

VERMILION COUNTY, ILLINOIS

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY
INFORMATION**

November 30, 2013



CliftonLarsonAllen

TABLE OF CONTENTS

	PAGE
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	I-XX
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position.....	4
Statement of Activities	5-6
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	7
Reconciliation of the Balance Sheet of Governmental Funds to the Net Position of Governmental Activities	8
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	9-10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	11
Statement of Net Position– Proprietary Funds.....	12
Statement of Revenues, Expenses and Changes in Net Position– Proprietary Funds.....	13
Statement of Cash Flows – Proprietary Fund Types.....	14-15
Statement of Fiduciary Net Position– Fiduciary Funds.....	16
Notes to Financial Statements	17-40

TABLE OF CONTENTS

	PAGE
Required Supplementary Information	41
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	42-43
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Fund – Special Revenue Fund – Public Safety Building Rent.....	44
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Major Fund – Special Revenue Fund Illinois Municipal Retirement	45
Schedules of Funding Progress (Unaudited)	46-48
Notes to Required Supplementary Information.....	49
OTHER SUPPLEMENTARY INFORMATION	50
Combining Balance Sheet – Nonmajor Governmental Funds.....	51-56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Nonmajor Governmental Funds.....	57-62
Combining Statement of Net Position– Nonmajor Enterprise Funds.....	63
Combining Statement of Revenues, Expenses and Changes in Net Position– Nonmajor Enterprise Funds	64
Combining Statement of Net Position (Deficit) – Internal Service Funds	65
Combining Statement of Revenues, Expenses and Changes in Net Position (Deficit) – Internal Service Funds.....	66
Combining Statement of Fiduciary Net Position– Fiduciary Funds.....	67-69
STATISTICAL INFORMATION	70
Assessed Valuation and Tax Extensions (Unaudited).....	71
ILLINOIS DEPARTMENT OF HUMAN SERVICES GRANT REPORT	72
Grant Report.....	73-74

TABLE OF CONTENTS

	PAGE
SINGLE AUDIT REPORTS	75
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	76-77
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	78-79
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	80-82
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	83
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	84-91
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS	92

INDEPENDENT AUDITORS' REPORT

Vermilion County Board
Danville, Illinois

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on the Governmental Activities

Management has not recorded certain capital 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 position, and also impact expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities is not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on the Governmental Activities” paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of Vermilion County, Illinois as of November 30, 2013, or the changes in financial position for the year then ended.

Unmodified Opinions

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 as of November 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Vermilion County’s 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 schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining financial statements, the grant report, 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 basic financial statements. Such 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 basic financial statements or to the basic 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 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014, on our consideration of Vermilion 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 result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Vermilion County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Danville, Illinois
June 27, 2014

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, 2013.

Financial Highlights

- The assets of Vermilion County exceeded its liabilities at the close of the most recent fiscal year by \$32.564 million (*net position*). This is a decrease of approximately \$1.077 million in net position as compared to fiscal year 2011 - 2012. See page VI for further detail.
- Vermilion County sold its Nursing Home effective August 1, 2013. The net proceeds collected for that sale were \$3,092,741, of which only \$92,741 was deposited in to the General Fund for employee health insurance; the remaining proceeds were disbursed amongst the employee retirement funds FICA and IMRF, and the Capital Improvements fund. Please refer to the first bullet point on page VII for additional information regarding the distribution of proceeds.
- The Internal Balances of both the Governmental Activities and Business-Type Activities experienced a change of \$65,362 and were thus zeroed out and removed from the financial statements. This is a result of the Vermilion County Nursing Home satisfying its FICA and IMRF debt to the County.
- As of the close of the current fiscal year, Vermilion County's total governmental funds reported combined ending fund balances of \$34.266 million, an increase of \$3.16 million in comparison with the prior year. Just less than 30% 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 \$10.241 million, approximately 92% of total General Fund annual audited expenditures. This funding percentage is up over the prior fiscal year percentage of 68% primarily due to the sale of Vermilion Manor Nursing Home. The General Fund assumed ownership of the Nursing Home's cash balance of \$1.56 million and its accounts receivable balance of \$430,172 at the conclusion of the fiscal year. Future expenditures related to the Nursing Home will be paid from the General Fund.
- The Public Safety Building (PSB) Rent Fund had a fund balance of \$6,115,486, down \$308,999 from the prior year. This represents slightly more than 55% of the annual audited expenditures. This fund maintains the operations of both the Juvenile Detention Center

(JDC) and the PSB. Management is making every effort to balance the revenues with the expenditures of this fund, progress of which is evidenced by the utilization of fund balance the previous year of \$445,021 as compared with the current year of \$308,999. Management will continue to closely monitor, and strive to balance, this fund to promote its financial stability and liquidity.

- The gain on the sale of Vermilion Manor Nursing Home was \$2,359,744. This is comprised of the proceeds from the sale, \$3,092,741, less the Property and Equipment net of Accumulated Depreciation, \$732,997. All assets remaining in the fund were transferred to the General Fund, leaving a zero net position as of November 30, 2013.

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 position*, formally 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 position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 4 – 6 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 7 – 11 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 County Farm and its Solid Waste Management operations, and formerly used these funds to account for its Nursing Home. *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 former Vermilion County Nursing Home since it was 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 12 – 15 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 16 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 17 – 40 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 42 – 49 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 51 – 69 of this report.

Government-wide Financial Analysis

As noted earlier, net position, formally net assets, may serve over time as a useful indicator of a government's financial position. In the case of Vermilion County, assets exceeded liabilities by \$32.564 million at the close of the most recent fiscal year. The largest portion of Vermilion County's net assets (67%) 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 position* (\$10.715 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 \$10.715 million; \$10.089 million is unrestricted for governmental activities, down \$.399 million from the prior year, and \$0.627 million is unrestricted for business type activities. It should be noted that the unrestricted net assets for the business type activities decreased by \$4.284 million; this is comprised of the sale of the Nursing Home, a decrease of \$4.328 million, Vermilion County Farm which increased by \$25,717, and Solid Waste Management which added \$18,877 to the total net position of business type activities. At the close of the current fiscal year, the entirety of the \$626,517 unrestricted net assets belong to the County Farm (\$31,431) and Solid Waste Management (\$596,907).

At the end of the current fiscal year, Vermilion County is able to report positive balances in all three categories of net position, 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 Position
(Expressed in Thousands)**

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$51,930	\$47,459	\$652	\$5,645	\$52,582	\$53,104
Capital assets	0	0	3	870	3	870
Total assets	51,930	47,459	655	6,515	52,585	53,974
Long-term liabilities outstanding	4,250	4,505	0	0	4,250	4,505
Other liabilities	15,745	14,226	26	1,602	15,771	15,828
Total liabilities	19,995	18,731	26	1,602	20,021	20,333
Net assets:						
Net investment in capital assets	0	0	3	870	3	870
Restricted	21,846	18,240	0	0	21,846	18,240
Unrestricted	10,089	10,488	626	4,043	10,715	14,531
Total net position	\$31,935	\$28,728	\$629	\$4,913	\$32,564	\$33,641

Largely due to the sale of the County Nursing Home, there was a decrease of more than \$732,000 in invested capital assets net of related debt reported in connection with Vermilion County's business-type activities. The total property and equipment written off as a result of this sale was \$7,243,868 less \$6,510,871 of accumulated depreciation, to total \$732,997.

Vermilion County's total net position decreased by \$1,077,390 during the current fiscal year. This is comprised of an increase of Governmental Activities net position of \$3,206,656 and a decrease of Business Type net position of \$4,284,046. This will be further discussed in both the Governmental Activities and Business Type Activities sections of this report.

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

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$3,268	\$3,710	\$6,374	\$10,352	\$9,642	\$14,062
Operating grants and contributions	1,278	1,202	0	0	1,278	1,202
Capital grants and contributions	56	792	0	0	56	792
General revenues:						
Property taxes	10,211	10,159	697	680	10,908	10,839
Other taxes	12,150	10,913	0	0	12,150	10,913
Grants and contributions not restricted to specific programs						
Other	7,963	8,128	2,657	233	10,620	8,361
Total revenues	34,926	34,904	9,728	11,265	44,654	46,169
Expenses:						
General government	6,820	6,799			6,820	6,799
Public safety	15,921	15,444			15,921	15,444
Transportation	6,936	5,219			6,936	5,219
Public Health	2,269	2,219			2,269	2,219
Judiciary/Court related	4,872	4,642			4,872	4,642
Interest on long-term debt	141	144			141	144
Nursing Home			8,444	10,417	8,444	10,417
Nursing Home Farm			70	55	70	55
Solid Waste Management			258	255	258	255
Total expenses	36,959	34,467	8,772	10,727	45,731	45,194
Increase (decrease) in net position before transfers	(2,033)	437	956	538	(1,077)	975
Transfers	5,240		(5,240)		0	
Increase (decrease) in net position	3,207	437	(4,284)	538	(1,077)	975
Net position - 12/01/12	28,728	28,291	4,913	4,375	33,641	32,666
Net position - 11/30/13	\$31,935	\$28,728	\$629	\$4,913	\$32,564	\$33,641

Governmental activities. Governmental activities experienced an increase in net position of \$3,206,656. Noteworthy issues are as follows:

- The combination of Cash and investments increased by \$3,158,401 as compared to the prior fiscal year. This is a result of the proceeds from the sale of the Nursing Home, \$3,092,741, being deposited in governmental funds as follows: \$92,741 to employee health insurance; \$500,000 into employee IMRF Fund; \$750,000 to employee FICA Fund; \$1,750,000 to

Capital Improvements Fund. Another contributor to the increase of cash is that upon the sale of the Nursing Home, governmental activities assumed the cash balance from the Nursing Home of \$1,555,599; a portion of this money, however, will be used to fund expenses that occur subsequent to November 30, 2013 such as Worker's Compensation and Unemployment.

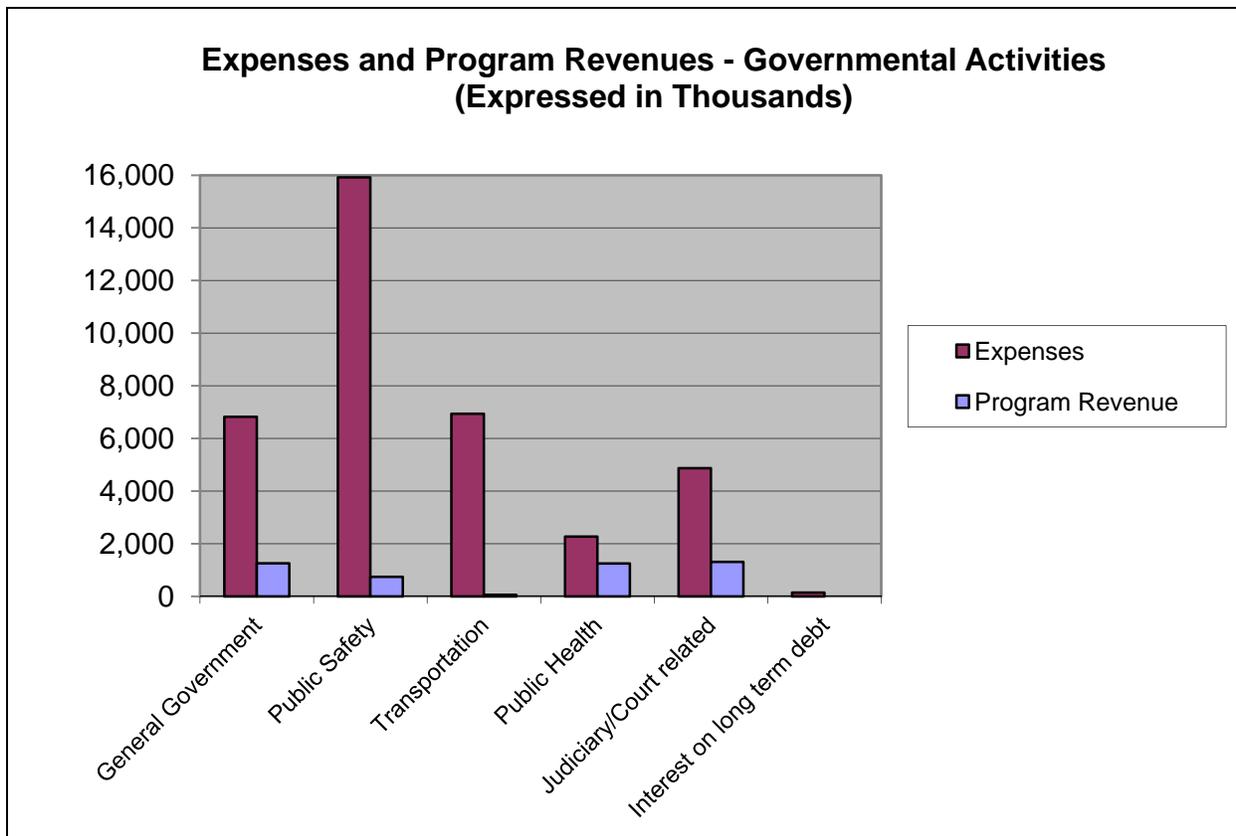
- Taxes receivable for Governmental Activities increased \$1,105,112. This is, in part, a result of the IMRF Fund increasing its levy by more than \$679,000; the total levy for this fund is still approximately \$500,000 short of covering the actual expenses. Additionally, the FICA Fund levy increased by almost \$150,000; however, it too is underfunded by almost \$300,000 as compared to its expenses. The PSB Rent Fund levy increased by \$500,000 in an effort to preserve the fund balance and liquidity of the resources that maintain the PSB and JDC. It is interesting to note that the levy for the General Fund remained the same as the prior year and has, in fact, reached its statutory maximum rate. The Liability Fund levy was reduced by more than \$225,000 this year. It is management's position to utilize fund balance to a point of a small remaining cushion in order to keep the tax burden on the residents at a minimum.
- Due From Other Governments decreased by more than \$128,000 this fiscal year to total \$4,060,565. This is predominantly caused by a decrease of \$100,426 in the amount owed to the PSB Rent Fund, totaling \$1,650,634, as compared to the prior fiscal year. This figure is comprised of \$477,361 owed by the state of Illinois for salary reimbursements and \$1,173,273 owed the PSB Rent Fund by the Danville Public Building Commission, both decreased by \$11,780 and \$88,646, respectively. It is worthy to note that the amount Due From Other Governments owed to the General Fund totals \$1,466,395 and is comprised of \$1,099,010 for state income and sales taxes collected and owed to the County and \$367,385 owed for salary reimbursements; both of these amounts owed by the state are down as compared to last fiscal year by \$58,295 and \$2,318, respectively. Of the amount owed to Vermilion County by the state for both General and PSB Funds, \$515,860 is beyond 60 days tardy and disallowed as an asset.

