

**VERMILION COUNTY, ILLINOIS
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

November 30, 2011



CliftonLarsonAllen

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Independent Auditor's Report

Vermilion County Board
Danville, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Vermilion County, Illinois, (County) as of and for the year ended November 30, 2011, 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, 2011, 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, 2011 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2012 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 Larson Allen LLP".

Danville, Illinois
June 27, 2012

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, 2011.

Financial Highlights

- The assets of Vermilion County exceeded its liabilities at the close of the most recent fiscal year by \$32.666 million (*net assets*). This is an increase of \$395,684 in net assets as compared to fiscal year 2009 - 2010.
- The Internal Balances of both the Governmental Activities and Business-Type Activities experienced a change of \$182,000. This is a result of the Vermilion County Nursing Home repaying its FICA and IMRF debt to the County.
- The State of Illinois owes Vermilion County's General Fund \$2,032,736 at the end of the fiscal year. Of this total, \$961,780 is more than 60 days delinquent; as a result of the extreme tardiness, the financial statement report reflects both a receivable and a liability, within the governmental funds, from the State. Hence, this amount is not included in the net assets of Vermilion County's governmental funds.
- As of the close of the current fiscal year, Vermilion County's governmental funds reported combined ending fund balances of \$30.339 million, a decrease of \$98,340 in comparison with the prior year. Approximately 22% of this total amount is *available for spending* at the government's discretion (*unassigned fund balance*). The recent implementation of GASB 54 changed the definitions and classifications of restricted funds. Therefore, it appears that there is a dramatic decrease in unassigned fund balance and a corresponding increase in restricted funds. It is important to note that these restricted funds are not comparable from 2010 to 2011 due to GASB 54.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6.765 million, almost 55% of total General Fund annual audited expenditures. This funding percentage remains consistent with the prior fiscal year.
- Vermilion Manor Nursing Home posted an increase in Net Assets of \$604,657 in the current fiscal year, taking the total to \$3,721,330. It must be noted that there is \$4.8 million in receivables, an increase of almost \$2.5 million over last year.

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 time off).

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 Special Revenue and Capital 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 and Nursing Home operations. *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 – 53 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 budgetary information and progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 55 – 60 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 62 – 80 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 \$32.666 million at the close of the most recent fiscal year. Due to the implementation of GASB 54, the largest portion of Vermilion County's net assets (60%) is comprised of funds that are subject to external restrictions on how they may be used. Categories of restrictions include capital assets, retirement, general government, public health, court services and public safety, and roads. The remaining balance of *unrestricted net assets* (\$12.952 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 \$12.952 million; \$9.435 million is unrestricted for governmental activities and \$3.517 million is unrestricted for business type activities. These restricted and unrestricted funds for governmental activities cannot be compared with the prior fiscal year due to GASB 54 altering the definitions and classifications. It should be noted that the unrestricted net assets for the business type activities increased by \$848,626. The Nursing Home contributed \$731,342 toward that increase and the remainder was attributable to the Solid Waste Management and the County Farm.

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. It is again necessary to point out that the implementation of GASB 54 makes the Restricted and Unrestricted Net Assets of Governmental Activities impossible to compare the current and prior years.

Vermilion County's Net Assets (Expressed in Thousands)

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$47,743	\$47,140	\$5,483	\$4,060	\$53,226	\$51,200
Capital assets	0	0	858	986	858	986
Total assets	47,743	47,140	6,341	5,046	54,084	52,186
Long-term liabilities outstanding	4,135	3,878	0	0	4,135	3,878
Other liabilities	15,317	14,647	1,966	1,391	17,283	16,038
Total liabilities	19,452	18,525	1,966	1,391	21,418	19,916
Net assets:						
Invested in capital assets, net of related debt	0	0	858	986	858	986
Restricted	18,856	12,100	0	0	18,856	12,100
Unrestricted	9,435	16,515	3,517	2,669	12,952	19,184
Total net assets	\$28,291	\$28,615	\$4,375	\$3,655	\$32,666	\$32,270

There was a decrease of just more than \$128,000 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 \$204,652, and building improvements/equipment additions, totaling \$76,192 for the current year.

Vermilion County's total net assets increased by \$395,684 during the current fiscal year. This is comprised of a decrease of Governmental Activities net assets of \$324,482 and an increase of Business Type net assets of \$720,166. 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)

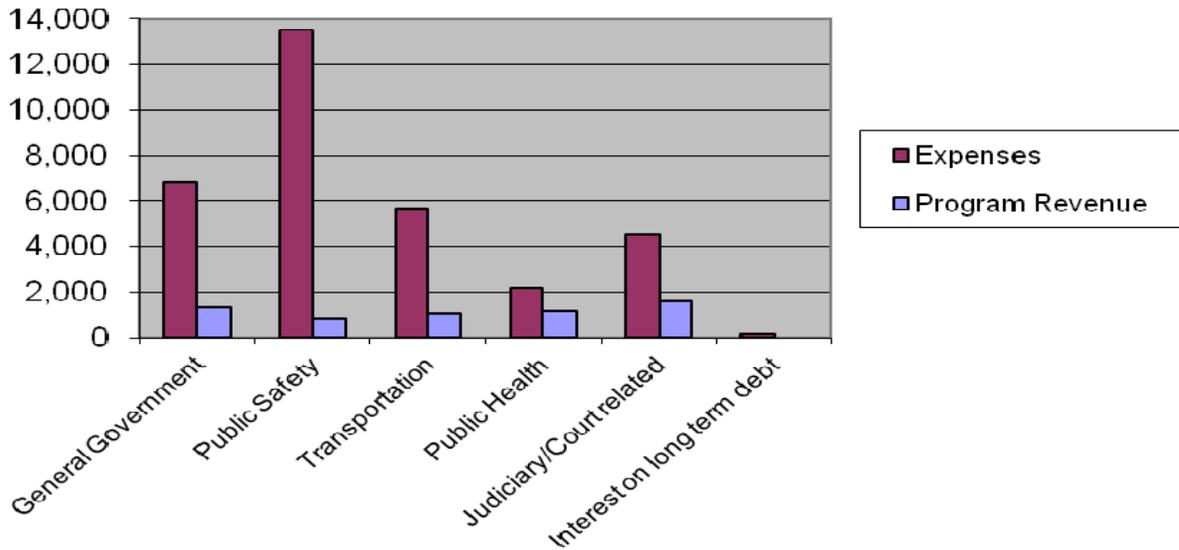
	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$3,618	\$3,824	\$10,742	\$8,860	\$14,360	\$12,684
Operating grants and contributions	1,681	2,469	0	0	1,681	2,469
Capital grants and contributions	651	0	0	0	651	0
General revenues:						
Property taxes	10,175	10,047	698	692	10,873	10,739
Other taxes	10,308	9,797	0	0	10,308	9,797
Grants and contributions not restricted to specific programs						
Other	6,109	5,221	204	118	6,313	5,339
Total revenues	32,542	31,358	11,644	9,670	44,186	41,028
Expenses:						
General government	6,839	6,085			6,839	6,085
Public safety	13,525	13,822			13,525	13,822
Transportation	5,652	5,265			5,652	5,265
Public Health	2,193	2,769			2,193	2,769
Judiciary/Court related	4,518	4,544			4,518	4,544
Interest on long-term debt	139	150			139	150
Nursing Home			10,623	9,388	10,623	9,388
Nursing Home Farm			78	46	78	46
Solid Waste Management			223	170	223	170
Total expenses	32,866	32,635	10,924	9,604	43,790	42,239
Increase (decrease) in net assets before transfers	(324)	(1,277)	720	66	396	(1,211)
Transfers						
Increase (decrease) in net assets	(324)	(1,277)	720	66	396	(1,211)
Net assets - 12/01/10	28,615	29,892	3,655	3,589	32,270	33,481
Net assets - 11/30/11	\$28,291	\$28,615	\$4,375	\$3,655	\$32,666	\$32,270

Governmental activities. Governmental activities precipitated a decrease in Vermilion County's net assets by \$324,482. Noteworthy issues are as follows:

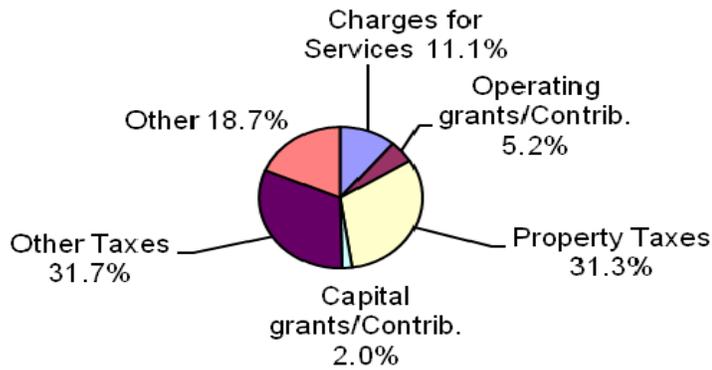
- The recent implementation of GASB 54 changed the definitions and classifications of restricted funds. Therefore, it appears that there is a dramatic decrease in unrestricted net assets and a corresponding increase in restricted funds. It is important to note that these restricted funds are not directly comparable from the 2010 Statement of Net Assets to 2011 due to GASB 54 without reorganizing the combinations.
- Net Assets Restricted for Retirement includes FICA Fund and IMRF Fund; these assets increased \$481,340 in the current fiscal year to a total of \$2,676,676. 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. IMRF offered an optional phase in rate for retirement funding in 2011 due to a large increase being necessary to offset market performance and investment losses. Vermilion County opted for the lower phase in rate, which is the amount annually submitted to IMRF; the difference between the fully funded amount and the amount submitted to IMRF is a new liability on the balance sheet titled Noncurrent Portion of Pension Obligations, \$270,804. Please note that the fund balance of the IMRF fund is more than sufficient to cover this liability.
- Vermilion County's total debt increased by \$256,290 (6.61%) 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, 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, and new this year, Noncurrent Portion of Pension Obligation. This previously mentioned new liability added \$270,804 to the County's total debt. Without this new obligation, the County would have experienced a debt reduction of \$14,514 (0.37%).
- The Net Assets Restricted for Court Services and Public Safety decreased \$845,649 from the prior year to \$7,178,671. The majority of the reductions were in the Law Enforcement Fund, (\$530,597), and the Public Safety Building Rent Fund, (\$251,402). Responsible management planned to utilize previously collected funds rather than increase taxes; thus, these funds were budgeted to a combined deficit of \$1,246,216 and realized a deficit of \$843,305.
- As of November 30, 2011, the State of Illinois owed Vermilion County's General Fund \$2,032,736 according to the audited balance sheet. As a result of the State being more than 60 days delinquent in making payments to Vermilion County, \$961,780 of these receivables were deferred and had to be omitted from net assets, while another \$130,017 was excluded from the balance sheet altogether due to uncertainty of collections. These tardy payments included in receivables, some dating back to July of 2011, are categorized as follows: Income Tax, \$337,858; Sales Tax Regular and Supplemental, \$155,373; Salary Reimbursements, \$468,549. All of these funds were subsequently received between February 1, 2012 and May 4, 2012. It is interesting to note that while the State seems to be a very untrustworthy business partner, the receivable on the County's balance sheet is \$650,262 less than last fiscal year.

- 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 \$189,757; Health Insurance expenses decreased these net assets by \$60,209 while the Liability Insurance Fund increased these assets by \$249,966. The increase is due to lower claims expenses and higher participation in funding from various funds.
- Governmental activities include general government, judiciary and court related, public safety, public health, transportation and interest on long term debt. Overall, expenses for governmental activities were \$231,786 higher in fiscal year 10/11 as compared with fiscal year 09/10; this is an increase in expenses of 0.71%. Public Health expenses were down \$576,106 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. This is the first full year of expense reduction recognition based on the Board's fiscally responsible actions. The corresponding Grant Revenue for Public Health was down almost \$801,000 from the prior year. Conversely, Transportation expenses were up almost \$390,000 over last year due to expenses associated with Lyons Road resurfacing; a pass through grant of \$1.5 million was received to fund these expenses, providing revenue of \$651,396 in the current fiscal year, the remainder was deferred to the next year.
- The 10/11 budgeted revenue figure for Corporate Replacement Tax paid to Vermilion County was \$1,407,000. The audit reports that Vermilion County actually received \$997,790 from the state; a budgeted shortfall of \$409,210. In comparison to the prior year's receipts, this is an increase of slightly more than \$288,000. Comparing fiscal year 10/11 with fiscal year 09/10, please note the following: State Sales Tax dollars collected are up just more than \$114,000; State Income Tax Allocation is up more than \$260,000; Intergovernmental Revenues are up almost \$728,000 mostly due to the Lyons Road grant; and Miscellaneous Revenues are up more than \$355,000.
- The last major factors in discussing the \$324,482 reduction in Net Assets of Governmental Activities are: Interest/Investment income was down almost \$100,000; Local MFT receipts were approximately \$82,000 less and revenue from Inheritance Taxes were more than \$70,000 less, as compared to the prior fiscal year.

