

VERMILION COUNTY, ILLINOIS
FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

November 30, 2010

TABLE OF CONTENTS

	PAGE
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-17
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Assets.....	18
Statement of Activities	19-20
Fund Financial Statements:	
Balance Sheet – Governmental Funds	21
Reconciliation of the Balance Sheet of Governmental Funds to the Net Assets of Governmental Activities.....	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	23-24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Assets – Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	27
Statement of Cash Flows – Proprietary Fund Types.....	28-29
Statement of Fiduciary Net Assets – Fiduciary Funds.....	30
Notes to Financial Statements	31-52

TABLE OF CONTENTS

	PAGE
Required Supplemental Information	53
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	54-55
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Fund – Special Revenue Fund – Public Safety Building Rent	56
Schedules of Funding Progress (Unaudited)	57-58
Notes to Required Supplemental Information	59
OTHER SUPPLEMENTAL INFORMATION	60
Combining Balance Sheet – Nonmajor Governmental Funds	61-66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Nonmajor Governmental Funds	67-72
Combining Statement of Net Assets – Other Enterprise Funds	73
Combining Statement of Revenues, Expenses and Changes in Net Assets – Other Enterprise Funds	74
Combining Statement of Net Assets – Internal Service Funds	75
Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds	76
Combining Statement of Fiduciary Net Assets – Fiduciary Funds	77-79
STATISTICAL INFORMATION	80
Assessed Valuation and Tax Extensions	81
ILLINOIS DEPARTMENT OF HUMAN SERVICES GRANT REPORT	82
Grant Report	83-86

TABLE OF CONTENTS

	PAGE
SINGLE AUDIT REPORTS	87
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	88-89
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	90-91
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	92-94
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	95
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	96-99
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS.....	100

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, 2010, 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, 2010, 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, 2010 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 May 25, 2011 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 considered in assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information and schedules of funding progress 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, as listed in the table of contents, 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.

The statistical information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

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

Danville, Illinois
May 25, 2011

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, 2010.

Financial Highlights

- The assets of Vermilion County exceeded its liabilities at the close of the most recent fiscal year by \$32.270 million (*net assets*). Of this amount, \$19.184 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$1.211 million. The State of Illinois is more than 60 days delinquent on \$1.407 million in payments to the County; as a result of the extreme tardiness, the independent auditor's report reflects both a receivable and a liability from the State. Hence, this amount is not included in the net assets of Vermilion County's governmental funds.
- The Internal balances of both the Governmental Activities and Business-Type Activities experienced a change of almost \$310,000. This is a result of the Vermilion County Nursing Home repaying its FICA and IMRF debt to the County.
- As of the close of the current fiscal year, Vermilion County's governmental funds reported combined ending fund balances of \$30.437 million, a decrease of \$1,984,168 in comparison with the prior year. Approximately 60% of this total amount 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 \$6.529 million, almost 55% of total General Fund annual audited expenditures.
- Vermilion County's total debt decreased by \$4,899 (0.13%) during the current fiscal year. This debt is comprised of accumulated paid time off, Other Post Employment Benefits (OPEB) associated with the County's health insurance program, 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.

Overview of the Financial Statements

This discussion and analysis is 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 – 52 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Vermilion County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 54 – 59 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 61 – 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 \$32.270 million at the close of the most recent fiscal year. The largest portion of Vermilion County's net assets (59%) is comprised of unrestricted funds.

A portion of Vermilion County's net assets (41%) represents resources that are subject to external restrictions on how they may be used. Categories of restrictions include capital assets, capital projects, roads and public safety. The remaining balance of *unrestricted net assets* (\$19.184 million) may be used to meet the government's ongoing obligations to citizens and creditors. There are two categories of *unrestricted net assets* that comprise the \$19.184 million; \$16.515 million is unrestricted for governmental activities and \$2.669 million is unrestricted for business type activities. In comparison with the prior fiscal year, the former experienced a decrease of more than \$1.635 million, due largely to the State of Illinois neglecting to meet its financial obligations, and the latter increased approximately \$141,000. The increase in the unrestricted net assets of the business type activities is predominantly a result of the reduction of expenses for the Solid Waste Management Program.

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.

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

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$47,140	\$47,848	\$4,060	\$4,235	\$51,200	\$52,083
Capital assets	0	0	986	1,061	986	1,061
Total assets	47,140	47,848	5,046	5,296	52,186	53,144
Long-term liabilities outstanding	3,878	3,883	0	0	3,878	3,883
Other liabilities	14,647	14,073	1,391	1,707	16,038	15,780
Total liabilities	18,525	17,956	1,391	1,707	19,916	19,663
Net assets:						
Invested in capital assets, net of related debt	0	0	986	1,061	986	1,061
Restricted	12,100	11,742	0	0	12,100	11,742
Unrestricted	16,515	18,150	2,669	2,528	19,184	20,678
Total net assets	\$28,615	\$29,892	\$3,655	\$3,589	\$32,270	\$33,481

There was a decrease of almost \$75,000 in invested capital assets net of related debt reported in connection with Vermilion County's business-type activities. This is comprised of accumulated depreciation increasing \$203,869, and building improvements/equipment additions, totaling \$129,164 for the current year.

Vermilion County's total net assets decreased by \$1,210,757 during the current fiscal year. This is comprised of a decrease of Governmental Activities net assets of \$1,276,717 and an increase of Business Type net assets of \$65,960. This will be further discussed in both the Governmental Activities and Business Type Activities sections of this report.

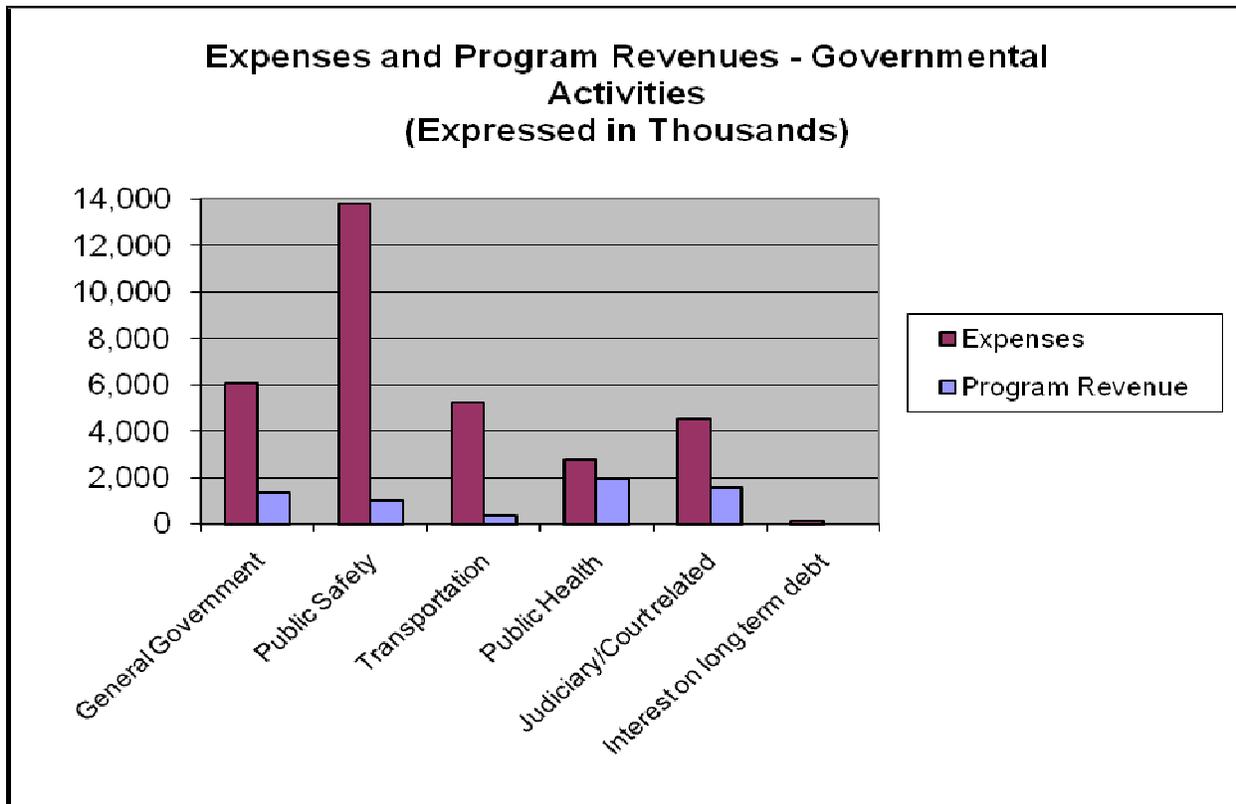
**Vermilion County's Changes in Net Assets
(Expressed in Thousands)**

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$3,824	\$4,192	\$8,860	\$12,014	\$12,684	\$16,206
Operating grants and contributions	2,469	3,657	0	0	2,469	3,657
Capital grants and contributions	0	65	0	0	0	65
General revenues:						
Property taxes	10,047	10,195	692	693	10,739	10,888
Other taxes	9,797	9,656	0	0	9,797	9,656
Grants and contributions not restricted to specific programs						
Other	5,221	6,763	118	169	5,339	6,932
Total revenues	31,358	34,528	9,670	12,876	41,028	47,404
Expenses:						
General government	6,085	6,048	0	0	6,085	6,048
Public safety	13,822	12,546	0	0	13,822	12,546
Transportation	5,265	6,416	0	0	5,265	6,416
Public Health	2,769	4,052	0	0	2,769	4,052
Judiciary/Court related	4,544	4,547	0	0	4,544	4,547
Interest on long-term debt	150	148	0	0	150	148
Nursing Home	0	0	9,388	11,319	9,388	11,319
Nursing Home Farm	0	0	46	34	46	34
Solid Waste Management	0	0	170	397	170	397
Total expenses	32,635	33,757	9,604	11,750	42,239	45,507
Increase in net assets before transfers	(1,277)	771	66	1,126	(1,211)	1,897
Transfers	0	0	0	0	0	0
Increase in net assets	(1,277)	771	66	1,126	(1,211)	1,897
Net assets - 12/01/09	29,892	29,121	3,589	2,463	33,481	31,584
Net assets - 11/30/10	\$28,615	\$29,892	\$3,655	\$3,589	\$32,270	\$33,481

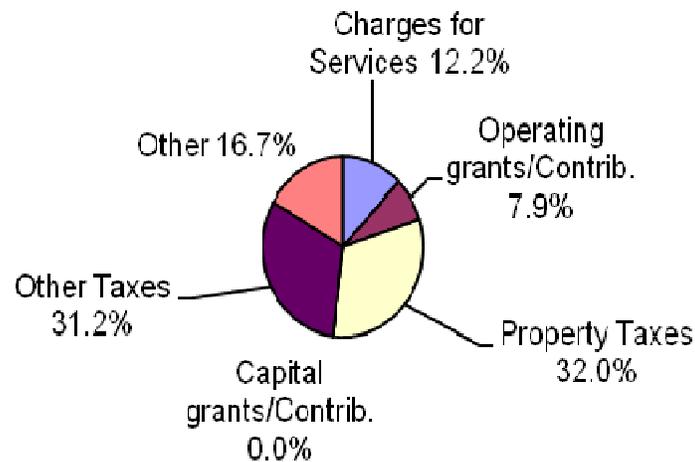
Governmental activities. Governmental activities precipitated a decrease in Vermilion County's net assets by \$1,276,717. Noteworthy issues are as follows:

- Funds Restricted for Capital Projects experienced an increase in net assets of \$363,210. Because this fund balance has decreased almost \$638,000 during the prior two fiscal years, it was a goal of management to bolster these funds to properly maintain County buildings for the future.
- The Funds Restricted for Public Safety Building Rent increased \$126,022 from the prior year to \$4,326,741. The entirety of these restricted funds is in prepaid rent and is a result of timing. The payment is made in full on November 1 of each year, and thus, eleven of the twelve months are prepaid and restricted. The increase is due to Assigned Personnel costs.
- Net Assets Reserved for Retirement includes FICA Fund and IMRF Fund. Management has made a conscious effort to properly fund the employee's promised retirement benefits, while shielding the County from excessive increases in future funding requirements. In a successful effort to balance the available funds with funding requirements, these restricted funds increased almost \$9,000 in the current fiscal year.
- The Funds Restricted for Regional Superintendent of Schools decreased \$89,435 in the current fiscal year. This is a result of timing, whereas \$74,409 was collected in fiscal year 08/09 and distributed in fiscal year 09/10.
- The Unrestricted Funds of Governmental Activities decreased \$1,635,473 in fiscal year 09/10. As previously mentioned, this is primarily the result of the State of Illinois being more than 60 days delinquent in making payments to Vermilion County and causing these receivables to be omitted from net assets. These tardy payments, some dating back to July of 2010, total \$1,407,465 and are categorized as follows: Income Tax, \$421,259; Sales Tax Regular and Supplemental, \$157,676; Salary Reimbursements, \$828,530. All of these funds were subsequently received between February 1, 2011 and May 11, 2011. It is worthwhile to note that the State neglected to fund any of the salaries of the Juvenile Detention Center personnel for January through June of 2010; the amount billed for that time frame was \$558,856.
- 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 continuing goals has been to isolate expenses associated with a particular function to better identify the cost of the service. In total, the Internal Service Fund experienced an increase in net assets of \$372,208; \$61,085 of this increase was attributable to Health Insurance and \$311,123 to General Liability Insurance. This is due to the Vermilion Manor Nursing Home and the Law Enforcement Fund paying the portion of these expenses that relate to their operations.
- Governmental activities include general government, judiciary and court related, public safety, public health, transportation and interest on long-term debt. Expenses for governmental activities were \$1,122,074 less in fiscal year 09/10 as compared with fiscal year 08/09. Public Health, in particular, was down \$1,283,473 as a result of the State of Illinois not funding its grant programs and the Board of Health reducing 42 grant funded staff positions at the Health Department in an effort to keep it financially stable. The corresponding Grant Revenue for Public Health was down almost \$907,000 from the prior year.

