

VERMILION COUNTY
CONSERVATION DISTRICT
VERMILION COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the fiscal year ended
March 31, 2017

Vermilion County Conservation District
 Annual Financial Report
 For the fiscal year ended March 31, 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Vermilion County Conservation District
Vermilion County, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vermilion County Conservation District, as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the District'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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The prior year summarized comparative information has been derived from the District's 2016 financial statements and, in our report dated July 29, 2016, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vermilion County Conservation District as of March 31, 2017, and the respective changes in modified cash basis financial position, thereof, for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 – Summary of Significant Accounting Policies, of the financial statements that describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Vermilion County Conservation District's basic financial statements. The introductory section, individual major funds and non-major fund financial statements, and other information, such as management's discussion and analysis and statistical schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information presented on pages 36 and 37, individual major funds and non-major fund financial statements presented on pages 38 through 43 is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 on the basis of accounting described in Note 1.

Management's discussion and analysis on pages 3 through 8, introductory section, and statistical schedules on pages 44 and 47, presented 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 such information.

Crowder CPA's Ltd.

Danville, Illinois
June 29, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

As management of the Vermilion County Conservation District, we offer readers of the Vermilion County Conservation District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended March 31, 2017, within the limitations of the District's modified cash basis of accounting. Please read it in conjunction with the District's financial statements that begin on page 9.

The Vermilion County Conservation District celebrated their 50th Anniversary on June 11, 2016. This date was selected as being the closest Saturday to the actual date of June 14, 1966. The celebration was held at the David S. Palmer Arena in Danville, IL. The program consisted of a demonstration from the Decatur Raptor Center and featured a bald eagle. A presentation was also made to the Julius W. Hegeler II Foundation for the numerous projects that they funded through the years. Lastly, a 30 minute video was shown depicting all aspects of the District's first 50 years. Open houses were held on Sunday, June 12, 2016 at each park.

FINANCIAL HIGHLIGHTS

- The assets of the Vermilion County Conservation District exceeded its liabilities at the close of the most recent fiscal year by \$6,825,270 (net position). Of this amount, \$454,376 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total expenditures exceed total revenues, on the modified cash basis of accounting, by \$38,220.
- The Vermilion County Conservation District completed the following projects during fiscal year 2016-2017:
 - Installed replacement windows in the offices at Kennekuk and Forest Glen
 - Rebuilt Lake Vermilion Docks and Boat House
 - Sealcoated Kennekuk roads
 - New roof on Pioneer Barn
 - Remodel of Kennekuk's workshop
 - Installed a new telephone system
- The Vermilion County Conservation District's revenues for licenses and permits, and special events and projects (camping, shelters, lake permits, hunting permits, summer camps and special events) were of mixed results. The shelter rentals, boat license, special events, hunting permits, and campground fees exceeded expectations. The programs and summer camps experienced a revenue shortfall. Budget planning is based on figures of the previous fiscal year.

USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board, as applicable to the District's modified cash basis of accounting.

Report Components

This annual report consists of the following four parts:

1. *Government-wide financial statements.* The Statement of Net Position and the Statement of Activities (on pages 9-10) provide information about the activities of the District government-wide (or as a whole) and present a longer-term view of the District's finances.
2. *Fund financial statements.* Fund financial statements (starting on page 11) focus on the individual parts of the District's government. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant major fund. For governmental activities, these statements tell how these services were financed in the short term, as well as what remains for future spending.

USING THIS ANNUAL REPORT (cont.)

3. *Notes to financial statements.* The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements. The notes to the financial statements can be found on pages 16 through 35 of this report.
4. *Supplementary information.* The annual report includes optional financial information, such management's discussion and analysis, budgetary comparison schedules, budgetary statements for nonmajor funds, and budgetary statements for major funds. This other supplemental financial information is provided to address certain specific needs of various users of the District's annual report. This supplementary information can be found on pages 3 through 8 and 36 through 43 of this report.
5. This report also presents certain other information concerning the Vermilion County Conservation District's progress in funding its obligation to provide pension benefits to its employees. This plan is a defined benefit plan administered and held in trust by the State of Illinois for State Municipalities (Illinois Municipal Retirement Fund, or 'IMRF'). This information can be found on pages 44 through 46 of this report.

Basis of Accounting

The District has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the District's modified cash basis of accounting, revenues, expenses, and certain related assets, liabilities, and deferred inflows and outflows are recorded when they result from cash transactions or events, except for certain modifications, such as the recording of depreciation expense on capital assets in the government-wide financial statements for all activities.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the District as a Whole

This annual report includes all activities for which Vermilion County Conservation District is fiscally responsible. These activities, defined as the District's reporting entity, are operated within a legal entity that makes up the primary government.

The Government-Wide Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities report information about the District as a whole. These statements include all the District's assets, liabilities, and deferred inflows and outflows resulting from the use of the modified cash basis of accounting, as further defined in the notes to the financial statements.

These two statements report the District's net position and changes therein. Keeping in mind the limitations of the modified cash basis of accounting, you can think of the District's net position - the difference among assets, deferred outflows, liabilities, and deferred inflows - as one way to measure the District's financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and Statement of Activities, we report the District's activities:

Reporting the District as a Whole (cont.)

1. *Governmental activities.* Most of the District's basic services are reported here, including the Insurance, IMRF, Audit, and FICA (Social Security). Property taxes and state grants finance most of these activities.

The government-wide financial statements can be found on pages 9 through 10 of this report.

Reporting the District's Most Significant Funds

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. The Vermilion County Conservation District, like other local government entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Vermilion County Conservation District can be divided into governmental 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, the Vermilion County Conservation District's governmental fund financial statements focus on *modified-cash basis 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 modified-cash basis financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances provides a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Vermilion County Conservation District maintains the general fund as the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Vermilion County Conservation District adopts an annual appropriated budget for its general fund. Generally accepted accounting principles require a budgetary comparison statement be provided for the general fund to demonstrate compliance with this budget. Schedules for budget versus actual amounts are also provided for the special revenue funds, as well as a breakdown of administrative and operating expenditures in greater detail for the general fund.

The basic governmental fund financial statements can be found on pages 11 through 13.

Special Revenue Funds. The Vermilion County Conservation District maintains four different types of special revenue funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. These funds include: Insurance and Compensation Fund, Municipal Retirement Fund, Audit Fund and FICA Fund. The Insurance and Compensation Fund, Municipal Retirement Fund and the FICA Fund are considered major governmental funds. The Audit Fund is considered a non-major fund.

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 statements because the resources of those funds are *not* available to support the Vermilion County Conservation District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Vermilion County Conservation District has one fiduciary fund type, a Defined Compensation Trust adopted under section 457 of the Internal Revenue Code. The Vermilion County Conservation District is not required to make any contributions into the pension plan, but holds the assets in trust for plan participants. The plan is administered by Nationwide Retirement Solutions.

Reporting the District's Most Significant Funds (cont.)

The Statement of Fiduciary Net Position and Changes in Fiduciary Net Position can be found on pages 14 through 15 of this report.

A FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position - Modified Cash Basis

The Vermilion County Conservation District's net assets resulting from modified cash basis transactions or events decreased from \$6,863,490 to \$6,825,270 between fiscal years 2016 and 2017, respectively.