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



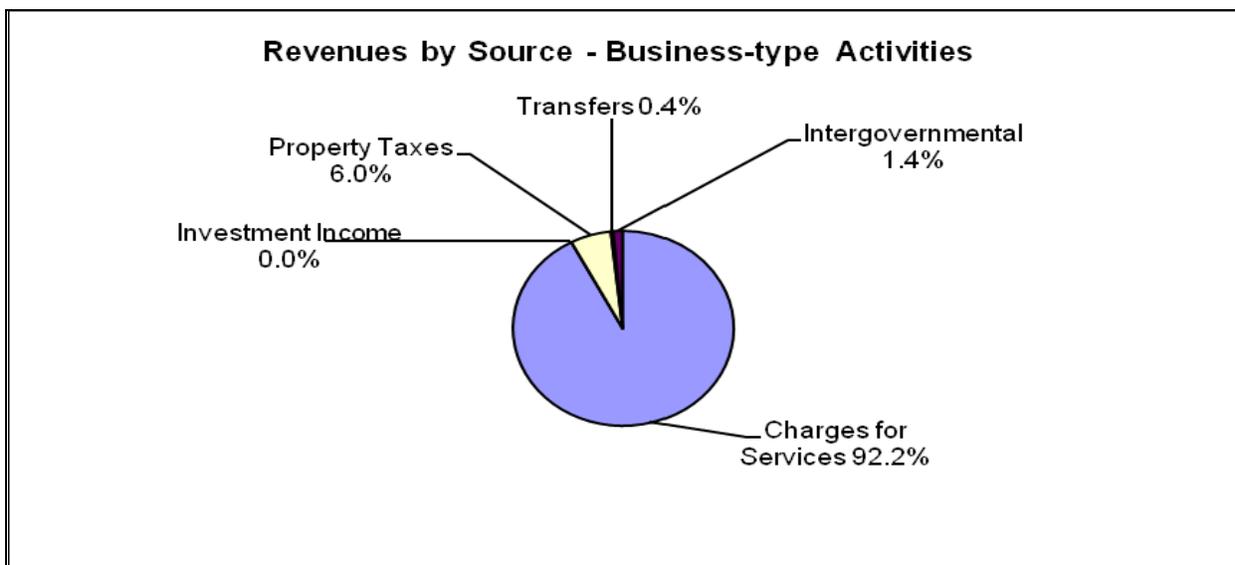
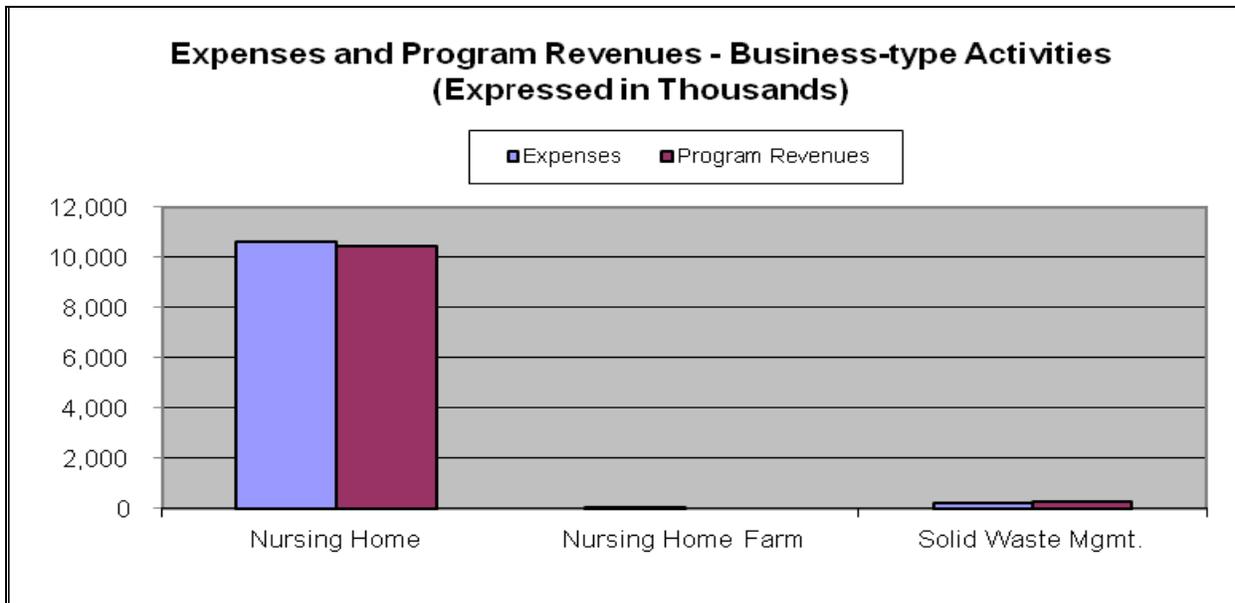
Revenues by Source - Governmental Activities



Business-type activities. Business-type activities increased Vermilion County’s net assets by just more than \$720,000. Noteworthy issues are as follows:

- Charges for services for business-type activities were \$1,882,797 higher (21.25% increase) for the current fiscal year. The Nursing Home reported an increase of \$1,863,340 while Solid Waste Management experienced an increase of just more than \$19,000.

- The primary cause of the \$1.86 million increase in the Vermilion Manor Nursing Home's Charges for Services was the December receipt of the Medicaid payments that passed through the state for reimbursements through September of 2011. This was booked as a receivable of \$1,577,582 and a corresponding revenue. Due to this payment, the Nursing Home experienced an increase in net assets for the current fiscal year of \$604,657.
- Other Enterprise Funds reported an increase of \$115,509 in net assets for the current fiscal year. The category of Other Enterprise Funds is comprised of the Vermilion County Farm, an increase in net assets of almost \$31,000, and the Solid Waste Management Program, net assets of which increased just less than \$85,000. The boost in net assets of Solid Waste is a result of increased landfill dumping charges.



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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Please recall that *unassigned fund balance*, due to GASB 54, is not comparable to the prior year.

As of the end of the current fiscal year, Vermilion County's governmental funds reported combined ending fund balances of \$30.339 million, a decrease of slightly more than \$98,000 in comparison with the prior year. Approximately 22% of this total (\$6.765 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is classified as non-spendable prepaids (\$4.388 million PSB rent payment), committed for capital projects (\$330,000), or *restricted*. *Restricted* funds are not available for new spending because they have already been restricted: 1) to employee retirement funding (\$2.677 million), 2) to general and administrative government (\$1.027 million), 3) for public health and education (\$1.297 million), 4) to court services and public safety (\$7.179 million), and 5) for transportation and highway (\$6.677 million).

The General Fund is the chief operating fund of Vermilion County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,765,212, which represents 54.86% of the total annual General Fund expenditures of \$12,330,776. 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 54.82%; management views this ratio stability as fiscally positive.

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 \$2.87 million, an increase of just more than \$731,000; the other enterprise funds had unrestricted assets of \$648,000, an increase of just over \$117,000. 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 deficit of \$461,703 for Fiscal Year 2010 – 2011; as budget amendments occurred during the year, the final General Fund budget projected a deficit of \$1,537,694. A large portion of this change occurred by reducing the levied taxes by \$778,108. The maximum rate this fund can levy via property taxes is \$0.25 per \$100 of assessed valuation. It was necessary to reduce the dollars levied for the General Fund and direct those to the IMRF fund to recognize the restricted maximum.

The General Fund actually experienced an increase in Fund Balance of \$236,280, to a total of \$6,765,212. This is a positive budget variance of \$1,773,974 as compared with the final budget. Although the actual annual revenue was short of budget by \$250,026, the actual annual expenditures were \$2,024,000 less than the budgeted amount. 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.

Intergovernmental Revenue was \$205,000 higher than budgeted for this fiscal year. Some of the contributors to this revenue received versus budgeted, both higher and lower, are: State sales tax, up almost \$335,000; State Income Tax, \$31,000 under budget; Corporate Replacement Taxes fell short by \$409,000; Salary Reimbursements, exceeded budgeted figures by \$257,000; and Inheritance Tax, down \$50,000.

The two main culprits for the underperformance of revenue for the General Fund are Charges for Services and Fines and Forfeitures; both categories of shortfall are related to Judicial and Court services. The fees charged as compared with the amount budgeted fell short by approximately \$234,000 for the following: Circuit Clerk, almost \$149,000; State's Attorney, just over \$41,000; Court Security Fees, just more than \$44,000. Moreover, the total collected in the current year is \$55,000 less than the actual amount received in the prior fiscal year. Fines and Forfeitures were more than \$159,000 under the total budgeted amount of \$475,000. Fines fell short by almost \$78,000; Bond Forfeitures were under budget by almost \$105,000. A new fine was created in fiscal year 2010 - 2011 called FTA Warrant Fee, charged when a person fails to appear in court and a warrant is issued as a result. This new fine offset the \$183,000 shortfall by \$24,000. It should be noted that the revenue from Fines and Bond Forfeitures combined was \$115,000 less than the previous fiscal year.

Expense appropriations for the General Fund increased slightly more than \$350,000 throughout the budget year. Of this increase, approximately \$156,000 (45%) was funded by grant dollars and \$194,000 (55%) by fund balance. The majority of the grant dollars were sought out and achieved by the County Clerk, \$66,187, and the Election Commission, \$44,934. A few of the expenditures that required the use of fund balance were:

- \$25,000 Coroner, Autopsy expenses.
- \$88,849 increases associated with a Collective Bargaining Unit contract settlement.
- \$16,000 Public Defender, Mental Health Evaluation expenses.
- \$60,000 Sheriff, Fuel expenses.

As previously mentioned, the actual General Fund expenditures were \$2.024 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 and returning money to the General Fund were as follows: County Board, \$51,000; Non-Departmental Services, \$136,000; Capital Outlay, \$156,000; County Clerk, \$69,000; Employee Benefits, \$380,000; Election Commission, \$87,000; Supervisor of Assessments, \$48,000; Building and Grounds, \$93,000; Judiciary and Court related offices, \$219,000; and, Public Safety budgets, \$242,000. Additional savings for the General Fund resulted from not transferring the additional \$80,000 to the Animal Control Fund or \$400,000 to the Capital Improvement Fund, as was budgeted. The department heads and elected officials displayed excellent control of expenditures. 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, 2011 amounted to just more than \$857,000 (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 13%; the driving factor in this reduction was the increase in accumulated depreciation of \$204,652.

Vermilion County's Capital Assets (Net of depreciation)

	Business-type activities	
	2011	2010
Land	\$1,000	\$1,000
Buildings	5,671,925	5,633,959
Transportation equipment	107,042	107,042
Recycling equipment	96,610	96,610
Other equipment	1,304,404	1,266,178
Total	\$7,180,981	\$7,104,789
Less: Accumulated Depreciation	6,323,347	6,118,695
Net Capital Assets	\$857,634	\$986,094

Additional information on Vermilion County’s capital assets can be found in Note 10 on pages 47 – 48 of this report.

Long-term debt. At the end of the current fiscal year, Vermilion County had total long term obligations of \$4,134,415. This was comprised of: 1) 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; 2) accumulated paid time off; 3) other post-employment benefits (OPEB); and 4) non-current portion of pension obligation. The outstanding bonds for the Juvenile Detention Center and addition to the Public Safety Building are not in Vermilion County’s name. The OPEB liability began in 2009 and is

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. Noncurrent portion of pension obligations is the liability created for the difference between the IMRF total employer funding rate and the IMRF optional rate. IMRF began offering different funding rates in 2010 based on the extreme shortfall of the investment income and the subsequent need to increase funding rates. As opposed to increasing the rates drastically, IMRF allowed participating employers to utilize an optional funding rate that will extend the amortization period for funding employee retirement accounts. Vermilion County opted for the extension of the amortization period in hopes of investment returns improving and aiding in the funding. It should be noted that this liability exists only from IMRF's perspective. The County has substantial reserves in the IMRF Fund to eliminate this liability.

Vermilion County's Outstanding Debt
Non Current Liabilities

	Governmental activities	
	2011	2010
Accumulated paid time off	\$215,776	\$190,391
Postemployment obligations	253,945	169,044
Noncurrent Portion of Pension Obligations	270,804	0
Bond obligations	3,393,890	3,518,690
Total	\$4,134,415	\$3,878,125

Vermilion County's total long term debt increased by \$256,290 (6.61%) during the current fiscal year entirely as a result of the noncurrent pension obligations of \$270,804. Accumulated paid time off climbed \$25,385 as a result of the increased value of a work day for long term employees and staff members not using their allotted days off. Bond obligations experienced a decrease of \$124,800 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 40 – 41 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Vermilion County was 9.9% as of the close of the current Fiscal Year; this was a decrease from a rate of 11.1% a year ago. This information was attained from the IDES website. This compares unfavorably to the state's average unemployment rate of 9.2% (IDES website), and the national average rate of 8.7% (Bureau of Labor Statistics).
- Although the 2011 – 2012 Fiscal Budget planned for a reduction in tax dollars collected from the property owners, the actual extended rate increased from 1.37220% to 1.41420%; this is the third consecutive year of the extended tax rate increasing caused by

- the Assessed Valuation decreasing. It is important to realize that the County Board and Elected Officials have been diligent in their efforts to reduce the property taxes and have budgeted to collect no additional dollars in the tax levy. As the national housing market experienced a decline in housing values, the trend affected Vermilion County as well. The actual Assessed Valuation at 10/11 and 11/12 were \$848,756,717 and \$819,483,239, respectively, a decrease of \$29,273,478; note that between 09/10 and 10/11 there was a decrease of \$19,412,068 and the previous years compared realized a reduction of \$8,176,956. Prior to these past three fiscal years, the last time that Vermilion County experienced a reduction in actual Assessed Valuation was fiscal year 04/05, which began to increase again the following year. 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 \$405,345 for the 2011 – 2012 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 taxes collected as low as possible; however, there are serious concerns about future funding sources due to the State of Illinois' inability to pay its bills. The recent cuts in the state Medicaid program are alarming regarding reimbursements to the Nursing Home. 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. As a result, the County moved the operating expenses of the Juvenile Detention facility to PSB Rent Fund 006 and out of the General Fund. The purpose of this move is to protect future funding for the facility with both the fund balance of this fund and its taxing ability, and to remove obligations from the County's General Fund.

