

**VERMILION COUNTY, ILLINOIS**

**FINANCIAL STATEMENTS**

**November 30, 2008**

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## **Independent Auditor's Report**

Vermilion County Board  
Danville, 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 Vermilion County, Illinois, (County) as of and for the year ended November 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Vermilion County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management has not recorded certain fixed assets and general infrastructure assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those assets be capitalized and depreciated, which would increase the assets, net assets, and also impact expenses of the governmental activities. The amount by which this departure would affect the assets, net assets, and expenses of the governmental activities is not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of Vermilion County, Illinois as of November 30, 2008, and the changes in financial position thereof for the year then ended.

In addition, 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 Vermilion County, Illinois as of November 30, 2008 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2009 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information and schedules of funding progress for Illinois Municipal Retirement Fund are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Vermilion County, Illinois' basic financial statements. The combining financial statements and statistical information, on pages 60 – 81, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Illinois Department of Human Services grant report is not required supplementary information by accounting principles generally accepted in the United States of America, but is required information for that agency. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Clifton Gunderson LLP*

Danville, Illinois  
June 24, 2009

## Management's Discussion and Analysis

As management of Vermilion County, we offer readers of Vermilion County's financial statements this narrative overview and analysis of the financial activities of Vermilion County for the fiscal year ended November 30, 2008.

### Financial Highlights

- The assets of Vermilion County exceeded its liabilities at the close of the most recent fiscal year by \$31.6 million (*net assets*). Of this amount, \$19.9 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$1.1 million. Approximately 96% of this increase is attributable to the Vermilion Manor Nursing Home.
- As of the close of the current fiscal year, Vermilion County's governmental funds reported combined ending fund balances of \$32.0 million, a decrease of \$1.021 million in comparison with the prior year. Approximately 67.2% of this total amount, \$21.5 million, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$8.1 million, or 65.8% of total General Fund expenditures. The fund balance decreased \$888,365 from the prior year.
- Vermilion County's total debt decreased by \$117,050 (2.91%) during the current fiscal year. This debt is entirely comprised of accumulated paid time off and obligations under capital leases by the Danville Public Building Commission to fund the building of the Juvenile Detention Center and the addition to the Public Safety Building. No new debt instruments were issued in the fiscal year.

### Overview of the Financial Statements

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

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

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

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

The government-wide financial statements can be found on pages 18 – 20 of this report.

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

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

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



Vermilion County maintains three categories of governmental funds: General Fund; Major Special Revenue Funds; Non-major 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 these categories of Governmental Funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Vermilion County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 21 – 25 of this report.

***Proprietary funds.*** Vermilion County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Vermilion County uses enterprise funds to account for its Solid Waste Management operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Vermilion County's various functions. Vermilion County uses internal service funds to account for its health and general liability insurance. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

*Proprietary funds* provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the Vermilion County Nursing Home since it is considered to be a major fund of Vermilion County. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 26 – 29 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Vermilion County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 30 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 31 – 49 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Vermilion County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 51 – 58 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, proprietary funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining fund statements and schedules can be found on pages 60 – 79 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Vermilion County, assets exceeded liabilities by \$31.6 million at the close of the most recent fiscal year. By far, the largest portion of Vermilion County's net assets (63%) is comprised of unrestricted funds.

**Vermilion County's Net Assets**  
**(Expressed in Thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Current and other assets	\$46,884	\$47,348	\$2,999	\$1,394	\$49,883	\$48,742
Capital assets	0	0	1,190	1,375	1,190	1,375
Total assets	46,884	47,348	4,189	2,769	51,073	50,117
Long-term liabilities outstanding	3,905	4,022	0	0	3,905	4,022
Other liabilities	13,858	14,189	1,726	1,385	15,584	15,574
Total liabilities	17,763	18,211	1,726	1,385	19,489	19,596
Net assets:						
Invested in capital assets, net of related debt	0	0	1,190	1,375	1,190	1,375
Restricted	10,499	11,639	0	0	10,499	11,639
Unrestricted	18,622	17,498	1,273	9	19,895	17,507
<b>Total net assets</b>	<b>\$29,121</b>	<b>\$29,137</b>	<b>\$2,463</b>	<b>\$1,384</b>	<b>\$31,584</b>	<b>\$30,521</b>

A portion of Vermilion County's net assets (37%) represents resources that are subject to external restrictions on how they may be used. Some categories of restrictions include capital projects, roads and public safety. The remaining balance of *unrestricted net assets* (\$19.9 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Vermilion County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was a decrease of \$185,000 in invested capital assets, net of related debt reported in connection with Vermilion County's business-type activities. This is entirely a function of depreciation expense, totaling \$199,000, and additions, totaling \$14,000 for the current year.

Vermilion County's total net assets increased by \$1.1 million during the current fiscal year. About 96% of this increase is a result of a successful fiscal year for the Vermilion County Nursing Home.

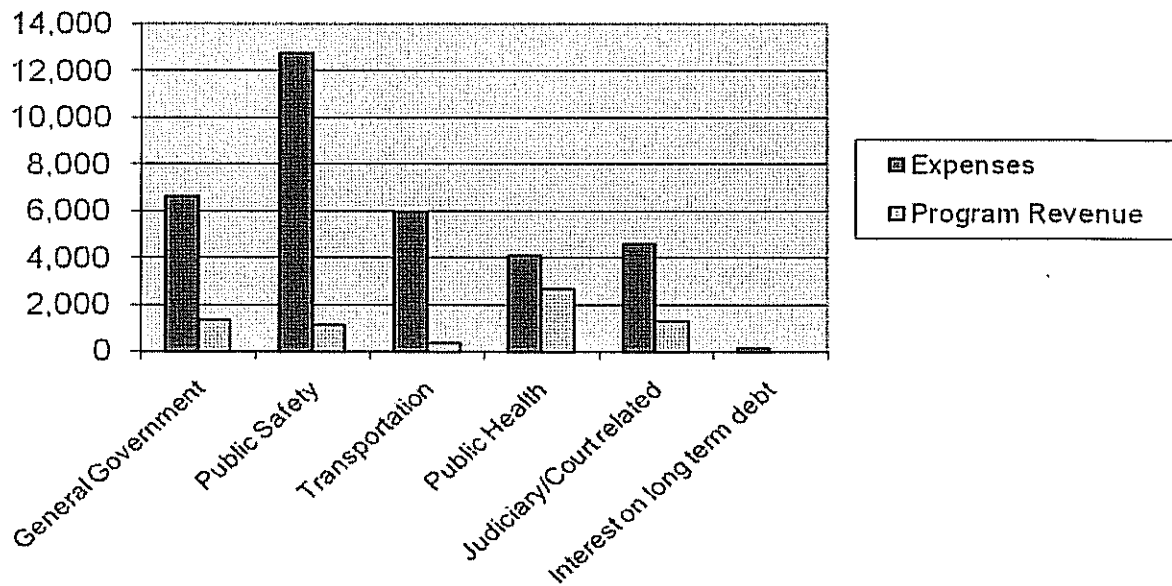
**Vermilion County's Changes in Net Assets**  
**(Expressed in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$3,485	\$4,073	\$11,226	\$9,233	\$14,711	\$13,306
Operating grants and contributions	3,348	3,138	0	0	3,348	3,138
Capital grants and contributions	39	47	0	0	39	47
General revenues:						
Property taxes	10,135	10,294	686	659	10,821	10,953
Other taxes	10,894	14,055	0	0	10,894	14,055
Grants and contributions not restricted to specific programs	0	0	0	0	0	0
Other	6,258	5,430	94	271	6,352	5,701
Total revenues	34,159	37,037	12,006	10,163	46,165	47,200
Expenses:						
General government	6,615	5,751			6,615	5,751
Public safety	12,739	12,158			12,739	12,158
Transportation	5,965	6,228			5,965	6,228
Public Health	4,094	3,896			4,094	3,896
Judiciary/Court related	4,610	4,346			4,610	4,346
Interest on long-term debt	152	156			152	156
Nursing Home			10,502	9,430	10,502	9,430
Nursing Home Farm			58	51	58	51
Solid Waste Management			367	400	367	400
Total expenses	34,175	32,535	10,927	9,881	45,102	42,416
Increase (decrease) in net assets before transfers	(16)	4,502	1,079	282	1,063	4,784
Transfers						
Increase (decrease) in net assets	(16)	4,502	1,079	282	1,063	4,784
Net assets - 12/01/07	29,137	24,635	1,384	1,102	30,521	25,737
Net assets - 11/30/08	\$29,121	\$29,137	\$2,463	\$1,384	\$31,584	\$30,521

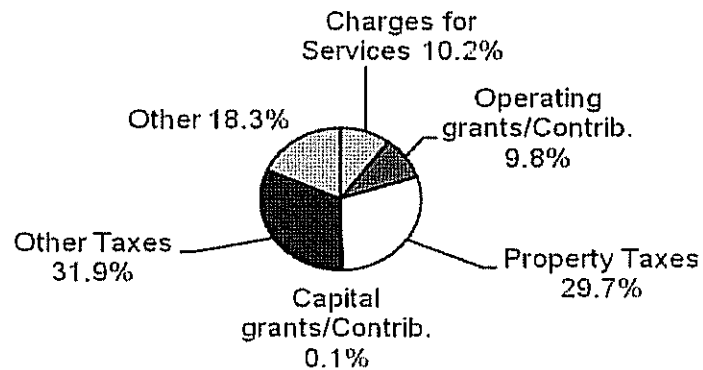
**Governmental activities.** Governmental activities precipitated a decrease in Vermilion County's net assets by \$16,125. Noteworthy issues are as follows:

- Funds Restricted for Capital Projects experienced a decrease in net assets of \$438,227. This is largely comprised of the necessity of a new roof at the Courthouse Annex building, costing approximately \$245,000, and the replacement of the façade at the Annex, an expense of almost \$155,000. Additionally, there were charges of just under \$18,000 to replace carpeting in a courtroom of the Courthouse.
- The net assets of Funds Restricted for Road Projects were reduced by almost \$820,000 in Fiscal Year 07/08. This is predominantly a factor of the completion of the work on the Sidell-Allerton road.
- Property taxes decreased by approximately \$159,000 (1.5%) during the year. This decrease is a result of the dedicated work of the Elected Officials and Department Heads in holding firm on property tax as a source of funding. The County's rate per \$100 of assessed valuation for 06/07 was \$1.4503; the corresponding rate for 07/08 was \$1.3683.
- Internal Service Funds are used to finance goods or services between funds. Examples of expenses that would utilize this category are insurance for Worker's Compensation, Liability, Health and Unemployment. The County pays the initial invoice(s) and then bills the individual fund for its portion of the expense. One of management's goals has been to isolate the expenses associated with a particular function to better identify the cost of the service. Additionally, there was a \$350,000 forgiveness of debt between the health insurance and the General Funds; this will be discussed further under *Financial Analysis of the Government's Funds*. In total, the Internal Service Fund experienced an increase in net assets of \$980,495.
- The 07/08 budgeted revenue figure for State Income Tax allocated to Vermilion County was \$1,900,000. The audit showed the actual dollars collected was \$2,327,683; this positively affects the net assets by \$427,683.
- State Sales Tax dollars collected in 07/08 are almost \$242,000 higher than those collected in the 06/07 Fiscal Year.
- Noncurrent liabilities, which includes accumulated paid time off and bond payments associated with the County jail and Juvenile Detention Center, showed a decrease of just under \$121,000. This positively affects the net assets of Vermilion County.

### Expenses and Program Revenues - Governmental Activities (Expressed in Thousands)

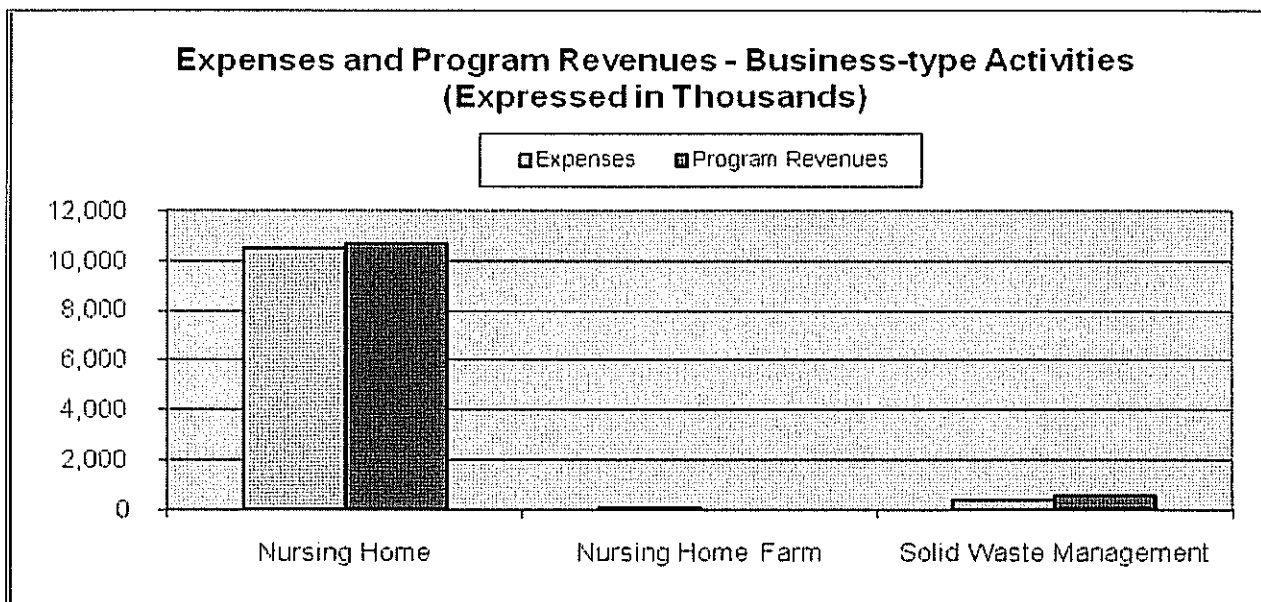


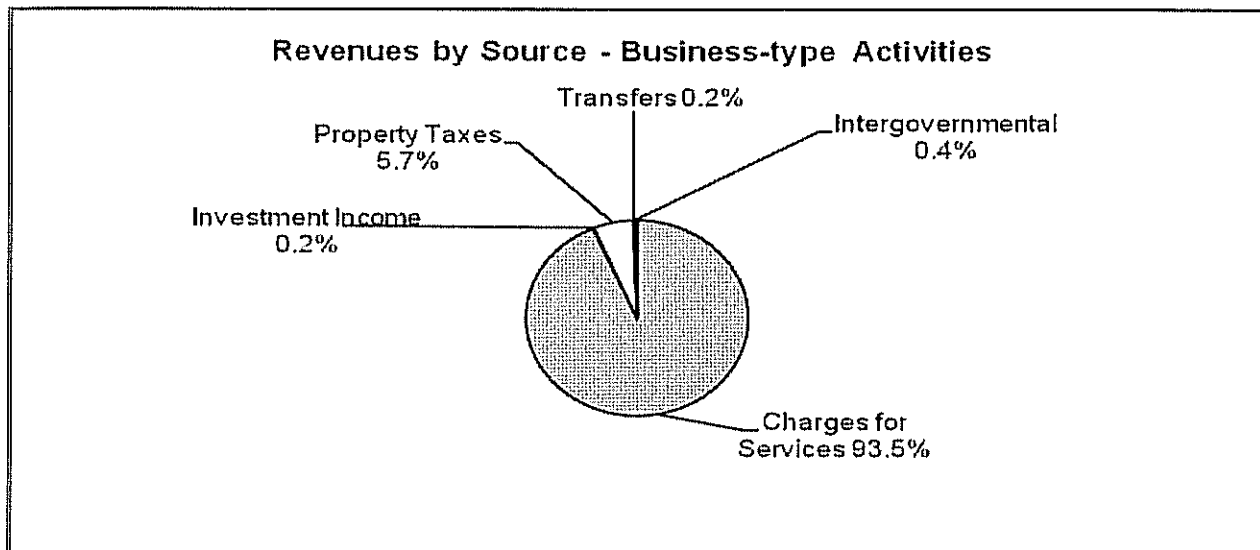
### Revenues by Source - Governmental Activities



**Business-type activities.** Business-type activities increased Vermilion County's net assets by approximately \$1,080,000, accounting for all of the total growth in the government's net assets. Key elements of this increase are as follows:

- Charges for services for business-type activities were almost \$2.0 million higher (21.6% increase) for the current fiscal year. The Nursing Home reported more than \$1.8 million of this increase while Solid Waste Management added almost \$0.2 million to the increase.
- Some contributors to the success of the Management Team of the Nursing Home were: increase in the census; decrease in labor expenses; decrease of many controllable costs such as nursing supplies; and an increase in the Medicare rate.
- Other revenues, which experienced a decrease of approximately \$177,000, include: interest/investment income, down approximately \$34,000; intergovernmental revenues, decreased by approximately \$125,000; and transfers, down by approximately \$18,000.
- It is worthy of noting that both the Nursing Home and the Solid Waste Management were self-sustaining in the 2007 – 2008 Fiscal Year. Each business-type activity produced enough income to cover its own expenses.





