chief administrative officer and prepares and recommends the annual budget, implements policies and procedures, manages daily operations, and oversees appointed departmental directors. The nine independently elected County officials are the Auditor, Clerk of the Circuit Court, Coroner, County Clerk, Recorder, Sheriff, State's Attorney, Regional Superintendent of Education, and Treasurer. The Regional Superintendent of Education is a component unit of the State of Illinois, as such, their financial information is not presented in this report. Elected officials serve four year terms.

The County provides a full range of services. This includes administration of justice and public safety, including the operation of a 221 bed adult detention facility and 26 bed juvenile detention facility, construction and maintenance of 368 miles of County roads and 88 bridges, administration of public health services and programs, operation of a 150 bed Nursing Home, operation of a 2,250 acre recreation area, collection of taxes for over 200 taxing districts, administration of elections, and general administrative services. For additional information about County departments and the vital services that the County provides for its citizens and businesses, visit the County's website at <http://www.mcleancountyil.gov>. McLean County operates with just over 800 full-time equivalent employees, with over half of those being employed within a public safety function. McLean County's assessed value—taxable property was \$3,990,841,421 for 2011.

Major accomplishments for McLean County in 2011 can be found starting on page 10.



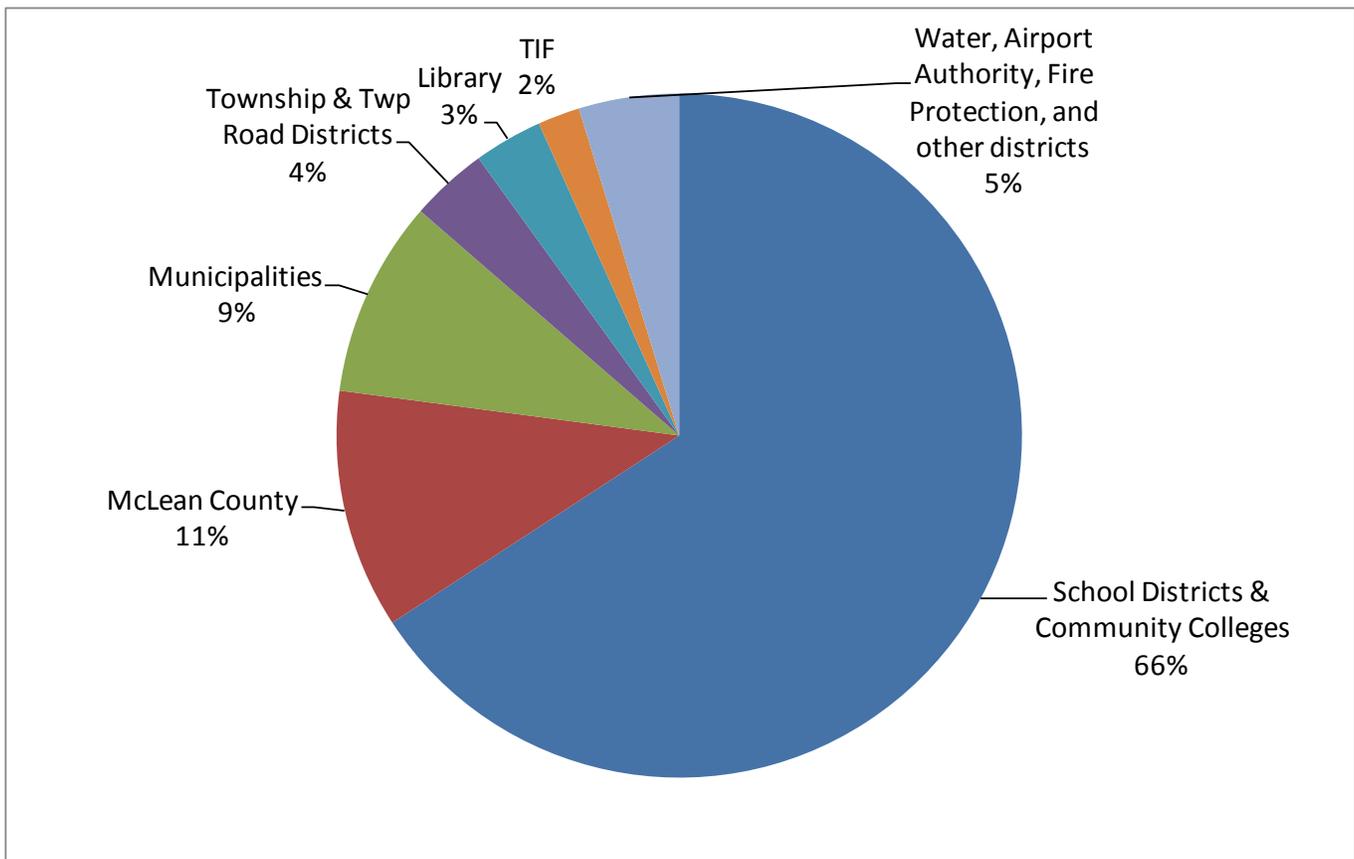
## Property Taxes—Where do your property taxes go?

