

VERMILION COUNTY
CONSERVATION DISTRICT
VERMILION COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the fiscal year ended
March 31, 2018

Vermilion County Conservation District
 Annual Financial Report
 For the fiscal year ended March 31, 2018

TABLE OF CONTENTS

FINANCIAL SECTION	Page
Independent Auditor’s Report	1-2
Management’s Discussion and Analysis	3-9
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position – Modified Cash Basis	10
Statement of Activities – Modified Cash Basis	11
Fund Financial Statements:	
Statement of Assets, Liabilities, & Fund Balances – Modified Cash Basis – Governmental Funds	12
Reconciliation of the Statement of Assets, Liabilities and Fund Balances – Modified Cash Basis of Governmental Funds to the Statement of Activities	13
Statements of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Modified Cash Basis – Governmental Funds	14
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	15
Statement of Fiduciary Net Position	16
Statement of Changes in Fiduciary Net Position	17
Notes to the Financial Statements	18-38
 SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – Modified Cash Basis – General Fund	39
Schedule of Expenditures – Modified Cash Basis – General Fund	40
Statement of Assets, Liabilities, & Fund Balances – Modified Cash Basis – Non-Major Governmental Funds	41

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Modified Cash Basis – Budget and Actual – Non-Major Governmental Funds	42
Schedule of Expenditures – Modified Cash Basis – Non-Major Governmental Funds	43
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Modified Cash Basis – Budget and Actual – Insurance & Compensation Fund	44
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Modified Cash Basis – Budget and Actual – Municipal Retirement Fund	45
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Modified Cash Basis – Budget and Actual – FICA Fund	46
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Modified Cash Basis – Budget and Actual – Debt Service Fund	47
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Modified Cash Basis – Budget and Actual – Capital Projects Fund	48
Notes to Budgetary Comparison Schedules	49

OTHER INFORMATION

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios	50
Multiyear Schedule of Contributions (IMRF)	51
Notes to Schedule of Contributions	52
Schedule of Property Tax Information	53
Summary of Schedule of Prior Audit Findings	54
Corrective Action Plan	55

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, 2018, 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 was audited previously and is consistent, in all material respects, with the audited financial statements from which it was derived.

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, 2018, 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 budgetary comparison information, 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.

Supplementary Information

The budgetary comparison information presented on page 38 and 39, individual major funds and non-major fund financial statements presented on pages 40 through 48 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.

Other Information

Management's discussion and analysis presented on pages 3 through 9 and statistical schedules on pages 50 through 53, 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.

Comparative Information

The prior year summarized comparative information was audited previously and is consistent, in all material respects, with the audited financial statements from which it was derived.

Crowder CPA's Ltd.

Danville, Illinois
July 12, 2018

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, 2018, 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 10.

FINANCIAL HIGHLIGHTS

- The assets of the Vermilion County Conservation District exceeded its liabilities at the close of the most recent fiscal year by \$6,787,293 (net position). Of this amount, \$494,440 (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 \$37,977.
- The Vermilion County Conservation District completed the following projects during fiscal year 2017-2018:
 - Installed replacement windows at the Visitor Center and Hideaway.
 - Installed a new geothermal furnace at the Visitor Center.
 - Resurfaced parking lots at Heron and Lake Vermilion.
 - Resurfaced roads at Forest Glen and Kennekuk.
 - Rebuilt the spillway at Willow Creek.
 - Installed a new septic tank at Forest Glen.

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 10 and 11) 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 12) 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.
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 18 through 38 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 9 and 39 through 49 of this report.

USING THIS ANNUAL REPORT (cont.)

Report Components (cont.)

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 50 through 52 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:

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

The government-wide financial statements can be found on pages 10 and 11 of this report.

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.

Reporting the District as a Whole (cont.)

Reporting the District's Most Significant Funds

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the governmental-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* on pages 13 and 15.

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 12 through 15.

Special Revenue Funds. The Vermilion County Conservation District maintains six 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, FICA Fund, Debt Service Fund, and Capital Projects Fund. The Insurance and Compensation Fund, Municipal Retirement Fund, FICA, Debt Service Fund, and Capital Projects 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.

The Statement of Fiduciary Net Position and Changes in Fiduciary Net Position can be found on pages 16 and 17 of this report.

A FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position - Modified Cash Basis

The following schedule reflects the condensed net position for the years ended March 31, 2018 and March 31, 2017.

	Governmental Activities	
	2018	2017
Current and other assets	1,023,651	691,181
Capital assets, net	6,676,116	6,137,252
Total assets	7,699,767	6,828,433
Current liabilities	87,474	3,163
Noncurrent liabilities	825,000	-
Total liabilities	912,474	3,163
Net investment in capital assets	5,766,116	6,137,252
Restricted	526,737	233,642
Unrestricted	494,440	454,376
Total net position	6,787,293	6,825,270

The Vermilion County Conservation District's total net position resulting from modified cash basis transactions or events decreased from \$6,825,270 to \$6,787,293 between fiscal years 2017 and 2018, respectively.

The District's total assets for governmental activities was \$7,699,767. The District's largest portion of assets in the governmental activities are capital assets in the amount of \$6,676,116 which are used to provide services but cannot be used for future spending.

Total liabilities of the District's governmental activities were \$912,474. This includes \$910,000 in a General Obligation Bond.

The \$526,737 of restricted net position is legally restricted by outside parties for specific purposes. Unrestricted net positions in the amount of \$494,440 is available for on-going obligations and future spending.

The Vermilion County Conservation District's Change in Net Position

	Governmental Activities	
Revenues:	2018	2017
Program revenues:		
Charges for services	229,003	250,316
Operating grant and contributions	62,656	60,665
General Revenues:		
Property taxes	1,141,206	1,042,806
Other taxes	202,787	216,816
Farm income	-	-
Interest income	3,053	1,521
Miscellaneous income	11,702	2,325
Sale of asset	16,235	-
Total revenues	1,666,642	1,574,449
Expenses:		
General administration	457,801	390,929
Recreation	1,178,111	1,209,279
Other expenses	11,979	12,461
Debt service	200	-
Capital projects	27,506	-
Interest on debt	29,022	-
Total expenses	1,704,619	1,612,669
Change in net position	(37,977)	(38,220)
Net Position – Beginning of period	6,825,270	6,863,490
Net Position – End of period	6,787,293	6,825,270

Revenues for the District's governmental activities totaled \$1,666,642, an increase of \$92,193 from previous year's activity. This is largely due to an increase in property taxes and sales of capital assets of \$16,235. Total governmental activities expenses equaled \$1,704,619. This is an increase of \$91,950 over prior year. General administration expenses increased \$66,872 and recreation expenses decreased \$31,168. A large portion of the increases can be attributed to capital maintenance items.