- The 09/10 budgeted revenue figure for Corporate Replacement Tax paid to Vermilion County was \$1,150,000. The audit reports that Vermilion County actually received \$709,409 from the State; a budgeted shortfall of \$440,591. In comparison to the prior year's receipts, this is a reduction of almost \$293,000. Comparing fiscal year 09/10 with fiscal year 08/09, please note the following: State Sales Tax dollars collected are up just more than \$303,000; State Income Tax Allocation is down \$207,000; and Intergovernmental Revenues are down almost \$1.1 million. Intergovernmental Revenues being down is a factor of the State of Illinois' extreme delinquency in salary reimbursements paid to Vermilion County. In summary, these four revenue lines reveal a reduction in State payments to Vermilion County of almost \$1.3 million as compared to the prior year.
- The last major factor in explaining the \$1,548,965 reduction in General Revenues of Governmental Activities is that Interest/Investment income was down almost \$234,000 as compared to the prior fiscal year. In light of the economic environment that existed between December 1, 2009 and November 30, 2010, and the State's failure to pay its expenses in a timely fashion, this was not an astonishing result.



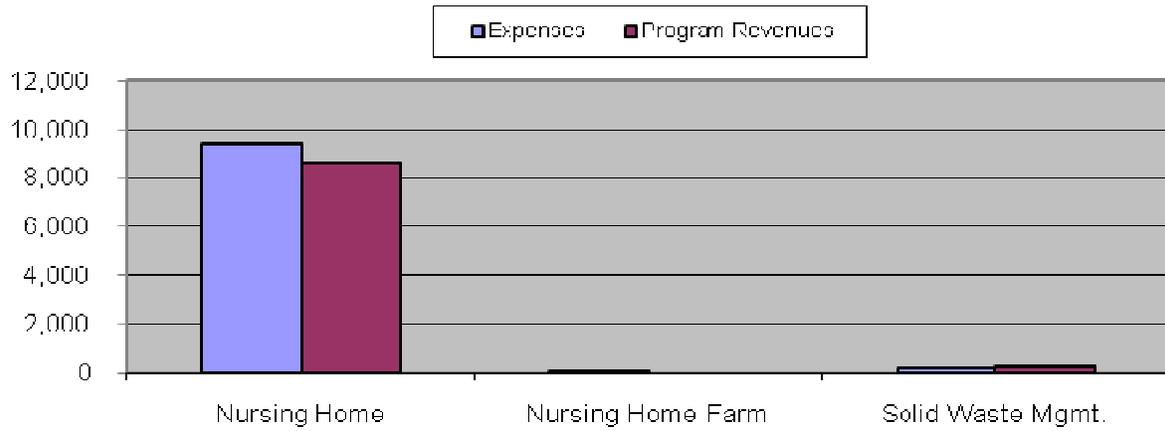
Revenues by Source - Governmental Activities



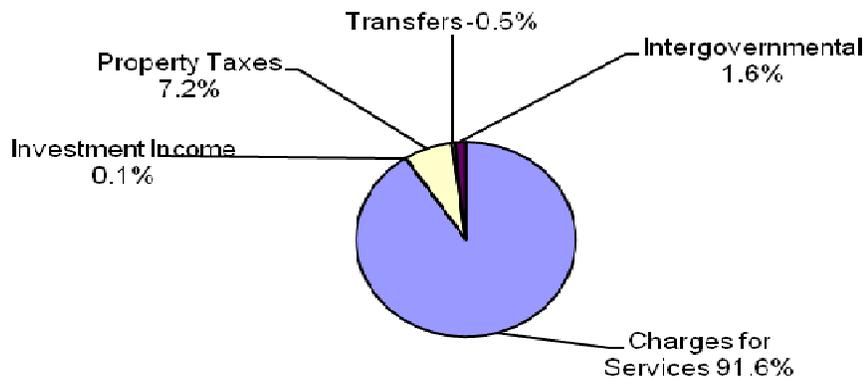
Business-type activities. Business-type activities increased Vermilion County's net assets by approximately \$66,000. Noteworthy issues are as follows:

- Charges for services for business-type activities were \$3,154,739 less (26% decrease) for the current fiscal year. The Nursing Home reported a decrease of \$3,132,403 while Solid Waste Management experienced a reduction of just more than \$22,336.
- The primary cause of the \$3.1 million decrease in the Vermilion Manor Nursing Home's Charges for Services was the removal of \$2.45 million for Internal County Service revenue and expenditure; this was a State mandated recording method for Federal Medicare reimbursement dollars that pass through the State to the Nursing Home. Secondly, the State of Illinois is delinquent in passing through Medicare funds from the Federal Government to the Nursing Home at an estimated amount of \$1.2 million. Because of this delinquency, the \$1.2 million is not recorded as a revenue or receivable. Thus, the Nursing Home experienced a \$34,605 reduction in net assets for fiscal year 09/10 as compared to an increase of \$1,167,408 in fiscal year 08/09.
- Other Enterprise Funds reported an increase of \$100,565 in net assets for the current fiscal year. Other Enterprise Funds is comprised of the Vermilion County Farm and the Solid Waste Management Program. This is predominantly a result of the Board of Health terminating the recycling program on October 31, 2009, and the expenses declining accordingly.

Expenses and Program Revenues - Business-type Activities (Expressed in Thousands)



Revenues by Source - Business-type Activities



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 \$30.437 million, a decrease of slightly more than \$2.34 million in comparison with the prior year. Approximately 60% of this total (\$18.337 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion; roughly \$6.529 million is *available for spending* at the general government's discretion and \$11.808 million available for Special Revenue Funds for purposes such as public safety. 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 (\$542,000), 2) to road projects (\$4.651 million), 3) for public safety (\$4.327 million), 4) employee retirement funding (\$2.195 million), and 5) for a variety of other restricted purposes (\$386,000).

Note that the Deferred Revenue liability for the Total Governmental Funds has increased by almost \$1.8 million since the prior fiscal year. In particular, note that it increased \$2,556,900 for the General Fund, to a total of \$4,536,900. The components of this increase include: State Income Taxes, \$421,259; State Sales Taxes, \$157,676; State Salary Reimbursements, \$828,530; State Corporate Replacement Taxes, \$258,435; Additional Property Taxes needed in the General Fund but paid in 2011, \$891,000. The State of Illinois precipitated \$1,665,900 of this liability by not paying its bills in a timely manner, thus, forcing Vermilion County to be one of its lenders and driving down the fund balance of the General Fund.

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 \$6,528,932, which represents 54.8% of the total annual General Fund expenditures of \$11,910,108. This indicates that Vermilion County has about 6.5 months of operating funds in reserve. The prior fiscal year had a fund balance to expenditure ratio of 72.7%, or 8.7 months of operating funds. This decrease in ratio is due to the reduction in fund balance and a slight increase in General Fund expenditures from fiscal year 2009 to fiscal year 2010 of \$127,137 (1.08% increase).

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 \$2.14 million, an increase of just more than \$37,000; the other enterprise funds had unrestricted assets of \$531,000, an increase of just over \$103,000. 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 originally budgeted to have a surplus of \$268,789 for Fiscal Year 2009 – 2010; as budget amendments occurred during the year, the final General Fund budget projected a surplus of \$231,773. The General Fund actually experienced a decrease in Fund Balance of \$2,033,229, to a total of \$6,528,932. This is a negative budget variance of \$2,265,002 as compared with the final budget. Although the actual annual revenue was short of budget by \$3,944,390, the actual annual expenses were \$1,679,388 less than the budgeted annual expenses. The diligence and commitment of the department heads and elected officials in their conservative spending are to be commended. It is entirely due to their efforts that the revenue shortfall wasn't more damaging to Vermilion County's fiscal position.

There are two causes for the underperformance of revenue for the General Fund of \$3,944,390. First, as previously discussed, \$1,407,465 of delinquent payments from the State of Illinois was excluded from revenue. Second, in both the original and final General Fund revenue budget, \$2,450,000 was recorded as Internal County Service revenue in the Charges for Services revenue category. This was a mandate by the State of Illinois to be presented in this manner and it directly correlates to an expenditure line in the Nursing Home Fund. It functions as a pass through line for Federal reimbursement dollars that are submitted to the State for Medicare payments. Any dollars that are deposited into that revenue line are directly paid to the State of Illinois and are thus, not true revenue, even though this procedure for recordation was required by the State. Therefore, actual revenues exclude the \$2,450,000 although the original and final budgets included it. This State mandate has been revoked and the 2010 – 2011 fiscal year General Fund budget does not include this revenue entry.

If one were to disregard the Internal County Service revenue from the final budgeted numbers, the actual revenue received would have been approximately \$1,494,000 lower than revenue budgeted. This shortfall in revenue received versus budgeted was comprised of multiple factors. Those worthy of mention, both higher and lower, as they compare to the final budgeted revenue figures are: State Sales tax, up almost \$262,000; State Income Tax, under by \$384,000; Corporate Replacement Tax, short \$441,000; State Salary Reimbursements, under budget by \$707,000; Fines and Forfeitures were \$68,000 below budget; and Miscellaneous income was \$137,000 short of budgeted revenue. The shortfall for Miscellaneous is a result of two checks for franchise fees, totaling \$123,076 that were deposited into the 911 Fund rather than the General Fund. The County Auditor is aggressively pursuing the collection of these funds to be deposited into the General Fund and recorded as revenue.

Throughout the budget year, grants were received that increased revenue by slightly more than \$58,000, all of which was appropriated for expenditures. The County Clerk and Election Commission sought out and received approximately \$51,000 and \$3,000, respectively, for election expenses. Technology Services received a grant for \$4,300 for updates to the voter system. Grant money was not plentiful this fiscal year and the County was hesitant to rely upon grant funding from the State of Illinois since the dollars had not been passing through in a trustworthy manner.

Expense appropriations for the General Fund increased slightly more than \$95,000 throughout the budget year. Of this increase, approximately \$58,000 (61%) was funded by grant dollars and \$37,000 (39%) by fund balance. The expenditures that required the use of fund balance were:

- \$ 8,866 for Election Labor and Supplies.
- \$24,550 for increases associated with a Collective Bargaining Unit contract settlement.
- \$ 3,600 Public Defender salary expenses for State mandated salary.

Upon completion of the 2009 – 2010 Fiscal Year, the General Fund had a budgeted surplus of \$231,773; this was comprised of the original budgeted surplus of \$268,789 less the additional necessary use of fund balance totaling \$37,016.

As previously mentioned, the actual General Fund expenditures were \$1.68 million less than final budgeted expenditures for the current fiscal year. The County offices that superbly managed their annual expenditures by spending less than budgeted are as follows: Non-Departmental Services, under by almost \$105,000; Capital Outlay, returned almost \$115,000 to the General Fund; County Clerk, spent \$56,796 less than budgeted (largely due to a reimbursement grant received late in the year); Employee Benefits, under budget by almost \$697,000; Building and Grounds returned approximately \$140,000 to the General Fund; Judiciary and Court related offices spent \$224,691 less than budgeted; and the Public Safety budgets returned almost \$189,000 of unspent funds. The department heads and elected officials displayed excellent control of expenditures, resulting in somewhat of an offset to the revenue shortfall that occurred. Their managerial prowess softened the impact of a very difficult fiscal year.

Capital Asset and Debt Administration

Capital assets. Vermilion County’s investment in capital assets for its business type activities as of November 30, 2010, amounted to just more than \$986,000 (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 7%; the driving factor in this reduction was the increase in accumulated depreciation of \$203,869.

Vermilion County's Capital Assets (Net of depreciation)

	Business-type activities	
	2010	2009
Land	\$1,000	\$1,000
Buildings	5,633,959	5,591,471
Transportation equipment	107,042	71,712
Recycling equipment	96,610	96,610
Other equipment	1,266,178	1,214,832
Total	\$7,104,789	\$6,975,625
Less: Accumulated Depreciation	6,118,695	5,914,826
Net Capital Assets	\$986,094	\$1,060,799

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

Long-term debt. At the end of the current fiscal year, Vermilion County had total long term obligations of \$3,878,125. 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, accumulated paid time off and a liability required as a result of GASB Statement No. 45 in which an estimate must be made for postemployment benefits other than pensions; specifically, this liability is an estimation regarding health insurance benefits for current and future retirees of Vermilion County. The outstanding bonds for the Juvenile Detention Center and addition to the Public Safety Building are not in Vermilion County’s name.

Vermilion County's Outstanding Debt
Non Current Liabilities

	Governmental activities	
	2010	2009
Accumulated paid time off	\$190,391	\$159,748
Postemployment obligations	169,044	83,686
Bond obligations	3,518,690	3,639,590
Total	\$3,878,125	\$3,883,024

Vermilion County’s total long term debt decreased by \$4,899 (0.13%) during the current fiscal year even though postemployment obligations increased \$85,358. Accumulated paid time off climbed \$30,643 as a result of the increased value of a work day for long term employees. However, it is expected that this obligation will decrease in the near future as long term employees retire. Bond obligations experienced a decrease of \$120,900 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 10.8% as of the close of the current Fiscal Year; this was a decrease from a rate of 11.7% a year ago. This information was attained from the IDES website. This compares unfavorably to the state's average unemployment rate of 9.1% (IDES website), and the national average rate of 9.8% (Bureau of Labor Statistics).
- Although the 2010 – 2011 Budget showed no change in the estimated overall extended tax rate, 09/10 and 10/11 at 1.39436%, the actual extended rate increased from 1.34150% to 1.37220%; it is interesting to note that although the rate increased, the County budgeted to collect no additional dollars in the tax levy. While the County Board and Elected Officials have been diligent in their efforts to reduce the property tax rates, the actual rate went up due to the Assessed Valuation decreasing in 10/11. As the national housing market experienced a decline in housing values, the trend affected Vermilion County as well. The actual Assessed Valuation at 09/10 and 10/11 were \$868,168,785 and \$848,756,717, respectively, a decrease of \$19,412,068; note that between 08/09 and 09/10 there was a decrease of \$8,176,956 and, prior to these two fiscal years, the last time that Vermilion County experienced a reduction in actual Assessed Valuation was fiscal year 05/06. We are hopeful that this trend will reverse, allowing property values to increase and tax rates to decrease.
- The General Fund has a planned budget deficit of \$461,703 for the 2010 – 2011 budget year. The County Board office has continued its efforts to assign expenses to the various funds and departments that create them. In that light, many departments are able to fund their own expenses, thus taking some of the financial burden off of the General Fund.
- A top priority for the County Board is to keep the property tax rates as low as possible; however, there are serious concerns about future funding sources. The State of Illinois' inability to pay its bills has caused Vermilion County to drastically reduce the staff at the Health Department, as their primary source of funding was state grants. The state has also been very slow to reimburse salary expenses, as was promised, for offices such as Probation, Juvenile Detention, State's Attorney, Public Defender and Supervisor of Assessments.