### Financial Analysis of the Government's Funds

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

*Governmental funds.* The focus of Vermilion County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Vermilion County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Vermilion County's governmental funds reported combined ending fund balances of \$32 million, a decrease of \$1.02 million in comparison with the prior year. Approximately 67.2% of this total (\$21.5 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to capital projects (\$0.4 million), 2) to road projects (\$4.8 million), 3) for public safety (\$4.1 million), 4) employee retirement fund (\$0.9 million), and 5) for a variety of other restricted purposes (\$0.4 million).

The General Fund is the chief operating fund of Vermilion County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8.055 million. Unreserved fund balance represents 65.8% of total General Fund expenditures.



The Fund Balance of Vermilion County's General Fund decreased by approximately \$888,000 during the current fiscal year. The County Board membership continued the endeavor to keep property tax rates from increasing. To that end, the General Fund collected \$302,288 less in property taxes in Fiscal Year 07/08 compared to 06/07. The Board members felt it would be more prudent to utilize a portion of the existing fund balance instead of raising the property taxes; thus, the 07/08 budget anticipated a General Fund deficit of \$239,864.

When Vermilion County began its own health insurance fund, the General Fund offered the initial funding of \$350,000; this was carried on the books as a receivable to the General Fund and a payable from the Internal Service Fund. When the Governmental Activities Fund Balances were combined for a total, the receivable and the payable simply netted each balance to zero. It has subsequently been decided that the \$350,000 is necessary in the Fund Balance of the Internal Service Fund for health insurance; hence, there is a decrease of \$350,000 from the General Fund as a re-allocation to the Internal Service Fund. Again, when the total Governmental Activities Fund Balances were combined, the result of this transaction was zero.

The Public Safety Building Rent fund has a total fund balance of \$6.7 million, all of which is reserved for expenses related to public safety. The net increase in fund balance during the current year in this fund was approximately \$652,000. This is primarily a result of a refund from the Danville Public Building Commission, received in June of 2008, to correct an overpayment.

The County Motor Fuel Tax fund ended Fiscal Year 2008 with a fund balance of just under \$4.5 million. This was a decrease from the prior year of approximately \$564,000. The reduction was a factor of the completion of the reparation of the Sidell-Allerton road. Additionally, a portion of this decrease in fund balance is explained by the soaring petroleum costs during the summer of 2008.

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

Unrestricted net assets of the Vermilion County Nursing Home amounted to \$806,000, an increase of almost \$1.2 million; the other enterprise funds had unrestricted assets of \$467,000, an increase of just more than \$66,000. Other factors concerning the finances of these two funds have already been addressed in the discussion of Vermilion County's business-type activities.

## **General Fund Budgetary Highlights**

The General Fund was budgeted to have a deficit of \$239,864 for Fiscal Year 2007 - 2008. Throughout the budget year, grants and fees were received that increased revenue and expenditures by almost \$485,000. The Emergency Management Agency successfully secured slightly less than \$79,000 in grant funding. The County Clerk and Election Commission sought out and received approximately \$226,000 and \$149,000, respectively, for election expenses. Building and Grounds locked in a grant for \$16,000 to aid funding light fixture changes in the Courthouse. Lastly, the Coroner received a grant for just over \$1,500.

Expense appropriations for the General Fund increased slightly more than \$811,000 throughout the budget year. Of this increase, approximately \$471,000 (58.1%) was funded by grant dollars, \$13,570 (1.7%) by service charges and \$326,000 (40.2%) by fund balance. Some of the major expenditures that required the use of fund balance were:

- \$14,000 increase in paid personal time due to unexpected retirements.
- \$50,000 for expenses related to copy machines. The original intent was for this expense to be included in individual budgets; this proved prohibitive.
- \$15,000 for Police Officer Training; \$14,000 of which was reimbursed by the DPBC when the annual payment was submitted on November 1, 2008.
- \$20,347 State's Attorney expenses for state mandated salary, reference books and equipment.
- \$12,085 Public Defender's expenses for state mandated salary, reference books and mental health evaluations.
- \$70,000 Sheriff's Department for fuel expense and fugitive returns.
- \$20,000 for autopsies, Coroner's office.
- \$29,900 County Clerk, election personnel and supplies.
- \$15,000 Board of Review, contractual/Professional Services.
- \$46,592 Building & Grounds, start-up costs for in-house cleaning.

Upon completion of the 2007 -2008 Fiscal Year, the General Fund had a budgeted deficit of \$566,150; this was comprised of the original budgeted deficit of \$239,864 plus the additional necessary use of fund balance totaling \$326,286. The actual total reduction in the Fund Balance for the General Fund for the fiscal year was \$888,365. The variance from actual to budgeted was explained the debt forgiveness of \$350,000 between the General Fund and the Internal Service Fund.

## Capital Asset and Debt Administration

**Capital assets.** Vermilion County's investment in capital assets for its business type activities as of November 30, 2008, amounted to almost \$1.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and equipment. The total decrease in Vermilion County's investment in capital assets for the current fiscal year was 13.4%; the driving factor in this reduction was the increase in accumulated depreciation of \$198,825.

Additional information on Vermilion County's capital assets can be found in Note 10 on pages 46 – 47 of this report.

### Vermilion County's Capital Assets (Net of depreciation)

	Business-type Activities	
	2008	2007
Land	\$1,000	\$1,000
Buildings	5,591,471	5,591,471
Transportation equipment	66,067	66,067
Recycling equipment	96,610	96,610
Other equipment	1,169,022	1,155,063
Total	\$6,924,170	\$6,910,211
Less: Accumulated Depreciation	5,733,834	5,535,010
<b>Net Capital Assets</b>	<b>\$1,190,336</b>	<b>\$1,375,201</b>

**Long-term debt.** At the end of the current fiscal year, Vermilion County had total long term obligations of \$3,905,361; this was comprised of obligations under the capital lease agreement associated with the Danville Public Building Commission's bond issue for the Juvenile Detention Center and the addition to the Public Safety Building, as well as accumulated paid time off. The bonds are not in Vermilion County's name.

## Vermilion County's Outstanding Debt

### Non Current Liabilities

	<b>Governmental Activities</b>	
	<b>2008</b>	<b>2007</b>
Accumulated paid time off	\$148,771	\$152,711
Long term obligations	3,756,590	3,869,700
<b>Total</b>	<b>\$3,905,361</b>	<b>\$4,022,411</b>

Vermilion County's total long term debt decreased by \$117,050 (2.91%) during the current fiscal year. Accumulated paid time off decreased by \$3,940. It is expected that this will continue to decrease as long term employees retire. Long term obligations experienced a decrease of \$113,110 due to the annual bond payments to the Danville Public Building Commission.

Additional information on Vermilion County's long term debt can be found in Note 5 on pages 39 – 40 of this report.

#### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for Vermilion County was 9.0% as of the close of the current Fiscal Year; this was an increase from a rate of 6.4% a year ago. This information is from the IDES website. This compares unfavorably to the state's average unemployment rate of 6.7% (IDES website), and the national average rate of 6.8% (Bureau of Labor Statistics). A substantial part of this increase is attributable to the 314 local jobs lost upon the closure of Heatcraft, Inc.
- The 2008 – 2009 Budget showed a decrease in the overall extended tax rate; the 2007 - 2008 estimated extended rate was 1.43917%, actual of 1.3683%, and the 2008 – 2009 estimated extended rate is 1.39677%, actual of 1.3313%. This was due to the diligence of the County Board and Elected Officials/Department Heads.
- The General Fund has a planned budget deficit of \$505,086 for the 2008 – 2009 budget year. It was decided that it would be more prudent to use existing fund balance rather than increase taxes considering the current economic situation.

All of these factors were considered in preparing Vermilion County's budget for the 2008 – 2009 fiscal year. Hence, the primary goal in preparing Vermilion County's budget for 2008– 2009 fiscal year was to not increase the tax rate.

During the current fiscal year, unreserved fund balance in the General Fund decreased to \$8.1 million. Vermilion County has appropriated \$505,000 of this amount for spending in the 2008 – 2009 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2008 – 2009 fiscal year.

### **Requests for Information**

This financial report is designed to provide a general overview of Vermilion County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Financial Resources Director, 6 N. Vermilion St., Vermilion County, Danville, IL 61832.

VERMILION COUNTY, ILLINOIS  
STATEMENT OF NET ASSETS  
November 30, 2008

	Governmental Activities	Business-Type Activities	Total
<b>CURRENT ASSETS</b>			
Cash	\$ 6,429,910	\$ 1,719,414	\$ 8,149,324
Investments	18,924,102	109,433	19,033,535
Receivables, net	693,474	2,457,941	3,151,415
Taxes receivable	10,820,252	-	10,820,252
Accrued interest	-	123	123
Prepaid items	4,394,718	-	4,394,718
Receivable from external parties	1,254,864	-	1,254,864
Internal balances	1,287,564	(1,287,564)	-
Due from other governments	3,078,911	-	3,078,911
	<u>46,883,795</u>	<u>2,999,347</u>	<u>49,883,142</u>
Total current assets	46,883,795	2,999,347	49,883,142
<b>NONCURRENT ASSETS</b>			
Capital assets:			
Land	-	1,000	1,000
Buildings	-	5,591,471	5,591,471
Transportation equipment	-	66,067	66,067
Recycling equipment	-	96,610	96,610
Other equipment	-	1,169,022	1,169,022
Total, at cost	-	6,924,170	6,924,170
Less accumulated depreciation	-	5,733,834	5,733,834
	<u>-</u>	<u>1,190,336</u>	<u>1,190,336</u>
Total noncurrent assets	-	1,190,336	1,190,336
<b>TOTAL ASSETS</b>	<u>\$ 46,883,795</u>	<u>\$ 4,189,683</u>	<u>\$ 51,073,478</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 2,098,261	\$ 840,570	\$ 2,938,831
Accrued payroll	847,276	193,017	1,040,293
Due to others	23,000	-	23,000
Deferred revenue	10,889,298	692,778	11,582,076
Current portion of long-term obligations	117,000	-	117,000
	<u>13,974,835</u>	<u>1,726,365</u>	<u>15,701,200</u>
Total current liabilities	13,974,835	1,726,365	15,701,200
<b>NONCURRENT LIABILITIES</b>			
Accumulated paid time off	148,771	-	148,771
Noncurrent portion of long-term obligations	3,639,590	-	3,639,590
	<u>3,788,361</u>	<u>-</u>	<u>3,788,361</u>
Total noncurrent liabilities	3,788,361	-	3,788,361
Total liabilities	<u>17,763,196</u>	<u>1,726,365</u>	<u>19,489,561</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of obligations	-	1,190,336	1,190,336
Restricted for capital projects	378,391	-	378,391
Restricted for road projects	4,779,629	-	4,779,629
Restricted for Public Safety			
Building Rent	4,078,369	-	4,078,369
Reserved for retirement	862,542	-	862,542
Restricted for election	30,590	-	30,590
Restricted for working cash	290,142	-	290,142
Restricted for Regional			
Superintendent of Schools	78,683	-	78,683
Unrestricted	18,622,253	1,272,982	19,895,235
	<u>29,120,599</u>	<u>2,463,318</u>	<u>31,583,917</u>
Total net assets	29,120,599	2,463,318	31,583,917
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 46,883,795</u>	<u>\$ 4,189,683</u>	<u>\$ 51,073,478</u>

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

VERMILION COUNTY, ILLINOIS  
STATEMENT OF ACTIVITIES  
Year Ended November 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities
<b>PROGRAMS</b>						
<b>Governmental activities:</b>						
General government	\$ (6,615,011)	\$ 1,314,113	\$ 36,658	\$ -	\$ (5,264,240)	\$ -
Judiciary and court related	(4,610,181)	1,305,680	-	-	(3,304,501)	-
Public safety	(12,738,607)	663,066	479,108	-	(11,596,433)	-
Public health	(4,093,556)	202,026	2,464,599	38,588	(1,388,343)	-
Transportation	(5,963,422)	-	367,324	-	(5,598,098)	-
Interest on long-term debt	(152,141)	-	-	-	(152,141)	-
Total governmental activities	<u>(34,174,918)</u>	<u>3,484,885</u>	<u>3,347,689</u>	<u>38,588</u>	<u>(27,303,756)</u>	<u>-</u>
<b>Business-Type activities:</b>						
Nursing Home	(10,501,577)	10,668,897	-	-	-	167,320
Nursing Home Farm	(57,216)	-	-	-	-	(57,216)
Solid Waste Management	<u>(366,665)</u>	<u>557,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,350</u>
Total business-type activities	<u>(10,925,458)</u>	<u>11,225,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,454</u>
<b>TOTAL</b>	<u>\$ (45,100,376)</u>	<u>\$ 14,710,797</u>	<u>\$ 3,347,689</u>	<u>\$ 38,588</u>	<u>(27,303,756)</u>	<u>(27,003,302)</u>

**GENERAL REVENUES**

Property taxes	\$ 10,135,518	\$ 685,644	\$ 10,821,162
Corporate personal property replacement taxes	1,468,480	-	1,468,480
State sales taxes	3,512,066	-	3,512,066
State income tax allocation	2,327,683	-	2,327,683
Hotel, restaurant and amusement taxes	3,709	-	3,709
Local motor fuel taxes	3,532,164	-	3,532,164
Inheritance taxes	49,542	-	49,542
Interest/investment income	749,960	22,431	772,391
Intergovernmental revenues	5,045,001	47,637	5,092,638
Miscellaneous	487,110	-	487,110
Transfers	(23,602)	23,602	-
Total general revenues and transfers	<u>27,287,631</u>	<u>779,314</u>	<u>28,066,945</u>
Change in net assets	(16,125)	1,079,768	1,063,643
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>29,136,724</u>	<u>1,383,550</u>	<u>30,520,274</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 29,120,599</u>	<u>\$ 2,463,318</u>	<u>\$ 31,583,917</u>