The Vermilion County Conservation District's Net Position

	Governmental Activities	
	2017	2016
Current and other assets	691,181	675,437
Capital assets, net	6,137,252	6,192,104
Total assets	6,828,433	6,867,541
Other liabilities	3,163	4,051
Total liabilities	3,163	4,051
Net investment in capital assets	6,137,252	6,188,804
Restricted	233,642	112,980
Unrestricted	454,376	561,706
Total net position	6,825,270	6,863,490

The Vermilion County Conservation District's Change in Net Position

	Governmental Activities	
	2017	2016
Revenues:		
Program revenues:		
Charges for services	250,316	227,442
Capital grant and contributions	60,665	48,271
General Revenues:		
Property taxes	1,042,806	993,042
Other taxes	216,816	230,957
Farm income	-	55,275
Interest income	1,521	1,422
Miscellaneous income	2,325	3,864
Sale of asset	-	1,094
Total revenues	1,574,449	1,561,367
Expenses:		
General administration	280,238	285,145
Recreation	953,692	922,379
Other expenses	12,461	11,909
Insurance expenses	257,457	283,636
IMRF expenses	48,798	54,535
Audit expenses	6,093	6,168
FICA expenses	53,930	52,602
Total expenses	1,612,669	1,616,374
Change in net position	(38,220)	(55,007)
Net Position – Beginning of period	6,863,490	6,918,497
Net Position – End of period	6,825,270	6,863,490

A FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (cont.)

Net Position - Modified Cash Basis (cont.)

Property taxes increased \$49,764 (approximately 5%) over the previous year. This comprises approximately 66% of all revenues in the current year. The assessed property valuation increased 2.8% between 2015 and 2016, compared to the 2.5% increase between 2014 and 2015. The rates charged increased 6.7% resulting in an increase in property taxes received. Increases in expenses followed inflation.

Financial Analysis of the Government's Funds

Governmental funds. The focus of the Vermilion County Conservation District's *governmental funds* is to provide information on modified cash basis inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Vermilion County Conservation District's ability to meet financial 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, the Vermilion County Conservation District's governmental funds reported combined ending fund balances of \$688,018, an increase of \$16,632 from the previous year. Approximately 66% of this amount (\$450,832) represents *unassigned fund balance*, which is available for spending at the District's discretion. The remainder of the fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed for expenditures which are legally restricted for specific purposes.

The general fund is the chief operating fund of the Vermilion County Conservation District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$450,832. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. The unassigned general fund balance for the current fiscal year represents 38% of current year expenditures, while the prior year general fund balance represented 38% of the prior year's expenditures.

Budgetary Highlights

These calculations can be found from examining the *Budgetary Comparison Schedule* on page 36 and the *Schedule of Expenditures* on page 37.

Revenues. As discussed above, budgets are developed and used for the governmental funds on an annual basis. There were no budget amendments made during the year. Primary differences between budget and actual spending amounts were as follows:

Corporate Personal Property Replacement Tax (CPPRT) had a favorable variance of \$37,815 (51.6%) over budget as compared to the previous year of a favorable variance of \$23,576 (20.9%). This result is due to the different percentages allotted to all funds for the current period.

Donations had a favorable variance of \$26,665 over budget as compared to the previous year's favorable variance of \$21,201.

Charges for Services had a favorable variance of \$9,931 (9.3%) over budget. This is due to an increase in shelter rentals.

Interest income had a favorable variance of \$398 (49.7%) over budget as compared to the previous year's favorable variance of \$706 (117.6% increase), because of the District's investments in CD's this fiscal year.

Overall the revenue in the general fund, for fiscal year end March 31, 2017, had an unfavorable variance of \$6,911 under budget. This is due to a decrease in grant monies.

Property Taxes had an unfavorable variance of \$4,031. Licenses and permits had a favorable variance of \$5,811 and special events had an unfavorable variance of \$12,095.

Payroll Expenditures. The Salaries and Wages had a favorable variance compared to budget of \$606 (approximately .1%). Actual salaries and wages increased by \$11,508 from the prior year due to the hiring of a new employee.

General Government - Other Administrative Expenses. The largest fluctuation from budget in Administrative Expenditures was Other Admin Expenses with a favorable variance of \$15,916 (26.8%) under budget as compared to the previous year of an unfavorable variance of \$5,583 (14.3%).

Recreation. Heating Fuel expenses came in with an \$8,936 favorable variance overall. The largest fluctuation from budget was Electricity expenses with an unfavorable variance of \$8,005.

Forest Glen maintenance expenses came in with an unfavorable variance of \$6,708 overall.

Lake Vermilion had an overall favorable variance of \$4,036. Overall, the General Fund expenses increased \$30,411 over prior year's expenses.

Capital Asset and Debt Administration

Capital assets. The Vermilion County Conservation District's net investment in capital assets for its governmental activities as of March 31, 2017 was \$6,137,252 (net of related debt and accumulated depreciation). The investment in capital assets includes land and land improvements, buildings and improvements, and furniture, fixtures, and equipment. The district's net investment in capital assets decreased for the current fiscal year by \$51,552. Depreciation expense exceeded cash outlaid for current year additions by \$54,852.

Two major capital outlays for the current fiscal year were the purchase of a new telephone system and a new roof for the Pioneer Barn.

Additional information on the district's capital assets can be found in Note 6 on pages 28 through 29 of this report.

Debt Administration. At the end of the current fiscal year, the Vermilion County Conservation District had no short or long term debt.

Economic Factors and Next Year's Budget and Rates

- Inflationary trends in the locale are slightly less favorable compared to national indices.
- The estimated assessed valuation of Vermilion County is higher than last year, due to the counties valuation of real estate property in the area.
- Nationally, the State of Illinois' sales tax collection is in the bottom half of all states. This is attributable to the recessionary climate and poor farming conditions over the past few years.
- Unemployment in Vermilion County is above average in most counties in Illinois, running upwards of 7% each month.

All of these factors were considered during the development of the Vermilion County Conservation Districts 2017-2018 budget.

Request for information

This financial report is designed to provide a general overview of the Vermilion County Conservation District's finances for all those with an interest in the District's finances. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to:

Vermilion County Conservation District
22296-A Henning Road
Danville, IL 61834

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF NET POSITION – MODIFIED CASH BASIS
 March 31, 2017

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	523,035
Restricted cash	23,616
Investments	140,986
Inventory	3,544
Non-depreciable	3,286,432
Depreciable, net	<u>2,850,820</u>
TOTAL ASSETS	<u>6,828,433</u>
LIABILITIES	
Payroll withholdings	75
Insurance payable	508
Lease payable	<u>2,580</u>
TOTAL LIABILITIES	<u>3,163</u>
NET POSITIONS	
Net investment in capital assets	6,137,252
Restricted for:	
IMRF	111,533
Audit	2,928
Dedicated funds	22,595
Education facility	1,021
Insurance	77,632
FICA	17,933
Unrestricted for:	
General fund	<u>454,376</u>
TOTAL NET POSITION	<u><u>6,825,270</u></u>

See accompanying notes and independent auditor's report.

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
 For the fiscal year ended March 31, 2017

	Program Revenues			Primary
	Expenses	Charges for Services	Operating Grants & Contributions	Government Total
Primary Government				
Governmental activities:				
General government:				
General/Administration	280,238	114,921	-	(165,317)
Recreation	953,692	135,395	60,665	(757,632)
Other	12,461	-	-	(12,461)
Insurance	257,457	-	-	(257,457)
IMRF	48,798	-	-	(48,798)
Audit	6,093	-	-	(6,093)
FICA	53,930	-	-	(53,930)
Total governmental activities	<u>1,612,669</u>	<u>250,316</u>	<u>60,665</u>	<u>(1,301,688)</u>

General revenues:	
Tax levy revenues	1,042,806
Corporate replacement tax	214,315
Hotel/motel tax	1,005
TIF taxes received	1,496
Interest income	1,521
Miscellaneous	2,325
Total general revenues	<u>1,263,468</u>
Change in net position	(38,220)
Net position – beginning	<u>6,863,490</u>
Net position – ending	<u>6,825,270</u>

See accompanying notes and independent auditor's report.

