

VERMILION COUNTY, ILLINOIS

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY
INFORMATION**

November 30, 2012



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 as of and for the year ended November 30, 2012, 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, 2012, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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, 2012 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 12, 2013 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the schedules of funding progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. 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. The combining financial statements, the grant statements of receipts and disbursements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Danville, Illinois
June 12, 2013

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, 2012.

Financial Highlights

- The assets of Vermilion County exceeded its liabilities at the close of the most recent fiscal year by \$33.641 million (*net assets*). This is an increase of \$975,229 in net assets as compared to fiscal year 2010 - 2011.
- The Internal Balances of both the Governmental Activities and Business-Type Activities experienced a change of \$442,000. This is a result of the Vermilion County Nursing Home repaying its FICA and IMRF debt to the County, \$130,000 of which was from the prior fiscal year. This debt will be satisfied in fiscal year 2013 - 2014.
- The State of Illinois owes Vermilion County's General Fund \$1,527,008 at the end of the current fiscal year; this is a reduction in receivable of \$505,728 as compared to the prior fiscal year. Of this total, \$651,419 is more than 60 days delinquent, as compared to \$961,780 in the prior year. 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, \$651,419 of this receivable is not included in the fund balance 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 \$31.102 million, an increase of \$763,265 in comparison with the prior year. Approximately 25% of this total amount is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7.680 million, almost 68% of total General Fund annual audited expenditures. This funding percentage is up over the prior fiscal year percentage of 55% primarily due to the removal of the Juvenile Detention Center from the General Fund expenditures. Conversely, the PSB Rent Fund had a fund balance of \$6,424,485, down \$445,021 from the prior year; the fund balance at November 30, 2012 represents 59% of the PSB Rent Fund's annual audited expenditures as compared with a fund balance to expenditure ratio of 97% for fiscal year 2010 - 2011. The PSB Rent Fund is being closely monitored for continued financial stability and liquidity.
- Vermilion Manor Nursing Home posted an increase in Net Assets of \$607,310 in the current fiscal year, taking the total to \$4,328,640. Of this total, \$3,461,972 is unrestricted and \$866,668 is invested in capital assets.

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 19 – 21 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 22 – 26 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 Nursing Home, Vermilion County Farm and its Solid Waste Management 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 27 – 30 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 31 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 32 – 56 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 58 – 63 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 65 – 83 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 \$33.641 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 (57%) 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* (\$14.531 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 \$14.531 million; \$10.488 million is unrestricted for governmental activities, up \$1.053 million from the prior year, and \$4.043 million is unrestricted for business type activities. It should be noted that the unrestricted net assets for the business type activities increased by \$525,606. The Nursing Home contributed \$593,206 toward the increase, Solid Waste Management added \$45,072 and the County Farm had a reduction in net assets of \$112,672, a result of a distribution of \$140,000 to the General Fund.

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

Vermilion County's Net Assets (Expressed in Thousands)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$47,459	\$47,743	\$5,645	\$5,483	\$53,104	\$53,226
Capital assets	0	0	870	858	870	858
Total assets	47,459	47,743	6,515	6,341	53,974	54,084
Long-term liabilities outstanding	4,505	4,135	0	0	4,505	4,135
Other liabilities	14,226	15,317	1,602	1,966	15,828	17,283
Total liabilities	18,731	19,452	1,602	1,966	20,333	21,418
Net assets:						
Invested in capital assets, net of related debt	0	0	870	858	870	858
Restricted	18,240	18,856	0	0	18,240	18,856
Unrestricted	10,488	9,435	4,043	3,517	14,531	12,952
Total net assets	\$28,728	\$28,291	\$4,913	\$4,375	\$33,641	\$32,666

There was an increase of more than \$12,800 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 \$197,574, and building improvements/equipment additions, totaling \$210,379 for the current year.

Vermilion County's total net assets increased by \$975,229 during the current fiscal year. This is comprised of an increase of Governmental Activities net assets of \$436,818 and an increase of Business Type net assets of \$538,411. This will be further discussed in both the Governmental Activities and Business Type Activities sections of this report.

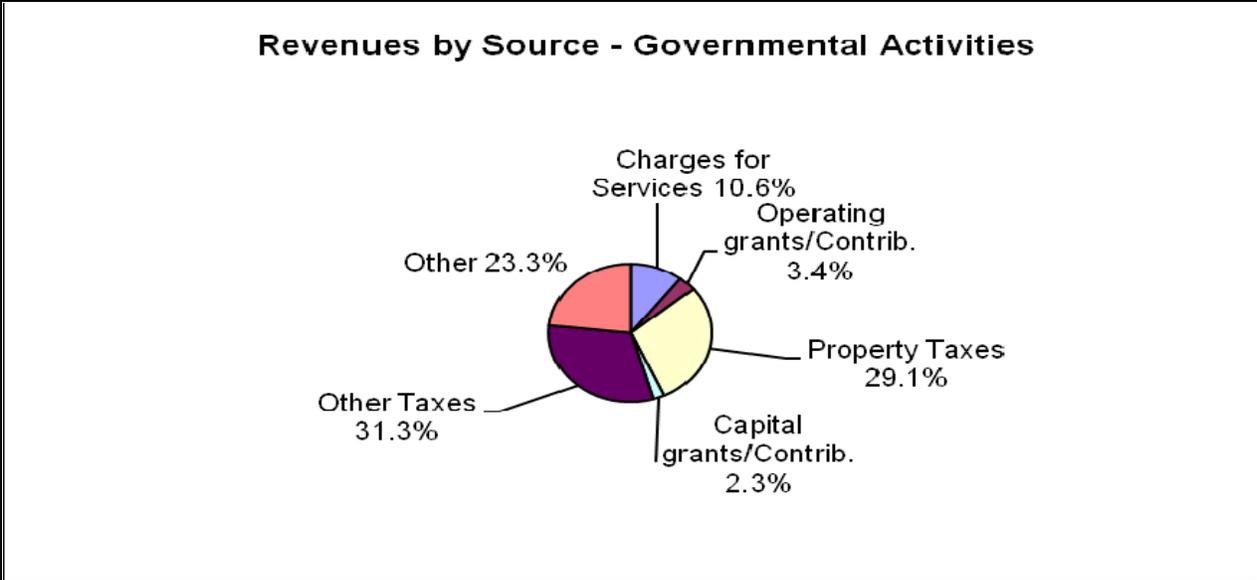
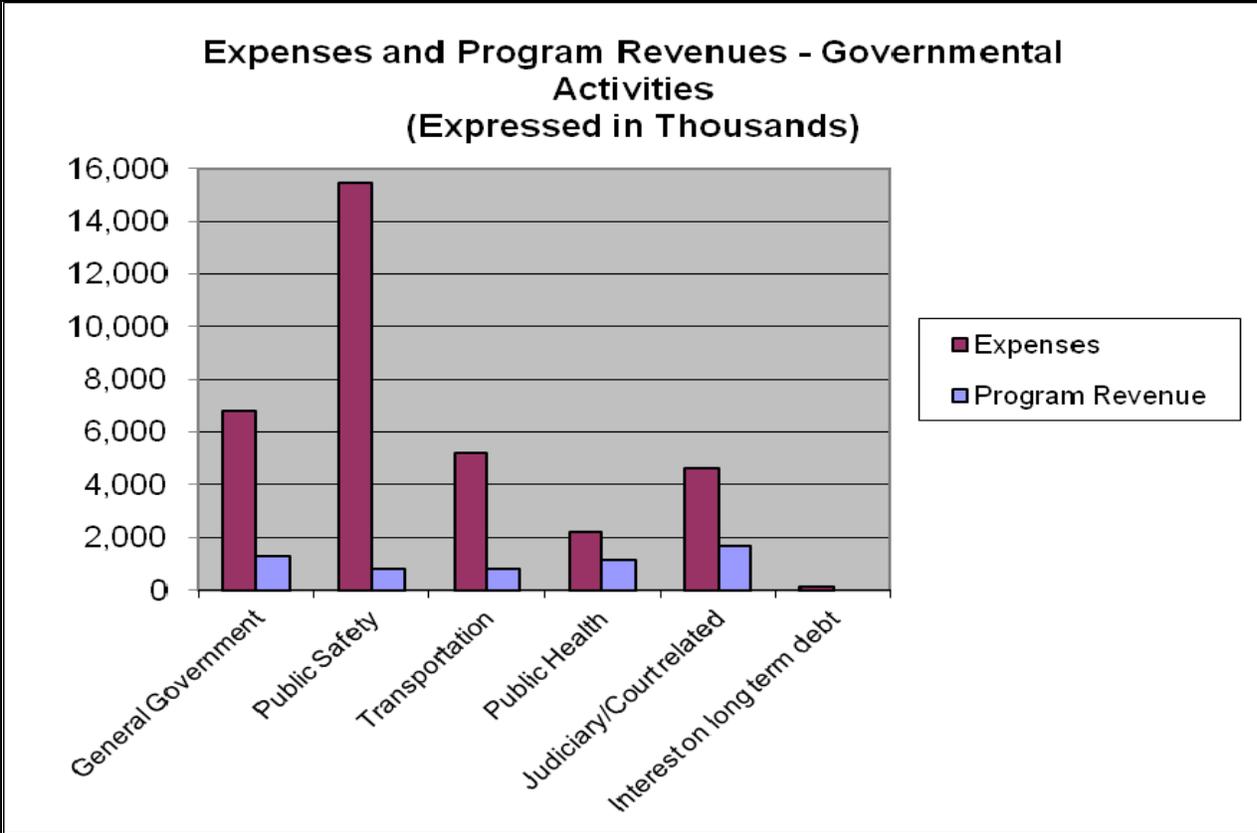
**Vermilion County's Changes in Net Assets
(Expressed in Thousands)**

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$3,710	\$3,618	\$10,352	\$10,742	\$14,062	\$14,360
Operating grants and contributions	1,202	1,681	0	0	1,202	1,681
Capital grants and contributions	792	651	0	0	792	651
General revenues:						
Property taxes	10,159	10,175	680	698	10,839	10,873
Other taxes	10,913	10,308	0	0	10,913	10,308
Grants and contributions not restricted to specific programs						
Other	0	0	0	0	0	0
Other	8,128	6,109	233	204	8,361	6,313
Total revenues	34,904	32,542	11,265	11,644	46,169	44,186
Expenses:						
General government	6,799	6,839			6,799	6,839
Public safety	15,444	13,525			15,444	13,525
Transportation	5,219	5,652			5,219	5,652
Public Health	2,219	2,193			2,219	2,193
Judiciary/Court related	4,642	4,518			4,642	4,518
Interest on long-term debt	144	139			144	139
Nursing Home			10,417	10,623	10,417	10,623
Nursing Home Farm			55	78	55	78
Solid Waste Management			255	223	255	223
Total expenses	34,467	32,866	10,727	10,924	45,194	43,790
Increase (decrease) in net assets	437	(324)	538	720	975	396
Net assets - 12/01/11	28,291	28,615	4,375	3,655	32,666	32,270
Net assets - 11/30/12	\$28,728	\$28,291	\$4,913	\$4,375	\$33,641	\$32,666

Governmental activities. Governmental activities precipitated an increase in Vermilion County's net assets of \$436,818. Noteworthy issues are as follows:

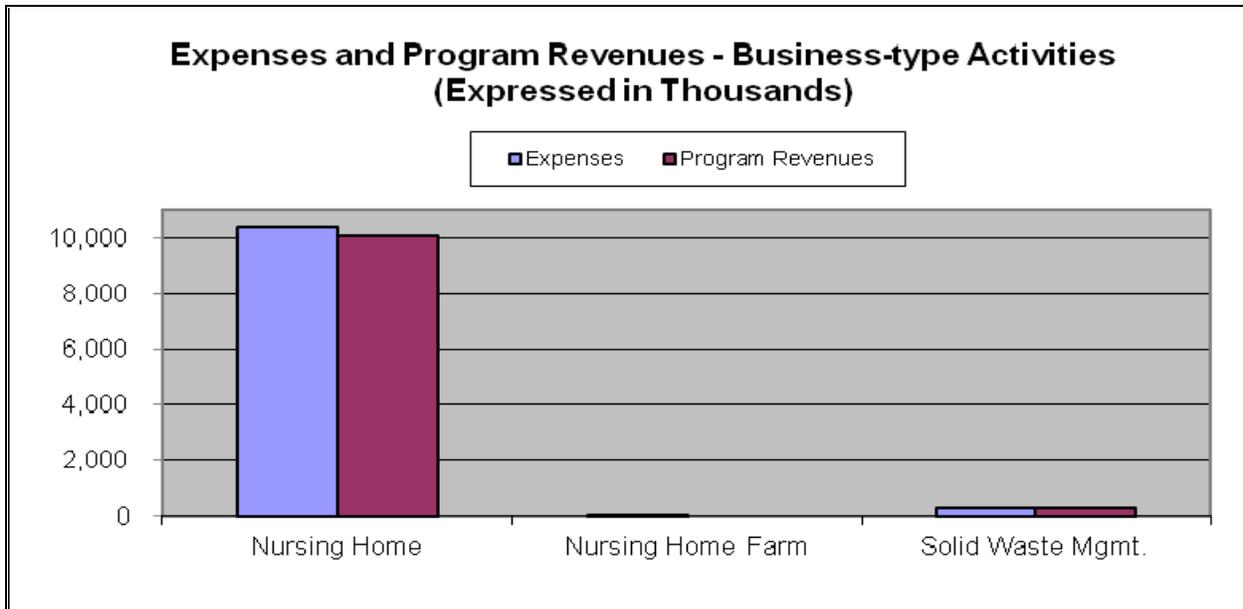
- Due From Other Governments increased by almost \$625,000 this fiscal year. The primary cause of this increase is \$1,751,059 owed to the PSB Rent Fund, an increase of \$1,042,105 over the prior fiscal year. This figure is comprised of \$489,141 owed by the state of Illinois for salary reimbursements and \$1,261,918 owed the PSB Rent Fund by the Danville Public Building Commission. It is worthy to note that the amount Due From Other Governments owed to the General Fund is down by \$505,728; almost \$400,000 of this reduction is a direct result of moving the operations of the Juvenile Detention Center from the General Fund to PSB Rent Fund.
- Total Liabilities are down by \$721,206 for this fiscal year. This is largely due to the completion of the Lyons Road project which is the primary contributor to the reduction in Deferred Revenue of approximately \$854,000.
- Net Assets Restricted for Retirement includes FICA Fund and IMRF Fund; these assets decreased \$758,661 in the current fiscal year to a total of \$1,918,015. 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 2010 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 liability on the balance sheet titled Noncurrent Portion of Pension Obligations, \$384,664. 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 \$370,433 (8.96%) during the current fiscal year. This debt is comprised of: accumulated paid time off, up almost \$25,000; Other Post Employment Benefits (OPEB) associated with the County's health insurance program, increased by \$85,000; 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, up more than \$146,000; and Noncurrent Portion of Pension Obligation, increased almost \$114,000.
- The Net Assets Restricted for Court Services and Public Safety decreased \$1,235,824 from the prior year to \$5,942,847. The majority of the reductions were in the Law Enforcement Fund, (\$457,732), and the Public Safety Building Rent Fund, (\$445,021). Responsible management planned to utilize previously collected funds rather than increase taxes; thus, these funds were budgeted to a combined deficit of \$1,124,519 and realized a deficit of \$902,753.