- Total Liabilities for governmental activities were up by \$1,264,230 for this fiscal year. This is largely due to the tax levy issues regarding the Nursing Home and the PSB. The levy that was previously used to fund the Nursing Home, approximately \$700,000 will be utilized to fund IMRF expenditures and the PSB levy was increased by \$500,000 out of necessity to more closely match operating expenditures. Since these levies won't be collected until the summer of 2014, these numbers are included in the Unearned Revenue which is categorized as a liability. Although the governmental activities experienced an increase in Total Liabilities, the business type activities had a comparable decrease of \$1,576,273 in Total Liabilities.
- 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; this liability remains unchanged from the prior fiscal year to the most recently concluded fiscal year. Please note that the fund balance of the IMRF fund is more than sufficient to cover this liability.
- Vermilion County's total debt decreased by \$102,042 (2.27%) during the current fiscal year to a total of \$4,402,806. This debt is comprised of the following: accumulated paid time off, down more than \$7,600; Other Post Employment Benefits (OPEB) associated with the County's health insurance program, increased by almost \$54,000; 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, reduced by more than \$148,000; and Noncurrent Portion of Pension Obligation, no change.
- Net Position Restricted for Retirement includes FICA Fund and IMRF Fund; these assets increased \$270,673 in the current fiscal year to a total of \$2,188,688. 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. Thus, management deposited \$1,250,000 of the proceeds from the sale of the Nursing Home into the employee retirement funds.
- The Net Position Restricted for Court Services and Public Safety decreased \$566,706 from the prior year to \$5,376,141 (net position less amount related to prepaid items). The majority of the reductions were in the Public Safety Building Rent Fund, (\$308,999) and the Traffic Fee Fund, (\$104,795). Although there was a reduction in the fund balance of the PSB Rent Fund, less fund balance was needed to cover operating expenses; an effort is underway to

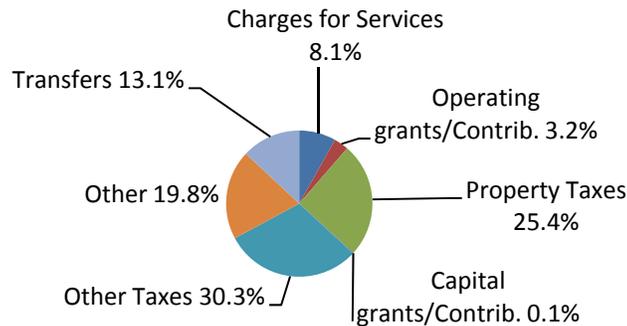
balance revenue with expenditures to preserve these funds that support the Public Safety Building and the Juvenile Detention Center. The reduction in fund balance for the Traffic Fee Fund is a result of a \$170,351 transfer to the General Fund. Per a County Ordinance, a fund balance of \$150,000 should be maintained in that Fund and the remainder transferred to the General Fund to assist in Court related expenditures.

- As of November 30, 2013, the State of Illinois owed Vermilion County's General Fund \$1,466,395 according to the audited balance sheet; this is a reduction in the receivable of \$60,613 as compared to the prior fiscal year. Of this total, \$1,124,359 was collected in a timely fashion and, hence, included in revenue. The remaining \$342,036 is more than 60 days delinquent and included in the liability titled Unearned Revenue; this compares to \$651,419 in fiscal year 2011 - 2012 and \$961,780 in fiscal year 2010 - 2011. Since the \$342,036 was included in receivables and Unearned Revenue, they were omitted from net position. These omitted assets, some dating back to September 2013, are down \$309,383 over the prior year and are categorized as follows: Income Tax, \$32,531; Sales Tax Regular and Supplemental, \$181,775; Probation Salary Reimbursements, \$127,730. All of these funds were subsequently received between January 29, 2014 and April 7, 2014.
- 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. In total, the Internal Service Fund experienced an increase in net position of \$226,514; Health Insurance expenses decreased the net position by \$31,163 while the Liability Insurance Fund increased these assets by \$257,677. The increase is due to lower claims expenses and higher participation in financial support 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 \$2,492,276 higher in fiscal year 12/13 as compared with fiscal year 11/12; this was an increase in expenses of 7.23%. Judiciary and Court Related expenses were up \$230,423 over the prior year, largely due to the transfer from the Traffic Fee fund to the General Fund of \$170,351, which did not occur in fiscal year 11/12. Public Safety expenses increased by \$477,362, \$193,748 of which is a direct result of the increases in the PSB and JDC annual rent payments. Transportation expenses were up \$1,716,985 over last year due to the paving project on Henning Road. The expenditures associated with this project totaled \$1,879,573.

- The transfers from Business Type Activities to Governmental Activities totaled \$5,239,512. The majority of these transfers out were attributable to the sale of the County Nursing Home, a combined \$5,078,512, of which proceeds from the sale were \$3,092,741 and asset transfers of cash and accounts receivable totaled \$1,985,771. The remaining \$161,000 is comprised of the Nursing Home's debt payments of \$156,000, County Farm income transferred out to health insurance of \$50,000 offset by the transfer in of Grant money to the Solid Waste Management division totaling \$45,000.
- Comparing fiscal year 12/13 with fiscal year 11/12, please note the following: Corporate Replacement Tax was up \$176,000; State Sales Tax dollars collected up by almost \$288,000; and State Income Tax Allocation increased approximately \$108,000.

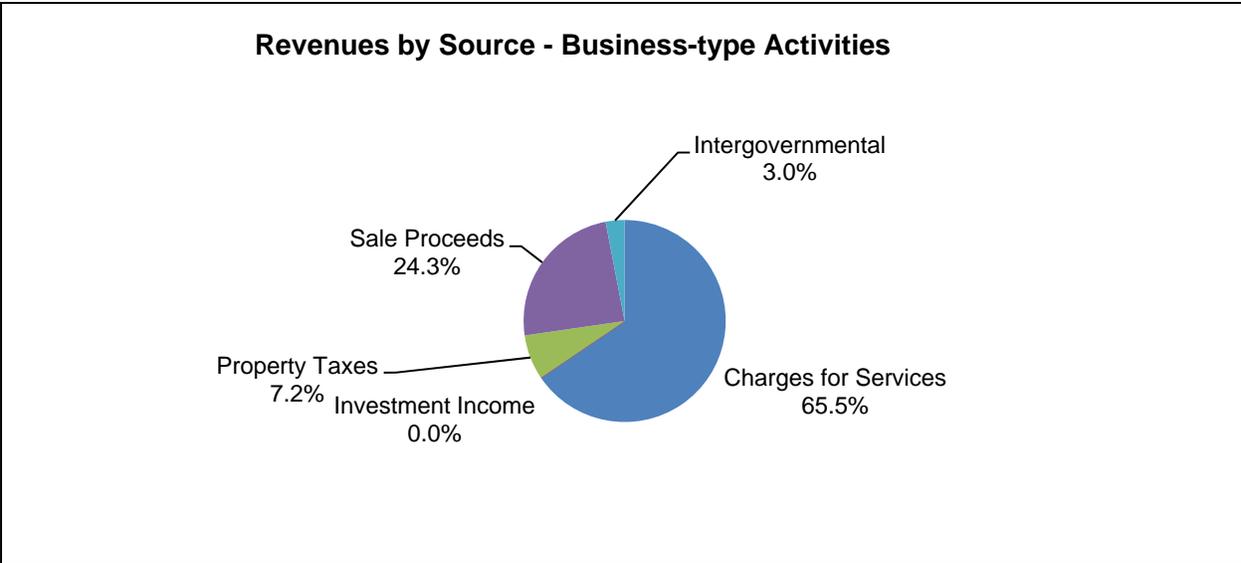
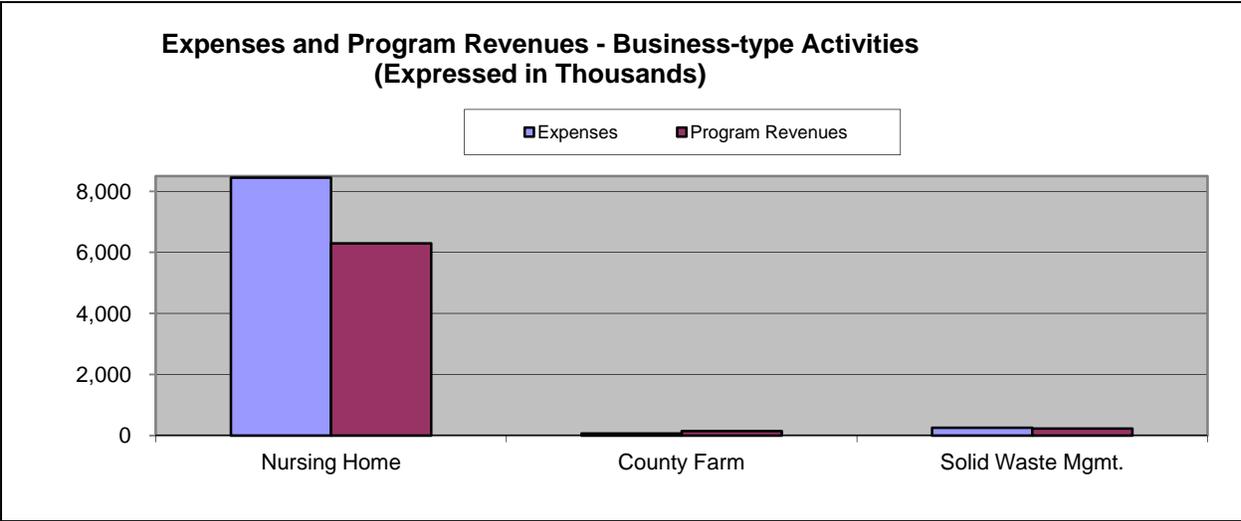


Revenues by Source - Governmental Activities



Business-type activities. Business-type activities experienced a decrease in net position of \$4,284,046 during this fiscal year. Noteworthy issues are as follows:

- Vermilion Manor Nursing Home changed ownership effective August 1, 2013. As a result of this sale, cash of \$1,555,599 and receivables of \$430,172 were transferred to the General Fund. The gain on the sale was recorded at \$2,359,744 which included proceeds of the sale of \$3,092,741 less the property and equipment with a book value of \$732,997. The proceeds of the sale were distributed as follows: \$92,741 employee health insurance fund; \$500,000 IMRF Fund; \$750,000 FICA Fund; \$1,750,000 Capital Improvement Fund.
- Other Enterprise Funds reported an increase of \$44,594 in net position for the current fiscal year. The category of Other Enterprise Funds is comprised of the Vermilion County Farm, an increase in net position of almost \$26,000, and the Solid Waste Management Program, net assets of which increased just less than \$19,000.
- The County Farm had net income from operations of \$75,717 for the fiscal year and transferred \$50,000 of that income to fund employee health insurance. The Solid Waste Management Fund had an operating loss before operating transfers for the fiscal year of \$26,123 but had an increase in net position of \$18,877 due to 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 \$34.266 million, an increase of \$3.164 million in comparison with the prior year. Approximately 30% of this total (\$10.207 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 (\$4.814 million PSB and JDC rent payments), committed for capital projects (\$2.214 million), or *restricted*. *Restricted* funds are not available for new spending because they have already been restricted: 1) to employee retirement funding (\$2.189 million), 2) to general and administrative government (\$1.331 million), 3) for public health and education (\$1.319 million), 4) to court services and public safety (\$5.376 million), and 5) for transportation and highway (\$6.816 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 \$10,241,246, which represents 92.47% of the total annual audited General Fund expenditures of \$11,074,829. This indicates that Vermilion County has roughly 11 months of operating funds in reserve. The prior fiscal year had a fund balance to expenditure ratio of 67.94%. This increase in fund balance to expenditure ratio is predominantly due to the General Fund assuming ownership of the Nursing Home assets, totaling \$1,985,771, and the General Fund reducing its expenditures by \$229,454 as compared to the prior fiscal year.

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 assets of the Vermilion County Nursing Home, \$1,985,771, were transferred to the General Fund. The other enterprise funds, which include the County Farm and Solid Waste Management, had unrestricted assets of \$626,517, an increase of \$44,594. 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 \$1,060,413 for Fiscal Year 2012 – 2013; as budget amendments occurred throughout the year, the final General Fund budget projected a deficit of \$1,273,573. The General Fund actually experienced an increase in Fund Balance of \$2,560,943, to a total of \$10,241,246. It should be noted that the Nursing Home sale directly added

\$2,078,512 to this increase in Fund Balance and that the increase would have been \$482,431 as a result of only General Fund operations throughout fiscal year 2012 - 2013.

Not including transactions related to the sale of the Nursing Home, the General Fund collected revenue of \$12,289,055 in the current fiscal year; this is \$89,462 higher than the final budgeted number and \$312,319 less than the actual revenue from fiscal year 2011 - 2012. The revenue includes operating transfers in of \$408,446 which is comprised of repayments of FICA expense from the Nursing Home of \$156,000 and transfers in to the General Fund from the Traffic Fee Fund, Working Cash Fund and Indemnity Fund totaling \$252,446. The proceeds from the sale of the Nursing Home and the assets moved to the General Fund as a result, increased the Operating Transfers In an additional \$2,078,512 to a total of \$2,486,958. The Actual Transfers Out, considered expenses, totaled \$731,795 and were comprised of the following: \$132,000 to Court Security Fund; \$400,000 to Capital Improvements Fund; \$44,795 to Capital Improvements Fund from Animal Regulation funds; \$155,000 to Animal Regulation Fund. The net effect of the Transfers, including the sale, added \$1,755,163 to the Fund Balance of the General Fund.

Intergovernmental Revenue for this fiscal year was \$669,506 over budget. Some of the contributors to this revenue received versus budgeted, both higher and lower, are the following: State sales tax, in excess of budget by almost \$97,000; State Income Tax, \$409,000 over budget; Corporate Replacement Taxes over by almost \$284,000; and Salary Reimbursements fell short of budgeted figures by \$122,000. Please recall that \$127,729 in salary reimbursements, if paid in a timely manner, would have been included in revenue in fiscal year 2012 - 2013.