All of these factors were considered in preparing Vermilion County's budget for the 2010 – 2011 fiscal year. Management's primary goal in preparing the annual budget is to maintain or reduce property taxes. While a major revenue source remains erratic and unreliable, it was necessary to utilize expenditure control. In light of that, it is worthy to note that the original budgeted expenses for the General Fund for fiscal year 10/11 were only \$34,092 higher than the original budgeted expenses for fiscal year 09/10 and \$61,185 less than the final budgeted expenses. Hence, the estimated property tax rate was kept at \$1.39436 per \$100 of Assessed Valuation.

Requests for Information

This financial report is designed to provide a general overview of Vermilion County's financial position 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, 2010

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
CURRENT ASSETS			
Cash	\$ 7,006,266	\$ 2,083,306	\$ 9,089,572
Investments	17,404,590	87,675	17,492,265
Receivables, net	-	2,578,049	2,578,049
Taxes receivable	10,806,931	-	10,806,931
Accrued interest	331,902	-	331,902
Prepaid items	4,326,741	-	4,326,741
Receivable from external parties	1,770,229	-	1,770,229
Internal balances	689,362	(689,362)	-
Due from other governments	4,804,369	-	4,804,369
	<u>47,140,390</u>	<u>4,059,668</u>	<u>51,200,058</u>
Total current assets			
NONCURRENT ASSETS			
Capital assets:			
Land	-	1,000	1,000
Buildings	-	5,633,959	5,633,959
Transportation equipment	-	107,042	107,042
Recycling equipment	-	96,610	96,610
Other equipment	-	1,266,178	1,266,178
Total, at cost	-	7,104,789	7,104,789
Less accumulated depreciation	-	6,118,695	6,118,695
	<u>-</u>	<u>986,094</u>	<u>986,094</u>
Total noncurrent assets			
TOTAL ASSETS	<u>\$ 47,140,390</u>	<u>\$ 5,045,762</u>	<u>\$ 52,186,152</u>
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 2,905,866	\$ 698,177	\$ 3,604,043
Due to others	196,589	-	196,589
Deferred revenue	11,544,170	692,778	12,236,948
Current portion of lease obligations	124,800	-	124,800
	<u>14,771,425</u>	<u>1,390,955</u>	<u>16,162,380</u>
Total current liabilities			
NONCURRENT LIABILITIES			
Accumulated paid time off	190,391	-	190,391
Other postemployment obligation	169,044	-	169,044
Noncurrent portion of lease obligations	3,393,890	-	3,393,890
	<u>3,753,325</u>	<u>-</u>	<u>3,753,325</u>
Total noncurrent liabilities			
Total liabilities	<u>18,524,750</u>	<u>1,390,955</u>	<u>19,915,705</u>
NET ASSETS			
Invested in capital assets, net of obligations	-	986,094	986,094
Restricted for capital projects	542,065	-	542,065
Restricted for road projects	4,650,637	-	4,650,637
Restricted for Public Safety			
Building Rent	4,326,741	-	4,326,741
Restricted for retirement	2,195,336	-	2,195,336
Restricted for election	53,018	-	53,018
Restricted for working cash	289,947	-	289,947
Restricted for Regional			
Superintendent of Schools	42,839	-	42,839
Unrestricted	16,515,057	2,668,713	19,183,770
	<u>28,615,640</u>	<u>3,654,807</u>	<u>32,270,447</u>
Total net assets			
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 47,140,390</u>	<u>\$ 5,045,762</u>	<u>\$ 52,186,152</u>

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended November 30, 2010

	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	Total
PROGRAMS							
Governmental activities:							
General government	\$ 6,099,782	\$ 1,300,222	\$ 73,065	\$ -	\$ (4,726,495)	\$ -	\$ (4,726,495)
Judiciary and court related	4,537,179	1,580,924	-	-	(2,956,255)	-	(2,956,255)
Public safety	13,813,791	761,206	232,460	-	(12,820,125)	-	(12,820,125)
Public health	2,768,605	183,900	1,782,920	-	(801,785)	-	(801,785)
Transportation	5,264,731	-	379,995	-	(4,884,736)	-	(4,884,736)
Interest on long-term debt	150,577	-	-	-	(150,577)	-	(150,577)
Total governmental activities	<u>32,634,665</u>	<u>3,826,252</u>	<u>2,468,440</u>	<u>-</u>	<u>(26,339,973)</u>	<u>-</u>	<u>(26,339,973)</u>
Business-Type activities:							
Nursing Home	9,387,741	8,616,314	-	-	-	(771,427)	(771,427)
Nursing Home Farm	45,770	-	-	-	-	(45,770)	(45,770)
Solid Waste Management	170,511	243,213	-	-	-	72,702	72,702
Total business-type activities	<u>9,604,022</u>	<u>8,859,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(744,495)</u>	<u>(744,495)</u>
TOTAL	<u>\$ 42,238,687</u>	<u>\$ 12,685,779</u>	<u>\$ 2,468,440</u>	<u>\$ -</u>	<u>(26,339,973)</u>	<u>(744,495)</u>	<u>(27,084,468)</u>

GENERAL REVENUES

Property taxes	\$ 10,047,445	\$ 692,073	\$ 10,739,518
Corporate personal property replacement taxes	709,409	-	709,409
State sales taxes	3,325,416	-	3,325,416
State income tax allocation	1,924,961	-	1,924,961
Hotel, restaurant and amusement taxes	3,458	-	3,458
Local motor fuel taxes	3,763,271	-	3,763,271
Inheritance taxes	70,309	-	70,309
Interest/investment income	137,401	11,457	148,858
Intergovernmental revenues	4,343,616	156,925	4,500,541
Miscellaneous	691,795	-	691,795
Transfers	50,000	(50,000)	-
	<u>25,067,081</u>	<u>810,455</u>	<u>25,877,536</u>
Total general revenues and transfers			
Change in net assets	(1,272,892)	65,960	(1,206,932)
NET ASSETS, BEGINNING OF YEAR	<u>29,892,357</u>	<u>3,588,847</u>	<u>33,481,204</u>
NET ASSETS, END OF YEAR	<u>\$ 28,619,465</u>	<u>\$ 3,654,807</u>	<u>\$ 32,274,272</u>

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

**VERMILION COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2010**

	General Fund	Major Special Revenue Funds Public Safety Building Rent	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 145,322	\$ 283,957	\$ 6,238,419	\$ 6,667,698
Investments	4,328,247	2,000,000	9,876,450	16,204,697
Receivables:				
Taxes, net of allowance for estimated uncollectible	2,871,000	3,731,310	3,511,621	10,113,931
Other	8,309	340	322,462	331,111
Prepaid items	-	4,326,741	-	4,326,741
Due from other funds	1,797,571	-	700,602	2,498,173
Due from other governments	2,682,998	684,560	1,436,811	4,804,369
TOTAL ASSETS	\$ 11,833,447	\$ 11,026,908	\$ 22,086,365	\$ 44,946,720
LIABILITIES				
Accounts payable and accrued liabilities	\$ 767,615	\$ 174,690	\$ 1,301,549	\$ 2,243,854
Due to other funds	-	-	96,277	96,277
Due to other governments	-	-	196,589	196,589
Deferred revenue	4,536,900	3,731,310	3,704,349	11,972,559
Total liabilities	5,304,515	3,906,000	5,298,764	14,509,279
FUND BALANCE				
Reserved for capital projects	-	-	542,065	542,065
Reserved for road projects	-	-	4,650,637	4,650,637
Reserved for Public Safety Building Rent	-	4,326,741	-	4,326,741
Restricted for retirement	-	-	2,195,336	2,195,336
Reserved for election	-	-	53,018	53,018
Reserved for working cash	-	-	289,947	289,947
Reserved for Regional Superintendent of Schools	-	-	42,839	42,839
Unreserved, reported in General Fund	6,528,932	-	-	6,528,932
Special Revenue Funds	-	2,794,167	9,013,759	11,807,926
Total fund balance	6,528,932	7,120,908	16,787,601	30,437,441
TOTAL LIABILITIES AND FUND BALANCE	\$ 11,833,447	\$ 11,026,908	\$ 22,086,365	\$ 44,946,720

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, 2010

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

Fund balances - total governmental funds		\$	30,437,441
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:			
Taxes receivable		\$	837,370
Salary reimbursements			284,019
Total long-term assets			1,121,389
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.			
			934,935
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
			(3,878,125)
Net assets of governmental activities		\$	28,615,640

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, 2010

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Fund</u>	<u>Public Safety Building Rent</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
REVENUES				
Taxes	\$ 1,962,184	\$ 3,769,104	\$ 4,316,157	\$ 10,047,445
Intergovernmental	5,563,538	2,933,998	7,458,792	15,956,328
Licenses and permits	19,550	-	138,852	158,402
Charges for services	2,031,931	-	1,205,979	3,237,910
Fines and forfeits	407,473	-	20,515	427,988
Miscellaneous	466,191	12,661	348,471	827,323
	<u>10,450,867</u>	<u>6,715,763</u>	<u>13,488,766</u>	<u>30,655,396</u>
Total revenues				
EXPENDITURES				
Current:				
General government	4,327,579	-	1,380,619	5,708,198
Judiciary and court related	3,413,879	-	1,123,300	4,537,179
Public safety	4,168,650	6,943,226	2,701,915	13,813,791
Public health	-	-	2,768,605	2,768,605
Transportation	-	-	5,264,731	5,264,731
Capital outlay	-	-	275,583	275,583
Debt service:				
Principal	-	-	120,900	120,900
Interest	-	-	150,577	150,577
	<u>11,910,108</u>	<u>6,943,226</u>	<u>13,786,230</u>	<u>32,639,564</u>
Total expenditures				
Deficiency of revenues over expenditures	<u>(1,459,241)</u>	<u>(227,463)</u>	<u>(297,464)</u>	<u>(1,984,168)</u>

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Fund</u>	<u>Public Safety Building Rent</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 109,144	\$ -	\$ 683,132	\$ 792,276
Operating transfers out	<u>(683,132)</u>	<u>-</u>	<u>(109,144)</u>	<u>(792,276)</u>
Total other financing sources (uses)	<u>(573,988)</u>	<u>-</u>	<u>573,988</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(2,033,229)	(227,463)	276,524	(1,984,168)
FUND BALANCE, BEGINNING OF YEAR	<u>8,562,161</u>	<u>7,348,371</u>	<u>16,511,077</u>	<u>32,421,609</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,528,932</u>	<u>\$ 7,120,908</u>	<u>\$ 16,787,601</u>	<u>\$ 30,437,441</u>

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, 2010

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

Net change in fund balances - total governmental funds		\$ (1,984,168)
Revenues that are not available to pay current obligations are reported as deferred revenue in the fund financial statements, but they are presented in the statement of activities. The effect of the change from prior year is a reconciling item.		330,344
Long-term liabilities, including capital lease payments, are not due and payable in the current period and therefore are not reported in the funds:		
Principal repayments on capital lease	\$ 120,900	
Increase in other postemployment obligations	(85,358)	
Increase in compensated absences	<u>(30,643)</u>	
Net adjustment for changes in long-term liabilities.		4,899
Internal service funds are used by management to charge the costs of insurance to individual funds. The net expenditure of internal service funds is reported with governmental activities		<u>372,208</u>
Change in net assets of governmental activities		<u>\$ (1,276,717)</u>

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
November 30, 2010

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Vermilion Manor Nursing Home	Other Enterprise Funds	Total	Internal Service Fund
CURRENT ASSETS				
Cash	\$ 1,869,128	\$ 214,178	\$ 2,083,306	\$ 338,568
Investments	-	87,675	87,675	1,199,893
Receivables, net	2,344,183	233,866	2,578,049	693,000
Accrued interest	-	-	-	791
Due from other funds	-	-	-	57,695
	<u>4,213,311</u>	<u>535,719</u>	<u>4,749,030</u>	<u>2,289,947</u>
Total current assets				
NONCURRENT ASSETS				
Land	-	1,000	1,000	-
Buildings and improvements	5,614,959	19,000	5,633,959	-
Transportation equipment	107,042	-	107,042	-
Recycling equipment	-	96,610	96,610	-
Other equipment	1,235,296	30,882	1,266,178	-
Total, at cost	6,957,297	147,492	7,104,789	-
Less accumulated depreciation	5,978,048	140,647	6,118,695	-
	<u>979,249</u>	<u>6,845</u>	<u>986,094</u>	<u>-</u>
Total noncurrent assets				
TOTAL ASSETS	<u>\$ 5,192,560</u>	<u>\$ 542,564</u>	<u>\$ 5,735,124</u>	<u>\$ 2,289,947</u>
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 693,747	\$ 4,430	\$ 698,177	\$ 662,012
Due to other funds	689,362	-	689,362	-
Deferred revenue	692,778	-	692,778	693,000
	<u>2,075,887</u>	<u>4,430</u>	<u>2,080,317</u>	<u>1,355,012</u>
Total current liabilities				
NET ASSETS				
Invested in capital assets	979,249	6,845	986,094	-
Unrestricted net assets	2,137,424	531,289	2,668,713	934,935
	<u>3,116,673</u>	<u>538,134</u>	<u>3,654,807</u>	<u>934,935</u>
Total net assets				
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,192,560</u>	<u>\$ 542,564</u>	<u>\$ 5,735,124</u>	<u>\$ 2,289,947</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, 2010

	Business-Type Activities			Governmental
	Enterprise Funds			Activities -
	Vermilion Manor	Other Enterprise	Total	Internal Service
	Nursing Home	Funds		Fund
OPERATING REVENUES				
Charges for services	\$ 8,616,314	\$ 243,213	\$ 8,859,527	\$ 2,065,144
Miscellaneous	<u>33,951</u>	<u>122,974</u>	<u>156,925</u>	<u>-</u>
Total operating revenues	<u>8,650,265</u>	<u>366,187</u>	<u>9,016,452</u>	<u>2,065,144</u>
OPERATING EXPENSES				
Personnel services	6,370,965	125,683	6,496,648	2,527,450
Supplies and materials	593,114	315	593,429	-
Other services and charges	36,663	55,470	92,133	-
Contractual services	2,175,436	32,147	2,207,583	-
Capital outlay	9,906	-	9,906	-
Depreciation	<u>201,203</u>	<u>2,666</u>	<u>203,869</u>	<u>-</u>
Total operating expenses	<u>9,387,287</u>	<u>216,281</u>	<u>9,603,568</u>	<u>2,527,450</u>
Operating income (loss)	<u>(737,022)</u>	<u>149,906</u>	<u>(587,116)</u>	<u>(462,306)</u>
NON-OPERATING REVENUES (EXPENSES)				
Taxes	692,073	-	692,073	782,598
Interest income	10,798	659	11,457	1,916
Interest expense	<u>(454)</u>	<u>-</u>	<u>(454)</u>	<u>-</u>
Total non-operating revenues	<u>702,417</u>	<u>659</u>	<u>703,076</u>	<u>784,514</u>
Income (loss) before transfers	<u>(34,605)</u>	<u>150,565</u>	<u>115,960</u>	<u>322,208</u>
OPERATING TRANSFERS				
Operating transfers in	-	-	-	50,000
Operating transfers out	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total operating transfers	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>50,000</u>
CHANGE IN NET ASSETS	<u>(34,605)</u>	<u>100,565</u>	<u>65,960</u>	<u>372,208</u>
NET ASSETS, BEGINNING OF YEAR	<u>3,151,278</u>	<u>437,569</u>	<u>3,588,847</u>	<u>562,727</u>
NET ASSETS, END OF YEAR	<u>\$ 3,116,673</u>	<u>\$ 538,134</u>	<u>\$ 3,654,807</u>	<u>\$ 934,935</u>