All of these factors were considered in preparing Vermilion County's budget for the 2011 – 2012 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 11/12 were actually \$8,232 less than the original budgeted expenses for fiscal year 10/11, excluding the Juvenile Detention budget, and \$270,370 less than the final budgeted expenses for 10/11, again without inclusion of Juvenile Detention budget. Hence, the estimated property tax to levy and collect for Vermilion County in fiscal year 11/12 is \$953 less than the actual amount for fiscal year 10/11.

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, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
CURRENT ASSETS			
Cash	\$ 11,524,819	\$ 778,936	\$ 12,303,755
Investments	15,305,437	118,386	15,423,823
Receivables, net	120,647	5,093,257	5,213,904
Taxes receivable	10,809,777	-	10,809,777
Accrued interest	344,070	-	344,070
Prepaid items	4,388,047	-	4,388,047
Receivable from external parties	1,179,066	-	1,179,066
Internal balances	507,362	(507,362)	-
Due from other governments	3,564,199	-	3,564,199
	<u>47,743,424</u>	<u>5,483,217</u>	<u>53,226,641</u>
Total current assets			
NONCURRENT ASSETS			
Capital assets:			
Land	-	1,000	1,000
Buildings	-	5,671,925	5,671,925
Transportation equipment	-	107,042	107,042
Recycling equipment	-	96,610	96,610
Other equipment	-	1,304,404	1,304,404
Total, at cost	-	7,180,981	7,180,981
Less accumulated depreciation	-	6,323,347	6,323,347
	<u>-</u>	<u>857,634</u>	<u>857,634</u>
Total noncurrent assets			
TOTAL ASSETS	<u>\$ 47,743,424</u>	<u>\$ 6,340,851</u>	<u>\$ 54,084,275</u>
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 3,503,307	\$ 1,273,100	\$ 4,776,407
Deferred revenue	11,814,544	692,778	12,507,322
Current portion of lease obligations	128,700	-	128,700
	<u>15,446,551</u>	<u>1,965,878</u>	<u>17,412,429</u>
Total current liabilities			
NONCURRENT LIABILITIES			
Accumulated paid time off	215,776	-	215,776
Other postemployment benefit obligation	253,945	-	253,945
Pension obligations	270,804	-	270,804
Noncurrent portion of lease obligations	3,265,190	-	3,265,190
	<u>4,005,715</u>	<u>-</u>	<u>4,005,715</u>
Total noncurrent liabilities			
Total liabilities	<u>19,452,266</u>	<u>1,965,878</u>	<u>21,418,144</u>
NET ASSETS			
Invested in capital assets, net of obligations	-	857,634	857,634
Restricted for:			
Retirement	2,676,676	-	2,676,676
General and administrative	1,027,052	-	1,027,052
Public health and education	1,296,776	-	1,296,776
Court services and public safety	7,178,671	-	7,178,671
Transportation and highway	6,676,515	-	6,676,515
Unrestricted	9,435,468	3,517,339	12,952,807
	<u>28,291,158</u>	<u>4,374,973</u>	<u>32,666,131</u>
Total net assets			
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 47,743,424</u>	<u>\$ 6,340,851</u>	<u>\$ 54,084,275</u>

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended November 30, 2011

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
PROGRAMS							
Governmental Activities:							
General government	\$ 6,839,183	\$ 1,207,232	\$ 107,917	\$ -	\$ (5,524,034)	\$ -	\$ (5,524,034)
Judiciary and court related	4,518,278	1,566,162	-	-	(2,952,116)	-	(2,952,116)
Public safety	13,525,457	664,033	206,636	-	(12,654,788)	-	(12,654,788)
Public health	2,192,499	180,300	982,058	-	(1,030,141)	-	(1,030,141)
Transportation	5,652,415	-	384,201	651,396	(4,616,818)	-	(4,616,818)
Interest on long-term debt	138,619	-	-	-	(138,619)	-	(138,619)
Total governmental activities	<u>32,866,451</u>	<u>3,617,727</u>	<u>1,680,812</u>	<u>651,396</u>	<u>(26,916,516)</u>	<u>-</u>	<u>(26,916,516)</u>
Business-Type Activities:							
Nursing Home	10,623,492	10,479,654	-	-	-	(143,838)	(143,838)
Nursing Home Farm	77,701	-	-	-	-	(77,701)	(77,701)
Solid Waste Management	223,353	262,670	-	-	-	39,317	39,317
Total business-type activities	<u>10,924,546</u>	<u>10,742,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(182,222)</u>	<u>(182,222)</u>
TOTAL	<u>\$ 43,790,997</u>	<u>\$ 14,360,051</u>	<u>\$ 1,680,812</u>	<u>\$ 651,396</u>	<u>(26,916,516)</u>	<u>(182,222)</u>	<u>(27,098,738)</u>

General revenues:			
Property taxes	\$ 10,174,585	\$ 697,978	\$ 10,872,563
Corporate personal property replacement taxes	997,790	-	997,790
State sales taxes	3,439,464	-	3,439,464
State income tax allocation	2,185,446	-	2,185,446
Hotel, restaurant and amusement taxes	3,453	-	3,453
Local motor fuel taxes	3,681,735	-	3,681,735
Interest/investment income	37,800	1,320	39,120
Intergovernmental revenues	5,071,551	158,090	5,229,641
Miscellaneous	1,045,210	-	1,045,210
Transfers	(45,000)	45,000	-
	<u>26,592,034</u>	<u>902,388</u>	<u>27,494,422</u>
Total general revenues and transfers			
Change in net assets	(324,482)	720,166	395,684
NET ASSETS, BEGINNING OF YEAR	<u>28,615,640</u>	<u>3,654,807</u>	<u>32,270,447</u>
NET ASSETS, END OF YEAR	<u>\$ 28,291,158</u>	<u>\$ 4,374,973</u>	<u>\$ 32,666,131</u>

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

VERMILION COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2011

	<u>General Fund</u>	<u>Major Special Revenue Fund Public Safety Building Rent</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 1,267,870	\$ 683,912	\$ 9,098,599	\$ 11,050,381
Investments	4,329,094	1,300,000	8,376,450	14,005,544
Receivables:				
Taxes, net of allowance for estimated uncollectible	2,066,625	4,950,000	3,174,402	10,191,027
Trade receivables	120,647	-	-	120,647
Other	4,270	107	339,148	343,525
Prepaid items	-	4,388,047	-	4,388,047
Due from other funds	2,002,589	-	565,567	2,568,156
Due from other governments	2,032,736	708,954	822,509	3,564,199
TOTAL ASSETS	<u>\$ 11,823,831</u>	<u>\$ 12,031,020</u>	<u>\$ 22,376,675</u>	<u>\$ 46,231,526</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,100,791	\$ 211,514	\$ 1,483,123	\$ 2,795,428
Due to other funds	929,423	-	10,000	939,423
Deferred revenue	3,028,405	4,950,000	4,179,169	12,157,574
Total liabilities	<u>5,058,619</u>	<u>5,161,514</u>	<u>5,672,292</u>	<u>15,892,425</u>
FUND BALANCE				
Nonspendable:				
Prepays	-	4,388,047	-	4,388,047
Restricted:				
Retirement	-	-	2,676,676	2,676,676
General and administrative	-	-	1,027,052	1,027,052
Public health and education	-	-	1,296,776	1,296,776
Court services and public safety	-	2,481,459	4,697,212	7,178,671
Transportation and highway	-	-	6,676,515	6,676,515
Committed:				
Capital projects	-	-	330,207	330,207
Unassigned	<u>6,765,212</u>	<u>-</u>	<u>(55)</u>	<u>6,765,157</u>
Total fund balance	<u>6,765,212</u>	<u>6,869,506</u>	<u>16,704,383</u>	<u>30,339,101</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,823,831</u>	<u>\$ 12,031,020</u>	<u>\$ 22,376,675</u>	<u>\$ 46,231,526</u>

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

VERMILION COUNTY, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE NET ASSETS OF GOVERNMENTAL ACTIVITIES
November 30, 2011

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

Fund balances - total governmental funds		\$ 30,339,101
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Taxes receivable	\$ 493,231	
Salary reimbursements	468,549	
Total long-term assets		961,780
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.		
		1,124,692
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
		(4,134,415)
Net assets of governmental activities		<u>\$ 28,291,158</u>

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, 2011

	<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	\$ 2,112,822	\$ 3,757,413	\$ 4,304,350	\$ 10,174,585
Intergovernmental	7,342,768	3,099,442	7,300,506	17,742,716
Licenses and permits	20,475	-	141,289	161,764
Charges for services	1,876,206	-	1,266,181	3,142,387
Fines and forfeits	315,926	-	12,925	328,851
Miscellaneous	765,421	4,778	311,557	1,081,756
	<u>12,433,618</u>	<u>6,861,633</u>	<u>13,336,808</u>	<u>32,632,059</u>
Total revenues				
EXPENDITURES				
Current:				
General and administrative	4,541,262	-	1,485,611	6,026,873
Judiciary and court related	3,456,257	-	1,062,021	4,518,278
Public safety	4,333,257	7,113,035	2,079,165	13,525,457
Public health	-	-	2,192,499	2,192,499
Transportation	-	-	5,652,415	5,652,415
Capital outlay	-	-	431,221	431,221
Debt service:				
Principal	-	-	124,800	124,800
Interest	-	-	138,619	138,619
	<u>12,330,776</u>	<u>7,113,035</u>	<u>13,166,351</u>	<u>32,610,162</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>102,842</u>	<u>(251,402)</u>	<u>170,457</u>	<u>21,897</u>

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Public Safety</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Building Rent</u>	<u>Funds</u>	<u>Funds</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 340,638	\$ -	\$ 207,200	\$ 547,838
Operating transfers out	<u>(207,200)</u>	<u>-</u>	<u>(460,875)</u>	<u>(668,075)</u>
Total other financing sources (uses)	<u>133,438</u>	<u>-</u>	<u>(253,675)</u>	<u>(120,237)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	236,280	(251,402)	(83,218)	(98,340)
FUND BALANCE, BEGINNING OF YEAR	<u>6,528,932</u>	<u>7,120,908</u>	<u>16,787,601</u>	<u>30,437,441</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,765,212</u>	<u>\$ 6,869,506</u>	<u>\$ 16,704,383</u>	<u>\$ 30,339,101</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, 2011

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

Net change in fund balances - total governmental funds	\$	(98,340)
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.		(159,609)
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	\$	124,800
Increase in other postemployment benefit obligations		(84,901)
Increase in pension obligations		(270,804)
Increase in accumulated paid time off		(25,385)
		(25,385)
Net adjustment for changes in long-term liabilities.		(256,290)
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		189,757
Change in net assets of governmental activities	\$	<u><u>(324,482)</u></u>

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
November 30, 2011

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Vermilion Manor Nursing Home	Other Enterprise Funds	Total	Internal Service Fund
CURRENT ASSETS				
Cash	\$ 482,777	\$ 296,159	\$ 778,936	\$ 474,438
Investments	-	118,386	118,386	1,299,893
Receivables, net	4,840,391	252,866	5,093,257	618,750
Accrued interest	-	-	-	545
Due from other funds	-	-	-	57,695
	<u>5,323,168</u>	<u>667,411</u>	<u>5,990,579</u>	<u>2,451,321</u>
Total current assets				
NONCURRENT ASSETS				
Land	-	1,000	1,000	-
Buildings and improvements	5,652,925	19,000	5,671,925	-
Transportation equipment	107,042	-	107,042	-
Recycling equipment	-	96,610	96,610	-
Other equipment	1,273,522	30,882	1,304,404	-
Total, at cost	7,033,489	147,492	7,180,981	-
Less accumulated depreciation	6,180,925	142,422	6,323,347	-
	<u>852,564</u>	<u>5,070</u>	<u>857,634</u>	<u>-</u>
Total noncurrent assets				
TOTAL ASSETS	<u>\$ 6,175,732</u>	<u>\$ 672,481</u>	<u>\$ 6,848,213</u>	<u>\$ 2,451,321</u>
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,254,262	\$ 18,838	\$ 1,273,100	\$ 707,879
Due to other funds	507,362	-	507,362	-
Deferred revenue	692,778	-	692,778	618,750
	<u>2,454,402</u>	<u>18,838</u>	<u>2,473,240</u>	<u>1,326,629</u>
Total current liabilities				
NET ASSETS				
Invested in capital assets	852,564	5,070	857,634	-
Unrestricted net assets	2,868,766	648,573	3,517,339	1,124,692
	<u>3,721,330</u>	<u>653,643</u>	<u>4,374,973</u>	<u>1,124,692</u>
Total net assets				
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,175,732</u>	<u>\$ 672,481</u>	<u>\$ 6,848,213</u>	<u>\$ 2,451,321</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, 2011

