

VERMILION COUNTY
CONSERVATION DISTRICT
VERMILION COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the fiscal year ended
March 31, 2023

Vermilion County Conservation District
 Annual Financial Report
 For the fiscal year ended March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Vermilion County Conservation District
Vermilion County, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Vermilion County Conservation District, as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Vermilion County Conservation District's basic financial statements as listed in the table of contents.

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, 2023, 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 Opinions

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 from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Vermilion County Conservation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which 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.

Responsibilities of Management 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 and for 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercised professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Vermilion County Conservation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Vermilion County Conservation Districts' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary comparison information presented on pages 40 and 41, individual major funds and non-major fund financial statements presented on pages 42 through 49, 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 budgetary comparison information, individual major funds and non-major fund financial statements, are 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 Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis presented on pages 4 through 11 and statistical schedules on pages 39 and 50, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements on the modified cash basis of accounting, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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 PC.

Danville, Illinois
July 17, 2023

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, 2023, 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 12.

FINANCIAL HIGHLIGHTS

- The assets of the Vermilion County Conservation District exceeded its liabilities at the close of the most recent fiscal year by \$9,354,628 (net position). Of this amount, \$1,017,020 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's change in net position on the modified cash basis of accounting was \$734,721.
- The Vermilion County Conservation District completed the following projects during fiscal year 2022-2023:
 - Surfaced roads in Kennekuk.
 - Boardwalk at Heron.

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 12 and 13) 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 14) 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 funds. 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 20 through 38 of this report.
4. *Supplementary information.* The annual report includes optional financial information, such as management's discussion and analysis, budgetary comparison schedules, budgetary schedules for nonmajor funds, and budgetary schedules for major funds. The 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 4 through 11 and pages 40 through 49 of this report.

USING THIS ANNUAL REPORT (cont.)

Report Components (cont.)

5. *Other information.* 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. The 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 page 39 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), and Debt Services. Property taxes and state grants finance most of these activities.

The government-wide financial statements can be found on pages 12 and 13 of this report.

USING THIS ANNUAL REPORT (cont.)

Reporting the District's Most Significant Funds

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Vermilion County Conservation District, like other local government entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Vermilion County Conservation District can be divided into governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, the Vermilion County Conservation District's governmental fund financial statements focus on *modified-cash basis inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's modified-cash basis financing decisions. Both the governmental fund Statement of Assets, Liabilities, and Fund Balances 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 15 and 17.

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 14 through 17.

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, and Debt Service Fund. The Insurance and Compensation Fund, Municipal Retirement Fund, FICA, and Debt Service 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.

USING THIS ANNUAL REPORT (cont.)

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

The Statement of Fiduciary Net Position and Changes in Fiduciary Net Position can be found on pages 18 and 19 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, 2023 and March 31, 2022.

	Governmental Activities	
	2023	2022
Current and other assets	1,723,371	1,663,491
Capital assets, net	8,084,559	7,443,973
Total assets	9,807,930	9,107,464
Current liabilities	108,302	102,952
Noncurrent liabilities	345,000	450,000
Total liabilities	453,302	552,952
Net investment in capital assets	7,634,559	6,893,973
Restricted	703,049	737,345
Unrestricted	1,017,020	923,194
Total net position	9,354,628	8,554,512

The Vermilion County Conservation District's total net position resulting from modified cash basis transactions or events increased from \$8,554,512 to \$9,354,628 between fiscal years 2022 and 2023, respectively.

For 2023, the District's total assets for governmental activities were \$9,807,930. The District's largest portion of assets in the governmental activities were capital assets in the amount of \$8,084,559 which are used to provide services but cannot be used for future spending.

Total liabilities of the District's governmental activities were \$453,302. This includes \$450,000 in a General Obligation Bond.

The \$703,049 of restricted net position is legally restricted by outside parties for specific purposes. The unrestricted net position in the amount of \$1,017,020 is available for on-going obligations and future spending.

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

Change in Net Position - Modified Cash Basis

The Vermilion County Conservation District's Change in Net Position

	Governmental Activities	
Revenues:	2023	2022
Program revenues:		
Charges for services	265,429	248,986
Operating grant and contributions	182,520	624,096
General Revenues:		
Property taxes	1,240,676	1,233,002
Other taxes	756,132	502,221
Farm income	47,292	44,861
Interest income	18,005	1,354
Lease income	6,087	32,476
Miscellaneous income	9,137	6,414
Insurance proceeds	1,557	8,922
Sale of assets	75,459	23,000
Loss on Disposal	(19,772)	-
Total revenues	2,582,522	2,725,332
Expenses:		
General administration	746,283	758,517
Recreation	1,050,790	888,023
Other expenses	25,578	16,689
Debt service	400	400
Interest on debt	24,750	29,025
Total expenses	1,847,801	1,692,654
Change in net position	734,721	1,032,678
Net Position – Beginning of period	8,554,512	7,521,834
PY adjustment for capital additions	65,395	-
Net Position – End of period	9,354,628	8,554,512

Revenues for the District's governmental activities totaled \$2,582,522 a decrease of \$142,810 from the previous year's activity. Total governmental activities expenses equaled \$1,847,801. This is an increase of \$155,149 over the prior year. General administration expenses decreased \$12,234 and recreation expenses increased by \$162,767.

Property taxes increased \$7,674 (less than 1.0%) over the previous year. This comprises approximately 48% of all revenues in the current year. The assessed property valuation increased by 6.8% between 2022 and 2021, compared to the 3.9% increase between 2021 and 2020. The rates charged decreased 6.1% from the previous year.

Farm income increased \$2,431 over the previous year mainly due to the collection of revenue from a previous tenant farmer that was very delinquent in rent payments. The District's attorney has worked out a settlement agreement where the delinquent amount will be paid over 80 months.

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.

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

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

As of the end of the current fiscal year, the Vermilion County Conservation District’s governmental funds reported combined ending fund balances of \$1,720,069, an increase of \$59,530 from the previous year. Approximately 59% of this amount (\$1,017,020) 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.

Budgetary Highlights – General Fund – Major Fund

Over the course of the fiscal year 2023, the Board did not modify the General Fund budget. Total revenues were budgeted at \$2,650,450 and total expenditures were budgeted at \$2,799,175.