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



**VERMILION COUNTY, ILLINOIS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
November 30, 2008

		<u>Major Special Revenue Funds</u>			<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Public Safety</u>	<u>Illinois Municipal</u>	<u>County Motor</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Building Rent</u>	<u>Retirement</u>	<u>Fuel Tax</u>	<u>Funds</u>	<u>Funds</u>
<b>ASSETS</b>						
Cash	\$ 372,605	\$ 327,646	\$ 270,163	\$ 1,526,724	\$ 3,499,389	\$ 5,996,527
Investments	5,117,652	1,900,000	500,000	2,900,000	7,706,450	18,124,102
Receivables:						
Taxes, net of allowance for estimated uncollectibles	1,336,500	4,405,500	1,534,500	-	2,900,252	10,176,752
Other	17,935	4,274	43	7,458	94,895	124,605
Prepaid items	-	4,078,369	-	-	316,349	4,394,718
Due from other funds	1,931,492	-	246,306	-	749,401	2,927,199
Due from other governments	1,644,829	569,570	-	98,845	765,667	3,078,911
<b>TOTAL ASSETS</b>	<u>\$ 10,421,013</u>	<u>\$ 11,285,359</u>	<u>\$ 2,551,012</u>	<u>\$ 4,533,027</u>	<u>\$ 16,032,403</u>	<u>\$ 44,822,814</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 544,419	\$ 51,567	\$ 153,970	\$ 54,906	\$ 451,152	\$ 1,256,014
Accrued payroll	484,768	127,657	-	5,625	229,226	847,276
Due to other funds	-	-	-	-	442,466	442,466
Due to other governments	-	-	-	-	23,000	23,000
Deferred revenue	1,336,500	4,405,500	1,534,500	-	2,969,298	10,245,798
<b>Total liabilities</b>	<u>2,365,687</u>	<u>4,584,724</u>	<u>1,688,470</u>	<u>60,531</u>	<u>4,115,142</u>	<u>12,814,554</u>
<b>FUND BALANCE</b>						
Reserved for capital projects	-	-	-	-	378,391	378,391
Reserved for road projects	-	-	-	4,472,496	307,133	4,779,629
Reserved for Public Safety Building Rent	-	4,078,369	-	-	-	4,078,369
Reserved for retirement	-	-	862,542	-	-	862,542
Reserved for election	-	-	-	-	30,590	30,590
Reserved for working cash	-	-	-	-	290,142	290,142
Reserved for Regional Superintendent of Schools	-	-	-	-	78,683	78,683
Unreserved, reported in						
General Fund	8,055,326	-	-	-	-	8,055,326
Special Revenue Funds	-	2,622,266	-	-	10,832,322	13,454,588
<b>Total fund balance</b>	<u>8,055,326</u>	<u>6,700,635</u>	<u>862,542</u>	<u>4,472,496</u>	<u>11,917,261</u>	<u>32,008,260</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 10,421,013</u>	<u>\$ 11,285,359</u>	<u>\$ 2,551,012</u>	<u>\$ 4,533,027</u>	<u>\$ 16,032,403</u>	<u>\$ 44,822,814</u>

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

**VERMILION COUNTY, ILLINOIS**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**November 30, 2008**

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

Fund balances-total governmental funds	\$ 32,008,260
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Certain assets are not reported in the fund financial statement because they are not current financial resources, but they are reported in the statement of net assets.	566,909
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Internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets.	450,791
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(3,905,361)</u>
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<b>Net assets of governmental activities</b>	<b><u>\$ 29,120,599</u></b>
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The accompanying notes are an integral part of the financial statements.

VERMILION COUNTY, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended November 30, 2008

	General Fund	Major Special Revenue Funds				Nonmajor Governmental Funds	Total
		Public Safety Building Rent	Illinois Municipal Retirement	County Motor Fuel Tax	Governmental Funds		
REVENUES							
Taxes	\$ 1,067,359	\$ 4,365,129	\$ 1,525,379	\$ -	\$ 3,177,651	\$ 10,135,518	
Intergovernmental	7,499,581	2,955,122	160,000	1,415,683	6,909,851	18,940,237	
Licenses and permits	15,825	-	-	-	150,666	166,491	
Charges for services	1,919,839	-	-	-	1,068,298	2,988,137	
Fines and forfeits	330,897	-	-	-	-	330,897	
Miscellaneous	468,920	73,406	8,483	137,536	548,085	1,236,430	
Total revenues	11,302,421	7,393,657	1,693,862	1,553,219	11,854,551	33,797,710	
EXPENDITURES							
Current:							
General government	4,881,160	-	645,616	-	974,536	6,501,312	
Judiciary and court related	3,291,636	-	446,965	-	871,580	4,610,181	
Public safety	4,068,732	6,742,130	562,845	-	1,364,900	12,738,607	
Public health	-	-	-	-	4,093,556	4,093,556	
Transportation	-	-	-	2,117,420	3,848,002	5,965,422	
Capital outlay	-	-	-	-	467,639	467,639	
Debt service:							
Principal	-	-	-	-	113,100	113,100	
Interest	-	-	-	-	152,141	152,141	
Total expenditures	12,241,528	6,742,130	1,655,426	2,117,420	11,885,454	34,641,958	
Excess (deficiency) of revenues over expenditures	(939,107)	651,527	38,436	(564,201)	(30,903)	(844,248)	

	Major Special Revenue Funds					Nonmajor	Total
	General	Public Safety	Illinois Municipal	County Motor	Governmental	Governmental	
	Fund	Building Rent	Retirement	Fuel Tax	Funds	Funds	
OTHER FINANCING SOURCES (USES)							
Operating transfers in	\$ 278,874	\$ -	\$ -	\$ -	\$ 228,132	\$ 507,006	
Operating transfers out	(228,132)	-	-	-	(456,066)	(684,198)	
Total other financing sources (uses)	50,742	-	-	-	(227,934)	(177,192)	
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(888,365)	651,527	38,436	(564,201)	(258,837)	(1,021,440)	
FUND BALANCE, BEGINNING OF YEAR	8,943,691	6,049,108	824,106	5,036,697	12,176,098	33,029,700	
FUND BALANCE, END OF YEAR	\$ 8,055,326	\$ 6,700,635	\$ 862,542	\$ 4,472,496	\$ 11,917,261	\$ 32,008,260	

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

**VERMILION COUNTY, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**Year Ended November 30, 2008**

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

Net change in fund balances - total governmental funds	\$ (1,021,440)
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Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented in the statement of activities.	(92,230)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments capital lease	\$ 113,110
Decrease in compensated absences	<u>3,940</u>

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	117,050
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Internal service funds are used by management to charge the costs of fleet maintenance and insurance to individual funds. The net expenditure of internal service funds is reported with governmental activities	<u>980,495</u>
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<b>Change in net assets of governmental activities</b>	<b><u><u>\$ (16,125)</u></u></b>
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The accompanying notes are an integral part of the financial statements.

**VERMILION COUNTY, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
November 30, 2008

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Vermilion Manor Nursing Home	Other Enterprise Funds	Total	Internal Service Fund
<b>CURRENT ASSETS</b>				
Cash	\$ 1,618,184	\$ 101,230	\$ 1,719,414	\$ 433,383
Investments	-	109,433	109,433	800,000
Receivables, net	2,171,340	286,601	2,457,941	643,500
Accrued interest	-	123	123	1,960
Due from other funds	-	-	-	57,695
Total current assets	<u>3,789,524</u>	<u>497,387</u>	<u>4,286,911</u>	<u>1,936,538</u>
<b>NONCURRENT ASSETS</b>				
Land	-	1,000	1,000	-
Buildings	5,572,471	19,000	5,591,471	-
Transportation equipment	66,067	-	66,067	-
Recycling equipment	-	96,610	96,610	-
Other equipment	<u>1,138,140</u>	<u>30,882</u>	<u>1,169,022</u>	-
Total, at cost	6,776,678	147,492	6,924,170	-
Less accumulated depreciation	<u>5,598,789</u>	<u>135,045</u>	<u>5,733,834</u>	-
Total noncurrent assets	<u>1,177,889</u>	<u>12,447</u>	<u>1,190,336</u>	-
<b>TOTAL ASSETS</b>	<u>\$ 4,967,413</u>	<u>\$ 509,834</u>	<u>\$ 5,477,247</u>	<u>\$ 1,936,538</u>
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 821,202	\$ 19,368	\$ 840,570	\$ 842,247
Accrued payroll	181,999	11,018	193,017	-
Due to other funds	1,287,564	-	1,287,564	-
Deferred revenue	<u>692,778</u>	<u>-</u>	<u>692,778</u>	<u>643,500</u>
Total current liabilities	<u>2,983,543</u>	<u>30,386</u>	<u>3,013,929</u>	<u>1,485,747</u>
<b>NET ASSETS</b>				
Invested in capital assets	1,177,889	12,447	1,190,336	-
Unrestricted net assets	<u>805,981</u>	<u>467,001</u>	<u>1,272,982</u>	<u>450,791</u>
Total net assets	<u>1,983,870</u>	<u>479,448</u>	<u>2,463,318</u>	<u>450,791</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,967,413</u>	<u>\$ 509,834</u>	<u>\$ 5,477,247</u>	<u>\$ 1,936,538</u>

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

**VERMILION COUNTY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
Year Ended November 30, 2008

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Vermilion Manor Nursing Home	Other Enterprise Funds	Total	Internal Service Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$ 10,668,897	\$ 553,765	\$ 11,222,662	\$ 2,515,982
Fines and forfeits	-	3,250	3,250	-
Miscellaneous	44,395	3,242	47,637	-
Total operating revenues	10,713,292	560,257	11,273,549	2,515,982
<b>OPERATING EXPENSES</b>				
Personnel services	5,560,163	170,121	5,730,284	2,342,497
Supplies and materials	511,336	3,594	514,930	-
Other services and charges	161,118	69,739	230,857	-
Contractual services	4,044,480	177,078	4,221,558	-
Capital outlay	10,054	-	10,054	-
Depreciation	195,476	3,349	198,825	-
Total operating expenses	10,482,627	423,881	10,906,508	2,342,497
Operating income	230,665	136,376	367,041	173,485
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Taxes	685,644	-	685,644	638,781
Interest income	19,592	2,839	22,431	14,639
Interest expense	(18,950)	-	(18,950)	-
Total non-operating revenues	686,286	2,839	689,125	653,420
Income before transfers	916,951	139,215	1,056,166	826,905
<b>OPERATING TRANSFERS</b>				
Operating transfers in	100,000	23,602	123,602	153,590
Operating transfers out	-	(100,000)	(100,000)	-
Total operating transfers	100,000	(76,398)	23,602	153,590
<b>CHANGE IN NET ASSETS</b>	1,016,951	62,817	1,079,768	980,495
<b>NET ASSETS, BEGINNING OF YEAR</b>	966,919	416,631	1,383,550	(529,704)
<b>NET ASSETS, END OF YEAR</b>	\$ 1,983,870	\$ 479,448	\$ 2,463,318	\$ 450,791

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

**VERMILION COUNTY, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPES**  
**Year Ended November 30, 2008**

	<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Vermilion Manor Nursing Home</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers including cash deposits	\$ 10,420,271	\$ 334,846	\$ 10,755,117	\$ 2,515,982
Cash paid to suppliers and for claims	(4,464,743)	(250,089)	(4,714,832)	(2,398,530)
Cash paid to employees	(5,486,770)	(164,857)	(5,651,627)	-
Cash received from (paid to) other funds	(293,501)	-	(293,501)	(250,000)
Net cash provided by (used in) operating activities	175,257	(80,100)	95,157	(132,548)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash received for property taxes	685,644	-	685,644	638,781
Cash paid for interest	(18,950)	-	(18,950)	-
Cash transfers from (to) other funds	100,000	(76,398)	23,602	153,590
Net cash provided by (used in) noncapital financing activities	766,694	(76,398)	690,296	792,371
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of property and equipment	(13,960)	-	(13,960)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of investments	-	-	-	(350,000)
Interest received	19,592	3,100	22,692	13,899
Proceeds from sale of investments	-	154,651	154,651	-
Net cash provided by (used in) investing activities	19,592	157,751	177,343	(336,101)
<b>NET INCREASE IN CASH</b>	947,583	1,253	948,836	323,722
<b>CASH, BEGINNING OF YEAR</b>	670,601	99,977	770,578	109,661
<b>CASH, END OF YEAR</b>	\$ 1,618,184	\$ 101,230	\$ 1,719,414	\$ 433,383



	Business-Type Activities Enterprise Funds			Governmental Activities
	Vermilion Manor Nursing Home	Other Enterprise Funds	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income	\$ 230,665	\$ 136,376	\$ 367,041	\$ 173,485
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	195,476	3,349	198,825	-
Effects of changes in operating assets and liabilities:				
Receivables	(293,136)	(225,411)	(518,547)	-
Accounts payable and accrued payroll	335,638	5,586	341,224	(56,033)
Due to other funds	(293,501)	-	(293,501)	(250,000)
Deferred revenue	115	-	115	-
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ 175,257</u>	<u>\$ (80,100)</u>	<u>\$ 95,157</u>	<u>\$ (132,548)</u>

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

**VERMILION COUNTY, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**November 30, 2008**

	<u>Agency Funds</u>
Cash	\$ 10,148,482
Investments	997,000
Receivables:	
Taxes, net of allowance for estimated uncollectibles	1,139,505
Accrued interest	12,111
Due from other funds	50,357
Inventory	<u>18,546</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 12,366,001</u></b>
Accounts payable	\$ 248,755
Due to other funds	1,305,221
Due to other governments	160,772
Due to others	4,555,131
Due to taxing bodies	<u>6,096,122</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 12,366,001</u></b>

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

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Vermilion County, Illinois (County) is a municipality located in Central Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to the County (examples would be property, sales, income, and motor fuel taxes), charges for services performed and governmental grants. Revenues are therefore dependent on the economy within the territorial boundaries of the County and nearby surrounding area and the appropriations of entitlements at the State and Federal Government level. Taxable industry within the area is primarily manufacturing and retail. The surrounding area has a substantial agricultural base.

The following is a summary of the more significant accounting policies of the County.

**PRINCIPLES USED TO DETERMINE THE SCOPE OF THE REPORTING ENTITY**

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

The County's reporting entity includes the County's governing board and all related organizations for which the County is financially accountable.

The County is not aware of any entity which would be financially accountable to the County to the extent that they would be considered a component unit of the entity.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by 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) 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.

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

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. 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.

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, and fund balance/retained earnings, revenues, and expenditures/expenses.

Governmental Funds are those through which governmental functions of the County are financed. The acquisition, use, and balances of the County's expendable resources and the related liabilities are accounted for through governmental funds. The County reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

**Public Safety Building Rent Fund** – This fund is used to account for its share of the activities of the Public Safety Building.

**Illinois Municipal Retirement Fund** – This fund is used to collect and disburse contributions to IMRF.

**County Motor Fuel Tax Fund** – This fund is used to collect and disburse state funds for County road projects.

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

Proprietary funds are used to account for those County 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 reports the following major proprietary fund:

**Vermilion Manor Nursing Home** – This fund accounts for the operation and maintenance of the County owned nursing home.

In addition to the general fund mentioned above, the County uses the following fund types:

**Governmental Fund Types**

**Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

**Debt Service Funds** – Debt Service Funds are used to account for the County's accumulation of resources for, and the payment of, general long-term debt, principal, interest and related costs.

**Capital Projects Funds** – The Capital Projects Funds are used to account for the County's purchase or construction of major capital facilities which are not financed by other funds.