	Business-Type Activities			Governmental
	Enterprise Funds			Activities -
	Vermilion Manor	Other Enterprise	Total	Internal Service
	Nursing Home	Funds		Fund
OPERATING REVENUES				
Charges for services	\$ 10,479,654	\$ 261,920	\$ 10,741,574	\$ 2,158,321
Fines and forfeits	-	750	750	-
Miscellaneous	49,678	108,412	158,090	-
Total operating revenues	<u>10,529,332</u>	<u>371,082</u>	<u>10,900,414</u>	<u>2,158,321</u>
OPERATING EXPENSES				
Personnel services	6,795,541	174,313	6,969,854	2,749,149
Supplies and materials	601,188	1,911	603,099	-
Other services and charges	208,395	89,809	298,204	-
Contractual services	2,810,671	32,428	2,843,099	-
Capital outlay	4,820	818	5,638	-
Depreciation	202,877	1,775	204,652	-
Total operating expenses	<u>10,623,492</u>	<u>301,054</u>	<u>10,924,546</u>	<u>2,749,149</u>
Operating income (loss)	<u>(94,160)</u>	<u>70,028</u>	<u>(24,132)</u>	<u>(590,828)</u>
NON-OPERATING REVENUES (EXPENSES)				
Taxes	697,978	-	697,978	704,140
Interest income	839	481	1,320	1,208
Total non-operating revenues	<u>698,817</u>	<u>481</u>	<u>699,298</u>	<u>705,348</u>
Income (loss) before transfers	<u>604,657</u>	<u>70,509</u>	<u>675,166</u>	<u>114,520</u>
OPERATING TRANSFERS				
Operating transfers in	-	45,000	45,000	75,237
CHANGE IN NET ASSETS	604,657	115,509	720,166	189,757
NET ASSETS, BEGINNING OF YEAR	<u>3,116,673</u>	<u>538,134</u>	<u>3,654,807</u>	<u>934,935</u>
NET ASSETS, END OF YEAR	<u>\$ 3,721,330</u>	<u>\$ 653,643</u>	<u>\$ 4,374,973</u>	<u>\$ 1,124,692</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, 2011

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Vermilion Manor	Other Enterprise	Total	Internal Service
	Nursing Home	Funds		Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers				
including cash deposits	\$ 8,033,124	\$ 352,082	\$ 8,385,206	\$ 2,158,321
Cash paid to suppliers and for claims	(2,847,894)	(110,558)	(2,958,452)	(2,703,282)
Cash paid to employees	(7,012,206)	(174,313)	(7,186,519)	-
Cash received from (paid to) other funds	(182,000)	-	(182,000)	-
	<u>(2,008,976)</u>	<u>67,211</u>	<u>(1,941,765)</u>	<u>(544,961)</u>
Net cash provided by (used in) operating activities				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash received for property taxes	697,978	-	697,978	704,140
Cash transfers from (to) other funds	-	45,000	45,000	75,237
	<u>697,978</u>	<u>45,000</u>	<u>742,978</u>	<u>779,377</u>
Net cash provided by (used in) noncapital financing activities				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	(76,192)	-	(76,192)	-
	<u>(76,192)</u>	<u>-</u>	<u>(76,192)</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	-	(30,711)	(30,711)	(100,000)
Interest received	839	481	1,320	1,454
	<u>839</u>	<u>(30,230)</u>	<u>(29,391)</u>	<u>(98,546)</u>
Net cash provided by (used in) investing activities				
NET INCREASE (DECREASE) IN CASH	(1,386,351)	81,981	(1,304,370)	135,870
CASH, BEGINNING OF YEAR	1,869,128	214,178	2,083,306	338,568
CASH, END OF YEAR	<u>\$ 482,777</u>	<u>\$ 296,159</u>	<u>\$ 778,936</u>	<u>\$ 474,438</u>

	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)	\$ (94,160)	\$ 70,028	\$ (24,132)	\$ (590,828)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	202,877	1,775	204,652	-
Effects of changes in operating assets and liabilities:				
Receivables	(2,496,208)	(19,000)	(2,515,208)	-
Accounts payable and accrued liabilities	690,515	14,408	704,923	45,867
Due to other funds	(312,000)	-	(312,000)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (2,008,976)	\$ 67,211	\$ (1,941,765)	\$ (544,961)

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
November 30, 2011

		<u>Agency Funds</u>
Cash	\$	8,593,396
Investments		997,000
Receivables:		
Taxes, net of allowance for estimated uncollectibles		1,369,933
Accrued interest		222
Due from other funds		918,674
Inventory		<u>20,150</u>
 TOTAL ASSETS	 \$	 <u><u>11,899,375</u></u>
 Accounts payable	 \$	 477,779
Due to other funds		2,097,740
Due to other governments		154,286
Due to others		3,849,780
Due to taxing bodies		<u>5,319,790</u>
 TOTAL LIABILITIES	 \$	 <u><u>11,899,375</u></u>

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

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

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, 2011

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, 2011

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 capital facilities or capital equipment 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, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (recorded at cost which approximates market value); U.S. Government Mutual Funds (recorded at quoted market prices); and the County's deposit in the Governmental Insurance Exchange Pool (recorded at cost which approximates market value).

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 recorded as 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, 2011

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 BALANCE

Beginning with fiscal year 2011, the County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE (Continued)

Assigned – This classification includes amounts that are constrained by the County’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the County Board Chair or Treasurer or other official. This classification also includes the remaining positive fund balance for all governmental funds.

Unassigned – This classification includes the residual fund balance for the General Fund and includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The County would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

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, 2011 was \$1.73 per \$100 of assessed valuation. For budgetary purposes, taxes are recognized as revenue in the period in which they are intended to finance.

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

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

Based on collection histories, the County has provided at November 30, 2011 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.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCUMULATED PAID TIME OFF

Accumulated paid time off is not accrued in Governmental Funds. The liability of the County for accumulated paid time off 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 \$32,852,990 and the respective bank balances totaled \$34,630,595. Included in the carrying amount of the County's bank deposits are certificates of deposits totaling \$11,961,498. Also included in the County's carrying amount of bank deposits are money market funds totaling \$8,091.

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, 2011 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.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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, 2011, \$394,677 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, 2011, 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 \$3,414,082 at November 30, 2011.

In addition to the above, the County had \$1,010,900 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.

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011**

NOTE 4 - INTERFUND ACTIVITY

Individual fund interfund receivable and payable (due to/due from other funds) at November 30, 2011 were as follows:

Fund	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,002,589	\$ 929,423
Special Revenue Funds:		
Health Department	22,955	-
Indemnity	23,240	-
County Clerk Vital Records	874	-
FICA	435,286	-
Illinois Municipal Retirement	14,381	-
Traffic Fee	5,332	-
Court Document Storage	9,083	-
Court Automation	9,184	-
Recorder's Special Fee	3,824	-
Home Confinement and Probation	5,266	-
Probation Service	11,816	-
Treasurer's Automation	11,620	-
County Bridge	10,000	-
Township Motor Fuel Tax	-	10,000
Law Library	2,706	-
Total special revenue funds	<u>565,567</u>	<u>10,000</u>
Enterprise Funds:		
Nursing Home	-	507,362
Internal Service	<u>57,695</u>	<u>-</u>
Agency Funds:		
Restitution	7,416	10,563
County Collector	-	1,479,211
County Clerk	4,648	9,747
Circuit Clerk	-	128,184
Recorder	-	16,029
Work Release	-	4,006
Payroll Clearing	906,610	450,000
Total agency funds	<u>918,674</u>	<u>2,097,740</u>
TOTAL	<u>\$ 3,544,525</u>	<u>\$ 3,544,525</u>

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

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, 2011 consisted of the following:

Transfers to General Fund from:	
Non-major governmental funds	<u>\$ 340,638</u>
Transfers to Non-major Governmental Funds from:	
General Fund	<u>\$ 207,200</u>
Transfers to Internal Service Funds from:	
Non-major governmental funds	<u>\$ 75,237</u>
Transfers to Proprietary Funds from:	
Non-major governmental funds	<u>\$ 45,000</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, 2011 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, 2011 are as follows:

	Balance November 30, 2010	Additions	Deductions	Balance November 30, 2011
Accumulated paid time off	\$ 190,391	\$ 27,693	\$ 2,308	\$ 215,776
Pension obligations	-	270,804	-	270,804
Other postemployment benefit obligations	169,044	84,901	-	253,945
Juvenile Detention Center lease	<u>3,518,690</u>	<u>-</u>	<u>124,800</u>	<u>3,393,890</u>
TOTAL	<u>\$ 3,878,125</u>	<u>\$ 383,398</u>	<u>\$ 127,108</u>	<u>\$ 4,134,415</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, 2011

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>
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	262,277	152,100	110,177
2017-2021	1,435,447	982,800	452,647
2022-2026	<u>1,884,302</u>	<u>1,705,190</u>	<u>179,112</u>
TOTAL	<u>\$4,634,254</u>	<u>\$3,393,890</u>	<u>\$ 1,240,364</u>

Interest cost incurred on general long-term debt by the County during the year ended November 30, 2011 totaled \$138,619.

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, 2011

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

2012	\$ 4,786,961
------	--------------

Lease expense for the year ended November 30, 2011 was \$4,725,637.

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 2010 was 8.58 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 calendar year ending December 31, 2010, the County's actual contributions for pension cost for the Regular were \$1,325,799. Its required contribution for calendar year 2010 was \$1,528,223.

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011**

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 <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/10	\$ 1,528,223	87%	\$ 202,424
12/31/09	\$ 1,253,660	100%	\$ -
12/31/08	\$ 1,278,438	100%	\$ -

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 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 20% corridor between the actuarial and market value of assets. The County Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 85.92 percent funded. The actuarial accrued liability for benefits was \$31,643,300 and the actuarial value of assets was \$27,186,526, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,456,774. The covered payroll (annual payroll of active employees covered by the plan) was \$15,452,206 the ratio of the UAAL to the covered payroll was 29 percent.

The schedule of funding progress, presented as Required Supplementary 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, 2011**

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 2010 was 15.21 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 calendar year ending December 31, 2010, the County’s actual contributions for pension cost for the Sheriff’s Law Enforcement Personnel were \$302,341. Its required contribution for calendar year 2010 was \$370,721.

**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
12/31/10	\$ 370,721	82%	\$ 68,380
12/31/09	\$ 260,498	100%	\$ -
12/31/08	\$ 290,984	100%	\$ -

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 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 20% 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 an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Sheriff’s Law Enforcement Personnel plan was 78.27 percent funded. The actuarial accrued liability for benefits was \$8,462,714 and the actuarial value of assets was \$6,623,938, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,838,776. The covered payroll (annual payroll of active employees covered by the plan) was \$1,987,779 and the ratio of the UAAL to the covered payroll was 93 percent.

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011**

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 Supplementary 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 2010 was 41.79 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 2010 the County’s annual pension cost of \$345,801 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>
12/31/10	\$ 345,801	100%	\$ -
12/31/09	\$ 344,394	100%	\$ -
12/31/08	\$ 381,606	100%	\$ -

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 7 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Defined Benefit Pension Plan – Elected County Officials (Continued)

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 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 20% 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 an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Elected County Official plan was 32.89 percent funded. The actuarial accrued liability for benefits was \$4,912,785 and the actuarial value of assets was \$1,616,049 resulting in an underfunded actuarial accrued liability (UAAL) of \$3,296,736. The covered payroll (annual payroll of active employees covered by the plan) was \$827,472 and the ratio of the UAAL to the covered payroll was 398 percent.

The schedule of funding progress, presented as Required Supplementary 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, 2011

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

Deficit Fund Balance

The following individual funds had deficit fund balances as of November 30, 2011:

Court Security	\$ 55
Health Insurance	\$ 217,772

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, 2011 is as follows:

	Vermilion Manor Nursing Home	Vermilion County Farm	Solid Waste Management	Total
Operating revenues	\$ 10,529,332	\$ 108,412	\$ 262,670	\$ 10,900,414
Depreciation	202,877	-	1,775	204,652
Operating income (loss)	(94,160)	30,711	39,317	(24,132)
Property and equipment additions	76,192	-	-	76,192
Change in net assets	604,657	30,711	84,798	720,166
Net working capital	2,868,766	118,386	530,187	3,517,339
Total assets	6,175,732	119,386	553,095	6,848,213
Total equity	3,721,330	119,386	534,257	4,374,973

CAPITAL ASSETS

Fixed assets are not capitalized in the governmental funds, as explained in Note 1. Changes in capital assets for the proprietary funds for the year ended November 30, 2011 are as follows:

Nursing Home

	Balance December 1, 2010	Additions	Disposals	Balance November 30, 2011
Buildings and improvements	\$ 5,614,959	\$ 37,966	\$ -	\$ 5,652,925
Transportation equipment	107,042	-	-	107,042
Other equipment	<u>1,235,296</u>	<u>38,226</u>	-	<u>1,273,522</u>
	6,957,297	76,192	-	7,033,489
Less accumulated depreciation	<u>(5,978,048)</u>	<u>(202,877)</u>	-	<u>(6,180,925)</u>
Total	<u>\$ 979,249</u>	<u>\$ (126,685)</u>	<u>\$ -</u>	<u>\$ 852,564</u>

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011**

NOTE 10 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONTINUED)

County Farm

	Balance December 1, <u>2010</u>	<u>Additions</u>	<u>Disposals</u>	Balance November 30, <u>2011</u>
Land	\$ <u>1,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,000</u>

Solid Waste Management

	Balance December 1, <u>2010</u>	<u>Additions</u>	<u>Disposals</u>	Balance November 30, <u>2011</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>(140,647)</u>	<u>(1,775)</u>	<u>-</u>	<u>(142,422)</u>
Total	\$ <u>5,845</u>	\$ <u>(1,775)</u>	\$ <u>-</u>	\$ <u>4,070</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, 2011

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, and 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 2011 were \$126,131.