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, 2010

	Business-Type Activities Enterprise Funds			Governmental Activities
	Vermilion Manor Nursing Home	Other Enterprise Funds	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers including cash deposits	\$ 8,119,392	\$ 392,172	\$ 8,511,564	\$ 2,065,144
Cash paid to suppliers and for claims	(3,141,520)	(94,551)	(3,236,071)	(2,600,486)
Cash paid to employees	(6,350,602)	(128,691)	(6,479,293)	-
Cash received from (paid to) other funds	(309,584)	-	(309,584)	100,000
Net cash provided by (used in) operating activities	(1,682,314)	168,930	(1,513,384)	(435,342)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash received for property taxes	692,073	-	692,073	782,598
Cash paid for interest	(454)	-	(454)	-
Cash transfers from (to) other funds	-	(50,000)	(50,000)	50,000
Net cash provided by (used in) noncapital financing activities	691,619	(50,000)	641,619	832,598
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	(129,164)	-	(129,164)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	-	-	-	(399,893)
Interest received	10,798	659	11,457	1,378
Proceeds from sale of investments	-	(26,642)	(26,642)	-
Net cash provided by (used in) investing activities	10,798	(25,983)	(15,185)	(398,515)
NET INCREASE (DECREASE) IN CASH	(1,109,061)	92,947	(1,016,114)	(1,259)
CASH, BEGINNING OF YEAR	2,978,189	121,231	3,099,420	339,827
CASH, END OF YEAR	\$ 1,869,128	\$ 214,178	\$ 2,083,306	\$ 338,568

	Business-Type Activities Enterprise Funds			Governmental Activities
	Vermilion Manor Nursing Home	Other Enterprise Funds	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (737,022)	\$ 149,906	\$ (587,116)	\$ (462,306)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	201,203	2,666	203,869	-
Effects of changes in operating assets and liabilities:				
Receivables	(530,873)	25,985	(504,888)	-
Accounts payable and accrued liabilities	(306,038)	(9,627)	(315,665)	(73,036)
Due to other funds	(309,584)	-	(309,584)	-
Due from other funds	-	-	-	100,000
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (1,682,314)	\$ 168,930	\$ (1,513,384)	\$ (435,342)

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
November 30, 2010

		<u>Agency Funds</u>
Cash	\$	9,087,607
Investments		977,000
Receivables:		
Taxes, net of allowance for estimated uncollectibles		1,540,907
Accrued interest		456
Due from other funds		16,725
Inventory		<u>26,467</u>
 TOTAL ASSETS	 \$	 <u><u>11,649,162</u></u>
 Accounts payable	 \$	 116,007
Due to other funds		1,786,954
Due to other governments		141,770
Due to others		3,901,959
Due to taxing bodies		<u>5,702,472</u>
 TOTAL LIABILITIES	 \$	 <u><u>11,649,162</u></u>

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

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

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 is 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 and proprietary funds are reported as separate columns in the fund financial statements.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

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 the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues available if they are collected within 60 days of the end of the current fiscal year. 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.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

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.

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, 2010

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; 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, 2010

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, 2010 was \$1.69 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.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES (Continued)

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.

Based on collection histories, the County has provided at November 30, 2010 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.

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 \$33,353,529 and the respective bank balances totaled \$34,314,274. Included in the carrying amount of the County's bank deposits are certificates of deposits totaling \$14,776,007. Also included in the County's carrying amount of bank deposits are money market funds totaling \$2,433.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

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, 2010 mature within one year.

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%. As of November 30, 2010, \$266,654 of the County’s deposits were not insured or collateralized and therefore subject to custodial risk.

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. As of November 30, 2010, the County’s investment in the Illinois Funds, was rated AAAM by Standard and Poor’s.

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 \$250,000 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 \$2,683,149 at November 30, 2010.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

In addition to the above, the County had \$1,010,109 invested in certificates of deposits through financial services brokers. These deposits are fully insured.

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.

NOTE 4 – INTERFUND ACTIVITY

Individual fund interfund receivable and payable (due to/due from other funds) at November 30, 2010 were as follows:

Fund	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,797,571	\$ -
Special Revenue Funds:		
Health Department	94	75,000
Court Security	-	11,277
Indemnity	27,240	-
County Clerk Vital Records	1,080	-
FICA	617,286	-
Illinois Municipal Retirement	14,381	-
Traffic Fee	1,115	-
Court Document Storage	4,969	-
Court Automation	4,845	-
Recorder's Special Fee	4,158	-
Home Confinement and Probation	1,734	-
Probation Service	80	-
Treasurer's Automation	13,620	-
County Bridge	10,000	-
Township Motor Fuel Tax	-	10,000
Total special revenue funds	<u>700,602</u>	<u>96,277</u>
Enterprise Funds:		
Nursing Home	-	689,362
Internal Service	<u>57,695</u>	-
Agency Funds:		
Restitution	-	10,558
County Collector	-	1,453,308
County Clerk	5,448	8,970
Circuit Clerk	-	42,364
Recorder	-	17,751
Work Release	-	4,003
Treasurer's Account	11,277	-
Payroll Clearing	-	250,000
Total agency funds	<u>16,725</u>	<u>1,786,954</u>
TOTAL	<u>\$2,572,593</u>	<u>\$2,572,593</u>

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 4 – INTERFUND ACTIVITY (CONTINUED)

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

Interfund transfers for the year ended November 30, 2010 consisted of the following:

Transfers to General Fund from:	
Non-major governmental funds	<u>\$ 109,144</u>
Transfers to Non-major Governmental Funds from:	
General Fund	<u>\$ 683,132</u>
Transfers to Internal Service Funds from:	
Other Enterprise funds	<u>\$ 50,000</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, 2010 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, 2010 are as follows:

	Balance November 30, <u>2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance November 30, <u>2010</u>
Accumulated paid time off	\$ 159,748	\$ 32,399	\$ 1,756	\$ 190,391
Other postemployment benefits	83,686	85,358	-	169,044
Juvenile Detention Center lease	<u>3,639,590</u>	<u>-</u>	<u>120,900</u>	<u>3,518,690</u>
TOTAL	<u>\$ 3,883,024</u>	<u>\$ 117,757</u>	<u>\$ 122,656</u>	<u>\$ 3,878,125</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 November 1, 2026.

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

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 5 – GENERAL LONG-TERM DEBT (CONTINUED)

In accordance with the provisions of the Standards for *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.

\$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:

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 262,667	\$ 124,800	\$ 137,867
2012	261,497	128,700	132,797
2013	263,993	136,500	127,493
2014	262,355	140,400	121,955
2015	264,383	148,200	116,183
2016-2020	1,322,595	834,600	487,995
2021-2025	1,880,445	1,634,100	246,345
2026	<u>378,986</u>	<u>371,390</u>	<u>7,596</u>
TOTAL	<u>\$4,896,921</u>	<u>\$3,518,690</u>	<u>\$ 1,378,231</u>

Interest cost incurred on general long-term debt by the County during the year ended November 30, 2010 totaled \$142,781.

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.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 6 – LEASE AGREEMENTS (CONTINUED)

Public Safety Building Lease (Continued)

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.

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

Fiscal Year

2011	\$ 4,720,081
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Lease expense for the year ended November 30, 2010 was \$4,594,059.

NOTE 7 - ILLINOIS MUNICIPAL RETIREMENT FUND

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.

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 2009 was 7.80 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 2009 the County's annual pension cost of \$1,253,660 for the Regular plan was equal to the County's required and actual contributions.

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010**

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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$ 1,253,660	100%	\$ -
12/31/08	\$ 1,278,438	100%	\$ -
12/31/07	\$ 1,258,526	100%	\$ -

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 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% 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 23 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 86.79 percent funded. The actuarial accrued liability for benefits was \$33,266,085 and the actuarial value of assets was \$28,871,949, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,394,136. The covered payroll (annual payroll of active employees covered by the plan) was \$16,072,562 the ratio of the UAAL to the covered payroll was 27 percent. In conjunction with the December, 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as Required Supplemental Information 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.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

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 2009 was 14.01 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 2009 the County’s annual pension cost of \$260,498 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**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$ 260,498	100%	\$ -
12/31/08	\$ 290,984	100%	\$ -
12/31/07	\$ 234,470	100%	\$ -

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 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% 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 23 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Sheriff’s Law Enforcement Personnel plan was 75.52 percent funded. The actuarial accrued liability for benefits was \$7,666,694 and the actuarial value of assets was \$5,789,699, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,876,995. The covered payroll (annual payroll of active employees covered by the plan) was \$1,859,373 and the ratio of the UAAL to the covered payroll was 101 percent. In conjunction with the December, 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30-year basis.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 7 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

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

The schedule of funding progress, presented as Required Supplemental Information 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.

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 2009 was 42.57 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 2009 the County’s annual pension cost of \$344,394 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**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	\$ 344,394	100%	\$ -
12/31/08	\$ 381,606	100%	\$ -
12/31/07	\$ 336,807	100%	\$ -

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 7 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Defined Benefit Pension Plan – Elected County Officials (Continued)

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 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% 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 23 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Elected County Official plan was 32.90 percent funded. The actuarial accrued liability for benefits was \$4,487,729 and the actuarial value of assets was \$1,476,554, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,011,175. The covered payroll (annual payroll of active employees covered by the plan) was \$809,005 and the ratio of the UAAL to the covered payroll was 372 percent. In conjunction with the December, 2009 actuarial valuation, the market value of the investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30-year basis.

The schedule of funding progress, presented as Required Supplemental Information 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

There were no individual funds which incurred expenditures in excess of appropriations.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

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

Deficit Fund Balance

The following individual funds maintained deficit fund balances as of November 30, 2010:

Court Security	\$ 14,465
Health Insurance	\$ 157,563

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, 2010 is as follows:

	Vermilion Manor Nursing Home	Vermilion County Farm	Solid Waste Management	Total
Operating revenues	\$ 8,650,265	\$ 122,412	\$ 243,775	\$ 9,016,452
Depreciation	201,203	-	2,666	203,869
Operating income (loss)	(737,022)	76,642	73,264	(587,116)
Operating transfers in (out)	-	(50,000)	-	(50,000)
Property and equipment additions	129,164	-	-	129,164
Change in net assets	(34,605)	26,642	73,923	65,960
Net working capital	2,137,424	87,675	443,614	2,668,713
Total assets	5,192,560	88,675	453,889	5,735,124
Total equity	3,116,673	88,675	449,459	3,654,807

CAPITAL ASSETS

Nursing Home

	Balance December 1, <u>2009</u>	<u>Additions</u>	<u>Disposals</u>	Balance November 30, <u>2010</u>
Buildings	\$5,572,471	\$ 42,488	\$ -	\$ 5,614,959
Transportation equipment	71,712	35,330	-	107,042
Other equipment	<u>1,183,950</u>	<u>51,346</u>	-	<u>1,235,296</u>
	6,828,133	129,164	-	6,957,297
Less accumulated depreciation	<u>(5,776,845)</u>	<u>(201,203)</u>	-	<u>(5,978,048)</u>
Total	<u>\$1,051,288</u>	<u>\$ (72,039)</u>	<u>\$ -</u>	<u>\$ 979,249</u>

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 10 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONTINUED)

County Farm

	Balance December 1, <u>2009</u>	<u>Additions</u>	<u>Disposals</u>	Balance November 30, <u>2010</u>
Land	\$ <u>1,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,000</u>

Solid Waste Management

	Balance December 1, <u>2009</u>	<u>Additions</u>	<u>Disposals</u>	Balance November 30, <u>2010</u>
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>(137,981)</u>	<u>(2,666)</u>	<u>-</u>	<u>(140,647)</u>
Total	\$ <u>8,511</u>	\$ <u>(2,666)</u>	\$ <u>-</u>	\$ <u>5,845</u>

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, 2010

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 Hoopston. 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 2010 were \$279,619.

The Standards require 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, 2010 was \$143,809. The liability for claims incurred but not reported was estimated to range between \$142,976 and \$144,470. Based on this range, the County reflected a total liability for unpaid claims in the accompanying financial statements of \$226,370.

Changes in the balances of claims liabilities during fiscal year 2010 were as follows:

Estimated Liability December 1, 2009	Incurred and Estimated Claims	Claim Payments	Estimated Liability November 30, 2010
\$ 384,522	\$ 121,467	\$ 279,619	\$ 226,370
Estimated Liability December 1, 2008	Incurred and Estimated Claims	Claim Payments	Estimated Liability November 30, 2009
\$ 563,688	\$ 143,677	\$ 322,843	\$ 384,522

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 12 – SELF-FUNDED INSURANCE (CONTINUED)

The County is 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 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

	<u>2010</u>	<u>2009</u>
Claims liability, beginning balance	\$ 250,000	\$ 250,000
Claims paid, incurred prior to December, 2010	(1,424,246)	(1,173,557)
Increase in claims liability for claims incurred prior to December, 2010	<u>1,424,246</u>	<u>1,173,557</u>
Claims liability, ending balance	<u>\$ 250,000</u>	<u>\$ 250,000</u>

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 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description. In addition to providing the pension benefits described in Note 7, the County provides postemployment health care benefits (OPEB) for retired employees through a single employer defined benefit plan (Retiree Healthcare Program). The benefits, benefit levels, employee contributions and employer contributions are governed by the County and can be amended by the County through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the County's governmental and business-type activities.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Benefits Provided. The County provides continued health insurance coverage at the active employee rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under one of the County’s retirement plans. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree can choose to not participate in the plan or continue under the County’s plan at a Medicare Supplement rate.