Property taxes increased \$98,400 (approximately 10%) over the previous year. This comprises approximately 68% of all revenues in the current year. The assessed property valuation increased 2.5% between 2017 and 2016, compared to the 2.8% increase between 2016 and 2015. The rates charged increased 7.0% resulting in an increase in property taxes received.

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 \$1,021,177, an increase of \$333,159 from the previous year. Approximately 48% of this amount (\$487,366) 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.

Financial Analysis of the Government's Funds (cont.)

Budgetary Highlights

Over the course of the fiscal year 2018, the Board did not modify the General Fund budget. Total revenues were budgeted at \$1,276,390 and total expenditures were budgeted at \$1,105,995. Most revenues and expenses exceeded budget for the year.

These calculations can be found from examining the *Budgetary Comparison Schedule* on page 39 and the *Schedule of Expenditures* on page 40.

Revenues. Corporate Personal Property Replacement Tax (CPPRT) had an unfavorable variance of \$77,531 (51.7%) under budget as compared to the previous year of a favorable variance of \$37,815 (51.6%). This result is due to the reallocation of \$119,322 to the debt service fund.

Donations had a favorable variance of \$16,516 over budget as compared to the previous year's favorable variance of \$26,665.

Farm income had an unfavorable variance of \$82,900 (100%) under budget. This is due to the lease of the farm land not paying in the last year from crops produced.

Overall the revenue in the general fund, for fiscal year end March 31, 2018, had an unfavorable variance of \$144,614 under budget. This is primarily due to the decrease in farm income and the reallocation of corporate replacement tax to the debt service fund.

Property Taxes had an unfavorable variance of \$59,247. Licenses and permits had an unfavorable variance of \$1,004 and special events had a favorable variance of \$4,287.

Payroll Expenditures. The Salaries and Wages had a favorable variance compared to budget of \$14,385 (approximately 2%). Actual salaries and wages increased by \$846 from the prior year.

General Government - Other Administrative Expenses. The largest fluctuation from budget in Administrative Expenditures was Other Administrative Expenses with a favorable variance of \$33,463 (43.7%) under budget as compared to the previous year's favorable variance of \$15,916 (26.8%).

Recreation. Heating Fuel expenses came in with a \$3,788 favorable variance overall. The largest fluctuation from budget was General Maintenance expenses with an unfavorable variance of \$11,158.

Forest Glen maintenance expenses came in with an unfavorable variance of \$2,100 overall.

Lake Vermilion had an overall favorable variance of \$997. Overall, the General Fund expenses decreased \$109,297 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, 2018 was \$5,766,116 (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 \$371,136. Capital outlay for current year additions exceeded depreciation expense by \$549,033.

The major capital outlay for the current fiscal year was the major resurfacing of parking lots and roads at Forest Glen, Kennekuk, Lake Vermilion and Heron.

Additional information on the district's capital assets can be found in Note 11 on pages 31 and 32 of this report.

Debt Administration. At the end of the current fiscal year, the Vermilion County Conservation District had \$910,000 in long-term debt obligations. This is an increase of \$910,000 from prior year. Detailed information about the District's long-term debt obligations is present in Note 7 on pages 28 and 29 of the financial statements.

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 5.5% to 5.9% each month.

All of these factors were considered during the development of the Vermilion County Conservation District's 2018-2019 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, 2018

	Primary Government
	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	780,068
Restricted cash	236,509
Inventory	7,074
	<hr/>
Total current assets	1,023,651
Noncurrent Assets:	
Capital assets, non-depreciable	3,286,432
Capital assets, depreciable, net	3,389,684
	<hr/>
Total noncurrent assets	6,676,116
	<hr/>
TOTAL ASSETS	7,699,767
LIABILITIES	
Current Liabilities:	
Payroll withholdings	44
Insurance payable	570
Lease payable	1,860
GO bonds payable – current	85,000
	<hr/>
Total current liabilities	87,474
Noncurrent Liabilities:	
GO bonds payable – long-term	825,000
	<hr/>
Total noncurrent liabilities	825,000
	<hr/>
TOTAL LIABILITIES	912,474
NET POSITIONS	
Net investment in capital assets	5,766,116
Restricted for:	
Retirement	125,056
Audit	2,371
Dedicated funds	48,300
Education facility	1,021
Liability	133,778
Social Security	28,551
Debt service	100
Capital projects	187,560
Unrestricted for:	
General fund	494,440
	<hr/>
TOTAL NET POSITION	6,787,293

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
 For the fiscal year ended March 31, 2018

	Program Revenues			Primary
	Expenses	Charges for Services	Operating Grants & Contributions	Government Total
Primary Government				
Governmental activities:				
General government:				
General/Administration	457,801	98,933	-	(358,868)
Recreation	1,178,111	130,070	62,656	(985,385)
Other	11,979	-	-	(11,979)
Debt service	200	-	-	(200)
Capital projects	27,506	-	-	(27,506)
Interest on long-term debt	29,022	-	-	(29,022)
Total governmental activities	<u>1,704,619</u>	<u>229,003</u>	<u>62,656</u>	<u>(1,412,960)</u>

General revenues:	
Tax levy revenues	1,141,206
Corporate replacement tax	199,071
Hotel/motel tax	1,858
TIF taxes received	1,858
Interest income	3,053
Miscellaneous	11,702
Gain on sale of assets	16,235
Total general revenues	<u>1,374,983</u>
Change in net position	(37,977)
Net position – beginning	<u>6,825,270</u>
Net position – ending	<u><u>6,787,293</u></u>

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, & FUND BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
March 31, 2018

