

March 8, 2010

Curtis P. Newport
Treasurer
Boone County
1212 Logan Avenue
Belvidere, IL 61008

RECEIVED

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BOONE COUNTY
TREASURER

Dear Mr. Newport:

This is a request for information under Illinois Freedom of Information Act, 5 ILCS 140.

Enclosed is a copy of a July 14, 2009 letter from the CPA firm of Lindgren Callihan VanOsdol. That letter is addressed to you, the county board and other managers of Boone County. Item 5 appears to be directly related to your function as Treasurer and Collector of Boone County taxes. Based upon those facts I am addressing this information request to you regarding item #5.

The accounting firm stated in item 5: "...the Collector held over \$1 million dollars in savings as of January 2009, which was after the final distribution related to the 2007 tax levy. At that point in time, Collector accounts should be minimal as distributions have been made for the prior levy and amounts are not being collected on the upcoming levy."

Please provide an accurate written accounting of Collector accounts in Savings as described by the CPA firm, which your office held in January 2009. (I will refer to these accounts as "Collector Accounts in Savings 1-2009")

Please include in your reconciliation the following:

- 1. The total dollar amount held in "Collector Accounts in Savings 1-2009" on or before January 31, 2009.***
- 2. If this is appreciably different than the CPA firm's \$1,000,000, please explain.***
- 3. What amount of "Collector Accounts in Savings 1-2009" was determined not to "belong" to specific taxing entities?***
- 4. Itemized the amount of "Collectors Accounts in Savings 1-2009" determined to belong to taxing bodies. Name the five largest government units deserving distributions, the date and amount of distributions made by your office to these units.***
- 5. Provide a list and amount of any "Collector Accounts in Savings 1-2009" that was reclassified or moved from this account during 2009-2010. Supply the reason for the reclassification and current disposition of those funds.***

6. If any of "Collector Accounts in Savings 1-2009" are still being held by your office, please provide the amount, account name(s), and their location on the county's balance sheet.

7. Provide the amount of all Collector Accounts in Savings as of January 2010. (To be called "Collector Accounts in Savings 1-2010")

8. What amount of "Collector Accounts in Savings 1-2010" does not belong to specific taxing entities?

9. Itemized the amount of "Collectors Accounts in Savings 1-2010" determined to belong to taxing bodies. Name the five largest government units deserving distributions, the amount of would be distribution and anticipated date of distribution.

10. Please feel free to use alternate terminology in your reconciliation, such as the 2007 tax levy paid in 2008 and 2008 tax levy paid in 2009.

I believe that the above mentioned requests are not burdensome but reasonable and prudent based upon the CPA firm's suggestion that the ... "Collector research why these large balances exist and determine who this money belongs to, whether it is the County, other taxing bodies, or the state as unclaimed property." By now, your office should have a reconciliation of this questionable situation.

I request a waiver of all fees for this request. Disclosure of the requested information to me is in the public interest because it is likely to contribute significantly to public understanding of the operations and activities of your office and Boone County Government, and is not in my commercial interest.

I look forward to hearing from you within five working days, as required by the Act-- 5 ILCS 140(3) (as amended).



WILLIAM J. PYSSON
9592 Denver Drive
Belvidere, IL 61008
815 544 5115

Lindgren Callihan VanOsdol

7-28-09
LCV**MANAGEMENT LETTER**

To the Management of Boone County
Belvidere, Illinois

In planning and performing our audit of the financial statements of Boone County for the year ended November 30, 2008, we considered the County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the County's internal control in our report dated July 14, 2009. This letter does not affect our report dated July 14, 2009, on the financial statements of the County.

1. Due to the distributed responsibility of the County's grant administration to its various offices, it took significant time to gather all of the necessary files and grant reports to perform the audit. In order to ensure audit time and resulting cost is controlled, it is important to have this information compiled prior to the start of fieldwork. We recommend that federal grant information be compiled by the County Treasurer or Administrator to make sure all grants are monitored and included in the financial statements. You may consider setting up separate general ledger accounts to track the revenue and expenditures related to federal awards.
2. During the audit, it was necessary to make several adjustments to the financial statements. Collectively, these resulted in significant changes to the County's financial statements that are presented to management and the County Board. These adjustments have traditionally been prepared by us as external auditors, but standards have become stricter in recent years. The standards now require all adjustments be made by management as auditors cannot be part of the financial reporting process. If significant adjustments are needed to reflect accurate financial statements, auditors are required to report this fact as a significant deficiency.

Lindgren, Callihan, Van Osdol & Co., Ltd.
Certified Public Accountants & Consultants

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3. Currently the County does not have one central location to record all financial transactions of the County. Although the Treasurer tracks a majority of the funds, some funds such as the Sheriff Department and Circuit Clerk maintain separate recordkeeping. Due to this fact, we are required to create separate general ledgers for these additional funds. As mentioned above, auditors cannot be a significant part of the financial reporting process so we suggest that a report be given to the Treasurer or Administrator monthly to report the financial transactions of their respective offices. In addition, this information could be compiled and given to the County Board monthly so they may fulfill their duty to oversee the operations of the County.
4. It has been the County's practice to transfer a portion of the Liability Insurance Tax Levy to the General Fund to cover tort related costs. We have noted a significant number of lawsuits being brought against other governmental entities related to their insurance levy being spent improperly. Although we have no reason to believe this problem exists at Boone County, we suggest that the County segregate its tort related expenses from the General Fund and pay them directly out of the Liability Insurance Fund. This procedure will make it clear which expenditures have been paid with Liability Insurance Funds.
5. We noted that the Collector held over \$1 million dollars in savings as of January 2009, which was after the final distribution related to the 2007 tax levy. At that point in time, Collector accounts should be minimal as distributions have been made for the prior levy and amounts are not being collected on the upcoming levy. We suggest the Collector research why these large balances exist and determine who this money belongs to, whether it is the County, other taxing bodies, or the state as unclaimed property.

This report is intended solely for the information and use of management, the County Board, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Widger, Callahan, Von Ordel: Co. Ad

Freeport, Illinois
July 14, 2009