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Where do your property taxes go? While the County issues property tax bills each year and is responsible for collecting the payments, only a small portion is retained by the County. The vast majority of property taxes are remitted to other governmental agencies within McLean County. There are over 200 taxing districts located, at least partially, within McLean County. Depending on the location of a real estate parcel, property taxes for that parcel will be collected for a combination of separate taxing districts.

The following is a chart that presents the breakout by governmental type for a typical tax bill. The chart is for illustrative purposes only, based on an average of all tax bills in McLean County. As noted above, each real estate parcel pays property taxes to a varying combination of taxing districts, based on location, and the actual breakout will vary.

**Property Taxes—Breakout by Governmental Type**



As shown in the chart above, the largest component of a typical tax bill goes to school districts and community colleges.

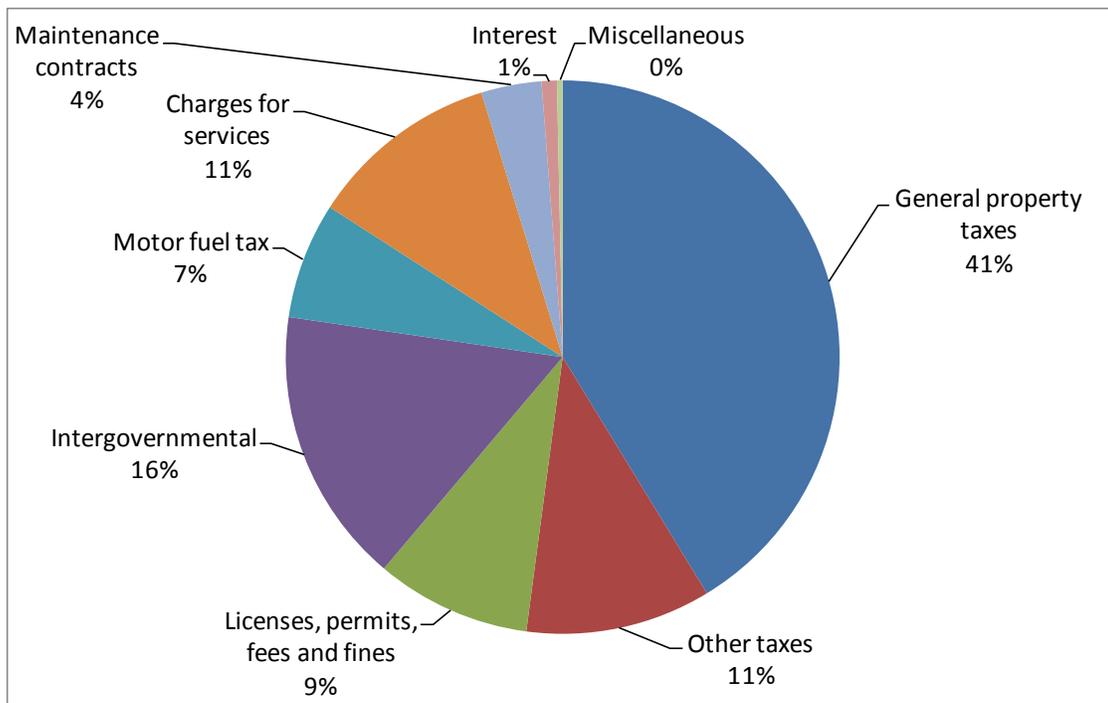
This PAFR presents an overview of McLean County's finances only. The other governmental districts shown above are separate legal entities and operate independent of McLean County. Therefore, in order to determine how your property taxes are spent by each district that you pay taxes to, you would need to separately review financial reports for each district.