	General Fund	Insurance & Compensation Fund	Municipal Retirement Fund	FICA Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash - unrestricted	489,312	134,268	125,094	28,551	100	372	2,371	780,068
- restricted	49,321	-	-	-	-	187,188	-	236,509
Inventory	7,074	-	-	-	-	-	-	7,074
TOTAL ASSETS	545,707	134,268	125,094	28,551	100	187,560	2,371	1,023,651
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Payroll withholdings	6	-	38	-	-	-	-	44
Insurance withholdings	80	490	-	-	-	-	-	570
Lease payable	1,860	-	-	-	-	-	-	1,860
TOTAL LIABILITIES	1,946	490	38	-	-	-	-	2,474
FUND BALANCES								
Fund Balance – nonspendable	7,074	-	-	-	-	-	-	7,074
Fund Balance – restricted	49,321	133,778	125,056	28,551	100	187,560	2,371	526,737
Fund Balance – unassigned	487,366	-	-	-	-	-	-	487,366
TOTAL FUND BALANCES	543,761	133,778	125,056	28,551	100	187,560	2,371	1,021,177
TOTAL LIABILITIES AND FUND BALANCES	545,707	134,268	125,094	28,551	100	187,560	2,371	1,023,651

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
– MODIFIED CASH BASIS OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
March 31, 2018

TOTAL FUND BALANCE – GOVERNMENTAL FUNDS (page 12)	1,021,177
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities of \$12,062,269, net of accumulated depreciation of \$5,386,153, are not financial resources; therefore, are not reported in the funds.	6,676,116
General Obligation Bonds are not due and payable in the current period; therefore, are not reported in the funds	<u>(910,000)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>6,787,293</u></u>

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENTS OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN
 FUND BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
 Year Ended March 31, 2018 with Comparative Totals for 2017

	GOVERNMENTAL FUND TYPES							TOTALS	
	General Fund	Insurance & Compensation Fund	Municipal Retirement Fund	FICA Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Year Ended 03/31/18	Year Ended 03/31/17
REVENUES RECEIVED									
Tax levy revenues received	750,576	267,903	51,657	64,570	-	-	6,500	1,141,206	1,042,806
Corporate replacement tax	72,469	-	7,280	-	119,322	-	-	199,071	214,315
Hotel/Motel tax	1,858	-	-	-	-	-	-	1,858	1,005
TIF taxes received	1,858	-	-	-	-	-	-	1,858	1,496
Charges for services	108,520	-	-	-	-	-	-	108,520	115,931
Interest	1,654	360	325	66	-	641	7	3,053	1,521
Licenses and permits	76,146	-	-	-	-	-	-	76,146	77,961
Concessions	21,550	-	-	-	-	-	-	21,550	19,464
Special events and projects	22,787	-	-	-	-	-	-	22,787	36,960
Donations	62,656	-	-	-	-	-	-	62,656	60,665
Miscellaneous	11,202	-	-	-	-	-	-	11,202	2,325
Lease income	500	-	-	-	-	-	-	500	-
TOTAL REVENUES RECEIVED	1,131,776	268,263	59,262	64,636	119,322	641	6,507	1,650,407	1,574,449
EXPENDITURES DISBURSED									
Current:									
General government	270,968	212,117	45,739	54,018	200	27,506	7,064	617,612	625,380
Recreation	786,568	-	-	-	-	-	-	786,568	786,332
Other	11,979	-	-	-	-	-	-	11,979	12,461
Capital outlay:									
General government	12,727	-	-	-	-	785,575	-	798,302	133,644
Debt service:									
Principal	-	-	-	-	90,000	-	-	90,000	-
Interest	-	-	-	-	29,022	-	-	29,022	-
TOTAL EXPENDITURES DISBURSED	1,082,242	212,117	45,739	54,018	119,222	813,081	7,064	2,333,483	1,557,817
EXCESS OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	49,534	56,146	13,523	10,618	100	(812,440)	(557)	(683,076)	16,632
OTHER FINANCING SOURCES (USES)									
Bond proceeds	-	-	-	-	-	1,000,000	-	1,000,000	-
Sale of assets	16,235	-	-	-	-	-	-	16,235	-
TOTAL OTHER FINANCING SOURCES (USES)	16,235	-	-	-	-	1,000,000	-	1,016,235	-
NET CHANGE IN FUND BALANCES	65,769	56,146	13,523	10,618	100	187,560	(557)	333,159	16,632
FUND BALANCES (DEFICIT) – BEGINNING OF PERIOD	477,992	77,632	111,533	17,933	-	-	2,928	688,018	671,386
FUND BALANCES (DEFICIT) – END OF PERIOD	<u>543,761</u>	<u>133,778</u>	<u>125,056</u>	<u>28,551</u>	<u>100</u>	<u>187,560</u>	<u>2,371</u>	<u>1,021,177</u>	<u>688,018</u>

See accompanying notes.

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, 2018

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS (page 14) 333,159

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

Repayment of bond proceeds 90,000

Revenue reported in the funds that do not provide current financial resources are
 not reported as revenue in the statement of activities – Bond proceeds (1,000,000)

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 798,302

Depreciation expense (249,269)

Loss on disposal of capital assets (10,169)

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES (37,977)

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
March 31, 2018

	<u>Pension Trust Fund</u>
ASSETS	
Investments in deferred compensation	<u>156,517</u>
TOTAL ASSETS	<u>156,517</u>
NET POSITIONS	
Held in trust for pension benefits	<u>156,517</u>
TOTAL NET POSITION	<u>156,517</u>

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 March 31, 2018

	<u>Pension Trust Fund</u>
ADDITIONS	
Contributions from plan members	317
Net increase in fair value of investments	<u>7,179</u>
Total additions	<u>7,496</u>
DEDUCTIONS	
Administrative expenses	<u>103</u>
Total deductions	<u>103</u>
Net change in net position	7,393
Net position – beginning	<u>149,124</u>
Net position – ending	<u><u>156,517</u></u>

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DATE OF MANAGEMENT’S REVIEW – Management has evaluated subsequent events through July 12, 2018, 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.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

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.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from the general obligation bond or from taxes levied by the District.

Capital Projects Fund – The Capital Projects Fund is used to account for all resources for the acquisition of new equipment purchased by the District.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

BASIS OF PRESENTATION (cont.)

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 the 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.

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 all revenue items to be measurable and available only when cash is received by the District. Expenditures generally are recorded when checks are written.

The District has implemented the financial reporting model, required by 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.

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

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.

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.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

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.

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.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

CAPITAL ASSETS (cont.)

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.