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, 2011 was \$224,440. The liability for claims incurred but not reported was estimated to range between \$132,442 and \$135,970. Based on this range, the County reflected a total liability for unpaid claims in the accompanying financial statements of \$357,879.

Changes in the balances of claims liabilities during fiscal year 2011 were as follows:

	<u>2011</u>	<u>2010</u>
Claims liability, beginning balance	\$ 226,370	\$ 384,522
Claims paid, incurred prior to December, 2011	(126,131)	(279,619)
Increase in claims liability for claims incurred prior to December, 2011	<u>257,640</u>	<u>121,467</u>
Claims liability, ending balance	<u>\$ 357,879</u>	<u>\$ 226,370</u>

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

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>2011</u>	<u>2010</u>
Claims liability, beginning balance	\$ 250,000	\$ 250,000
Claims paid, incurred prior to December, 2011	(1,511,413)	(1,424,246)
Increase in claims liability for claims incurred prior to December, 2011	<u>1,511,413</u>	<u>1,424,246</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, 2011

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, 2011, membership consisted of:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to benefits but not yet receiving them	15
Active employees	<u>632</u>
Total	<u><u>647</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 had an actuarial valuation performed for the plan as of November 30, 2011 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, 2011. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 was as follows:

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

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, 2011	\$ 143,522	\$ -	40.80%	\$ 253,945
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, 2011, was calculated as follows:

Annual required contribution	\$ 140,705
Interest on net OPEB obligation	8,452
Adjustment to annual required contribution	<u>(5,635)</u>
Annual OPEB cost	143,522
Contributions made	<u>58,621</u>
Increase in net OPEB obligation	84,901
Net OPEB obligation, beginning of year	<u>169,044</u>
Net OPEB obligation, end of year	<u>\$ 253,945</u>

Funded Status and Funding Progress. The funded status of the plan as of November 30, 2011, (estimated based on the most recent actuary valuation as of November 30, 2010), was as follows:

Actuarial accrued liability (AAL)	\$ 1,185,156
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,185,156
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	16,965,178
UAAL as a percentage of covered payroll	6.99%

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, 2011

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, 2011 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 FY2011. 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 \$37,700.

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

REQUIRED SUPPLEMENTARY INFORMATION

VERMILION COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 2,900,000	\$ 2,121,892	\$ 2,112,822	\$ (9,070)
Intergovernmental	7,137,750	7,137,750	7,342,768	205,018
Licenses and permits	20,000	20,000	20,475	475
Charges for services	2,108,500	2,108,500	1,876,206	(232,294)
Fines and forfeits	475,000	475,000	315,926	(159,074)
Miscellaneous	686,990	739,640	765,421	25,781
Total revenues	<u>13,328,240</u>	<u>12,602,782</u>	<u>12,433,618</u>	<u>(169,164)</u>
EXPENDITURES				
Current:				
General Government				
County Board	346,150	346,150	294,854	51,296
County Auditor	125,950	125,950	117,823	8,127
Data Processing	389,912	391,840	374,873	16,967
County Treasurer	210,482	210,482	202,193	8,289
Non-Department Services	400,669	400,669	265,156	135,513
Capital Outlay	160,000	160,000	4,532	155,468
Merit Commission	15,524	15,524	13,802	1,722
Regional Superintendent of Schools	85,305	85,305	74,216	11,089
County Clerk	518,544	584,731	515,857	68,874
County Recorder	174,695	175,836	171,736	4,100
Other	1,526,000	1,526,000	1,146,623	379,377
Election Commission	281,383	326,317	238,972	87,345
Board of Review	77,354	77,354	64,273	13,081
Supervisor of Assessments	356,230	356,230	307,910	48,320
Buildings and Grounds	841,624	841,624	748,442	93,182
Total General Government	<u>5,509,822</u>	<u>5,624,012</u>	<u>4,541,262</u>	<u>1,082,750</u>
Judiciary and Court Related				
Circuit Clerk	518,356	519,356	503,453	15,903
States Attorney	1,045,864	1,090,864	1,003,305	87,559
Probation	1,075,609	1,075,609	1,067,199	8,410
Judiciary and Rules	414,794	414,794	344,722	70,072
Collection Program	35,095	35,095	35,095	-
Public Defender	523,877	539,877	502,483	37,394
Total Judiciary and Court Related	<u>3,613,595</u>	<u>3,675,595</u>	<u>3,456,257</u>	<u>219,338</u>
Public Safety				
Sheriff	2,559,129	2,619,129	2,550,125	69,004
Juvenile Detention Center	1,386,886	1,475,281	1,354,224	121,057
Emergency Services Disaster Agency	260,840	261,788	212,810	48,978
Coroner	193,971	218,971	216,098	2,873
Total Public Safety	<u>4,400,826</u>	<u>4,575,169</u>	<u>4,333,257</u>	<u>241,912</u>
Total expenditures	<u>13,524,243</u>	<u>13,874,776</u>	<u>12,330,776</u>	<u>1,544,000</u>
Excess (deficiency) of revenues over expenditures	<u>(196,003)</u>	<u>(1,271,994)</u>	<u>102,842</u>	<u>1,374,836</u>

VERMILION COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 421,500	\$ 421,500	\$ 340,638	\$ (80,862)
Operating transfers out	<u>(555,000)</u>	<u>(687,200)</u>	<u>(207,200)</u>	<u>480,000</u>
Total other financing sources (uses)	<u>(133,500)</u>	<u>(265,700)</u>	<u>133,438</u>	<u>399,138</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (329,503)</u>	<u>\$ (1,537,694)</u>	236,280	<u>\$ 1,773,974</u>
FUND BALANCE, BEGINNING OF YEAR			<u>6,528,932</u>	
FUND BALANCE, END OF YEAR			<u>\$ 6,765,212</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, 2011

	<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	\$ 3,757,413	\$ (11,587)
Intergovernmental	3,117,580	3,117,580	3,099,442	(18,138)
Miscellaneous	<u>30,000</u>	<u>30,000</u>	<u>4,778</u>	<u>(25,222)</u>
Total revenues	6,916,580	6,916,580	6,861,633	(54,947)
EXPENDITURES				
Current:				
Public safety	<u>7,413,396</u>	<u>7,413,396</u>	<u>7,113,035</u>	<u>300,361</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (496,816)</u>	<u>\$ (496,816)</u>	(251,402)	<u>\$ 245,414</u>
 FUND BALANCE, BEGINNING OF YEAR			<u>7,120,908</u>	
 FUND BALANCE, END OF YEAR			<u>\$ 6,869,506</u>	

**VERMILION COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2011**

(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)
12/31/10	\$ 27,186,526	\$ 31,643,300	\$ 4,456,774	85.92%	\$ 15,452,206	28.84%
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%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$29,303,065. On a market basis, the funded ratio would be 92.60%.

**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)
12/31/10	\$ 6,623,938	\$ 8,462,714	\$ 1,838,776	78.27%	\$ 1,987,779	92.50%
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%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$7,120,794. On a market basis, the funded ratio would be 84.14%.

**VERMILION COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2011**

(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)
12/31/10	\$ 1,616,049	\$ 4,912,785	\$ 3,296,736	32.89%	\$ 827,472	398.41%
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%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$1,843,671. On a market basis, the funded ratio would be 37.53%.

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)
11/30/11	\$ -	\$ 1,185,156	\$ 1,185,156	0.0%	\$ 16,965,178	6.99%
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%

VERMILION COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2011

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

OTHER SUPPLEMENTARY INFORMATION

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011**

	<u>Special Revenue</u>						
	<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>
Cash	\$ 319,991	\$ 550,452	\$ 516,471	\$ 601,444	\$ 95,552	\$ 1,627,095	\$ 79,512
Temporary investments	1,450,000	-	-	2,399,562	-	1,300,000	138,000
Receivables:							
Taxes, net of allowance for estimated uncollectibles	495,000	778,570	268,661	-	-	826,650	-
Other	186	-	22,813	314,460	-	434	-
Due from other funds	14,381	-	22,955	-	-	-	23,240
Due from other governments	-	-	197,918	326,203	-	-	-
TOTAL ASSETS	<u>\$ 2,279,558</u>	<u>\$ 1,329,022</u>	<u>\$ 1,028,818</u>	<u>\$ 3,641,669</u>	<u>\$ 95,552</u>	<u>\$ 3,754,179</u>	<u>\$ 240,752</u>
LIABILITIES							
Accounts payable	-	\$ 83,491	\$ 112,536	\$ 183,685	\$ 56,759	\$ 317,171	-
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	495,000	778,570	268,661	106,659	-	1,675,604	-
Total liabilities	<u>495,000</u>	<u>862,061</u>	<u>381,197</u>	<u>290,344</u>	<u>56,759</u>	<u>1,992,775</u>	<u>-</u>
FUND BALANCE							
Restricted:							
Retirement	1,784,558	-	-	-	-	-	-
General and administrative	-	-	-	-	38,793	-	240,752
Public health and education	-	466,961	647,621	-	-	-	-
Court services and public safety	-	-	-	3,351,325	-	-	-
Transportation and highway	-	-	-	-	-	1,761,404	-
Committed:							
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>1,784,558</u>	<u>466,961</u>	<u>647,621</u>	<u>3,351,325</u>	<u>38,793</u>	<u>1,761,404</u>	<u>240,752</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 2,279,558</u>	<u>\$ 1,329,022</u>	<u>\$ 1,028,818</u>	<u>\$ 3,641,669</u>	<u>\$ 95,552</u>	<u>\$ 3,754,179</u>	<u>\$ 240,752</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011**

	<u>Special Revenue</u>						
	<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	\$ 25,853	\$ 57,292	\$ 3,484	\$ 124,835	\$ 35,322	\$ 9,348	\$ 303,954
Temporary investments	-	500,000	-	-	-	-	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	396,000	-	49,907	18,807	3,613	-
Other	-	48	-	-	-	-	-
Due from other funds	874	435,286	-	-	-	-	5,332
Due from other governments	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 26,727</u>	<u>\$ 1,388,626</u>	<u>\$ 3,484</u>	<u>\$ 174,742</u>	<u>\$ 54,129</u>	<u>\$ 12,961</u>	<u>\$ 309,286</u>
LIABILITIES							
Accounts payable	\$ -	\$ 100,508	\$ -	\$ -	\$ -	\$ -	\$ 104,001
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	396,000	-	49,907	18,807	3,613	-
Total liabilities	<u>-</u>	<u>496,508</u>	<u>-</u>	<u>49,907</u>	<u>18,807</u>	<u>3,613</u>	<u>104,001</u>
FUND BALANCE							
Restricted:							
Retirement	-	892,118	-	-	-	-	-
General and administrative	26,727	-	3,484	-	-	-	-
Public health and education	-	-	-	124,835	35,322	9,348	-
Court services and public safety	-	-	-	-	-	-	205,285
Transportation and highway	-	-	-	-	-	-	-
Committed:							
Capital projects	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>26,727</u>	<u>892,118</u>	<u>3,484</u>	<u>124,835</u>	<u>35,322</u>	<u>9,348</u>	<u>205,285</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 26,727</u>	<u>\$ 1,388,626</u>	<u>\$ 3,484</u>	<u>\$ 174,742</u>	<u>\$ 54,129</u>	<u>\$ 12,961</u>	<u>\$ 309,286</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011**