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF ASSETS, LIABILITIES, & FUND BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
 March 31, 2017

	General Fund	Insurance & Compensation Fund	Municipal Retirement Fund	FICA Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash - unrestricted	355,759	62,038	88,655	14,256	2,327	523,035
- restricted	23,616	-	-	-	-	23,616
Investments	97,808	16,022	22,878	3,677	601	140,986
Inventory	3,544	-	-	-	-	3,544
TOTAL ASSETS	<u>480,727</u>	<u>78,060</u>	<u>111,533</u>	<u>17,933</u>	<u>2,928</u>	<u>691,181</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Payroll withholdings	75	-	-	-	-	75
Insurance withholdings	80	428	-	-	-	508
Lease payable	2,580	-	-	-	-	2,580
TOTAL LIABILITIES	<u>2,735</u>	<u>428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,163</u>
FUND BALANCES						
Fund Balance – nonspendable	3,544	-	-	-	-	3,544
Fund Balance – restricted	23,616	77,632	111,533	17,933	2,928	233,642
Fund Balance – unassigned	450,832	-	-	-	-	450,832
TOTAL FUND BALANCES	<u>477,992</u>	<u>77,632</u>	<u>111,533</u>	<u>17,933</u>	<u>2,928</u>	<u>688,018</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>480,727</u>	<u>78,060</u>	<u>111,533</u>	<u>17,933</u>	<u>2,928</u>	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities of \$11,620,302, net of accumulated depreciation of \$5,483,050, are not financial resources; therefore, are not reported in the funds.						<u>6,137,252</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES						<u>6,825,270</u>

See accompanying notes and independent auditor's report.

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENTS OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN
 FUND BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
 Year Ended March 31, 2017 with Comparative Totals for 2016

	GOVERNMENTAL FUND TYPES					TOTALS	
	General Fund	Insurance & Compensation Fund	Municipal Retirement Fund	FICA Fund	Other Governmental Funds	Year Ended 3/31/17	Year Ended 03/31/16
REVENUES RECEIVED							
Tax levy revenues received	656,969	240,609	79,583	59,646	5,999	1,042,806	993,042
Corporate replacement tax	111,115	85,000	11,200	5,000	2,000	214,315	228,026
Hotel/Motel tax	1,005	-	-	-	-	1,005	1,437
TIF taxes received	1,496	-	-	-	-	1,496	1,494
Charges for services	115,931	-	-	-	-	115,931	103,684
Farm income	-	-	-	-	-	-	55,275
Interest	1,198	94	197	29	3	1,521	1,422
Licenses and permits	77,961	-	-	-	-	77,961	70,250
Concessions	19,464	-	-	-	-	19,464	21,071
Special events and projects	36,960	-	-	-	-	36,960	29,175
Grant income	-	-	-	-	-	-	1,000
Donations	60,665	-	-	-	-	60,665	44,701
Miscellaneous	2,325	-	-	-	-	2,325	3,864
Kickapoo trail lease	-	-	-	-	-	-	3,262
IParks distribution	-	-	-	-	-	-	2,570
TOTAL REVENUES RECEIVED	1,085,089	325,703	90,980	64,675	8,002	1,574,449	1,560,273
EXPENDITURES DISBURSED							
Current:							
General government	259,102	257,457	48,798	53,930	6,093	625,380	658,783
Recreation	786,332	-	-	-	-	786,332	755,921
Other	12,461	-	-	-	-	12,461	11,909
Capital outlay:							
General government	133,644	-	-	-	-	133,644	21,786
TOTAL EXPENDITURES DISBURSED	1,191,539	257,457	48,798	53,930	6,093	1,557,817	1,448,399
EXCESS OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	(106,450)	68,246	42,182	10,745	1,909	16,632	111,874
OTHER FINANCING SOURCES (USES)							
Sale of assets	-	-	-	-	-	-	1,094
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	1,094
NET CHANGE IN FUND BALANCES	(106,450)	68,246	42,182	10,745	1,909	16,632	112,968
FUND BALANCES (DEFICIT) – BEGINNING OF PERIOD	584,442	9,386	69,351	7,188	1,019	671,386	558,418
FUND BALANCES (DEFICIT) – END OF PERIOD	477,992	77,632	111,533	17,933	2,928	688,018	671,386

See accompanying notes and independent auditor's report.

VERMILION COUNTY CONSERVATION DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES
 DISBURSED, AND CHANGES IN FUND BALANCES – MODIFIED CASH BASIS OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended March 31, 2017

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS 16,632

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

Governmental funds report capital outlay as expenditures but governmental
 activities report depreciation expense to allocate those expenditures over the life
 of the assets.

Capital asset purchases capitalized	133,644
Depreciation expense	<u>(188,496)</u>

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES (38,220)

See accompanying notes and independent auditor's report.

VERMILION COUNTY CONSERVATION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
March 31, 2017

	<u>Pension Trust Fund</u>
ASSETS	
Investments in deferred compensation	<u>149,124</u>
TOTAL ASSETS	<u>149,124</u>
NET POSITIONS	
Held in trust for pension benefits	<u>149,124</u>
TOTAL NET POSITION	<u>149,124</u>

See accompanying notes and independent auditor's report.

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 March 31, 2017

	Pension Trust Fund
ADDITIONS	
Contributions from plan members	892
Net increase in fair value of investments	<u>5,839</u>
Total additions	<u>6,731</u>
DEDUCTIONS	
Administrative expenses	-
Total deductions	<u>-</u>
Net change in net position	6,731
Net position – beginning	<u>142,393</u>
Net position – ending	<u>149,124</u>

See accompanying notes and independent auditor's report.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DATE OF MANAGEMENT’S REVIEW – Management has evaluated subsequent events through June 29, 2017, the date on which the financial statements were available to be issued.

The Conservation District was created in response to the Illinois Conservation District Act of 1963. The principal purpose of the District is to preserve and maintain wildlife, open land, scenic roadways and pathways, for the education, pleasure and recreation of the public and to promote the conservation of nature, flora and fauna, the natural environment and the natural resources of the District.

The District’s policy is to prepare its financial statements, on a modified cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash-basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

REPORTING ENTITY

The Vermilion County Conservation District is the basic level of government which has financial accountability and control over all activities related to the District. The Conservation District receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined by the GASB pronouncement, since Board members are appointed by elected county officials and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The Vermilion County Conservation Foundation has a separate appointed board. The District’s general purpose financial statements do not include the operations of Vermilion County Conservation Foundation because sufficient criteria for inclusion as set forth by GASB No. 61 have not been met.

BASIS OF PRESENTATION

GOVERNMENT – WIDE FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole within the limitations of the modified cash basis of accounting. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed, in whole or part, by fees charged to external parties for goods or services. The District does not report on any business-type activities.

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

FUND FINANCIAL STATEMENTS

Fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, deferred outflows, liabilities, deferred inflows, net position or fund balances, revenues, and expenditures or expenses. The Conservation District's funds are organized into two major categories: governmental and fiduciary. The District presently has no proprietary funds. The emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Conservation District or meets the following criteria:

- a. Total assets, deferred outflows, liabilities, deferred inflows, revenues, or expenditures or expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. Total assets, deferred outflows, liabilities, deferred inflows, revenues, or expenditures or expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The funds of the financial reporting entity are described subsequently:

Governmental Funds

General Fund – The General Fund is the primary operating fund of the Conservation District and is always classified as a major fund. It is used to account for all financial resources of the District that are not required to be accounted for in the special revenue funds.

Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted or committed to expenditures for specified purposes. These funds include the Insurance and Compensation Fund, Municipal Retirement Fund, Audit Fund, and FICA Fund. The Insurance and Compensation Fund, Municipal Retirement Fund, and FICA Fund are reported as major Governmental Funds in the Governmental Fund Statements since their total assets, liabilities, revenues, or expenditures exceeds 10 percent of the total governmental funds threshold for major fund reporting. The Audit Fund does not meet these criteria; therefore, it is considered a non-major fund.