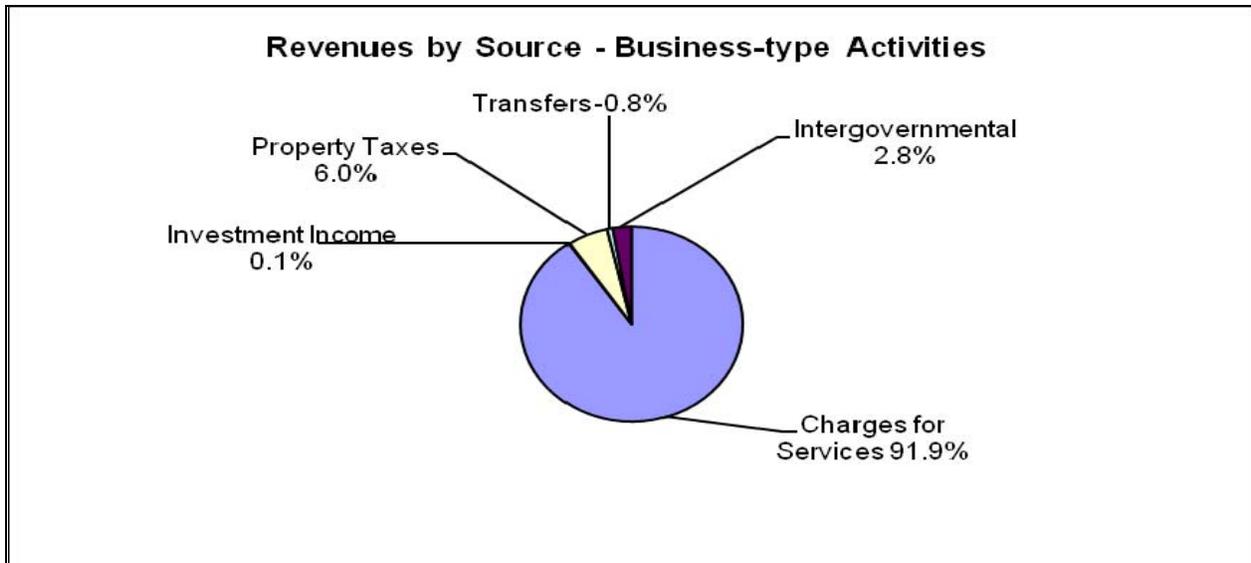
- As of November 30, 2012, the State of Illinois owed Vermilion County's General Fund \$1,527,008 according to the audited balance sheet; this is a reduction of \$505,728 from the prior year. As a result of the State being more than 60 days delinquent in making payments to Vermilion County, \$651,419 of these receivables were deferred and had to be omitted from net assets; this is a reduction of \$310,361 over the prior year. These tardy payments included in receivables, some dating back to September of 2012, are categorized as follows: Income Tax, \$291,470; Sales Tax Regular and Supplemental, \$173,185; Probation Salary Reimbursements, \$186,764. All of these funds were subsequently received between February 1, 2013 and April 24, 2013.
- 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 \$85,777; Health Insurance expenses increased these net assets by \$28,418 while the Liability Insurance Fund increased these assets by \$57,359. 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 \$1,601,081 higher in fiscal year 11/12 as compared with fiscal year 10/11; this is an increase in expenses of 4.87%. Public Safety expenses are increased by \$1,918,528, which is largely a result of the Juvenile Detention Center being under an operating lease controlled by the Danville Public Building Commission (DPBC). However, one must note that the Intergovernmental revenues are up by \$1,444,629 primarily as a result of major monthly expenditures being reimbursed by the DPBC.
- Transportation expenses were down approximately \$433,069 over last year due to the conclusion of the Lyons Road resurfacing project. Miscellaneous revenues include \$572,000 received for road reparation related to wind farms.
- Comparing fiscal year 11/12 with fiscal year 10/11, please note the following: Corporate Replacement Tax is up \$185,000; State Sales Tax dollars collected are down by \$80,000; and State Income Tax Allocation is up almost \$257,000.



Business-type activities. Business-type activities increased Vermilion County’s net assets by \$538,411. Noteworthy issues are as follows:

- Vermilion Manor Nursing Home filed an insurance claim in fiscal year 2011 - 2012 to repair the roof that was damaged in a storm. The roof reparation expense was \$175,790, included in non-current assets building and improvements, and the insurance check for \$155,274 was recorded in Miscellaneous revenues.
- The Nursing Home management did a fantastic job of matching its operating revenues and expenditures. While the operating revenues had declined by almost \$196,000, the management reacted by reducing its operating expenditures by more than \$206,000. When the non-operating revenues of taxes and interest were considered, the Nursing Home posted an increase in Net Assets of \$607,310.
- The management concluded that \$545,000 in patient account receivables were uncollectable and were removed from the financial statements. Additionally, they strived to pay the FICA and IMRF debts owed to the County General Fund and reduced the liability by \$442,000; the outstanding debt at November 30, 2012 is \$65,362 and will be satisfied in fiscal year 2012 - 2013.
- Other Enterprise Funds reported a decrease of \$68,899 in net assets for the current fiscal year. The category of Other Enterprise Funds is comprised of the Vermilion County Farm, a decrease in net assets of almost \$113,000, and the Solid Waste Management Program, net assets of which increased just less than \$44,000. The reduction of net assets of the Vermilion County Farm is due to a transfer of \$140,000 to the County's General Fund. This payment was a transfer of two years of farming income. The boost in net assets of Solid Waste is a result of increased landfill dumping charges and a \$45,000 grant from the Illinois Environmental Protection Agency which was transferred in from the Health Department.





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.

As of the end of the current fiscal year, Vermilion County's governmental funds reported combined ending fund balances of \$31.102 million, an increase of slightly more than \$763,000 in comparison with the prior year. Approximately 25% of this total (\$7.680 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 (\$4.726 million PSB and JDC rent payments), committed for capital projects (\$456,000), or *restricted*. *Restricted* funds are not available for new spending because they have already been restricted: 1) to employee retirement funding (\$1.918 million), 2) to general and administrative government (\$1.259 million), 3) for public health and education (\$1.273 million), 4) to court services and public safety (\$5.943 million), and 5) for transportation and highway (\$7.847 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 \$7,680,303, which represents 67.94% of the total annual General Fund expenditures of \$11,304,283. This indicates that Vermilion County has roughly 8 months of operating funds in reserve. The prior fiscal year had a fund balance to expenditure ratio of 54.86%. This increase in fund balance to expenditure ratio is predominantly due to the removal of the Juvenile Detention Center expenditures from the General Fund and the placement of those expenditures into the PSB Rent Fund. Interestingly, the restricted fund balance to expenditure ratio for the PSB Rent Fund for fiscal year 2011 – 2012 was 59.24% and for 2010 - 2011 was 96.58%. The ratio decreased in the current fiscal year because \$3.73 million had been added to the annual audited expenditures, a 52.5% increase in expenses.

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 \$7,680,303, which represents 67.94% of the total annual General Fund expenditures of \$11,304,283. This indicates that Vermilion County has roughly 8 months of operating funds in reserve. The prior fiscal year had a fund balance to expenditure ratio of 54.86%. This increase in fund balance to expenditure ratio is predominantly due to the removal of the Juvenile Detention Center expenditures from the General Fund and the placement of those expenditures into the PSB Rent Fund. Interestingly, the restricted fund balance to expenditure ratio for the PSB Rent Fund for fiscal year 2011 - 2012 was 59.24% and for 2010 - 2011 was 96.58%. The ratio decreased in the current fiscal year because \$3.73 million had been added to the annual audited expenditures, a 52.5% increase in expenses.

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 \$3.46 million, an increase of just more than \$593,000; the other enterprise funds had unrestricted assets of \$581,000, a decrease of just over \$67,000. 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 \$405,345 for Fiscal Year 2011 – 2012; as budget amendments occurred during the year, the final General Fund budget projected a deficit of \$670,987. The General Fund actually experienced an increase in Fund Balance of \$915,091, to a total of \$7,680,303. This is a positive budget variance of \$1,586,078 as compared with the final budget.

The General Fund collected revenue of \$12,601,374 in the current fiscal year. This includes operating transfers in of \$663,066 which are primarily comprised of payments from the Nursing Home of \$442,000, repayment of FICA and IMRF funds loaned, and income from the County farm of \$140,000. The total General Fund revenue was \$94,797 higher than budgeted.

Intergovernmental Revenue for this fiscal year was \$358,406 over budget. Some of the contributors to this revenue received versus budgeted, both higher and lower, are: State sales tax, in excess of budget by \$55,000; State Income Tax, \$88,000 over budget; Corporate Replacement Taxes fell short by almost \$63,000; Salary Reimbursements, exceeded budgeted figures by \$312,000; and Inheritance Tax, down almost \$18,000. Please note that these salary reimbursements, if paid in a timely manner, would have been included in revenue in fiscal year 2010 - 2011.

The two main categories for the underperformance of revenue for the General Fund are Fines and Forfeitures, short by more than \$145,000, and Miscellaneous, under budget by \$284,000. Fines fell short by almost \$110,000 and Bond Forfeitures were under budget by almost \$35,000. It should be noted that these revenues have been declining, fiscal year 2010 - 2011 was \$115,000 less than the prior year, and that the fiscal year 2013 - 2014 budget recognizes that trend. Miscellaneous revenues fell short of budget by \$284,474 predominantly due to Penalty, Cost and Interest revenues being \$185,160 short. This revenue line is used to record the sale or redemption of back taxes on properties sold in Vermilion County. The fact that this revenue source fell short is a positive economic sign for County residents. Interest income, also classified as miscellaneous revenue, was budgeted at \$50,000 this fiscal year but fell short by almost \$35,000 to total \$15,216. 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 Miscellaneous revenue shortfall of \$284,000 by \$33,000.

The actual annual expenditures were \$1,491,281 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 General Fund experienced an increase in fund balance of \$915,091.

Expense appropriations for the General Fund increased slightly more than \$361,000 throughout the budget year. Of this increase, approximately \$95,000 (26%) was funded by grant dollars and \$266,000 (74%) by fund balance. The majority of the grant dollars were sought out and achieved by the County Clerk, \$51,916, and the Election Commission, \$39,681. A few of the expenditures that required the use of fund balance were:

- \$70,000 Coroner, Autopsy expenses.
- \$174,142 increases associated with a Collective Bargaining Unit contract settlements.
- \$21,500 Sheriff, salaries for personnel used for special functions.

As previously mentioned, the actual General Fund expenditures were \$1.491 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: Non-Departmental Services, \$241,000; Capital Outlay, \$526,000; County Clerk, \$112,000; Employee Benefits, \$59,000; Election Commission, \$52,000; Building and Grounds, \$168,000; Judiciary and Court related offices, \$180,000; and, Public Safety budgets, \$207,000. Additional savings for the General Fund resulted from not transferring the additional \$105,000 to the Animal Control Fund or \$200,000 to the Capital Improvement Fund, as was budgeted.

It appears that there is a negative budget to actual expenditure variance of \$227,000 for the Operating Transfers Out; this is caused by reclassification of \$200,000 funding to the Capital Improvements Fund and \$132,000 funding to the Court Security Fund being removed from the actual General Fund expenditures and categorized to the Operating Transfers Out line. This is simply a reclassification required for reporting purposes and is not a true negative variance of budget to actual. When the variance for Total Expenditures, \$1,718,281, is combined with the variance of Operating Transfers Out, (\$227,000), the total of \$1,491,281 is the actual amount that the General Fund was budgeted to spend but did not spend. The department heads and elected officials displayed excellent control of expenditures. Their managerial prowess is to be commended.

Capital Asset and Debt Administration

Capital assets. Vermilion County’s investment in capital assets for its business type activities as of November 30, 2012 amounted to just more than \$870,000 (net of accumulated depreciation). This investment in capital assets includes land, buildings and equipment. The total increase in Vermilion County’s investment in capital assets for the current fiscal year was 1.5%, or \$12,805. The additions were comprised of a new roof at the Nursing Home, for \$175,790, and other capital equipment additions of \$34,589. The only reduction was the accumulated depreciation expense of \$197,574.