Membership. At November 30, 2010, membership consisted of:

Retirees and beneficiaries currently receiving benefits	13
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>637</u>
Total	<u><u>650</u></u>
Participating employers	<u><u>1</u></u>

Funding Policy. The County is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

Premium cost sharing arrangements vary depending on the bargaining unit and date of retirement. Qualified retirees pay a percentage of the premium cost for single and dependent coverage based on Medicare status and family status.

Annual OPEB Costs and Net OPEB Obligation. The County’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The County first had an actuarial valuation performed for the plan as of November 30, 2009 to determine the funded status of the plan as of that date as well as the employer’s annual required contribution (ARC) for the fiscal year ended November 30, 2010. The County’s annual OPEB cost (expense) of \$140,705 was equal to the ARC for the fiscal year 2010. The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 was as follows:

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
November 30, 2010	\$ 140,705	\$ -	39.34%	\$ 169,044
November 30, 2009	\$ 142,307	\$ -	41.20%	\$ 83,686

The net OPEB obligation as of November 30, 2010, was calculated as follows:

Annual required contribution	\$ 140,705
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	140,705
Contributions made	<u>55,347</u>
Increase in net OPEB obligation	85,358
Net OPEB obligation, beginning of year	<u>83,686</u>
Net OPEB obligation, end of year	<u>\$ 169,044</u>

Funded Status and Funding Progress. The funded status of the plan as of November 30, 2010, (estimated based on the most recent actuary valuation as of November 30, 2009), was as follows:

Actuarial accrued liability (AAL)	\$ 1,235,023
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,235,023
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	16,888,854
UAAL as a percentage of covered payroll	7.31%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AALs for benefits.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

In the November 30, 2010 actuarial valuation, the entry-age normal cost method was used. The actuarial assumptions included a discount rate of 5.0 percent, salary increases comprised of a wage inflation component of 3.0 percent, and an ultimate healthcare trend rate of 8.0 percent initially and an ultimate rate of 6.0 percent. The calculations assume a level-percentage-of-pay 30-year open amortization period for retirees.

The actuarial value of assets was not determined as the County has not advance funded its obligation.

NOTE 14 – ON-BEHALF PAYMENTS FOR SALARIES

The State of Illinois paid salary stipends to various County officials during FY2010. These payments made by the State on-behalf of the County were reported as intergovernmental revenues and employee fringe benefits expenditures in the General Fund in the amount of \$38,643.

NOTE 15 – NEW GOVERNMENT ACCOUNTING STANDARD

In February 2009, the Governmental Accounting Standards Board issued a new accounting statement for *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The County will be required to adopt the new accounting standard in its November 30, 2011 financial statements. The County has not determined the effect, if any, the adoption of new accounting standard will have on the County's net assets.

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,962,184	\$ (37,816)
Intergovernmental	6,719,650	6,777,911	5,563,538	(1,214,373)
Licenses and permits	20,000	20,000	19,550	(450)
Charges for services	4,519,000	4,519,000	2,031,931	(2,487,069)
Fines and forfeits	475,000	475,000	407,473	(67,527)
Miscellaneous	602,990	602,990	466,191	(136,799)
Total revenues	<u>14,336,640</u>	<u>14,394,901</u>	<u>10,450,867</u>	<u>(3,944,034)</u>
EXPENDITURES				
Current:				
General Government				
County Board	346,372	346,372	298,796	47,576
County Auditor	122,319	122,319	108,446	13,873
Data Processing	384,032	389,317	381,920	7,397
County Treasurer	203,862	204,662	202,169	2,493
Non-Department Services	485,169	485,169	380,611	104,558
Capital Outlay	160,000	160,000	45,500	114,500
Merit Commission	15,824	15,824	13,014	2,810
Regional Superintendent of Schools	84,381	84,381	84,167	214
County Clerk	615,240	668,300	611,504	56,796
County Recorder	171,072	171,872	167,703	4,169
Other	1,529,000	1,529,000	832,115	696,885
Election Commission	278,382	290,314	255,552	34,762
Board of Review	74,300	74,300	58,688	15,612
Supervisor of Assessments	298,020	299,620	275,280	24,340
Buildings and Grounds	750,269	751,869	612,114	139,755
Total General Government	<u>5,518,242</u>	<u>5,593,319</u>	<u>4,327,579</u>	<u>1,265,740</u>
Judiciary and Court Related				
Circuit Clerk	508,380	513,580	504,870	8,710
States Attorney	1,045,791	1,047,891	943,828	104,063
Probation	1,073,018	1,081,518	1,058,314	23,204
Judiciary and Rules	437,105	437,105	366,170	70,935
Collection Program	35,095	35,095	35,095	-
Public Defender	519,481	523,381	505,602	17,779
Total Judiciary and Court Related	<u>3,618,870</u>	<u>3,638,570</u>	<u>3,413,879</u>	<u>224,691</u>
Public Safety				
Sheriff	2,514,810	2,514,810	2,401,464	113,346
Juvenile Detention Center	1,393,836	1,393,836	1,345,201	48,635
Emergency Services Disaster Agency	254,140	254,640	219,935	34,705
Coroner	194,321	194,321	202,050	(7,729)
Total Public Safety	<u>4,357,107</u>	<u>4,357,607</u>	<u>4,168,650</u>	<u>188,957</u>
Total expenditures	<u>13,494,219</u>	<u>13,589,496</u>	<u>11,910,108</u>	<u>1,679,388</u>
Excess (deficiency) of revenues over expenditures	<u>842,421</u>	<u>805,405</u>	<u>(1,459,241)</u>	<u>(2,264,646)</u>

VERMILION COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 109,500	\$ 109,500	\$ 109,144	\$ (356)
Operating transfers out	<u>(683,132)</u>	<u>(683,132)</u>	<u>(683,132)</u>	<u>-</u>
Total other financing uses	<u>(573,632)</u>	<u>(573,632)</u>	<u>(573,988)</u>	<u>(356)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 268,789</u>	<u>\$ 231,773</u>	(2,033,229)	<u>\$ (2,265,002)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>8,562,161</u>	
FUND BALANCE, END OF YEAR			<u>\$ 6,528,932</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 3,769,000	\$ 3,769,000	\$ 3,769,104	\$ 104
Intergovernmental	3,096,600	3,096,600	2,933,998	(162,602)
Miscellaneous	<u>30,000</u>	<u>30,000</u>	<u>12,661</u>	<u>(17,339)</u>
Total revenues	6,895,600	6,895,600	6,715,763	(179,837)
EXPENDITURES				
Current:				
Public safety	<u>7,319,091</u>	<u>7,319,091</u>	<u>6,943,226</u>	<u>375,865</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (423,491)</u>	<u>\$ (423,491)</u>	(227,463)	<u>\$ 196,028</u>
FUND BALANCE, BEGINNING OF YEAR			<u>7,348,371</u>	
FUND BALANCE, END OF YEAR			<u>\$ 7,120,908</u>	

**VERMILION COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2010**

(Unaudited)

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
12/31/09	\$ 28,871,949	\$ 33,266,085	\$ 4,394,136	86.79%	\$ 16,072,562	27.34%
12/31/08	27,905,712	31,711,617	3,805,905	88.00%	15,667,136	24.29%
12/31/07	32,627,050	31,263,568	(1,363,482)	104.36%	15,423,115	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$27,953,051. On a market basis, the funded ratio would be 84.03%.

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
12/31/09	\$ 5,789,699	\$ 7,666,694	\$ 1,876,995	75.52%	\$ 1,859,373	100.95%
12/31/08	5,133,837	7,028,816	1,894,979	73.04%	1,765,682	107.32%
12/31/07	6,723,620	7,253,243	529,623	92.70%	1,703,999	31.08%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$5,577,207. On a market basis, the funded ratio would be 72.75%.

**VERMILION COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2010**

(Unaudited)

**ILLINOIS MUNICIPAL RETIREMENT FUND
ELECTED COUNTY OFFICIALS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
12/31/09	\$ 1,476,554	\$ 4,487,729	\$ 3,011,175	32.90%	\$ 809,005	372.21%
12/31/08	1,585,572	5,061,861	3,476,289	31.32%	866,107	401.37%
12/31/07	1,914,214	5,227,378	3,313,164	36.62%	809,827	409.12%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$1,383,147. On a market basis, the funded ratio would be 30.82%.

OTHER POST-EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
11/30/10	\$ -	\$ 1,235,023	\$ 1,235,023	0.0%	\$ 16,888,854	7.31%
11/30/09	-	1,149,665	1,149,665	0.0%	18,422,971	6.24%

Information for prior years is not available as the County implemented Governmental Accounting Standards Board Statement, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, for fiscal year 2009.

VERMILION COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
November 30, 2010

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, 2010**

	Illinois Municipal Retirement	Mental Health Board	Health Department	Law Enforcement	Animal Control	Trans- portation	Indemnity
Cash	\$ 530,694	\$ 501,006	\$ 384,890	\$ 337,674	\$ 51,755	\$ 594,635	\$ 37,451
Temporary investments	1,150,000	-	-	3,199,562	-	1,300,000	138,000
Receivables:							
Taxes, net of allowance for estimated uncollectibles	792,000	778,570	247,500	-	-	789,030	-
Other	70	-	-	318,864	-	817	-
Due from other funds	14,381	-	94	-	-	-	27,240
Due from other governments	-	-	398,806	320,799	-	-	-
TOTAL ASSETS	<u>\$ 2,487,145</u>	<u>\$ 1,279,576</u>	<u>\$ 1,031,290</u>	<u>\$ 4,176,899</u>	<u>\$ 51,755</u>	<u>\$ 2,684,482</u>	<u>\$ 202,691</u>
LIABILITIES							
Accounts payable	\$ 611,398	\$ 31,427	\$ 53,762	\$ 184,189	\$ 11,819	\$ 77,917	\$ -
Due to other funds	-	-	75,000	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Deferred revenue	792,000	778,570	292,834	110,788	-	789,030	-
Total liabilities	1,403,398	809,997	421,596	294,977	11,819	866,947	-
FUND BALANCE (DEFICIT)	<u>1,083,747</u>	<u>469,579</u>	<u>609,694</u>	<u>3,881,922</u>	<u>39,936</u>	<u>1,817,535</u>	<u>202,691</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 2,487,145</u>	<u>\$ 1,279,576</u>	<u>\$ 1,031,290</u>	<u>\$ 4,176,899</u>	<u>\$ 51,755</u>	<u>\$ 2,684,482</u>	<u>\$ 202,691</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2010**

	<u>County Clerk Vital Records</u>	<u>FICA</u>	<u>County Clerk Tax Automation</u>	<u>North Fork Special Service Area 1</u>	<u>North Fork Special Service Area 2</u>	<u>North Fork Special Service Area 3</u>	<u>Traffic Fee</u>
Cash	\$ 31,717	\$ 130,086	\$ 1,461	\$ 138,209	\$ 40,704	\$ 10,769	\$ 234,451
Temporary investments	-	450,000	-	-	-	-	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	495,000	-	49,907	18,807	3,613	-
Other	-	59	-	-	-	-	-
Due from other funds	1,080	617,286	-	-	-	-	1,115
Due from other governments	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 32,797</u>	<u>\$ 1,692,431</u>	<u>\$ 1,461</u>	<u>\$ 188,116</u>	<u>\$ 59,511</u>	<u>\$ 14,382</u>	<u>\$ 235,566</u>
LIABILITIES							
Accounts payable	\$ -	\$ 85,842	\$ -	\$ 6,903	\$ 2,601	\$ 500	\$ 616
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Deferred revenue	-	495,000	-	49,907	18,807	3,613	-
Total liabilities	-	580,842	-	56,810	21,408	4,113	616
FUND BALANCE (DEFICIT)	<u>32,797</u>	<u>1,111,589</u>	<u>1,461</u>	<u>131,306</u>	<u>38,103</u>	<u>10,269</u>	<u>234,950</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 32,797</u>	<u>\$ 1,692,431</u>	<u>\$ 1,461</u>	<u>\$ 188,116</u>	<u>\$ 59,511</u>	<u>\$ 14,382</u>	<u>\$ 235,566</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2010**

	<u>County Bridge</u>	<u>Court Document Storage</u>	<u>Court Automation</u>	<u>Court Security</u>	<u>Recorder's Special Fee</u>	<u>Law Library</u>	<u>Township Motor Fuel Tax</u>
Cash	\$ 476,432	\$ 176,492	\$ 266,836	\$ -	\$ 205,307	\$ 24,057	\$ 362,008
Temporary investments	700,000	-	-	-	-	-	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	337,194	-	-	-	-	-	-
Other	105	-	-	-	-	-	138
Due from other funds	10,000	4,969	4,845	-	4,158	-	-
Due from other governments	-	-	-	-	-	-	144,048
TOTAL ASSETS	<u>\$ 1,523,731</u>	<u>\$ 181,461</u>	<u>\$ 271,681</u>	<u>\$ -</u>	<u>\$ 209,465</u>	<u>\$ 24,057</u>	<u>\$ 506,194</u>
 LIABILITIES							
Accounts payable	\$ 6,882	\$ 28,668	\$ 10,009	\$ 3,188	\$ 16,645	\$ 2,060	\$ 63,993
Due to other funds	-	-	-	11,277	-	-	10,000
Due to other governments	-	-	-	-	-	-	-
Deferred revenue	337,194	-	-	-	-	-	-
Total liabilities	344,076	28,668	10,009	14,465	16,645	2,060	73,993
 FUND BALANCE (DEFICIT)	<u>1,179,655</u>	<u>152,793</u>	<u>261,672</u>	<u>(14,465)</u>	<u>192,820</u>	<u>21,997</u>	<u>432,201</u>
 TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 1,523,731</u>	<u>\$ 181,461</u>	<u>\$ 271,681</u>	<u>\$ -</u>	<u>\$ 209,465</u>	<u>\$ 24,057</u>	<u>\$ 506,194</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2010**