Fiduciary Fund – The Fiduciary Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds using cash basis of accounting. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's fiduciary activities are reported in a separate statement of fiduciary net position. The District excludes these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

MEASUREMENT FOCUS

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are reported using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined above.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus, as applied to the modified cash basis of accounting, is used as appropriate. The governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on the balance sheets.

The operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Revenues are recognized as soon as they are both measurable and available.

For this purpose, the District considers property tax revenue to be available if it is collected within 60 days of year-end. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when checks are written.

The District implemented the new financial reporting model, as required by the provision of GASB No. 34, as of March 31, 2003.

The Vermilion County Conservation District has implemented GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position, as of March 31, 2012.

The District has implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities*, clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting, as of March 31, 2013.

The District has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to Measurement Date – An Amendment of GASB Statement No. 68* (GASB 71), for the year ended March 31, 2016. GASB Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The District does not fall within the scope of Statement No. 68 because it's not required to recognize the net pension liability due to the modified cash basis of accounting. The District has a note disclosure only.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

The District has implemented GASB Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73*, as of March 31, 2017. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The District does not fall within the scope of Statement No. 68; therefore, no material impact is expected on the financial statements.

BASIS OF ACCOUNTING

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the Conservation District utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting and all government-wide financial statements would be presented on the accrual basis of accounting.

FINANCIAL POSITION

CASH AND CASH EQUIVALENTS

For the purpose of these statements, cash and cash equivalents include the checking, savings, money market accounts and certificate of deposit accounts purchased with an original maturity of three months or less.

INVESTMENTS

The District invests in certificate of deposit accounts. The investments are carried at fair market value and have maturity dates of more than 3 months.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which the transactions occur. The interfund receivables and payables are recorded in the financial statements as a modification to the cash basis of accounting. Interfund receivables and payables are reported in the fund financial statements and eliminated in the government-wide financial statements.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets such as roads and campground improvements, are reported in the government-wide financial statements. The district defines capital assets as assets with an initial, individual cost of more than \$500 and an estimated useful life of more than one year. Major outlays such as roads or campground improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over their estimated useful lives.

Property, plant and equipment used in governmental fund type operations are reported in government-wide financial statements. The District has elected to report all public domain and infrastructure fixed assets and has included them in the General Fixed Asset Account Group. Depreciation is calculated on a straight-line basis on depreciable items as follows:

Building and improvements	20 - 25 years
Furniture, fixtures, and equipment	5 - 10 years

In accordance with GASB Code Sec. 1400.118, accumulated depreciation has been recorded as a reduction of Investment in General Fixed Assets.

The District owns the following land:

- In excess of 1,700 acres at the Forest Glen Preserve
- Approximately 2,600 acres at Kennekuk
- Approximately 50 acres at Heron County Park
- Approximately 7 acres at Lake Vermilion
- Approximately 107 acres near Forest Glen Preserve
- Approximately 124.8 acres of CSX Railroad corridor

Capital assets are not reported in the governmental fund's individual financial statements.

INVENTORIES

Inventories are stated at lower of cost, on the first-in, first-out basis, or market.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In March, the District Board is presented with a proposed operating budget for the fiscal year commencing the following April 1.
2. Prior to June 1, the budget is legally adopted.
3. Formal budgetary integration is employed as a management control device during the year for all funds of the District.

Budgets for the General and Special Revenue Funds are adopted on a cash basis. The same basis is used in the financial statements.

TOTAL COLUMNS ON COMBINED STATEMENTS – OVERVIEW

Total columns on the Combined Statements Overview are presented only to facilitate financial analysis. Data in these columns do not present financial position, consolidated financial information, results of operations, or changes in financial position in conformity with generally accepted accounting principles; neither is such data comparable to a consolidation. Interfund eliminations have not been made in the summarization of this data; therefore, it is not comparable to consolidation.

REVENUE RECOGNITION - PROPERTY TAXES

The District's 2015 property taxes were levied in July of 2016 on assessed valuations as of December 31, 2015. They were due and payable in two installments, one due in August and the other due in September of 2016. Assessed values were established by the county assessor's office. The proceeds were collected and distributed by the Vermilion County Collector.

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 disclosures 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.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

SHORT-TERM DEBT

All short-term notes and other debts arising from cash transactions or events to be repaid from governmental resources are reported as liabilities in the government-wide statements.

Short-term debt arising from cash transactions or events of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, and payment of principal and interest is reported as expenditures.

NEW ACCOUNTING PRONOUNCEMENTS

Accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB No. 14*. This objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The District does not fall within the scope of Statement No. 80; therefore, no material impact is expected on the financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016. The District does not fall within the scope of Statement No. 81; therefore, no material impact is expected on the financial statements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this statement is to address a practice issue regarding the accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The District has not currently determined what impact, if any, this statement may have on its financial statements.

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District has not currently determined what impact, if any, this statement may have on its financial statements.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The District has not currently determined what impact, if any, this statement may have on its financial statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. The requirements for this Statement are effective for reporting periods beginning after June 15, 2017. The District has not currently determined what impact, if any, this statement may have on its financial statements.

NET POSITION/FUND BALANCE CLASSIFICATIONS

Government-Wide Statements

Net Position is classified and displayed in three components:

1. *Net investment in capital assets*. Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. *Restricted*. Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. *Unrestricted*. Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the Conservation District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

Fund Financial Statements

Governmental Funds

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint.

These constraints are defined as follows:

Nonspendable. Amounts that cannot be spent because they either are not in spendable form or are legally or contractually required to be maintained intact.

Restricted. Amounts constrained from use via restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed. Amounts constrained from use for specific purposes pursuant to requirements imposed by formal action of the Conservation District's highest level of decision-making authority. In this case, commitments are evidenced by adoption of an ordinance by the District's Board of Trustees.

Assigned. Amounts constrained by the Conservation District's intent to be used for specific purposes but that are neither restricted nor committed. In this case, assignments are evidenced either by resolution of the District's Board or by the Executive Director in written form as approved by vote of the District's Board.

Unassigned. The residual classification of the General Fund for spendable amounts that have not been restricted, committed, or assigned to specific purposes.

It is the Conservation District's policy to first use restricted fund balances prior to the use of unrestricted fund balances when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is also their policy to use committed fund balances before assigned fund balances and assigned fund balances before unassigned amounts when an expenditure is incurred for purposes for which amounts in those classifications are available to be used.

The Conservation District has no formal minimum fund balance policies or any formal stabilization arrangements in place.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE 2 – CASH AND CASH EQUIVALENTS

All deposits held at financial institutions are carried at cost. Amounts deposited that exceed the FDIC insurance limits may be collateralized by securities issued by the United States of America or an agency thereof.

Total deposits held at various local financial institutions at March 31, 2017, consisted of the following:

	<u>General</u>	<u>Other Governmental</u>	<u>Carrying Amount</u>	<u>Bank Balances</u>
Cash on Hand	412	-	412	-
Cash in Bank	355,347	167,276	522,623	625,133
Restricted Cash	23,616	-	23,616	22,816
	<u>379,375</u>	<u>167,276</u>	<u>546,651</u>	<u>647,949</u>

The following table categorizes deposits, not including cash on hand, according to levels of risk.

<u>Category #1</u>	<u>Category #2</u>	<u>Category #3</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
<u>598,879</u>	<u>49,070</u>	<u>-</u>	<u>647,949</u>	<u>546,651</u>

Category #1 includes deposits and cash equivalents that are insured by the FDIC, or registered, or securities that are held by the District or its agent in the District's name.

Category #2 includes deposits and cash equivalents for which securities are held by the pledging financial institution or its trust department, but not in the District's name, which are backed with repurchase agreements and U.S. government securities. This category includes amounts on deposit with the Illinois Funds.

Category #3 includes uninsured and uncollateralized deposits and cash equivalents.