The two main categories for the underperformance of revenue for the General Fund are Charges for Services, short of budget by almost \$387,000, and Fines and Forfeitures, under by more than \$90,000. The Charges for Services that were Court related functions which underperformed by a total of approximately \$233,000 include fees charged by Circuit Clerk (\$193,000 short), State's Attorney (\$18,000 under budget) Court Security Fees fell short by \$13,855 and Bond Processing fees underperformed by \$8,360. Additionally, the fees generated by Sheriff's Services were down by \$50,670, most of which was a result of the termination of an intergovernmental agreement between the city and county wherein the city paid the county \$50,000 per year for police protection. This agreement terminated upon the settlement of the dispute regarding the Danville Public Building Commission PSB rebate. Other Charges for Services that fell short were revenues produced by the County Clerk, short almost \$26,000 and those charged by the Recorder's office, under budget by just over \$27,000. Fines fell short by just over \$81,000 and Bond Forfeitures were under budget by more

than \$9,200. It should be noted that these revenues have been declining: fiscal year 2009 - 2010 showed \$407,473 in actual revenue for Fines and Forfeitures; fiscal year 2010 - 2011 collected \$315,926; fiscal year 2011 - 2012 recorded \$254,905 in revenue; and the most current fiscal year, 2012 - 2013, recognized \$234,566. The fiscal year 2013 - 2014 budget recognizes that trend and estimated a combined Fines and Forfeitures revenue of \$300,000.

The actual annual expenditures were \$1,666,542 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 a decrease in expenditures of \$229,454 as compared to the prior fiscal year. Additionally due to their efforts, the General Fund would have had an increase in fund balance of \$482,431, disregarding the sale of the Nursing Home.

Expense appropriations for the General Fund increased \$283,439 throughout the budget year. Of this increase, \$70,279 (25%) was funded by grant dollars and \$213,160 (75%) by fund balance. The grant dollars were sought out and achieved by the County Clerk, \$27,603, the Election Commission, \$16,877, EMA, \$21,174 and the Coroner, \$4,625. A few of the expenditures that required the use of fund balance were:

- \$10,000 Coroner, Autopsy expenses; \$2,800, Personnel expenses.
- \$3,341 increases associated with a Collective Bargaining Unit contract settlements.
- \$147,725 Building and Grounds, to rectify Department of Labor citations and to assume maintenance duties at the Courthouse.
- \$44,795 Animal Regulation, bequests made in 2011 and 2012 transferred to Animal Regulation fund.

As previously mentioned, the actual General Fund expenditures were \$1.667 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, \$174,562; Capital Outlay, \$129,346; County Clerk, \$28,189; Employee Benefits, \$749,139; Election Commission, \$53,678; Building and Grounds, \$133,450; Judiciary and Court related offices, \$112,156; and, Public Safety budgets, \$178,595, which includes the Sheriff's General Fund budget that came in almost \$120,000 under appropriated expenditures. 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, 2013 amounted to \$2,821 (net of accumulated depreciation), down \$867,618 from the prior year due to the sale of the Nursing Home and its assets. This investment in capital assets includes land, buildings and equipment. The amount per each category is displayed below.

Vermilion County's Capital Assets (Net of depreciation)

	Business-type activities	
	2013	2012
Land	\$1,000	\$1,000
Buildings	19,000	5,847,715
Transportation equipment	0	107,042
Recycling equipment	96,610	96,610
Other equipment	30,882	1,338,993
Total	\$147,492	\$7,391,360
Less: Accumulated Depreciation	144,671	6,520,921
Net Capital Assets	\$2,821	\$870,439

Additional information on Vermilion County's capital assets can be found in Note 9 on pages 33 – 34 of this report.

Long-term debt. At the end of the current fiscal year, Vermilion County had total long term obligations of \$4,402,806. 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 which, in fact, did not increase in fiscal year 2012 - 2013.

Vermilion County's Outstanding Debt
Non Current Liabilities

	Governmental activities	
	2013	2012
Accumulated paid time off	\$232,997	\$240,626
Postemployment obligations	392,976	339,352
Noncurrent Portion of Pension Obligations	384,664	384,664
Bond obligations	3,392,169	3,540,206
Total	\$4,402,806	\$4,504,848

Vermilion County's total long term debt decreased by \$102,042 (2.265%) during the current fiscal year. Accumulated paid time off went down \$7,629 as a result of the decrease in work force associated with the sale of the Nursing Home. OPEB obligations grew \$53,624 and Pension obligations remained unchanged as compared to last year. Bond obligations experienced a decrease of \$148,037.

Additional information on Vermilion County's long-term debt can be found in Note 4 on pages 26 – 27 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Vermilion County was 12.2% as of the close of the current fiscal year; this was an increase from a rate of 9.4% a year ago. This information was attained from the IDES website. This compares unfavorably to the state's average unemployment rate of 8.5% (IDES website), and the national average rate of 7.0% (Bureau of Labor Statistics).

- Even though the 2013 – 2014 Fiscal Budget planned for an increase of \$416,694 in the tax levy collected from property owners, a full \$500,000 in additional funding has been allocated to the PSB Rent Fund levy to fund operations at the Juvenile Detention Center and the Public Safety Building. Additionally, the IMRF Fund will recognize an approximate levy increase of \$680,000, which was formerly levied for the Nursing Home, and the FICA Fund an increase of almost \$150,000. The actual extended tax rate for fiscal year 2013 - 2014 increased 1.69% from 1.44860% to 1.47315%, which is an increase of 2.455 cents per one hundred dollars of assessed valuation of property. For a home valued at \$100,000, without exemptions, the taxable value would be \$33,000 and this would translate to approximately \$8.10 additional taxes payable to Vermilion County.
- 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 had declined each year for a total reduction of almost \$77 million to the 12/13 value of \$799,503,942. As of fiscal year 13/14, the county enjoyed a slight increase to \$814,478,791, predominantly due to the addition of wind turbines to the actual Assessed Valuation. We are hopeful that this trend will continue, allowing property values to increase and tax rates to decrease.
- The General Fund has a planned budget deficit of \$1,081,947 for the 2013 – 2014 budget year. The anticipated annual cost for health insurance for 2014 was approximately \$1.7 million which is funded by the General Fund. However, the General Fund has reached its maximum levying ability at the current Estimated Assessed Valuation of \$800,000,000, which translates to an estimated \$2,000,000 in tax levy revenue. As the cost of employee health insurance continues to increase, various funds and departments have agreed to participate in the funding, thus allowing the County to continue to offer health insurance by taking some of the burden off of the General Fund.

All of these factors were considered in preparing Vermilion County's budget for the 2013 – 2014 fiscal year. Management's primary goal in preparing the annual budget has been to maintain or reduce property taxes. While Vermilion County continues to struggle to increase its Assessed Valuation and to seek out alternative funding sources other than property taxes, 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 POSITION
November 30, 2013

	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS			
Cash	\$ 12,093,370	\$ 482,862	\$ 12,576,232
Investments	16,590,452	31,431	16,621,883
Receivables, net	600,523	137,867	738,390
Taxes receivable	11,851,653	-	11,851,653
Accrued interest	51,096	-	51,096
Prepaid items	4,814,019	-	4,814,019
Receivable from external parties	1,868,244	-	1,868,244
Due from other governments	4,060,565	-	4,060,565
Total current assets	51,929,922	652,160	52,582,082
NONCURRENT ASSETS			
Capital assets:			
Land	-	1,000	1,000
Buildings	-	19,000	19,000
Recycling equipment	-	96,610	96,610
Other equipment	-	30,882	30,882
Total, at cost	-	147,492	147,492
Less accumulated depreciation	-	144,671	144,671
Total noncurrent assets	-	2,821	2,821
TOTAL ASSETS	51,929,922	654,981	52,584,903
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	3,518,730	25,643	3,544,373
Unearned revenue	12,073,754	-	12,073,754
Current portion of lease obligations	152,267	-	152,267
Total current liabilities	15,744,751	25,643	15,770,394
NONCURRENT LIABILITIES			
Accumulated paid time off	232,997	-	232,997
Other postemployment benefit obligation	392,976	-	392,976
Pension obligations	384,664	-	384,664
Noncurrent portion of lease obligations	3,239,902	-	3,239,902
Total noncurrent liabilities	4,250,539	-	4,250,539
Total liabilities	19,995,290	25,643	20,020,933
NET POSITION			
Net investment in capital assets	-	2,821	2,821
Restricted for:			
Retirement	2,188,688	-	2,188,688
General and administrative	1,330,682	-	1,330,682
Public health and education	1,319,402	-	1,319,402
Court services and public safety	10,190,160	-	10,190,160
Transportation and highway	6,816,540	-	6,816,540
Unrestricted	10,089,160	626,517	10,715,677
TOTAL NET POSITION	\$ 31,934,632	\$ 629,338	\$ 32,563,970

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended November 30, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
PROGRAMS							
Governmental Activities:							
General government	\$ 6,819,706	\$ 1,270,452	\$ 37,398	\$ -	\$ (5,511,856)	\$ -	\$ (5,511,856)
Judiciary and court related	4,872,145	1,307,548	-	-	(3,564,597)	-	(3,564,597)
Public safety	15,921,347	462,073	219,421	-	(15,239,853)	-	(15,239,853)
Public health	2,269,050	228,101	1,021,437	-	(1,019,512)	-	(1,019,512)
Transportation	6,936,331	-	-	56,271	(6,880,060)	-	(6,880,060)
Interest on long-term debt	141,229	-	-	-	(141,229)	-	(141,229)
Total governmental activities	36,959,808	3,268,174	1,278,256	56,271	(32,357,107)	-	(32,357,107)
Business-Type Activities:							
Nursing Home	8,444,168	6,143,349	-	-	-	(2,300,819)	(2,300,819)
Farm	69,907	-	-	-	-	(69,907)	(69,907)
Solid Waste Management	257,576	230,957	-	-	-	(26,619)	(26,619)
Total business-type activities	8,771,651	6,374,306	-	-	-	(2,397,345)	(2,397,345)
TOTAL	\$ 45,731,459	\$ 9,642,480	\$ 1,278,256	\$ 56,271	(32,357,107)	(2,397,345)	(34,754,452)

General revenues:			
Property taxes	\$ 10,210,470	\$ 696,959	\$ 10,907,429
Corporate personal property replacement taxes	1,358,805	-	1,358,805
State sales taxes	3,646,772	-	3,646,772
State income tax allocation	2,549,843	-	2,549,843
Hotel, restaurant and amusement taxes	2,758	-	2,758
Local motor fuel taxes	4,505,810	-	4,505,810
Inheritance taxes	86,400	-	86,400
Interest/investment income	28,882	907	29,789
Intergovernmental revenues	6,747,686	295,201	7,042,887
Gain on sale of capital assets	-	2,359,744	2,359,744
Miscellaneous	1,186,825	-	1,186,825
Transfers	5,239,512	(5,239,512)	-
	<u>35,563,763</u>	<u>(1,886,701)</u>	<u>33,677,062</u>
Total general revenues and transfers			
Change in net position	3,206,656	(4,284,046)	(1,077,390)
NET POSITION, BEGINNING OF YEAR	<u>28,727,976</u>	<u>4,913,384</u>	<u>33,641,360</u>
NET POSITION, END OF YEAR	<u>\$ 31,934,632</u>	<u>\$ 629,338</u>	<u>\$ 32,563,970</u>

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

VERMILION COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2013

	Major Special Revenue Fund			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Public Safety Building Rent	Illinois Municipal Retirement		
ASSETS					
Cash	\$ 4,214,668	\$ 117,275	\$ -	\$ 7,404,793	\$ 11,736,736
Investments	3,564,647	-	1,400,000	9,675,912	14,640,559
Receivables:					
Taxes, net of allowance for estimated uncollectible	1,980,000	5,445,000	1,188,000	2,842,653	11,455,653
Trade receivables	600,523	-	-	-	600,523
Other	1,831	-	867	46,934	49,632
Prepaid items	-	4,814,019	-	-	4,814,019
Due from other funds	1,859,154	-	-	259,220	2,118,374
Due from other governments	1,466,395	1,650,633	-	943,537	4,060,565
	<u>\$ 13,687,218</u>	<u>\$ 12,026,927</u>	<u>\$ 2,588,867</u>	<u>\$ 21,173,049</u>	<u>\$ 49,476,061</u>
TOTAL ASSETS					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 950,244	\$ 287,978	\$ 138,219	\$ 1,271,281	\$ 2,647,722
Due to other funds	173,692	-	64,354	12,084	250,130
Unearned revenue	2,322,036	5,623,463	1,188,000	3,178,830	12,312,329
	<u>3,445,972</u>	<u>5,911,441</u>	<u>1,390,573</u>	<u>4,462,195</u>	<u>15,210,181</u>
FUND BALANCE					
Nonspendable:					
Prepays	-	4,814,019	-	-	4,814,019
Restricted:					
Retirement	-	-	1,198,294	990,394	2,188,688
General and administrative	-	-	-	1,330,682	1,330,682
Public health and education	-	-	-	1,319,402	1,319,402
Court services and public safety	-	1,301,467	-	4,074,674	5,376,141
Transportation and highway	-	-	-	6,816,540	6,816,540
Committed:					
Capital projects	-	-	-	2,213,666	2,213,666
Unassigned	10,241,246	-	-	(34,504)	10,206,742
	<u>10,241,246</u>	<u>6,115,486</u>	<u>1,198,294</u>	<u>16,710,854</u>	<u>34,265,880</u>
TOTAL LIABILITIES AND FUND BALANCE					
	<u>\$ 13,687,218</u>	<u>\$ 12,026,927</u>	<u>\$ 2,588,867</u>	<u>\$ 21,173,049</u>	<u>\$ 49,476,061</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 POSITION OF GOVERNMENTAL ACTIVITIES
November 30, 2013

Fund balances - total governmental funds		\$ 34,265,880
Amounts reported for governmental activities in the statement of net position 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	\$ 333,021	
State salary receivable	<u>301,554</u>	
Total long-term assets		634,575
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 position.		
		1,436,983
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
		<u>(4,402,806)</u>
Net position of governmental activities		<u>\$ 31,934,632</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, 2013