These calculations can be found from examining the *Budgetary Comparison Schedule* on page 40 and the *Schedule of Expenditures* on page 41.

The following table reflects budget variances for revenue received over \$5,000 in the General Fund as of March 31, 2023:

<u>GENERAL FUND</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Under-budget			
Donations	1,005,000	181,098	823,902
Grant income	50,000	1,422	48,578
Miscellaneous income	27,000	9,137	17,863
Over-budget			
Interest	1,500	11,858	10,358
Corporate replacement tax	350,000	617,597	267,597
Lease income	250	6,087	5,837
Special events and programs	14,000	21,155	7,155
Charges for services	105,100	138,798	33,698

Overall, the revenue in the general fund for fiscal year ended March 31, 2023 was under-budget by \$559,023.

The following reflects budget variances for expenditures disbursed over \$5,000 in the General Fund as of March 31, 2023:

<u>GENERAL FUND</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
General Government			
Under-budget			
Other administrative expenses	1,043,600	61,162	982,438
Over-budget			
Salaries and wages	238,500	265,966	27,466
Promotion and publication	6,500	11,825	5,325

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

Budgetary Highlights – General Fund – Major Fund (cont.)

<u>GENERAL FUND</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Recreation			
Under-budget			
Salaries and wages	493,000	478,734	14,266
Lake Vermilion maintenance	16,500	9,177	7,323
Over-budget			
Forest Glen maintenance	39,750	85,044	45,294
General maintenance	10,000	36,021	26,021
Capital outlay	692,600	893,486	200,866
Education/program expenses and special events	24,900	31,305	6,405
Kennekuk maintenance	60,050	98,465	38,415
Concession and vending	19,225	25,578	6,353

Overall, the expenditures disbursed in the general fund for fiscal year ended March 31, 2023 were under-budget by \$661,367.

Budgetary Highlights – Other Governmental Funds

The following reflects budget variances for revenue received over \$5,000 in other Governmental Funds as of March 31, 2023:

<u>FUND</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
None			

The following reflects budget variances for expenditures disbursed over \$5,000 in other Governmental Funds as of March 31, 2023:

<u>FUND</u>	<u>EXPENDITURES</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
FICA Fund	Participating Employees Contributions	55,000	48,122	6,878
IMRF Fund	IMRF	28,000	15,755	12,245
Insurance Fund	Unemployment compensation	15,000	2,146	12,854
	HRA Reimbursement	35,000	27,495	7,505

These calculations can be found from examining the *Budgetary Schedules* on pages 40 through 45 and pages 48 and 49.

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, 2023 was \$7,634,559 (net of related debt and accumulated depreciation).

Capital Asset and Debt Administration (cont.)

Capital assets (cont.). 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 increased for the current fiscal year by \$1,190,586. Capital outlay exceeded depreciation expense for current year additions by \$575,191.

The major capital outlay for the current fiscal year was for equipment purchases of trucks and tractors. In addition, land improvements to the Kickapoo Rail Trail.

Additional information on the district's capital assets can be found in Note 12 on pages 35 and 36 of this report.

Debt Administration. At the end of the current fiscal year, the Vermilion County Conservation District had \$450,000 in long-term debt obligations. This is a decrease of \$100,000 from prior year. Detailed information about the District's long-term debt obligations is presented in Note 7 on pages 32 and 33 of the financial statements.

Economic Factors and Next Year's Budget and Rates

- Inflationary trends in the locale are slightly less favorable when compared to national indices.
- The estimated assessed valuation of Vermilion County is higher than last year, due to the 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 when compared to most counties in Illinois, running as low as 5.0% and as high as 7.2% each month.

All of these factors were considered during the development of the Vermilion County Conservation District's 2023-2024 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, 2023

	Primary Government
	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	1,329,546
Restricted cash	140,436
Investments	250,941
Inventory	2,448
	<hr/>
Total current assets	1,723,371
Noncurrent Assets:	
Capital assets, non-depreciable	4,808,720
Capital assets, depreciable, net	3,275,839
	<hr/>
Total noncurrent assets	8,084,559
	<hr/>
TOTAL ASSETS	9,807,930
LIABILITIES	
Current Liabilities:	
Payroll withholdings	86
Insurance withholdings	3,216
GO bonds payable – current	105,000
	<hr/>
Total current liabilities	108,302
Noncurrent Liabilities:	
GO bonds payable – long-term	345,000
	<hr/>
Total noncurrent liabilities	345,000
	<hr/>
TOTAL LIABILITIES	453,302
NET POSITIONS	
Net investment in capital assets	7,634,559
Restricted for:	
Nonspendable	2,448
Retirement	148,999
Dedicated funds	135,905
Insurance	305,566
Social security	102,074
Audit	7,365
Debt service	692
Unrestricted for:	
General fund	1,017,020
	<hr/>
TOTAL NET POSITION	9,354,628

See accompanying notes to the basic financial statements.

VERMILION COUNTY CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
For the fiscal year ended March 31, 2023

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Government</u>
		<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Total</u>
Primary Government				
Governmental activities:				
General government:				
General/Administration	621,511	46,050	1,422	(574,039)
Depreciation - general	124,772	-	-	(124,772)
Recreation	877,039	219,379	181,098	(476,562)
Depreciation - recreation	173,751	-	-	(173,751)
Other	25,578	-	-	(25,578)
Debt service	400	-	-	(400)
Interest on long-term debt	24,750	-	-	(24,750)
Total governmental activities	<u>1,847,801</u>	<u>265,429</u>	<u>182,520</u>	<u>(1,399,852)</u>

General revenues:	
Tax levy revenues	1,240,676
Corporate replacement tax	751,247
Hotel/motel tax	2,171
TIF taxes received	2,714
Farm income	47,292
Interest income	18,005
Lease income	6,087
Insurance proceeds	1,557
Miscellaneous	9,137
Gain on sale of assets	75,459
Loss on disposal of assets	(19,772)
Total general revenues	<u>2,134,573</u>
Change in net position	734,721
Net position – beginning	8,554,512
PY adjustment for capital additions	65,395
Net position – ending	<u>9,354,628</u>

See accompanying notes to the basic financial statements.