Amounts reported as restricted cash are comprised of donations received from outside parties for specific projects in the amount of \$22,816. Additional information on the district's restricted cash can be found in Note 8 on page 30.

NOTE 3 – INVESTMENTS

The District is allowed to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Illinois or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Illinois or the United States; (4) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating not less than "A" or its equivalent; (5) certificates of deposits issued by state and national banks domiciled in Illinois that are guaranteed or insured by the Federal Insurance Corporation or its successor; or secured by obligations that are described by subdivisions (1) through (4) of this subsection, and that have a market value of not less than the principal amount of the certificates; and (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by subdivision (1) of this subsection, pledged with third parties selected or approved by the Authority and placed through a primary government securities dealer, as defined by the Federal Reserve, or a bank domiciled in the State of Illinois.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE 3 – INVESTMENTS (cont.)

The District’s investments at March 31, 2017 are as follows:

	<u>General</u>	<u>Other Governmental</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Time deposits	<u>97,809</u>	<u>43,177</u>	<u>140,986</u>	<u>140,986</u>

The following table categorizes investments according to levels of risk.

<u>CATEGORY #1</u>	<u>CATEGORY #2</u>	<u>BANK BALANCE</u>	<u>CARRYING AMOUNT</u>
<u>140,986</u>	<u>-</u>	<u>140,986</u>	<u>140,986</u>

Category #1 includes deposits and cash equivalents that are insured by the FDIC, or registered, or securities that are held by the District or its agent in the District’s name.

Category #2 includes deposits and cash equivalents for which securities are held by the pledging financial institution or its trust department, but not in the District’s name, which are backed with repurchase agreements and U.S. government securities.

Category #3 includes uninsured and uncollateralized deposits and cash equivalents

NOTE 4 – LEASES

The District entered into a lease agreement with Aqua Illinois Inc. on May 21, 2008 for the surface use of Lake Vermilion for \$1.00 per year. The terms of this agreement are effective from January 1, 2008 through December 31, 2033.

The District has operating leases for land which are on a cash rent basis. The following describes these leases:

<u>Term</u>	<u>Description</u>
03/01/15–02/28/16	- 52.5 acres used for farming at \$300 per acre - 50% of annual payment due on March 1, the remainder on November 1 Extended 3/1/16 to 2/28/19
03/01/13–02/28/16	- 131.75 acres used for farming at \$300 per acre - 50% of annual payment due on March 1, the remainder on November 1 Extended 3/1/16 to 2/28/19

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE 4 – LEASES (CONT.)

Lease payments for the next five years without regard for adjustment are as follows:

2017	110,550
2018	55,275
2019	55,275
2020	55,275
2021	-
Thereafter	-
	<u>276,375</u>

For the year ending March 31, 2017, the District granted the lease holder an additional 6 months to make payment on this lease in the amount of \$55,275.

On April 20, 2014, the District entered into a lease agreement with Stephen Ludwig for the right to use “Kickapoo Trail Rail” land for his business. The terms of this agreement is effective from April 1, 2014 through March 31, 2039. The District is to receive \$2,994 annually, payable April 1st of each year. The amount received as of March 31, 2017 was \$3,040. Consumer Price Index increase of \$46.

On June 17, 2015, the District entered into a lease agreement with the Village of Muncie, Illinois for the maintenance of the Kickapoo Rail Trail which passes through Muncie, east to west. The Village of Muncie agrees to provide the mowing and litter pickup annually.

On January 1, 2016, the District entered into a lease agreement with Robert and Angie Pierce for the right to use “Kickapoo Rail Trail” land for their business. The terms of this agreement is effective from January 1, 2016 to December 31, 2016, renewable annually. This agreement was extended for an additional year. The District will receive \$1,500 annually, payable at the rate of \$125 per month. The amount received as of March 31, 2017 was \$1,500.

On November 11, 2015, the District entered into a lease agreement with US Bank for a copy machine. The payments are \$60 per month. The term of the lease is from 12/1/15 to 11/30/20. Minimum future lease payments under the capital lease are as follows:

2017 – 2018	720
2018 – 2019	720
2019 – 2020	720
2020 – 2021	420
Thereafter	-
	<u>2,580</u>

NOTE 5 – KICKAPOO TRAIL LEASES

When the District purchased the Kickapoo Trail property from CSX, several on-going licenses/leases were assigned to the District. As of March 31, 2015, the attorney for the District was in the process of trying to locate several licensees/leasees about the change in assignment. The District is aware there are outstanding lease revenues not recorded because revenue has not been received.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended March 31, 2017:

	<u>03/31/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>03/31/17</u>
Governmental activities:				
Capital Assets, not being depreciated:				
Forest Glen Park -				
Land and acquisitions	1,161,226	-	-	1,161,226
Construction in process	-	-	-	-
Kennekuk -				
Land and acquisitions	<u>2,125,206</u>	<u>-</u>	<u>-</u>	<u>2,125,206</u>
Total capital assets, not being depreciated	<u>3,286,432</u>	<u>-</u>	<u>-</u>	<u>3,286,432</u>
Capital Assets, being depreciated:				
Forest Glen Park -				
Building and land improvement	1,429,502	38,153	-	1,467,655
Kennekuk-				
Building and land improvement	5,414,319	37,522	-	5,451,841
Lake Vermilion -				
Building and land improvement	331,542	17,546	-	349,088
Heron -				
Building and land improvement	233,631	938	-	234,569
Furniture & equipment	<u>834,685</u>	<u>39,485</u>	<u>(43,453)</u>	<u>830,717</u>
Total capital assets, being depreciated	<u>8,243,679</u>	<u>133,644</u>	<u>(43,453)</u>	<u>8,333,870</u>

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE 6 – CAPITAL ASSETS (cont.)

	<u>03/31/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>03/31/17</u>
Governmental activities:				
Less accumulated depreciation for:				
Forest Glen Park -				
Building and land improvement	(1,221,036)	(28,922)	-	(1,249,958)
Kennekuk-				
Building and land improvement	(2,916,981)	(119,065)	-	(3,036,046)
Lake Vermilion -				
Building and land improvement	(289,802)	(7,872)	-	(297,674)
Heron -				
Building and land improvement	(144,002)	(11,501)	-	(155,503)
Furniture & equipment	(766,186)	(21,136)	43,453	(743,869)
Total accumulated depreciation	<u>(5,338,007)</u>	<u>(188,496)</u>	<u>43,453</u>	<u>(5,483,050)</u>
Total capital assets, being depreciated net	<u>2,905,672</u>	<u>(54,852)</u>	<u>-</u>	<u>2,850,820</u>
Governmental activities capital assets, net	<u>6,192,104</u>	<u>(54,852)</u>	<u>-</u>	<u>6,137,252</u>

The depreciation expense for the year ended March 31, 2017, was \$167,360 for operations and \$21,136 for the administration functions.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE 7 – FUND BALANCES

The District has restricted \$22,816 for the following purposes:

Arboretum	2,194
Bunker Hill Historical Area	6,477
Marsh Blind	19
Education Center	1,021
Education	402
Prairie	2,543
Forest Glen	1,718
WWII Event	6
Conservationist	55
Hegeler Foundation	1,720
Lake Vermilion Gas Pump	36
Revolutionary War	209
Kickapoo Rail Trail	4,540
50 th Anniversary	90
IPRF Grant	1,949
Plater	637
	<hr/>
	23,616
	<hr/>

Donations were received for these specific purposes.