	<u>Special Revenue</u>						
	<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	\$ 640,181	\$ 202,280	\$ 288,713	\$ 7,685	\$ 174,339	\$ 44,611	\$ 483,493
Temporary investments	700,000	-	-	-	-	-	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	337,194	-	-	-	-	-	-
Other	88	-	-	-	-	-	-
Due from other funds	10,000	9,083	9,184	-	3,824	2,706	-
Due from other governments	-	-	-	-	-	-	142,222
TOTAL ASSETS	<u>\$ 1,687,463</u>	<u>\$ 211,363</u>	<u>\$ 297,897</u>	<u>\$ 7,685</u>	<u>\$ 178,163</u>	<u>\$ 47,317</u>	<u>\$ 625,715</u>
LIABILITIES							
Accounts payable	\$ 35,791	\$ 64,606	\$ 52,121	\$ 7,740	\$ 58,505	\$ 1,312	\$ 81,408
Due to other funds	-	-	-	-	-	-	10,000
Deferred revenue	337,194	-	-	-	-	-	-
Total liabilities	<u>372,985</u>	<u>64,606</u>	<u>52,121</u>	<u>7,740</u>	<u>58,505</u>	<u>1,312</u>	<u>91,408</u>
FUND BALANCE							
Restricted:							
Retirement	-	-	-	-	-	-	-
General and administrative	-	-	-	-	119,658	46,005	-
Public health and education	-	-	-	-	-	-	-
Court services and public safety	-	146,757	245,776	-	-	-	-
Transportation and highway	1,314,478	-	-	-	-	-	534,307
Committed:							
Capital projects	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>1,314,478</u>	<u>146,757</u>	<u>245,776</u>	<u>(55)</u>	<u>119,658</u>	<u>46,005</u>	<u>534,307</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 1,687,463</u>	<u>\$ 211,363</u>	<u>\$ 297,897</u>	<u>\$ 7,685</u>	<u>\$ 178,163</u>	<u>\$ 47,317</u>	<u>\$ 625,715</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011**

	Special Revenue						
	Child Support	Probation Service	Treasurer's Automation	Circuit Clerk Operation & Administration	Township Bridge	VC Trustee Revolving Fund	County Motor Fuel Tax
Cash	\$ 148,306	\$ 485,602	\$ 80,844	\$ 33,497	\$ 69,240	\$ 18,511	\$ 1,738,500
Temporary investments	-	-	-	-	-	-	1,300,000
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	228
Due from other funds	-	11,816	11,620	-	-	-	-
Due from other governments	-	-	-	-	29,221	-	104,938
TOTAL ASSETS	<u>\$ 148,306</u>	<u>\$ 497,418</u>	<u>\$ 92,464</u>	<u>\$ 33,497</u>	<u>\$ 98,461</u>	<u>\$ 18,511</u>	<u>\$ 3,143,666</u>
LIABILITIES							
Accounts payable	\$ 4,048	\$ 3,571	\$ 1,772	\$ 76	\$ 48,119	\$ -	\$ 127,682
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>4,048</u>	<u>3,571</u>	<u>1,772</u>	<u>76</u>	<u>48,119</u>	<u>-</u>	<u>127,682</u>
FUND BALANCE							
Restricted:							
Retirement	-	-	-	-	-	-	-
General and administrative	-	-	90,692	33,421	-	18,511	-
Public health and education	-	-	-	-	-	-	-
Court services and public safety	144,258	493,847	-	-	-	-	-
Transportation and highway	-	-	-	-	50,342	-	3,015,984
Committed:							
Capital projects	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>144,258</u>	<u>493,847</u>	<u>90,692</u>	<u>33,421</u>	<u>50,342</u>	<u>18,511</u>	<u>3,015,984</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 148,306</u>	<u>\$ 497,418</u>	<u>\$ 92,464</u>	<u>\$ 33,497</u>	<u>\$ 98,461</u>	<u>\$ 18,511</u>	<u>\$ 3,143,666</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011**

	<u>Special Revenue</u>						
	<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>
Cash	\$ 16,351	\$ 24,429	\$ -	\$ 294	\$ 70,155	\$ 113,358	\$ 29,051
Temporary investments	-	-	-	-	-	-	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	5,266	-	-
Due from other governments	-	-	-	22,007	-	-	-
TOTAL ASSETS	<u>\$ 16,351</u>	<u>\$ 24,429</u>	<u>\$ -</u>	<u>\$ 22,301</u>	<u>\$ 75,421</u>	<u>\$ 113,358</u>	<u>\$ 29,051</u>
LIABILITIES							
Accounts payable	\$ 830	\$ 1,586	\$ -	\$ -	\$ 6,019	\$ 24,000	\$ -
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	15,521	11,626	-	22,007	-	-	-
Total liabilities	<u>16,351</u>	<u>13,212</u>	<u>-</u>	<u>22,007</u>	<u>6,019</u>	<u>24,000</u>	<u>-</u>
FUND BALANCE							
Restricted:							
Retirement	-	-	-	-	-	-	-
General and administrative	-	-	-	-	-	89,358	-
Public health and education	-	-	-	-	-	-	-
Court services and public safety	-	11,217	-	294	69,402	-	29,051
Transportation and highway	-	-	-	-	-	-	-
Committed:							
Capital projects	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>-</u>	<u>11,217</u>	<u>-</u>	<u>294</u>	<u>69,402</u>	<u>89,358</u>	<u>29,051</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 16,351</u>	<u>\$ 24,429</u>	<u>\$ -</u>	<u>\$ 22,301</u>	<u>\$ 75,421</u>	<u>\$ 113,358</u>	<u>\$ 29,051</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011**

<u>Special Revenue</u>						
	<u>Coroner Automation</u>	<u>Reg. Supt. Direct Services</u>	<u>Board of Elections</u>	<u>Working Cash</u>	<u>Capital Projects</u>	<u>Total</u>
Cash	\$ 13,595	\$ 16,914	\$ 12,271	\$ 1,554	\$ 34,220	\$ 9,098,599
Temporary investments	-	-	-	288,888	300,000	8,376,450
Receivables:						
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	3,174,402
Other	-	-	-	24	867	339,148
Due from other funds	-	-	-	-	-	565,567
Due from other governments	-	-	-	-	-	822,509
TOTAL ASSETS	<u>\$ 13,595</u>	<u>\$ 16,914</u>	<u>\$ 12,271</u>	<u>\$ 290,466</u>	<u>\$ 335,087</u>	<u>\$ 22,376,675</u>
LIABILITIES						
Accounts payable	\$ 906	\$ -	\$ -	\$ -	\$ 4,880	\$ 1,483,123
Due to other funds	-	-	-	-	-	10,000
Deferred revenue	-	-	-	-	-	4,179,169
 Total liabilities	<u>906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,880</u>	<u>5,672,292</u>
FUND BALANCE						
Restricted:						
Retirement	-	-	-	-	-	2,676,676
General and administrative	-	16,914	12,271	290,466	-	1,027,052
Public health and education	12,689	-	-	-	-	1,296,776
Court services and public safety	-	-	-	-	-	4,697,212
Transportation and highway	-	-	-	-	-	6,676,515
Committed:						
Capital projects	-	-	-	-	330,207	330,207
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55)</u>
 Total fund balances (deficit)	<u>12,689</u>	<u>16,914</u>	<u>12,271</u>	<u>290,466</u>	<u>330,207</u>	<u>16,704,383</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 13,595</u>	<u>\$ 16,914</u>	<u>\$ 12,271</u>	<u>\$ 290,466</u>	<u>\$ 335,087</u>	<u>\$ 22,376,675</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2011

	<u>Special Revenue</u>						
	<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	\$ 1,556,670	\$ 784,292	\$ 239,289	\$ -	\$ -	\$ 794,460	\$ -
Intergovernmental	32,740	-	982,058	1,384,123	-	651,396	-
Licenses and permits	-	-	-	-	141,289	-	-
Charges for services	-	-	180,300	-	121,194	-	37,880
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	1,446	2,378	2,360	5,314	222	3,538	181
Total revenues	<u>1,590,856</u>	<u>786,670</u>	<u>1,404,007</u>	<u>1,389,437</u>	<u>262,705</u>	<u>1,449,394</u>	<u>38,061</u>
EXPENDITURES							
General and administrative	347,118	-	-	-	338,848	-	-
Judiciary and court related	240,312	-	-	-	-	-	-
Public safety	302,615	-	-	1,358,004	-	-	-
Public health and education	-	789,288	1,320,328	-	-	-	-
Transportation	-	-	-	-	-	1,505,525	-
Capital projects	-	-	-	219,363	-	-	-
Debt service:							
Principal	-	-	-	124,800	-	-	-
Interest	-	-	752	137,867	-	-	-
Total expenditures	<u>890,045</u>	<u>789,288</u>	<u>1,321,080</u>	<u>1,840,034</u>	<u>338,848</u>	<u>1,505,525</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>700,811</u>	<u>(2,618)</u>	<u>82,927</u>	<u>(450,597)</u>	<u>(76,143)</u>	<u>(56,131)</u>	<u>38,061</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	75,000	-	-
Operating transfers out	-	-	(45,000)	(80,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(45,000)</u>	<u>(80,000)</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>700,811</u>	<u>(2,618)</u>	<u>37,927</u>	<u>(530,597)</u>	<u>(1,143)</u>	<u>(56,131)</u>	<u>38,061</u>
FUND BALANCE (DEFICIT), BEGINNING 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>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 1,784,558</u>	<u>\$ 466,961</u>	<u>\$ 647,621</u>	<u>\$ 3,351,325</u>	<u>\$ 38,793</u>	<u>\$ 1,761,404</u>	<u>\$ 240,752</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2011

	<u>Special Revenue</u>						
	<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	\$ -	\$ 517,518	\$ -	\$ 50,042	\$ 18,743	\$ 3,216	\$ -
Intergovernmental	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Charges for services	13,408	-	2,350	-	-	-	74,080
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	23	437	2	676	25	8	321
	<u>13,431</u>	<u>517,955</u>	<u>2,352</u>	<u>50,718</u>	<u>18,768</u>	<u>3,224</u>	<u>74,401</u>
Total revenues	13,431	517,955	2,352	50,718	18,768	3,224	74,401
EXPENDITURES							
General and administrative	19,501	216,616	329	-	-	-	-
Judiciary and court related	-	149,965	-	-	-	-	191
Public safety	-	188,845	-	-	-	-	-
Public health and education	-	-	-	57,189	21,549	4,145	-
Transportation	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
	<u>19,501</u>	<u>555,426</u>	<u>329</u>	<u>57,189</u>	<u>21,549</u>	<u>4,145</u>	<u>191</u>
Total expenditures	19,501	555,426	329	57,189	21,549	4,145	191
Excess (deficiency) of revenues over expenditures	<u>(6,070)</u>	<u>(37,471)</u>	<u>2,023</u>	<u>(6,471)</u>	<u>(2,781)</u>	<u>(921)</u>	<u>74,210</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	(182,000)	-	-	-	-	(103,875)
	<u>-</u>	<u>(182,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(103,875)</u>
Total other financing sources (uses)	-	(182,000)	-	-	-	-	(103,875)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(6,070)</u>	<u>(219,471)</u>	<u>2,023</u>	<u>(6,471)</u>	<u>(2,781)</u>	<u>(921)</u>	<u>(29,665)</u>
FUND BALANCE (DEFICIT), BEGINNING 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>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 26,727</u>	<u>\$ 892,118</u>	<u>\$ 3,484</u>	<u>\$ 124,835</u>	<u>\$ 35,322</u>	<u>\$ 9,348</u>	<u>\$ 205,285</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2011

	<u>Special Revenue</u>						
	<u>County</u> <u>Bridge</u>	<u>Court</u> <u>Document</u> <u>Storage</u>	<u>Court</u> <u>Automation</u>	<u>Court</u> <u>Security</u>	<u>Recorder's</u> <u>Special Fee</u>	<u>Law</u> <u>Library</u>	<u>Township</u> <u>Motor</u> <u>Fuel Tax</u>
REVENUES							
Taxes	\$ 340,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	2,014,013
Licenses and permits	-	-	-	-	-	-	-
Charges for services	-	138,109	136,916	-	46,415	40,929	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	1,366	142	339	-	156	40	325
Total revenues	<u>341,486</u>	<u>138,251</u>	<u>137,255</u>	<u>-</u>	<u>46,571</u>	<u>40,969</u>	<u>2,014,338</u>
EXPENDITURES							
General and administrative	-	-	-	-	119,733	16,961	-
Judiciary and court related	-	144,287	153,151	117,790	-	-	-
Public safety	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-
Transportation	206,663	-	-	-	-	-	1,912,232
Capital projects	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>206,663</u>	<u>144,287</u>	<u>153,151</u>	<u>117,790</u>	<u>119,733</u>	<u>16,961</u>	<u>1,912,232</u>
Excess (deficiency) of revenues over expenditures	<u>134,823</u>	<u>(6,036)</u>	<u>(15,896)</u>	<u>(117,790)</u>	<u>(73,162)</u>	<u>24,008</u>	<u>102,106</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	132,200	-	-	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>134,823</u>	<u>(6,036)</u>	<u>(15,896)</u>	<u>14,410</u>	<u>(73,162)</u>	<u>24,008</u>	<u>102,106</u>
FUND BALANCE (DEFICIT), BEGINNING 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>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 1,314,478</u>	<u>\$ 146,757</u>	<u>\$ 245,776</u>	<u>\$ (55)</u>	<u>\$ 119,658</u>	<u>\$ 46,005</u>	<u>\$ 534,307</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2011