BUDGETS AND BUDGETARY ACCOUNTING

The District adopts an annual budget and appropriations ordinance in accordance with Chapter 35 of the Illinois Compiled Statutes. The District employs the use of a budget as a management control device during the year for the General Fund and Special Revenue Funds. The initial and final budget was approved by the Board of Trustees of the Vermilion County Conservation District on February 15, 2017. Expenditures are controlled at the fund level. The budget is prepared on the modified cash basis of accounting. All budget appropriations lapse at year end. Whenever necessary, the budget can be amended by approval of the District's Board when actual expenditures exceed the original amounts budgeted.

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 2016 property taxes, levied in July of 2017 on assessed valuations as of January 1, 2016 are due and payable in 2017. Assessed values are established by the County Assessor's office. The taxes are due in two installments, one due in August and the other in September. The Vermilion County Collector collects and distributes all property taxes for Vermilion County.

Property tax revenues are recognized when they are received. Delinquent taxes are considered fully collectible; therefore, no allowance for uncollectible taxes is provided.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

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.

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. 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.

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.

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

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.

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.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (cont.)

NET POSITION/FUND BALANCE CLASSIFICATIONS (cont.)

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.

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, 2018, consisted of the following:

	<u>General</u>	<u>Other Governmental</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Carrying Amount</u>	<u>Bank Balances</u>
Cash on Hand	413	-	-	-	413	-
Cash in Bank	488,899	290,284	100	372	779,655	783,782
Restricted Cash	49,321	-	-	187,188	236,509	236,509
	<u>538,633</u>	<u>290,284</u>	<u>100</u>	<u>187,560</u>	<u>1,016,577</u>	<u>1,020,291</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>849,300</u>	<u>170,991</u>	<u>-</u>	<u>1,020,291</u>	<u>1,016,577</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 \$49,321. Additional information on the district's restricted cash can be found in Note 12 on page 33.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

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 District and placed through a primary government securities dealer, as defined by the Federal Reserve, or a bank domiciled in the State of Illinois.

The District had no investments at March 31, 2018.

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:

Term	Description
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

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

2018	55,275
2019	55,275
2020	55,275
2021	-
2022	-
Thereafter	-
	165,825

For the year ending March 31, 2018, 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, 2018 was \$3,284. Consumer Price Index increase of \$46.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE 4 – LEASES (cont.)

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, 2018 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:

2018 – 2019	720
2019 – 2020	720
2020 – 2021	420
2021 – 2022	-
Thereafter	-
	1,860

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.

NOTE 6 – 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 7 – DEBT OBLIGATIONS

On June 7, 2017, the Vermilion County Conservation District issued \$1,000,000 in a General Obligation Bond, Series 2017. The proceeds from the sale of the bond is to be used for the acquisition of new maintenance and office equipment. The amount required for principal and interest payments of the general obligation bond is to be provided by corporate personal property replacement taxes. The general obligation bond interest rate is 1.4% to 4.5% and matures on March 1, 2027.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE 7 – DEBT OBLIGATIONS (cont.)

The Vermilion County Conservation District had the following notes payable as of March 31, 2018:

Description	2018		2017	
	Long-term Debt		Long-term Debt	
	Current	Noncurrent	Current	Noncurrent
General Obligation Bond, annual payments of \$85,000, due March 2027, unsecured, variable interest rate 1.4%	85,000	825,000	-	-
Total	85,000	825,000	-	-

The following is a summary of the remaining debt service requirements to maturity by year:

Maturities	Principal	Interest	Total
03/31/2019	85,000	38,315	123,315
03/31/2020	90,000	37,125	127,125
03/31/2021	90,000	33,075	123,075
03/31/2022	95,000	29,025	124,025
03/31/2023	100,000	24,750	124,750
Thereafter	450,000	51,750	501,750
	910,000	214,040	1,124,040

Interest expense was \$29,022 for the year ending March 31, 2018 and \$0 for the year ending March 31, 2017.

Type of Debt	Balance 03/31/17	Additions	Reductions	Balance 03/31/18	Amount Due Within One Year
Governmental Activities: Bond payable	-	1,000,000	90,000	910,000	85,000

NOTE 8 – 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.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE 9 – 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, 2018, District employees had \$156,517 invested in this plan.

NOTE 10 – STATUTORY DEBT LIMITATION

The Statutory Debt Limitation is 1.725% of the assessed valuation for 2017 of \$873,655,081 and 2016 of \$849,944,288.

	<u>2018</u>	<u>2017</u>
Statutory debt limitation	15,070,550	14,661,539
LESS outstanding debt	910,000	-
Net margin	<u>14,160,550</u>	<u>14,661,539</u>

The District is not liable for any special assessment debt as of March 31, 2018 and 2017.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE 11 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended March 31, 2018:

	<u>03/31/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>03/31/18</u>
Governmental activities:				
Capital Assets, not being depreciated:				
Forest Glen Park -				
Land and acquisitions	1,161,226	-	-	1,161,226
Kennekuk -				
Land and acquisitions	2,125,206	-	-	2,125,206
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	1,467,655	99,889	(37,012)	1,530,532
Kennekuk-				
Building and land improvement	5,451,841	114,288	(69,101)	5,497,028
Lake Vermilion -				
Building and land improvement	349,088	8,954	(19,284)	338,758
Heron -				
Building and land improvement	234,569	20,000	-	254,569
Furniture & equipment	830,717	555,171	(230,938)	1,154,950
Total capital assets, being depreciated	<u>8,333,870</u>	<u>798,302</u>	<u>(356,335)</u>	<u>8,775,837</u>

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE 11 – CAPITAL ASSETS (cont.)

	<u>03/31/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>03/31/18</u>
Governmental activities:				
Less accumulated depreciation for:				
Forest Glen Park -				
Building and land improvement	(1,249,958)	(30,851)	37,012	(1,243,797)
Kennekuk-				
Building and land improvement	(3,036,046)	(119,833)	67,883	(3,087,996)
Lake Vermilion -				
Building and land improvement	(297,674)	(7,726)	19,284	(286,116)
Heron -				
Building and land improvement	(155,503)	(11,827)	-	(167,330)
Furniture & equipment	(743,869)	(79,032)	221,987	(600,914)
Total accumulated depreciation	<u>(5,483,050)</u>	<u>(249,269)</u>	<u>346,166</u>	<u>(5,386,153)</u>
Total capital assets, being depreciated net	<u>2,850,820</u>	<u>549,033</u>	<u>(10,169)</u>	<u>3,389,684</u>
Governmental activities capital assets, net	<u>6,137,252</u>	<u>549,033</u>	<u>(10,169)</u>	<u>6,676,116</u>