Fund balances of the Conservation District's governmental funds at March 31, 2017, are classified as follows regarding level of constraint:

	General Fund	Insurance Fund	IMRF Fund	FICA Fund	Other Governmental Funds
Fund Balances:					
Restricted for:					
Dedicated funds	22,595	-	-	-	-
Education Center	1,021	-	-	-	-
Nonspendable	3,544	-	-	-	-
Assigned for:					
Retirement	-	-	111,533	-	-
Audit expenses	-	-	-	-	2,928
Insurance	-	77,632	-	-	-
FICA	-	-	-	17,933	-
Unassigned	450,832	-	-	-	-
Total fund balances	<u>477,992</u>	<u>77,632</u>	<u>111,533</u>	<u>17,933</u>	<u>2,928</u>

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2017

NOTE 8 – DEFERRED COMPENSATION PLAN

During fiscal 1996, the District adopted a deferred compensation plan under Section 457 of the Internal Revenue Code. This Plan allows employees to defer part of their compensation. The District is not required to make any contributions into the Plan. Contributions by participants are administered by a third-party agent and held in trust. They are not available to the general creditors of the District. At March 31, 2017, District employees had \$149,124 invested in this plan.

NOTE 9 – EXPENDITURES OVER REVENUE

During the fiscal year 2017, expenditures exceeded revenues by \$106,450 in the General fund.

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks, including but not limited to, losses from worker's compensation and general liability/property. The District is insured for worker's compensation, public liability, general liability, law enforcement liability, automobile liability, general property, and wrongful acts. These risks are covered by insurance with the Illinois Parks Association Risk Services. Management is not aware of any claims filed in the last 3 years.

NOTE 11 – INTERGOVERNMENTAL AGREEMENT

On April 16, 2008, the District entered into an agreement with the Champaign County Forest Preserve District in which both parties agreed to work together to acquire, develop, and manage a pedestrian and bicycle trail between Urbana, Illinois and Danville, Illinois to be known as the Kickapoo Rail Trail Project. The purpose of this agreement is limited solely to the provision of preliminary engineering services.

NOTE 12 – ILLINOIS MUNICIPAL RETIREMENT FUND – DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund

The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school Districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole but not by individual employer. That report may be obtained online at www.imrf.org.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE 12 – ILLINOIS MUNICIPAL RETIREMENT FUND – DEFINED BENEFIT PENSION PLAN (cont.)

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduce benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1–2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1–2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lessor of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of March 31, 2017, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	18
Inactive Plan Members entitled to but not yet receiving benefits	1
Active Plan Members	16
Total	35

Contributions

As set by statute, the EMPLOYER’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The EMPLOYER’s annual contribution rate for calendar year 2016 was 7.95%. For the fiscal year ended December 31, 2015, the EMPLOYER contributed \$47,359 to the plan. The EMPLOYER 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 IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The EMPLOYER’s net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE 12 – ILLINOIS MUNICIPAL RETIREMENT FUND – DEFINED BENEFIT PENSION PLAN (cont.)

Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2016 Illinois Municipal Retirement fund annual valuation report.

The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate Of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65%-7.35%
Cash Equivalents	1%	2.25%
Total	100%	

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE 12 – ILLINOIS MUNICIPAL RETIREMENT FUND – DEFINED BENEFIT PENSION PLAN (cont.)

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) – (B)
Balances at December 31, 2015	5,625,395	5,498,845	126,550
Changes for the year:			
Service Cost	60,153	-	60,153
Interest on the Total Pension Liability	415,695	-	415,695
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(106,014)	-	(106,014)
Changes of Assumptions	-	-	-
Contributions – Employer	-	48,961	(48,961)
Contributions – Employees	-	27,714	(27,714)
Net Investment Income	-	385,009	(385,009)
Benefit Payments, including Refunds of Employee Contributions	(225,736)	(225,736)	-
Other (Net Transfer)	-	18,835	(18,835)
Net Changes	144,098	254,783	(110,685)
Balances at December 31, 2016	5,769,493	5,753,628	15,865

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
Total Pension Liability	6,388,071	5,769,493	5,269,916
Plan Fiduciary Net Position	5,753,628	5,753,628	5,753,628
Net Position Liability (Asset)	634,443	15,865	(483,712)

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2017

NOTE 12 – ILLINOIS MUNICIPAL RETIREMENT FUND – DEFINED BENEFIT PENSION PLAN (cont.)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources to Pensions

For the year ended December 31, 2016, the EMPLOYER recognized pension expenses of \$93,694. At December 31, 2016 the EMPLOYER reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods			
Differences between expected and actual experience	37,448	79,526	(42,078)
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	<u>251,589</u>	<u>-</u>	<u>251,589</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>289,037</u>	<u>79,526</u>	<u>209,511</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2017	71,925
2018	71,925
2019	61,218
2020	4,443
2021	-
Thereafter	-
<u>Total</u>	<u>209,511</u>

VERMILION COUNTY CONSERVATION DISTRICT
 BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS – GENERAL FUND
 Year Ended March 31, 2017 with Comparative Totals for 2016

	GENERAL			Variance with Final Budget Positive (Negative)	TOTALS
	Original Budget	Final Budget	Year Ended 03/31/17 Actual		Year Ended 03/31/16 Actual
OPERATING REVENUES RECEIVED					
Tax levy revenues received	661,000	661,000	656,969	(4,031)	607,659
Corporate replacement tax	73,300	73,300	111,115	37,815	136,526
Hotel/Motel tax	1,500	1,500	1,005	(495)	1,437
TIF taxes received	1,770	1,770	1,496	(274)	1,494
Charges for services	106,000	106,000	115,931	9,931	103,684
Farm income	55,275	55,275	-	(55,275)	55,275
Interest	800	800	1,198	398	1,306
Licenses and permits	72,150	72,150	77,961	5,811	70,250
Concessions	22,150	22,150	19,464	(2,686)	21,071
Special events and projects	49,055	49,055	36,960	(12,095)	29,175
Grant income	10,000	10,000	-	(10,000)	1,000
Donations	34,000	34,000	60,665	26,665	44,701
Miscellaneous	5,000	5,000	2,325	(2,675)	3,864
Kickapoo Trail Lease	-	-	-	-	3,262
TOTAL OPERATING REVENUES RECEIVED	1,092,000	1,092,000	1,085,089	(6,911)	1,080,704
EXPENDITURES DISBURSED					
Current:					
General government	279,135	279,135	259,102	20,033	261,842
Recreation	779,745	779,745	786,332	(6,587)	755,921
Other	13,720	13,720	12,461	1,259	11,909
Capital Outlay					
General government	86,400	86,400	133,644	(47,244)	21,786
TOTAL EXPENDITURES DISBURSED	1,159,000	1,159,000	1,191,539	(32,539)	1,051,458
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(67,000)	(67,000)	(106,450)	(39,450)	29,246
OTHER FINANCING SOURCES (USES)					
Sale of assets	-	-	-	-	1,094
Transfer in (out)	(10,000)	(10,000)	-	10,000	(7,000)
TOTAL OTHER FINANCING SOURCES (USES)	(10,000)	(10,000)	-	10,000	(5,906)
NET CHANGE IN FUND BALANCES	(77,000)	(77,000)	(106,450)	(29,450)	23,340
FUND BALANCES – BEGINNING OF PERIOD			584,442		561,102
FUND BALANCES – END OF PERIOD			477,992		584,442

VERMILION COUNTY CONSERVATION DISTRICT
SCHEDULE OF EXPENDITURES – MODIFIED CASH BASIS – GENERAL FUND
Year Ended March 31, 2017 with Comparative Totals for 2016