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF ASSETS, LIABILITIES, & FUND BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
 March 31, 2023

	General Fund	Insurance & Compensation Fund	Municipal Retirement Fund	FICA Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash - unrestricted	849,085	259,126	127,267	87,186	592	6,290	1,329,546
- restricted	135,905	4,531	-	-	-	-	140,436
Investments	168,125	45,021	21,732	14,888	100	1,075	250,941
Inventory	2,448	-	-	-	-	-	2,448
TOTAL ASSETS	1,155,563	308,678	148,999	102,074	692	7,365	1,723,371
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Payroll withholdings	86	-	-	-	-	-	86
Insurance withholdings	104	3,112	-	-	-	-	3,216
TOTAL LIABILITIES	190	3,112	-	-	-	-	3,302
FUND BALANCES							
Fund Balance – nonspendable	2,448	-	-	-	-	-	2,448
Fund Balance – restricted	135,905	4,531	-	-	-	-	140,436
Fund Balance – assigned	-	301,035	148,999	102,074	692	7,365	560,165
Fund Balance – unassigned	1,017,020	-	-	-	-	-	1,017,020
TOTAL FUND BALANCES	1,155,373	305,566	148,999	102,074	692	7,365	1,720,069
TOTAL LIABILITIES AND FUND BALANCES	1,155,563	308,678	148,999	102,074	692	7,365	1,723,371

See accompanying notes to the basic financial statements.

VERMILION COUNTY CONSERVATION DISTRICT
 RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 - MODIFIED CASH BASIS OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 March 31, 2023

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS (page 14)	1,720,069
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities of \$13,330,442, net of accumulated depreciation of \$5,245,883, are not financial resources; therefore, are not reported in the funds.	8,084,559
General Obligation Bonds are not due and payable in the current period; therefore, are not reported in the funds	<u>(450,000)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>9,354,628</u>

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENTS OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN
 FUND BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
 Year Ended March 31, 2023 with Comparative Totals for 2022

	GOVERNMENTAL FUND TYPES							TOTALS
	General Fund	Insurance & Compensation Fund	Municipal Retirement Fund	FICA Fund	Debt Service Fund	Nonmajor Governmental Funds	Year Ended 03/31/23	Year Ended 03/31/22
REVENUES RECEIVED								
Tax levy revenues received	945,065	194,007	24,871	64,702	-	12,031	1,240,676	1,233,002
Corporate replacement tax	617,597	-	3,500	-	125,150	5,000	751,247	497,518
Hotel/Motel tax	2,171	-	-	-	-	-	2,171	1,833
TIF taxes received	2,714	-	-	-	-	-	2,714	2,870
Charges for services	138,798	-	-	-	-	-	138,798	130,320
Farm income	47,292	-	-	-	-	-	47,292	44,861
Interest	11,858	3,045	1,370	972	685	75	18,005	1,354
Licenses and permits	80,581	-	-	-	-	-	80,581	81,937
Concessions	24,895	-	-	-	-	-	24,895	21,072
Special events and programs	21,155	-	-	-	-	-	21,155	15,657
Grant income	1,422	-	-	-	-	-	1,422	6,909
Donations	181,098	-	-	-	-	-	181,098	28,547
IT&P income	-	-	-	-	-	-	-	588,640
Lease income	6,087	-	-	-	-	-	6,087	32,476
Insurance proceeds	1,557	-	-	-	-	-	1,557	8,922
Miscellaneous	9,137	-	-	-	-	-	9,137	6,414
TOTAL REVENUES RECEIVED	2,091,427	197,052	29,741	65,674	125,835	17,106	2,526,835	2,702,332
EXPENDITURES DISBURSED								
Current:								
General government	341,705	196,029	15,755	53,740	400	14,282	621,911	597,116
Recreation	877,039	-	-	-	-	-	877,039	719,157
Other	25,578	-	-	-	-	-	25,578	16,689
Capital outlay:								
General government	893,486	-	-	-	-	-	893,486	1,005,975
Debt service:								
Principal	-	-	-	-	100,000	-	100,000	95,000
Interest	-	-	-	-	24,750	-	24,750	29,025
TOTAL EXPENDITURES DISBURSED	2,137,808	196,029	15,755	53,740	125,150	14,282	2,542,764	2,462,962
EXCESS OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	(46,381)	1,023	13,986	11,934	685	2,824	(15,929)	239,370
OTHER FINANCING SOURCES (USES)								
Sale of assets	75,459	-	-	-	-	-	75,459	23,000
TOTAL OTHER FINANCING SOURCES (USES)	75,459	-	-	-	-	-	75,459	23,000
NET CHANGE IN FUND BALANCES	29,078	1,023	13,986	11,934	685	2,824	59,530	262,370
FUND BALANCES (DEFICIT) – BEGINNING OF PERIOD	1,126,295	304,543	135,013	90,140	7	4,541	1,660,539	1,398,169
FUND BALANCES (DEFICIT) – END OF PERIOD	1,155,373	305,566	148,999	102,074	692	7,365	1,720,069	1,660,539

See accompanying notes to the basic financial statements.

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, 2023

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS (page 16)	59,530
Amounts reported for governmental activities in the Statement of Activities are different because:	
Repayment of bond proceeds	100,000
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	893,486
Depreciation expense	(298,523)
Loss on disposal of capital assets	<u>(19,772)</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>734,721</u>

See accompanying notes to the basic financial statements.

VERMILION COUNTY CONSERVATION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
March 31, 2023

	<u>Pension Trust Fund</u>
ASSETS	
Investments in deferred compensation	<u>192,915</u>
TOTAL ASSETS	<u>192,915</u>
NET POSITIONS	
Held in trust for pension benefits	<u>192,915</u>
TOTAL NET POSITION	<u>192,915</u>

See accompanying notes to the basic financial statements.