The depreciation expense for the year ended March 31, 2018, was \$170,237 for operations and \$79,032 for the administration functions.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE 12 – FUND BALANCES

The District has restricted cash for the following purposes from donations received:

Arboretum	7,254
Bunker Hill Historical Area	4,134
Marsh Blind	19
Education Center	1,021
Education	427
Prairie	1,402
Forest Glen	581
WWII Event	6
Conservationist	60
Hegeler Foundation	1,720
Lake Vermilion Gas Pump	757
Revolutionary War	264
Kickapoo Rail Trail	9,324
50 th Anniversary	90
IPRF Grant	3,063
Lake Vermilion	18,562
Plater	637
	49,321
	49,321

Fund balances of the Conservation District's governmental funds at March 31, 2018, are classified as follows regarding level of constraint:

	General Fund	Insurance Fund	IMRF Fund	FICA Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds
Fund Balances:							
Restricted for:							
Dedicated funds	48,300	-	-	-	-	-	-
Education center	1,021	-	-	-	-	-	-
Capital projects	-	-	-	-	-	187,560	-
Nonspendable	7,074	-	-	-	-	-	-
Assigned for:							
Retirement	-	-	125,056	-	-	-	-
Audit expenses	-	-	-	-	-	-	2,371
Insurance	-	133,778	-	-	-	-	-
FICA	-	-	-	28,551	-	-	-
Debt service	-	-	-	-	100	-	-
Unassigned							
General	487,366	-	-	-	-	-	-
Total fund balances	543,761	133,778	125,056	28,551	100	187,560	2,371

NOTE 13 – 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.

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 reduced 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, 2018, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	19
Inactive Plan Members entitled to but not yet receiving benefits	1
Active Plan Members	16
Total	<hr style="border: none; border-top: 1px solid black; margin-bottom: 2px;"/> <hr style="border: none; border-top: 1px solid black; margin-top: 2px;"/> 36

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE 13 – ILLINOIS MUNICIPAL RETIREMENT FUND – DEFINED BENEFIT PENSION PLAN (cont.)

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	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65%-7.35%
Cash Equivalents	1%	2.25%
Total	100%	

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 (to the extent that the plan's 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 plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE 13 – ILLINOIS MUNICIPAL RETIREMENT FUND – DEFINED BENEFIT PENSION PLAN (cont.)

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, 2016	5,769,493	5,753,628	15,865
Changes for the year:			
Service Cost	60,603	-	60,603
Interest on the Total Pension Liability	423,611	-	423,611
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(169,610)	-	(169,610)
Changes of Assumptions	(162,756)	-	(162,756)
Contributions – Employer	-	47,232	(47,232)
Contributions – Employees	-	26,802	(26,802)
Net Investment Income	-	939,075	(939,075)
Benefit Payments, including Refunds of Employee Contributions	(303,286)	(303,286)	-
Other (Net Transfer)	-	(170,749)	170,749
Net Changes	(151,438)	539,074	(690,512)
Balances at December 31, 2017	5,618,055	6,292,702	(674,647)

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	6,237,183	5,618,055	5,109,758
Plan Fiduciary Net Position	6,292,702	6,292,702	6,292,702
Net Position Liability (Asset)	(55,519)	(674,647)	(1,182,944)

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2018

NOTE 13 – 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, 2017, the EMPLOYER recognized pension expenses of \$100,244. At December 31, 2017 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	21,396	182,431	(161,035)
Changes of assumptions	-	124,164	(124,164)
Net difference between projected and actual earnings on pension plan investments	<u>169,228</u>	<u>418,042</u>	<u>(248,814)</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>190,624</u>	<u>724,637</u>	<u>(534,013)</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
2018	(111,395)
2019	(122,102)
2020	(178,877)
2021	(121,639)
2022	-
Thereafter	-
Total	<u>(534,013)</u>

VERMILION COUNTY CONSERVATION DISTRICT
 BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS – GENERAL FUND
 Year Ended March 31, 2018 with Comparative Totals for 2017

	GENERAL			Variance with Final Budget (Over) Under	TOTALS
	Original Budget	Final Budget	Year Ended 03/31/18 Actual		Year Ended 03/31/17 Actual
OPERATING REVENUES RECEIVED					
Tax levy revenues received	756,500	756,500	750,576	5,924	656,969
Corporate replacement tax	150,000	150,000	72,469	77,531	111,115
Hotel/Motel tax	1,200	1,200	1,858	(658)	1,005
TIF taxes received	1,500	1,500	1,858	(358)	1,496
Charges for services	109,000	109,000	108,520	480	115,931
Farm income	82,900	82,900	-	82,900	-
Interest	1,200	1,200	1,654	(454)	1,198
Licenses and permits	77,150	77,150	76,146	1,004	77,961
Concessions	19,300	19,300	21,550	(2,250)	19,464
Special events and projects	18,500	18,500	22,787	(4,287)	36,960
Grant income	10,000	10,000	-	10,000	-
Donations	46,140	46,140	62,656	(16,516)	60,665
Miscellaneous	2,000	2,000	11,202	(9,202)	2,325
Lease income	1,000	1,000	500	500	-
TOTAL OPERATING REVENUES RECEIVED	1,276,390	1,276,390	1,131,776	144,614	1,085,089
EXPENDITURES DISBURSED					
Current:					
General government	304,026	304,026	270,968	33,058	259,102
Recreation	785,489	785,489	786,568	(1,079)	786,332
Other	13,480	13,480	11,979	1,501	12,461
Capital Outlay					
General government	3,000	3,000	12,727	(9,727)	133,644
TOTAL EXPENDITURES DISBURSED	1,105,995	1,105,995	1,082,242	23,753	1,191,539
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	170,395	170,395	49,534	120,861	(106,450)
OTHER FINANCING SOURCES (USES)					
Sale of assets	-	-	16,235	(16,235)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	16,235	(16,235)	-
NET CHANGE IN FUND BALANCES	170,395	170,395	65,769	104,626	(106,450)
FUND BALANCES – BEGINNING OF PERIOD			477,992		584,442
FUND BALANCES – END OF PERIOD			543,761		477,992

VERMILION COUNTY CONSERVATION DISTRICT
SCHEDULE OF EXPENDITURES – MODIFIED CASH BASIS – GENERAL FUND
Year Ended March 31, 2018 with Comparative Totals for 2017