	GENERAL FUND				
	Original Budget	Final Budget	Year Ended 03/31/17 Actual	Variance With Final Budget Positive (Negative)	Year Ended 03/31/16 Actual
GENERAL GOVERNMENT					
Salaries and wages	204,650	204,650	200,030	4,620	202,507
Employee benefits	1,505	1,505	1,638	(133)	1,541
Professional services	3,000	3,000	1,890	1,110	3,505
Travel and meeting expense	1,500	1,500	3,068	(1,568)	1,488
Other administrative expenses	59,380	59,380	43,464	15,916	44,653
Promotion and publications	9,100	9,100	9,012	88	8,148
TOTAL GENERAL GOVERNMENT	279,135	279,135	259,102	20,033	261,842
RECREATION					
Salaries and wages	507,070	507,070	511,084	(4,014)	497,705
Employee benefits	3,845	3,845	4,184	(339)	3,788
Education/program expense	35,130	35,130	37,377	(2,247)	19,992
Electricity	45,200	45,200	53,205	(8,005)	48,071
Telephone	25,700	25,700	28,029	(2,329)	25,605
Heating fuel	19,300	19,300	10,364	8,936	17,036
Motor fuel and supplies	38,000	38,000	36,088	1,912	37,286
Alarm systems	200	200	-	200	135
Maintenance and operation:					
General	5,700	5,700	8,480	(2,780)	4,347
Forest Glen	35,950	35,950	42,658	(6,708)	38,016
Kennekuk	35,500	35,500	32,196	304	37,840
Lake Vermilion	9,850	9,850	5,814	4,036	6,377
Concession equipment repairs	700	700	72	628	657
Water craft licenses	200	200	53	147	205
Wildlife management	2,300	2,300	2,262	38	2,100
Solid/waste material	12,300	12,300	8,258	4,042	10,385
Termite contracts	5,500	5,500	6,208	(708)	6,075
Dams/spillways	300	300	-	300	301
TOTAL RECREATION	779,745	779,745	786,332	(6,587)	755,921
OTHER					
Concession and vending	13,720	13,720	12,461	1,259	11,909
TOTAL OTHER	13,720	13,720	12,461	1,259	11,909
CAPITAL OUTLAY					
Capital improvements	86,400	86,400	133,644	(47,244)	21,786
TOTAL CAPITAL OUTLAY	86,400	86,400	133,644	(47,244)	21,786

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF ASSETS, LIABILITIES, & FUND BALANCES – MODIFIED CASH BASIS
 – NON-MAJOR GOVERNMENTAL FUNDS
 March 31, 2017 with Comparative Totals for 2016

	<u>AUDIT FUND</u>	
	<u>Year Ended 03/31/17</u>	<u>Year Ended 03/31/16</u>
ASSETS		
Cash and cash equivalents	2,327	814
Investments	<u>601</u>	<u>205</u>
TOTAL ASSETS	<u>2,928</u>	<u>1,019</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Assigned	<u>2,928</u>	<u>1,019</u>
TOTAL FUND BALANCES	<u>2,928</u>	<u>1,019</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>2,928</u>	<u>1,019</u>

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES
 IN FUND BALANCES – MODIFIED CASH BASIS – BUDGET AND ACTUAL –
 NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended March 31, 2017 with Comparative Totals for 2016

	AUDIT FUND				
	Original Budget	Final Budget	Year Ended 03/31/17 Actual	Variance with Final Budget Positive/ (Negative)	Year Ended 03/31/16 Actual
REVENUES RECEIVED					
Tax levy revenues received	6,000	6,000	5,999	(1)	6,012
Corporate replacement taxes	2,000	2,000	2,000	-	-
Interest income	-	-	3	3	2
TOTAL REVENUES RECIEVED	<u>8,000</u>	<u>8,000</u>	<u>8,002</u>	<u>2</u>	<u>6,014</u>
EXPENDITURES DISBURSED					
Accounting services	<u>6,500</u>	<u>6,500</u>	<u>6,093</u>	<u>407</u>	<u>6,168</u>
TOTAL EXPENDITURES DISBURSED	<u>6,500</u>	<u>6,500</u>	<u>6,093</u>	<u>407</u>	<u>6,168</u>
NET CHANGE IN FUND BALANCE	<u>1,500</u>	<u>1,500</u>	1,909	<u>409</u>	(154)
FUND BALANCE – Beginning of Period			<u>1,019</u>		<u>1,173</u>
FUND BALANCE – End of Period			<u>2,928</u>		<u>1,019</u>

VERMILION COUNTY CONSERVATION DISTRICT
 SCHEDULE OF EXPENDITURES – MODIFIED CASH BASIS –
 NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended March 31, 2017 with Comparative Totals for 2016

	AUDIT FUND				
	Original Budget	Final Budget	Year Ended 03/31/17 Actual	Variance with Final Budget Positive/ (Negative)	Year Ended 03/31/16 Actual
ACCOUNTING EXPENDITURES					
Accounting services	6,500	6,500	6,093	407	6,168
TOTAL ACCOUNTING EXPENDITURES	<u>6,500</u>	<u>6,500</u>	<u>6,093</u>	<u>407</u>	<u>6,168</u>

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES
 IN FUND BALANCES – MODIFIED CASH BASIS – BUDGET AND ACTUAL –
 INSURANCE & COMPENSATION FUND
 Year Ended March 31, 2017 with Comparative Totals for 2016

	INSURANCE & COMPENSATION FUND				
	Original Budget	Final Budget	Year Ended 03/31/17 Actual	Variance with Final Budget Positive/ (Negative)	Year Ended 03/31/16 Actual
REVENUES RECEIVED					
Tax levy revenues received	228,040	228,040	240,609	12,569	240,301
Corporate replacement tax	85,000	85,000	85,000	-	65,000
Interest income	10	10	94	84	-
IParks distribution	2,570	2,570	-	(2,570)	2,570
TOTAL REVENUES RECEIVED	<u>315,620</u>	<u>315,620</u>	<u>325,703</u>	<u>10,083</u>	<u>307,871</u>
EXPENDITURES DISBURSED					
Liability	70,000	70,000	46,002	23,998	67,999
Unemployment compensation	15,000	15,000	8,118	6,882	9,665
Workmen's compensation	15,000	15,000	11,320	3,680	15,014
Health insurance claims	175,000	175,000	156,480	18,520	148,379
HRA reimbursement	35,000	35,000	35,537	(537)	42,579
TOTAL EXPENDITURES DISBURSED	<u>310,000</u>	<u>310,000</u>	<u>257,457</u>	<u>52,543</u>	<u>283,636</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	5,620	5,620	68,246	62,626	24,235
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	10,000	10,000	-	(10,000)	7,000
NET CHANGE IN FUND BALANCE	<u>15,620</u>	<u>15,620</u>	68,246	<u>52,626</u>	31,235
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR			9,386		(21,849)
FUND BALANCE (DEFICIT) - END OF YEAR			<u>77,632</u>		<u>9,386</u>

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES
 IN FUND BALANCES – MODIFIED CASH BASIS – BUDGET AND ACTUAL –
 MUNICIPAL RETIREMENT FUND
 Year Ended March 31, 2017 with Comparative Totals for 2016

	MUNICIPAL RETIREMENT FUND				
	Original Budget	Final Budget	Year Ended 03/31/17 Actual	Variance with Final Budget Positive/ (Negative)	Year Ended 03/31/16 Actual
REVENUES RECEIVED					
Tax levy revenues received	80,000	80,000	79,583	(417)	79,448
Corporate replacement tax	11,200	11,200	11,200	-	14,000
Interest income	35	35	197	162	101
TOTAL REVENUES RECEIVED	<u>91,235</u>	<u>91,235</u>	<u>90,980</u>	<u>(255)</u>	<u>93,549</u>
EXPENDITURES DISBURSED					
Participating employees contributions: IMRF	<u>52,000</u>	<u>52,000</u>	<u>48,798</u>	<u>3,202</u>	<u>54,535</u>
TOTAL EXPENDITURES DISBURSED	<u>52,000</u>	<u>52,000</u>	<u>48,798</u>	<u>3,202</u>	<u>54,535</u>
NET CHANGE IN FUND BALANCE	<u>39,235</u>	<u>39,235</u>	<u>42,182</u>	<u>2,947</u>	<u>39,014</u>
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR			<u>69,351</u>		<u>30,337</u>
FUND BALANCE (DEFICIT) - END OF YEAR			<u>111,533</u>		<u>69,351</u>