**Proprietary Fund Types**

**Enterprise Funds** – The Enterprise Funds operations are financed similar to a private business enterprise; the intent is that the cost of the service is financed by user charges, and the activities be measured on a net income basis.

**Internal Service Funds** – The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency or other departments or agencies of the government, on a cost-reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

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

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

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

**BUDGET AND APPROPRIATIONS**

The County adopts an annual budget and appropriation ordinance in accordance with Chapter 35 of the Illinois Compiled Statutes. The budget covers the fiscal year ending November 30, and is available for public inspection at least fifteen days prior to final adoption. All appropriations cease with the close of the fiscal year. The budget document is prepared for all budgetary funds using the modified accrual basis for projecting expenditures and revenues.

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 makes appropriations in excess of those authorized in the budget.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management 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 expenses during the reporting period. Actual results could differ from those estimates.

**POOLED CASH**

The County maintains pooled cash accounts for different fund groups which are used to account for all cash and investment transactions of that group. Monthly interest income of each pool is distributed to the individual funds based on their cash balance in the pool during that period.

**INVESTMENTS**

Investments consist of certificates of deposit with maturities of less than one year, which are stated at cost which approximates market value, and U.S. Government Mutual Funds and the County's deposit in the Governmental Insurance Exchange Pool, which are recorded at quoted market prices.

**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

The County has not maintained historical records required to record the costs of capital assets acquired over the years, other than in the proprietary funds. The costs to purchase these items have been expenditures of the various funds when incurred. This lack of historical information makes it impractical to accurately present the capital assets owned by the County. This represents a departure from generally accepted accounting principles.

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**CAPITAL ASSETS AND LONG-TERM LIABILITIES (Continued)**

Public domain (infrastructure), consisting of improvements to roads, sidewalks, and bridges has been recorded as current expenditures of various funds when incurred. Beginning with fiscal year 2003 infrastructure assets were required to be capitalized on a prospective basis in accordance with Government Accounting Standards Board Statement No. 34. Since the County has recorded these as expenditures, this represents a departure from generally accepted accounting principles.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. In the fund financial statements, governmental funds reflect the face amount of debt issued as other financing sources. Principal payments on long-term obligations are recorded as expenditures in the current year.

The proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activities are included on the balance sheet of these funds.

Buildings and equipment are recorded at cost and the farm land of 137 acres is carried at \$1,000, the approximate cost at the date of acquisition. Depreciation of all exhaustible fixed assets used by the proprietary funds is charged as expense against their operations. Depreciation has been provided over the estimated useful lives ranging from 10 – 40 years for buildings and improvements and 5 – 20 years for equipment using the straight-line method.

**FUND EQUITY/NET ASSETS**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on or before the last Monday in December and are intended to finance the County's new fiscal year beginning December 1. The combined tax rate of the County for the year ended November 30, 2008 was \$1.705 per \$100 of assessed valuation. For budgetary purposes, taxes are recognized as revenue in the period in which they are intended to finance.

Property in Vermilion County is assessed by the Vermilion County Assessor. The values are adjusted by various percentages depending upon the type of property (residential, commercial, etc.). The assessed values are equalized by the Illinois Department of Revenue to ensure uniformity of property assessments throughout the state. The Vermilion County Clerk computes the annual tax rate by dividing the levy into the equalized value of each taxing unit. The Clerk then computes the tax for each parcel by multiplying the aggregate rates of all the taxing units having jurisdiction over the parcel by the equalized value. The tax amounts by parcel are forwarded to the Vermilion County Collector.

Property taxes are collected by the Vermilion County Collector who remits to the taxing units their respective shares of the collection. Taxes levied in one year become due and payable in two installments during the following year in July and September.

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**PROPERTY TAXES (Continued)**

Based on collection histories, the County has provided at November 30, 2008 an allowance for uncollectible real property taxes equivalent to 1 percent of the current year's levy.

Real property tax revenues are recognized when earned in proprietary funds. Since property taxes are measurable but not available to finance current period obligations, the receivable is recorded and deferred in the governmental funds.

**ACCUMULATED UNPAID VACATION AND PERSONAL DAYS**

Accumulated unpaid vacation and personal days are not accrued in Governmental Funds. The liability of the County for accumulated paid time off (the former sick pay benefit) is recorded in the government-wide financial statements. No County employee is allowed to accumulate vacation days.

The County allows employees ten personal days per year in lieu of sick days.

**NOTE 2 - CASH AND INVESTMENTS**

The County has adopted formal investment policies and procedures as recommended by the County Treasurer. This investment policy applies to the investment activities of all funds of the County of Vermilion and all funds under the control of the County Treasurer as County Collector. The County Treasurer may invest in any type of security allowed under Illinois law and listed in the Illinois Revised Statutes. All investments shall be selected on the basis of competitive bids. Investments made outside the geographical boundaries of Vermilion County will always be made at a higher interest rate than could be received within those boundaries. All investments must be kept within the geographical boundaries of the State of Illinois. The carrying amount of the County's bank deposits, including certificates of deposits and money market funds was \$36,170,264 and the respective bank balances totaled \$35,847,933. Included in the carrying amount of the County's bank deposits and the respective bank balances are certificates of deposits totaling \$17,864,306 and \$18,761,299, respectively. Also included in the County's bank deposits are money market funds totaling \$8,152.

**Interest Rate Risk** – the risk that changes in interest rates will adversely affect the fair value of an investment. The County Treasurer realizes there is a time value to money; therefore, idle cash may be invested for a period of one day or in excess of a year, depending on when the money is needed. The main objective of the Vermilion County Treasurer's cash management procedure is to comply with Illinois Revised Statutes. When deposits of monies become collected funds and are not needed for immediate disbursement, they shall be invested within two working days at prevailing rates or better in accordance with state law.

The County Treasurer's investment portfolio shall remain sufficiently liquid to meet all operating requirements which may be reasonably anticipated. All securities held as of November 30, 2008, mature within one year.



**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

**Credit Risk** – risk that an issuer or other counter party to an investment will not fulfill its obligation. The standard of prudence to be used by the County Treasurer of Vermilion County shall be the “prudent person” standard which states;

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the County’s overall portfolio.

**Custodial Credit Risk** – the risk that a government will not be able to cover deposits if the depository financial institution fails or will not be able to recover collateral securities that are in the possession of an outside party. It shall be the policy of the Vermilion County Treasurer to require collateral on all funds. When collateral is required, it must be pledged at 100%. It is the County’s policy to be fully collateralized.

**Deposits in the Illinois Funds** - The State Treasurer maintains the Illinois Treasurer’s Investment Pool (Pool) at cost and fair value through daily adjustment in the interest earnings. The State Treasurer also maintains the average duration of the pool at less than 25 days. The Pool is audited annually by an outside independent auditor and copies of the report are distributed to participants.

The monies invested by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements.

The time deposits are collateralized 105% over FDIC and FSLIC \$100,000 insurance with U.S. Treasury obligations and marked to market on a weekly basis to maintain sufficiency. The repurchase agreements are collateralized at 102% with U.S. Treasury obligations and the collateral is checked daily to determine sufficiency. Deposits in the Illinois Funds totaled \$1,190,425 at November 30, 2008.

In addition to the above, the County had \$967,652 invested in certificates of deposits through financial services brokers.

**NOTE 3 – ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES**

The County’s receivables are recorded net of an allowance for uncollectible accounts for the Nursing Home enterprise fund in the amount of \$115,000.

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 4 - INTERFUND ACTIVITY**

Individual fund interfund receivable and payable (due to/due from other funds) at November 30, 2008 were as follows:

<b>Fund</b>	<b><u>Interfund Receivable</u></b>	<b><u>Interfund Payable</u></b>
General Fund	\$1,931,492	\$ -
Special Revenue Funds:		
Health Department	44	300,000
Transportation	-	102,278
Indemnity	63,740	-
County Clerk Vital Records	1,056	-
FICA	617,286	-
Illinois Municipal Retirement	246,306	-
Court Support	6,307	-
Court Document Storage	5,116	-
Courthouse Automation	4,587	16,779
Recorder's Special Fee	3,571	-
Law Library	1,482	23,409
Probation Service	14,342	-
Treasurer's Automation	31,870	-
Total special revenue funds	<u>995,707</u>	<u>442,466</u>
Enterprise Funds:		
Nursing Home	-	1,287,564
Internal Service	<u>57,695</u>	<u>-</u>
Agency Funds:		
Restitution	6,109	10,541
County Collector	-	1,132,490
County Clerk	4,060	5,624
Circuit Clerk	-	132,361
Recorder	-	20,209
Work Release	-	3,996
Treasurer's Account	40,188	-
Total agency funds	<u>50,357</u>	<u>1,305,221</u>
<b>TOTAL</b>	<u><b>\$ 3,035,251</b></u>	<u><b>\$ 3,035,251</b></u>

The amounts due to/from other funds are for routine and recurring interfund charges. These amounts are expected to be repaid within one year.

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 4 – INTERFUND ACTIVITY (CONTINUED)**

Interfund transfers for the year ended November 30, 2008 consisted of the following:

<b>Transfers to General Fund from:</b>	
Non-major governmental funds	<u>\$ 278,874</u>
<b>Transfers to Non-major Governmental Funds from:</b>	
General Fund	<u>\$ 228,132</u>
<b>Transfers to Internal Service Funds from:</b>	
Non-major governmental funds	<u>\$ 153,590</u>
<b>Transfers to Other Enterprise Funds from:</b>	
Health Department Fund	<u>\$ 100,000</u>
<b>Transfers to Major Enterprise Funds from:</b>	
Non-major enterprise funds	<u>\$ 100,000</u>

Transfers are used to (1) move revenues from the fund collecting them to the fund that statute or budget reflects to expend them and (2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 5 - GENERAL LONG-TERM DEBT**

During fiscal year ended November 30, 2008 the County's general long-term debt consisted of obligations under capital leases and accumulated paid time off. Changes in long-term debt for the year ended November 30, 2008 are as follows:

	<b>Balance November 30, 2007</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance November 30, 2008</b>
Accumulated paid time off	\$ 152,711	\$ 13,032	\$ 16,972	\$ 148,771
Juvenile Detention Center lease	3,869,700	-	113,110	3,756,590
<b>TOTAL</b>	<u>\$ 4,022,411</u>	<u>\$ 13,032</u>	<u>\$ 130,082</u>	<u>\$ 3,905,361</u>

**Juvenile Detention Center lease**

The County entered into a lease agreement with the Danville Public Building Commission, wherein the Commission constructed a juvenile detention center and is leasing it to Vermilion County for a period beginning on November 1, 2001 and ending on December 31, 2019.

At the end of the lease, the title to the site and all remaining assets will revert back to the County.

In accordance with the provisions of the Financial Accounting Standards Board Statement No. 13 (FASB 13) *Accounting for Leases*, the County capitalized the lease obligation at the fair market value of the property at the inception of the lease. However, since the County does not record fixed assets, the value of the property has not been reflected in the financial statements.

Sales tax is collected in the Law Enforcement Special Revenue Fund to provide for payments on the lease.

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 5 – GENERAL LONG-TERM DEBT (CONTINUED)**

\$5,000,000 Juvenile Detention Center lease with the Danville Public Building Commission, due in annual installments as shown below through November 1, 2026, including interest at varying rates from 3.8% to 4.1%.

The following is a schedule of the minimum lease payments required under the remaining capital lease:

<b><u>Fiscal Year</u></b>	<b><u>Total</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2009	\$ 264,539	\$ 117,000	\$ 147,539
2010	263,681	120,900	142,781
2011	262,667	124,800	137,867
2012	261,497	128,700	132,797
2013	263,993	136,500	127,493
2014-2018	1,314,716	764,400	550,316
2019-2023	1,661,868	1,298,700	363,168
Thereafter	<u>1,132,189</u>	<u>1,065,590</u>	<u>66,599</u>
<b>TOTAL</b>	<b><u>\$5,425,150</u></b>	<b><u>\$3,756,590</u></b>	<b><u>\$ 1,668,560</u></b>

Interest cost incurred on general long-term debt by the County during the year ended November 30, 2008 totaled \$152,140.

**NOTE 6 - LEASE AGREEMENTS**

**Public Safety Building lease**

A lease agreement was entered into as of October 8, 1984 wherein the Danville Public Building Commission agreed to lease the Public Safety Building to the City of Danville and the County for their joint use. This agreement includes the operations of a Joint Communications Center whose costs are divided and apportioned between the County and City. The agreement provides also for the salaries and fringe benefits of "leased" employees whose costs are apportioned solely to the County.

An additional lease was entered into as of June 18, 2001 with the Danville Public Building Commission for the purpose of expanding and improving the Public Safety Building.

**Public Safety Building lease**

If, in any year, the rental payments are in excess of funds required, the Danville Public Building Commission refunds the excess to the City and County. If, in any year, the rental payments are insufficient, the Commission shall provide only those services that it can with whatever funds are available.

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 6 – LEASE AGREEMENTS (CONTINUED)**

**Public Safety Building lease (Continued)**

The following is a schedule of the minimum lease payments required under the leases:

<u><b>Fiscal Year</b></u>	
2009	\$ 4,449,130
2010	4,582,605
2011	4,720,085

Lease expense for the year ended November 30, 2008 was \$4,375,714.

**NOTE 7 - ILLINOIS MUNICIPAL RETIREMENT FUND**

The most recent information available is for the year ended December 31, 2007.

**Defined Benefit Pension Plan - Other Qualified Vermilion County Employees**

*Plan Description.* The County's defined benefit pension plan for Regular 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](http://www.imrf.org).

*Funding Policy.* As set by statute, the County Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's contribution rate for calendar year 2007 was 8.16 percent of annual covered payroll. 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 2007 the County's annual pension cost of \$1,258,526 for the Regular plan was equal to the County's required and actual contributions.

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2008

**NOTE 7 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)**

**Defined Benefit Pension Plan - Other Qualified Vermilion County Employees (Continued)**

**THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN**

<b>Fiscal Year <u>Ending</u></b>	<b>Annual Pension <u>Cost (APC)</u></b>	<b>Percentage of APC <u>Contributed</u></b>	<b>Net Pension <u>Obligation</u></b>
12/31/07	\$ 1,258,526	100%	\$ -
12/31/06	1,309,910	100%	-
12/31/05	448,709	100%	-

The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005 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's 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 15% corridor between the actuarial and market value of assets. The County Regular plan's overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 was 25 years.

*Funded Status and Funding Progress.* As of December 31, 2007, the most recent actuarial valuation date, the Regular plan was 104.36 percent funded. The actuarial accrued liability for benefits was \$31,263,568 and the actuarial value of assets was \$32,627,050, resulting in an overfunded actuarial accrued liability (UAAL) of \$1,363,482. The covered payroll (annual payroll of active employees covered by the plan) was \$15,423,115 and since the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

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.

**Defined Benefit Pension Plan – 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'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](http://www.imrf.org).

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 7 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)**

**Defined Benefit Pension Plan – Sheriff's Law Enforcement Personnel (Continued)**

*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 statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's contribution rate for calendar year 2007 was 13.76 percent of annual covered payroll. 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 2007 the County's annual pension cost of \$234,470 for the Sheriff's Law Enforcement Personnel plan was equal to the County's required and actual contributions.

**THREE-YEAR TREND INFORMATION FOR THE SHERIFF'S  
LAW ENFORCEMENT PERSONNEL PLAN**

<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/07	\$ 234,470	100%	\$ -
12/31/06	262,735	100%	-
12/31/05	206,914	100%	-

The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005 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 15% corridor between the actuarial and market value of assets. The County Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 was 25 years.