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 March 31, 2023

	Pension Trust Fund
ADDITIONS	
Contributions from plan members	330
Net increase in fair value of investments	<u>2,328</u>
Total additions	<u>2,658</u>
DEDUCTIONS	
Administrative expenses	-
Total deductions	<u>-</u>
Net change in net position	2,658
Net position – beginning	<u>190,257</u>
Net position – ending	<u>192,915</u>

See accompanying notes to the basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DATE OF MANAGEMENT’S REVIEW – Management has evaluated subsequent events through July 17, 2023, 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 related requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined by the GASB pronouncement, since Board members are appointed by elected county officials and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

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

BASIS OF PRESENTATION

GOVERNMENT – WIDE FINANCIAL STATEMENTS

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

BASIS OF PRESENTATION (cont.)

GOVERNMENT – WIDE FINANCIAL STATEMENTS (cont.)

Program revenues include (1) charges to customers primarily for building/shelter rentals and (2) licenses/permit fee revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements. The District's major funds are the general fund, insurance fund, IMRF fund, and the FICA fund.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

BASIS OF PRESENTATION (cont.)

Special Revenue Funds ((cont.))

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 and is considered a major fund.

Fiduciary Fund – The Fiduciary Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds using 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 below.

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 Statement of Assets, Liabilities, and Fund Balances.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

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

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.

FUND ACCOUNTING

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures as appropriate.

The District's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities. The funds are grouped in the financial statements in this report into the following fund types and account group categories:

Governmental Funds

General Fund – The General Fund is the general operating fund of the District and is considered 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

FUND ACCOUNTING (cont.)

Governmental Funds (cont.)

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources and the expenditures for which are legally restricted for specific purposes. These funds include: Insurance and Compensation Fund, Municipal Retirement Fund, FICA Fund and Audit Fund.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

NET POSITION/FUND BALANCE CLASSIFICATIONS (cont.)

Fund Financial Statements (cont.)

Governmental Funds (cont.)

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

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

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

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

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

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.

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. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

REVENUE RECOGNITION - PROPERTY TAXES

The District's 2021 property taxes, levied in July of 2022 on assessed valuations as of January 1, 2021 are due and payable in 2022. Assessed values are established by the County Assessor's office. The taxes are due in two installments, one due in June 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.

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.

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 \$7,500 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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

FINANCIAL POSITION (cont.)

CAPITAL ASSETS (cont.)

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

The District owns the following land:

In excess of 1,700 acres at the Forest Glen Preserve
Approximately 2,600 acres at Kennekuk
Approximately 50 acres at Heron County Park
Approximately 7 acres at Lake Vermilion
Approximately 107 acres near Forest Glen Preserve
Approximately 124.8 acres of CSX Railroad corridor
Approximately 9 acres near Forest Glen Preserve

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 net realizable value.

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. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter. Early application is encouraged. The District has not currently determined what impact, if any, this Statement may have on its financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

NEW ACCOUNTING PRONOUNCEMENTS (cont.)

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Clarification of provisions in Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended, related to the focus of the government-wide financial statements. The District has not currently determined what impact, if any, this Statement may have on its financial statements.

The requirements of this Statement are effective as follows:

- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The District has not currently determined what impact, if any, this Statement may have on its financial statements.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the District and its component units are subject to various federal, state and local laws and contractual regulations. The following instances of noncompliance are considered material to the financial statements.

UNINSURED AND UNCOLLATERALIZED DEPOSITS

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State or political subdivision debt obligations, surety bonds, or certain letters of credit. At March 31, 2023, the District had \$0 of uninsured deposits in cash and cash equivalents and \$0 of uninsured deposits in investments.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2023

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

BUDGETARY NONCOMPLIANCE

For the year ended March 31, 2023, expenditures exceeded appropriations at the legal level of control in the General Fund by \$148,725, and Insurance Fund by \$25,500.

NOTE 3 – CASH AND CASH EQUIVALENTS

CUSTODIAL CREDIT RISK – DEPOSITS

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. The time deposits mature at 91 days and are being classified as cash and cash equivalents.

Total deposits held at various local financial institutions at March 31, 2023, consisted of the following:

	<u>Cash On Hand</u>	<u>Cash In Bank</u>	<u>Restricted Cash</u>	<u>Time Deposits</u>	<u>Carrying Amount</u>	<u>Bank Balances</u>
General Fund	414	681,176	135,905	167,495	984,990	998,872
Insurance Fund	-	214,273	4,531	44,853	263,657	263,657
IMRF Fund	-	105,617	-	21,650	127,267	127,267
Fica Fund	-	72,354	-	14,832	87,186	87,186
Other Governmental Funds	-	5,220	-	1,070	6,290	6,290
Debt Service Fund	-	492	-	100	592	592
Totals	<u>414</u>	<u>1,079,132</u>	<u>140,436</u>	<u>250,000</u>	<u>1,469,982</u>	<u>1,483,864</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>1,158,270</u>	<u>325,594</u>	<u>-</u>	<u>1,483,864</u>	<u>1,469,982</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 \$135,905. Additional information on the district's General Fund restricted cash can be found in Note 13 on page 37.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2023

NOTE 4 – 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 deposit issued by state and national banks domiciled in Illinois that are guaranteed or insured by the Federal Deposit 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.

CUSTODIAL CREDIT RISK

The Illinois Public Treasurers Assembly is under the jurisdiction of the Treasurer, who has regulatory oversight for the pool. The fund is not registered with the SEC and has earned AAA Standard and Poor’s qualifying credit rating. Deposits held in the Illinois Funds are not subject to custodial credit risk.

The risk is that a government will not be able to cover deposits if the depository financial institution fails or will not be able to recover collateral securities that are in the possession of an outside party. It shall be the policy of the District to require collateral on all funds. When collateral is required, it must be pledged 100%.

INTEREST RATE RISK

The risk that changes in interest rates will adversely affect the fair value of an investment. The District’s Treasurer realizes there is a time value to money; therefore, idle cash may be invested for a period of one day or in excess of a year, depending on when the money is needed. The main objective of the Vermilion County Conservation District Treasurer’s cash management procedure is to comply with the Illinois Revised Statutes.

The District Treasurer’s investment portfolio shall remain sufficiently liquid to meet all operating requirements which may be reasonably anticipated. Securities held as of March 31, 2023, mature within twelve to twenty-four months.