	Major Funds				
	General Fund	Public Safety Building Rent	Illinois Municipal Retirement	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 1,993,255	\$ 5,006,073	\$ 516,560	\$ 2,694,582	\$ 10,210,470
Intergovernmental	7,435,009	5,747,001	-	7,159,485	20,341,495
Licenses and permits	33,725	-	-	132,239	165,964
Charges for services	1,530,269	-	-	1,318,431	2,848,700
Fines and forfeits	234,566	-	-	18,944	253,510
Miscellaneous	653,785	680	1,918	559,330	1,215,713
Total revenues	<u>11,880,609</u>	<u>10,753,754</u>	<u>518,478</u>	<u>11,883,011</u>	<u>35,035,852</u>
EXPENDITURES					
Current:					
General and administrative	4,393,095	-	497,502	1,240,200	6,130,797
Judiciary and court related	3,598,377	-	344,424	929,343	4,872,145
Public safety	3,083,357	10,773,487	433,720	1,630,784	15,921,347
Public health	-	-	-	2,269,050	2,269,050
Transportation	-	-	-	6,936,331	6,936,331
Capital outlay	-	-	-	642,914	642,914
Debt service:					
Principal	-	148,037	-	-	148,037
Interest	-	141,229	-	-	141,229
Total expenditures	<u>11,074,829</u>	<u>11,062,753</u>	<u>1,275,646</u>	<u>13,648,622</u>	<u>37,061,850</u>
Excess (deficiency) of revenues over expenditures	<u>805,780</u>	<u>(308,999)</u>	<u>(757,168)</u>	<u>(1,765,611)</u>	<u>(2,025,998)</u>

	Major Funds				Total Governmental Funds
	General Fund	Public Safety Building Rent	Illinois Municipal Retirement	Nonmajor Governmental Funds	
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 2,486,958	\$ -	\$ 500,000	\$ 3,231,795	\$ 6,218,753
Transfers out	<u>(731,795)</u>	<u>-</u>	<u>-</u>	<u>(297,446)</u>	<u>(1,029,241)</u>
Total other financing sources (uses)	<u>1,755,163</u>	<u>-</u>	<u>500,000</u>	<u>2,934,349</u>	<u>5,189,512</u>
Net change in fund balance	2,560,943	(308,999)	(257,168)	1,168,738	3,163,514
FUND BALANCE, BEGINNING OF YEAR	<u>7,680,303</u>	<u>6,424,485</u>	<u>1,455,462</u>	<u>15,542,116</u>	<u>31,102,366</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,241,246</u>	<u>\$ 6,115,486</u>	<u>\$ 1,198,294</u>	<u>\$ 16,710,854</u>	<u>\$ 34,265,880</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, 2013

Net change in fund balances - total governmental funds		\$ 3,163,514
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.		
		(285,414)
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	\$ 148,037	
Change in other postemployment benefit obligations	(53,624)	
Change in accumulated paid time off	<u>7,629</u>	
Net adjustment for changes in long-term liabilities.		102,042
Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenue (expenditure) of internal service funds is reported with governmental activities		
		<u>226,514</u>
Change in net position of governmental activities		<u><u>\$ 3,206,656</u></u>

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
November 30, 2013

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Vermilion Manor Nursing Home	Other Enterprise Funds	Total	Internal Service Fund
CURRENT ASSETS				
Cash	\$ -	\$ 482,862	\$ 482,862	\$ 356,634
Investments	-	31,431	31,431	1,949,893
Receivables, net	-	137,867	137,867	396,000
Accrued interest	-	-	-	1,464
Total current assets	-	652,160	652,160	2,703,991
NONCURRENT ASSETS				
Land	-	1,000	1,000	-
Buildings and improvements	-	19,000	19,000	-
Recycling equipment	-	96,610	96,610	-
Other equipment	-	30,882	30,882	-
Total, at cost	-	147,492	147,492	-
Less accumulated depreciation	-	144,671	144,671	-
Total noncurrent assets	-	2,821	2,821	-
TOTAL ASSETS	\$ -	\$ 654,981	\$ 654,981	\$ 2,703,991
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ 25,643	\$ 25,643	\$ 871,008
Unearned revenue	-	-	-	396,000
Total current liabilities	-	25,643	25,643	1,267,008
NET POSITION				
Net investment in capital assets	-	2,821	2,821	-
Unrestricted	-	626,517	626,517	1,436,983
Total net position	-	629,338	629,338	1,436,983
TOTAL LIABILITIES AND NET POSITION	\$ -	\$ 654,981	\$ 654,981	\$ 2,703,991

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended November 30, 2013

	Business-Type Activities Enterprise Funds			Governmental Activities -
	Vermilion Manor Nursing Home	Other Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 6,143,349	\$ 229,457	\$ 6,372,806	\$ 2,542,685
Fines and forfeits	-	1,500	1,500	-
Miscellaneous	149,577	145,624	295,201	-
Total operating revenues	<u>6,292,926</u>	<u>376,581</u>	<u>6,669,507</u>	<u>2,542,685</u>
OPERATING EXPENSES				
Personnel services	4,444,245	202,963	4,647,208	2,990,093
Supplies and materials	394,504	2,490	396,994	-
Other services and charges	1,617,207	84,232	1,701,439	-
Contractual services	1,770,407	32,003	1,802,410	-
Capital outlay	84,134	4,845	88,979	-
Depreciation	133,671	950	134,621	-
Total operating expenses	<u>8,444,168</u>	<u>327,483</u>	<u>8,771,651</u>	<u>2,990,093</u>
Operating income (loss)	<u>(2,151,242)</u>	<u>49,098</u>	<u>(2,102,144)</u>	<u>(447,408)</u>
NON-OPERATING REVENUES				
Taxes	696,959	-	696,959	622,208
Interest income	411	496	907	1,714
Total non-operating revenues	<u>697,370</u>	<u>496</u>	<u>697,866</u>	<u>623,922</u>
Income before transfers	<u>(1,453,872)</u>	<u>49,594</u>	<u>(1,404,278)</u>	<u>176,514</u>
Gain on sale	2,359,744	-	2,359,744	-
Transfers in	-	45,000	45,000	50,000
Transfers out	(5,234,512)	(50,000)	(5,284,512)	-
CHANGE IN NET POSITION	<u>(4,328,640)</u>	<u>44,594</u>	<u>(4,284,046)</u>	<u>226,514</u>
NET POSITION, BEGINNING OF YEAR	<u>4,328,640</u>	<u>584,744</u>	<u>4,913,384</u>	<u>1,210,469</u>
NET POSITION, END OF YEAR	<u>\$ -</u>	<u>\$ 629,338</u>	<u>\$ 629,338</u>	<u>\$ 1,436,983</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, 2013

	Business-Type Activities Enterprise Funds			Governmental Activities
	Vermilion Manor Nursing Home	Other Enterprise Funds	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers including cash deposits	\$ 8,461,098	\$ 416,581	\$ 8,877,679	\$ 2,542,685
Cash paid to suppliers and for claims	(4,561,671)	(117,393)	(4,679,064)	(2,990,436)
Cash paid to employees	(4,638,498)	(202,963)	(4,841,461)	-
Cash received from (paid to) other funds	(65,362)	-	(65,362)	1,160
Net cash provided by (used in) operating activities	(804,433)	96,225	(708,208)	(446,591)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash received for property taxes	696,959	-	696,959	622,208
Cash transfers from (to) other funds	(5,234,512)	(5,000)	(5,239,512)	50,000
Net cash provided by (used in) noncapital financing activities	(4,537,553)	(5,000)	(4,542,553)	672,208
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Sale proceeds	3,092,741	-	3,092,741	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	-	(25,717)	(25,717)	(900,000)
Interest received	411	495	906	623
Net cash provided by (used in) investing activities	411	(25,222)	(24,811)	(899,377)
NET INCREASE (DECREASE) IN CASH	(2,248,834)	66,003	(2,182,831)	(673,760)
CASH, BEGINNING OF YEAR	2,248,834	416,859	2,665,693	1,030,394
CASH, END OF YEAR	\$ -	\$ 482,862	\$ 482,862	\$ 356,634

	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)	\$ (2,151,242)	\$ 49,098	\$ (2,102,144)	\$ (447,408)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	133,671	950	134,621	-
Bad debt expense	1,597,646	-	1,597,646	-
Effects of changes in operating assets and liabilities:				
Receivables	570,526	40,000	610,526	222,750
Accounts payable and accrued liabilities	(889,672)	6,177	(883,495)	(343)
Due to other funds	(65,362)	-	(65,362)	1,160
Unearned revenue	-	-	-	(222,750)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (804,433)</u>	<u>\$ 96,225</u>	<u>\$ (708,208)</u>	<u>\$ (446,591)</u>

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

VERMILION COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
November 30, 2013

		<u>Agency Funds</u>
Cash	\$	8,949,092
Investments		1,297,000
Receivables:		
Taxes, net of allowance for estimated uncollectibles		1,079,465
Accrued interest		789
Due from other funds		16,988
Due from other governments		69,659
Inventory		<u>29,797</u>
 TOTAL ASSETS	 \$	 <u><u>11,442,790</u></u>
 Accounts payable	 \$	 141,869
Due to other funds		1,885,232
Due to other governments		85,088
Due to others		3,710,668
Due to taxing bodies		<u>5,619,933</u>
 TOTAL LIABILITIES	 \$	 <u><u>11,442,790</u></u>

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

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013

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 position 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, 2013

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/net position, revenues, and expenditures/expenses.

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

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

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

Illinois Municipal Retirement Fund - This fund is used to account for the County's retirement funding.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013

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.

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, 2013

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, 2013

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 position. 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.

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 capital 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 CLASSIFICATION

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

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 that was employed when the funds were initially committed.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE CLASSIFICATION (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.

Net Position: Beginning with fiscal year 2013, the County implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

Net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net positions are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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, 2013 was \$1.45 per \$100 of assessed valuation. For budgetary purposes, taxes are recognized as revenue in the period in which they are intended to finance.

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

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

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES (Continued)

Based on collection histories, the County has provided at November 30, 2013 an allowance for uncollectible real property taxes equivalent to 1 percent of the current year's levy.

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 \$35,192,353 and the respective bank balances totaled \$42,619,847. Included in the carrying amount of the County's bank deposits are certificates of deposits totaling \$14,107,421. Also included in the County's carrying amount of bank deposits are money market funds totaling \$120,610.

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, 2013 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;

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

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

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

Custodial Credit Risk - the risk that a government will not be able to cover deposits if the depository financial institution fails or will not be able to recover collateral securities that are in the possession of an outside party. It shall be the policy of the Vermilion County Treasurer to require collateral on all funds. When collateral is required, it must be pledged at 100%. As of November 30, 2013, \$626,888 of the County's deposits were not covered by insurance or collateral and therefore at risk.

Deposits in the Illinois Funds - The State Treasurer maintains the Illinois Treasurer's Investment Pool (Pool) at cost and fair value through daily adjustment in the interest earnings. The State Treasurer also maintains the average duration of the pool at less than 25 days. The Pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. As of November 30, 2013, the County's investment in the Illinois Funds was rated AAAM by Standard and Poor's.

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

The time deposits are collateralized 105% over FDIC and FSLIC \$250,000 insurance with U.S. Treasury obligations and marked to market on a weekly basis to maintain sufficiency. The repurchase agreements are collateralized at 102% with U.S. Treasury obligations and the collateral is checked daily to determine sufficiency. Deposits in the Illinois Funds totaled \$3,557,511 at November 30, 2013.

In addition to the above, the County had \$907,283 invested in certificate of deposits through financial services brokers. These deposits are fully insured.

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013**

NOTE 3 - INTERFUND ACTIVITY

Individual fund interfund receivable and payable (due to/due from other funds) at November 30, 2013 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Governmental Funds		
General Fund	\$ 1,859,154	\$ 173,692
IMRF	-	64,354
Non-Major Governmental Funds	259,220	12,084
Agency Funds	<u>16,988</u>	<u>1,885,232</u>
TOTAL	<u>\$ 2,135,362</u>	<u>\$ 2,135,362</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, 2013 consisted of the following:

Transfers to General Fund from:	
Non-major governmental funds	<u>\$ 252,446</u>
Transfers to Non-major Governmental Funds from:	
General Fund	<u>\$ 731,795</u>
Transfers to General Fund from:	
Nursing Home	<u>\$ 2,234,512</u>
Transfers to Illinois Municipal Retirement Fund from:	
Nursing Home	<u>\$ 500,000</u>
Transfers to Non-major Enterprise Funds from:	
Non-major governmental funds	<u>\$ 45,000</u>
Transfers to Internal Service Funds from:	
Non-major enterprise funds	<u>\$ 50,000</u>

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013**

NOTE 3 - INTERFUND ACTIVITY (CONTINUED)

Transfers to Non-major Government Funds from:

Nursing Home \$ 2,500,000

Transfers are used to (1) move revenues from the fund collecting them to the fund that statute or budget reflects to expend them, (2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) close out the Nursing Home Fund.

NOTE 4 - GENERAL LONG-TERM DEBT

During fiscal year ended November 30, 2013 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, 2013 are as follows:

	Balance November 30, <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	Balance November 30, <u>2013</u>
Accumulated paid time off	\$ 240,626	\$ 1,256	\$ 8,885	\$ 232,997
Pension obligations	384,664	-	-	384,664
Other postemployment benefit obligations	339,352	53,624	-	392,976
Juvenile Detention Center lease	<u>3,540,206</u>	<u>-</u>	<u>148,037</u>	<u>3,392,169</u>
TOTAL	<u>\$ 4,504,848</u>	<u>\$ 54,880</u>	<u>\$ 156,922</u>	<u>\$ 4,402,806</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.

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 capital assets, the value of the property has not been reflected in the financial statements.

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

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013**

NOTE 4 - GENERAL LONG-TERM DEBT (CONTINUED)

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

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

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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	283,826	177,645	106,181
2019-2023	1,802,333	1,408,469	393,864
2024-2026	<u>1,227,799</u>	<u>1,154,691</u>	<u>73,108</u>
TOTAL	<u>\$4,455,971</u>	<u>\$3,392,169</u>	<u>\$ 1,063,802</u>

Interest cost incurred on general long-term debt by the County during the year ended November 30, 2013 totaled \$138,269.

NOTE 5 - 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, 2013

NOTE 5 - 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

2014	\$ 4,951,657
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Lease expense for the year ended November 30, 2013 was \$4,863,797.

NOTE 6 - 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 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 2013 was 37.32 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, 2013, the County's actual contributions for pension cost for the Regular were \$302,593. Its required contribution for calendar year 2013 was \$302,593.