Vermilion County's Capital Assets (Net of depreciation)

	Business-type activities	
	2012	2011
Land	\$1,000	\$1,000
Buildings	5,847,715	5,671,925
Transportation equipment	107,042	107,042
Recycling equipment	96,610	96,610
Other equipment	1,338,993	1,304,404
Total	\$7,391,360	\$7,180,981
Less: Accumulated Depreciation	6,520,921	6,323,347
Net Capital Assets	\$870,439	\$857,634

Additional information on Vermilion County’s capital assets can be found in Note 10 on pages 48 – 49 of this report.

Long-term debt. At the end of the current fiscal year, Vermilion County had total long term obligations of \$4,504,848. 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 obligations. 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	
	2012	2011
Accumulated paid time off	\$240,626	\$215,776
Postemployment obligations	339,352	253,945
Noncurrent Portion of Pension Obligations	384,664	270,804
Bond obligations	3,540,206	3,393,890
Total	\$4,504,848	\$4,134,415

Vermilion County’s total long term debt increased by \$370,433 (8.96%) during the current fiscal year. Accumulated paid time off climbed \$24,850 as a result of the increased value of a work day for long term employees and staff members not using their allotted days off. OPEB obligations grew \$85,407 and Pension obligations added \$113,860 to the non-current liabilities. Bond obligations experienced an increase of \$146,316; this is comprised of a reduction of \$139,578 for the annual bond payment to the Danville Public Building Commission and an increase of \$285,894 due to an adjustment between the capital and operating lease.

Additional information on Vermilion County’s long-term debt can be found in Note 5 on pages 41 – 42 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Vermilion County was 9.4% as of the close of the current fiscal year; this was a decrease from a rate of 9.9% a year ago. This information was attained from the IDES website. This compares unfavorably to the state's average unemployment rate of 8.2% (IDES website), and the national average rate of 7.8% (Bureau of Labor Statistics).
- Although the 2012 – 2013 Fiscal Budget planned for a reduction in tax dollars collected from the property owners, the actual extended rate increased from 1.41420% to 1.44773%; this is the fourth 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 peaked in fiscal year 08/09 at \$876,345,741. Since then, it has declined each year for a total reduction of almost \$77 million to the 12/13 value of \$799,503,942. Prior to these past few 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 \$1,060,413 for the 2012 – 2013 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. Thus, the County Board is pursuing the sale of Vermilion Manor Nursing Home in hopes of keeping the facility financially viable and keeping it in Vermilion County. 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 was 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 2012 – 2013 fiscal year. Management's primary goal in preparing the annual budget has been to maintain or reduce property taxes. While Vermilion County continues to experience a declining Assessed Valuation and a major revenue source that remains erratic and unreliable, it has been necessary to utilize expenditure control. In light of that, Management continues to encourage conservative spending habits and aggressive scrutiny of expenditures.

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, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
CURRENT ASSETS			
Cash	\$ 10,291,026	\$ 2,665,693	\$ 12,956,719
Investments	15,234,395	5,714	15,240,109
Receivables, net	136,625	3,038,816	3,175,441
Taxes receivable	10,746,541	-	10,746,541
Accrued interest	252,319	-	252,319
Prepaid items	4,726,159	-	4,726,159
Receivable from external parties	1,817,506	-	1,817,506
Internal balances	65,362	(65,362)	-
Due from other governments	4,189,103	-	4,189,103
	<u>47,459,036</u>	<u>5,644,861</u>	<u>53,103,897</u>
Total current assets			
NONCURRENT ASSETS			
Capital assets:			
Land	-	1,000	1,000
Buildings	-	5,847,715	5,847,715
Transportation equipment	-	107,042	107,042
Recycling equipment	-	96,610	96,610
Other equipment	-	1,338,993	1,338,993
Total, at cost	-	7,391,360	7,391,360
Less accumulated depreciation	-	6,520,921	6,520,921
	<u>-</u>	<u>870,439</u>	<u>870,439</u>
Total noncurrent assets			
TOTAL ASSETS	<u>\$ 47,459,036</u>	<u>\$ 6,515,300</u>	<u>\$ 53,974,336</u>
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 3,266,115	\$ 909,138	\$ 4,175,253
Deferred revenue	10,960,097	692,778	11,652,875
Current portion of lease obligations	148,037	-	148,037
	<u>14,374,249</u>	<u>1,601,916</u>	<u>15,976,165</u>
Total current liabilities			
NONCURRENT LIABILITIES			
Accumulated paid time off	240,626	-	240,626
Other postemployment benefit obligation	339,352	-	339,352
Pension obligations	384,664	-	384,664
Noncurrent portion of lease obligations	3,392,169	-	3,392,169
	<u>4,356,811</u>	<u>-</u>	<u>4,356,811</u>
Total noncurrent liabilities			
Total liabilities	<u>18,731,060</u>	<u>1,601,916</u>	<u>20,332,976</u>
NET ASSETS			
Invested in capital assets, net of obligations	-	870,439	870,439
Restricted for:			
Retirement	1,918,015	-	1,918,015
General and administrative	1,258,703	-	1,258,703
Public health and education	1,273,062	-	1,273,062
Court services and public safety	5,942,847	-	5,942,847
Transportation and highway	7,847,157	-	7,847,157
Unrestricted	10,488,192	4,042,945	14,531,137
	<u>28,727,976</u>	<u>4,913,384</u>	<u>33,641,360</u>
Total net assets			
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 47,459,036</u>	<u>\$ 6,515,300</u>	<u>\$ 53,974,336</u>

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended November 30, 2012

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</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	\$ 6,799,498	\$ 1,256,312	\$ 27,612	\$ -	\$ (5,515,574)	\$ -	\$ (5,515,574)
Judiciary and court related	4,641,722	1,656,970	-	-	(2,984,752)	-	(2,984,752)
Public safety	15,443,985	569,025	260,801	-	(14,614,159)	-	(14,614,159)
Public health	2,218,960	227,837	913,465	-	(1,077,658)	-	(1,077,658)
Transportation	5,219,346	-	-	792,683	(4,426,663)	-	(4,426,663)
Interest on long-term debt	144,021	-	-	-	(144,021)	-	(144,021)
Total governmental activities	<u>34,467,532</u>	<u>3,710,144</u>	<u>1,201,878</u>	<u>792,683</u>	<u>(28,762,827)</u>	<u>-</u>	<u>(28,762,827)</u>
Business-Type Activities:							
Nursing Home	10,417,035	10,098,847	-	-	-	(318,188)	(318,188)
Nursing Home Farm	54,354	-	-	-	-	(54,354)	(54,354)
Solid Waste Management	255,267	253,471	-	-	-	(1,796)	(1,796)
Total business-type activities	<u>10,726,656</u>	<u>10,352,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(374,338)</u>	<u>(374,338)</u>
TOTAL	<u>\$ 45,194,188</u>	<u>\$ 14,062,462</u>	<u>\$ 1,201,878</u>	<u>\$ 792,683</u>	<u>(28,762,827)</u>	<u>(374,338)</u>	<u>(29,137,165)</u>

General revenues:			
Property taxes	\$ 10,159,163	\$ 679,456	\$ 10,838,619
Corporate personal property replacement taxes	1,182,711	-	1,182,711
State sales taxes	3,359,140	-	3,359,140
State income tax allocation	2,442,056	-	2,442,056
Hotel, restaurant and amusement taxes	2,477	-	2,477
Local motor fuel taxes	3,894,131	-	3,894,131
Inheritance taxes	32,237	-	32,237
Interest/investment income	47,433	11,675	59,108
Intergovernmental revenues	6,516,180	316,618	6,832,798
Miscellaneous	1,469,117	-	1,469,117
Transfers	95,000	(95,000)	-
	<u>29,199,645</u>	<u>912,749</u>	<u>30,112,394</u>
Total general revenues and transfers			
Change in net assets	436,818	538,411	975,229
NET ASSETS, BEGINNING OF YEAR	<u>28,291,158</u>	<u>4,374,973</u>	<u>32,666,131</u>
NET ASSETS, END OF YEAR	<u>\$ 28,727,976</u>	<u>\$ 4,913,384</u>	<u>\$ 33,641,360</u>

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

VERMILION COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2012

	<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	\$ 1,396,138	\$ -	\$ 7,864,494	\$ 9,260,632
Investments	4,738,589	520,000	8,925,913	14,184,502
Receivables:				
Taxes, net of allowance for estimated uncollectible	1,980,000	4,950,000	3,197,791	10,127,791
Trade receivables	136,625	-	-	136,625
Other	2,298	32	249,616	251,946
Prepaid items	-	4,726,159	-	4,726,159
Due from other funds	1,778,816	-	608,942	2,387,758
Due from other governments	1,527,008	1,751,059	911,036	4,189,103
TOTAL ASSETS	<u>\$ 11,559,474</u>	<u>\$ 11,947,250</u>	<u>\$ 21,757,792</u>	<u>\$ 45,264,516</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,089,317	\$ 261,199	\$ 1,044,248	\$ 2,394,764
Due to other funds	158,434	42,997	304,619	506,050
Deferred revenue	2,631,420	5,218,569	3,411,347	11,261,336
 Total liabilities	 <u>3,879,171</u>	 <u>5,522,765</u>	 <u>4,760,214</u>	 <u>14,162,150</u>
FUND BALANCE				
Nonspendable:				
Prepays	-	4,726,159	-	4,726,159
Restricted:				
Retirement	-	-	1,918,015	1,918,015
General and administrative	-	-	1,258,703	1,258,703
Public health and education	-	-	1,273,062	1,273,062
Court services and public safety	-	1,698,326	4,244,521	5,942,847
Transportation and highway	-	-	7,847,157	7,847,157
Committed:				
Capital projects	-	-	456,120	456,120
Unassigned	<u>7,680,303</u>	<u>-</u>	<u>-</u>	<u>7,680,303</u>
 Total fund balance	 <u>7,680,303</u>	 <u>6,424,485</u>	 <u>16,997,578</u>	 <u>31,102,366</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,559,474</u>	<u>\$ 11,947,250</u>	<u>\$ 21,757,792</u>	<u>\$ 45,264,516</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, 2012

Fund balances - total governmental funds		\$ 31,102,366
Amounts reported for governmental activities in the statement of net assets are different because:		
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Taxes receivable	\$ 464,656	
Salary reimbursements	455,333	
Total long-term assets		919,989
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.		
		1,210,469
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
		<u>(4,504,848)</u>
Net assets of governmental activities		<u>\$ 28,727,976</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, 2012

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Fund</u>	<u>Public Safety Building Rent</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
REVENUES				
Taxes	\$ 1,993,254	\$ 5,011,625	\$ 3,154,284	\$ 10,159,163
Intergovernmental	7,229,493	5,111,074	7,142,008	19,482,575
Licenses and permits	25,500	-	131,211	156,711
Charges for services	1,927,640	-	1,322,628	3,250,268
Fines and forfeits	254,905	-	14,870	269,775
Miscellaneous	507,516	1,591	1,040,833	1,549,940
	<u>11,938,308</u>	<u>10,124,290</u>	<u>12,805,834</u>	<u>34,868,432</u>
Total revenues				
EXPENDITURES				
Current:				
General and administrative	4,737,711	-	1,230,947	5,968,658
Judiciary and court related	3,486,514	-	1,155,208	4,641,722
Public safety	3,080,058	10,560,712	1,803,215	15,443,985
Public health	-	-	2,218,960	2,218,960
Transportation	-	-	5,219,346	5,219,346
Capital outlay	-	-	320,829	320,829
Debt service:				
Principal	-	139,578	-	139,578
Interest	-	144,021	-	144,021
	<u>11,304,283</u>	<u>10,844,311</u>	<u>11,948,505</u>	<u>34,097,099</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>634,025</u>	<u>(720,021)</u>	<u>857,329</u>	<u>771,333</u>

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Fund</u>	<u>Public Safety Building Rent</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 663,066	\$ 275,000	\$ 382,000	\$ 1,320,066
Operating transfers out	<u>(382,000)</u>	<u>-</u>	<u>(946,134)</u>	<u>(1,328,134)</u>
Total other financing sources (uses)	<u>281,066</u>	<u>275,000</u>	<u>(564,134)</u>	<u>(8,068)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	915,091	(445,021)	293,195	763,265
FUND BALANCE, BEGINNING OF YEAR	<u>6,765,212</u>	<u>6,869,506</u>	<u>16,704,383</u>	<u>30,339,101</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,680,303</u>	<u>\$ 6,424,485</u>	<u>\$ 16,997,578</u>	<u>\$ 31,102,366</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, 2012

Net change in fund balances - total governmental funds	\$	763,265
Amounts reported for governmental activities in the statement of activities are different because:		
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.		(41,791)
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	\$	139,578
Increase in long-term debt		(285,894)
Increase in other postemployment benefit obligations		(85,407)
Increase in pension obligations		(113,860)
Increase in accumulated paid time off		(24,850)
		(370,433)
Net adjustment for changes in long-term liabilities.		(370,433)
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		85,777
Change in net assets of governmental activities	\$	<u>436,818</u>