The District’s investments at March 31, 2023 are as follows:

	<u>General</u>	<u>Insurance</u>	<u>IMRF</u>	<u>FICA</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Carrying Amount</u>	<u>Bank Balances</u>
Time deposits	<u>168,125</u>	<u>45,021</u>	<u>21,732</u>	<u>14,888</u>	<u>100</u>	<u>1,075</u>	<u>250,941</u>	<u>250,941</u>

The following table categorizes investments 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>250,000</u>	<u>-</u>	<u>941</u>	<u>250,941</u>	<u>250,941</u>

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2023

NOTE 4 – INVESTMENTS (cont.)

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

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

Category #3 includes uninsured and uncollateralized deposits and cash equivalents

CREDIT RISK

The risk that an issuer or other counter-party to an investment will not fulfill its obligation. The standard of prudence to be used by the Treasurer of the Vermilion County Conservation District shall be the “prudent person” standard which states:

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

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

NOTE 5 – LEASES

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

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

<u>Term</u>	<u>Description</u>
01/01/22-12/31/26	<ul style="list-style-type: none"> - 157.66 acres used for farming at \$175 per acre, due 05/01/2022 - 157.66 acres used for farming at \$180 per acre, due 05/01/2023 - 157.66 acres used for farming at \$185 per acre, due 05/01/2024 - 157.66 acres used for farming at TBD per acre, due 05/01/2025 - 157.66 acres used for farming at TBD per acre, due 05/01/2026

The District has a Settlement Agreement with the previous tenant farmer that owed \$105,550. The balance being paid in monthly payments of \$1,642. The balance receivable as of March 31, 2023 was \$50,902.

Kickapoo Rail Trail Leases:

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, 2023 was \$0.

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.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2023

NOTE 5 – LEASES (cont.)

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, 2022 to December 31, 2022, renewable annually. The District will receive \$1,500 annually, payable at the rate of \$125 per month, with an increase that follows the CPI rate. The amount received as of March 31, 2023 was \$1,592.

When the District purchased the Kickapoo Rail Trail property from CSX, several ongoing licenses/leases were assigned to the District. One of the leases is Midwestern Gas with an agreement to pay \$193 annually, payable January 31st of each year. The amount received as of March 31, 2023 was \$193.

Comcast of Illinois has the following lease agreements with the District:

Term	Lease #	Description
04/01/21 – 03/31/22	CR301596	\$670 due annually, payable December of each year
	CR319633	\$1,000 due annually, with CPI increases, payable September of each year
	CR319634	\$1,000 due annually, with CPI increases, payable September of each year
	CR319637	\$1,000 due annually, with CPI increases, payable September of each year

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

2023	56,441
2024	57,229
2025	19,852
2026	8,358
2027	8,358
2028-2032	41,790
2033-2037	41,790
2038-2042	41,790
Thereafter	TBD
	<u>275,608</u>

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.

On October 17, 2018, the District entered into an agreement with the Illinois Department of Natural Resources in which both parties agreed to work together to continue the development of the Kickapoo Rail Trail.

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 are 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 rate is 4.5% and matures on March 1, 2027.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2023

NOTE 7 – DEBT OBLIGATIONS (cont.)

The Vermilion County Conservation District had the following notes payable as of March 31, 2023:

Description	2023		2022	
	Long-term Debt		Long-term Debt	
	Current	Noncurrent	Current	Noncurrent
General Obligation Bond, varying annual payments, due March 2027, unsecured, variable interest rate 4.5%	105,000	345,000	100,000	450,000
Total	105,000	345,000	100,000	450,000

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

Maturities	Principal	Interest	Total
03/31/2024	105,000	20,250	125,250
03/31/2025	110,000	15,525	125,525
03/31/2026	115,000	10,575	125,575
03/31/2027	120,000	5,400	125,400
03/31/2028	-	-	-
03/31/2029 – 03/31/2033	-	-	-
	450,000	51,750	501,750

Interest expense was \$24,750 for the year ending March 31, 2023 and \$29,025 for the year ending March 31, 2022.

Type of Debt	Balance 03/31/22	Additions	Reductions	Balance 03/31/23	Amount Due Within One Year
Governmental Activities: Bond payable	550,000	-	100,000	450,000	105,000

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.

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, 2023, District employees had \$192,915 invested in this plan.

NOTE 10 – STATUTORY DEBT LIMITATION

The Statutory Debt Limitation is 1.725% of the assessed valuation for 2022 of \$1,085,284,691 and 2021 of \$1,016,300,419.

	<u>2023</u>	<u>2022</u>
Statutory debt limitation	18,721,161	17,531,182
LESS outstanding debt	<u>450,000</u>	<u>550,000</u>
Net margin	<u>18,271,161</u>	<u>16,981,182</u>

The District is not liable for any special assessment debt as of March 31, 2023 and 2022.

NOTE 11 – CURES GRANT AND COVID-19

Since December 31, 2019, the spread of COVID-19 has severely impacted many economies and economic uncertainties have arisen which resulted in significant market volatility, unemployment, illness and death. Although the financial markets have recovered at this time, unemployment, illness and death are still a concern. The duration of these uncertainties and the ultimate financial and human effects currently cannot be reasonably estimated.

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2023

NOTE 12 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended March 31, 2023:

	03/31/22	PY Adjustment	Reclassification	Additions	Deletions	03/31/23
Governmental activities:						
Capital Assets, not being depreciated:						
Forest Glen Park -						
Land and acquisitions	1,161,226	31,665	-	-	-	1,192,891
Construction in progress	27,390	-	-	76,338	-	103,728
Kennekuk -						
Land and acquisitions	1,543,168	-	-	-	-	1,543,168
Construction in progress	-	-	-	16,630	-	16,630
Kickapoo Rail Trail -						
Land and acquisitions	582,038	-	-	-	-	582,038
Construction in progress	1,082,324	-	-	222,991	-	1,305,315
Lake Vermilion -						
Construction in progress	-	-	-	64,950	-	64,950
Heron -						
Construction in progress	23,290	-	(23,290)	-	-	-
Furniture & equipment	5,000	-	(5,000)	-	-	-
Total capital assets, not being depreciated	4,424,436	31,665	(28,290)	380,909	-	4,808,720
Capital Assets, being depreciated:						
Forest Glen Park -						
Building and land improvement	1,214,906	34,302	-	26,081	(27,836)	1,247,453
Kennekuk -						
Building and land improvement	4,946,234	-	-	155,539	(5,000)	5,096,773
Kickapoo Rail Trail -						
Building and land improvement	24,174	-	-	-	-	24,174
Lake Vermilion -						
Building and land improvement	365,162	-	-	-	(49,186)	315,976
Heron -						
Building and land improvement	249,170	-	23,290	13,558	-	286,018
Furniture & equipment	1,254,053	-	5,000	317,399	(25,124)	1,551,328
Total capital assets, being depreciated	8,053,699	34,302	28,290	512,577	(107,146)	8,521,722

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2023

NOTE 12 – CAPITAL ASSETS (cont.)