	<u>Special Revenue</u>						
	<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	-	-	-	-	67,249	-	1,600,473
Licenses and permits	-	-	-	-	-	-	-
Charges for services	101,247	182,902	13,180	12,109	-	6,893	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	<u>60</u>	<u>14,741</u>	<u>67</u>	<u>35</u>	<u>90</u>	<u>15</u>	<u>3,527</u>
Total revenues	<u>101,307</u>	<u>197,643</u>	<u>13,247</u>	<u>12,144</u>	<u>67,339</u>	<u>6,908</u>	<u>1,604,000</u>
EXPENDITURES							
General and administrative	-	-	12,070	3,072	-	9,178	-
Judiciary and court related	86,021	170,304	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-
Transportation	-	-	-	-	200,240	-	1,443,554
Capital projects	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>86,021</u>	<u>170,304</u>	<u>12,070</u>	<u>3,072</u>	<u>200,240</u>	<u>9,178</u>	<u>1,443,554</u>
Excess (deficiency) of revenues over expenditures	<u>15,286</u>	<u>27,339</u>	<u>1,177</u>	<u>9,072</u>	<u>(132,901)</u>	<u>(2,270)</u>	<u>160,446</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)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	15,286	27,339	1,177	9,072	(132,901)	(2,270)	160,446
FUND BALANCE (DEFICIT), BEGINNING 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>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 144,258</u>	<u>\$ 493,847</u>	<u>\$ 90,692</u>	<u>\$ 33,421</u>	<u>\$ 50,342</u>	<u>\$ 18,511</u>	<u>\$ 3,015,984</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2011

	<u>Special Revenue</u>						
	<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	6,165	16,830	384,201	143,806	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	141,860	-
Fines and forfeits	-	-	-	-	-	-	12,925
Miscellaneous	17	23	-	-	49,009	85	-
	<u>6,182</u>	<u>16,853</u>	<u>384,201</u>	<u>143,806</u>	<u>49,009</u>	<u>141,945</u>	<u>12,925</u>
Total revenues	<u>6,182</u>	<u>16,853</u>	<u>384,201</u>	<u>143,806</u>	<u>49,009</u>	<u>141,945</u>	<u>12,925</u>
EXPENDITURES							
General and administrative	-	-	-	-	-	144,000	-
Judiciary and court related	-	-	-	-	-	-	-
Public safety	6,182	16,830	-	143,580	50,555	-	5,000
Public health and education	-	-	-	-	-	-	-
Transportation	-	-	384,201	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
	<u>6,182</u>	<u>16,830</u>	<u>384,201</u>	<u>143,580</u>	<u>50,555</u>	<u>144,000</u>	<u>5,000</u>
Total expenditures	<u>6,182</u>	<u>16,830</u>	<u>384,201</u>	<u>143,580</u>	<u>50,555</u>	<u>144,000</u>	<u>5,000</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>23</u>	<u>-</u>	<u>226</u>	<u>(1,546)</u>	<u>(2,055)</u>	<u>7,925</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)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>-</u>	<u>23</u>	<u>-</u>	<u>226</u>	<u>(1,546)</u>	<u>(2,055)</u>	<u>7,925</u>
FUND BALANCE (DEFICIT), BEGINNING 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>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ 11,217</u>	<u>\$ -</u>	<u>\$ 294</u>	<u>\$ 69,402</u>	<u>\$ 89,358</u>	<u>\$ 29,051</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2011

	<u>Special Revenue</u>					
	<u>Coroner Automation</u>	<u>Reg. Supt. Direct Services</u>	<u>Board of Elections</u>	<u>Working Cash</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,304,350
Intergovernmental	-	-	17,452	-	-	7,300,506
Licenses and permits	-	-	-	-	-	141,289
Charges for services	16,409	-	-	-	-	1,266,181
Fines and forfeits	-	-	-	-	-	12,925
Miscellaneous	9	224,061	-	519	-	311,557
	<u>16,418</u>	<u>224,061</u>	<u>17,452</u>	<u>519</u>	<u>-</u>	<u>13,336,808</u>
Total revenues						
EXPENDITURES						
General and administrative	-	249,986	8,199	-	-	1,485,611
Judiciary and court related	-	-	-	-	-	1,062,021
Public safety	7,554	-	-	-	-	2,079,165
Public health and education	-	-	-	-	-	2,192,499
Transportation	-	-	-	-	-	5,652,415
Capital projects	-	-	-	-	211,858	431,221
Debt service:						
Principal	-	-	-	-	-	124,800
Interest	-	-	-	-	-	138,619
	<u>7,554</u>	<u>249,986</u>	<u>8,199</u>	<u>-</u>	<u>211,858</u>	<u>13,166,351</u>
Total expenditures						
Excess (deficiency) of revenues over expenditures	<u>8,864</u>	<u>(25,925)</u>	<u>9,253</u>	<u>519</u>	<u>(211,858)</u>	<u>170,457</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	207,200
Operating transfers out	-	-	(50,000)	-	-	(460,875)
	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(253,675)</u>
Total other financing sources (uses)						
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	8,864	(25,925)	(40,747)	519	(211,858)	(83,218)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>3,825</u>	<u>42,839</u>	<u>53,018</u>	<u>289,947</u>	<u>542,065</u>	<u>16,787,601</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 12,689</u>	<u>\$ 16,914</u>	<u>\$ 12,271</u>	<u>\$ 290,466</u>	<u>\$ 330,207</u>	<u>\$ 16,704,383</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF NET ASSETS
OTHER ENTERPRISE FUNDS
November 30, 2011

ASSETS			
	<u>Vermilion County Farm</u>	<u>Solid Waste Management</u>	<u>Total</u>
CURRENT ASSETS			
Cash	\$ -	\$ 296,159	\$ 296,159
Investments	118,386	-	118,386
Receivables	<u>-</u>	<u>252,866</u>	<u>252,866</u>
Total current assets	<u>118,386</u>	<u>549,025</u>	<u>667,411</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>142,422</u>	<u>142,422</u>
Total noncurrent assets	<u>1,000</u>	<u>4,070</u>	<u>5,070</u>
TOTAL ASSETS	<u>\$ 119,386</u>	<u>\$ 553,095</u>	<u>\$ 672,481</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	<u>\$ -</u>	<u>\$ 18,838</u>	<u>\$ 18,838</u>
NET ASSETS			
Invested in capital assets	1,000	4,070	5,070
Unrestricted	<u>118,386</u>	<u>530,187</u>	<u>648,573</u>
Total net assets	<u>119,386</u>	<u>534,257</u>	<u>653,643</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 119,386</u>	<u>\$ 553,095</u>	<u>\$ 672,481</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
OTHER ENTERPRISE FUNDS
Year Ended November 30, 2011

	<u>Vermilion County Farm</u>	<u>Solid Waste Management</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ -	\$ 261,920	\$ 261,920
Fines and forfeits	-	750	750
Miscellaneous	<u>108,412</u>	<u>-</u>	<u>108,412</u>
 Total operating revenues	 <u>108,412</u>	 <u>262,670</u>	 <u>371,082</u>
OPERATING EXPENSES			
Personnel services	-	174,313	174,313
Supplies and materials	-	1,911	1,911
Other services and charges	77,701	12,108	89,809
Contractual services	-	32,428	32,428
Capital outlay	-	818	818
Depreciation	<u>-</u>	<u>1,775</u>	<u>1,775</u>
 Total operating expenses	 <u>77,701</u>	 <u>223,353</u>	 <u>301,054</u>
 Operating income	 30,711	 39,317	 70,028
NON-OPERATING REVENUES			
Interest income	<u>-</u>	<u>481</u>	<u>481</u>
 Income before operating transfers	 <u>30,711</u>	 <u>39,798</u>	 <u>70,509</u>
OPERATING TRANSFERS			
Operating transfers in	<u>-</u>	<u>45,000</u>	<u>45,000</u>
 CHANGE IN NET ASSETS	 30,711	 84,798	 115,509
 NET ASSETS, BEGINNING OF YEAR	 <u>88,675</u>	 <u>449,459</u>	 <u>538,134</u>
 NET ASSETS, END OF YEAR	 <u>\$ 119,386</u>	 <u>\$ 534,257</u>	 <u>\$ 653,643</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
November 30, 2011

	Health Insurance	General Liability Insurance	Total
CURRENT ASSETS			
Cash	\$ 32,228	\$ 442,210	\$ 474,438
Investments	-	1,299,893	1,299,893
Receivables, net	-	618,750	618,750
Accrued interest	-	545	545
Due from other funds	-	57,695	57,695
TOTAL ASSETS	<u>\$ 32,228</u>	<u>\$ 2,419,093</u>	<u>\$ 2,451,321</u>
 LIABILITIES			
Accounts payable	\$ 250,000	\$ 457,879	\$ 707,879
Deferred revenue	-	618,750	618,750
Total liabilities	250,000	1,076,629	1,326,629
 NET ASSETS			
Unrestricted net assets	<u>(217,772)</u>	<u>1,342,464</u>	<u>1,124,692</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 32,228</u>	<u>\$ 2,419,093</u>	<u>\$ 2,451,321</u>

**VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
Year Ended November 30, 2011**

	<u>Health Insurance</u>	<u>General Liability Insurance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 1,762,913	\$ 395,408	\$ 2,158,321
OPERATING EXPENSES			
Personnel services	<u>1,898,381</u>	<u>850,768</u>	<u>2,749,149</u>
Operating income (loss)	<u>(135,468)</u>	<u>(455,360)</u>	<u>(590,828)</u>
NON-OPERATING REVENUES			
Taxes	-	704,140	704,140
Interest income	<u>22</u>	<u>1,186</u>	<u>1,208</u>
Total non-operating revenues	<u>22</u>	<u>705,326</u>	<u>705,348</u>
Income (loss) before operating transfers	(135,446)	249,966	114,520
OPERATING TRANSFERS			
Operating transfers in	<u>75,237</u>	<u>-</u>	<u>75,237</u>
CHANGE IN NET ASSETS	(60,209)	249,966	189,757
NET ASSETS, BEGINNING OF YEAR	<u>(157,563)</u>	<u>1,092,498</u>	<u>934,935</u>
NET ASSETS, END OF YEAR	<u>\$ (217,772)</u>	<u>\$ 1,342,464</u>	<u>\$ 1,124,692</u>

VERMILION COUNTY, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 November 30, 2011

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	\$ 45,509	\$ 4,786,137	\$ 90,432	\$ 86,400	\$ 256,519	\$ 61,289	\$ 40,897	\$ 543,241
Investments	-	-	-	-	500,000	-	-	-
Receivables:								
Taxes, net of allowance for estimated uncollectibles	-	1,369,933	-	-	-	-	-	-
Accrued interest	-	-	-	-	222	-	-	-
Due from other funds	7,416	-	-	-	-	-	-	906,610
Inventory	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 52,925</u>	<u>\$ 6,156,070</u>	<u>\$ 90,432</u>	<u>\$ 86,400</u>	<u>\$ 756,741</u>	<u>\$ 61,289</u>	<u>\$ 40,897</u>	<u>\$ 1,449,851</u>

LIABILITIES

Accounts payable	\$ -	\$ 3,398	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 442,587
Due to other funds	10,563	1,479,211	-	-	-	-	-	450,000
Due to other governments	-	-	-	86,400	-	-	-	-
Due to others	42,362	-	90,432	-	756,741	61,289	40,897	557,264
Due to taxing bodies	-	4,673,461	-	-	-	-	-	-
TOTAL LIABILITIES	<u>\$ 52,925</u>	<u>\$ 6,156,070</u>	<u>\$ 90,432</u>	<u>\$ 86,400</u>	<u>\$ 756,741</u>	<u>\$ 61,289</u>	<u>\$ 40,897</u>	<u>\$ 1,449,851</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
November 30, 2011

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>	<u>Drainage District</u>
Cash	\$ 16,179	\$ 91,498	\$ 76,867	\$ 30,148	\$ 226,515	\$ 1,610,912	\$ 102,271	\$ 378,123
Investments	-	-	-	-	-	190,000	-	300,000
Receivables:								
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	4,648	-	-	-
Inventory	-	16,988	-	-	-	-	3,162	-
TOTAL ASSETS	<u>\$ 16,179</u>	<u>\$ 108,486</u>	<u>\$ 76,867</u>	<u>\$ 30,148</u>	<u>\$ 231,163</u>	<u>\$ 1,800,912</u>	<u>\$ 105,433</u>	<u>\$ 678,123</u>

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,794
Due to other funds	4,006	-	-	-	9,747	128,184	16,029	-
Due to other governments	-	-	-	-	-	67,886	-	-
Due to others	12,173	108,486	76,867	30,148	221,416	1,604,842	89,404	-
Due to taxing bodies	-	-	-	-	-	-	-	646,329
TOTAL LIABILITIES	<u>\$ 16,179</u>	<u>\$ 108,486</u>	<u>\$ 76,867</u>	<u>\$ 30,148</u>	<u>\$ 231,163</u>	<u>\$ 1,800,912</u>	<u>\$ 105,433</u>	<u>\$ 678,123</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
January 0, 1900

ASSETS

	Regional Superintendent								Total
	Trustees	Institute	Bus Drivers	G.E.D.	Drug Abuse Prevention	EIU	Fingerprint	Electronic Citation	
Cash	\$ 10,245	\$ 69,805	\$ 4,369	\$ 22,999	\$ 27,726	\$ 8,762	\$ 2,533	\$ 4,020	\$ 8,593,396
Investments	7,000	-	-	-	-	-	-	-	997,000
Receivables:									
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-	-	1,369,933
Accrued interest	-	-	-	-	-	-	-	-	222
Due from other funds	-	-	-	-	-	-	-	-	918,674
Inventory	-	-	-	-	-	-	-	-	20,150
TOTAL ASSETS	\$ 17,245	\$ 69,805	\$ 4,369	\$ 22,999	\$ 27,726	\$ 8,762	\$ 2,533	\$ 4,020	\$ 11,899,375

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 477,779
Due to other funds	-	-	-	-	-	-	-	-	2,097,740
Due to other governments	-	-	-	-	-	-	-	-	154,286
Due to others	17,245	69,805	4,369	22,999	27,726	8,762	2,533	4,020	3,849,780
Due to taxing bodies	-	-	-	-	-	-	-	-	5,319,790
TOTAL LIABILITIES	\$ 17,245	\$ 69,805	\$ 4,369	\$ 22,999	\$ 27,726	\$ 8,762	\$ 2,533	\$ 4,020	\$ 11,899,375

STATISTICAL INFORMATION

**ILLINOIS DEPARTMENT OF HUMAN SERVICES
GRANT REPORT**



Grant Allowable Cost Summary

GRANT REPORT for the period July 1 through June 30, 2011.