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013**

NOTE 6 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

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

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$ 1,416,046	100%	\$ 280,110
12/31/12	\$ 1,538,626	100%	\$ 280,110
12/31/11	\$ 1,520,723	95%	\$ 280,110

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 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, 2013, the most recent actuarial valuation date, the Regular plan was 100.33 percent funded. The actuarial accrued liability for benefits was \$32,450,826 and the actuarial value of assets was \$32,556,313, resulting in an underfunded actuarial accrued liability (UAAL) of \$105,487. The covered payroll (annual payroll of active employees covered by the plan) was \$13,721,374. Because the plan is overfunded, there is no ratio of the UAAL to covered payroll.

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, 2013**

NOTE 6 - 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 2013 was 19.34 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, 2013, the County’s actual contributions for pension cost for the Sheriff’s Law Enforcement Personnel were \$424,126. Its required contribution for calendar year 2013 was \$424,565.

**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
12/31/13	\$ 424,565	100%	\$ 104,554
12/31/12	\$ 380,590	100%	\$ 104,554
12/31/11	\$ 378,243	90%	\$ 104,554

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 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, 2013, the most recent actuarial valuation date, the Sheriff’s Law Enforcement Personnel plan was 87.40 percent funded. The actuarial accrued liability for benefits was \$10,557,613 and the actuarial value of assets was \$9,227,102, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,330,511. The covered payroll (annual payroll of active employees covered by the plan) was \$2,193,000 and the ratio of the UAAL to the covered payroll was 61 percent.

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013**

NOTE 6 - 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 2013 was 37.32 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 2013 the County’s annual pension cost of \$302,593 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>
12/31/13	\$ 302,593	100%	\$ -
12/31/12	\$ 351,861	100%	\$ -
12/31/11	\$ 333,756	100%	\$ -

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013

NOTE 6 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Defined Benefit Pension Plan – Elected County Officials (Continued)

The required contribution for 2013 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, 2013, the most recent actuarial valuation date, the Elected County Official plan was 49.12 percent funded. The actuarial accrued liability for benefits was \$5,752,003 and the actuarial value of assets was \$2,825,283 resulting in an underfunded actuarial accrued liability (UAAL) of \$2,926,720. The covered payroll (annual payroll of active employees covered by the plan) was \$810,806 and the ratio of the UAAL to the covered payroll was 361 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 7 - 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 8 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures Over Budget

The following fund incurred expenditures in excess of their appropriations:

Illinois Municipal Retirement Fund	\$ 75,646
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VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013

NOTE 8 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Balance

The following individual funds had deficit fund balances as of November 30, 2013:

Health Insurance	\$ 220,517
Township Bridge	34,504

NOTE 9 – CAPITAL ASSETS FOR ENTERPRISE FUNDS

Capital 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, 2013 are as follows:

Nursing Home

	Balance December 1, <u>2012</u>	<u>Additions</u>	<u>Disposals</u>	Balance November 30, <u>2013</u>
Buildings and improvements	\$ 5,828,715	\$ -	\$ 5,828,715	\$ -
Transportation equipment	107,042	-	107,042	-
Other equipment	<u>1,308,111</u>	<u>-</u>	<u>1,308,111</u>	<u>-</u>
	7,243,868	-	7,243,868	-
Less accumulated depreciation	<u>(6,377,200)</u>	<u>(133,671)</u>	<u>6,510,871</u>	<u>-</u>
Total	<u>\$ 866,668</u>	<u>\$ (133,671)</u>	<u>\$ (732,997)</u>	<u>\$ -</u>

On July 31, 2013, the County sold the Vermilion Manor Nursing Home to a private business in the amount of \$3,400,000, less applicable fees. The sale resulted in a net gain in the amount of \$2,359,744. As of November 30, 2013, the remaining assets and net position was transferred to the General Fund, where any additional activity will be reported.

**VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013**

NOTE 9 - CAPITAL ASSETS FOR ENTERPRISE FUNDS (CONTINUED)

County Farm

	Balance December 1, <u>2012</u>	<u>Additions</u>	<u>Disposals</u>	Balance November 30, <u>2013</u>
Land	\$ <u>1,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,000</u>

Solid Waste Management

	Balance December 1, <u>2012</u>	<u>Additions</u>	<u>Disposals</u>	Balance November 30, <u>2013</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>(143,721)</u>	<u>(950)</u>	<u>-</u>	<u>(144,671)</u>
Total	\$ <u>2,771</u>	\$ <u>(950)</u>	\$ <u>-</u>	\$ <u>1,821</u>

The Solid Waste Management Fund is budgeted as part of the County's normal budget process.

NOTE 10 - 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, 2013

NOTE 10 - 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 11 - 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 2013 were \$191,920.

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, 2013 was \$350,050. The liability for claims incurred but not reported was estimated to range between \$193,614 and \$199,480. Based on this range, the County reflected a total liability for unpaid claims in the accompanying financial statements of \$570,780. The liability has been established in the General Liability Insurance Fund.

Changes in the balances of claims liabilities during fiscal year 2013 were as follows:

	<u>2013</u>	<u>2012</u>
Claims liability, beginning balance	\$ 570,780	\$ 357,879
Claims paid, incurred prior to December, 2013	(191,920)	(109,471)
Increase in claims liability for claims incurred prior to December, 2013	<u>191,920</u>	<u>322,372</u>
Claims liability, ending balance	<u><u>\$ 570,780</u></u>	<u><u>\$ 570,780</u></u>

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013

NOTE 11 - 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>2013</u>	<u>2012</u>
Claims liability, beginning balance	\$ 300,000	\$ 250,000
Claims paid, incurred prior to December, 2013	(1,224,877)	(1,356,756)
Increase in claims liability for claims incurred prior to December, 2013	<u>1,224,877</u>	<u>1,406,756</u>
Claims liability, ending balance	<u><u>\$ 300,000</u></u>	<u><u>\$ 300,000</u></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.

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.

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description. In addition to providing the pension benefits described in Note 6, 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, 2013

NOTE 12 - 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, 2013, membership consisted of:

Retirees and beneficiaries currently receiving benefits	11
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>325</u>
Total	<u><u>336</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, 2013 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, 2013. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 was as follows:

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
November 30, 2013	\$ 142,058	\$ -	62.30%	\$ 392,976
November 30, 2012	\$ 144,028	\$ -	40.80%	\$ 339,352
November 30, 2011	\$ 143,522	\$ -	40.80%	\$ 253,945

The net OPEB obligation as of November 30, 2013, was calculated as follows:

Annual required contribution	\$ 139,796
Interest on net OPEB obligation	13,574
Adjustment to annual required contribution	<u>(11,312)</u>
Annual OPEB cost	142,058
Contributions made	<u>88,434</u>
Increase in net OPEB obligation	53,624
Net OPEB obligation, beginning of year	<u>339,352</u>
Net OPEB obligation, end of year	<u>\$ 392,976</u>

Funded Status and Funding Progress. The funded status of the plan as of November 30, 2013, (estimated based on the most recent actuary valuation as of November 30, 2013), was as follows:

Actuarial accrued liability (AAL)	\$ 654,607
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	654,607
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	16,428,344
UAAL as a percentage of covered payroll	3.98%

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, 2013

NOTE 12 - 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, 2013 actuarial valuation, the entry-age normal cost method was used. The actuarial assumptions included a discount rate of 4.0 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 13 - ON-BEHALF PAYMENTS FOR SALARIES

The State of Illinois paid salary stipends to various County officials during fiscal year 2013. 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 \$46,088.

**NOTE 14 - 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, 2014 financial statements include:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued March 2013. 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.

VERMILION COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2013

**NOTE 14 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
STATEMENTS (CONTINUED)**

GASB Statement No. 66, *Technical Corrections – 2013 – an amendment of GASB Statements No. 10 and No. 62*, issued March 2013. 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. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, issued April 2013. The objective of this statement is to enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive financial guarantees. This statement will also enhance the information disclosed about a government's obligations and risk exposure from extending nonexchange financial guarantees.

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 2013. 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.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, issued November 2013. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The effects of these statements have not been determined.

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,993,255	\$ (6,745)
Intergovernmental	6,695,224	6,765,503	7,435,009	669,506
Licenses and permits	25,000	25,000	33,725	8,725
Charges for services	1,917,000	1,917,000	1,530,269	(386,731)
Fines and forfeits	325,000	325,000	234,566	(90,434)
Miscellaneous	660,090	660,090	653,785	(6,305)
	<u>11,622,314</u>	<u>11,692,593</u>	<u>11,880,609</u>	<u>188,016</u>
EXPENDITURES				
Current:				
General Government				
County Board	378,670	378,670	366,959	11,711
County Auditor	133,480	133,480	117,145	16,335
Data Processing	430,678	430,678	405,633	25,045
County Treasurer	206,963	206,963	193,314	13,649
Non-Department Services	391,169	391,169	216,607	174,562
Capital Outlay	160,000	160,000	30,654	129,346
Merit Commission	15,524	15,524	14,301	1,223
Regional Superintendent of Schools	86,258	86,258	81,534	4,724
County Clerk	537,510	565,113	536,924	28,189
County Recorder	176,035	176,903	169,849	7,054
Other	1,528,000	1,528,000	778,861	749,139
Election Commission	292,794	309,671	255,993	53,678
Board of Review	76,883	76,883	65,952	10,931
Supervisor of Assessments	311,171	311,171	294,416	16,755
Buildings and Grounds	850,678	998,403	864,953	133,450
	<u>5,575,813</u>	<u>5,768,886</u>	<u>4,393,095</u>	<u>1,375,791</u>
Judiciary and Court Related				
Circuit Clerk	527,983	532,483	524,517	7,966
States Attorney	1,063,965	1,063,965	1,038,596	25,369
Probation	1,074,354	1,075,780	1,084,984	(9,204)
Judiciary and Rules	428,282	428,282	376,384	51,898
Collection Program	35,935	35,935	35,095	840
Public Defender	574,088	574,088	538,801	35,287
	<u>3,704,607</u>	<u>3,710,533</u>	<u>3,598,377</u>	<u>112,156</u>
Public Safety				
Sheriff	2,751,206	2,751,206	2,631,376	119,830
Emergency Services Disaster Agency	261,976	284,196	236,238	47,958
Coroner	209,125	226,550	215,743	10,807
	<u>3,222,307</u>	<u>3,261,952</u>	<u>3,083,357</u>	<u>178,595</u>
Total expenditures	<u>12,502,727</u>	<u>12,741,371</u>	<u>11,074,829</u>	<u>1,666,542</u>
Excess (deficiency) of revenues over expenditures	<u>(880,413)</u>	<u>(1,048,778)</u>	<u>805,780</u>	<u>1,854,558</u>

VERMILION COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 507,000	\$ 507,000	\$ 2,486,958	\$ 1,979,958
Transfers out	<u>(687,000)</u>	<u>(731,795)</u>	<u>(731,795)</u>	<u>-</u>
Total other financing uses	<u>(180,000)</u>	<u>(224,795)</u>	<u>1,755,163</u>	<u>1,979,958</u>
Net change in fund balance	<u>\$ (1,060,413)</u>	<u>\$ (1,273,573)</u>	2,560,943	<u>\$ 3,834,516</u>
FUND BALANCE, BEGINNING OF YEAR			<u>7,680,303</u>	
FUND BALANCE, END OF YEAR			<u>\$ 10,241,246</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, 2013

	<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	\$ 5,006,073	\$ 6,073
Intergovernmental	5,223,870	5,336,670	5,747,001	410,331
Miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>680</u>	<u>(9,320)</u>
Total revenues	10,233,870	10,346,670	10,753,754	407,084
EXPENDITURES				
Current:				
Public safety	<u>11,378,757</u>	<u>11,491,557</u>	<u>11,062,753</u>	<u>428,804</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,144,887)</u>	<u>\$ (1,144,887)</u>	(308,999)	<u>\$ 835,888</u>
FUND BALANCE, BEGINNING OF YEAR			<u>6,424,485</u>	
FUND BALANCE, END OF YEAR			<u>\$ 6,115,486</u>	

VERMILION COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR FUND - SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT
Year Ended November 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 520,000	\$ 520,000	\$ 516,560	\$ (3,440)
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>1,918</u>	<u>(3,082)</u>
Total revenues	525,000	525,000	518,478	(6,522)
EXPENDITURES				
Current:				
Retirement contributions	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,275,646</u>	<u>(75,646)</u>
Deficiency of revenues over expenditures	(675,000)	(675,000)	(757,168)	(82,168)
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>
Change in fund balance	<u>\$ (675,000)</u>	<u>\$ (675,000)</u>	(257,168)	<u>\$ 417,832</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,455,462</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,198,294</u>	

**VERMILION COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2013**

(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)
12/31/13	\$ 32,556,313	\$ 32,450,826	\$ (105,487)	100.33%	\$ 13,721,374	0.00%
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%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$39,095,097. On a market basis, the funded ratio would be 120.47%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Vermilion County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**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)
12/31/13	\$ 9,227,102	\$ 10,557,613	\$ 1,330,511	87.40%	\$ 2,193,000	60.67%
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%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$10,901,343. On a market basis, the funded ratio would be 103.26%.

**VERMILION COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2013**

(Unaudited)

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

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Vermilion County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**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)
12/31/13	\$ 2,825,283	\$ 5,752,003	\$ 2,926,720	49.12%	\$ 810,806	360.96%
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%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$3,557,971. On a market basis, the funded ratio would be 61.86%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Vermilion County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**VERMILION COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2013**

(Unaudited)

OTHER POST-EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
11/30/13*	\$ -	\$ 654,607	\$ 654,607	0.0%	\$ 16,428,344	3.98%
11/30/11	-	1,185,156	1,185,156	0.0%	16,965,178	6.99%

*Information from the 2013 actuarial study, which is the most recent available. The significant decrease in AAL and UAAL was due to the sale of the Vermilion Manor Nursing Home.

VERMILION COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2013

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.