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
November 30, 2012

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Vermilion Manor Nursing Home	Other Enterprise Funds	Total	Internal Service Fund
CURRENT ASSETS				
Cash	\$ 2,248,834	\$ 416,859	\$ 2,665,693	\$ 1,030,394
Investments	-	5,714	5,714	1,049,893
Receivables, net	2,860,950	177,866	3,038,816	618,750
Accrued interest	-	-	-	373
Due from other funds	-	-	-	1,160
	<u>5,109,784</u>	<u>600,439</u>	<u>5,710,223</u>	<u>2,700,570</u>
Total current assets				
NONCURRENT ASSETS				
Land	-	1,000	1,000	-
Buildings and improvements	5,828,715	19,000	5,847,715	-
Transportation equipment	107,042	-	107,042	-
Recycling equipment	-	96,610	96,610	-
Other equipment	1,308,111	30,882	1,338,993	-
Total, at cost	7,243,868	147,492	7,391,360	-
Less accumulated depreciation	6,377,200	143,721	6,520,921	-
	<u>866,668</u>	<u>3,771</u>	<u>870,439</u>	<u>-</u>
Total noncurrent assets				
TOTAL ASSETS	<u>\$ 5,976,452</u>	<u>\$ 604,210</u>	<u>\$ 6,580,662</u>	<u>\$ 2,700,570</u>
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 889,672	\$ 19,466	\$ 909,138	\$ 871,351
Due to other funds	65,362	-	65,362	-
Deferred revenue	692,778	-	692,778	618,750
	<u>1,647,812</u>	<u>19,466</u>	<u>1,667,278</u>	<u>1,490,101</u>
Total current liabilities				
NET ASSETS				
Invested in capital assets	866,668	3,771	870,439	-
Unrestricted net assets	3,461,972	580,973	4,042,945	1,210,469
	<u>4,328,640</u>	<u>584,744</u>	<u>4,913,384</u>	<u>1,210,469</u>
Total net assets				
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,976,452</u>	<u>\$ 604,210</u>	<u>\$ 6,580,662</u>	<u>\$ 2,700,570</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, 2012

	Business-Type Activities			Governmental
	Enterprise Funds			Activities -
	Vermilion Manor	Other Enterprise	Total	Internal Service
	Nursing Home	Funds		Fund
OPERATING REVENUES				
Charges for services	\$ 10,098,847	\$ 253,171	\$ 10,352,018	\$ 2,292,419
Fines and forfeits	-	300	300	-
Miscellaneous	234,936	81,682	316,618	-
Total operating revenues	<u>10,333,783</u>	<u>335,153</u>	<u>10,668,936</u>	<u>2,292,419</u>
OPERATING EXPENSES				
Personnel services	6,453,677	196,564	6,650,241	2,921,237
Supplies and materials	601,461	2,987	604,448	-
Other services and charges	639,885	67,651	707,536	-
Contractual services	2,520,481	36,388	2,556,869	-
Capital outlay	5,256	4,732	9,988	-
Depreciation	196,275	1,299	197,574	-
Total operating expenses	<u>10,417,035</u>	<u>309,621</u>	<u>10,726,656</u>	<u>2,921,237</u>
Operating income (loss)	<u>(83,252)</u>	<u>25,532</u>	<u>(57,720)</u>	<u>(628,818)</u>
NON-OPERATING REVENUES				
Taxes	679,456	-	679,456	610,878
Interest income	11,106	569	11,675	649
Total non-operating revenues	<u>690,562</u>	<u>569</u>	<u>691,131</u>	<u>611,527</u>
Income (loss) before transfers	<u>607,310</u>	<u>26,101</u>	<u>633,411</u>	<u>(17,291)</u>
OPERATING TRANSFERS				
Operating transfers in	-	45,000	45,000	160,763
Operating transfers out	-	(140,000)	(140,000)	(57,695)
Total operating transfers	<u>-</u>	<u>(95,000)</u>	<u>(95,000)</u>	<u>103,068</u>
CHANGE IN NET ASSETS	607,310	(68,899)	538,411	85,777
NET ASSETS, BEGINNING OF YEAR	<u>3,721,330</u>	<u>653,643</u>	<u>4,374,973</u>	<u>1,124,692</u>
NET ASSETS, END OF YEAR	<u>\$ 4,328,640</u>	<u>\$ 584,744</u>	<u>\$ 4,913,384</u>	<u>\$ 1,210,469</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, 2012

	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	\$ 12,313,224	\$ 410,153	\$ 12,723,377	\$ 2,292,419
Cash paid to suppliers and for claims	(4,109,261)	(111,130)	(4,220,391)	(2,757,765)
Cash paid to employees	(6,476,089)	(196,564)	(6,672,653)	-
Cash received from (paid to) other funds	(442,000)	-	(442,000)	56,535
	<u>1,285,874</u>	<u>102,459</u>	<u>1,388,333</u>	<u>(408,811)</u>
Net cash provided by (used in) operating activities				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash received for property taxes	679,456	-	679,456	610,878
Cash transfers from (to) other funds	-	(95,000)	(95,000)	103,068
	<u>679,456</u>	<u>(95,000)</u>	<u>584,456</u>	<u>713,946</u>
Net cash provided by (used in) noncapital financing activities				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	(210,379)	-	(210,379)	-
	<u>(210,379)</u>	<u>-</u>	<u>(210,379)</u>	<u>-</u>
Net cash provided by investing activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	-	112,672	112,672	250,000
Interest received	11,106	569	11,675	821
	<u>11,106</u>	<u>113,241</u>	<u>124,347</u>	<u>250,821</u>
Net cash provided by investing activities				
NET INCREASE IN CASH	1,766,057	120,700	1,886,757	555,956
CASH, BEGINNING OF YEAR	482,777	296,159	778,936	474,438
CASH, END OF YEAR	<u>\$ 2,248,834</u>	<u>\$ 416,859</u>	<u>\$ 2,665,693</u>	<u>\$ 1,030,394</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)	\$ (83,252)	\$ 25,532	\$ (57,720)	\$ (628,818)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	196,275	1,299	197,574	-
Effects of changes in operating assets and liabilities:				
Receivables	1,979,441	75,000	2,054,441	-
Accounts payable and accrued liabilities	(364,590)	628	(363,962)	163,472
Due to other funds	(442,000)	-	(442,000)	-
Due from other funds	-	-	-	56,535
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 1,285,874</u>	<u>\$ 102,459</u>	<u>\$ 1,388,333</u>	<u>\$ (408,811)</u>

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
November 30, 2012

		<u>Agency Funds</u>
Cash	\$	9,867,185
Investments		997,000
Receivables:		
Taxes, net of allowance for estimated uncollectibles		1,336,716
Accrued interest		148
Due from other funds		10,432
Due from other governments		70,379
Inventory		<u>16,847</u>
 TOTAL ASSETS	 \$	 <u><u>12,298,707</u></u>
 Accounts payable	 \$	 61,821
Due to other funds		1,827,938
Due to other governments		174,518
Due to others		3,639,714
Due to taxing bodies		<u>6,594,716</u>
 TOTAL LIABILITIES	 \$	 <u><u>12,298,707</u></u>

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

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2012

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, 2012

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, 2012

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, 2012

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, 2012

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

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, 2012

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, 2012 was \$1.37 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, 2012 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, 2012

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 \$35,979,226 and the respective bank balances totaled \$40,745,550. Included in the carrying amount of the County's bank deposits are certificates of deposits totaling \$13,151,204. Also included in the County's carrying amount of bank deposits are money market funds totaling \$4,998.

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, 2012 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, 2012

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, 2012, the County's deposits were fully collateralized.

Deposits in the Illinois Funds - The State Treasurer maintains the Illinois Treasurer's Investment Pool (Pool) at cost and fair value through daily adjustment in the interest earnings. The State Treasurer also maintains the average duration of the pool at less than 25 days. The Pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. As of November 30, 2012, the County's investment in the Illinois Funds was rated AAAM by Standard and Poor's.

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

The time deposits are collateralized 105% over FDIC and FSLIC \$250,000 insurance with U.S. Treasury obligations and marked to market on a weekly basis to maintain sufficiency. The repurchase agreements are collateralized at 102% with U.S. Treasury obligations and the collateral is checked daily to determine sufficiency. Deposits in the Illinois Funds totaled \$2,057,755 at November 30, 2012.

In addition to the above, the County had \$1,023,152 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 \$175,000.

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2012**

NOTE 4 - INTERFUND ACTIVITY

Individual fund interfund receivable and payable (due to/due from other funds) at November 30, 2012 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Governmental Funds		
General Fund	\$ 1,778,816	\$ 158,434
Public Safety Building Rent	-	42,997
Non-Major Governmental Funds	608,942	304,619
Major Enterprise Funds:		
Nursing Home	-	65,362
Internal Service	1,160	-
Agency Funds	<u>10,432</u>	<u>1,827,938</u>
TOTAL	<u>\$ 2,399,350</u>	<u>\$ 2,399,350</u>

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

Interfund transfers for the year ended November 30, 2012 consisted of the following:

Transfers to General Fund from:	
Non-major governmental funds	<u>\$ 465,371</u>
Transfers to Non-major Governmental Funds from:	
General Fund	<u>\$ 382,000</u>
Transfers to Internal Service Funds from:	
Non-major governmental funds	<u>\$ 160,763</u>
Transfers to Proprietary Funds from:	
Non-major governmental funds	<u>\$ 45,000</u>

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2012

NOTE 4 - INTERFUND ACTIVITY (CONTINUED)

Transfers to Public Safety Building Rent from:	
Non-major governmental funds	\$ <u>275,000</u>
Transfers to General Fund from:	
Non-major proprietary funds	\$ <u>140,000</u>
Transfers to General Fund from:	
Internal Service funds	\$ <u>57,695</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, 2012 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, 2012 are as follows:

	Balance November 30, <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance November 30, <u>2012</u>
Accumulated paid time off	\$ 215,776	\$ 29,472	\$ 4,622	\$ 240,626
Pension obligations	270,804	113,860	-	384,664
Other postemployment benefit obligations	253,945	85,407	-	339,352
Juvenile Detention Center lease	<u>3,393,890</u>	<u>285,894</u>	<u>139,578</u>	<u>3,540,206</u>
TOTAL	\$ <u>4,134,415</u>	\$ <u>514,633</u>	\$ <u>144,200</u>	\$ <u>4,504,848</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, 2012

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>
2013	\$ 286,306	\$ 148,037	\$ 138,269
2014	284,529	152,267	132,262
2015	286,729	160,726	126,003
2016	284,445	164,956	119,489
2017	286,310	173,415	112,895
2018-2022	1,676,789	1,230,825	445,964
2023-2026	<u>1,636,279</u>	<u>1,509,980</u>	<u>126,299</u>
TOTAL	<u>\$4,741,387</u>	<u>\$3,540,206</u>	<u>\$ 1,201,181</u>

Interest cost incurred on general long-term debt by the County during the year ended November 30, 2012 totaled \$144,021.

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, 2012

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

2013	\$ 4,855,810
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Lease expense for the year ended November 30, 2012 was \$4,792,698.

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 2012 was 10.07 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, 2012, the County's actual contributions for pension cost for the Regular were \$1,538,626. Its required contribution for calendar year 2012 was \$1,538,626.

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2012**

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>
12/31/12	\$ 1,538,626	100%	\$ -
12/31/11	\$ 1,520,723	95%	\$ 76,036
12/31/10	\$ 1,528,223	87%	\$ 198,669

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 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, 2012, the most recent actuarial valuation date, the Regular plan was 87.29 percent funded. The actuarial accrued liability for benefits was \$35,082,263 and the actuarial value of assets was \$30,624,090, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,458,173. The covered payroll (annual payroll of active employees covered by the plan) was \$15,279,305 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, 2012**

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 2012 was 17.77 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, 2012, the County’s actual contributions for pension cost for the Sheriff’s Law Enforcement Personnel were \$380,376. Its required contribution for calendar year 2012 was \$380,590.

**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
12/31/12	\$ 380,590	100%	\$ -
12/31/11	\$ 378,243	90%	\$ 37,824
12/31/10	\$ 370,721	82%	\$ 66,730

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 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, 2012, the most recent actuarial valuation date, the Sheriff’s Law Enforcement Personnel plan was 80.92 percent funded. The actuarial accrued liability for benefits was \$10,464,873 and the actuarial value of assets was \$8,468,468, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,996,405. The covered payroll (annual payroll of active employees covered by the plan) was \$2,140,553 and the ratio of the UAAL to the covered payroll was 93 percent.

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2012**

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 2012 was 39.71 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 2012 the County’s annual pension cost of \$351,861 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>
12/31/12	\$ 351,861	100%	\$ -
12/31/11	\$ 333,756	100%	\$ -
12/31/10	\$ 345,801	100%	\$ -

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2012

NOTE 7 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Defined Benefit Pension Plan – Elected County Officials (Continued)

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 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, 2012, the most recent actuarial valuation date, the Elected County Official plan was 45.53 percent funded. The actuarial accrued liability for benefits was \$5,649,686 and the actuarial value of assets was \$2,572,136 resulting in an underfunded actuarial accrued liability (UAAL) of \$3,077,550. The covered payroll (annual payroll of active employees covered by the plan) was \$886,077 and the ratio of the UAAL to the covered payroll was 347 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, 2012

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

Deficit Fund Balance

The following individual funds had deficit fund balances as of November 30, 2012:

Health Insurance \$ 189,354

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, 2012 is as follows:

	Vermilion Manor Nursing Home	Vermilion County Farm	Solid Waste Management	Total
Operating revenues	\$ 10,333,783	\$ 81,682	\$ 253,471	\$ 10,668,936
Depreciation	196,275	-	1,299	197,574
Operating income (loss)	(83,252)	27,328	(1,796)	(57,720)
Property and equipment additions	210,379	-	-	210,379
Change in net assets	607,310	(112,672)	43,773	538,411
Net working capital	3,461,972	5,714	575,259	4,042,945
Total assets	5,976,452	6,714	597,496	6,580,662
Total equity	4,328,640	6,714	578,030	4,913,384

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, 2012 are as follows:

Nursing Home

	Balance December 1, 2011	Additions	Disposals	Balance November 30, 2012
Buildings and improvements	\$ 5,652,925	\$ 175,790	\$ -	\$ 5,828,715
Transportation equipment	107,042	-	-	107,042
Other equipment	<u>1,273,522</u>	<u>34,589</u>	-	<u>1,308,111</u>
	7,033,489	210,379	-	7,243,868
Less accumulated depreciation	<u>(6,180,925)</u>	<u>(196,275)</u>	-	<u>(6,377,200)</u>
Total	<u>\$ 852,564</u>	<u>\$ 14,104</u>	<u>\$ -</u>	<u>\$ 866,668</u>

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2012

NOTE 10 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONTINUED)

County Farm

	Balance December 1, <u>2011</u>	<u>Additions</u>	<u>Disposals</u>	Balance November 30, <u>2012</u>
Land	\$ <u>1,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,000</u>

Solid Waste Management

	Balance December 1, <u>2011</u>	<u>Additions</u>	<u>Disposals</u>	Balance November 30, <u>2012</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>(142,422)</u>	<u>(1,299)</u>	<u>-</u>	<u>(143,721)</u>
Total	\$ <u>4,070</u>	\$ <u>(1,299)</u>	\$ <u>-</u>	\$ <u>2,771</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, 2012

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 2012 were \$109,471.