	<u>Child Support</u>	<u>Probation Service</u>	<u>Treasurer's Automation</u>	<u>Circuit Clerk Operation & Administration</u>	<u>Township Bridge</u>	<u>VC Trustee Revolving Fund</u>	<u>County Motor Fuel Tax</u>
Cash	\$ 130,939	\$ 476,674	\$ 83,088	\$ 24,687	\$ 23,128	\$ 20,781	\$ 567,564
Temporary investments	-	-	-	-	-	-	2,150,000
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	389
Due from other funds	-	80	13,620	-	-	-	-
Due from other governments	-	-	-	-	160,115	-	186,454
TOTAL ASSETS	<u>\$ 130,939</u>	<u>\$ 476,754</u>	<u>\$ 96,708</u>	<u>\$ 24,687</u>	<u>\$ 183,243</u>	<u>\$ 20,781</u>	<u>\$ 2,904,407</u>
 LIABILITIES							
Accounts payable	\$ 1,967	\$ 10,246	\$ 7,193	\$ 338	\$ -	\$ -	\$ 48,869
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
 Total liabilities	 1,967	 10,246	 7,193	 338	 -	 -	 48,869
 FUND BALANCE (DEFICIT)	 <u>128,972</u>	 <u>466,508</u>	 <u>89,515</u>	 <u>24,349</u>	 <u>183,243</u>	 <u>20,781</u>	 <u>2,855,538</u>
 TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	 <u>\$ 130,939</u>	 <u>\$ 476,754</u>	 <u>\$ 96,708</u>	 <u>\$ 24,687</u>	 <u>\$ 183,243</u>	 <u>\$ 20,781</u>	 <u>\$ 2,904,407</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2010**

	Law Enforcement Grant	Victim Witness Attorney General	CRIS	Multi- Jurisdictional Narcotics	Home Confinement and Probation	GIS Automation	Drug Court Fee
Cash	\$ -	\$ 17,800	\$ -	\$ 68	\$ 78,987	\$ 103,413	\$ 21,126
Temporary investments	-	-	-	-	-	-	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	1,734	-	-
Due from other governments	-	-	196,589	30,000	-	-	-
TOTAL ASSETS	\$ -	\$ 17,800	\$ 196,589	\$ 30,068	\$ 80,721	\$ 103,413	\$ 21,126
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 9,773	\$ 12,000	\$ -
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	196,589	-	-	-	-
Deferred revenue	-	6,606	-	30,000	-	-	-
Total liabilities	-	6,606	196,589	30,000	9,773	12,000	-
FUND BALANCE (DEFICIT)	-	11,194	-	68	70,948	91,413	21,126
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ -	\$ 17,800	\$ 196,589	\$ 30,068	\$ 80,721	\$ 103,413	\$ 21,126

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2010**

	<u>Coroner Automation</u>	<u>Capital Projects</u>	<u>Board of Elections</u>	<u>Working Cash</u>	<u>Reg. Supt. Direct Services</u>	<u>Total</u>
Cash	\$ 3,825	\$ 52,836	\$ 53,018	\$ 1,012	\$ 42,839	\$ 6,238,419
Temporary investments	-	500,000	-	288,888	-	9,876,450
Receivables:						
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	3,511,621
Other	-	1,973	-	47	-	322,462
Due from other funds	-	-	-	-	-	700,602
Due from other governments	-	-	-	-	-	1,436,811
TOTAL ASSETS	<u>\$ 3,825</u>	<u>\$ 554,809</u>	<u>\$ 53,018</u>	<u>\$ 289,947</u>	<u>\$ 42,839</u>	<u>\$ 22,086,365</u>
 LIABILITIES						
Accounts payable	\$ -	\$ 12,744	\$ -	\$ -	\$ -	\$ 1,301,549
Due to other funds	-	-	-	-	-	96,277
Due to other governments	-	-	-	-	-	196,589
Deferred revenue	-	-	-	-	-	3,704,349
 Total liabilities	-	12,744	-	-	-	5,298,764
 FUND BALANCE (DEFICIT)	<u>3,825</u>	<u>542,065</u>	<u>53,018</u>	<u>289,947</u>	<u>42,839</u>	<u>16,787,601</u>
 TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 3,825</u>	<u>\$ 554,809</u>	<u>\$ 53,018</u>	<u>\$ 289,947</u>	<u>\$ 42,839</u>	<u>\$ 22,086,365</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	<u>Illinois Municipal Retirement</u>	<u>Mental Health Board</u>	<u>Health Department</u>	<u>Law Enforcement</u>	<u>Animal Control</u>	<u>Trans- portation</u>	<u>Indemnity</u>
REVENUES							
Taxes	\$ 1,301,251	\$ 777,931	\$ 256,912	\$ -	\$ -	\$ 783,701	\$ -
Intergovernmental	-	-	1,782,920	1,357,299	-	-	-
Licenses and permits	-	-	-	-	138,852	-	-
Charges for services	-	-	183,900	-	85,179	-	40,200
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	1,432	2,777	4,274	8,811	3,882	5,381	450
Total revenues	<u>1,302,683</u>	<u>780,708</u>	<u>2,228,006</u>	<u>1,366,110</u>	<u>227,913</u>	<u>789,082</u>	<u>40,650</u>
EXPENDITURES							
General government	505,133	-	-	-	-	-	-
Judiciary and court related	349,707	-	-	-	-	-	-
Public safety	440,372	-	-	1,443,732	315,896	-	-
Public health	-	773,274	1,948,578	-	-	-	-
Transportation	-	-	-	-	-	719,961	-
Capital projects	-	-	-	238,714	-	-	-
Debt service:							
Principal	-	-	-	120,900	-	-	-
Interest	-	-	7,796	142,781	-	-	-
Total expenditures	<u>1,295,212</u>	<u>773,274</u>	<u>1,956,374</u>	<u>1,946,127</u>	<u>315,896</u>	<u>719,961</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>7,471</u>	<u>7,434</u>	<u>271,632</u>	<u>(580,017)</u>	<u>(87,983)</u>	<u>69,121</u>	<u>40,650</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	155,000	-	-
Operating transfers out	-	-	-	-	-	-	(103,672)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,000</u>	<u>-</u>	<u>(103,672)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	7,471	7,434	271,632	(580,017)	67,017	69,121	(63,022)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>1,076,276</u>	<u>462,145</u>	<u>338,062</u>	<u>4,461,939</u>	<u>(27,081)</u>	<u>1,748,414</u>	<u>265,713</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 1,083,747</u>	<u>\$ 469,579</u>	<u>\$ 609,694</u>	<u>\$ 3,881,922</u>	<u>\$ 39,936</u>	<u>\$ 1,817,535</u>	<u>\$ 202,691</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	<u>County Clerk Vital Records</u>	<u>FICA</u>	<u>County Clerk Tax Automation</u>	<u>North Fork Special Service Area 1</u>	<u>North Fork Special Service Area 2</u>	<u>North Fork Special Service Area 3</u>	<u>Traffic Fee</u>
REVENUES							
Taxes	\$ -	\$ 790,146	\$ -	\$ 47,868	\$ 16,941	\$ 3,988	\$ -
Intergovernmental	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Charges for services	14,946	-	950	-	-	-	79,046
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	9	161	-	1,393	10	3	690
	<u>14,955</u>	<u>790,307</u>	<u>950</u>	<u>49,261</u>	<u>16,951</u>	<u>3,991</u>	<u>79,736</u>
Total revenues							
EXPENDITURES							
General government	11,266	307,628	500	-	-	-	-
Judiciary and court related	-	212,974	-	-	-	-	1,652
Public safety	-	268,189	-	-	-	-	-
Public health	-	-	-	32,259	12,157	2,337	-
Transportation	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
	<u>11,266</u>	<u>788,791</u>	<u>500</u>	<u>32,259</u>	<u>12,157</u>	<u>2,337</u>	<u>1,652</u>
Total expenditures							
Excess (deficiency) of revenues over expenditures	<u>3,689</u>	<u>1,516</u>	<u>450</u>	<u>17,002</u>	<u>4,794</u>	<u>1,654</u>	<u>78,084</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)							
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	3,689	1,516	450	17,002	4,794	1,654	78,084
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>29,108</u>	<u>1,110,073</u>	<u>1,011</u>	<u>114,304</u>	<u>33,309</u>	<u>8,615</u>	<u>156,866</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 32,797</u>	<u>\$ 1,111,589</u>	<u>\$ 1,461</u>	<u>\$ 131,306</u>	<u>\$ 38,103</u>	<u>\$ 10,269</u>	<u>\$ 234,950</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	<u>County Bridge</u>	<u>Court Document Storage</u>	<u>Court Automation</u>	<u>Court Security</u>	<u>Recorder's Special Fee</u>	<u>Law Library</u>	<u>Township Motor Fuel Tax</u>
REVENUES							
Taxes	\$ 337,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	2,040,769
Licenses and permits	-	-	-	-	-	-	-
Charges for services	-	140,447	136,070	-	47,516	41,054	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	3,067	59	2,677	6	66	24	585
	<u>340,486</u>	<u>140,506</u>	<u>138,747</u>	<u>6</u>	<u>47,582</u>	<u>41,078</u>	<u>2,041,354</u>
Total revenues							
EXPENDITURES							
General government	-	-	-	-	47,543	14,079	-
Judiciary and court related	-	152,302	83,590	123,523	-	-	-
Public safety	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-
Transportation	605,203	-	-	-	-	-	1,663,353
Capital projects	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
	<u>605,203</u>	<u>152,302</u>	<u>83,590</u>	<u>123,523</u>	<u>47,543</u>	<u>14,079</u>	<u>1,663,353</u>
Total expenditures							
Excess (deficiency) of revenues over expenditures	<u>(264,717)</u>	<u>(11,796)</u>	<u>55,157</u>	<u>(123,517)</u>	<u>39</u>	<u>26,999</u>	<u>378,001</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	128,132	-	-	-
Operating transfers out	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,132</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)							
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(264,717)</u>	<u>(11,796)</u>	<u>55,157</u>	<u>4,615</u>	<u>39</u>	<u>26,999</u>	<u>378,001</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>1,444,372</u>	<u>164,589</u>	<u>206,515</u>	<u>(19,080)</u>	<u>192,781</u>	<u>(5,002)</u>	<u>54,200</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 1,179,655</u>	<u>\$ 152,793</u>	<u>\$ 261,672</u>	<u>\$ (14,465)</u>	<u>\$ 192,820</u>	<u>\$ 21,997</u>	<u>\$ 432,201</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	<u>Child Support</u>	<u>Probation Service</u>	<u>Treasurer's Automation</u>	<u>Circuit Clerk Operations & Administration</u>	<u>Township Bridge</u>	<u>VC Trustee Revolving Fund</u>	<u>County Motor Fuel Tax</u>
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	8,311	-	-	190,455	-	1,532,047
Licenses and permits	-	-	-	-	-	-	-
Charges for services	62,522	175,276	15,150	11,265	-	4,379	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	72	2,776	26	73	327	7	7,427
	<u>62,594</u>	<u>186,363</u>	<u>15,176</u>	<u>11,338</u>	<u>190,782</u>	<u>4,386</u>	<u>1,539,474</u>
Total revenues							
EXPENDITURES							
General government	-	-	9,467	3,330	-	9,478	-
Judiciary and court related	78,314	121,238	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-
Transportation	-	-	-	-	197,012	-	1,699,207
Capital projects	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
	<u>78,314</u>	<u>121,238</u>	<u>9,467</u>	<u>3,330</u>	<u>197,012</u>	<u>9,478</u>	<u>1,699,207</u>
Total expenditures							
Excess (deficiency) of revenues over expenditures	<u>(15,720)</u>	<u>65,125</u>	<u>5,709</u>	<u>8,008</u>	<u>(6,230)</u>	<u>(5,092)</u>	<u>(159,733)</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)							
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(15,720)</u>	<u>65,125</u>	<u>5,709</u>	<u>8,008</u>	<u>(6,230)</u>	<u>(5,092)</u>	<u>(159,733)</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>144,692</u>	<u>401,383</u>	<u>83,806</u>	<u>16,341</u>	<u>189,473</u>	<u>25,873</u>	<u>3,015,271</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 128,972</u>	<u>\$ 466,508</u>	<u>\$ 89,515</u>	<u>\$ 24,349</u>	<u>\$ 183,243</u>	<u>\$ 20,781</u>	<u>\$ 2,855,538</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	<u>Law Enforcement Grant</u>	<u>Victim Witness Attorney General</u>	<u>CRIS</u>	<u>Multi- Jurisdictional Narcotics</u>	<u>Home Confinement and Probation</u>	<u>GIS Automation</u>	<u>Drug Court Fee</u>
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	34	13,167	379,995	143,581	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	164,254	-
Fines and forfeits	-	-	-	-	-	-	20,515
Miscellaneous	-	2,175	-	-	63,052	31	-
	<u>34</u>	<u>15,342</u>	<u>379,995</u>	<u>143,581</u>	<u>63,052</u>	<u>164,285</u>	<u>20,515</u>
Total revenues	34	15,342	379,995	143,581	63,052	164,285	20,515
EXPENDITURES							
General government	-	-	-	-	-	144,000	-
Judiciary and court related	-	-	-	-	-	-	-
Public safety	34	13,167	-	143,581	69,823	-	7,121
Public health	-	-	-	-	-	-	-
Transportation	-	-	379,995	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
	<u>34</u>	<u>13,167</u>	<u>379,995</u>	<u>143,581</u>	<u>69,823</u>	<u>144,000</u>	<u>7,121</u>
Total expenditures	34	13,167	379,995	143,581	69,823	144,000	7,121
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>2,175</u>	<u>-</u>	<u>-</u>	<u>(6,771)</u>	<u>20,285</u>	<u>13,394</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>-</u>	<u>2,175</u>	<u>-</u>	<u>-</u>	<u>(6,771)</u>	<u>20,285</u>	<u>13,394</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>-</u>	<u>9,019</u>	<u>-</u>	<u>68</u>	<u>77,719</u>	<u>71,128</u>	<u>7,732</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ 11,194</u>	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 70,948</u>	<u>\$ 91,413</u>	<u>\$ 21,126</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	<u>Coroner Automation</u>	<u>Capital Projects</u>	<u>Board of Elections</u>	<u>Working Cash</u>	<u>Reg. Supt. Direct Services</u>	<u>Total</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,316,157
Intergovernmental	-	-	10,214	-	-	7,458,792
Licenses and permits	-	-	-	-	-	138,852
Charges for services	3,825	-	-	-	-	1,205,979
Fines and forfeits	-	-	-	-	-	20,515
Miscellaneous	-	79	-	974	235,695	348,471
	<u>-</u>	<u>79</u>	<u>-</u>	<u>974</u>	<u>235,695</u>	<u>348,471</u>
Total revenues	<u>3,825</u>	<u>79</u>	<u>10,214</u>	<u>974</u>	<u>235,695</u>	<u>13,488,766</u>
EXPENDITURES						
General government	-	-	3,065	-	325,130	1,380,619
Judiciary and court related	-	-	-	-	-	1,123,300
Public safety	-	-	-	-	-	2,701,915
Public health	-	-	-	-	-	2,768,605
Transportation	-	-	-	-	-	5,264,731
Capital projects	-	36,869	-	-	-	275,583
Debt service:						
Principal	-	-	-	-	-	120,900
Interest	-	-	-	-	-	150,577
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,577</u>
Total expenditures	<u>-</u>	<u>36,869</u>	<u>3,065</u>	<u>-</u>	<u>325,130</u>	<u>13,786,230</u>
Excess (deficiency) of revenues over expenditures	<u>3,825</u>	<u>(36,790)</u>	<u>7,149</u>	<u>974</u>	<u>(89,435)</u>	<u>(297,464)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	400,000	-	-	-	683,132
Operating transfers out	-	-	-	(5,472)	-	(109,144)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,472)</u>	<u>-</u>	<u>(109,144)</u>
Total other financing sources (uses)	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>(5,472)</u>	<u>-</u>	<u>573,988</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>3,825</u>	<u>363,210</u>	<u>7,149</u>	<u>(4,498)</u>	<u>(89,435)</u>	<u>276,524</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>-</u>	<u>178,855</u>	<u>45,869</u>	<u>294,445</u>	<u>132,274</u>	<u>16,511,077</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 3,825</u>	<u>\$ 542,065</u>	<u>\$ 53,018</u>	<u>\$ 289,947</u>	<u>\$ 42,839</u>	<u>\$ 16,787,601</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF NET ASSETS
OTHER ENTERPRISE FUNDS
November 30, 2010