## Revenues—Where does the Money Come From?

McLean County receives its funding from a variety of sources, with property taxes being the largest source of that funding. The following table and chart shows the revenue to governmental funds by source for fiscal year ended December 31, 2011.

### McLean County Governmental Funds - Revenues

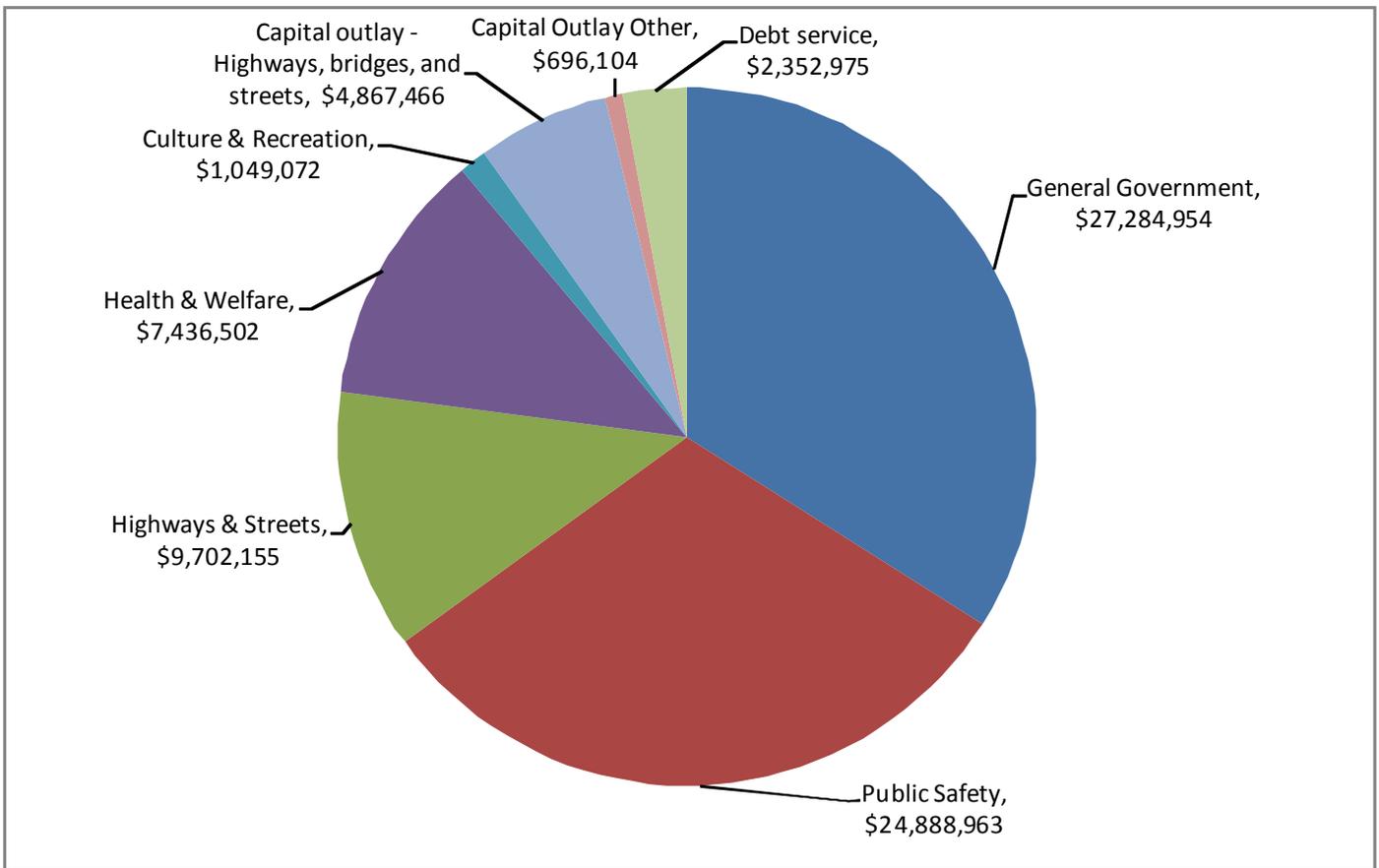
Revenue Source	General Fund	Other Governmental Funds	Total	% of Total
General property taxes	\$ 11,593,717	\$ 21,260,377	\$ 32,854,094	41.28%
Other taxes	8,524,504	85,123	8,609,627	10.82%
Licenses, permits, fees and fines	4,856,857	2,359,692	7,216,549	9.07%
Intergovernmental	4,547,088	8,309,117	12,856,205	16.15%
Motor fuel tax	-	5,404,577	5,404,577	6.79%
Charges for services	7,420,877	1,452,629	8,873,506	11.15%
Maintenance contracts	2,803,414	-	2,803,414	3.52%
Interest	693,773	15,141	708,914	0.89%
Miscellaneous	219,729	42,344	262,073	0.33%
	<b>\$ 40,659,959</b>	<b>\$ 38,929,000</b>	<b>\$ 79,588,959</b>	<b>100.00%</b>