	GENERAL FUND				
	Original Budget	Final Budget	Year Ended 03/31/18 Actual	Variance With Final Budget (Over) Under	Year Ended 03/31/17 Actual
GENERAL GOVERNMENT					
Salaries and wages	210,931	210,931	206,719	4,212	200,030
Employee benefits	1,670	1,670	1,430	240	1,638
Professional services	3,000	3,000	3,842	(842)	1,890
Travel and meeting expense	2,800	2,800	3,911	(1,111)	3,068
Other administrative expenses	76,525	76,525	43,062	33,463	43,464
Promotion and publications	9,100	9,100	12,004	(2,904)	9,012
TOTAL GENERAL GOVERNMENT	304,026	304,026	270,968	33,058	259,102
RECREATION					
Salaries and wages	515,414	515,414	505,241	10,173	511,084
Employee benefits	4,080	4,080	3,493	587	4,184
Education/program expense	22,085	22,085	22,773	(688)	37,377
Electricity	54,200	54,200	51,700	2,500	53,205
Telephone	28,600	28,600	31,905	(3,305)	28,029
Heating fuel	14,500	14,500	10,712	3,788	10,364
Motor fuel and supplies	37,600	37,600	39,384	(1,784)	36,088
Alarm systems	100	100	-	100	-
Maintenance and operation:					
General	7,700	7,700	18,858	(11,158)	8,480
Forest Glen	39,500	39,500	41,600	(2,100)	42,658
Kennekuk	37,000	37,000	38,280	(1,280)	32,196
Lake Vermilion	7,150	7,150	6,153	997	5,814
Concession equipment repairs	200	200	-	200	72
Water craft licenses	60	60	-	60	53
Wildlife management	2,400	2,400	160	2,240	2,262
Solid/waste material	8,300	8,300	10,399	(2,099)	8,258
Termite contracts	6,300	6,300	5,391	909	6,208
Dams/spillways	300	300	519	(219)	-
TOTAL RECREATION	785,489	785,489	786,568	(1,079)	786,332
OTHER					
Concession and vending	13,480	13,480	11,979	1,501	12,461
TOTAL OTHER	13,480	13,480	11,979	1,501	12,461
CAPITAL OUTLAY					
Capital improvements	3,000	3,000	12,727	(9,727)	133,644
TOTAL CAPITAL OUTLAY	3,000	3,000	12,727	(9,727)	133,644

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF ASSETS, LIABILITIES, & FUND BALANCES – MODIFIED CASH BASIS
 – NON-MAJOR GOVERNMENTAL FUNDS
 March 31, 2018 with Comparative Totals for 2017

	<u>AUDIT FUND</u>	
	Year Ended 03/31/18	Year Ended 03/31/17
ASSETS		
Cash and cash equivalents	2,371	2,327
Investments	-	601
TOTAL ASSETS	<u>2,371</u>	<u>2,928</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Assigned	<u>2,371</u>	<u>2,928</u>
TOTAL FUND BALANCES	<u>2,371</u>	<u>2,928</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>2,371</u>	<u>2,928</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, 2018 with Comparative Totals for 2017

	AUDIT FUND				
	Original Budget	Final Budget	Year Ended 03/31/18 Actual	Variance with Final Budget (Over) Under	Year Ended 03/31/17 Actual
REVENUES RECEIVED					
Tax levy revenues received	6,500	6,500	6,500	-	5,999
Corporate replacement taxes	-	-	-	-	2,000
Interest income	-	-	7	(7)	3
TOTAL REVENUES RECIEVED	<u>6,500</u>	<u>6,500</u>	<u>6,507</u>	<u>(7)</u>	<u>8,002</u>
EXPENDITURES DISBURSED					
Accounting services	<u>6,500</u>	<u>6,500</u>	<u>7,064</u>	<u>(564)</u>	<u>6,093</u>
TOTAL EXPENDITURES DISBURSED	<u>6,500</u>	<u>6,500</u>	<u>7,064</u>	<u>(564)</u>	<u>6,093</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(557)</u>	<u>557</u>	<u>1,909</u>
FUND BALANCE – Beginning of Period			<u>2,928</u>		<u>1,019</u>
FUND BALANCE – End of Period			<u>2,371</u>		<u>2,928</u>

VERMILION COUNTY CONSERVATION DISTRICT
 SCHEDULE OF EXPENDITURES – MODIFIED CASH BASIS –
 NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended March 31, 2018 with Comparative Totals for 2017

	AUDIT FUND				
	Original Budget	Final Budget	Year Ended 03/31/18 Actual	Variance with Final Budget (Over) Under	Year Ended 03/31/17 Actual
ACCOUNTING EXPENDITURES					
Accounting services	6,500	6,500	7,064	(564)	6,093
TOTAL ACCOUNTING EXPENDITURES	<u>6,500</u>	<u>6,500</u>	<u>7,064</u>	<u>(564)</u>	<u>6,093</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, 2018 with Comparative Totals for 2017

	INSURANCE & COMPENSATION FUND				
	Original Budget	Final Budget	Year Ended 03/31/18 Actual	Variance with Final Budget (Over) Under	Year Ended 03/31/17 Actual
REVENUES RECEIVED					
Tax levy revenues received	270,000	270,000	267,903	2,097	240,609
Corporate replacement tax	-	-	-	-	85,000
Interest income	75	75	360	(285)	94
TOTAL REVENUES RECEIVED	<u>270,075</u>	<u>270,075</u>	<u>268,263</u>	<u>1,812</u>	<u>325,703</u>
EXPENDITURES DISBURSED					
Liability	50,000	50,000	29,674	20,326	46,002
Unemployment compensation	15,000	15,000	6,069	8,931	8,118
Workmen's compensation	15,000	15,000	13,206	1,794	11,320
Health insurance claims	175,000	175,000	150,509	24,491	156,480
HRA reimbursement	35,000	35,000	12,659	22,341	35,537
TOTAL EXPENDITURES DISBURSED	<u>290,000</u>	<u>290,000</u>	<u>212,117</u>	<u>77,883</u>	<u>257,457</u>
NET CHANGE IN FUND BALANCE	<u>(19,925)</u>	<u>(19,925)</u>	56,146	<u>(76,071)</u>	68,246
FUND BALANCE - BEGINNING OF YEAR			<u>77,632</u>		<u>9,386</u>
FUND BALANCE - END OF YEAR			<u>133,778</u>		<u>77,632</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, 2018 with Comparative Totals for 2017