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, 2012 was \$356,786. The liability for claims incurred but not reported was estimated to range between \$212,761 and \$215,253. Based on this range, the County reflected a total liability for unpaid claims in the accompanying financial statements of \$570,780.

Changes in the balances of claims liabilities during fiscal year 2012 were as follows:

	<u>2012</u>	<u>2011</u>
Claims liability, beginning balance	\$ 357,879	\$ 226,370
Claims paid, incurred prior to December, 2012	(109,471)	(126,131)
Increase in claims liability for claims incurred prior to December, 2012	<u>322,372</u>	<u>257,640</u>
Claims liability, ending balance	<u>\$ 570,780</u>	<u>\$ 357,879</u>

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2012

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>2012</u>	<u>2011</u>
Claims liability, beginning balance	\$ 250,000	\$ 250,000
Claims paid, incurred prior to December, 2012	(1,356,756)	(1,511,413)
Increase in claims liability for claims incurred prior to December, 2012	<u>1,406,756</u>	<u>1,511,413</u>
Claims liability, ending balance	<u>\$ 300,000</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, 2012

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, 2012, membership consisted of:

Retirees and beneficiaries currently receiving benefits	15
Terminated employees entitled to benefits but not yet receiving them	-
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, 2012 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, 2012. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 was as follows:

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2012

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, 2012	\$ 144,028	\$ -	40.80%	\$ 339,352
November 30, 2011	\$ 143,522	\$ -	40.80%	\$ 253,945
November 30, 2010	\$ 140,705	\$ -	39.34%	\$ 169,044

The net OPEB obligation as of November 30, 2012, was calculated as follows:

Annual required contribution	\$ 139,796
Interest on net OPEB obligation	8,452
Adjustment to annual required contribution	<u>(4,220)</u>
Annual OPEB cost	144,028
Contributions made	<u>58,621</u>
Increase in net OPEB obligation	85,407
Net OPEB obligation, beginning of year	<u>253,945</u>
Net OPEB obligation, end of year	<u>\$ 339,352</u>

Funded Status and Funding Progress. The funded status of the plan as of November 30, 2012, (estimated based on the most recent actuary valuation as of November 30, 2011), 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, 2012

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, 2012 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 fiscal year 2012. 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 \$45,500.

**NOTE 15 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
STATEMENTS**

The Governmental Accounting Standards Board (GASB) has issued new accounting standards that may restate portions of these financial statements in future periods. Listed below are the statements and short summary of the standard's objective.

New accounting standards effective for the November 30, 2013 financial statements include:

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010. The objective of this statement is to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2012

**NOTE 15 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
STATEMENTS (CONTINUED)**

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, issued November 2010. The objective of this statement is to improve financial reporting for a governmental financial reporting entity. This statement modifies certain requirements for inclusion of component units in the financial reporting entity.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncement*, issued December 2010. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued June 2011. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

New accounting standards effective for the November 30, 2014 financial statements include:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued March 2012. The objective of this statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, issued March 2012. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, issued June 2012. The objective of this statement is to improve financial reporting by state and local governmental pension plans. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2012

**NOTE 15 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
STATEMENTS (CONTINUED)**

New accounting standards effective for the November 30, 2015 financial statements include:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, issued June 2012. The primary objective of this statement is to improve accounting and financial reporting by state and local governmental for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued January 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations.

NOTE 16 - SUBSEQUENT EVENTS

Events or transactions occurring after November 30, 2012 that provided additional evidence about conditions that existed at November 30, 2012, have been recognized in the financial statements for the year ended November 30, 2012. Events or transactions that provided evidence about conditions that did not exist at November 30, 2012 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended November 30, 2012.

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 2,087,500	\$ 2,087,500	\$ 1,993,254	\$ (94,246)
Intergovernmental	6,775,490	6,871,087	7,229,493	358,406
Licenses and permits	20,000	20,000	25,500	5,500
Charges for services	1,828,000	1,828,000	1,927,640	99,640
Fines and forfeits	400,000	400,000	254,905	(145,095)
Miscellaneous	791,990	791,990	507,516	(284,474)
	<u>11,902,980</u>	<u>11,998,577</u>	<u>11,938,308</u>	<u>(60,269)</u>
Total revenues				
EXPENDITURES				
Current:				
General Government				
County Board	345,150	345,150	302,608	42,542
County Auditor	131,712	131,712	120,705	11,007
Data Processing	395,100	395,100	356,610	38,490
County Treasurer	206,715	206,715	189,530	17,185
Non-Department Services	523,169	523,169	282,048	241,121
Capital Outlay	560,000	560,000	33,497	526,503
Merit Commission	15,524	15,524	14,554	970
Regional Superintendent of Schools	85,760	85,760	81,046	4,714
County Clerk	670,884	722,800	610,849	111,951
County Recorder	177,082	178,999	170,628	8,371
Other	1,326,000	1,326,000	1,266,456	59,544
Election Commission	290,099	329,780	277,914	51,866
Board of Review	75,362	75,362	61,212	14,150
Supervisor of Assessments	304,626	304,626	269,223	35,403
Buildings and Grounds	865,902	868,452	700,831	167,621
	<u>5,973,085</u>	<u>6,069,149</u>	<u>4,737,711</u>	<u>1,331,438</u>
Total General Government				
Judiciary and Court Related				
Circuit Clerk	528,546	528,546	498,889	29,657
States Attorney	996,509	1,056,509	1,027,929	28,580
Probation	1,075,332	1,075,332	1,075,332	-
Judiciary and Rules	419,934	419,934	326,394	93,540
Collection Program	35,095	35,095	34,255	840
Public Defender	550,926	550,926	523,715	27,211
	<u>3,606,342</u>	<u>3,666,342</u>	<u>3,486,514</u>	<u>179,828</u>
Total Judiciary and Court Related				
Public Safety				
Sheriff	2,626,877	2,759,992	2,603,104	156,888
Emergency Services Disaster Agency	261,976	263,891	232,839	31,052
Coroner	193,045	263,190	244,115	19,075
	<u>3,081,898</u>	<u>3,287,073</u>	<u>3,080,058</u>	<u>207,015</u>
Total Public Safety				
Total expenditures	<u>12,661,325</u>	<u>13,022,564</u>	<u>11,304,283</u>	<u>1,718,281</u>
Excess (deficiency) of revenues over expenditures	<u>(758,345)</u>	<u>(1,023,987)</u>	<u>634,025</u>	<u>1,658,012</u>

VERMILION COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended November 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 508,000	\$ 508,000	\$ 663,066	\$ 155,066
Operating transfers out	<u>(155,000)</u>	<u>(155,000)</u>	<u>(382,000)</u>	<u>(227,000)</u>
 Total other financing sources (uses)	 <u>353,000</u>	 <u>353,000</u>	 <u>281,066</u>	 <u>(71,934)</u>
 Excess (deficiency) of revenues over expenditures and other financing sources (uses)	 <u>\$ (405,345)</u>	 <u>\$ (670,987)</u>	 915,091	 <u>\$ 1,586,078</u>
 FUND BALANCE, BEGINNING OF YEAR			 <u>6,765,212</u>	
 FUND BALANCE, END OF YEAR			 <u>\$ 7,680,303</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 5,000,000	\$ 5,000,000	\$ 5,011,625	\$ 11,625
Intergovernmental	5,189,355	5,189,355	5,111,074	(78,281)
Miscellaneous	<u>20,000</u>	<u>20,000</u>	<u>1,591</u>	<u>(18,409)</u>
Total revenues	10,209,355	10,209,355	10,124,290	(85,065)
EXPENDITURES				
Current:				
Public safety	<u>11,011,425</u>	<u>11,088,425</u>	<u>10,844,311</u>	<u>244,114</u>
Excess (deficiency) of revenues over expenditures	(802,070)	(879,070)	(720,021)	159,049
OTHER FINANCING SOURCES				
Operating transfers in	<u>-</u>	<u>-</u>	<u>275,000</u>	<u>275,000</u>
Excess (deficiency) of revenues over expenditures and other financing sources over expenditures	<u>\$ (802,070)</u>	<u>\$ (879,070)</u>	(445,021)	<u>\$ 434,049</u>
FUND BALANCE, BEGINNING OF YEAR			<u>6,869,506</u>	
FUND BALANCE, END OF YEAR			<u>\$ 6,424,485</u>	

**VERMILION COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2012**

(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)
12/31/12	\$ 30,624,090	\$ 35,082,263	\$ 4,458,173	87.29%	\$ 15,279,305	29.18%
12/31/11	28,575,058	33,841,796	5,266,738	84.44%	15,268,301	34.49%
12/31/10	27,186,526	31,643,300	4,456,774	85.92%	15,452,206	28.84%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$31,787,934. On a market basis, the funded ratio would be 90.61%.

**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)
12/31/12	\$ 8,468,468	\$ 10,464,873	\$ 1,996,405	80.92%	\$ 2,140,553	93.27%
12/31/11	7,391,024	9,611,740	2,220,716	76.90%	2,082,836	106.62%
12/31/10	6,623,938	8,462,714	1,838,776	78.27%	1,987,779	92.50%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$8,749,147. On a market basis, the funded ratio would be 83.60%.

**VERMILION COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2012**

(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)
12/31/12	\$ 2,572,136	\$ 5,649,686	\$ 3,077,550	45.53%	\$ 886,077	347.32%
12/31/11	2,185,268	5,489,021	3,303,753	39.81%	883,889	373.77%
12/31/10	1,616,049	4,912,785	3,296,736	32.89%	827,472	398.41%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$2,713,919. On a market basis, the funded ratio would be 48.04%.

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)
11/30/12*	\$ -	\$ 1,185,156	\$ 1,185,156	0.0%	\$ 16,965,178	6.99%
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%

*Information from the 2011 actuarial study, which is the most recent available.

VERMILION COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2012

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, 2012**

	<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	\$ 107,404	\$ 480,765	\$ 480,546	\$ 502,895	\$ 11,248	\$ 1,112,928	\$ 41,261
Investments	1,400,000	-	-	2,499,209	-	1,450,000	138,000
Receivables:							
Taxes, net of allowance for estimated uncollectibles	514,800	778,570	257,400	-	-	792,000	-
Other	201	-	10,538	38,139	-	390	-
Due from other funds	117,791	-	220	-	158,434	-	24,040
Due from other governments	-	-	194,699	325,170	-	-	-
TOTAL ASSETS	<u>\$ 2,140,196</u>	<u>\$ 1,259,335</u>	<u>\$ 943,403</u>	<u>\$ 3,365,413</u>	<u>\$ 169,682</u>	<u>\$ 3,355,318</u>	<u>\$ 203,301</u>
LIABILITIES							
Accounts payable	\$ 169,934	\$ 30,431	\$ 86,659	\$ 175,856	\$ 16,570	\$ 252,022	\$ -
Due to other funds	-	-	-	184,619.00	-	-	-
Deferred revenue	514,800	778,570	257,400	111,345	-	848,271	-
Total liabilities	<u>684,734</u>	<u>809,001</u>	<u>344,059</u>	<u>471,820</u>	<u>16,570</u>	<u>1,100,293</u>	<u>-</u>
FUND BALANCE							
Restricted:							
Retirement	1,455,462	-	-	-	-	-	-
General and administrative	-	-	-	-	153,112	-	203,301
Public health and education	-	450,334	599,344	-	-	-	-
Court services and public safety	-	-	-	2,893,593	-	-	-
Transportation and highway	-	-	-	-	-	2,255,025	-
Committed:							
Capital projects	-	-	-	-	-	-	-
Total fund balances	<u>1,455,462</u>	<u>450,334</u>	<u>599,344</u>	<u>2,893,593</u>	<u>153,112</u>	<u>2,255,025</u>	<u>203,301</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,140,196</u>	<u>\$ 1,259,335</u>	<u>\$ 943,403</u>	<u>\$ 3,365,413</u>	<u>\$ 169,682</u>	<u>\$ 3,355,318</u>	<u>\$ 203,301</u>

VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012

	Special Revenue						
	County Clerk Vital Records	FICA	County Clerk Tax Automation	North Fork Special Service Area 1	North Fork Special Service Area 2	North Fork Special Service Area 3	Traffic Fee
Cash	\$ 27,846	\$ 208,842	\$ 2,951	\$ 157,860	\$ 46,729	\$ 11,595	\$ 255,371
Investments	-	200,000	-	-	-	-	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	445,500	-	49,907	18,807	3,613	-
Other	-	13	-	-	-	-	-
Due from other funds	900	132,190	-	-	-	-	5,454
Due from other governments	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 28,746</u>	<u>\$ 986,545</u>	<u>\$ 2,951</u>	<u>\$ 207,767</u>	<u>\$ 65,536</u>	<u>\$ 15,208</u>	<u>\$ 260,825</u>
LIABILITIES							
Accounts payable	\$ -	\$ 78,492	\$ -	\$ 3,028	\$ 1,141	\$ 219	\$ -
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	445,500	-	49,907	18,807	3,613	-
Total liabilities	<u>-</u>	<u>523,992</u>	<u>-</u>	<u>52,935</u>	<u>19,948</u>	<u>3,832</u>	<u>-</u>
FUND BALANCE							
Restricted:							
Retirement	-	462,553	-	-	-	-	-
General and administrative	28,746	-	2,951	-	-	-	-
Public health and education	-	-	-	154,832	45,588	11,376	-
Court services and public safety	-	-	-	-	-	-	260,825
Transportation and highway	-	-	-	-	-	-	-
Committed:							
Capital projects	-	-	-	-	-	-	-
Total fund balances	<u>28,746</u>	<u>462,553</u>	<u>2,951</u>	<u>154,832</u>	<u>45,588</u>	<u>11,376</u>	<u>260,825</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 28,746</u>	<u>\$ 986,545</u>	<u>\$ 2,951</u>	<u>\$ 207,767</u>	<u>\$ 65,536</u>	<u>\$ 15,208</u>	<u>\$ 260,825</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012**