	ASSETS		
	<u>Vermilion County Farm</u>	<u>Solid Waste Management</u>	<u>Total</u>
CURRENT ASSETS			
Cash	\$ -	\$ 214,178	\$ 214,178
Investments	87,675	-	87,675
Receivables	<u>-</u>	<u>233,866</u>	<u>233,866</u>
Total current assets	<u>87,675</u>	<u>448,044</u>	<u>535,719</u>
NONCURRENT ASSETS			
Land	1,000	-	1,000
Buildings and improvements	-	19,000	19,000
Recycling equipment	-	96,610	96,610
Other equipment	<u>-</u>	<u>30,882</u>	<u>30,882</u>
Total, at cost	1,000	146,492	147,492
Less accumulated depreciation	<u>-</u>	<u>140,647</u>	<u>140,647</u>
Total noncurrent assets	<u>1,000</u>	<u>5,845</u>	<u>6,845</u>
TOTAL ASSETS	<u>\$ 88,675</u>	<u>\$ 453,889</u>	<u>\$ 542,564</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	<u>\$ -</u>	<u>\$ 4,430</u>	<u>\$ 4,430</u>
NET ASSETS			
Invested in capital assets	1,000	5,845	6,845
Unrestricted	<u>87,675</u>	<u>443,614</u>	<u>531,289</u>
Total net assets	<u>88,675</u>	<u>449,459</u>	<u>538,134</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 88,675</u>	<u>\$ 453,889</u>	<u>\$ 542,564</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
OTHER ENTERPRISE FUNDS
Year Ended November 30, 2010

	<u>Vermilion County Farm</u>	<u>Solid Waste Management</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ -	\$ 243,213	\$ 243,213
Miscellaneous	<u>122,412</u>	<u>562</u>	<u>122,974</u>
Total operating revenues	<u>122,412</u>	<u>243,775</u>	<u>366,187</u>
OPERATING EXPENSES			
Personnel services	-	125,683	125,683
Supplies and materials	-	315	315
Other services and charges	45,770	9,700	55,470
Contractual services	-	32,147	32,147
Depreciation	<u>-</u>	<u>2,666</u>	<u>2,666</u>
Total operating expenses	<u>45,770</u>	<u>170,511</u>	<u>216,281</u>
Operating income	76,642	73,264	149,906
NON-OPERATING REVENUES			
Interest income	<u>-</u>	<u>659</u>	<u>659</u>
Income before operating transfers	<u>76,642</u>	<u>73,923</u>	<u>150,565</u>
OPERATING TRANSFERS			
Operating transfers out	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
CHANGES IN NET ASSETS	26,642	73,923	100,565
NET ASSETS, BEGINNING OF YEAR	<u>62,033</u>	<u>375,536</u>	<u>437,569</u>
NET ASSETS, END OF YEAR	<u>\$ 88,675</u>	<u>\$ 449,459</u>	<u>\$ 538,134</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
November 30, 2010

	Health Insurance	General Liability Insurance	Total
CURRENT ASSETS			
Cash	\$ 221,391	\$ 117,177	\$ 338,568
Investments	-	1,199,893	1,199,893
Receivables, net	-	693,000	693,000
Accrued interest	-	791	791
Due from other funds	-	57,695	57,695
TOTAL ASSETS	\$ 221,391	\$ 2,068,556	\$ 2,289,947
LIABILITIES			
Accounts payable	\$ 378,954	\$ 283,058	\$ 662,012
Deferred revenue	-	693,000	693,000
Total liabilities	378,954	976,058	1,355,012
NET ASSETS			
Unrestricted net assets	(157,563)	1,092,498	934,935
TOTAL LIABILITIES AND NET ASSETS	\$ 221,391	\$ 2,068,556	\$ 2,289,947

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
Year Ended November 30, 2010

	Health Insurance	General Liability Insurance	Total
OPERATING REVENUES			
Charges for services	\$ 1,545,835	\$ 519,309	\$ 2,065,144
OPERATING EXPENSES			
Personnel services	1,534,774	992,676	2,527,450
Net income (loss) from operating activities	11,061	(473,367)	(462,306)
NON-OPERATING REVENUES			
Taxes	-	782,598	782,598
Interest income	24	1,892	1,916
Total non-operating revenues	24	784,490	784,514
Income before operating transfers	11,085	311,123	322,208
OPERATING TRANSFERS			
Operating transfers in	50,000	-	50,000
CHANGE IN NET ASSETS	61,085	311,123	372,208
NET ASSETS, BEGINNING OF YEAR	(218,648)	781,375	562,727
NET ASSETS, END OF YEAR	\$ (157,563)	\$ 1,092,498	\$ 934,935

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
November 30, 2010

ASSETS

	<u>Restitution</u>	<u>County Collector</u>	<u>Treasurer's Account</u>	<u>Inheritance Tax</u>	<u>Deposit Fund</u>	<u>Unknown Heirs</u>	<u>Non-resident Heirs</u>	<u>Payroll Clearing</u>
Cash	\$ 42,579	\$ 5,006,437	\$ 78,446	\$ 87,452	\$ 203,033	\$ 61,289	\$ 40,897	\$ 905,679
Investments	-	-	-	-	500,000	-	-	-
Receivables:								
Taxes, net of allowance for estimated uncollectibles	-	1,540,907	-	-	-	-	-	-
Accrued interest	-	-	-	-	362	-	-	-
Due from other funds	-	-	11,277	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 42,579</u>	<u>\$ 6,547,344</u>	<u>\$ 89,723</u>	<u>\$ 87,452</u>	<u>\$ 703,395</u>	<u>\$ 61,289</u>	<u>\$ 40,897</u>	<u>\$ 905,679</u>

LIABILITIES

Accounts payable	\$ -	\$ 4,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,927
Due to other funds	10,558	1,453,308	-	-	-	-	-	250,000
Due to other governments	-	-	-	87,452	-	-	-	-
Due to others	32,021	-	89,723	-	703,395	61,289	40,897	556,752
Due to taxing bodies	-	5,089,517	-	-	-	-	-	-
TOTAL LIABILITIES	<u>\$ 42,579</u>	<u>\$ 6,547,344</u>	<u>\$ 89,723</u>	<u>\$ 87,452</u>	<u>\$ 703,395</u>	<u>\$ 61,289</u>	<u>\$ 40,897</u>	<u>\$ 905,679</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
November 30, 2010

ASSETS

	<u>Work Release</u>	<u>Prisoner's Commissary</u>	<u>Sheriff's Office</u>	<u>Probation Office</u>	<u>County Clerk</u>	<u>Circuit Clerk</u>	<u>Recorder</u>
Cash	\$ 16,974	\$ 86,548	\$ 66,187	\$ 30,271	\$ 360,063	\$ 1,536,309	\$ 124,677
Investments	-	-	-	-	-	170,000	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	5,448	-	-
Inventory	-	16,502	-	-	-	-	9,965
TOTAL ASSETS	<u>\$ 16,974</u>	<u>\$ 103,050</u>	<u>\$ 66,187</u>	<u>\$ 30,271</u>	<u>\$ 365,511</u>	<u>\$ 1,706,309</u>	<u>\$ 134,642</u>

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	4,003	-	-	-	8,970	42,364	17,751
Due to other governments	-	-	-	-	-	54,318	-
Due to others	12,971	103,050	66,187	30,271	356,541	1,609,627	116,891
Due to taxing bodies	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>\$ 16,974</u>	<u>\$ 103,050</u>	<u>\$ 66,187</u>	<u>\$ 30,271</u>	<u>\$ 365,511</u>	<u>\$ 1,706,309</u>	<u>\$ 134,642</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
November 30, 2010

ASSETS

	Regional Superintendent					Drainage District	Total
	Trustees	Institute	Bus Drivers	G.E.D.	Drug Abuse Prevention		
Cash	\$ 3,297	\$ 51,603	\$ 3,050	\$ 21,073	\$ 36,321	\$ 325,422	\$ 9,087,607
Investments	7,000	-	-	-	-	300,000	977,000
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	1,540,907
Accrued interest	-	-	-	-	-	94	456
Due from other funds	-	-	-	-	-	-	16,725
Inventory	-	-	-	-	-	-	26,467
TOTAL ASSETS	\$ 10,297	\$ 51,603	\$ 3,050	\$ 21,073	\$ 36,321	\$ 625,516	\$ 11,649,162

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,561	\$ 116,007
Due to other funds	-	-	-	-	-	-	1,786,954
Due to other governments	-	-	-	-	-	-	141,770
Due to others	10,297	51,603	3,050	21,073	36,321	-	3,901,959
Due to taxing bodies	-	-	-	-	-	612,955	5,702,472
TOTAL LIABILITIES	\$ 10,297	\$ 51,603	\$ 3,050	\$ 21,073	\$ 36,321	\$ 625,516	\$ 11,649,162

STATISTICAL INFORMATION

VERMILION COUNTY, ILLINOIS
ASSESSED VALUATION AND TAX EXTENSIONS
Tax Levies 2009, 2008, and 2007
(Unaudited)

	<u>2009</u> <u>Extended in 2010</u>		<u>2008</u> <u>Extended in 2009</u>		<u>2007</u> <u>Extended in 2008</u>	
EQUALIZED VALUATION	\$ 868,168,785		\$ 876,345,741		\$ 853,385,609	
TAXES EXTENDED						
County (see below)	\$ 11,730,648	14.76%	\$ 11,747,594	14.89%	\$ 11,754,763	15.36%
Townships and Road Districts	6,065,584	7.63%	5,946,129	7.54%	5,745,126	7.51%
Cities and villages	9,766,901	12.29%	9,641,005	12.22%	8,886,698	11.61%
District schools	46,640,957	58.69%	41,825,268	53.01%	40,646,478	53.12%
High school and junior college	992,137	1.25%	5,742,033	7.28%	5,608,497	7.33%
Sanitary districts	24,568	0.03%	24,525	0.03%	24,533	0.03%
Vermilion County Airport Authority	615,261	0.77%	601,701	0.76%	583,943	0.76%
Fire protection districts	1,578,968	1.99%	1,463,272	1.85%	1,402,551	1.83%
Cemeteries	103,583	0.13%	101,882	0.13%	99,024	0.13%
Vermilion County Conservation District	989,392	1.25%	989,374	1.25%	986,896	1.29%
Libraries, parks, etc.	965,173	1.21%	821,648	1.04%	784,636	1.03%
TOTALS	<u>\$ 79,473,172</u>	<u>100.00%</u>	<u>\$ 78,904,431</u>	<u>100.00%</u>	<u>\$ 76,523,145</u>	<u>100.00%</u>
	<u>Extension</u>	<u>Rate Per \$100 Valuation</u>	<u>Extension</u>	<u>Rate Per \$100 Valuation</u>	<u>Extension</u>	<u>Rate Per \$100 Valuation</u>
General County	\$ 2,000,261	0.23040	\$ 1,350,449	0.15410	\$ 1,047,958	0.12280
County IMRF	1,300,517	0.14980	1,550,256	0.17690	1,550,602	0.18170
County Highway	796,979	0.09180	722,109	0.08240	705,750	0.08270
Social Security	800,452	0.09220	775,566	0.08850	775,728	0.09090
County Health	250,033	0.02880	239,242	0.02730	239,801	0.02810
Bridge Fund	341,190	0.03930	340,898	0.03890	332,820	0.03900
Public Safety Building-rental	3,769,589	0.43420	4,450,084	0.50780	4,450,406	0.52150
Mental Health Board #708	786,561	0.09060	786,958	0.08980	777,434	0.09110
Liability Insurance	800,452	0.09220	650,249	0.07420	650,280	0.07620
Drainage Districts	84,162	0.34670	80,803	0.34010	77,887	0.33640
Cooperative	100,708	0.01160	100,780	0.01150	100,700	0.01180
Nursing Home	699,744	0.08060	700,200	0.07990	699,776	0.08200
Law Enforcement - B&I	-	-	-	-	345,621	0.04050
TOTALS	<u>\$ 11,730,648</u>	<u>1.68820</u>	<u>\$ 11,747,594</u>	<u>1.67140</u>	<u>\$ 11,754,763</u>	<u>1.70470</u>

**ILLINOIS DEPARTMENT OF HUMAN SERVICES
GRANT REPORT**

ILLINOIS DEPARTMENT OF HUMAN SERVICES
 GRANT REPORT for the period July 1 through June 30, 10.
 Page 1 of 2 -- Grant Allowable Cost Summary

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

	DHS GRANT-FUNDED SERVICES					All other Programs	Mgmt & General	Total	
	Program 1	Program 2	Program 3	Program 4	Program 5				
L11GL520	WIC 900	AOK 570	FCM 300	HCC 420	HFI 400				
A	Direct Program expenses	373,115	42,999	382,652	35,710	100,680	539,420	170,054	1,644,630
B	Allocate Management and General Costs (Note 1)	36,387	1,501	39,922	885	12,570	78,789	170,054	-0-
C	SUBTOTAL A + B	409,502	44,500	422,574	36,595	113,250	618,209	-0-	1,644,630
D	Subtract Unallowable costs per page 2	0	0	0	0	0	0	0	0
E	Add other approved uses (attach documentation)	0	0	0	0	0	0	0	0
F	TOTAL Allowable costs	409,502	44,500	422,574	36,595	113,250			
G	Special provisions (see instructions)	0	0	0	0	0	0	0	0
H	Interest Earned (see instructions) *	0	0	0	0	0	0	0	0

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

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

*Interest Earned - The cost of calculating interest earned far exceeds the interest revenue.