	MUNICIPAL RETIREMENT FUND				
	Original Budget	Final Budget	Year Ended 03/31/18 Actual	Variance with Final Budget (Over) Under	Year Ended 03/31/17 Actual
REVENUES RECEIVED					
Tax levy revenues received	52,000	52,000	51,657	343	79,583
Corporate replacement tax	7,280	7,280	7,280	-	11,200
Interest income	175	175	325	(150)	197
TOTAL REVENUES RECEIVED	<u>59,455</u>	<u>59,455</u>	<u>59,262</u>	<u>193</u>	<u>90,980</u>
EXPENDITURES DISBURSED					
Participating employees contributions: IMRF	<u>52,000</u>	<u>52,000</u>	<u>45,739</u>	<u>6,261</u>	<u>48,798</u>
TOTAL EXPENDITURES DISBURSED	<u>52,000</u>	<u>52,000</u>	<u>45,739</u>	<u>6,261</u>	<u>48,798</u>
NET CHANGE IN FUND BALANCE	<u>7,455</u>	<u>7,455</u>	13,523	<u>(6,068)</u>	42,182
FUND BALANCE - BEGINNING OF YEAR			<u>111,533</u>		<u>69,351</u>
FUND BALANCE - END OF YEAR			<u>125,056</u>		<u>111,533</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, 2018 with Comparative Totals for 2017

	FICA FUND				
	Original Budget	Final Budget	Year Ended 03/31/18 Actual	Variance with Final Budget (Over) Under	Year Ended 03/31/17 Actual
REVENUES RECEIVED					
Tax levy revenues received	65,000	65,000	64,570	430	59,646
Corporate replacement tax	-	-	-	-	5,000
Interest income	20	20	66	(46)	29
TOTAL REVENUES RECEIVED	<u>65,020</u>	<u>65,020</u>	<u>64,636</u>	<u>384</u>	<u>64,675</u>
EXPENDITURES DISBURSED					
Participating employees contributions:					
FICA	55,000	55,000	45,115	9,885	46,439
Non-participating employees contributions:					
FICA	10,000	10,000	8,903	1,097	7,491
TOTAL EXPENDITURES DISBURSED	<u>65,000</u>	<u>65,000</u>	<u>54,018</u>	<u>10,982</u>	<u>53,930</u>
NET CHANGE IN FUND BALANCE	<u>20</u>	<u>20</u>	10,618	<u>(10,598)</u>	10,745
FUND BALANCE					
- BEGINNING OF YEAR			<u>17,933</u>		<u>7,188</u>
FUND BALANCE					
- END OF YEAR			<u>28,551</u>		<u>17,933</u>

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES
 IN FUND BALANCES – MODIFIED CASH BASIS – BUDGET AND ACTUAL –
 DEBT SERVICE FUND
 Year Ended March 31, 2018 with Comparative Totals for 2017

	DEBT SERVICE FUND				
	Original Budget	Final Budget	Year Ended 03/31/18 Actual	Variance with Final Budget (Over) Under	Year Ended 03/31/17 Actual
REVENUES RECEIVED					
Corporate replacement tax	-	-	119,322	(119,322)	-
Interest income	-	-	-	-	-
TOTAL REVENUES RECEIVED	-	-	119,322	(119,322)	-
EXPENDITURES DISBURSED					
Principal retirement	85,000	85,000	90,000	(5,000)	-
Interest expense	-	-	29,022	(29,022)	-
Miscellaneous expenses	-	-	200	(200)	-
TOTAL EXPENDITURES DISBURSED	85,000	85,000	119,222	(34,222)	-
NET CHANGE IN FUND BALANCE	(85,000)	(85,000)	100	(85,100)	-
FUND BALANCE					
- BEGINNING OF YEAR			-		-
FUND BALANCE					
- END OF YEAR			100		-

VERMILION COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES
IN FUND BALANCES – MODIFIED CASH BASIS – BUDGET AND ACTUAL – CAPITAL
PROJECTS FUND
Year Ended March 31, 2018 with Comparative Totals for 2017

	CAPITAL PROJECTS FUND				
	Original Budget	Final Budget	Year Ended 03/31/18 Actual	Variance with Final Budget (Over) Under	Year Ended 03/31/17 Actual
REVENUES RECEIVED					
Interest income	25,000	25,000	641	(24,359)	-
TOTAL REVENUES RECEIVED	25,000	25,000	641	(24,359)	-
EXPENDITURES DISBURSED					
Operating expenses	-	-	27,506	(27,506)	-
Capital outlay	1,016,675	1,016,675	785,575	231,100	-
TOTAL EXPENDITURES DISBURSED	1,016,675	1,016,675	813,081	203,594	-
EXCESS OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	(991,675)	(991,675)	(812,440)	179,235	
OTHER FINANCING SOURCES (USES)					
Bond proceeds	1,000,000	1,000,000	1,000,000	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,000,000	1,000,000	1,000,000	-	
NET CHANGE IN FUND BALANCE	8,325	8,325	187,560	(179,235)	-
FUND BALANCE					
- BEGINNING OF YEAR			-		-
FUND BALANCE					
- END OF YEAR			187,560		-

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULES
March 31, 2018

BUDGET LAW

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

1. In February, the District Board is presented with a proposed operating budget for the fiscal year commencing the following April 1.
2. Prior to April 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.

BASIS OF ACCOUNTING

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

LEGAL BUDGETS

A comparison of budget to actual expenditures has been presented for all major funds.

EXPENDITURES OVER REVENUES

During the year 2018, expenditures exceeded revenues by \$557 in the Audit fund and \$812,440 in the Capital Projects fund.