	Special Revenue						
	County Bridge	Court Document Storage	Court Automation	Court Security	Recorder's Special Fee	Law Library	Township Motor Fuel Tax
Cash	\$ 737,260	\$ 205,644	\$ 291,094	\$ 13,213	\$ 101,386	\$ 71,758	\$ 362,616
Investments	700,000	-	-	-	-	-	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	337,194	-	-	-	-	-	-
Other	41	-	-	-	-	-	-
Due from other funds	10,000	10,368	10,440	-	3,856	2,734	110,000
Due from other governments	-	-	-	-	-	-	275,378
TOTAL ASSETS	<u>\$ 1,784,495</u>	<u>\$ 216,012</u>	<u>\$ 301,534</u>	<u>\$ 13,213</u>	<u>\$ 105,242</u>	<u>\$ 74,492</u>	<u>\$ 747,994</u>
LIABILITIES							
Accounts payable	\$ 17,946	\$ 76,524	\$ 11,086	\$ 4,461	\$ 3,453	\$ 1,548	\$ 22,891
Due to other funds	-	-	-	-	-	-	10,000
Deferred revenue	337,194	-	-	-	-	-	-
Total liabilities	<u>355,140</u>	<u>76,524</u>	<u>11,086</u>	<u>4,461</u>	<u>3,453</u>	<u>1,548</u>	<u>32,891</u>
FUND BALANCE							
Restricted:							
Retirement	-	-	-	-	-	-	-
General and administrative	-	-	-	-	101,789	72,944	-
Public health and education	-	-	-	-	-	-	-
Court services and public safety	-	139,488	290,448	8,752	-	-	-
Transportation and highway	1,429,355	-	-	-	-	-	715,103
Committed:							
Capital projects	-	-	-	-	-	-	-
Total fund balances	<u>1,429,355</u>	<u>139,488</u>	<u>290,448</u>	<u>8,752</u>	<u>101,789</u>	<u>72,944</u>	<u>715,103</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,784,495</u>	<u>\$ 216,012</u>	<u>\$ 301,534</u>	<u>\$ 13,213</u>	<u>\$ 105,242</u>	<u>\$ 74,492</u>	<u>\$ 747,994</u>

VERMILION COUNTY, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 November 30, 2012

	<u>Special Revenue</u>						
	<u>Child Support</u>	<u>Probation Service</u>	<u>Treasurer's Automation</u>	<u>Circuit Clerk Operation & Administration</u>	<u>Township Bridge</u>	<u>VC Trustee Revolving Fund</u>	<u>County Motor Fuel Tax</u>
Cash	\$ 135,397	\$ 460,251	\$ 81,704	\$ 45,277	\$ 147,624	\$ 6,535	\$ 1,322,511
Investments	-	-	-	-	-	-	1,999,816
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	151
Due from other funds	-	9,995	12,020	-	-	-	-
Due from other governments	-	-	-	-	-	-	98,628
TOTAL ASSETS	<u>\$ 135,397</u>	<u>\$ 470,246</u>	<u>\$ 93,724</u>	<u>\$ 45,277</u>	<u>\$ 147,624</u>	<u>\$ 6,535</u>	<u>\$ 3,421,106</u>
LIABILITIES							
Accounts payable	\$ -	\$ 55,779	\$ 2,191	\$ 369	\$ -	\$ 100	\$ 11,056
Due to other funds	-	-	-	-	-	-	110,000
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>55,779</u>	<u>2,191</u>	<u>369</u>	<u>-</u>	<u>100</u>	<u>121,056</u>
FUND BALANCE							
Restricted:							
Retirement	-	-	-	-	-	-	-
General and administrative	-	-	91,533	44,908	-	6,435	-
Public health and education	-	-	-	-	-	-	-
Court services and public safety	135,397	414,467	-	-	-	-	-
Transportation and highway	-	-	-	-	147,624	-	3,300,050
Committed:							
Capital projects	-	-	-	-	-	-	-
Total fund balances	<u>135,397</u>	<u>414,467</u>	<u>91,533</u>	<u>44,908</u>	<u>147,624</u>	<u>6,435</u>	<u>3,300,050</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 135,397</u>	<u>\$ 470,246</u>	<u>\$ 93,724</u>	<u>\$ 45,277</u>	<u>\$ 147,624</u>	<u>\$ 6,535</u>	<u>\$ 3,421,106</u>

VERMILION COUNTY, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 November 30, 2012

	<u>Special Revenue</u>					
	<u>Law Enforcement Grant</u>	<u>Victim Witness Attorney General</u>	<u>Multi- Jurisdictional Narcotics</u>	<u>Home Confinement and Probation</u>	<u>GIS Automation</u>	<u>Drug Court Fee</u>
Cash	\$ 5,892	\$ 34,998	\$ 294	\$ 58,688	\$ 203,611	\$ 38,052
Investments	-	-	-	-	-	-
Receivables:						
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	500	-	-
Due from other governments	-	-	17,161	-	-	-
TOTAL ASSETS	<u>\$ 5,892</u>	<u>\$ 34,998</u>	<u>\$ 17,455</u>	<u>\$ 59,188</u>	<u>\$ 203,611</u>	<u>\$ 38,052</u>
LIABILITIES						
Accounts payable	\$ -	\$ 878	\$ -	\$ 8,094	\$ 6,254	\$ -
Due to other funds	-	-	-	-	-	-
Deferred revenue	5,892	22,887	17,161	-	-	-
Total liabilities	<u>5,892</u>	<u>23,765</u>	<u>17,161</u>	<u>8,094</u>	<u>6,254</u>	<u>-</u>
FUND BALANCE						
Restricted:						
Retirement	-	-	-	-	-	-
General and administrative	-	-	-	-	197,357	-
Public health and education	-	-	-	-	-	-
Court services and public safety	-	11,233	294	51,094	-	38,052
Transportation and highway	-	-	-	-	-	-
Committed:						
Capital projects	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>11,233</u>	<u>294</u>	<u>51,094</u>	<u>197,357</u>	<u>38,052</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,892</u>	<u>\$ 34,998</u>	<u>\$ 17,455</u>	<u>\$ 59,188</u>	<u>\$ 203,611</u>	<u>\$ 38,052</u>

VERMILION COUNTY, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 November 30, 2012

<u>Special Revenue</u>							
	<u>Coroner Automation</u>	<u>Reg. Supt. Direct Services</u>	<u>Board of Elections</u>	<u>Working Cash</u>	<u>States Attorney Automation</u>	<u>Capital Projects</u>	<u>Total</u>
Cash	\$ 13,030	\$ 37,493	\$ 29,043	\$ 184	\$ 878	\$ 11,820	\$ 7,864,494
Investments	-	-	-	288,888	-	250,000	8,925,913
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	3,197,791
Other	-	-	-	19	-	200,124	249,616
Due from other funds	-	-	-	-	-	-	608,942
Due from other governments	-	-	-	-	-	-	911,036
TOTAL ASSETS	<u>\$ 13,030</u>	<u>\$ 37,493</u>	<u>\$ 29,043</u>	<u>\$ 289,091</u>	<u>\$ 878</u>	<u>\$ 461,944</u>	<u>\$ 21,757,792</u>
LIABILITIES							
Accounts payable	\$ 1,442	\$ -	\$ -	\$ -	\$ -	\$ 5,824	\$ 1,044,248
Due to other funds	-	-	-	-	-	-	304,619
Deferred revenue	-	-	-	-	-	-	3,411,347
Total liabilities	<u>1,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,824</u>	<u>4,760,214</u>
FUND BALANCE							
Restricted:							
Retirement	-	-	-	-	-	-	1,918,015
General and administrative	-	37,493	29,043	289,091	-	-	1,258,703
Public health and education	11,588	-	-	-	-	-	1,273,062
Court services and public safety	-	-	-	-	878	-	4,244,521
Transportation and highway	-	-	-	-	-	-	7,847,157
Committed:							
Capital projects	-	-	-	-	-	456,120	456,120
Total fund balances	<u>11,588</u>	<u>37,493</u>	<u>29,043</u>	<u>289,091</u>	<u>878</u>	<u>456,120</u>	<u>16,997,578</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 13,030</u>	<u>\$ 37,493</u>	<u>\$ 29,043</u>	<u>\$ 289,091</u>	<u>\$ 878</u>	<u>\$ 461,944</u>	<u>\$ 21,757,792</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

	<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	\$ 541,339	\$ 763,773	\$ 257,750	\$ -	\$ -	\$ 794,440	\$ -
Intergovernmental	11,351	-	913,465	1,347,927	-	792,683	-
Licenses and permits	-	-	-	-	131,211	-	-
Charges for services	-	-	227,837	-	90,277	-	41,640
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	<u>1,128</u>	<u>2,497</u>	<u>4,086</u>	<u>2,548</u>	<u>168,549</u>	<u>574,316</u>	<u>421</u>
Total revenues	<u>553,818</u>	<u>766,270</u>	<u>1,403,138</u>	<u>1,350,475</u>	<u>390,037</u>	<u>2,161,439</u>	<u>42,061</u>
EXPENDITURES							
General and administrative	338,728	-	-	-	325,718	-	-
Judiciary and court related	234,504	-	-	-	-	-	-
Public safety	295,301	-	-	1,125,702	-	-	-
Public health and education	-	782,897	1,406,415	-	-	-	-
Transportation	-	-	-	-	-	1,667,818	-
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,742</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>868,533</u>	<u>782,897</u>	<u>1,406,415</u>	<u>1,372,444</u>	<u>325,718</u>	<u>1,667,818</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(314,715)</u>	<u>(16,627)</u>	<u>(3,277)</u>	<u>(21,969)</u>	<u>64,319</u>	<u>493,621</u>	<u>42,061</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	50,000	-	-
Operating transfers out	<u>(14,381)</u>	<u>-</u>	<u>(45,000)</u>	<u>(435,763)</u>	<u>-</u>	<u>-</u>	<u>(79,512)</u>
Total other financing sources (uses)	<u>(14,381)</u>	<u>-</u>	<u>(45,000)</u>	<u>(435,763)</u>	<u>50,000</u>	<u>-</u>	<u>(79,512)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(329,096)</u>	<u>(16,627)</u>	<u>(48,277)</u>	<u>(457,732)</u>	<u>114,319</u>	<u>493,621</u>	<u>(37,451)</u>
FUND BALANCE (DEFICIT), BEGINNING 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>
FUND BALANCE, END OF YEAR	<u>\$ 1,455,462</u>	<u>\$ 450,334</u>	<u>\$ 599,344</u>	<u>\$ 2,893,593</u>	<u>\$ 153,112</u>	<u>\$ 2,255,025</u>	<u>\$ 203,301</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

	<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	\$ -	\$ 394,170	\$ -	\$ 50,370	\$ 17,955	\$ 3,505	\$ -
Intergovernmental	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Charges for services	13,764	-	610	-	-	-	69,870
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	14	248	2	84	20	5	205
	<u>13,778</u>	<u>394,418</u>	<u>612</u>	<u>50,454</u>	<u>17,975</u>	<u>3,510</u>	<u>70,075</u>
Total revenues							
	<u>13,778</u>	<u>394,418</u>	<u>612</u>	<u>50,454</u>	<u>17,975</u>	<u>3,510</u>	<u>70,075</u>
EXPENDITURES							
General and administrative	11,759	177,083	1,145	-	-	-	-
Judiciary and court related	-	122,596	-	-	-	-	14,535
Public safety	-	154,380	-	-	-	-	-
Public health and education	-	-	-	20,457	7,709	1,482	-
Transportation	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
	<u>11,759</u>	<u>454,059</u>	<u>1,145</u>	<u>20,457</u>	<u>7,709</u>	<u>1,482</u>	<u>14,535</u>
Total expenditures							
	<u>11,759</u>	<u>454,059</u>	<u>1,145</u>	<u>20,457</u>	<u>7,709</u>	<u>1,482</u>	<u>14,535</u>
Excess (deficiency) of revenues over expenditures	<u>2,019</u>	<u>(59,641)</u>	<u>(533)</u>	<u>29,997</u>	<u>10,266</u>	<u>2,028</u>	<u>55,540</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	(369,924)	-	-	-	-	-
	<u>-</u>	<u>(369,924)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)							
	<u>-</u>	<u>(369,924)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>2,019</u>	<u>(429,565)</u>	<u>(533)</u>	<u>29,997</u>	<u>10,266</u>	<u>2,028</u>	<u>55,540</u>
FUND BALANCE (DEFICIT), BEGINNING 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>
FUND BALANCE, END OF YEAR	<u>\$ 28,746</u>	<u>\$ 462,553</u>	<u>\$ 2,951</u>	<u>\$ 154,832</u>	<u>\$ 45,588</u>	<u>\$ 11,376</u>	<u>\$ 260,825</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