**General property taxes** represent a tax on all real estate within McLean County. Property taxes are considered to be a general revenue source, meaning it is available to fund all programs of the County. **Other taxes** includes the County's portion of State Income Tax, Personal Property Replacement Tax, and Retailers Occupation Tax. **Licenses, permits, fees and fines** represent amounts received by the County for licenses/permits, as well as fines and fees due from citizens. **Intergovernmental** includes grants and other revenues received from the State of Illinois, and various other governmental agencies. **Motor fuel tax** represents the County's portion of motor fuel tax. **Charges for services** represents fees paid by individuals, businesses, or other governments who use, purchase, or directly benefit from goods or services provided by the County. **Maintenance contracts** represent reimbursements on a lease with the Public Building Commission. **Interest** represents interest earned on the County's cash and investments. **Miscellaneous** represents revenues received by the County that do not fall into one of the designated categories above.

## Expenditures—Where does the money go?

### Governmental Funds—Expenditures by Function



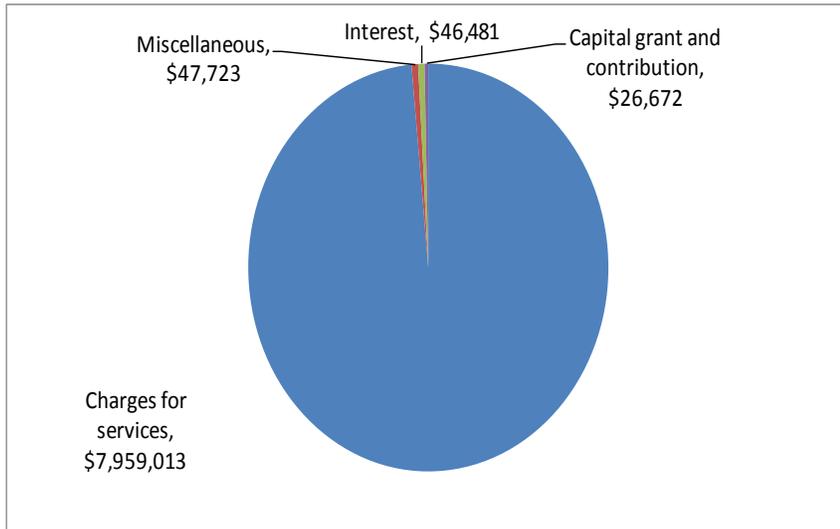
For fiscal year ended December 31, 2011, McLean County's largest expenditures came out of the General Government function (34.28%) and the Public Safety function (31.27%).

Expenditures for McLean County include the following expenditure functions: **General Government** expenditures incurred for administrative offices such as County Board, Administration, Auditor, County Clerk, Treasurer, Information Technology, Facilities Management, Employee Benefits (including social security and IMRF), and Tort Judgment. **Public Safety** expenditures incurred for public safety offices such as Sheriff, State's Attorney, Coroner, Circuit Clerk, Court Services, and Metcom. **Highway and streets** expenditures incurred for our Highway Departments non-capital expenditures. **Health and welfare** expenditures incurred for our various Health Department programs/funds. **Culture and recreation** expenditures incurred for operation of the County Park (COMLARA), as well as property tax payments to History Museum and Co-operative Extension. **Capital Outlay—Highways, bridges, and streets** expenditures incurred for the acquisition of right-of-way, engineering, and construction of infrastructure maintained by the Highway Department. **Capital Outlay—Other** expenditures incurred for capital outlay other than for highway infrastructure. **Debt service** expenditures incurred for capital leases entered into by the County for copiers, other projects, and, debt on County buildings held by the Public Building Commission of McLean County.