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES
 IN FUND BALANCES – MODIFIED CASH BASIS – BUDGET AND ACTUAL – FICA FUND
 Year Ended March 31, 2017 with Comparative Totals for 2016

	FICA FUND				
	Original Budget	Final Budget	Year Ended 03/31/17 Actual	Variance with Final Budget Positive/ (Negative)	Year Ended 03/31/16 Actual
REVENUES RECEIVED					
Tax levy revenues received	60,000	60,000	59,646	(354)	59,622
Corporate replacement tax	5,000	5,000	5,000	-	12,500
Interest income	10	10	29	19	13
TOTAL REVENUES RECEIVED	<u>65,010</u>	<u>65,010</u>	<u>64,675</u>	<u>(335)</u>	<u>72,135</u>
EXPENDITURES DISBURSED					
Participating employees contributions:					
FICA	55,000	55,000	46,439	8,561	46,046
Non-participating employees contributions:					
FICA	10,000	10,000	7,491	2,509	6,556
TOTAL EXPENDITURES DISBURSED	<u>65,000</u>	<u>65,000</u>	<u>53,930</u>	<u>11,070</u>	<u>52,602</u>
NET CHANGE IN FUND BALANCE	<u>10</u>	<u>10</u>	10,745	<u>10,735</u>	19,533
FUND BALANCE (DEFICIT)					
- BEGINNING OF YEAR			<u>7,188</u>		<u>(12,345)</u>
FUND BALANCE (DEFICIT)					
- END OF YEAR			<u>17,933</u>		<u>7,188</u>

VERMILION COUNTY CONSERVATION DISTRICT
 MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 March 31, 2017

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Illinois Municipal Retirement Plan
(Unaudited)
Last 10 Calendar Years

Calendar year ending December 31,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service Cost	60,153	69,353								
Interest on the Total Pension Liability	415,695	393,439								
Benefit Changes	-	-								
Difference between Expected and Actual Experience Assumption Changes	(106,014)	69,552								
Benefit Payments and Refunds	(225,736)	(236,242)								
Net Change Total Pension Liability	<u>144,098</u>	<u>296,102</u>								
Total Pension Liability – Beginning	<u>5,625,395</u>	<u>5,329,293</u>								
Total Pension Liability – Ending (a)	<u><u>5,769,493</u></u>	<u><u>5,625,395</u></u>								
Plan Fiduciary Net Position										
Employer Contributions	48,961	57,383								
Employee Contributions	27,714	28,190								
Pension Plan Net Investment Income	385,009	27,892								
Benefit Payment and Refunds	(225,736)	(236,242)								
Other	18,835	(32,184)								
Net Change in Plan Fiduciary Net Position	<u>254,783</u>	<u>(154,961)</u>								
Plan Fiduciary Net Position – Beginning	<u>5,498,845</u>	<u>5,653,806</u>								
Plan Fiduciary Net Position – Ending (b)	<u><u>5,753,628</u></u>	<u><u>5,498,845</u></u>								
Net Pension Liability (Asset) – Ending (a) – (b)	<u>15,865</u>	<u>126,550</u>								
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.73%	97.75%								
Covered Valuation Payroll	615,876	626,457								
Net Pension Liability as a Percentage of Covered Valuation Payroll	2.58%	20.20%								

*Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented only for those years for which information is available.

VERMILION COUNTY CONSERVATION DISTRICT
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 March 31, 2017

MULTIYEAR SCHEDULE OF CONTRIBUTIONS
Illinois Municipal Retirement Fund
 (Unaudited)
Last 10 Calendar Years

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$57,383	\$57,383	\$0	\$626,457	9.16%
2016	\$48,962 *	\$48,961	\$1	\$615,876	7.95%

* Estimated based on contribution rate of 7.95% and covered valuation payroll of \$615,876.

Additional years will be added to this schedule until 10 years of data is provided.

NOTES TO SCHEDULE OF CONTRIBUTIONS

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
 USED IN THE CALCULATION OF THE 2016 CONTRIBUTION RATE ***

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years)
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75%--approximate; No explicit price inflation assumption is used in this valuation.
Salary Increase	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-20014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation

VERMILION COUNTY CONSERVATION DISTRICT
SCHEDULE OF PROPERTY TAX INFORMATION
March 31, 2017

	2016 Taxes Collectible in 2017		2015 Taxes Collectible in 2016		2014 Taxes Collectible in 2015		2013 Taxes Collectible in 2014		2012 Taxes Collectible in 2013		2011 Taxes Collectible in 2012	
			Year Ended March 31, 2017		Year Ended March 31, 2016		Year Ended March 31, 2015		Year Ended March 31, 2014		Year Ended March 31, 2013	
<u>ASSESSED VALUATION</u>	<u>873,655,081</u>		<u>849,944,288</u>		<u>829,574,310</u>		<u>814,478,791</u>		<u>796,718,006</u>		<u>816,662,420</u>	
<u>TAX RATES:</u>												
General Fund	.08660	756,586	.07777	661,001	.07378	612,060	.07797	635,049	.08140	648,528	.07870	642,713
Insurance Fund	.03091	270,047	.02848	242,064	.02918	242,070	.02824	230,009	.02890	230,252	.02940	240,099
Municipal Retirement Fund	.00596	52,070	.00942	80,065	.00965	80,054	.00737	60,027	.00760	60,551	.00680	55,533
Audit Fund	.00075	6,552	.00071	6,035	.00073	6,056	.00074	6,027	-	-	.00080	6,533
Social Security (FICA) Fund	.00745	65,087	.00706	60,006	.00724	60,061	.00700	57,014	.00630	50,193	.00560	45,733
Total tax rates	<u>.13167</u>		<u>.12344</u>		<u>.12058</u>		<u>.12132</u>		<u>.12420</u>		<u>.12130</u>	
<u>TAXES CHARGED</u>	<u>1,150,342</u>		<u>1,049,171</u>		<u>1,000,301</u>		<u>988,126</u>		<u>989,524</u>		<u>990,611</u>	
<u>DEDUCTIONS:</u>												
Forfeitures & protests			4,464		5,783		5,371		5,012		7,800	
Errors, abatements and delinquent taxes			3,088		3,138		4,559		8,195		2,717	
TIF and adjustments			4,198		2,559		2,336		8,323		3,083	
Total deductions			<u>11,750</u>		<u>11,480</u>		<u>12,266</u>		<u>21,530</u>		<u>13,600</u>	
<u>NET TAXES</u>			<u>1,037,421</u>		<u>988,821</u>		<u>975,860</u>		<u>967,994</u>		<u>977,011</u>	
<u>ADDITIONS:</u>												
Mobile home tax & TIF			849		1,289		1,433		1,580		1,603	
Back taxes collected			3,483		2,071		2,332		4,065		1,832	
Payment in lieu of taxes and adjustments			1,053		861		49		368		41	
Total additions			<u>5,385</u>		<u>4,221</u>		<u>3,814</u>		<u>6,013</u>		<u>3,476</u>	
<u>TOTAL TAXES RECEIVED</u>			<u>1,042,806</u>		<u>993,042</u>		<u>979,674</u>		<u>974,007</u>		<u>980,487</u>	
<u>DISTRIBUTION:</u>												
General Fund			656,969		607,659		629,635		638,348		636,147	
Insurance Fund			240,609		240,301		228,042		226,657		237,647	
IMRF Fund			79,583		79,448		59,514		59,593		54,956	
Audit Fund			5,999		6,012		5,967		10		6,465	
FICA Fund			59,646		59,622		56,516		49,399		45,272	
			<u>1,042,806</u>		<u>993,042</u>		<u>979,674</u>		<u>974,007</u>		<u>980,487</u>	

See accompanying notes.