	<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>
REVENUES							
Taxes	\$ 330,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	2,127,355
Licenses and permits	-	-	-	-	-	-	-
Charges for services	-	139,188	151,481	-	46,536	43,093	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	782	92	193	-	72	43	605
	<u>331,764</u>	<u>139,280</u>	<u>151,674</u>	<u>-</u>	<u>46,608</u>	<u>43,136</u>	<u>2,127,960</u>
Total revenues							
	<u>331,764</u>	<u>139,280</u>	<u>151,674</u>	<u>-</u>	<u>46,608</u>	<u>43,136</u>	<u>2,127,960</u>
EXPENDITURES							
General and administrative	-	-	-	-	64,477	16,197	-
Judiciary and court related	-	146,549	107,002	123,193	-	-	-
Public safety	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-
Transportation	216,887	-	-	-	-	-	1,947,164
Capital projects	-	-	-	-	-	-	-
	<u>216,887</u>	<u>146,549</u>	<u>107,002</u>	<u>123,193</u>	<u>64,477</u>	<u>16,197</u>	<u>1,947,164</u>
Total expenditures							
	<u>216,887</u>	<u>146,549</u>	<u>107,002</u>	<u>123,193</u>	<u>64,477</u>	<u>16,197</u>	<u>1,947,164</u>
Excess (deficiency) of revenues over expenditures	<u>114,877</u>	<u>(7,269)</u>	<u>44,672</u>	<u>(123,193)</u>	<u>(17,869)</u>	<u>26,939</u>	<u>180,796</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	132,000	-	-	-
Operating transfers out	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)							
	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>114,877</u>	<u>(7,269)</u>	<u>44,672</u>	<u>8,807</u>	<u>(17,869)</u>	<u>26,939</u>	<u>180,796</u>
FUND BALANCE (DEFICIT), BEGINNING 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>
FUND BALANCE, END OF YEAR	<u>\$ 1,429,355</u>	<u>\$ 139,488</u>	<u>\$ 290,448</u>	<u>\$ 8,752</u>	<u>\$ 101,789</u>	<u>\$ 72,944</u>	<u>\$ 715,103</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

	<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	-	-	-	-	97,231	-	1,669,545
Licenses and permits	-	-	-	-	-	-	-
Charges for services	71,034	172,220	14,180	16,725	-	6,917	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	<u>27</u>	<u>75,307</u>	<u>41</u>	<u>29</u>	<u>51</u>	<u>6</u>	<u>1,998</u>
Total revenues	<u>71,061</u>	<u>247,527</u>	<u>14,221</u>	<u>16,754</u>	<u>97,282</u>	<u>6,923</u>	<u>1,671,543</u>
EXPENDITURES							
General and administrative	-	-	13,380	5,267	-	18,999	-
Judiciary and court related	79,922	326,907	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	1,387,477
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>79,922</u>	<u>326,907</u>	<u>13,380</u>	<u>5,267</u>	<u>-</u>	<u>18,999</u>	<u>1,387,477</u>
Excess (deficiency) of revenues over expenditures	<u>(8,861)</u>	<u>(79,380)</u>	<u>841</u>	<u>11,487</u>	<u>97,282</u>	<u>(12,076)</u>	<u>284,066</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>(8,861)</u>	<u>(79,380)</u>	<u>841</u>	<u>11,487</u>	<u>97,282</u>	<u>(12,076)</u>	<u>284,066</u>
FUND BALANCE (DEFICIT), BEGINNING 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>
FUND BALANCE, END OF YEAR	<u>\$ 135,397</u>	<u>\$ 414,467</u>	<u>\$ 91,533</u>	<u>\$ 44,908</u>	<u>\$ 147,624</u>	<u>\$ 6,435</u>	<u>\$ 3,300,050</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

	<u>Special Revenue</u>					
	<u>Law Enforcement Grant</u>	<u>Victim Witness Attorney General</u>	<u>Multi- Jurisdictional Narcotics</u>	<u>Home Confinement and Probation</u>	<u>GIS Automation</u>	<u>Drug Court Fee</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	9,629	13,320	141,609	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	203,394	-
Fines and forfeits	-	-	-	-	-	13,992
Miscellaneous	8	16	-	24,988	67	8
Total revenues	<u>9,637</u>	<u>13,336</u>	<u>141,609</u>	<u>24,988</u>	<u>203,461</u>	<u>14,000</u>
EXPENDITURES						
General and administrative	-	-	-	-	95,462	-
Judiciary and court related	-	-	-	-	-	-
Public safety	9,637	13,320	141,609	43,296	-	4,999
Public health and education	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Total expenditures	<u>9,637</u>	<u>13,320</u>	<u>141,609</u>	<u>43,296</u>	<u>95,462</u>	<u>4,999</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>16</u>	<u>-</u>	<u>(18,308)</u>	<u>107,999</u>	<u>9,001</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<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>16</u>	<u>-</u>	<u>(18,308)</u>	<u>107,999</u>	<u>9,001</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>-</u>	<u>11,217</u>	<u>294</u>	<u>69,402</u>	<u>89,358</u>	<u>29,051</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 11,233</u>	<u>\$ 294</u>	<u>\$ 51,094</u>	<u>\$ 197,357</u>	<u>\$ 38,052</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

	<u>Special Revenue</u>						
	<u>Coroner Automation</u>	<u>Reg. Supt. Direct Services</u>	<u>Board of Elections</u>	<u>Working Cash</u>	<u>States Attorney Automation</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,154,284
Intergovernmental	-	-	17,893	-	-	-	7,142,008
Licenses and permits	-	-	-	-	-	-	131,211
Charges for services	13,862	-	-	-	-	-	1,322,628
Fines and forfeits	-	-	-	-	878	-	14,870
Miscellaneous	<u>8</u>	<u>182,190</u>	<u>-</u>	<u>179</u>	<u>-</u>	<u>-</u>	<u>1,040,833</u>
Total revenues	<u>13,870</u>	<u>182,190</u>	<u>17,893</u>	<u>179</u>	<u>878</u>	<u>-</u>	<u>12,805,834</u>
EXPENDITURES							
General and administrative	-	161,611	1,121	-	-	-	1,230,947
Judiciary and court related	-	-	-	-	-	-	1,155,208
Public safety	14,971	-	-	-	-	-	1,803,215
Public health and education	-	-	-	-	-	-	2,218,960
Transportation	-	-	-	-	-	-	5,219,346
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,087</u>	<u>320,829</u>
Total expenditures	<u>14,971</u>	<u>161,611</u>	<u>1,121</u>	<u>-</u>	<u>-</u>	<u>74,087</u>	<u>11,948,505</u>
Excess (deficiency) of revenues over expenditures	<u>(1,101)</u>	<u>20,579</u>	<u>16,772</u>	<u>179</u>	<u>878</u>	<u>(74,087)</u>	<u>857,329</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	200,000	382,000
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,554)</u>	<u>-</u>	<u>-</u>	<u>(946,134)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,554)</u>	<u>-</u>	<u>200,000</u>	<u>(564,134)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(1,101)</u>	<u>20,579</u>	<u>16,772</u>	<u>(1,375)</u>	<u>878</u>	<u>125,913</u>	<u>293,195</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>12,689</u>	<u>16,914</u>	<u>12,271</u>	<u>290,466</u>	<u>-</u>	<u>330,207</u>	<u>16,704,383</u>
FUND BALANCE, END OF YEAR	<u>\$ 11,588</u>	<u>\$ 37,493</u>	<u>\$ 29,043</u>	<u>\$ 289,091</u>	<u>\$ 878</u>	<u>\$ 456,120</u>	<u>\$ 16,997,578</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF NET ASSETS
OTHER ENTERPRISE FUNDS
November 30, 2012

ASSETS			
	<u>Vermilion County Farm</u>	<u>Solid Waste Management</u>	<u>Total</u>
CURRENT ASSETS			
Cash	\$ -	\$ 416,859	\$ 416,859
Investments	5,714	-	5,714
Receivables	<u>-</u>	<u>177,866</u>	<u>177,866</u>
Total current assets	<u>5,714</u>	<u>594,725</u>	<u>600,439</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>143,721</u>	<u>143,721</u>
Total noncurrent assets	<u>1,000</u>	<u>2,771</u>	<u>3,771</u>
TOTAL ASSETS	<u>\$ 6,714</u>	<u>\$ 597,496</u>	<u>\$ 604,210</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	<u>\$ -</u>	<u>\$ 19,466</u>	<u>\$ 19,466</u>
NET ASSETS			
Invested in capital assets	1,000	2,771	3,771
Unrestricted	<u>5,714</u>	<u>575,259</u>	<u>580,973</u>
Total net assets	<u>6,714</u>	<u>578,030</u>	<u>584,744</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,714</u>	<u>\$ 597,496</u>	<u>\$ 604,210</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
OTHER ENTERPRISE FUNDS
Year Ended November 30, 2012

	<u>Vermilion County Farm</u>	<u>Solid Waste Management</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ -	\$ 253,171	\$ 253,171
Fines and forfeits	-	300	300
Miscellaneous	<u>81,682</u>	<u>-</u>	<u>81,682</u>
Total operating revenues	<u>81,682</u>	<u>253,471</u>	<u>335,153</u>
OPERATING EXPENSES			
Personnel services	-	196,564	196,564
Supplies and materials	-	2,987	2,987
Other services and charges	54,354	13,297	67,651
Contractual services	-	36,388	36,388
Capital outlay	-	4,732	4,732
Depreciation	<u>-</u>	<u>1,299</u>	<u>1,299</u>
Total operating expenses	<u>54,354</u>	<u>255,267</u>	<u>309,621</u>
Operating income (loss)	27,328	(1,796)	25,532
NON-OPERATING REVENUES			
Interest income	<u>-</u>	<u>569</u>	<u>569</u>
Income (loss) before operating transfers	<u>27,328</u>	<u>(1,227)</u>	<u>26,101</u>
OPERATING TRANSFERS			
Operating transfers in	-	45,000	45,000
Operating transfers out	<u>(140,000)</u>	<u>-</u>	<u>(140,000)</u>
Total operating transfers	<u>(140,000)</u>	<u>45,000</u>	<u>(95,000)</u>
CHANGE IN NET ASSETS	(112,672)	43,773	(68,899)
NET ASSETS, BEGINNING OF YEAR	<u>119,386</u>	<u>534,257</u>	<u>653,643</u>
NET ASSETS, END OF YEAR	<u>\$ 6,714</u>	<u>\$ 578,030</u>	<u>\$ 584,744</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF NET ASSETS (DEFICIT)
INTERNAL SERVICE FUNDS
November 30, 2012

	Health Insurance	General Liability Insurance	Total
CURRENT ASSETS			
Cash	\$ 109,486	\$ 920,908	\$ 1,030,394
Investments	-	1,049,893	1,049,893
Receivables, net	-	618,750	618,750
Accrued interest	-	373	373
Due from other funds	1,160	-	1,160
TOTAL ASSETS	\$ 110,646	\$ 2,589,924	\$ 2,700,570
LIABILITIES			
Accounts payable and accrued liabilities	\$ 300,000	\$ 571,351	\$ 871,351
Deferred revenue	-	618,750	618,750
Total liabilities	300,000	1,190,101	1,490,101
NET ASSETS (DEFICIT)			
Unrestricted net assets	(189,354)	1,399,823	1,210,469
TOTAL LIABILITIES AND NET ASSETS	\$ 110,646	\$ 2,589,924	\$ 2,700,570

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS (DEFICIT)
INTERNAL SERVICE FUNDS
Year Ended November 30, 2012

	<u>Health Insurance</u>	<u>General Liability Insurance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 1,947,170	\$ 345,249	\$ 2,292,419
OPERATING EXPENSES			
Personnel services	<u>2,079,530</u>	<u>841,707</u>	<u>2,921,237</u>
Operating loss	<u>(132,360)</u>	<u>(496,458)</u>	<u>(628,818)</u>
NON-OPERATING REVENUES			
Taxes	-	610,878	610,878
Interest income	<u>15</u>	<u>634</u>	<u>649</u>
Total non-operating revenues	<u>15</u>	<u>611,512</u>	<u>611,527</u>
Income (loss) before operating transfers	<u>(132,345)</u>	<u>115,054</u>	<u>(17,291)</u>
OPERATING TRANSFERS			
Operating transfers in	160,763	-	160,763
Operating transfers out	<u>-</u>	<u>(57,695)</u>	<u>(57,695)</u>
Total operating transfers	<u>160,763</u>	<u>(57,695)</u>	<u>103,068</u>
CHANGE IN NET ASSETS	28,418	57,359	85,777
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(217,772)</u>	<u>1,342,464</u>	<u>1,124,692</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ (189,354)</u>	<u>\$ 1,399,823</u>	<u>\$ 1,210,469</u>

VERMILION COUNTY, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 November 30, 2012

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	\$ 13,619	\$ 5,674,713	\$ 92,131	\$ 86,400	\$ 528,632	\$ 61,289	\$ 40,897	\$ 271,532
Investments	-	-	-	-	500,000	-	-	-
Receivables:								
Taxes, net of allowance for estimated uncollectibles	-	1,336,716	-	-	-	-	-	-
Accrued interest	-	-	-	-	131	-	-	-
Due from other funds	5,624	-	-	-	-	-	-	-
Due from other governments	-	70,379	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 19,243</u>	<u>\$ 7,081,808</u>	<u>\$ 92,131</u>	<u>\$ 86,400</u>	<u>\$ 1,028,763</u>	<u>\$ 61,289</u>	<u>\$ 40,897</u>	<u>\$ 271,532</u>

LIABILITIES

Accounts payable	\$ -	\$ 30,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	10,569	1,266,357	1,160	-	-	-	-	250,000
Due to other governments	-	-	-	86,400	-	-	-	-
Due to others	8,674	-	90,971	-	1,028,763	61,289	40,897	21,532
Due to taxing bodies	-	5,784,773	-	-	-	-	-	-
TOTAL LIABILITIES	<u>\$ 19,243</u>	<u>\$ 7,081,808</u>	<u>\$ 92,131</u>	<u>\$ 86,400</u>	<u>\$ 1,028,763</u>	<u>\$ 61,289</u>	<u>\$ 40,897</u>	<u>\$ 271,532</u>