## Enterprise Fund

McLean County maintains one enterprise fund, for the McLean County Nursing Home. An enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business.

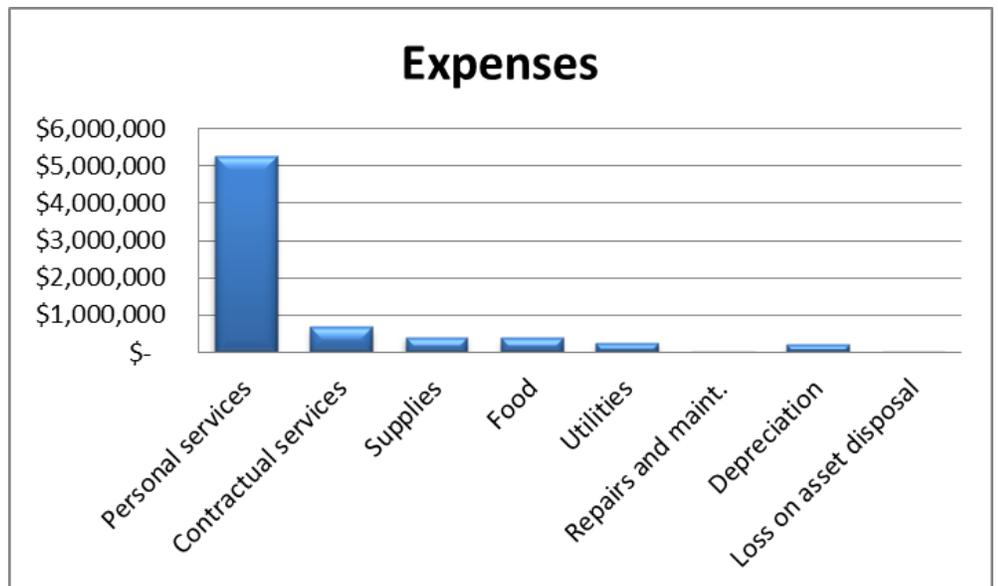
**Revenue Source**



A vast majority of revenues come from charges for services (over 98%). Revenues are comprised of the following sources: **Charges for Services** include payments from private pay residents, as well as public aid payments. **Interest** includes amounts earned on cash and investments. **Capital grants and contributions** includes an energy efficiency grant and contributions. **Miscellaneous** includes revenues not fitting into another category.

A vast majority of expenses come from personal services (73%). Expenses are comprised of the following lines: **Personal services** include payroll and payroll related benefits. **Contractual services** includes amounts paid on contractual agreements entered into by the Nursing Home. **Supplies** includes supplies needed to operate the facility. **Food** includes food for meals of residents. **Utilities** includes utilities (water, electricity, etc) needed to operate the facility. **Repairs and maintenance** includes repairs and general maintenance done on the facility. **Depreciation** represents the amount of depreciation on capital assets. **Loss on asset disposal** represents the loss taken when the Nursing Home disposed of assets.

**Expenses**



## Statement of Net Assets

### McLean County's Net Assets as of December 31, 2011

	Governmental Activities	Enterprise Fund	Total Primary Government
Current and other assets	\$ 68,813,507	\$ 9,599,598	\$ 78,413,105
Capital assets	116,021,694	1,219,854	117,241,548
Total assets	184,835,201	10,819,452	195,654,653
Current and other liabilities	39,199,828	353,172	39,553,000
Long-term liabilities	10,783,584	320,818	11,104,402
Total liabilities	49,983,412	673,990	50,657,402
Net assets:			
Invested in capital assets, net of related debt	107,867,249	1,210,016	109,077,265
Restricted for:			
Operations	893,425	-	893,425
Health and wellness	3,975,681	-	3,975,681
Highway	11,193,422	-	11,193,422
Employee benefits	501,509	-	501,509
Public safety	1,436,582	-	1,436,582
Debt service	164,771	-	164,771
Culture and recreation	38,978	-	38,978
Capital improvements	486	-	486
Unrestricted	8,779,686	8,935,446	17,715,132
Total net assets	\$ 134,851,789	\$ 10,145,462	\$ 144,997,251

**Current and other assets**—Assets that a company can reasonably expect to convert to cash, sell, or consume within one year.