	03/31/22	PY Adjustment	Reclassification	Additions	Deletions	03/31/23
Governmental activities:						
Less accumulated depreciation for:						
Forest Glen Park -						
Building and land improvement	(940,188)	(572)	-	(32,655)	11,849	(961,566)
Kennekuk-						
Building and land improvement	(2,808,891)	-	-	(122,745)	2,354	(2,929,282)
Kickapoo Rail Trail -						
Building and land improvement	(403)	-	-	(967)	-	(1,370)
Lake Vermilion -						
Building and land improvement	(287,743)	-	-	(7,839)	49,186	(246,396)
Heron -						
Building and land improvement	(208,199)	-	-	(9,545)	-	(217,744)
Furniture & equipment	(788,738)	-	-	(124,772)	23,985	(889,525)
Total accumulated depreciation	<u>(5,034,162)</u>	<u>(572)</u>	<u>-</u>	<u>(298,523)</u>	<u>87,374</u>	<u>(5,245,883)</u>
Total capital assets being depreciated, net	<u>3,019,537</u>	<u>33,730</u>	<u>-</u>	<u>214,054</u>	<u>(19,772)</u>	<u>3,275,839</u>
Governmental activities capital assets, net	<u>7,443,973</u>	<u>*65,395</u>	<u>-</u>	<u>594,963</u>	<u>(19,772)</u>	<u>8,084,559</u>

Construction in progress at March 31, 2023 consisted of the following:

Kickapoo Rail Trail	1,305,315
Gannett Center remodel	103,728
New shop building -Kennekuk	16,630
Lake Vermilion docks	64,950
	<u>1,490,623</u>

The depreciation expense for the year ended March 31, 2023, was \$173,751 for recreation and \$124,772 for the administration functions.

*Prior year adjustment is for capital additions that were not classified properly and land that was donated

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 13 – FUND BALANCES

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

Arboretum	7,254
Bunker Hill Historical Area	4,865
Whittaker/Wagner/Busby-Meyer	68,792
Education	22,867
Prairie	1,902
Lake Vermilion Gas Pump	5,754
Revolutionary War	1,535
Kickapoo Rail Trail	16,028
VCCF	6,342
Donations - miscellaneous	566
	<u>135,905</u>

Fund balances of the Conservation District's governmental funds at March 31, 2023, are classified as follows regarding level of constraint:

	General Fund	Insurance Fund	IMRF Fund	FICA Fund	Debt Service Fund	Other Governmental Funds
Fund Balances:						
Restricted for:						
Dedicated funds	135,905	-	-	-	-	-
Debt service	-	-	-	-	692	-
Insurance	-	4,531	-	-	-	-
Nonspendable	2,448	-	-	-	-	-
Assigned for:						
Retirement	-	-	148,999	-	-	-
Insurance	-	301,035	-	-	-	-
FICA	-	-	-	102,074	-	-
Audit	-	-	-	-	-	7,365
Unassigned						
General	<u>1,017,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,155,373</u>	<u>305,566</u>	<u>148,999</u>	<u>102,074</u>	<u>692</u>	<u>7,365</u>

VERMILION COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2023

NOTE 14 – ILLINOIS MUNICIPAL RETIREMENT FUND – DEFINED BENEFIT PENSION PLAN

Plan Description. The District’s defined benefit pension plan for Regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District’s plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2022 was 2.93 percent. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2022 was \$18,740. (If you made an additional payment toward your unfunded amount, add this payment to your monthly contributions, based on payroll and recalculate the percentage of APC contributed.)

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/22	\$18,740	100%	\$0
12/31/21	\$31,606	100%	\$0
12/31/20	\$23,437	100%	\$0

The required contribution for 2022 was determined as part of the December 31, 2020, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2020, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan’s overfunded actuarial accrued liability at December 31, 2020 is being amortized as a level percentage of projected payroll on an open 21-year basis.

Funded Status and Funding Progress. As of December 31, 2022, the most recent actuarial valuation date, the Regular plan was 129.26 percent funded. The actuarial accrued liability for benefits was \$2,163,693 and the actuarial value of assets was \$2,796,691, resulting in an overfunded actuarial accrued liability (UAAL) of \$632,998. The covered payroll for calendar year 2022 (annual payroll of active employees covered by the plan) was \$639,584. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

VERMILION COUNTY CONSERVATION DISTRICT
 OTHER INFORMATION
 March 31, 2023

ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/22	2,796,691	2,163,693	(632,998)	129.26	639,584	-
12/31/21	3,095,265	2,303,533	(791,732)	134.37	619,726	-
12/31/20	2,673,032	2,391,983	(281,049)	111.75	631,807	-

On a market value basis, the actuarial value of assets as of December 31, 2022 is \$2,268,637. On a market basis, the funded ratio would be 104.85%.