VERMILION COUNTY, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 November 30, 2012

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	\$ 758	\$ 88,364	\$ 87,261	\$ 30,151	\$ 277,693	\$ 1,686,976	\$ 111,875	\$ 541,069
Investments	-	-	-	-	-	190,000	-	300,000
Receivables:								
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	17
Due from other funds	-	-	-	-	4,808	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Inventory	-	16,403	-	-	-	-	444	-
TOTAL ASSETS	<u>\$ 758</u>	<u>\$ 104,767</u>	<u>\$ 87,261</u>	<u>\$ 30,151</u>	<u>\$ 282,501</u>	<u>\$ 1,876,976</u>	<u>\$ 112,319</u>	<u>\$ 841,086</u>

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,143
Due to other funds	4,007	-	-	-	12,084	257,475	26,286	-
Due to other governments	-	-	-	-	-	88,118	-	-
Due to others	(3,249)	104,767	87,261	30,151	270,417	1,531,383	86,033	-
Due to taxing bodies	-	-	-	-	-	-	-	809,943
TOTAL LIABILITIES	<u>\$ 758</u>	<u>\$ 104,767</u>	<u>\$ 87,261</u>	<u>\$ 30,151</u>	<u>\$ 282,501</u>	<u>\$ 1,876,976</u>	<u>\$ 112,319</u>	<u>\$ 841,086</u>

VERMILION COUNTY, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 November 30, 2012

ASSETS

	Regional Superintendent								Total
	Trustees	Institute	Bus Drivers	G.E.D.	Drug Abuse Prevention	EIU	Fingerprint	Electronic Citation	
Cash	\$ 10,189	\$ 93,514	\$ 6,170	\$ 25,037	\$ 28,754	\$ 71,634	\$ 23,438	\$ 15,089	\$ 9,867,185
Investments	7,000	-	-	-	-	-	-	-	997,000
Receivables:									
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-	-	1,336,716
Accrued interest	-	-	-	-	-	-	-	-	148
Due from other funds	-	-	-	-	-	-	-	-	10,432
Due from other governments	-	-	-	-	-	-	-	-	70,379
Inventory	-	-	-	-	-	-	-	-	16,847
TOTAL ASSETS	<u>\$ 17,189</u>	<u>\$ 93,514</u>	<u>\$ 6,170</u>	<u>\$ 25,037</u>	<u>\$ 28,754</u>	<u>\$ 71,634</u>	<u>\$ 23,438</u>	<u>\$ 15,089</u>	<u>\$ 12,298,707</u>

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,821
Due to other funds	-	-	-	-	-	-	-	-	1,827,938
Due to other governments	-	-	-	-	-	-	-	-	174,518
Due to others	17,189	93,514	6,170	25,037	28,754	71,634	23,438	15,089	3,639,714
Due to taxing bodies	-	-	-	-	-	-	-	-	6,594,716
TOTAL LIABILITIES	<u>\$ 17,189</u>	<u>\$ 93,514</u>	<u>\$ 6,170</u>	<u>\$ 25,037</u>	<u>\$ 28,754</u>	<u>\$ 71,634</u>	<u>\$ 23,438</u>	<u>\$ 15,089</u>	<u>\$ 12,298,707</u>

STATISTICAL INFORMATION

VERMILION COUNTY, ILLINOIS
ASSESSED VALUATION AND TAX EXTENSIONS
Tax Levies 2011, 2010, and 2009
(Unaudited)

	2011		2010		2009	
	<u>Extended in 2012</u>		<u>Extended in 2011</u>		<u>Extended in 2010</u>	
EQUALIZED VALUATION	\$	848,756,717	\$	848,756,717	\$	868,168,785
TAXES EXTENDED						
County (see below)	\$	11,589,132	15.09%	\$	11,646,639	14.88%
Townships and Road Districts		6,178,448	8.04%		6,092,182	7.78%
Cities and villages		8,949,742	11.65%		9,314,987	11.90%
District schools		40,784,726	53.10%		45,890,683	58.64%
High school and junior college		5,092,286	6.63%		1,006,549	1.29%
Sanitary districts		24,608	0.03%		24,556	0.03%
Vermilion County Airport Authority		434,927	0.57%		523,682	0.67%
Fire protection districts		1,600,676	2.08%		1,602,448	2.05%
Cemeteries		105,144	0.14%		104,707	0.13%
Vermilion County Conservation District		990,612	1.29%		988,767	1.27%
Drainage Districts		87,767	0.11%		87,689	0.11%
Libraries, parks, etc.		975,472	1.27%		976,118	1.25%
TOTALS	\$	76,813,540	100.00%	\$	78,259,007	100.00%

	Rate		Rate		Rate	
	Per \$100		Per \$100		Per \$100	
	<u>Extension</u>	<u>Valuation</u>	<u>Extension</u>	<u>Valuation</u>	<u>Extension</u>	<u>Valuation</u>
General County	\$	2,048,708	0.25000	\$	2,121,892	0.25000
County IMRF		500,704	0.06110		1,578,687	0.18600
County Highway		819,483	0.10000		796,983	0.09390
Social Security		400,727	0.04890		500,766	0.05900
County Health		266,332	0.03250		250,383	0.02950
Bridge Fund		340,905	0.04160		341,200	0.04020
Public Safety Building-rental		5,000,487	0.61020		3,769,329	0.44410
Mental Health Board #708		786,704	0.09600		786,797	0.09270
Liability Insurance		625,266	0.07630		700,224	0.08250
Cooperative		99,977	0.01220		100,153	0.01180
Nursing Home		699,839	0.08540		700,224	0.08250
TOTALS	\$	11,589,132	1.41420	\$	11,646,639	1.37220

**ILLINOIS DEPARTMENT OF HUMAN SERVICES
GRANT REPORT**



Grant Allowable Cost Summary

GRANT REPORT for the period July 1 through June 30, 2012

AGENCY NAME: VERMILION COUNTY HEALTH DEPARTMENT

FEIN: 37-6002224

	011G00	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 WIC Farm. Market						
A	Direct Program expenses	\$433,289	\$ 1,292.					\$434,581	
B	Allocate Management and General Costs (Note 1)	28,459	--				-	28,459	
C	SUBTOTAL A & B	\$461,748	\$ 1,292				-0-	\$463,040	
D	Subtract Unallowable costs per page 2	--	--						
E	Add other approved uses (attach documentation)	--	--						
F	TOTAL Allowable costs	\$461,748	\$ 1,292						
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 exceeds the interest revenue. Direct costs are used for salaries, supplies, travel, contractual and equipment (when purchased). However, rent is allocated by using square footage. Full Time Equivalency (FTE) is Page 1 of 2

IL444-2681 (R-4-10) used for other expenses such as phones, postage, etc.



UNALLOWABLE COST REPORT

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

011GQ0 Program Name/Number/Contract Number	1254	0520	DHS Grant-Funded Services		
	Program 1	Program 2	Program 3	Program 4	Program 5
	WIC	WIC-Farmer's			

Unallowable Costs (see instructions)

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: 11/30/12

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, 2012, and have issued our report thereon dated June 12, 2013. 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' 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 County'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 12-01 and 12-02).

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies (Findings 12-03 and 12-04).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vermilion County, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Vermilion County, Illinois' 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' 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 12, 2013

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, 2012. 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, 2012.

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' 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 County'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 County'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.

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.

The image shows a handwritten signature in cursive script that reads "Clifton Larson Allen LLP". The signature is written in black ink and is positioned above the typed name and date.

Danville, Illinois
June 12, 2013

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2012**

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	FCSRE01105	\$ 144,400	\$ -
Supplemental Nutrition Program For Women, Infants, and Children (WIC)	10.557	011GQ01254	289,081	-
Supplemental Nutrition Program for Women, Infants, and Children - Noncash	10.557	None	<u>1,679,103</u>	<u>-</u>
			<u>2,112,584</u>	<u>-</u>
Farmers' Market Nutrition Program	10.572	None	<u>1,000</u>	<u>-</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 2,113,584</u>	<u>\$ -</u>
ENVIRONMENTAL PROTECTION AGENCY				
Brownfield Grant	66.818	None	<u>\$ 140,261</u>	<u>\$ 140,261</u>
Flow-through from Illinois Department of Public Health:				
Performance Partnership Grant	66.605	None	<u>200</u>	<u>-</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>\$ 140,461</u>	<u>\$ 140,261</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Flow-through from Illinois Department of Public Health:				
Terrorism	93.069	None	<u>\$ 66,043</u>	<u>\$ -</u>

VERMILION COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2012

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	\$ 44,687	\$ -
Immunization Grant	93.268	None	<u>30,563</u>	<u>-</u>
			<u>75,250</u>	<u>-</u>
			<u>141,293</u>	<u>-</u>
Flow-through from Illinois Department of Healthcare and Family Services:				
Child Support Enforcement	93.563	None	<u>16,710</u>	<u>-</u>
Flow-through from Illinois State Board of Elections				
VAID IV Grant	93.617	None	3,445	-
VAID Phase III	93.617	None	<u>2,772</u>	<u>-</u>
			<u>6,217</u>	<u>-</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 164,220</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>\$ 11,218</u>	<u>\$ 11,218</u>
DEPARTMENT OF LABOR				
Flow-through from Danville Area Community College:				
Workforce Investment Act Grant – Adult Program	17.258	None	<u>\$ 20,336</u>	<u>\$ -</u>

VERMILION COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2012

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	\$ 31,660	\$ -
DEPARTMENT OF JUSTICE				
Flow-through from Illinois Criminal Justice Information Authority:				
Byrne Formula Grant	16.738	None	\$ 141,609	\$ 141,609
Flow-through from Illinois Department of Human Services:				
ARRA – Justice Assistance Grant	16.803	None	444	-
Flow-through from the City of Danville:				
Edward Byrne Memorial Grant	16.710	None	9,637	-
TOTAL DEPARTMENT OF JUSTICE			\$ 151,690	\$ 141,609
DEPARTMENT OF ELECTION ASSISTANCE COMMISSION				
Flow-through from Illinois State Board of Elections:				
VAID Phase III	90.401	None	\$ 34,242	\$ -
VAID Phase III	90.401	None	17,905	-
			<u>\$ 52,147</u>	<u>\$ -</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,685,316	\$ 293,088

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, 2012

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 2012 these commodities were valued at \$44,687 (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, 2012, these food instruments were valued at \$1,679,103 (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, 2012**

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

Internal control over major programs:
 • Material weaknesses identified? Yes x No
 • Significant deficiencies identified that are not considered
 to be material weaknesses? Yes x No
 Type of auditor’s report issued on compliance for major
 programs: Unqualified opinion

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

Identification of major programs:

CFDA Number(s) Name of Federal Program or Cluster

10.557 Supplemental Nutrition Program for Women, Infants and Children (WIC)

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000
 Auditee qualified as low-risk auditee? Yes x No

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2012**

Section II – Financial Statement Findings

**FINDING NO. 12-01 – 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. We will continue to make changes during fiscal year 2013 which will assist them in performing these functions in the future.

VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2012

Section II – Financial Statement Findings (Continued)

FINDING NO. 12-02 – 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 four 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 four 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 on a timely basis.

Cause: Differences within the bank reconciliations are not being communicated between departments and fully investigated which slows down the reconciliation process.

Recommendation: It is critical that bank reconciliations be completed 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 resolved in a timely manner. A formal review process will aide in opening the lines of communication between departments and add a valuable internal control.

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. Experienced personnel were hired in late 2012. With these personnel additions we do not expect this to continue in 2013. We will continue to communicate with appropriate offices and persons in order to resolve issues in a timely manner.

VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2012

Section II – Financial Statement Findings (Continued)

FINDING NO. 12-03 - 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. As a measure to help with these controls, each office that has bank accounts that are not a part of our financial system turns in a report each month consisting of the bank statements, check copies and reconciliations. This report comes to the County Auditor who reviews each of these and keeps them on file. This has been in place for several years.

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2012**

Section II – Financial Statement Findings (Continued)

FINDING NO. 12-04 - 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 has a deficit fund balance of \$189,354 at fiscal year end.

Effect: Deficit fund balances within the Health Insurance 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: Management has established the special fund (033 Health Insurance) to be a clearing account to pay claims. This fund gets deposits monthly of payroll deductions for insurance and the County's share of the monthly premium from various funds. The money is then transferred as we are billed for claims. Since this is a clearing account only, it is only funded as stated. Any additional that is needed to cover billed claims over what is deposited by premium cost is added at that time through billing the appropriate fund for their share of the submitted claims. Because of the nature of the funding and purpose of the fund, management has no intention to maintain a balance to fund claims that are not due.

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2012**

Section III – Federal Award Findings and Questioned Costs

None to report.

VERMILION COUNTY, ILLINOIS
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
Year Ended November 30, 2012

YEAR ENDED NOVEMBER 30, 2011

FINDING NO. 11-01 – FINANCIAL STATEMENT PREPARATION, INCLUDING ADJUSTMENTS

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.

Condition still exists.

FINDING NO. 11-02 – BANK RECONCILIATIONS

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.

Condition still exists.

FINDING NO. 11-03 – 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. 11-04 – NEGATIVE CASH 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.

Condition still exists for the Health Insurance Fund. Condition has been corrected for the Court Security Fund.

FINDING NO. 11-05 – BANK COLLATERAL COVERAGE

Condition and Context: As of November 30, 2011, \$3,974,677 of the County's bank deposits were not insured or collateralized.

Condition did not exist as of November 30, 2012.

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
Year Ended November 30, 2012**

YEAR ENDED NOVEMBER 30, 2011 (CONTINUED)

**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

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

Condition did not exist in sample selected.