**Capital assets**— The County's long-term investments in infrastructure (buildings, highways, bridges) and other capital assets. These assets are used by McLean County to provide services to citizens, thus these assets are not available for future spending.

**Current and other liabilities**—This includes debt that can be paid off in one year or less. This debt includes accounts payable, accrued interest, claims payable, and unearned revenue.

**Long-term liabilities**—This debt includes capital leases (for debt to the Public Building Commission) and long term portions of post employment benefits.

**Net assets invested in capital assets, net of related debt**—This represents the County's investments in capital assets less any related outstanding debt used to acquire those assets. One should bear in mind that other sources are needed to repay the debt, since the capital assets themselves cannot be used to settle these liabilities.

**Restricted assets**—This represents resources that are subject to external restrictions, for the reason listed above.

**Unrestricted net assets**—This represents the accessible resources to the County in order to provide services to the citizens of McLean County if no additional revenue or resources were available.

## Economic Outlook

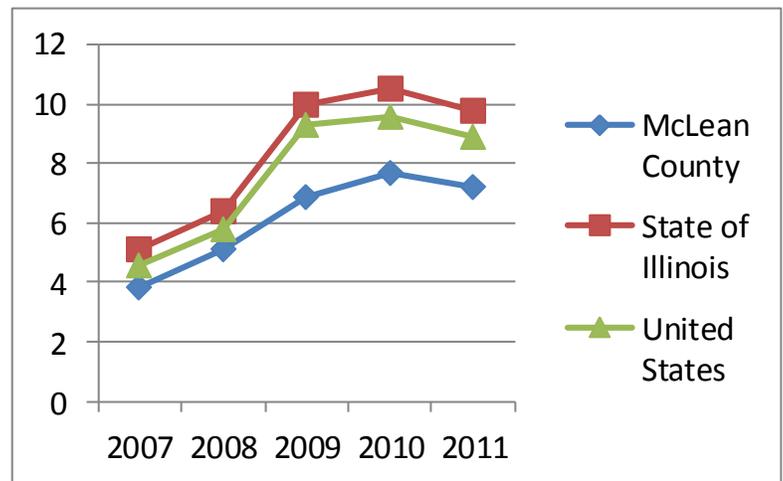
### Assessed Value—Taxable Property



Assessed value of taxable property within McLean County continues to grow. Property is assessed by the McLean County Supervisor of Assessments at 33 1/3% of fair market value. The assessed valuation for the County has increased on average over the last 10 years by approximately 4.36%. Over the last year, the County's assessed value increased by 2.2% to \$3,990,841,421.

### Unemployment

Strong economic growth has historically created a low unemployment rate for McLean County. Even during tough economic times, comparisons to state and national unemployment rates support the claims that McLean County is a financially strong, vibrant community to live in.



McLean County is home to two major universities, Illinois State University and Illinois Wesleyan University. Graduates of ISU and IWU often stay in the area due to a favorable economic outlook and jobs in the area. Insurance is a key employer field in McLean County, as it is home to both State Farm Insurance and Country Financial.



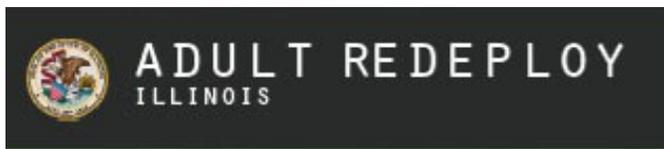
## Major Accomplishments for McLean County—2011

McLean County Auditor Michelle L. Anderson and McLean County Treasurer Becky McNeil were awarded the prestigious Government Finance Officers Association Certificate of Achievement for their Comprehensive Annual Financial Report. The award, for fiscal year ended December 31, 2010 marks the 26th consecutive year McLean County has received this recognition.



Court Services and the Circuit Court were awarded a \$1,182,864 grant by the Substance Abuse and Mental Health Services Administration (SAMHSA), one of only eleven grantees in the United States to receive funding. It is a three-year grant for McLean County.