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

	11GQ0	DHS GRANT - FUNDED SERVICES					All other Programs	Mgmt. & General	Total
		Program 1	Program 2	Program 3	Program 4	Program 5			
	Program Name/Number/Contract Number/Other Identification	1254 WIC	0520 Farmer's Market						
A	Direct Program expenses	\$399,059	\$ 1002					\$400,061	
B	Allocate Management and General Costs (Note 1)								
C	SUBTOTAL A & B	36,791	-					36,791	
D	Subtract Unallowable costs per page 2	\$435,850	\$ 1002				-0-	\$436,852	
E	Add other approved uses (attach documentation)								
F	TOTAL Allowable costs	\$435,850	\$ 1002						
G	Special provisions (see instructions)								
H	Interest Earned (see instructions) *								

NOTE 1: Management and General costs are allocated based on: direct salaries, total direct costs, other basis (attach explanation).
 * Interest earned - The cost of calculating interest earned far exceed the interest revenue.
 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 Page 1 of 2
 (FTE) is used for other expenses such as phones, postage, etc.



UNALLOWABLE COST REPORT

Agency Name: VERMILION COUNTY HEALTH DEPT. FEIN: 37-6002224

Program Name/Number/Contract Number	DHS Grant-Funded Services				
	Program 1	Program 2	Program 3	Program 4	Program 5
11G00	1254	0520			

Unallowable Costs (see instructions) WIC Farmer's Market

Compensation of Governing Body					
Entertainment					
Association Dues					
Meetings and Conventions					
Fundraising					
Bad Debt					
Charity and Grants					
Unallowable Interest					
Inventories					
Depreciation of DHS-funded Assets					
Cost of Production					
In-Kind Expenses					
Alcoholic Beverages					
Personal Automobile					
Fines and Penalties					
Personal Use Items					
Lobbying					
Unallowable Relocation					
Gratuities					
Political Contributions					
Related Party Transactions					
Costs Where a Conflict of Interest Exists					

Unallowable Cost if Program is Federally Funded or Cost Restricted by Contract (See Instructions)

Explain:					
Explain:					
Total Unallowable Costs (to line D of Grant Report) - See below if None	0	0			

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

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

Signature: Donna J. Dunham Date: 11/30/11

Printed Name and Title: Donna J. Dunham, Financial Director

Reset Form

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, 2011, and have issued our report thereon dated June 27, 2012. 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

Management of Vermilion County, Illinois is responsible for establishing and maintaining effective 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 and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. 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 11-01, 11-02 and 11-05).

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 11-03 and 11-04).

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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Finding 11-05.

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.

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

Danville, Illinois
June 27, 2012

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 its major federal program for the year ended November 30, 2011. Vermilion County, Illinois' major federal program is 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' management. Our responsibility is to express an opinion on Vermilion County, Illinois' 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' 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' 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 its major federal program for the year ended November 30, 2011.

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 over compliance 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. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 11-06. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report is intended solely for the information and use of 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.



Danville, Illinois
June 27, 2012

VERMILION COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2011

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	11GM520000	\$ 253,100	\$ -
Supplemental Nutrition Program For Women, Infants, and Children (WIC)	10.557	011GQ00520	145,519	-
Supplemental Nutrition Program for Women, Infants, and Children - Noncash	10.557	None	<u>1,569,863</u>	<u>-</u>
			<u>1,968,482</u>	<u>-</u>
Farmers' Market Nutrition Program	10.572	None	<u>1,000</u>	<u>-</u>
Flow-through from Illinois Department of Public Health:				
Summer Food Inspection	10.559	None	600	-
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 1,970,082</u>	<u>\$ -</u>
ENVIRONMENTAL PROTECTION AGENCY				
Brownfield Grant	66.818	None	<u>\$ 71,899</u>	<u>\$ 71,899</u>
Flow-through from Illinois Department of Public Health:				
Performance Partnership Grant	66.605	None	<u>788</u>	<u>-</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>\$ 72,687</u>	<u>\$ 71,899</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Flow-through from Illinois Department of Public Health:				
Terrorism	93.069	None	<u>\$ 90,215</u>	<u>\$ -</u>

VERMILION COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2011

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 Public Health:				
Immunization Grant – Noncash	93.268	None	\$ 27,026	\$ -
Immunization Grant	93.268	None	<u>17,482</u>	<u>-</u>
			<u>44,508</u>	<u>-</u>
			<u>134,723</u>	<u>-</u>
Flow-through from Illinois Department of Healthcare and Family Services:				
Child Support Enforcement	93.563	None	28,162	-
Medical Assistance Program	93.778	None	<u>45,667</u>	<u>-</u>
			<u>73,829</u>	<u>-</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 208,552</u>	<u>\$ -</u>
DEPARTMENT OF EDUCATION				
Flow-through from Illinois State Board of Education:				
Special Education I.D.E.A Discretionary Grant	84.027A	None	<u>\$ 9,571</u>	<u>\$ -</u>
DEPARTMENT OF LABOR				
Flow-through from Danville Area Community College:				
Workforce Investment Act Grant – Adult Program	17.258	None	<u>\$ 31,123</u>	<u>\$ -</u>

VERMILION COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2011

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 HOMELAND SECURITY				
Flow-through from Illinois Emergency Management Agency:				
Emergency Management Performance Grant	97.042	None	\$ 35,782	\$ -
DEPARTMENT OF TRANSPORTATION				
Flow-through from Illinois Department of Transportation:				
Public Transportation for Non-Urbanized Areas	20.509	None	\$ 184,029	\$ -
DEPARTMENT OF JUSTICE				
Flow-through from Illinois Criminal Justice Information Authority:				
Byrne Formula Grant	16.738	None	\$ 143,581	\$ -
Flow-through from the City of Danville:				
Edward Byrne Memorial Grant	16.710	None	6,182	-
TOTAL DEPARTMENT OF JUSTICE			\$ 149,763	\$ -
DEPARTMENT OF ELECTION ASSISTANCE COMMISSION				
Flow-through from Illinois State Board of Elections:				
Help America Vote Act (HAVA)	90.401	None	\$ 7,091	\$ -
Voter Registration Grant	90.401	None	9,681	-
VAID Phase III	90.401	None	4,054	-
			<u>\$ 20,826</u>	<u>\$ -</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,682,415	\$ 71,899

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, 2011

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 2011 these commodities were valued at \$27,026 (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, 2011, these food instruments were valued at \$1,569,863 (CFDA 10.557). This amount is included in the accompanying schedule as part of the WIC Grant.

Vermilion County did not receive any federally provided insurance or federal loan or loan guarantees.

This information is an integral part of the accompanying schedule.

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2011**

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? Yes No
 • Significant deficiencies identified that are not considered
 to be material weaknesses? Yes None reported
 Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:
 • Material weaknesses identified? Yes No
 • Significant deficiencies identified that are not considered
 to be material weaknesses? Yes 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 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 No

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2011**

Section II – Financial Statement Findings

**FINDING NO. 11-01 – FINANCIAL STATEMENT PREPARATION AND
ADJUSTMENTS**

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

Condition: The County engages CliftonLarsonAllen LLP to assist in preparing its financial statements and accompanying disclosures, including any necessary adjustments. However, as independent auditors, CliftonLarsonAllen LLP 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.

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, Board and Finance Committee 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. They will continue to make changes during fiscal year 2012 which will assist them in performing these functions in the future.

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2011**

Section II – Financial Statement Findings (Continued)

FINDING NO. 11-02 – BANK RECONCILIATIONS

Criteria or Specific Requirement: Accurate and timely bank reconciliations, as well as, a formal review process are critical components 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. Many of these differences related to deposits made which were not properly recorded in the general ledger, while others related to deposits made into the wrong bank account but properly recorded in the general ledger. It was also determined that there is no formal review over bank reconciliations.

Context: Of thirty bank reconciliations tested, we noted three instances where there were unidentified differences within the bank reconciliations and none had been reviewed. We also noted they are not being completed in a timely manner, with many being completed up to five months after month end.

Effect: Failure to reconcile bank accounts on a timely basis, lack of adequate review, and lack of timely investigation of differences could result in errors or irregularities going undetected.

Cause: Differences within the bank reconciliations are not being communicated and fully investigated. Lack of bank reconciliations not being completed in a timely manner and no formal review process in place compounds the matter.

Recommendation: It is essential to complete the bank reconciliations in a timely manner, including investigating differences identified in the bank reconciliation process. Communication between the respective departments is fundamental in allowing the differences to be reconciled in a timely manner. A formal review process will aide in opening the lines of communication between departments.

Views of Responsible Officials and Planned Corrective Action: The County Treasurer is aware of the need for proper investigation of unidentified differences within the bank reconciliations. During fiscal year 2012, the Treasurer's office 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, 2011

Section II – Financial Statement Findings (Continued)

FINDING NO. 11-03 - 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. During fiscal year 2012, the department head/elected official in the County Clerk, Recorder, Circuit Clerk and Sheriff's offices will work with their staff 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, 2011**

Section II – Financial Statement Findings (Continued)

FINDING NO. 11-04 - NEGATIVE 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 \$217,772 and \$55, respectively, 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.

Cause: Monitoring of 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.

Views of Responsible Officials and Planned Corrective Action: During fiscal year 2012, the Vermilion County Board and management 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 FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2011**

Section II – Financial Statement Findings (Continued)

FINDING NO. 11-05 – BANK COLLATERAL COVERAGE

Criteria: The County is required by state statutes to have full insurance or collateral coverage over their bank balances.

Condition: During our testing of cash, we noted bank balances were not fully insured or collateralized at year end.

Context: As of November 30, 2011, \$394,677 of the County's bank deposits were not insured or collateralized.

Effect: Uncollateralized amounts create a risk to the County as they are subject to loss in the event of bank failure.

Cause: The County maintains a collateral agreement with the bank and receives regular month-end reports from the bank. However, the amount of pledged collateral as of November 30, 2011 was not sufficient to cover the total bank account balance. Due to the timing of when the month-end report was received, the County was not aware of the under-collateralized balance until after year-end.

Recommendation: We recommend the County review its collateral agreement with the bank and put into place procedures to ensure fulfillment of the agreement. While the County receives collateral reports from the bank at the end of each month, they may consider obtaining these reports more frequently.

Views of Responsible Officials and Planned Corrective Action: The County Treasurer has been in contact with the bank at various times throughout the year regarding this issue. They have reviewed the collateral agreement in place between the County and the bank and will continue to work with the bank to get this corrected.

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2011**

Section III – Federal Award Findings and Questioned Costs

FINDING NO. 11-06 - AUTHORIZATION CONTROLS OVER WIC ELIGIBILITY NOT PERFORMED

Federal Agency/Program: U.S. Department of Agriculture – 10.557 – Special Supplemental Food Program for Women, Infants, and Children (WIC)

Pass-Through Agency: Illinois Department of Human Services

Questioned Costs: None

Criteria or Specific Requirement: The Health Department should have proper controls in place over the eligibility process to ensure compliance with eligibility requirements. The client's internal controls over eligibility states the Client Certification Form should be signed by the applicant/guardian, the nurse, and a case manager.

Condition: During the course of the audit we noted two instances where the case manager or the nurse failed to properly sign the Client Certification Form.

Context: Of sixty participants tested, we noted two instances where the case manager or nurse failed to properly sign the Client Certification Form.

Effect: Failure of the case manager or nurse to properly document the review of the Client Certification Form could result in applicants being accepted into the program who are not eligible to receive benefits.

Cause: The exception was an oversight by the WIC staff and other review processes did not detect this lapse in the control system.

Recommendation: We recommend the Health Department monitor controls to ensure all controls are being performed as designed.

Views of Responsible Officials and Planned Corrective Action: The Health Department and the WIC Director are aware of the issue and will take the necessary actions in fiscal year 2012 to monitor the controls in place and make changes as needed.

VERMILION COUNTY, ILLINOIS
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
Year Ended November 30, 2011

YEAR ENDED NOVEMBER 30, 2010

FINDING NO. 10-01 – FINANCIAL STATEMENT PREPARATION, INCLUDING ADJUSTMENTS

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

Condition still exists.

FINDING NO. 10-02 – BANK RECONCILIATIONS

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

Condition still exists.

FINDING NO. 10-03 – DECENTRALIZED OFFICES

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.

Condition still exists.

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

Condition: 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.

Condition still exists. Note the condition for negative cash balance for Security Fund has been corrected.