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

VERMILION COUNTY CONSERVATION DISTRICT
 BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS – GENERAL FUND
 Year Ended March 31, 2023 with Comparative Totals for 2022

	GENERAL FUND			
	Original & Final Budget	Year Ended 03/31/23 Actual	Variance with Final Budget (Over) Under	Year Ended 03/31/22 Actual
OPERATING REVENUES RECEIVED				
Tax levy revenues received	950,000	945,065	4,935	928,248
Corporate replacement tax	350,000	617,597	(267,597)	369,783
Hotel/Motel tax	1,000	2,171	(1,171)	1,833
TIF taxes received	1,000	2,714	(1,714)	2,870
Charges for services	105,100	138,798	(33,698)	130,320
Farm income	47,300	47,292	8	44,861
Interest	1,500	11,858	(10,358)	881
Licenses and permits	77,250	80,581	(3,331)	81,937
Concessions	21,050	24,895	(3,845)	21,072
Special events and programs	14,000	21,155	(7,155)	15,657
Grant income	50,000	1,422	48,578	3,598
Donations	1,005,000	181,098	823,902	28,547
IPEP income	-	-	-	588,640
Insurance proceeds	-	1,557	(1,557)	8,922
Lease income	250	6,087	(5,837)	32,476
Miscellaneous	27,000	9,137	17,863	6,414
TOTAL OPERATING REVENUES RECEIVED	2,650,450	2,091,427	559,023	2,266,059
EXPENDITURES DISBURSED				
Current:				
General government	1,297,528	341,705	955,823	313,681
Recreation	789,822	877,039	(87,217)	719,157
Other	19,225	25,578	(6,353)	16,689
Capital Outlay				
General government	692,600	893,486	(200,886)	1,005,975
TOTAL EXPENDITURES DISBURSED	2,799,175	2,137,808	661,367	2,055,502
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(148,725)	(46,381)	(102,344)	210,557
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	75,459	(75,459)	23,000
TOTAL OTHER FINANCING SOURCES (USES)	-	75,459	(75,459)	23,000
NET CHANGE IN FUND BALANCES	(148,725)	29,078	(177,803)	233,557
FUND BALANCES – BEGINNING OF PERIOD		1,126,295		892,738
FUND BALANCES – END OF PERIOD		1,155,373		1,126,295

See accompanying notes to the basic financial statements.

VERMILION COUNTY CONSERVATION DISTRICT
 DETAILED SCHEDULE OF EXPENDITURES – MODIFIED CASH BASIS – GENERAL FUND
 Year Ended March 31, 2023 with Comparative Totals for 2022

GENERAL FUND				
	Original & Final Budget	Year Ended 03/31/23 Actual	Variance With Final Budget (Over) Under	Year Ended 03/31/22 Actual
GENERAL GOVERNMENT				
Salaries and wages	238,500	265,966	(27,466)	238,581
Employee benefits	2,678	1,420	1,258	1,224
Professional services	5,000	190	4,810	1,280
Travel and meeting expense	1,250	1,142	108	873
Other administrative expenses	1,043,600	61,162	982,438	67,675
Promotion and publications	6,500	11,825	(5,325)	4,048
TOTAL GENERAL GOVERNMENT	1,297,528	341,705	955,823	313,681
RECREATION				
Salaries and wages	493,000	478,734	14,266	440,497
Employee benefits	4,822	2,557	2,265	2,259
Education/program expense/special events	24,900	31,305	(6,405)	12,607
Electricity	47,500	44,931	2,569	40,166
Telephone	9,000	10,633	(1,633)	9,545
Heating fuel	12,500	12,889	(389)	15,866
Motor fuel and supplies	45,000	47,675	(2,675)	37,370
Alarm systems	1,000	-	1,000	-
Maintenance and operation:				
General	10,000	36,021	(26,021)	28,853
Forest Glen	39,750	85,044	(45,294)	66,106
Kennekuk	60,050	98,465	(38,415)	42,733
Lake Vermilion	16,500	9,177	7,323	4,350
Concession equipment repairs	1,000	-	1,000	118
Water craft licenses	1,000	-	1,000	-
Wildlife management	2,500	2,330	170	2,894
Solid/waste material	10,600	8,288	2,312	7,082
Termite contracts	5,700	5,640	60	5,124
Farming expenses	5,000	3,350	1,650	2,867
Dams/spillways	-	-	-	720
TOTAL RECREATION	789,822	877,039	(87,217)	719,157
OTHER				
Concession and vending	19,225	25,578	(6,353)	16,689
TOTAL OTHER	19,225	25,578	(6,353)	16,689
CAPITAL OUTLAY				
Capital improvements	692,600	893,486	(200,886)	1,005,975
TOTAL CAPITAL OUTLAY	692,600	893,486	(200,886)	1,005,975

See accompanying notes to the basic financial statements.

VERMILION COUNTY CONSERVATION DISTRICT
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES
 IN FUND BALANCES – MODIFIED CASH BASIS – BUDGET AND ACTUAL –
 INSURANCE & COMPENSATION FUND – MAJOR GOVERNMENTAL FUND
 Year Ended March 31, 2023 with Comparative Totals for 2022

	INSURANCE & COMPENSATION FUND			
	Original & Final Budget	Year Ended 03/31/23 Actual	Variance with Final Budget (Over) Under	Year Ended 03/31/22 Actual
REVENUES RECEIVED				
Tax levy revenues received	195,000	194,007	993	202,739
Grant income	-	-	-	-
Interest income	500	3,045	(2,545)	246
TOTAL REVENUES RECEIVED	195,500	197,052	(1,552)	202,985
EXPENDITURES DISBURSED				
Liability insurance	31,000	33,125	(2,125)	29,511
Unemployment compensation	15,000	2,146	12,854	2,207
Workmen's compensation	15,000	13,008	1,992	10,526
Health insurance	125,000	120,255	4,745	121,847
HRA reimbursement	35,000	27,495	7,505	25,924
TOTAL EXPENDITURES DISBURSED	221,000	196,029	24,971	190,015
NET CHANGE IN FUND BALANCE	(25,500)	1,023	(26,523)	12,970
FUND BALANCE				
- BEGINNING OF YEAR		304,543		291,573
FUND BALANCE				
- END OF YEAR		305,566		304,543

See accompanying notes to the basic financial statements.

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 2023, expenditures exceeded revenues by \$46,381 in the General Fund.

EXPENDITURES OVER APPROPRIATIONS

For the year ended March 31, 2023, expenditures exceeded appropriations at the legal level of control in the General Fund by \$148,725 and in the Insurance Fund by \$25,500.