*Funded Status and Funding Progress.* As of December 31, 2007, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 92.70 percent funded. The actuarial accrued liability for benefits was \$7,253,243 and the actuarial value of assets was \$6,723,620, resulting in an underfunded actuarial accrued liability (UAAL) of \$529,623. The covered payroll (annual payroll of active employees covered by the plan) was \$1,703,999 and the ratio of the UAAL to the covered payroll was 31 percent.

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 7 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)**

**Defined Benefit Pension Plan – Sheriff's Law Enforcement Personnel (Continued)**

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.

**Defined Benefit Pension Plan – Elected County Officials**

*Plan Description.* The County's defined benefit pension plan for 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](http://www.imrf.org).

*Funding Policy.* As set by statute, the County Elected County Official plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's contribution rate for calendar year 2007 was 41.59 percent of annual covered payroll. 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 2007 the County's annual pension cost of \$336,807 for the Elected County Official plan was equal to the County's required and actual contributions.

**THREE-YEAR TREND INFORMATION FOR THE ELECTED  
COUNTY OFFICIAL PLAN**

<b><u>Fiscal Year Ending</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
12/31/07	\$ 336,807	100%	\$ -
12/31/06	365,800	100%	-
12/31/05	343,842	100%	-



**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 7 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)**

**Defined Benefit Pension Plan – Elected County Officials (Continued)**

The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005 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 Elected County Official plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The County Elected County Official plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 was 25 years.

*Funded Status and Funding Progress.* As of December 31, 2007, the most recent actuarial valuation date, the Elected County Official plan was 36.62 percent funded. The actuarial accrued liability for benefits was \$5,227,378 and the actuarial value of assets was \$1,914,214, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,313,164. The covered payroll (annual payroll of active employees covered by the plan) was \$809,827 and the ratio of the UAAL to the covered payroll was 409 percent.

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

**NOTE 8 - STATE AND FEDERALLY ASSISTED PROGRAMS**

The County participates in a number of state and federally assisted programs. Federal programs are audited in accordance with the Single Audit Act and have not resulted in any disallowed costs. However, grantor agencies may provide for further examinations. Based on prior experience, the County believes further examinations would not result in any material disallowed costs.

**NOTE 9 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Expenditures Over Budget**

The following individual funds incurred expenditures in excess of appropriations:

Working Cash  
CRIS grant  
County Motor Fuel Tax

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 9 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Deficit Fund Balance**

The following individual funds maintained deficit fund balances as of November 30, 2008:

Court Security	\$ 24,426
Law Library	25,193

**NOTE 10 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The County maintains three Enterprise Funds. The Nursing Home and County Farm provide nursing home care and land utilization services. The Solid Waste Management Fund provides management services for the County's solid waste issues. Segment information for the year ended November 30, 2008 is as follows:

	<b>Vermilion Manor Nursing Home</b>	<b>Vermilion County Farm</b>	<b>Solid Waste Management</b>	<b>Total</b>
Operating revenues	\$ 10,713,292	\$ 2,565	\$ 557,692	\$ 11,273,549
Depreciation	195,476	-	3,349	198,825
Operating income (loss)	230,665	(54,651)	191,027	367,041
Operating transfers in (out)	100,000	(100,000)	23,602	23,602
Property and equipment additions	13,960	-	-	13,960
Change in net assets	1,016,951	(154,651)	217,468	1,079,768
Net working capital	805,981	9,433	457,568	1,272,982
Total assets	4,967,413	10,433	499,401	5,477,247
Total equity	1,983,870	10,433	469,015	2,463,318

**FIXED ASSETS**

**Nursing Home**

	<b>Balance December 1, 2007</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance November 30, 2008</b>
Buildings	\$ 5,572,471	\$ -	\$ -	\$ 5,572,471
Transportation equipment	66,067	-	-	66,067
Other equipment	1,124,181	13,960	-	1,138,141
	6,762,719	13,960	-	6,776,679
Less accumulated depreciation	(5,403,314)	(195,476)	-	(5,598,790)
<b>Total</b>	<b>\$ 1,359,405</b>	<b>\$ (181,516)</b>	<b>\$ -</b>	<b>\$ 1,177,889</b>

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 10 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONTINUED)**

**County Farm**

	<b>Balance December 1, 2007</b>	<b><u>Additions</u></b>	<b><u>Disposals</u></b>	<b>Balance November 30, 2008</b>
Land	\$ 1,000	\$ -	\$ -	\$ 1,000

**Solid Waste Management**

	<b>Balance December 1, 2007</b>	<b><u>Additions</u></b>	<b><u>Disposals</u></b>	<b>Balance November 30, 2008</b>
Buildings	\$ 19,000	\$ -	\$ -	\$ 19,000
Recycling equipment	96,610	-	-	96,610
Other equipment	<u>30,882</u>	<u>-</u>	<u>-</u>	<u>30,882</u>
	146,492	-	-	146,492
Less accumulated depreciation	<u>(131,696)</u>	<u>(3,349)</u>	<u>-</u>	<u>(135,045)</u>
<b>Total</b>	<b><u>\$ 14,796</u></b>	<b><u>\$ (3,349)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 11,447</u></b>

The Nursing Home Fund and the Solid Waste Management Fund are budgeted as part of the County's normal budget process.

**NOTE 11 - JOINT VENTURES**

The following disclosures are required for Vermilion County's joint ventures.

**Danville Public Building Commission**

The Danville Public Building Commission was organized under the provisions of the "Public Building Commission Act of the State of Illinois" to enable the erecting, equipping and providing of modern public buildings to space and house the various branches, departments and agencies of government in the County Seat of Vermilion County, Illinois.

The officials of the Danville Public Building Commission are appointed by the City of Danville, Danville Sanitary District, Danville School District #118 and Vermilion County.

Through the appointment of one commission official, the County has indirect control over the Commission's budgeting and financing. However, all capital improvement projects financed by the Commission must be approved by the City of Danville, Vermilion County and the Public Building Commission.

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 11 - JOINT VENTURES (CONTINUED)**

**Vermilion County Emergency Telephone System Board**

The Vermilion County Emergency Telephone System Board was established under an intergovernmental agreement between the County, the City of Danville, and the City of Hoopeston. This agreement was pursuant to the State of Illinois enacting the Emergency Telephone System Act, Chapter 134, Section 31 - 46 of the Illinois Revised Statutes. The Vermilion County Emergency Telephone System Board is a joint board established specifically for the purpose of providing and maintaining emergency telephone systems.

Vermilion County provides bookkeeping and investing services at no cost to the Emergency Telephone System Board.

**NOTE 12 - SELF-FUNDED INSURANCE**

The County is self-funded for workers' compensation insurance coverage which is accounted for in a separate internal service fund (Liability Insurance Fund). The coverage is administered by an independent company. The County's risk retention is \$400,000 per individual per claim up to \$2,000,000 in aggregate over a one-year period. Actual claims paid in fiscal year 2008 were \$226,018.

GASB Statement 10 requires that a liability for claims be reported if the liability is both probable and can be reasonably estimated. The liabilities for unpaid claims are determined by the independent plan administrator. The estimated claims payable for claims reported at November 30, 2008 was \$341,721. The liability for claims incurred but not reported was estimated to range between \$331,200 and \$349,379. Based on this range, the County reflected a total liability for unpaid claims in the accompanying financial statements of \$563,688.

Changes in the balances of claims liabilities during fiscal year 2008 were as follows:

<b>Estimated Liability December 1, <u>2007</u></b>	<b>Incurred and <u>Estimated Claims</u></b>	<b><u>Claim Payments</u></b>	<b>Estimated Liability November 30, <u>2008</u></b>
\$ 507,000	\$ 282,706	\$ 226,018	\$ 563,688
<b>Estimated Liability December 1, <u>2006</u></b>	<b>Incurred and <u>Estimated Claims</u></b>	<b><u>Claim Payments</u></b>	<b>Estimated Liability November 30, <u>2007</u></b>
\$ 507,000	\$ 260,729	\$ 260,729	\$ 507,000

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2008**

**NOTE 12 – SELF-FUNDED INSURANCE (CONTINUED)**

During 2007, the County became partially self-insured for group health insurance. The coverage is administered by an independent company. The County's risk retention is \$50,000 per individual claim, with a maximum specific benefit of \$1,000,000 per person in excess of specific deductible. A liability for unpaid claims has been established in the Health Insurance Internal Service Fund. This liability is equal to claims submitted and not paid prior to year end and an estimate of claims incurred and not yet submitted based on payment data. The County carries insurance to limit their liability for excessive claims. Estimated recoveries on unsettled claims are deducted from the liability for unpaid claims. The County believes the estimated liability for unpaid losses and loss adjustment expense is sufficient to cover the ultimate net cost of incurred claims. However, such reserves are necessarily based on estimates and the ultimate liability may be greater or less than the amounts estimated. The methods used to calculate such estimates and establish the resulting liabilities are continually reviewed, and any adjustments are reflected in current earnings. The liability is included in accounts payable in the Internal Service Funds.

**Reconciliation of Changes in Claims Liability**

Claims liability, beginning balance	\$ 380,000
Claims paid, incurred prior to December, 2008	(1,135,785)
Increase in claims liability for claims incurred prior to December, 2008	<u>1,005,785</u>
<b>Claims liability, ending balance</b>	<b><u>\$ 250,000</u></b>

The County uses the reimbursement method in processing unemployment claims.

The County had no claims exceeding their coverage limits on their other insurance coverage.

**NOTE 13 – NEW GOVERNMENT ACCOUNTING STANDARD**

The following Governmental Accounting Standards Board (GASB) will be adopted in the future:

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information. The County is required to implement this Statement for the year ending November 30, 2009.

Management has not determined the impact these statements will have on the financial position and results of operations of the County.

This information is an integral part of the accompanying financial statements.

## **REQUIRED SUPPLEMENTAL INFORMATION**

**VERMILION COUNTY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended November 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 1,047,396	\$ 1,047,396	\$ 1,067,359	\$ 19,963
Intergovernmental	6,379,181	6,850,521	7,499,581	649,060
Licenses and permits	20,000	20,000	15,825	(4,175)
Charges for services	3,298,634	3,312,204	1,919,839	(1,392,365)
Fines and forfeits	350,000	350,000	330,897	(19,103)
Miscellaneous	788,240	788,240	468,920	(319,320)
Total revenues	<u>11,883,451</u>	<u>12,368,361</u>	<u>11,302,421</u>	<u>(1,065,940)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>General Government</b>				
County Board	330,727	330,727	282,374	48,353
County Auditor	108,614	108,614	108,383	231
Data Processing	246,058	250,163	241,165	8,998
County Treasurer	199,926	199,926	196,007	3,919
Non-Department Services	547,066	485,234	376,219	109,015
Capital Outlay	262,500	265,000	229,307	35,693
Merit Commission	12,884	16,184	15,019	1,165
Regional Superintendent of Schools	96,778	96,778	84,759	12,019
County Clerk	555,021	811,286	774,057	37,229
County Recorder	162,401	162,401	158,241	4,160
Other	931,500	945,500	1,067,336	(121,836)
Election Commission	248,474	405,774	314,169	91,605
Board of Review	60,200	75,200	56,591	18,609
Supervisor of Assessments	293,100	293,100	277,071	16,029
Buildings and Grounds	691,376	756,093	700,462	55,631
Total General Government	<u>4,746,625</u>	<u>5,201,980</u>	<u>4,881,160</u>	<u>320,820</u>
<b>Judiciary and Court Related</b>				
Circuit Clerk	476,380	476,380	462,653	13,727
States Attorney	975,294	995,641	983,897	11,744
Probation	1,085,535	1,087,012	1,008,657	78,355
Judiciary and Rules	422,603	422,603	339,418	83,185
Collection Program	34,341	34,341	34,341	-
Public Defender	467,659	479,744	462,670	17,074
Total Judiciary and Court Related	<u>3,461,812</u>	<u>3,495,721</u>	<u>3,291,636</u>	<u>204,085</u>
<b>Public Safety</b>				
Sheriff	2,181,830	2,265,400	2,183,358	82,042
Juvenile Detention Center	1,328,456	1,330,361	1,287,849	42,512
Emergency Services Disaster Agency	336,760	423,520	413,618	9,902
Coroner	167,332	188,897	183,907	4,990
Total Public Safety	<u>4,014,378</u>	<u>4,208,178</u>	<u>4,068,732</u>	<u>139,446</u>

VERMILION COUNTY, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Total expenditures	\$ 12,222,815	\$ 12,905,879	\$ 12,241,528	\$ 664,351
Deficiency of revenues over expenditures	<u>(339,364)</u>	<u>(537,518)</u>	<u>(939,107)</u>	<u>(401,589)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	254,500	254,500	278,874	24,374
Operating transfers out	<u>(155,000)</u>	<u>(283,132)</u>	<u>(228,132)</u>	<u>55,000</u>
Total other financing sources (uses)	<u>99,500</u>	<u>(28,632)</u>	<u>50,742</u>	<u>79,374</u>
Deficiency of revenues over expenditures and other financing sources (uses)	\$ <u>(239,864)</u>	\$ <u>(566,150)</u>	<u>(888,365)</u>	\$ <u>(322,215)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>8,943,691</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 8,055,326</u>	



**VERMILION COUNTY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR FUND - SPECIAL REVENUE FUND - PUBLIC SAFETY BUILDING RENT**  
**Year Ended November 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 4,450,000	\$ 4,450,000	\$ 4,365,129	\$ (84,871)
Intergovernmental	2,425,400	2,425,400	2,955,122	529,722
Miscellaneous	<u>30,000</u>	<u>30,000</u>	<u>73,406</u>	<u>43,406</u>
Total revenues	6,905,400	6,905,400	7,393,657	488,257
<b>EXPENDITURES</b>				
<b>Current:</b>				
Public safety	<u>6,900,027</u>	<u>6,935,027</u>	<u>6,742,130</u>	<u>192,897</u>
Excess (deficiency) of revenues over expenditures	5,373	(29,627)	651,527	681,154
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>\$ 5,373</u>	<u>\$ (29,627)</u>	651,527	<u>\$ 681,154</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>6,049,108</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 6,700,635</u>	

**VERMILION COUNTY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR FUND - SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT**  
**Year Ended November 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 1,550,000	\$ 1,550,000	\$ 1,525,379	\$ (24,621)
Intergovernmental	540,000	540,000	160,000	(380,000)
Miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>8,483</u>	<u>(1,517)</u>
Total revenues	2,100,000	2,100,000	1,693,862	(406,138)
<b>EXPENDITURES</b>				
<b>Current:</b>				
Retirement contributions	<u>2,100,000</u>	<u>2,100,000</u>	<u>1,655,426</u>	<u>444,574</u>
Excess of revenues over expenditures	-	-	38,436	38,436
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures and other financing sources	<u>\$ -</u>	<u>\$ -</u>	38,436	<u>\$ 38,436</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>824,106</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 862,542</u>	

VERMILION COUNTY, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
MAJOR FUND - SPECIAL REVENUE - COUNTY MOTOR FUEL TAX  
Year Ended November 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget  <u>Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 1,415,683	\$ 1,415,683
Miscellaneous	<u>-</u>	<u>-</u>	<u>137,536</u>	<u>137,536</u>
Total revenues	-	-	1,553,219	1,553,219
<b>EXPENDITURES</b>				
Current:				
Transportation	<u>-</u>	<u>-</u>	<u>2,117,420</u>	<u>(2,117,420)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	(564,201)	<u>\$ (564,201)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>5,036,697</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 4,472,496</u>	

**VERMILION COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS  
Year Ended November 30, 2008**

(Unaudited)

**ILLINOIS MUNICIPAL RETIREMENT FUND  
QUALIFIED VERMILION COUNTY EMPLOYEES**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/07	\$ 32,627,050	\$ 31,263,568	\$ (1,363,482)	104.36%	\$ 15,423,115	0.00%
12/31/06	30,053,603	29,462,321	(591,282)	102.01%	14,734,642	0.00%
12/31/05	27,308,986	26,447,269	(861,717)	103.26%	14,956,951	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$34,820,360. On a market basis, the funded ratio would be 111.38%.