AGENCY NAME: Vermilion County Health Department FEIN: 37-6002224

L11GL520 Program Name/Number/Contract Number:	DHS GRANT-FUNDED SERVICES				
	Program 1	Program 2	Program 3	Program 4	Program 5
	WIC	AOK	FCM	HCC	HFT
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					
finer & 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.					
				11/30/10	
				Date	
				Signature	
				Donna J. Dunham, Financial Director	
				Printed Name and Title	

ILLINOIS DEPARTMENT OF HUMAN SERVICES
 GRANT REPORT for the period July 1 through June 30, 10
 Page 1 of 2 -- Grant Allowable Cost Summary

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

L11GL520 Program Name/Number/Contract Number/Other Identification	DHS GRANT-FUNDED SERVICES					All other Programs	Mgmt & General	Total
	Program 1 TIPCM 440	Program 2 WIC FM 920	Program 3 HWI 390	Program 4 FP 350	Program 5			
A Direct Program expenses	93,193	1,248	35,685	409,294				539,420
B Allocate Management and General Costs (Note 1)	29,207	0	504	49,078			-	78,789
C SUBTOTAL A + B	122,400	1,248	36,189	458,372			-0-	618,209
D Subtract Unallowable costs per page 2	0	0	0	0				
E Add other approved uses (attach documentation)	0	0	0	0				
F TOTAL Allowable costs	122,400	1,248	36,189	458,372				
G Special provisions (see instructions)	0	0	0	0				
H Interest Earned (see instructions) *	0	0	0	0				

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

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

*Interest Earned - The cost of calculating interest earned far exceeds the interest revenue.

AGENCY NAME: Vermilion County Health Department FEIN: 37-6002224

L11GL520 Program Name/Number/Contract Number:	DHS GRANT-FUNDED SERVICES				
	Program 1	Program 2	Program 3	Program 4	Program 5
	440	920	390	350	
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					
fines & 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
<p>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.</p> <p style="text-align: center;">  Signature 11/30/10 Date Donna J. Dunham, Financial Director Printed Name and Title </p>					

SINGLE AUDIT REPORTS

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

Vermilion County Board
Vermilion County, Illinois
Danville, Illinois

We have audited the financial statements of Vermilion County, Illinois as of and for the year ended November 30, 2010, and have issued our report thereon dated May 25, 2011. 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, Illinois'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 deficiencies, significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses in internal control over financial reporting (Findings 10-01 and 10-02).

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies (Findings 10-03 and 10-04).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vermilion County, Illinois'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 matters that we reported to management of Vermilion County, Illinois in a separate letter dated May 25, 2011.

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

This report is intended solely for the information and use of management, the Board, Finance Committee, 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 Henderson LLP

Danville, Illinois
May 25, 2011

**Independent Auditor's Report on Compliance with Requirements That Could Have a
Direct and Material Effect On 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 OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2010. Vermilion County, Illinois'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, Illinois's management. Our responsibility is to express an opinion on Vermilion County, Illinois'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, Illinois'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 of Vermilion County, Illinois's compliance with those requirements.

In our opinion, Vermilion County, Illinois complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2010.

Internal Control Over Compliance

The management of Vermilion County, Illinois is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Vermilion County, Illinois's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the entity's internal control that might be deficiencies, 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 management, the Board, Finance Committee, 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 Gundersen LLP

Danville, Illinois
May 25, 2011

VERMILION COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2010

Federal Grantor/ Pass Through Grantor/Program Title	<u>CFDA Number</u>	<u>Grantor's Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
DEPARTMENT OF AGRICULTURE				
Flow-through from Illinois Department of Human Services:				
Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	11GL520000	\$ 260,480	\$ -
Supplemental Nutrition Program For Women, Infants, and Children (WIC)	10.557	11GM520000	134,166	-
Supplemental Nutrition Program for Women, Infants, and Children - Noncash	10.557	None	<u>1,353,352</u>	<u>-</u>
			<u>1,747,998</u>	<u>-</u>
Farmers' Market Nutrition Program	10.572	None	<u>1,000</u>	<u>-</u>
State Administrative Matching Grant for the Supplemental Nutrition Assistance Program	10.561	81XL701000	26,189	26,189
Supplemental Nutrition Assistance Program	10.561	11GM520000	<u>35,122</u>	<u>35,122</u>
			<u>61,311</u>	<u>61,311</u>
Flow-through from Illinois Department of Public Health:				
Summer Food Inspection	10.559	None	<u>600</u>	<u>-</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 1,810,909</u>	<u>\$ 61,311</u>
ENVIRONMENTAL PROTECTION AGENCY				
Flow-through from Illinois Department of Public Health:				
Performance Partnership Grant	66.605	None	<u>\$ 1,013</u>	<u>\$ -</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Flow-through from Illinois Department of Human Services:				
Social Services Block Grant:				
Family Planning - Title X	93.217	11GL520000	<u>\$ 78,254</u>	<u>\$ -</u>
Temporary Assistance to Needy Families	93.558	11GL520000	<u>30,122</u>	<u>-</u>

VERMILION COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2010

Federal Grantor/ Pass Through Grantor/Program Title	<u>CFDA Number</u>	<u>Grantor's Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Flow-through from Illinois Department of Human Services:				
Social Services Block Grant:				
Title XX Block Grant	93.667	11GL520000	\$ <u>70,965</u>	<u>\$ -</u>
MCH Block Grant	93.994	11GL520000	<u>10,595</u>	<u>-</u>
Childcare Development Block Grant	93.575	11GL520000	<u>9,500</u>	<u>-</u>
			<u>199,436</u>	<u>-</u>
Flow-through from Illinois Department of Public Health:				
Terrorism	93.069	None	<u>120,468</u>	<u>-</u>
Immunization Grant – Noncash	93.268	None	28,880	-
Immunization Grant	93.268	None	542	-
ARRA – Immunization Grant	93.712	None	<u>19,500</u>	<u>-</u>
			<u>48,922</u>	<u>-</u>
			<u>169,390</u>	<u>-</u>
Flow-through from Illinois Department of Public Health:				
Child Support Enforcement	93.563	None	19,446	-
Medical Assistance Program	93.778	None	<u>90,000</u>	<u>-</u>
			<u>109,446</u>	<u>-</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 478,272</u>	<u>\$ -</u>

VERMILION COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2010

Federal Grantor/ Pass Through Grantor/Program Title	<u>CFDA Number</u>	<u>Grantor's Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
DEPARTMENT OF LABOR				
Flow-through from Danville Area Community College: Workforce Investment Act Grant – Adult Program	17.258	None	\$ 38,986	\$ -
DEPARTMENT OF HOMELAND SECURITY				
Flow-through from Illinois Emergency Management Agency: Emergency Management Performance Grant - 2008	97.042	None	\$ 37,784	\$ -
DEPARTMENT OF TRANSPORTATION				
Flow-through from Illinois Department of Transportation: Public Transportation for Non-Urbanized Areas	20.509	None	\$ 151,111	\$ 151,111
Interagency Hazardous Materials Grant	20.703	None	7,743	-
			<u>\$ 158,854</u>	<u>\$ 151,111</u>
DEPARTMENT OF JUSTICE				
Flow-through from Illinois Criminal Justice Information Authority: Byrne Formula Grant	16.738	None	\$ 143,581	\$ 143,581
Flow-through from the City of Danville: Edward Byrne Memorial Grant	16.710	None	34	-
TOTAL DEPARTMENT OF JUSTICE			<u>\$ 143,615</u>	<u>\$ 143,581</u>
DEPARTMENT OF ELECTION ASSISTANCE COMMISSION				
Flow-through from Illinois State Board of Elections: Help America Vote Act (HAVA)	90.401	None	\$ 42,570	\$ -
AccuVote OS Upgrade Grant	90.401	None	8,910	-
VAID Phase III	90.401	None	24,690	-
			<u>\$ 76,170</u>	<u>\$ -</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,745,603</u>	<u>\$ 356,003</u>

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, 2010

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 2010 these commodities were valued at \$28,880 (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, 2010, these food instruments were valued at \$1,353,352 (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, 2010**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Adverse opinion
 Internal control over financial reporting:
 • Material weaknesses identified? x Yes No
 • Significant deficiencies identified that are not considered
 to be material weaknesses? x Yes None reported
 Noncompliance material to financial statements noted? Yes x No

Federal Awards

Internal control over major programs:
 • Material weaknesses identified? Yes x No
 • Significant deficiencies identified that are not considered
 to be material weaknesses? Yes x No
 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>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Supplemental Nutrition Program for Women, Infants and Children (WIC)

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. 10-01 – FINANCIAL STATEMENT PREPARATION AND AUDIT
ADJUSTMENTS**

Criteria or Specific Requirement: Financial statement preparation and audit adjustments are the responsibility of the County’s management.

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, 2010

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.

FINDING NO. 10-02 – BANK RECONCILIATIONS

Criteria or Specific Requirement: Accurate and timely bank reconciliations are a critical component of the internal control process over cash transactions.

Condition: During the course of the audit we noted bank reconciliations not being completed in a timely manner and the reconciliations contain unidentified differences.

Context: Of thirty bank reconciliations tested, we noted nine instances where there were unidentified differences within the bank reconciliations. We also noted they are not being completed in a timely manner, with many being completed up to three months after month end.

Effect: Failure to reconcile bank accounts on a timely basis and properly investigate differences could result in errors or irregularities going undetected.

Cause: Differences within the bank reconciliations are not being fully investigated.

Recommendation: It is essential to investigate unidentified differences present within the bank reconciliations. Communication between the respective departments is fundamental in allowing the differences to be reconciled in a timely manner.

Views of Responsible Officials and Planned Corrective Action: The County's management is aware of the need for proper investigation of unidentified differences within the bank reconciliations. Management and respective departments will continue to communicate in order to resolve the differences in a timely manner.

VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2010

Section II – Financial Statement Findings (Continued)

FINDING NO. 10-03 - DECENTRALIZED OFFICES

Criteria or Specific Requirement: Internal control is the process, affected by management and other personnel, designed to provide reasonable assurance that transactions are properly recorded and accounted for and that transactions are executed in compliance with laws, regulations, and the provisions of contracts or grant agreements. Segregation of accounting duties is an aspect of an internal control environment along with safeguarding of check stock and signature stamps.

Condition: There is an inadequate control over the functions of processing and recording the financial transactions of the County Clerk, Recorder, Circuit Clerk and Sheriff's offices due to an inadequate segregation of duties stemming from limited personnel. In addition, adequate review processes are not in place and better control over check stock and signature stamps is needed.

Context: During the process of obtaining an understanding of internal control in planning the audit, assessing control risk and assessing fraud risks, a lack of segregation of duties was noted in the County Clerk, Recorder, Circuit Clerk and Sheriff's offices. In addition, we noted there was a lack of control over the blank check stock and signature stamps.

Effect: A lack of segregation of duties, lack of appropriate review functions, and lack of controls over check stock and signature stamps are deficiencies in internal control that could lead to errors or irregularities in the processing and recording of financial transactions.

Cause: The County Clerk, Recorder, Circuit Clerk and Sheriff's offices have limited personnel over accounting transactions.

Recommendation: If it is not economically feasible to hire extra personnel, management's and the County Board's close supervision and review of accounting information is the best means of preventing and detecting errors and irregularities. In addition, there are review procedures that can be implemented to mitigate these risks. Check stock should be locked away and only accessible to appropriate personnel. Signature stamps should also be locked away and only accessible to and used by the authorized signer.

Views of Responsible Officials and Planned Corrective Action: The County's management is aware of the need for more internal controls in each individual office and will work with the department head/elected official in the County Clerk, Recorder, Circuit Clerk and Sheriff's offices to ensure their awareness of the importance of proper internal controls over check stock and signature stamps and the need for adequate recording and accounting of transactions, agreements, contracts, etc.

VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2010

Section II – Financial Statement Findings (Continued)

FINDING NO. 10-04 - NEGATIVE CASH AND FUND BALANCE

Criteria or Specific Requirement: A critical component of an internal control system is close review of financial information, including cash position, cash flow, and fund balance.

Condition and Context: The Health Insurance Fund and Court Security Fund have deficit fund balances of \$157,563 and \$14,465, respectively, at fiscal year end. In addition, the Court Security Fund has a deficit cash balance of \$11,277 at fiscal year end.

Effect: The deficit fund balances within the Health Insurance Fund and the Court Security Fund results in use of the General Fund's resources to cover the deficits. The deficit cash balance within the Court Security Fund results in borrowing from a pooled bank account and represents an unauthorized loan between funds.

Cause: Monitoring of cash and fund balances has been inadequate.

Recommendation: The County Board, or designated personnel, needs to continue to monitor both revenue and expenditures in each fund on a frequent basis to ensure monies are adequate to meet the obligations of the fund. As revenues decline, expenditures have to be reduced. Significant cuts need made in expenditures or revenues sources increased in order to meet the obligations of these funds and to build a reserve in these funds. Cash balances also need reviewed frequently, and loans between funds approved in advance, as needed.

Views of Responsible Officials and Planned Corrective Action: Vermilion County will seek to provide funding for the Health Insurance Fund and Court Security Fund to bring them out of the deficit position.

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
Year Ended November 30, 2010**

YEAR ENDED NOVEMBER 30, 2009

**FINDING NO. 09-01 – 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.

FINDING NO. 09-02 – BANK RECONCILIATIONS

Condition: During the course of the audit we noted unidentified differences within the bank reconciliations.

Condition still exists.

**FINDING NO. 09-03 – AUTHORIZATION CONTROLS OVER WIC ELIGIBILITY
NOT PERFORMED**

Condition: During the course of the audit we noted one instance where the case manager failed to properly sign the WIC Client Certification Form.

Condition has been corrected.