VERMILION COUNTY CONSERVATION DISTRICT
 SCHEDULE OF ASSETS, LIABILITIES, & FUND BALANCES – MODIFIED CASH BASIS
 – NONMAJOR GOVERNMENTAL FUNDS
 March 31, 2023 with Comparative Totals for 2022

	<u>AUDIT FUND</u>	
	<u>Year Ended 03/31/23</u>	<u>Year Ended 03/31/22</u>
ASSETS		
Cash and cash equivalents	6,290	3,857
Investments	<u>1,075</u>	<u>684</u>
TOTAL ASSETS	<u>7,365</u>	<u>4,541</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	-	-
FUND BALANCES		
Assigned	<u>7,365</u>	<u>4,541</u>
TOTAL FUND BALANCES	<u>7,365</u>	<u>4,541</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>7,365</u>	<u>4,541</u>

See accompanying notes to the basic financial statements.

VERMILION COUNTY CONSERVATION DISTRICT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES
IN FUND BALANCES – MODIFIED CASH BASIS – BUDGET AND ACTUAL –
NONMAJOR GOVERNMENTAL FUNDS
Year Ended March 31, 2023 with Comparative Totals for 2022

	AUDIT FUND			
	Original & Final Budget	Year Ended 03/31/23 Actual	Variance with Final Budget (Over) Under	Year Ended 03/31/22 Actual
REVENUES RECEIVED				
Tax levy revenues received	12,000	12,031	(31)	10,707
Corporate replacement tax	5,000	5,000	-	-
Grant income	-	-	-	3,311
Interest income	-	75	(75)	4
TOTAL REVENUES RECIEVED	<u>17,000</u>	<u>17,106</u>	<u>(106)</u>	<u>14,022</u>
EXPENDITURES DISBURSED				
Accounting services	<u>16,000</u>	<u>14,282</u>	<u>1,718</u>	<u>16,178</u>
TOTAL EXPENDITURES DISBURSED	<u>16,000</u>	<u>14,282</u>	<u>1,718</u>	<u>16,178</u>
NET CHANGE IN FUND BALANCE	<u>1,000</u>	2,824	<u>(1,824)</u>	(2,156)
FUND BALANCE – Beginning of Period		<u>4,541</u>		<u>6,697</u>
FUND BALANCE – End of Period		<u>7,365</u>		<u>4,541</u>

See accompanying notes to the basic financial statements.

VERMILION COUNTY CONSERVATION DISTRICT
 SCHEDULE OF EXPENDITURES – MODIFIED CASH BASIS –
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended March 31, 2023 with Comparative Totals for 2022

	AUDIT FUND			
	Final Budget	Year Ended 03/31/23 Actual	Variance with Final Budget (Over) Under	Year Ended 03/31/22 Actual
ACCOUNTING EXPENDITURES				
Accounting services	16,000	14,282	1,718	16,178
TOTAL ACCOUNTING EXPENDITURES	<u>16,000</u>	<u>14,282</u>	<u>1,718</u>	<u>16,178</u>

See accompanying notes to the basic financial statements.

VERMILION COUNTY CONSERVATION DISTRICT
 SCHEDULE OF PROPERTY TAX INFORMATION
 March 31, 2023

	2022 Taxes Collectible in 2023	2021 Taxes Collectible in 2022	2020 Taxes Collectible in 2021	2019 Taxes Collectible in 2020	2018 Taxes Collectible in 2019	2017 Taxes Collectible in 2018
	Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019
<u>ASSESSED VALUATION</u>	<u>1,085,284,691</u>	<u>1,016,300,419</u>	<u>978,093,757</u>	<u>956,815,749</u>	<u>931,813,244</u>	<u>895,489,443</u>
<u>TAX RATES:</u>						
General Fund	.08754	.09348	.09369	.09264	.08868	.08755
Insurance Fund	.01797	.01919	.02045	.02091	.02522	.03016
Municipal Retirement Fund	.00231	.00246	.00256	.00262	.00269	.00280
Audit Fund	.00139	.00119	.00108	.00110	.00078	.00068
Social Security (FICA) Fund	.00599	.00640	.00665	.00680	.00698	.00726
Total tax rates	<u>0.11520</u>	<u>.12272</u>	<u>.12443</u>	<u>.12407</u>	<u>.12435</u>	<u>.12845</u>
<u>TAXES CHARGED</u>	<u>1,250,248</u>	<u>1,247,204</u>	<u>1,217,042</u>	<u>1,187,121</u>	<u>1,158,710</u>	<u>1,150,256</u>
<u>DEDUCTIONS:</u>						
Forfeitures & protests		8,387	4,064	7,927	9,694	4,806
Errors, abatements and delinquent taxes		977	989	2,294	886	2,789
TIF and adjustments		94	819	30,053	5,171	3,836
Total deductions		<u>9,458</u>	<u>5,872</u>	<u>40,274</u>	<u>15,751</u>	<u>11,431</u>
<u>NET TAXES</u>		<u>1,237,746</u>	<u>1,211,170</u>	<u>1,146,847</u>	<u>1,142,959</u>	<u>1,138,825</u>
<u>ADDITIONS:</u>						
Mobile home tax & TIF		1006	1,067	1,021	1,055	2,821
Back taxes collected		661	3,316	1,478	459	577
Payment in lieu of taxes and adjustments		1,263	17,449	3,544	2,075	105
Total additions		<u>2,930</u>	<u>21,832</u>	<u>6,043</u>	<u>3,589</u>	<u>3,503</u>
<u>TOTAL TAXES RECEIVED</u>		<u>1,240,676</u>	<u>1,233,002</u>	<u>1,152,890</u>	<u>1,146,548</u>	<u>1,142,328</u>
<u>DISTRIBUTION:</u>						
General Fund	945,065	928,248	860,833	860,833	817,659	778,597
Insurance Fund	194,007	202,739	194,301	194,301	232,537	268,219
IMRF Fund	24,871	25,380	24,346	24,346	24,802	24,901
Audit Fund	12,031	10,707	10,222	10,222	7,192	6,047
FICA Fund	64,702	65,928	63,188	63,188	64,358	64,564
		<u>1,204,676</u>	<u>1,233,002</u>	<u>1,152,890</u>	<u>1,146,548</u>	<u>1,142,328</u>

See accompanying notes to the basic financial statements.