**ILLINOIS MUNICIPAL RETIREMENT FUND  
SHERIFF'S LAW ENFORCEMENT PERSONNEL**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/07	\$ 6,723,620	\$ 7,253,243	\$ 529,623	92.70%	\$ 1,703,999	31.08%
12/31/06	7,009,881	8,296,037	1,286,156	84.50%	1,804,450	71.28%
12/31/05	6,029,518	6,386,954	357,436	94.40%	1,488,576	24.01%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$7,205,731. On a market basis, the funded ratio would be 99.34%.

**VERMILION COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULES OF FUNDING PROGRESS**  
**Year Ended November 30, 2008**

(Unaudited)

**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**ELECTED COUNTY OFFICIALS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/07	\$ 1,914,214	\$ 5,227,378	\$ 3,313,164	36.62%	\$ 809,827	409.12%
12/31/06	1,399,455	4,847,891	3,448,436	28.87%	773,198	446.00%
12/31/05	936,440	4,288,416	3,351,976	21.84%	733,681	456.87%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$2,079,816. On a market basis, the funded ratio would be 39.79%.

**VERMILION COUNTY, ILLINOIS**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**November 30, 2008**

**Basis of Accounting** – The County's budget is prepared on the modified accrual basis for all budgeted funds as presented in the Required Supplemental Information.

## **OTHER SUPPLEMENTAL INFORMATION**

VERMILION COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
November 30, 2008

	<u>Mental Health Board</u>	<u>Health Department</u>	<u>Animal Control</u>	<u>Trans- portation</u>	<u>Indemnity</u>
Cash	\$ 241,241	\$ 433,747	\$ 38,092	\$ 109,657	\$ 138,000
Temporary investments	250,000	-	-	1,750,000	-
Receivables:					
Taxes, net of allowance for					
estimated uncollectibles	778,570	236,853	-	714,797	-
Other	1,068	-	-	7,666	15
Prepaid items	-	-	-	-	-
Due from other funds	-	44	-	-	63,740
Due from other governments	-	412,750	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,270,879</b>	<b>\$ 1,083,394</b>	<b>\$ 38,092</b>	<b>\$ 2,582,120</b>	<b>\$ 201,761</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 21,903	\$ 53,927	\$ 12,056	\$ 19,406	\$ -
Accrued payroll	3,304	144,030	13,704	55,439	-
Due to other funds	-	300,000	-	102,278	-
Due to other governments	-	-	-	-	-
Deferred revenue	778,570	292,809	-	714,797	-
Total liabilities	803,777	790,766	25,760	891,920	-
<b>FUND BALANCE (DEFICIT)</b>	<b>467,102</b>	<b>292,628</b>	<b>12,332</b>	<b>1,690,200</b>	<b>201,761</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,270,879</b>	<b>\$ 1,083,394</b>	<b>\$ 38,092</b>	<b>\$ 2,582,120</b>	<b>\$ 201,761</b>



VERMILION COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
November 30, 2008

	County Clerk Vital Records	FICA	County Clerk Tax Automation	North Fork Special Service Area 1	North Fork Special Service Area 2
Cash	\$ 20,442	\$ 105,031	\$ 1,078	\$ 39,908	\$ 24,278
Temporary investments	30,000	350,000	-	50,000	-
Receivables:					
Taxes, net of allowance for estimated uncollectibles	-	767,250	-	45,225	17,054
Other	196	395	-	4	-
Prepaid items	-	-	-	-	-
Due from other funds	1,056	617,286	-	-	-
Due from other governments	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 51,694</b>	<b>\$ 1,839,962</b>	<b>\$ 1,078</b>	<b>\$ 135,137</b>	<b>\$ 41,332</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 143,076	\$ -	\$ 1,426	\$ 537
Accrued payroll	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	767,250	-	45,225	17,054
Total liabilities	-	910,326	-	46,651	17,591
<b>FUND BALANCE (DEFICIT)</b>	<b>51,694</b>	<b>929,636</b>	<b>1,078</b>	<b>88,486</b>	<b>23,741</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 51,694</b>	<b>\$ 1,839,962</b>	<b>\$ 1,078</b>	<b>\$ 135,137</b>	<b>\$ 41,332</b>

VERMILION COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
November 30, 2008

	North Fork Special Service Area 3	Court Support	County Bridge	Court Document Storage	Court Automation
Cash	\$ 7,295	\$ 220,049	\$ 315,535	\$ 125,220	\$ 161,052
Temporary investments	-	-	1,100,000	-	-
Receivables:					
Taxes, net of allowance for estimated uncollectibles	3,277	-	337,226	-	-
Other	-	3,750	3,858	-	-
Prepaid items	-	-	-	-	-
Due from other funds	-	6,307	-	5,116	4,587
Due from other governments	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 10,572</b>	<b>\$ 230,106</b>	<b>\$ 1,756,619</b>	<b>\$ 130,336</b>	<b>\$ 165,639</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 103	-	\$ 4,470	\$ 1,748	\$ 1,007
Accrued payroll	-	-	-	323	1,188
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	3,277	-	337,226	-	-
Total liabilities	3,380	-	341,696	2,071	2,195
<b>FUND BALANCE (DEFICIT)</b>	<b>7,192</b>	<b>230,106</b>	<b>1,414,923</b>	<b>128,265</b>	<b>163,444</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 10,572</b>	<b>\$ 230,106</b>	<b>\$ 1,756,619</b>	<b>\$ 130,336</b>	<b>\$ 165,639</b>

VERMILION COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
November 30, 2008

	<u>Court Security</u>	<u>Recorder's Special Fee</u>	<u>Law Library</u>	<u>Township Motor Fuel Tax</u>	<u>Child Support</u>
Cash	\$ -	\$ 175,360	\$ -	\$ 82,459	\$ 150,584
Temporary investments	-	-	-	-	-
Receivables:					
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-
Other	-	-	-	14,661	30,295
Prepaid items	-	-	-	-	-
Due from other funds	-	3,571	1,482	-	-
Due from other governments	-	-	-	108,491	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 178,931</b>	<b>\$ 1,482</b>	<b>\$ 205,611</b>	<b>\$ 180,879</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 6,105	\$ 3,266	\$ 38,457	\$ 730
Accrued payroll	7,647	-	-	-	2,322
Due to other funds	16,779	-	23,409	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	24,426	6,105	26,675	38,457	3,052
<b>FUND BALANCE (DEFICIT)</b>	<b>(24,426)</b>	<b>172,826</b>	<b>(25,193)</b>	<b>167,154</b>	<b>177,827</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 178,931</b>	<b>\$ 1,482</b>	<b>\$ 205,611</b>	<b>\$ 180,879</b>

VERMILION COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
November 30, 2008

	Probation Service	Treasurer's Automation	Circuit Clerk Operation & Administration	Township Bridge	VC Trustee Revolving Fund
Cash	\$ 319,904	\$ 41,657	\$ 10,282	\$ 139,979	\$ 24,036
Temporary investments	-	-	-	-	-
Receivables:					
Taxes, net of allowance for	-	-	-	-	-
estimated uncollectibles	-	-	-	-	-
Other	-	-	-	-	-
Prepaid items	-	-	-	-	-
Due from other funds	14,342	31,870	-	-	-
Due from other governments	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 334,246</b>	<b>\$ 73,527</b>	<b>\$ 10,282</b>	<b>\$ 139,979</b>	<b>\$ 24,036</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 16,093	\$ 534	\$ 1,004	\$ -	\$ -
Accrued payroll	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	16,093	534	1,004	-	-
<b>FUND BALANCE (DEFICIT)</b>	<b>318,153</b>	<b>72,993</b>	<b>9,278</b>	<b>139,979</b>	<b>24,036</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 334,246</b>	<b>\$ 73,527</b>	<b>\$ 10,282</b>	<b>\$ 139,979</b>	<b>\$ 24,036</b>

VERMILION COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
November 30, 2008

	Law Enforcement Fund	Law Enforcement Grant	Victim Witness Attorney General	CRIS	Multi- Jurisdictional Narcotics	Home Confinement and Probation
Cash	\$ 293,564	\$ 8,886	\$ 15,847	\$ 53,107	\$ 68	\$ 111,376
Temporary investments	3,399,562	-	-	-	-	-
Receivables:						
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-
Other	8,791	-	-	-	-	-
Prepaid items	316,349	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	221,426	-	-	23,000	-	-
<b>TOTAL ASSETS</b>	<b>\$ 4,239,692</b>	<b>\$ 8,886</b>	<b>\$ 15,847</b>	<b>\$ 76,107</b>	<b>\$ 68</b>	<b>\$ 111,376</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 3,565	\$ -	\$ 53,107	\$ -	\$ 4,268
Accrued payroll	-	-	1,269	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	23,000	-	-
Deferred revenue	-	5,321	7,769	-	-	-
Total liabilities	-	8,886	9,038	76,107	-	4,268
<b>FUND BALANCE (DEFICIT)</b>	<b>4,239,692</b>	<b>-</b>	<b>6,809</b>	<b>-</b>	<b>68</b>	<b>107,108</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 4,239,692</b>	<b>\$ 8,886</b>	<b>\$ 15,847</b>	<b>\$ 76,107</b>	<b>\$ 68</b>	<b>\$ 111,376</b>

VERMILION COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
November 30, 2008

	GIS Automation	Capital Projects	Board of Elections	Working Cash	Reg. Supt. Direct Services	Total
Cash	\$ 62,563	\$ 57,794	\$ 30,590	\$ 19	\$ 78,683	\$ 3,499,389
Temporary investments	-	350,000	-	288,888	-	7,706,450
Receivables:						
Taxes, net of allowance for	-	-	-	-	-	2,900,252
estimated uncollectibles	-	22,961	-	1,235	-	94,895
Other	-	-	-	-	-	316,349
Prepaid items	-	-	-	-	-	749,401
Due from other funds	-	-	-	-	-	765,667
Due from other governments	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 62,563</b>	<b>\$ 430,755</b>	<b>\$ 30,590</b>	<b>\$ 290,142</b>	<b>\$ 78,683</b>	<b>\$ 16,032,403</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 12,000	\$ 52,364	\$ -	\$ -	\$ -	\$ 451,152
Accrued payroll	-	-	-	-	-	229,226
Due to other funds	-	-	-	-	-	442,466
Due to other governments	-	-	-	-	-	23,000
Deferred revenue	-	-	-	-	-	2,969,298
Total liabilities	12,000	52,364	-	-	-	4,115,142
<b>FUND BALANCE (DEFICIT)</b>	<b>50,563</b>	<b>378,391</b>	<b>30,590</b>	<b>290,142</b>	<b>78,683</b>	<b>11,917,261</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 62,563</b>	<b>\$ 430,755</b>	<b>\$ 30,590</b>	<b>\$ 290,142</b>	<b>\$ 78,683</b>	<b>\$ 16,032,403</b>

VERMILION COUNTY, ILLINOIS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE (DEFICIT)  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended November 30, 2008

	Mental Health Board	Health Department	Animal Control	Trans- portation	Indemnity	County Clerk Vital Records	FICA
<b>REVENUES</b>							
Taxes	\$ 761,737	\$ 235,469	\$ -	\$ 691,675	\$ -	\$ -	\$ 761,986
Intergovernmental	-	2,503,187	-	-	-	-	340,000
Licenses and permits	-	-	150,666	-	-	-	-
Charges for services	-	202,026	71,651	-	20,300	15,635	-
Miscellaneous	5,085	54,136	4,289	49,068	3,452	803	4,123
Total revenues	766,822	2,994,818	226,606	740,743	23,752	16,438	1,106,109
<b>EXPENDITURES</b>							
General government	-	-	-	-	-	9,142	522,201
Judiciary and court related	-	-	-	-	-	-	361,524
Public safety	-	-	380,181	-	-	-	455,253
Public health	775,702	3,238,469	-	629,925	-	-	-
Transportation	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	775,702	3,238,469	380,181	629,925	-	9,142	1,338,978
Excess (deficiency) of revenues over expenditures	(8,880)	(243,651)	(153,575)	110,818	23,752	7,296	(232,869)
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	-	-	100,000	-	-	-	-
Operating transfers out	-	(23,602)	-	-	(4,760)	-	-
Total other financing sources (uses)	-	(23,602)	100,000	-	(4,760)	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(8,880)	(267,253)	(53,575)	110,818	18,992	7,296	(232,869)
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	475,982	559,881	65,907	1,579,382	182,769	44,398	1,162,505
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	\$ 467,102	\$ 292,628	\$ 12,332	\$ 1,690,200	\$ 201,761	\$ 51,694	\$ 929,636





VERMILION COUNTY, ILLINOIS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE (DEFICIT)  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended November 30, 2008

	Court Document Storage	Court Automation	Court Security	Recorder's Special Fee	Law Library	Township Motor Fuel Tax
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	1,795,501
Licenses and permits	-	-	-	-	-	-
Charges for services	61,869	56,612	-	54,216	21,634	-
Miscellaneous	1,561	3,384	855	2,111	-	9,033
Total revenues	63,430	59,996	855	56,327	21,634	1,804,534
<b>EXPENDITURES</b>						
General government	-	-	-	30,679	36,680	-
Judiciary and court related	58,575	82,524	123,576	-	-	-
Public safety	-	-	-	-	-	-
Public health	-	-	-	-	-	-
Transportation	-	-	-	-	-	1,941,645
Capital projects	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	58,575	82,524	123,576	30,679	36,680	1,941,645
Excess (deficiency) of revenues over expenditures	4,855	(22,528)	(122,721)	25,648	(15,046)	(137,111)
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	128,132	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	128,132	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	4,855	(22,528)	5,411	25,648	(15,046)	(137,111)
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	123,410	185,972	(29,837)	147,178	(10,147)	304,365
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	\$ 128,265	\$ 163,444	\$ (24,426)	\$ 172,826	\$ (25,193)	\$ 167,154

VERMILION COUNTY, ILLINOIS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE (DEFICIT)  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended November 30, 2008

	Child Support	Probation Service	Treasurer's Automation	Circuit Clerk Operations & Administration	Township Bridge	Off-Track Betting
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	660	-	-	320,980	-
Licenses and permits	-	-	-	-	-	-
Charges for services	45,750	188,366	10,150	8,601	-	-
Miscellaneous	2,790	17,353	566	165	2,048	-
Total revenues	<u>48,540</u>	<u>206,379</u>	<u>10,716</u>	<u>8,766</u>	<u>323,028</u>	<u>-</u>
<b>EXPENDITURES</b>						
General government	-	-	6,779	4,420	-	-
Judiciary and court related	67,138	167,426	-	-	-	-
Public safety	-	-	-	-	-	-
Public health	-	-	-	-	-	-
Transportation	-	-	-	-	441,036	-
Capital projects	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>67,138</u>	<u>167,426</u>	<u>6,779</u>	<u>4,420</u>	<u>441,036</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(18,598)</u>	<u>38,953</u>	<u>3,937</u>	<u>4,346</u>	<u>(118,008)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	(17)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(18,598)</u>	<u>38,953</u>	<u>3,937</u>	<u>4,346</u>	<u>(118,008)</u>	<u>(17)</u>
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>196,425</u>	<u>279,200</u>	<u>69,056</u>	<u>4,932</u>	<u>257,987</u>	<u>17</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 177,827</u>	<u>\$ 318,153</u>	<u>\$ 72,993</u>	<u>\$ 9,278</u>	<u>\$ 139,979</u>	<u>\$ -</u>