Expenditures Over Budget

The following fund incurred expenditures in excess of their appropriations:

Illinois Municipal Retirement Fund	\$ 75,646
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OTHER SUPPLEMENTARY INFORMATION

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2013**

	<u>Special Revenue</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	\$ 469,886	\$ 713,215	\$ 279,382	\$ 32,741	\$ 801,020	\$ 2
Investments	-	-	2,399,208	-	1,600,000	138,000
Receivables:						
Taxes, net of allowance for estimated uncollectibles	778,570	262,226	-	-	798,930	-
Other	-	-	43,411	-	503	2
Due from other funds	-	180	-	173,692	-	21,260
Due from other governments	-	156,039	337,177	-	-	-
TOTAL ASSETS	<u>\$ 1,248,456</u>	<u>\$ 1,131,660</u>	<u>\$ 3,059,178</u>	<u>\$ 206,433</u>	<u>\$ 3,200,453</u>	<u>\$ 159,264</u>
LIABILITIES						
Accounts payable	\$ 18,789	\$ 140,407	\$ 67,154	\$ 24,076	\$ 208,911	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	778,570	382,781	118,714	-	798,930	-
Total liabilities	<u>797,359</u>	<u>523,188</u>	<u>185,868</u>	<u>24,076</u>	<u>1,007,841</u>	<u>-</u>
FUND BALANCE						
Restricted:						
Retirement	-	-	-	-	-	-
General and administrative	-	-	-	182,357	-	159,264
Public health and education	451,097	608,472	-	-	-	-
Court services and public safety	-	-	2,873,310	-	-	-
Transportation and highway	-	-	-	-	2,192,612	-
Committed:						
Capital projects	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>451,097</u>	<u>608,472</u>	<u>2,873,310</u>	<u>182,357</u>	<u>2,192,612</u>	<u>159,264</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,248,456</u>	<u>\$ 1,131,660</u>	<u>\$ 3,059,178</u>	<u>\$ 206,433</u>	<u>\$ 3,200,453</u>	<u>\$ 159,264</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2013**

	<u>Special Revenue</u>						
	<u>County Clerk Vital Records</u>	<u>FICA</u>	<u>County Clerk Tax Automation</u>	<u>North Fork Special Service Area 1</u>	<u>North Fork Special Service Area 2</u>	<u>North Fork Special Service Area 3</u>	<u>Traffic Fee</u>
Cash	\$ 28,585	\$ 157,507	\$ 8,335	\$ 185,988	\$ 55,905	\$ 13,317	\$ 320,393
Investments	-	900,000	-	-	-	-	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	594,000	-	49,907	18,807	3,613	-
Other	-	542	-	-	-	-	-
Due from other funds	892	-	-	-	-	-	5,988
Due from other governments	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 29,477</u>	<u>\$ 1,652,049</u>	<u>\$ 8,335</u>	<u>\$ 235,895</u>	<u>\$ 74,712</u>	<u>\$ 16,930</u>	<u>\$ 326,381</u>
LIABILITIES							
Accounts payable	\$ -	\$ 67,655	\$ -	\$ 855	\$ 322	\$ 62	\$ 170,351
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	594,000	-	49,907	18,807	3,613	-
Total liabilities	<u>-</u>	<u>661,655</u>	<u>-</u>	<u>50,762</u>	<u>19,129</u>	<u>3,675</u>	<u>170,351</u>
FUND BALANCE							
Restricted:							
Retirement	-	990,394	-	-	-	-	-
General and administrative	29,477	-	8,335	-	-	-	-
Public health and education	-	-	-	185,133	55,583	13,255	-
Court services and public safety	-	-	-	-	-	-	156,030
Transportation and highway	-	-	-	-	-	-	-
Committed:							
Capital projects	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>29,477</u>	<u>990,394</u>	<u>8,335</u>	<u>185,133</u>	<u>55,583</u>	<u>13,255</u>	<u>156,030</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 29,477</u>	<u>\$ 1,652,049</u>	<u>\$ 8,335</u>	<u>\$ 235,895</u>	<u>\$ 74,712</u>	<u>\$ 16,930</u>	<u>\$ 326,381</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2013**

	Special Revenue						
	County Bridge	Court Document Storage	Court Automation	Court Security	Recorder's Special Fee	Law Library	Township Motor Fuel Tax
Cash	\$ 521,743	\$ 208,579	\$ 247,033	\$ 18,775	\$ 180,559	\$ 90,764	\$ 536,279
Investments	700,000	-	-	-	-	-	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	336,600	-	-	-	-	-	-
Other	699	-	-	-	-	-	-
Due from other funds	-	10,146	10,206	-	3,230	2,954	-
Due from other governments	-	-	-	-	-	-	310,853
TOTAL ASSETS	<u>\$ 1,559,042</u>	<u>\$ 218,725</u>	<u>\$ 257,239</u>	<u>\$ 18,775</u>	<u>\$ 183,789</u>	<u>\$ 93,718</u>	<u>\$ 847,132</u>
LIABILITIES							
Accounts payable	\$ 14,602	\$ 69,847	\$ 2,435	\$ 4,931	\$ 25,347	\$ 2,856	\$ 72,806
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	336,600	-	-	-	-	-	-
Total liabilities	<u>351,202</u>	<u>69,847</u>	<u>2,435</u>	<u>4,931</u>	<u>25,347</u>	<u>2,856</u>	<u>72,806</u>
FUND BALANCE							
Restricted:							
Retirement	-	-	-	-	-	-	-
General and administrative	-	-	-	-	158,442	90,862	-
Public health and education	-	-	-	-	-	-	-
Court services and public safety	-	148,878	254,804	13,844	-	-	-
Transportation and highway	1,207,840	-	-	-	-	-	774,326
Committed:							
Capital projects	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>1,207,840</u>	<u>148,878</u>	<u>254,804</u>	<u>13,844</u>	<u>158,442</u>	<u>90,862</u>	<u>774,326</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,559,042</u>	<u>\$ 218,725</u>	<u>\$ 257,239</u>	<u>\$ 18,775</u>	<u>\$ 183,789</u>	<u>\$ 93,718</u>	<u>\$ 847,132</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2013**

	Special Revenue						
	Child Support	Probation Service	Treasurer's Automation	Circuit Clerk Operation & Administration	Township Bridge	VC Trustee Revolving Fund	County Motor Fuel Tax
Cash	\$ 129,311	\$ 442,390	\$ 80,820	\$ 52,746	\$ -	\$ 28,044	\$ 700,824
Investments	-	-	-	-	-	-	1,899,816
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	1,158
Due from other funds	-	14,458	10,630	-	-	-	-
Due from other governments	-	-	-	-	-	-	79,493
TOTAL ASSETS	<u>\$ 129,311</u>	<u>\$ 456,848</u>	<u>\$ 91,450</u>	<u>\$ 52,746</u>	<u>\$ -</u>	<u>\$ 28,044</u>	<u>\$ 2,681,291</u>
LIABILITIES							
Accounts payable	\$ 3,436	\$ 71,438	\$ 969	\$ 452	\$ 22,420	\$ -	\$ 39,529
Due to other funds	-	-	-	-	12,084	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>3,436</u>	<u>71,438</u>	<u>969</u>	<u>452</u>	<u>34,504</u>	<u>-</u>	<u>39,529</u>
FUND BALANCE							
Restricted:							
Retirement	-	-	-	-	-	-	-
General and administrative	-	-	90,481	52,294	-	28,044	-
Public health and education	-	-	-	-	-	-	-
Court services and public safety	125,875	385,410	-	-	-	-	-
Transportation and highway	-	-	-	-	-	-	2,641,762
Committed:							
Capital projects	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,504)</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>125,875</u>	<u>385,410</u>	<u>90,481</u>	<u>52,294</u>	<u>(34,504)</u>	<u>28,044</u>	<u>2,641,762</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 129,311</u>	<u>\$ 456,848</u>	<u>\$ 91,450</u>	<u>\$ 52,746</u>	<u>\$ -</u>	<u>\$ 28,044</u>	<u>\$ 2,681,291</u>

VERMILION COUNTY, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 November 30, 2013

	<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	\$ 16,634	\$ 32,428	\$ 294	\$ 60,069	\$ 198,017	\$ 40,972
Investments	-	-	-	-	-	-
Receivables:						
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	5,584	-	-
Due from other governments	-	-	59,975	-	-	-
TOTAL ASSETS	<u>\$ 16,634</u>	<u>\$ 32,428</u>	<u>\$ 60,269</u>	<u>\$ 65,653</u>	<u>\$ 198,017</u>	<u>\$ 40,972</u>
LIABILITIES						
Accounts payable	\$ -	\$ 885	\$ -	\$ 7,124	\$ 12,030	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	16,634	20,299	59,975	-	-	-
Total liabilities	<u>16,634</u>	<u>21,184</u>	<u>59,975</u>	<u>7,124</u>	<u>12,030</u>	<u>-</u>
FUND BALANCE						
Restricted:						
Retirement	-	-	-	-	-	-
General and administrative	-	-	-	-	185,987	-
Public health and education	-	-	-	-	-	-
Court services and public safety	-	11,244	294	58,529	-	40,972
Transportation and highway	-	-	-	-	-	-
Committed:						
Capital projects	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>-</u>	<u>11,244</u>	<u>294</u>	<u>58,529</u>	<u>185,987</u>	<u>40,972</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 16,634</u>	<u>\$ 32,428</u>	<u>\$ 60,269</u>	<u>\$ 65,653</u>	<u>\$ 198,017</u>	<u>\$ 40,972</u>

**VERMILION COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2013**

<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	\$ 6,508	\$ 21,658	\$ 34,474	\$ -	\$ 5,484	\$ 684,112	\$ 7,404,793
Investments	-	-	-	288,888	-	1,750,000	9,675,912
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	2,842,653
Other	-	-	-	119	-	500	46,934
Due from other funds	-	-	-	-	-	-	259,220
Due from other governments	-	-	-	-	-	-	943,537
TOTAL ASSETS	<u>\$ 6,508</u>	<u>\$ 21,658</u>	<u>\$ 34,474</u>	<u>\$ 289,007</u>	<u>\$ 5,484</u>	<u>\$ 2,434,612</u>	<u>\$ 21,173,049</u>
LIABILITIES							
Accounts payable	\$ 646	\$ -	\$ -	\$ -	\$ -	\$ 220,946	\$ 1,271,281
Due to other funds	-	-	-	-	-	-	12,084
Unearned revenue	-	-	-	-	-	-	3,178,830
Total liabilities	<u>646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,946</u>	<u>4,462,195</u>
FUND BALANCE							
Restricted:							
Retirement	-	-	-	-	-	-	990,394
General and administrative	-	21,658	34,474	289,007	-	-	1,330,682
Public health and education	5,862	-	-	-	-	-	1,319,402
Court services and public safety	-	-	-	-	5,484	-	4,074,674
Transportation and highway	-	-	-	-	-	-	6,816,540
Committed:							
Capital projects	-	-	-	-	-	2,213,666	2,213,666
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,504)</u>
Total fund balance (deficit)	<u>5,862</u>	<u>21,658</u>	<u>34,474</u>	<u>289,007</u>	<u>5,484</u>	<u>2,213,666</u>	<u>16,710,854</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,508</u>	<u>\$ 21,658</u>	<u>\$ 34,474</u>	<u>\$ 289,007</u>	<u>\$ 5,484</u>	<u>\$ 2,434,612</u>	<u>\$ 21,173,049</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2013

	<u>Special Revenue</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	\$ 782,927	\$ 259,053	\$ -	\$ -	\$ 797,086	\$ -
Intergovernmental	-	1,021,437	1,372,634	-	56,271	-
Licenses and permits	-	-	-	132,239	-	-
Charges for services	-	228,101	-	86,972	-	37,561
Fines and forfeits	-	-	-	-	-	-
Miscellaneous	534	1,873	3,109	15,549	167,864	127
	<u>783,461</u>	<u>1,510,464</u>	<u>1,375,743</u>	<u>234,760</u>	<u>1,021,221</u>	<u>37,688</u>
Total revenues						
EXPENDITURES						
General and administrative	-	-	-	405,310	-	-
Judiciary and court related	-	-	-	-	-	-
Public safety	-	-	1,146,025	-	-	-
Public health and education	782,698	1,456,336	-	-	-	-
Transportation	-	-	-	-	1,083,634	-
Capital projects	-	-	250,001	-	-	-
	<u>782,698</u>	<u>1,456,336</u>	<u>1,396,026</u>	<u>405,310</u>	<u>1,083,634</u>	<u>-</u>
Total expenditures						
Excess (deficiency) of revenues over expenditures	<u>763</u>	<u>54,128</u>	<u>(20,283)</u>	<u>(170,550)</u>	<u>(62,413)</u>	<u>37,688</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	199,795	-	-
Transfers out	-	(45,000)	-	-	-	(81,725)
	<u>-</u>	<u>(45,000)</u>	<u>-</u>	<u>199,795</u>	<u>-</u>	<u>(81,725)</u>
Total other financing sources (uses)						
Net change in fund balance	763	9,128	(20,283)	29,245	(62,413)	(44,037)
FUND BALANCE, BEGINNING OF YEAR	<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>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 451,097</u>	<u>\$ 608,472</u>	<u>\$ 2,873,310</u>	<u>\$ 182,357</u>	<u>\$ 2,192,612</u>	<u>\$ 159,264</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2013

	<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	\$ -	\$ 444,425	\$ -	\$ 50,958	\$ 17,783	\$ 3,377	\$ -
Intergovernmental	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Charges for services	12,680	-	5,382	-	-	-	73,116
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	9	924	2	53	16	4	237
	<u>12,689</u>	<u>445,349</u>	<u>5,384</u>	<u>51,011</u>	<u>17,799</u>	<u>3,381</u>	<u>73,353</u>
Total revenues							
EXPENDITURES							
General and administrative	11,958	260,328	-	-	-	-	-
Judiciary and court related	-	180,227	-	-	-	-	7,797
Public safety	-	226,953	-	-	-	-	-
Public health and education	-	-	-	20,710	7,804	1,502	-
Transportation	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
	<u>11,958</u>	<u>667,508</u>	<u>-</u>	<u>20,710</u>	<u>7,804</u>	<u>1,502</u>	<u>7,797</u>
Total expenditures							
Excess (deficiency) of revenues over expenditures	731	(222,159)	5,384	30,301	9,995	1,879	65,556
OTHER FINANCING SOURCES (USES)							
Transfers in	-	750,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(170,351)
	<u>-</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(170,351)</u>
Total other financing sources (uses)							
Net change in fund balance	731	527,841	5,384	30,301	9,995	1,879	(104,795)
FUND BALANCE, BEGINNING 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>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 29,477</u>	<u>\$ 990,394</u>	<u>\$ 8,335</u>	<u>\$ 185,133</u>	<u>\$ 55,583</u>	<u>\$ 13,255</u>	<u>\$ 156,030</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2013