VERMILION COUNTY CONSERVATION DISTRICT
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
March 31, 2018

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Illinois Municipal Retirement Plan
(Unaudited)
Last 10 Calendar Years
(schedule to be built prospectively from 2014)

Calendar year ending December 31,	2017	2016	2015
Total Pension Liability			
Service Cost	60,603	60,153	69,353
Interest on the Total Pension Liability	423,611	415,695	393,439
Benefit Changes	-	-	-
Difference between Expected and Actual Experience	(169,610)	(106,014)	69,552
Assumption Changes	(162,756)	-	-
Benefit Payments and Refunds	(303,286)	(225,736)	(236,242)
Net Change Total Pension Liability	(151,438)	144,098	296,102
Total Pension Liability – Beginning	5,769,493	5,625,395	5,329,293
 Total Pension Liability – Ending (a)	 5,618,055	 5,769,493	 5,625,395
 Plan Fiduciary Net Position			
Employer Contributions	47,232	48,961	57,383
Employee Contributions	26,802	27,714	28,190
Pension Plan Net Investment Income	939,075	385,009	27,892
Benefit Payment and Refunds	(303,286)	(225,736)	(236,242)
Other	(170,749)	18,835	(32,184)
Net Change in Plan Fiduciary Net Position	539,074	254,783	(154,961)
Plan Fiduciary Net Position – Beginning	5,753,628	5,498,845	5,653,806
 Plan Fiduciary Net Position – Ending (b)	 6,292,702	 5,753,628	 5,498,845
Net Pension Liability (Asset) – Ending (a) – (b)	(674,647)	15,865	126,550
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 112.01%	 99.73%	 97.75%
Covered Valuation Payroll	595,603	615,876	626,457
Net Pension Liability as a Percentage of Covered Valuation Payroll	 (113.27%)	 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, 2018

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

Calendar Year Ending December 31.	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$57,383	\$57,383	\$0	\$626,457	9.16%
2016	\$48,962	\$48,961	\$1	\$615,876	7.95%
2017	\$47,231 *	\$47,232	\$(1)	\$595,603	7.93%

* Estimated based on contribution rate of 7.93% and covered valuation payroll of \$595,603.

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 2017 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 2017 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): 26-year closed 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 21 years for most employers (two employers were financed over 30 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 adjustments 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, 2015 actuarial valuation

VERMILION COUNTY CONSERVATION DISTRICT
 SCHEDULE OF PROPERTY TAX INFORMATION
 March 31, 2018

	2017 Taxes Collectible in 2018		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	
			Year Ended March 31, 2018		Year Ended March 31, 2017		Year Ended March 31, 2016		Year Ended March 31, 2015		Year Ended March 31, 2014	
<u>ASSESSED VALUATION</u>	895,489,443		873,655,081		849,944,288		829,574,310		814,478,791		796,718,006	
<u>TAX RATES:</u>												
General Fund	.08755	784.001	.08660	756.586	.07777	661.001	.07378	612.060	.07797	635.049	.08140	648.528
Insurance Fund	.03016	270.080	.03091	270.047	.02848	242.064	.02918	242.070	.02824	230.009	.02890	230.252
Municipal Retirement Fund	.00280	25.074	.00596	52.070	.00942	80.065	.00965	80.054	.00737	60.027	.00760	60.551
Audit Fund	.00068	6.089	.00075	6.552	.00071	6.035	.00073	6.056	.00074	6.027	-	-
Social Security (FICA) Fund	.00726	65,012	.00745	65.087	.00706	60.006	.00724	60.061	.00700	57.014	.00630	50.193
Total tax rates	<u>.12845</u>		<u>.13167</u>		<u>.12344</u>		<u>.12058</u>		<u>.12132</u>		<u>.12420</u>	
<u>TAXES CHARGED</u>	<u>1,150,256</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>DEDUCTIONS:</u>												
Forfeitures & protests			5,210		4,464		5,783		5,371		5,012	
Errors, abatements and delinquent taxes			2,938		3,088		3,138		4,559		8,195	
TIF and adjustments			5,344		4,198		2,559		2,336		8,323	
Total deductions			<u>13,492</u>		<u>11,750</u>		<u>11,480</u>		<u>12,266</u>		<u>21,530</u>	
<u>NET TAXES</u>			<u>1,136,850</u>		<u>1,037,421</u>		<u>988,821</u>		<u>975,860</u>		<u>967,994</u>	
<u>ADDITIONS:</u>												
Mobile home tax & TIF			1,021		849		1,289		1,433		1,580	
Back taxes collected			3,207		3,483		2071		2,332		4,065	
Payment in lieu of taxes and adjustments			128		1,053		861		49		368	
Total additions			<u>4,356</u>		<u>5,385</u>		<u>4,221</u>		<u>3,814</u>		<u>6,013</u>	
<u>TOTAL TAXES RECEIVED</u>			<u>1,141,206</u>		<u>1,042,806</u>		<u>993,042</u>		<u>979,674</u>		<u>974,007</u>	
<u>DISTRIBUTION:</u>												
General Fund			750,576		656,969		607,659		629,635		638,348	
Insurance Fund			267,903		240,609		240,301		228,042		226,657	
IMRF Fund			51,657		79,583		79,448		59,514		59,593	
Audit Fund			6,500		5,999		6,012		5,967		10	
FICA Fund			64,570		59,646		59,622		56,516		49,399	
			<u>1,141,206</u>		<u>1,042,806</u>		<u>993,042</u>		<u>979,674</u>		<u>974,007</u>	

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended March 31, 2018

Financial Statement Findings

FINDING 2017-001 Segregation of Duties

Status: Duties are being separated as much as possible and alternative controls are being implemented to compensate for lack of separation. The governing board is becoming more involved in providing some of these controls.

FINDING 2017-002 Qualified Senior Management

Status: The District accepts the degree of risk associated with this condition and will continue to have its auditor prepare its financial statements and note disclosures.

FINDING 2017-003 Shelter Revenue Reporting

Status: The District continues to improve the reporting and recordkeeping on the shelter revenue.

VERMILION COUNTY CONSERVATION DISTRICT
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended March 31, 2018

2017-001 Segregation of Duties

Name of contact person: Jamie Pasquale, Interim Executive Director

Corrective Action: The duties will be separated as much as possible and alternative controls will be used to compensate for lack of separation. The governing board will become more involved in providing some of these controls.

Proposed Completion Date: The Board will implement the above procedure immediately.

2017-002 Qualified Senior Management

Name of contact person: Jamie Pasquale, Interim Executive Director

Corrective Action: The District accepts the degree of risk associated with this condition and will continue to have its auditor prepare its financial statements and note disclosures.

Proposed Completion Date: The District does not think that in the foreseeable future of acquiring the technical training needed for preparing its financial statements.

2017-003 Shelter Revenue Reporting

Name of contact person: Jamie Pasquale, Interim Executive Director

Corrective Action: The District has implemented new reporting procedures for the shelters revenue by creating invoices in Quickbooks that ties back to the recordkeeping spreadsheets. They plan to continue improving the recordkeeping in subsequent fiscal years.