Facilities Management secured a \$92,000 grant from Tri-County Regional Planning Commission/DECO for upgrading to Energy Efficiency Lighting, replacing T-12 ballasts and bulbs with more efficient T-8 ballasts and bulbs in light fixtures at the Law & Justice Center, County Nursing Home, Parks & Recreation buildings, Juvenile Detention Center, and Health Department building prior to the Federally mandated ballast/bulb change outlawing all T-12 fixtures. This will result in savings in energy costs in future years.



Court Services was awarded an Adult Redeploy grant that started during fiscal year 2011. The grant allows Court Services to increase job skills and aid in re-integration to the community for their clients. It is an annual grant, but, annual continuation is expected.

## Major Accomplishments for McLean County—2011 (continued)

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The Highway Department, in a joint effort with the Parks & Recreation Department, secured High Risk Rural Road funding from the Federal Highway Administration to realign the boat ramp at Evergreen Lake (COMLARA Park). The realignment at the boat ramp was a safety concern; the project was completed during 2011.

During 2011, the County switched to a Voice Over Internet Protocol (VOIP) Phone system. The project, coordinated by the Information Services Department, went live in April 2011.



The Emergency Management Agency (EMA) Department secured a grant to aid County Departments in purchasing new radios. The new radios were needed to comply with a Federal mandate to re-band radios by December 31, 2012.

The Highway Department, along with engineering firm Hampton, Lenzini and Renwick, Inc., were awarded the ACEC's 2012 Award for Structural Systems for a bridge in the Anchor Road District.



## McLean County Elected Officials

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### County Wide Elected Officials

<u>Office/Name</u>	<u>Term Expires</u>	<u>Office/Name</u>	<u>Term Expires</u>
<b>Auditor</b>		<b>Sheriff</b>	
Michelle L. Anderson	December 2012	Mike Emery	December 2014
<b>Circuit Clerk</b>		<b>State's Attorney</b>	
Don Everhart	December 2012	Ronald Dozier	December 2012
<b>Coroner</b>		<b>Reg. Supt. Of Education</b>	
Beth Kimmerling	December 2012	Mark Jontry	December 2014
<b>County Clerk</b>		<b>Treasurer</b>	
Kathy Michael	December 2014	Rebecca C. McNeil	December 2014
<b>Recorder</b>			
H. Lee Newcom	December 2012		

### County Board Members

<u>District/Name</u>	<u>Term Expires</u>	<u>District/Name</u>	<u>Term Expires</u>
<b>District 1</b>		<b>District 6</b>	
Don Cavallini	December 2012	George Gordon	December 2012
Stan Hoselton	December 2012	John McIntyre	December 2012
<b>District 2</b>		<b>District 7</b>	
Jim Soeldner	December 2012	John Butler	December 2012
Matt Sorensen	December 2012	Bette Rackauskas	December 2012
<b>District 3</b>		<b>District 8</b>	
Diane R. Bostic	December 2012	Paul R. Segobiano	December 2012
George O. Wendt	December 2012	Scott Black	December 2012
<b>District 4</b>		<b>District 9</b>	
Ed McKibbin	December 2012	Erik Rankin	December 2012
Laurie Wollrab	December 2012	Susan Schafer	December 2012
<b>District 5</b>		<b>District 10</b>	
Sonny O'Connor	December 2012	Benjamin Owens	December 2012
William T. Caisley	December 2012	Chuck Erickson	December 2012

## Reference Information:

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**Website:**

<http://www.mcleancountyil.gov>

**Phone Directory for County Offices:**

Administration/Board	309-888-5110
Auditor	309-888-5150
Building & Zoning	309-888-5160
Child Advocacy Center	309-888-5656
Circuit Clerk	309-888-5301
Circuit Court (Judicial)	309-434-6650
Coroner	309-888-5210
County Clerk	309-888-5190
Court Services (Probation)	309-888-5360
Emergency Management Agency	309-888-5020
Facilities Management	309-888-5192
Health Department	309-888-5450
Highway Department	309-663-9445
Information Technologies	309-888-5100
Jury Commission	309-888-5241
Nursing Home	309-888-5380
Parks & Recreation	309-434-6770
Public Defender	309-888-5235
Recorder	309-888-5170
Sheriff (including Detention Facility)	309-888-5034
State's Attorney	309-888-5400
Supervisor of Assessments	309-888-5130
Treasurer	309-888-5180
Veterans Assistance	309-888-5140