VERMILION COUNTY, ILLINOIS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE (DEFICIT)  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended November 30, 2008

	VC Trustee Revolving Fund	Grants					Home Confinement and Probation
		Law Enforcement Fund	Law Enforcement Grant	Victim Witness Attorney General	CRIS	Multi- Jurisdictional Narcotics	
<b>REVENUES</b>							
Taxes	\$ -	\$ 339,441	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,383,848	16,207	15,231	367,324	162,582	-
Licenses and permits	-	-	-	-	-	-	-
Charges for services	2,586	-	-	-	-	-	-
Miscellaneous	658	96,090	76	2,267	-	-	52,359
Total revenues	3,244	1,819,379	16,283	17,498	367,324	162,582	52,359
<b>EXPENDITURES</b>							
General government	5,438	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	-	-	-
Public safety	-	289,744	16,283	15,231	-	162,582	45,626
Public health	-	-	-	-	-	-	-
Transportation	-	-	-	-	367,324	-	-
Capital projects	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-
Principal	-	113,100	-	-	-	-	-
Interest	-	152,141	-	-	-	-	-
Total expenditures	5,438	554,985	16,283	15,231	367,324	162,582	45,626
Excess (deficiency) of revenues over expenditures	(2,194)	1,264,394	-	2,267	-	-	6,733
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	(348,177)	-	-	-	-	-
Total other financing sources (uses)	-	(348,177)	-	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(2,194)	916,217	-	2,267	-	-	6,733
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	26,230	3,323,475	-	4,542	-	68	100,375
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	\$ 24,036	\$ 4,239,692	\$ -	\$ 6,809	\$ -	\$ 68	\$ 107,108

VERMILION COUNTY, ILLINOIS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE (DEFICIT)  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended November 30, 2008

REVENUES						
	GIS Automation	Capital Projects	Board of Elections	Working Cash	Reg. Supt. Direct Services	Total
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,177,651
Intergovernmental	-	-	4,331	-	-	6,909,851
Licenses and permits	-	-	-	-	-	150,666
Charges for services	232,058	-	-	-	-	1,068,298
Miscellaneous	500	29,412	-	8,875	149,528	548,085
Total revenues	232,558	29,412	4,331	8,875	149,528	11,854,551
EXPENDITURES						
General government	211,787	-	1,004	-	146,406	974,536
Judiciary and court related	-	-	-	-	-	871,580
Public safety	-	-	-	-	-	1,364,900
Public health	-	-	-	-	-	4,093,556
Transportation	-	-	-	-	-	3,848,002
Capital projects	-	467,639	-	-	-	467,639
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	113,100
Interest	-	-	-	-	-	152,141
Total expenditures	211,787	467,639	1,004	-	146,406	11,885,454
Excess (deficiency) of revenues over expenditures	20,771	(438,227)	3,327	8,875	3,122	(30,903)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	228,132
Operating transfers out	-	-	-	(10,034)	-	(456,066)
Total other financing sources (uses)	-	-	-	(10,034)	-	(227,934)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	20,771	(438,227)	3,327	(1,159)	3,122	(258,837)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	29,792	816,618	27,263	291,301	75,561	12,176,098
FUND BALANCE (DEFICIT), END OF YEAR	\$ 50,563	\$ 378,391	\$ 30,590	\$ 290,142	\$ 78,683	\$ 11,917,261

**VERMILION COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF NET ASSETS**  
**OTHER ENTERPRISE FUNDS**  
November 30, 2008

**ASSETS**

	<u>Vermilion County Farm</u>	<u>Solid Waste Management</u>	<u>Total</u>
<b>CURRENT ASSETS</b>			
Cash	\$ -	\$ 101,230	\$ 101,230
Investments	9,433	100,000	109,433
Receivables	-	286,601	286,601
Accrued interest	-	123	123
	<hr/>	<hr/>	<hr/>
Total current assets	9,433	487,954	497,387
	<hr/>	<hr/>	<hr/>
<b>PROPERTY AND EQUIPMENT</b>			
Land	1,000	-	1,000
Buildings	-	19,000	19,000
Recycling equipment	-	96,610	96,610
Other equipment	-	30,882	30,882
	<hr/>	<hr/>	<hr/>
Total, at cost	1,000	146,492	147,492
Less accumulated depreciation	-	135,045	135,045
	<hr/>	<hr/>	<hr/>
Total property and equipment	1,000	11,447	12,447
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$ 10,433</u>	<u>\$ 499,401</u>	<u>\$ 509,834</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ -	\$ 19,368	\$ 19,368
Accrued payroll	-	11,018	11,018
	<hr/>	<hr/>	<hr/>
Total current liabilities	-	30,386	30,386
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>			
Invested in capital assets	1,000	11,447	12,447
Unrestricted	9,433	457,568	467,001
	<hr/>	<hr/>	<hr/>
Total net assets	10,433	469,015	479,448
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 10,433</u>	<u>\$ 499,401</u>	<u>\$ 509,834</u>

**VERMILION COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**OTHER ENTERPRISE FUNDS**  
**Year Ended November 30, 2008**

	<u>Vermilion County Farm</u>	<u>Solid Waste Management</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ -	\$ 553,765	\$ 553,765
Fines and forfeits	-	3,250	3,250
Miscellaneous	<u>2,565</u>	<u>677</u>	<u>3,242</u>
Total operating revenues	<u>2,565</u>	<u>557,692</u>	<u>560,257</u>
<b>OPERATING EXPENSES</b>			
Personnel services	-	170,121	170,121
Supplies and materials	-	3,594	3,594
Other services and charges	57,216	12,523	69,739
Contractual services	-	177,078	177,078
Depreciation	<u>-</u>	<u>3,349</u>	<u>3,349</u>
Total operating expenses	<u>57,216</u>	<u>366,665</u>	<u>423,881</u>
Operating income (loss)	(54,651)	191,027	136,376
<b>NON-OPERATING REVENUES</b>			
Interest income	<u>-</u>	<u>2,839</u>	<u>2,839</u>
Income (loss) before operating transfers	<u>(54,651)</u>	<u>193,866</u>	<u>139,215</u>
<b>OPERATING TRANSFERS</b>			
Operating transfers in	-	23,602	23,602
Operating transfers out	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Total operating transfers	<u>(100,000)</u>	<u>23,602</u>	<u>(76,398)</u>
<b>CHANGES IN NET ASSETS</b>	(154,651)	217,468	62,817
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>165,084</u>	<u>251,547</u>	<u>416,631</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 10,433</u>	<u>\$ 469,015</u>	<u>\$ 479,448</u>

VERMILION COUNTY, ILLINOIS  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 November 30, 2008

	<u>Health Insurance</u>	<u>General Liability Insurance</u>	<u>Total</u>
<b>CURRENT ASSETS</b>			
Cash	\$ 318,761	\$ 114,622	\$ 433,383
Investments	-	800,000	800,000
Receivables, net	-	643,500	643,500
Accrued interest	-	1,960	1,960
Due from other funds	<u>-</u>	<u>57,695</u>	<u>57,695</u>
<b>TOTAL ASSETS</b>	<u>\$ 318,761</u>	<u>\$ 1,617,777</u>	<u>\$ 1,936,538</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 278,415	\$ 563,832	\$ 842,247
Deferred revenue	<u>-</u>	<u>643,500</u>	<u>643,500</u>
Total liabilities	278,415	1,207,332	1,485,747
<b>NET ASSETS</b>			
Unrestricted net assets	<u>40,346</u>	<u>410,445</u>	<u>450,791</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 318,761</u>	<u>\$ 1,617,777</u>	<u>\$ 1,936,538</u>

VERMILION COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET ASSETS  
 INTERNAL SERVICE FUNDS  
 Year Ended November 30, 2008

	<u>Health Insurance</u>	<u>General Liability Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,153,651	\$ 362,331	\$ 2,515,982
<b>OPERATING EXPENSES</b>			
Personnel services	<u>1,388,777</u>	<u>953,720</u>	<u>2,342,497</u>
Net income (loss) from operating activities	<u>764,874</u>	<u>(591,389)</u>	<u>173,485</u>
<b>NON-OPERATING REVENUES</b>			
Taxes	-	638,781	638,781
Interest income	<u>1,177</u>	<u>13,462</u>	<u>14,639</u>
Total non-operating revenues	<u>1,177</u>	<u>652,243</u>	<u>653,420</u>
Income before operating transfers	766,051	60,854	826,905
<b>OPERATING TRANSFERS</b>			
Operating transfers in	<u>-</u>	<u>153,590</u>	<u>153,590</u>
<b>CHANGES IN NET ASSETS</b>	766,051	214,444	980,495
<b>TOTAL NET ASSETS, BEGINNING OF YEAR</b>	<u>(725,705)</u>	<u>196,001</u>	<u>(529,704)</u>
<b>TOTAL NET ASSETS, END OF YEAR</b>	<u>\$ 40,346</u>	<u>\$ 410,445</u>	<u>\$ 450,791</u>



VERMILION COUNTY, ILLINOIS  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
November 30, 2008

ASSETS

	Restitution	County Collector	Treasurer's Account	Inheritance Tax	Deposit Fund	Unknown Heirs	Non-resident Heirs	Payroll Clearing
Cash	\$ 17,697	\$ 5,491,234	\$ 51,224	\$ 69,264	\$ 276,172	\$ 61,289	\$ 40,897	\$ 731,485
Investments	-	-	-	-	500,000	-	-	-
Receivables:								
Taxes, net of allowance for estimated uncollectibles	-	1,139,505	-	-	-	-	-	-
Accrued interest	-	-	-	7,405	4,274	-	-	-
Due from other funds	6,109	-	40,188	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 23,806</b>	<b>\$ 6,630,739</b>	<b>\$ 91,412</b>	<b>\$ 76,669</b>	<b>\$ 780,446</b>	<b>\$ 61,289</b>	<b>\$ 40,897</b>	<b>\$ 731,485</b>

LIABILITIES

Accounts payable	\$ -	\$ 2,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,618
Due to other funds	10,541	1,132,490	-	-	-	-	-	-
Due to other governments	-	-	-	76,669	-	-	-	-
Due to others	13,265	-	91,412	-	780,446	61,289	40,897	505,867
Due to taxing bodies	-	5,495,794	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 23,806</b>	<b>\$ 6,630,739</b>	<b>\$ 91,412</b>	<b>\$ 76,669</b>	<b>\$ 780,446</b>	<b>\$ 61,289</b>	<b>\$ 40,897</b>	<b>\$ 731,485</b>

VERMILION COUNTY, ILLINOIS  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
November 30, 2008

ASSETS

	Work Release	Prisoner's Commissary	Sheriff's Office	Probation Office	County Clerk	Circuit Clerk	Recorder
Cash	\$ 32,075	\$ 87,170	\$ 49,883	\$ 6,328	\$ 287,653	\$ 2,439,514	\$ 97,629
Investments	-	-	-	-	-	190,000	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	4,060	-	-
Inventory	-	18,293	-	-	-	-	253
<b>TOTAL ASSETS</b>	<b>\$ 32,075</b>	<b>\$ 105,463</b>	<b>\$ 49,883</b>	<b>\$ 6,328</b>	<b>\$ 291,713</b>	<b>\$ 2,629,514</b>	<b>\$ 97,882</b>

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,996	-	-	-	5,624	132,361	20,209
Due to other governments	-	-	-	-	-	84,103	-
Due to others	28,079	105,463	49,883	6,328	286,089	2,413,050	77,673
Due to taxing bodies	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 32,075</b>	<b>\$ 105,463</b>	<b>\$ 49,883</b>	<b>\$ 6,328</b>	<b>\$ 291,713</b>	<b>\$ 2,629,514</b>	<b>\$ 97,882</b>

VERMILION COUNTY, ILLINOIS  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
November 30, 2008

ASSETS

	Regional Superintendent					Total
	Trustees	Institute	Bus Drivers	G.E.D.	Drug Abuse Prevention	Drainage District
Cash	\$ 3,304	\$ 43,944	\$ 3,299	\$ 21,342	\$ 16,501	\$ 320,578
Investments	7,000	-	-	-	-	300,000
Receivables:						
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	432
Due from other funds	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 10,304</b>	<b>\$ 43,944</b>	<b>\$ 3,299</b>	<b>\$ 21,342</b>	<b>\$ 16,501</b>	<b>\$ 621,010</b>
						<b>\$ 12,366,001</b>

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,682	\$ 248,755
Due to other funds	-	-	-	-	-	-	1,305,221
Due to other governments	-	-	-	-	-	-	160,772
Due to others	10,304	43,944	3,299	21,342	16,501	-	4,555,131
Due to taxing bodies	-	-	-	-	-	600,328	6,096,122
<b>TOTAL LIABILITIES</b>	<b>\$ 10,304</b>	<b>\$ 43,944</b>	<b>\$ 3,299</b>	<b>\$ 21,342</b>	<b>\$ 16,501</b>	<b>\$ 621,010</b>	<b>\$ 12,366,001</b>

## **STATISTICAL INFORMATION**

VERMILION COUNTY, ILLINOIS  
ASSESSED VALUATION AND TAX EXTENSIONS  
Tax Levies 2007, 2006, and 2005  
(Unaudited)

	2007 Extended in 2008	2006 Extended in 2007	2005 Extended in 2006	
<b>EQUALIZED VALUATION</b>	<b>\$ 853,385,609</b>	<b>\$ 805,616,952</b>	<b>\$ 753,663,553</b>	
<b>TAXES EXTENDED</b>				
County (see below)	\$ 11,754,763	\$ 11,749,433	\$ 11,089,782	16.36%
Townships and Road Districts	5,745,126	5,511,855	5,252,491	7.75%
Cities and villages	8,886,698	8,207,236	7,912,967	11.67%
District schools	40,646,478	38,751,570	34,824,883	51.36%
High school and junior college	5,608,497	5,384,610	5,160,555	7.61%
Sanitary districts	24,533	23,840	22,789	0.03%
Vermilion County Airport Authority	583,943	570,349	561,679	0.83%
Fire protection districts	1,402,551	1,351,897	1,271,129	1.87%
Cemeteries	99,024	96,359	91,880	0.14%
Vermilion County Conservation District	986,896	985,720	987,704	1.46%
Libraries, parks, etc.	784,636	746,243	623,567	0.92%
<b>TOTALS</b>	<b>\$ 76,523,145</b>	<b>\$ 73,379,112</b>	<b>\$ 67,799,426</b>	<b>100.00%</b>
	<b>Rate</b>	<b>Rate</b>	<b>Rate</b>	
	<b>Per \$100</b>	<b>Per \$100</b>	<b>Per \$100</b>	
	<b>Valuation</b>	<b>Valuation</b>	<b>Valuation</b>	
General County	Extension	Extension	Extension	
County IMRF	\$ 1,047,958	\$ 1,349,408	\$ 1,334,738	0.17710
County Highway	1,550,602	1,599,955	1,600,028	0.21230
Social Security	705,750	669,468	620,265	0.08230
County Health	775,728	775,004	750,649	0.09960
Bridge Fund	239,801	237,657	180,879	0.02400
Public Safety Building-rental	332,820	265,048	265,290	0.03520
Mental Health Board #708	4,450,406	4,300,383	4,163,237	0.55240
Liability Insurance	777,434	733,111	700,153	0.09290
Drainage Districts	650,280	650,133	650,412	0.08630
Cooperative	77,887	65,571	63,685	0.30770
Nursing Home	100,700	99,897	100,237	0.01330
Law Enforcement - B&I	699,776	659,800	660,209	0.08760
	345,621	343,998	-	-
<b>TOTALS</b>	<b>\$ 11,754,763</b>	<b>\$ 11,749,433</b>	<b>\$ 11,089,782</b>	<b>1.77070</b>

**ILLINOIS DEPARTMENT OF HUMAN SERVICES  
GRANT REPORT**

ILLINOIS DEPARTMENT OF HUMAN SERVICES  
GRANT REPORT for the period July 1 through June 30, 2008  
Page 1 of 2 -- Grant Allowable Cost Summary

AGENCY NAME: VERMILION COUNTY HEALTH DEPARTMENT FEIN: 37-6002224

	Program Name/Number/Contract Number/Other Identification	DHS GRANT-FUNDED SERVICES					All other Programs	Mgmt & General	Total
		Program 1	Program 2	Program 3	Program 4	Program 5			
		WIC	AOK	HCC	HFI	HWI			
	811G8520	900	570	420	400	390			
A	Direct Program expenses	373,804	50,056	40,189	169,138	18,249	543,299	207,068	1,401,801
B	Allocate Management and General Costs (Note 1)	38,490	20,128	149	25,669	22,978	99,654	-207,068	-0-
C	SUBTOTAL A + B	412,294	70,184	40,338	194,807	41,227	642,953	-0-	1,401,801
D	Subtract Unallowable costs per page 2	0	0	0	0	0			
E	Add other approved uses (attach documentation)	0	0	0	0	0			
F	TOTAL Allowable costs	412,294	70,184	40,338	194,807	41,227			
G	Special provisions (see instructions)	0	0	0	0	0			
H	Interest Earned (see instructions) *	0	0	0	0	0			

NOTE 1: Management and General costs are allocated based on:      direct salaries,      total direct costs,      other basis (attach explanation).