	<u>Special Revenue</u>						
	<u>County</u> <u>Bridge</u>	<u>Court</u> <u>Document</u> <u>Storage</u>	<u>Court</u> <u>Automation</u>	<u>Court</u> <u>Security</u>	<u>Recorder's</u> <u>Special Fee</u>	<u>Law</u> <u>Library</u>	<u>Township</u> <u>Motor</u> <u>Fuel Tax</u>
REVENUES							
Taxes	\$ 338,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	1,938,677
Licenses and permits	-	-	-	-	-	-	-
Charges for services	-	134,981	125,607	-	92,158	35,680	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	1,758	57	199	23	49	65	133
	<u>340,731</u>	<u>135,038</u>	<u>125,806</u>	<u>23</u>	<u>92,207</u>	<u>35,745</u>	<u>1,938,810</u>
Total revenues							
EXPENDITURES							
General and administrative	-	-	-	-	35,554	17,827	-
Judiciary and court related	-	125,648	161,450	126,931	-	-	-
Public safety	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-
Transportation	562,246	-	-	-	-	-	1,879,587
Capital projects	-	-	-	-	-	-	-
	<u>562,246</u>	<u>125,648</u>	<u>161,450</u>	<u>126,931</u>	<u>35,554</u>	<u>17,827</u>	<u>1,879,587</u>
Total expenditures							
Excess (deficiency) of revenues over expenditures	<u>(221,515)</u>	<u>9,390</u>	<u>(35,644)</u>	<u>(126,908)</u>	<u>56,653</u>	<u>17,918</u>	<u>59,223</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	132,000	-	-	-
Transfers out	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)							
Net change in fund balance	(221,515)	9,390	(35,644)	5,092	56,653	17,918	59,223
FUND BALANCE, BEGINNING 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>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 1,207,840</u>	<u>\$ 148,878</u>	<u>\$ 254,804</u>	<u>\$ 13,844</u>	<u>\$ 158,442</u>	<u>\$ 90,862</u>	<u>\$ 774,326</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2013

	<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	-	18,500	-	-	54,705	-	2,512,428
Licenses and permits	-	-	-	-	-	-	-
Charges for services	64,377	166,313	12,480	18,091	-	34,745	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	28	39,493	30	38	63	3,045	3,252
	<u>64,405</u>	<u>224,306</u>	<u>12,510</u>	<u>18,129</u>	<u>54,768</u>	<u>37,790</u>	<u>2,515,680</u>
EXPENDITURES							
General and administrative	-	-	13,562	10,743	-	16,181	-
Judiciary and court related	73,927	253,363	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-
Transportation	-	-	-	-	236,896	-	3,173,968
Capital projects	-	-	-	-	-	-	-
	<u>73,927</u>	<u>253,363</u>	<u>13,562</u>	<u>10,743</u>	<u>236,896</u>	<u>16,181</u>	<u>3,173,968</u>
Excess (deficiency) of revenues over expenditures	<u>(9,522)</u>	<u>(29,057)</u>	<u>(1,052)</u>	<u>7,386</u>	<u>(182,128)</u>	<u>21,609</u>	<u>(658,288)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
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>
Net change in fund balance	(9,522)	(29,057)	(1,052)	7,386	(182,128)	21,609	(658,288)
FUND BALANCE, BEGINNING 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>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 125,875</u>	<u>\$ 385,410</u>	<u>\$ 90,481</u>	<u>\$ 52,294</u>	<u>\$ (34,504)</u>	<u>\$ 28,044</u>	<u>\$ 2,641,762</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2013

	<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	5,875	23,000	141,215	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	175,886	-
Fines and forfeits	-	-	-	-	-	14,339
Miscellaneous	9	11	-	63,693	67	-
	<u>5,884</u>	<u>23,011</u>	<u>141,215</u>	<u>63,693</u>	<u>175,953</u>	<u>14,339</u>
Total revenues	<u>5,884</u>	<u>23,011</u>	<u>141,215</u>	<u>63,693</u>	<u>175,953</u>	<u>14,339</u>
EXPENDITURES						
General and administrative	-	-	-	-	187,323	-
Judiciary and court related	-	-	-	-	-	-
Public safety	5,884	23,000	141,215	56,258	-	11,419
Public health and education	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
	<u>5,884</u>	<u>23,000</u>	<u>141,215</u>	<u>56,258</u>	<u>187,323</u>	<u>11,419</u>
Total expenditures	<u>5,884</u>	<u>23,000</u>	<u>141,215</u>	<u>56,258</u>	<u>187,323</u>	<u>11,419</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>11</u>	<u>-</u>	<u>7,435</u>	<u>(11,370)</u>	<u>2,920</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
	<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>
Net change in fund balance	-	11	-	7,435	(11,370)	2,920
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>11,233</u>	<u>294</u>	<u>51,094</u>	<u>197,357</u>	<u>38,052</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ 11,244</u>	<u>\$ 294</u>	<u>\$ 58,529</u>	<u>\$ 185,987</u>	<u>\$ 40,972</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2013

	<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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,694,582
Intergovernmental	-	-	14,743	-	-	-	7,159,485
Licenses and permits	-	-	-	-	-	-	132,239
Charges for services	14,301	-	-	-	-	-	1,318,431
Fines and forfeits	-	-	-	-	4,605	-	18,944
Miscellaneous	3	256,265	2	286	1	459	559,330
	<u>14,304</u>	<u>256,265</u>	<u>14,745</u>	<u>286</u>	<u>4,606</u>	<u>459</u>	<u>11,883,011</u>
Total revenues							
EXPENDITURES							
General and administrative	-	272,100	9,314	-	-	-	1,240,200
Judiciary and court related	-	-	-	-	-	-	929,343
Public safety	20,030	-	-	-	-	-	1,630,784
Public health and education	-	-	-	-	-	-	2,269,050
Transportation	-	-	-	-	-	-	6,936,331
Capital projects	-	-	-	-	-	392,913	642,914
	<u>20,030</u>	<u>272,100</u>	<u>9,314</u>	<u>-</u>	<u>-</u>	<u>392,913</u>	<u>13,648,622</u>
Total expenditures							
Excess (deficiency) of revenues over expenditures	<u>(5,726)</u>	<u>(15,835)</u>	<u>5,431</u>	<u>286</u>	<u>4,606</u>	<u>(392,454)</u>	<u>(1,765,611)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	2,150,000	3,231,795
Transfers out	-	-	-	(370)	-	-	(297,446)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(370)</u>	<u>-</u>	<u>2,150,000</u>	<u>2,934,349</u>
Total other financing sources (uses)							
Net change in fund balance	(5,726)	(15,835)	5,431	(84)	4,606	1,757,546	1,168,738
FUND BALANCE, BEGINNING 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>15,542,116</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 5,862</u>	<u>\$ 21,658</u>	<u>\$ 34,474</u>	<u>\$ 289,007</u>	<u>\$ 5,484</u>	<u>\$ 2,213,666</u>	<u>\$ 16,710,854</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF NET POSITION
OTHER ENTERPRISE FUNDS
November 30, 2013

ASSETS

	<u>Vermilion County Farm</u>	<u>Solid Waste Management</u>	<u>Total</u>
CURRENT ASSETS			
Cash	\$ -	\$ 482,862	\$ 482,862
Investments	31,431	-	31,431
Receivables	<u>-</u>	<u>137,867</u>	<u>137,867</u>
Total current assets	<u>31,431</u>	<u>620,729</u>	<u>652,160</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>144,671</u>	<u>144,671</u>
Total noncurrent assets	<u>1,000</u>	<u>1,821</u>	<u>2,821</u>
TOTAL ASSETS	<u>32,431</u>	<u>622,550</u>	<u>654,981</u>
CURRENT LIABILITIES			
Accounts payable	<u>-</u>	<u>25,643</u>	<u>25,643</u>
NET POSITION			
Net investment in capital assets	1,000	1,821	2,821
Unrestricted	<u>31,431</u>	<u>595,086</u>	<u>626,517</u>
TOTAL NET POSITION	<u>\$ 32,431</u>	<u>\$ 596,907</u>	<u>\$ 629,338</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
OTHER ENTERPRISE FUNDS
Year Ended November 30, 2013

	<u>Vermilion County Farm</u>	<u>Solid Waste Management</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ -	\$ 229,457	\$ 229,457
Fines and forfeits	-	1,500	1,500
Miscellaneous	<u>145,624</u>	<u>-</u>	<u>145,624</u>
Total operating revenues	<u>145,624</u>	<u>230,957</u>	<u>376,581</u>
OPERATING EXPENSES			
Personnel services	-	202,963	202,963
Supplies and materials	-	2,490	2,490
Other services and charges	69,907	14,325	84,232
Contractual services	-	32,003	32,003
Capital outlay	-	4,845	4,845
Depreciation	<u>-</u>	<u>950</u>	<u>950</u>
Total operating expenses	<u>69,907</u>	<u>257,576</u>	<u>327,483</u>
Operating income (loss)	75,717	(26,619)	49,098
NON-OPERATING REVENUES			
Interest income	<u>-</u>	<u>496</u>	<u>496</u>
Income (loss) before operating transfers	75,717	(26,123)	49,594
Transfers in	-	45,000	45,000
Transfers out	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
CHANGE IN NET POSITION	25,717	18,877	44,594
NET POSITION, BEGINNING OF YEAR	<u>6,714</u>	<u>578,030</u>	<u>584,744</u>
NET POSITION, END OF YEAR	<u>\$ 32,431</u>	<u>\$ 596,907</u>	<u>\$ 629,338</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF NET POSITION (DEFICIT)
INTERNAL SERVICE FUNDS
November 30, 2013

	Health Insurance	General Liability Insurance	Total
CURRENT ASSETS			
Cash	\$ 79,483	\$ 277,151	\$ 356,634
Investments	-	1,949,893	1,949,893
Receivables, net	-	396,000	396,000
Accrued interest	-	1,464	1,464
TOTAL ASSETS	79,483	2,624,508	2,703,991
LIABILITIES			
Accounts payable and accrued liabilities	300,000	571,008	871,008
Unearned revenue	-	396,000	396,000
Total liabilities	300,000	967,008	1,267,008
NET POSITION (DEFICIT)			
Unrestricted net position	\$ (220,517)	\$ 1,657,500	\$ 1,436,983

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION (DEFICIT)
INTERNAL SERVICE FUNDS
Year Ended November 30, 2013

	Health Insurance	General Liability Insurance	Total
OPERATING REVENUES			
Charges for services	\$ 2,056,321	\$ 486,364	\$ 2,542,685
OPERATING EXPENSES			
Personnel services	<u>2,137,512</u>	<u>852,581</u>	<u>2,990,093</u>
Operating loss	<u>(81,191)</u>	<u>(366,217)</u>	<u>(447,408)</u>
NON-OPERATING REVENUES			
Taxes	-	622,208	622,208
Interest income	<u>28</u>	<u>1,686</u>	<u>1,714</u>
Total non-operating revenues	<u>28</u>	<u>623,894</u>	<u>623,922</u>
Income (loss) before operating transfers	<u>(81,163)</u>	<u>257,677</u>	<u>176,514</u>
TRANSFERS			
Transfers in	<u>50,000</u>	<u>-</u>	<u>50,000</u>
CHANGE IN NET POSITION	(31,163)	257,677	226,514
NET POSITION (DEFICIT), BEGINNING OF YEAR	<u>(189,354)</u>	<u>1,399,823</u>	<u>1,210,469</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ (220,517)</u>	<u>\$ 1,657,500</u>	<u>\$ 1,436,983</u>

VERMILION COUNTY, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 November 30, 2013

ASSETS

	<u>Restitution</u>	<u>County Collector</u>	<u>Treasurer's Account</u>	<u>Deposit Fund</u>	<u>Unknown Heirs</u>	<u>Non-resident Heirs</u>	<u>Payroll Clearing</u>
Cash	\$ 13,406	\$ 4,834,641	\$ 56,512	\$ 329,819	\$ 61,289	\$ 40,897	\$ 744,054
Investments	-	-	-	500,000	-	-	-
Receivables:							
Taxes, net of allowance for estimated uncollectibles	-	1,079,465	-	-	-	-	-
Accrued interest	-	-	-	616	-	-	-
Due from other funds	12,736	-	-	-	-	-	-
Due from other governments	-	69,659	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 26,142</u>	<u>\$ 5,983,765</u>	<u>\$ 56,512</u>	<u>\$ 830,435</u>	<u>\$ 61,289</u>	<u>\$ 40,897</u>	<u>\$ 744,054</u>

LIABILITIES

Accounts payable	\$ -	\$ 4,788	\$ 745	\$ -	\$ -	\$ -	\$ 116,650
Due to other funds	10,569	1,431,755	-	-	-	-	250,000
Due to other governments	-	-	-	-	-	-	-
Due to others	15,573	-	55,767	830,435	61,289	40,897	377,404
Due to taxing bodies	-	4,547,222	-	-	-	-	-
TOTAL LIABILITIES	<u>\$ 26,142</u>	<u>\$ 5,983,765</u>	<u>\$ 56,512</u>	<u>\$ 830,435</u>	<u>\$ 61,289</u>	<u>\$ 40,897</u>	<u>\$ 744,054</u>

VERMILION COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
November 30, 2013

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	\$ 2,645	\$ 98,469	\$ 89,684	\$ 18	\$ 162,660	\$ 1,630,547	\$ 109,943	\$ 492,224
Investments	-	-	-	-	-	190,000	-	600,000
Receivables:								
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	173
Due from other funds	-	-	-	-	4,252	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Inventory	-	15,680	-	-	-	-	14,117	-
TOTAL ASSETS	<u>\$ 2,645</u>	<u>\$ 114,149</u>	<u>\$ 89,684</u>	<u>\$ 18</u>	<u>\$ 166,912</u>	<u>\$ 1,820,547</u>	<u>\$ 124,060</u>	<u>\$ 1,092,397</u>

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,686
Due to other funds	4,007	-	-	-	6,657	161,629	20,615	-
Due to other governments	-	-	-	-	-	85,088	-	-
Due to others	(1,362)	114,149	89,684	18	160,255	1,573,830	103,445	-
Due to taxing bodies	-	-	-	-	-	-	-	1,072,711
TOTAL LIABILITIES	<u>\$ 2,645</u>	<u>\$ 114,149</u>	<u>\$ 89,684</u>	<u>\$ 18</u>	<u>\$ 166,912</u>	<u>\$ 1,820,547</u>	<u>\$ 124,060</u>	<u>\$ 1,092,397</u>

VERMILION COUNTY, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 November 30, 2013