Direct costs are used for supplies, travel, patient care and equipment (when purchased). However, rent is allocated by square footage. Full Time Equivalency (FTE) is used for other expenses such as phones, postage, etc.

\* Cost of accounting for interest is significant in terms of interest earned.

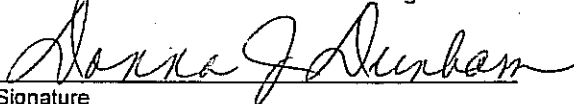
AGENCY NAME: VERMILION COUNTY HEALTH DEPT.

FEIN: 37-6002224

Program Name/Number/Contract Number:	DHS GRANT-FUNDED SERVICES				
	Program 1	Program 2	Program 3	Program 4	Program 5
811G8520	WIC 900	AOK 570	HCC 420	HFI 400	HWI 390
Unallowable Costs (see instructions)					
compensation of governing body					
entertainment					
association dues					
meetings and conventions					
fundraising					
bad debt					
charity and grants					
unallowable interest					
inventories					
depreciation on DHS-funded assets					
cost of production					
in-kind expenses					
alcoholic beverages					
personal automobiles					
finances & penalties					
personal use items					
lobbying					
unallowable relocation					
gratuities					
political contributions					
related party transactions					
costs where a conflict of interest exists					
Unallowable costs if Program is Federally funded or cost-restricted by Contract (See Instructions)					
Explain:					
Explain:					
TOTAL UNALLOWABLE COSTS (to line D of Grant Report) -See below if NONE					
	0	0	0	0	0

If no unallowable costs are listed, sign and date as follows:

I certify that no unallowable costs are included in either direct costs or allocated Management and General costs on the Grant Report.

  
Signature

11-30-08  
Date

Donna J. Dunham, Financial Director  
Printed Name and Title



ILLINOIS DEPARTMENT OF HUMAN SERVICES  
GRANT REPORT for the period July 1 through June 30, 2008  
Page 1 of 2 -- Grant Allowable Cost Summary

AGENCY NAME: VERMILION COUNTY HEALTH DEPT. FEIN: 37-6002224

	Program Name/Number/Contract Number/Other Identification	DHS GRANT-FUNDED SERVICES					All other Programs	Mgmt & General	Total
		Program 1 TIPCM	Program 2 FCM DNSTATE	Program 3	Program 4	Program 5			
	811G8520	440	300						
A	Direct Program expenses	160,420	382,879						
B	Allocate Management and General Costs (Note 1)	11,713	84,941					-	-0-
C	SUBTOTAL A + B	172,133	467,820					-0-	
D	Subtract Unallowable costs per page 2	0	0						
E	Add other approved uses (attach documentation)	0	0						
F	TOTAL Allowable costs	172,133	467,820						
G	Special provisions (see instructions)	0	0						
H	Interest Earned (see instructions) *	0	0						

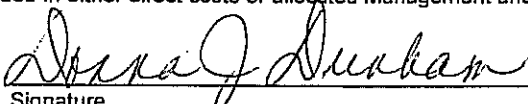
NOTE 1: Management and General costs are allocated based on: direct salaries, ☒ total direct costs, ☐ other basis (attach explanation).

Direct costs are used for supplies, travel, patient care and equipment (when purchased). However, rent is allocated by square footage. Full Time Equivalency (FTE) is used for other expenses such as phones, postage, etc.

\*Cost of accounting for interest is significant in terms of interest earned.

AGENCY NAME: VERMILION COUNTY HEALTH DEPT.

FEIN: 37-6002224

Program Name/Number/Contract Number:	DHS GRANT-FUNDED SERVICES				
	Program 1	Program 2	Program 3	Program 4	Program 5
811G8520	TIP 440	ECM 300			
Unallowable Costs (see instructions)					
compensation of governing body					
entertainment					
association dues					
meetings and conventions					
fundraising					
bad debt					
charity and grants					
unallowable interest					
inventories					
depreciation on DHS-funded assets					
cost of production					
in-kind expenses					
alcoholic beverages					
personal automobiles					
finances & penalties					
personal use items					
lobbying					
unallowable relocation					
gratuities					
political contributions					
related party transactions					
costs where a conflict of interest exists					
Unallowable costs if Program is Federally funded or cost-restricted by Contract (See Instructions)					
Explain:					
Explain:					
TOTAL UNALLOWABLE COSTS (to line D of Grant Report) –See below if NONE					
	0	0			
If no unallowable costs are listed, sign and date as follows: I certify that no unallowable costs are included in either direct costs or allocated Management and General costs on the Grant Report.					
 Signature					11-30-08 Date
Donna J. Dunham, Financial Director Printed Name and Title					

## **SINGLE AUDIT REPORTS**

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

Vermilion County Board  
Vermilion County, Illinois  
Danville, Illinois

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Vermilion County, Illinois as of and for the year ended November 30, 2008, which collectively comprise Vermilion County, Illinois' basic financial statements and have issued our report thereon dated June 24, 2009. In our report on the financial statements our opinion was adverse for the governmental activities due to the omission of certain fixed assets and general infrastructure assets and related depreciation expense. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Vermilion County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as 08-01 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Vermilion County's 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*. We noted certain immaterial instances of noncompliance that we have reported to management of Vermilion County in a separate letter dated June 24, 2009.

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

This report is intended solely for the information and use of the Board, finance committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Clifton Gunderson LLP*

Danville, Illinois  
June 24, 2009

**Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal Control  
Over Compliance in Accordance with OMB Circular A-133**

Vermilion County Board  
Vermilion County, Illinois  
Danville, Illinois

**Compliance**

We have audited the compliance of Vermilion County, Illinois with the types of compliance requirements described in *The U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended November 30, 2008. Vermilion County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Vermilion County's management. Our responsibility is to express an opinion on Vermilion County's compliance based on our audit.

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

In our opinion, Vermilion County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended November 30, 2008.

## Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

This report is intended solely for the information and use of the Board, finance committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Clifton Henderson LLP".

Danville, Illinois  
June 24, 2009

**VERMILION COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2008**

<b>Federal Grantor/ Pass Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Grantor's Number</b>	<b>Federal Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>DEPARTMENT OF AGRICULTURE</b>				
Flow-through from Illinois Department of Human Services:				
Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	811G7520000	\$ 246,631	\$ -
Supplemental Nutrition Program For Women, Infants, and Children (WIC)	10.557	911G7520000	166,787	-
Supplemental Nutrition Program for Women, Infants, and Children - Noncash	10.557	None	695,831	-
			1,109,249	-
			1,000	-
			1,110,249	-
Farmers' Market Nutrition Program	10.572	None		-
Flow-through from Illinois Department of Public Health:			450	-
Summer Food Inspection	10.559		\$ 1,110,699	\$ -
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>				
<b>ENVIRONMENTAL PROTECTION AGENCY</b>				
Flow-through from Illinois Department of Public Health:				
Performance Partnership Grant	66.605	None	\$ 538	\$ -
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Flow-through from Illinois Department of Human Services:				
Social Services Block Grant:				
Family Planning - Title X	93.217	811G6520000	\$ 91,891	\$ -
Family Planning - Title X	93.217	911G6520000	112,000	-
			203,891	-
Temporary Assistance to Needy Families	93.558	811G6520000	63,828	-
Temporary Assistance to Needy Families	93.558	911G6520000	77,195	-
			141,023	-



**VERMILION COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2008**

<b>Federal Grantor/ Pass Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Grantor's Number</b>	<b>Federal Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Flow-through from Illinois Department of Human Services:				
Social Services Block Grant:				
Title XX Block Grant	93.667	711G6520000	\$ 83,000	\$ -
MCH Block Grant	93.994	811G6520000	31,000	-
Childcare Development Block Grant	93.575	711G6520000	26,000	-
			<u>140,000</u>	<u>-</u>
Flow-through from Illinois Department of Public Health:				
Terrorism	93.069	None	\$ 91,220	\$ -
Immunization Grant	93.268	None	<u>88,607</u>	<u>-</u>
			<u>179,827</u>	<u>-</u>
Flow-through from Illinois Department of Public Aid:				
Child Support Enforcement	93.563	None	23,179	-
Medical Assistance Program	93.778	None	<u>27,600</u>	<u>-</u>
			<u>50,779</u>	<u>-</u>
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>\$ 715,520</u>	<u>\$ -</u>
<b>DEPARTMENT OF LABOR</b>				
Flow-through from Danville Area Community College:				
Workforce Investment Act Grant – Adult Program	17.258	None	<u>\$ 21,470</u>	<u>\$ -</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>				
Flow-through from Illinois Emergency Management Agency:				
Emergency Management Performance Grant - 2008	97.042	None	\$ 23,843	\$ -
Chemical Stockpile Emergency Preparedness - 2008	97.040	None	<u>173,049</u>	<u>-</u>
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>			<u>\$ 196,892</u>	<u>\$ -</u>

**VERMILION COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2008**

<b>Federal Grantor/ Pass Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Grantor's Number</b>	<b>Federal Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>DEPARTMENT OF TRANSPORTATION</b>				
Flow-through from Illinois Department of Transportation: Public Transportation for Non-Urbanized Areas	20.509	None	\$ 183,998	\$ 183,998
<b>DEPARTMENT OF JUSTICE</b>				
Flow-through from Illinois Criminal Justice Information Authority: Byrne Formula Grant	16.738	2005-DJ-BX-0308	\$ 98,581	\$ 98,581
Byrne Formula Grant	16.738	2006-DJ-BX-0681	45,000	45,000
Byrne Formula Grant	16.738	None	19,001	19,001
Total Byrne Formula Grant			162,582	162,582
Flow-through from the City of Danville: Edward Byrne Memorial Grant	16.710	None	16,283	-
<b>TOTAL DEPARTMENT OF JUSTICE</b>			\$ 178,865	\$ 162,582
<b>DEPARTMENT OF ELECTION ASSISTANCE COMMISSION</b>				
Flow-through from Illinois State Board of Elections: Help America Vote Act (HAVA)	90.401	None	\$ 12,856	\$ -
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 2,420,838	\$ 346,580

This schedule should be read only in connection with the accompanying note to the schedule.

**VERMILION COUNTY, ILLINOIS**  
**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**November 30, 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting.

**Non-monetary Assistance**

The Vermilion County Health Department receives commodities for the immunization program through the Illinois Department of Public Health (IDPH). During fiscal year 2008 these commodities were valued at \$88,607 (CFDA 93.268). This amount is included in the accompanying schedule as the Immunization Grant.

The Vermilion County Health Department issues food instruments to participants in the WIC Program that are used to purchase food. For the year ended June 30, 2008, these food instruments were valued at \$695,831 (CFDA 10.557). This amount is included in the accompanying schedule as part of the WIC Grant.

This information is an integral part of the accompanying schedule.

**VERMILION COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended November 30, 2008**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: adverse opinion

Internal control over financial reporting:

- Material weakness(es) identified? x Yes      No
- Significant deficiencies identified that are not considered to be material weaknesses?      Yes x None reported

Noncompliance material to financial statements noted?      Yes x No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?      Yes x No
- Significant deficiencies identified that are not considered to be material weakness(es)?      Yes x None reported

Type of auditor’s report issued on compliance for major programs: unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?      Yes x No

Identification of major programs:

<u><b>CFDA Number(s)</b></u>	<u><b>Name of Federal Program or Cluster</b></u>
------------------------------	--

10.557 97.040	Supplemental Nutrition Program for Women, Infants and Children (WIC) Chemical Stockpile Emergency Preparedness - 2008
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Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?      Yes x No

**Section II – Financial Statement Findings**

**FINDING NO. 08-01 – FINANCIAL STATEMENT PREPARATION AND AUDIT ADJUSTMENTS**

*Criteria or Specific Requirement:* Financial Statement Preparation and Audit Adjustments

*Condition:* The County engages Clifton Gunderson to assist in preparing its financial statements and accompanying disclosures including any necessary audit adjustments. However, as independent auditors, Clifton Gunderson cannot be considered part of the County’s internal control system.

*Context:* The County Board and management share the ultimate responsibility for the County’s internal control system.

*Effect:* While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

**VERMILION COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended November 30, 2008**

**Section II – Financial Statement Findings (Continued)**

*Cause:* The County's personnel do not have the necessary resources to perform a review of the County's financial statements and related disclosures including necessary adjustments to provide a high level of assurance that any potential material omissions or other errors would be identified and corrected.

*Recommendation:* The County should continue to obtain additional training to be able to assist in the development of the necessary financial reporting package.

*Views of Responsible Officials and Planned Corrective Action:* The County's management is aware of the need for proper resources to complete the financial statements and related disclosures in accordance with generally accepted accounting principles and any necessary adjustments and will continue to make changes which will assist in performing these functions in the future.

**Section III – Federal Award Findings and Questioned Costs**

None to report.

**VERMILION COUNTY, ILLINOIS**  
**SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS**  
**Year Ended November 30, 2008**

**YEAR ENDED NOVEMBER 30, 2007**

**FINDING NO. 07-01 – FINANCIAL STATEMENT PREPARATION, INCLUDING  
AUDIT ADJUSTMENTS**

*Condition:* The County engages Clifton Gunderson to assist in preparing its financial statements, accompanying disclosures and audit adjustments. However, as independent auditors, Clifton Gunderson cannot be considered part of the County's internal control system.

Condition still exists.