ASSETS

	Regional Superintendent								Total
	Trustees	Institute	Bus Drivers	G.E.D.	Drug Abuse Prevention	EIU	Fingerprint	Electronic Citation	
Cash	\$ 10,060	\$ 99,089	\$ 7,059	\$ 27,480	\$ 24,538	\$ 60,961	\$ 24,491	\$ 28,606	\$ 8,949,092
Investments	7,000	-	-	-	-	-	-	-	1,297,000
Receivables:									
Taxes, net of allowance for estimated uncollectibles	-	-	-	-	-	-	-	-	1,079,465
Accrued interest	-	-	-	-	-	-	-	-	789
Due from other funds	-	-	-	-	-	-	-	-	16,988
Due from other governments	-	-	-	-	-	-	-	-	69,659
Inventory	-	-	-	-	-	-	-	-	29,797
TOTAL ASSETS	<u>\$ 17,060</u>	<u>\$ 99,089</u>	<u>\$ 7,059</u>	<u>\$ 27,480</u>	<u>\$ 24,538</u>	<u>\$ 60,961</u>	<u>\$ 24,491</u>	<u>\$ 28,606</u>	<u>\$ 11,442,790</u>

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,869
Due to other funds	-	-	-	-	-	-	-	-	1,885,232
Due to other governments	-	-	-	-	-	-	-	-	85,088
Due to others	17,060	99,089	7,059	27,480	24,538	60,961	24,491	28,606	3,710,668
Due to taxing bodies	-	-	-	-	-	-	-	-	5,619,933
TOTAL LIABILITIES	<u>\$ 17,060</u>	<u>\$ 99,089</u>	<u>\$ 7,059</u>	<u>\$ 27,480</u>	<u>\$ 24,538</u>	<u>\$ 60,961</u>	<u>\$ 24,491</u>	<u>\$ 28,606</u>	<u>\$ 11,442,790</u>

STATISTICAL INFORMATION

VERMILION COUNTY, ILLINOIS
ASSESSED VALUATION AND TAX EXTENSIONS
Tax Levies 2012, 2011, and 2010
(Unaudited)

	<u>2012</u> <u>Extended in 2013</u>		<u>2011</u> <u>Extended in 2012</u>		<u>2010</u> <u>Extended in 2011</u>	
EQUALIZED VALUATION	\$	799,503,942	\$	819,483,239	\$	848,756,717
TAXES EXTENDED						
County (see below)	\$	11,581,615	15.22%	\$	11,589,132	15.09%
Townships and Road Districts		6,139,181	8.07%		6,178,448	8.04%
Cities and villages		8,581,226	11.28%		8,949,742	11.65%
District schools		40,539,898	53.27%		40,784,726	53.10%
High school and junior college		5,025,714	6.60%		5,092,286	6.63%
Sanitary districts		24,631	0.03%		24,608	0.03%
Vermilion County Airport Authority		449,135	0.59%		434,927	0.57%
Fire protection districts		1,614,877	2.12%		1,600,676	2.08%
Cemeteries		107,651	0.14%		105,144	0.14%
Vermilion County Conservation						
District		989,524	1.30%		990,612	1.29%
Drainage Districts		87,046	0.11%		87,767	0.11%
Libraries, parks, etc.		967,432	1.27%		975,472	1.27%
TOTALS	\$	76,107,930	100.00%	\$	76,813,540	100.00%

	<u>Rate</u> <u>Per \$100</u> <u>Valuation</u>		<u>Rate</u> <u>Per \$100</u> <u>Valuation</u>		<u>Rate</u> <u>Per \$100</u> <u>Valuation</u>	
	<u>Extension</u>	<u>Valuation</u>	<u>Extension</u>	<u>Valuation</u>	<u>Extension</u>	<u>Valuation</u>
General County	\$	1,998,760	0.25000	\$	2,121,892	0.25000
County IMRF		520,477	0.06510		1,578,687	0.18600
County Highway		799,504	0.10000		796,983	0.09390
Social Security		450,121	0.05630		500,766	0.05900
County Health		259,839	0.03250		250,383	0.02950
Bridge Fund		340,589	0.04260		341,200	0.04020
Public Safety Building-rental		5,000,098	0.62540		3,769,329	0.44410
Mental Health Board #708		786,712	0.09840		786,797	0.09270
Liability Insurance		625,212	0.07820		700,224	0.08250
Cooperative		99,938	0.01250		100,153	0.01180
Nursing Home		700,365	0.08760		700,224	0.08250
TOTALS	\$	11,581,615	1.44860	\$	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, 2013

AGENCY NAME: VERMILION COUNTY HEALTH DEPARTMENT

FEIN: 37-6002224

	Program Name/Number/Contract Number/Other Identification	DHS GRANT - FUNDED SERVICES					All other Programs	Mgmt. & General	Total
		Program 1	Program 2	Program 3	Program 4	Program 5			
A	Direct Program expenses FCSREO	WIC 1105	WIC FARMER'S MARKET 1254						
		382,683	1,000					383,683	
B	Allocate Management and General Costs (Note 1)	54,614	0					54,614	
C	SUBTOTAL A & B	437,297	1,000					438,297	
D	Subtract Unallowable costs per page 2	0	0						
E	Add other approved uses (attach documentation)	0	0						
F	TOTAL Allowable costs	437,297	1,000						
G	Special provisions (see instructions)	0	0						
H	Interest Earned (see instructions)*	0	0						

NOTE 1: Management and General costs are allocated based on: direct salaries, total direct costs, other basis (attach explanation).
 *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 used for Page 1 of 2
 other expenses such as phones, postage, etc.



UNALLOWABLE COST REPORT

Agency Name: VERMILION COUNTY HEALTH DEPARTMENT

FEIN: 37-6002224

Program Name/Number/Contract Number	DHS Grant-Funded Services				
	Program 1	Program 2	Program 3	Program 4	Program 5
	WIC	WIC FAR MKT			

Unallowable Costs (see instructions)

Compensation of Governing Body	0	0			
Entertainment	0	0			
Association Dues	0	0			
Meetings and Conventions	0	0			
Fundraising	0	0			
Bad Debt	0	0			
Charity and Grants	0	0			
Unallowable Interest	0	0			
Inventories	0	0			
Depreciation of DHS-funded Assets	0	0			
Cost of Production	0	0			
In-Kind Expenses	0	0			
Alcoholic Beverages	0	0			
Personal Automobile	0	0			
Fines and Penalties	0	0			
Personal Use Items	0	0			
Lobbying	0	0			
Unallowable Relocation	0	0			
Gratuities	0	0			
Political Contributions	0	0			
Related Party Transactions	0	0			
Costs Where a Conflict of Interest Exists	0				

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: 11/30/2013

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

Reset Form

SINGLE AUDIT REPORTS



**INDEPENDENT AUDITORS' 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
Danville, Illinois

We have audited, in accordance with the 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, the 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, 2013, and the related notes to the financial statements, which collectively comprise Vermilion County's basic financial statements, and have issued our report thereon dated June 27, 2014. Our opinion was adverse on the governmental activities due to certain capital assets and general infrastructure assets and related depreciation expense on those assets has not been recorded. However, our opinion on the business-type activities, each major fund, and the aggregate remaining fund information was unmodified.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Vermilion County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vermilion County's internal control. Accordingly, we do not express an opinion on the effectiveness of Vermilion County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs we identified certain deficiencies in internal control that we consider to be material weaknesses and 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 (Findings 2013-001, 2013-002, and 2013-006).

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 2013-003, 2013-004 and 2013-005).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vermilion County's financial statements are free from 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's Responses to Findings

Vermilion County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Vermilion County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Danville, Illinois
June 27, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Vermilion County Board
Danville, Illinois

Report on Compliance for Each Major Federal Program

We have audited Vermilion County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Vermilion County's major federal programs for the year ended November 30, 2013. Vermilion County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Vermilion County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Vermilion County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Vermilion County's compliance.

Opinion on Each Major Federal Program

In our opinion, Vermilion County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2013.

Report on Internal Control Over Compliance

Management of Vermilion County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Vermilion County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Vermilion 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Danville, Illinois
June 27, 2014

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2013**

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	\$ 288,360	\$ -
Supplemental Nutrition Program For Women, Infants, and Children (WIC)	10.557	FCSSQ01105	183,209	-
Supplemental Nutrition Program for Women, Infants, and Children - Noncash	10.557	None	<u>1,339,763</u>	<u>-</u>
			<u>1,811,332</u>	<u>-</u>
Farmers' Market Nutrition Program	10.572	FCSRE01254	<u>1,000</u>	<u>-</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 1,812,332</u>	<u>\$ -</u>
ENVIRONMENTAL PROTECTION AGENCY				
Brownfield Grant	66.818	None	<u>\$ 184,305</u>	<u>\$ 184,305</u>
Flow-through from Illinois Department of Public Health:				
Performance Partnership Grant	66.605	None	<u>1,275</u>	<u>-</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>\$ 185,580</u>	<u>\$ 184,305</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Flow-through from Illinois Department of Public Health:				
Terrorism	93.069	None	<u>\$ 82,155</u>	<u>\$ -</u>

VERMILION COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2013

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	\$ 36,668	\$ -
Immunization Grant	93.268	None	<u>25,432</u>	<u>-</u>
			<u>62,100</u>	<u>-</u>
			<u>144,255</u>	<u>-</u>
 Flow-through from Illinois Department of Healthcare and Family Services:				
Child Support Enforcement	93.563	None	<u>2,953</u>	<u>-</u>
 TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 147,208</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>\$ 7,708</u>	<u>\$ 7,708</u>
 DEPARTMENT OF LABOR				
Flow-through from Danville Area Community College:				
Workforce Investment Act Grant – Adult Program	17.258	None	<u>\$ 17,008</u>	<u>\$ -</u>

VERMILION COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2013

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:				
Disaster Relief-Hazard Mitigation	97.039	3HM12VERMIL	\$ 21,174	\$ -
Emergency Management Performance Grant	97.042	312EMAVERMI	<u>36,088</u>	<u>-</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>\$ 57,262</u>	<u>\$ -</u>
DEPARTMENT OF JUSTICE				
JAG Program Cluster:				
Flow-through from Illinois Criminal Justice Information Authority:				
Byrne Formula Grant	16.738	None	\$ 173,274	\$ 173,274
Flow-through from Illinois Department of Human Services:				
ARRA – Redeploy Illinois	16.803	FCSRE02015	18,056	-
Flow-through from the City of Danville:				
Edward Byrne Memorial Grant	16.738	None	<u>5,884</u>	<u>-</u>
TOTAL DEPARTMENT OF JUSTICE			<u>\$ 197,214</u>	<u>\$ 173,274</u>
DEPARTMENT OF ELECTION ASSISTANCE COMMISSION				
Flow-through from Illinois State Board of Elections:				
VAID Phase III	90.401	None	<u>16,877</u>	<u>-</u>
DEPARTMENT OF TRANSPORTATION				
Flow-through from Illinois Department of Transportation:				
Project No. BROS-0183(309)	20.205	None	<u>27,076</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,468,265</u>	<u>\$ 365,287</u>

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

VERMILION COUNTY, ILLINOIS
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
November 30, 2013

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 2013 these commodities were valued at \$36,668 (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 September 30, 2013, these food instruments were valued at \$1,339,763 (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, 2013**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ 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 auditors’ report issued on compliance for major programs: Unmodified opinion

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

Identification of major programs:

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, 2013**

Section II – Financial Statement Findings

**FINDING NO. 2013-001 – 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 2014 which will assist them in performing these functions in the future.

VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2013

Section II – Financial Statement Findings (Continued)

FINDING NO. 2013-002 – BANK RECONCILIATIONS

Criteria or Specific Requirement: Accurate 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 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 two instances where there were unidentified differences within the bank reconciliations and none had been reviewed.

Effect: 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 differences identified in the bank reconciliation process be investigated in a timely manner. 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 early 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, 2013

Section II – Financial Statement Findings (Continued)

FINDING NO. 2013-003 - 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, 2013**

Section II – Financial Statement Findings (Continued)

FINDING NO. 2013-004 - 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 \$270,517 and the Township Bridge Fund has a deficit of \$34,504 at fiscal year end.

Effect: Deficit fund balances within the Health Insurance Fund and Township Bridge 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. During fiscal year 2014, the Vermilion County Board and management will seek to provide funding for the Township Bridge Fund to bring it out of the deficit position.

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2013**

Section II – Financial Statement Findings (Continued)

FINDING NO. 2013-005 – BANK COLLATERAL COVERAGE

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

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

Context: As of November 30, 2013, \$626,888 of the County's bank deposits were not insured or collateralized.

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

Cause: The County maintains a collateral agreement with the bank and receives regular month-end reports from the bank. However, the amount of pledged collateral as of November 30, 2013 was not sufficient to cover the total bank account balance. Due to the timing of when the month-end report was received, the County was not aware of the under-collateralized balance until after year-end.

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

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

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2013**

Section II – Financial Statement Findings (Continued)

**FINDING NO. 2013-006 – OMISSION OF CAPITAL ASSETS FOR
GOVERNMENTAL ACTIVITIES**

Criteria or Specific Requirement: Accounting principles generally accepted in the United States of America require that those assets be capitalized and depreciated, which would increase the assets, net position, and also impact expenses of the governmental activities.

Condition: Management has not recorded certain capital assets and general infrastructure assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets.

Context: As of November 30, 2013, the County has not maintained proper records of certain capital assets and general infrastructure for their governmental activities.

Effect: The omission of the capital assets and general infrastructure assets and related depreciation expense in the governmental activities results in an adverse opinion on the governmental activities.

Cause: The County has not maintained historical records of the capital assets and general infrastructure and therefore do not have the proper records to determine the original cost basis for such assets.

Recommendation: We recommend the County complete an inventory of all capital assets and general infrastructure assets and review prior accounting records to determine the original cost basis of such assets.

Views of Responsible Officials and Planned Corrective Action: The County is aware that we do not have a complete inventory of our assets or infrastructure. We have historically expensed all purchases or projects as they have occurred. The result of recording and depreciating capital assets would be to increase the County's Governmental Assets with property that is not intended to be sold, hence, has no market value.

**VERMILION COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2013**

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, 2013

YEAR ENDED NOVEMBER 30, 2012

FINDING NO. 12-01 – 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. 12-02 – 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. 12-03 – 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. 12-04 – NEGATIVE CASH AND FUND BALANCE

Condition and Context: The Health Insurance Fund has a deficit fund balance of \$189,356 at fiscal year end.

Condition still exists for the Health Insurance Fund.