

VERMILION COUNTY
CONSERVATION DISTRICT
VERMILION COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the fiscal year ended
March 31, 2019

Vermilion County Conservation District
 Annual Financial Report
 For the fiscal year ended March 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Vermilion County Conservation District
Vermilion County, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vermilion County Conservation District, as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vermilion County Conservation District as of March 31, 2019, and the respective changes in modified cash basis financial position, thereof, for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 – Summary of Significant Accounting Policies of the financial statements, 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.

Other Matters

Report on Supplementary and Other Information

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

Supplementary Information

The budgetary comparison information presented on page 39 and 40, individual major funds and non-major fund financial statements presented on pages 41 through 48 is the responsibility of management and was derived from, and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Information

Management's discussion and analysis presented on pages 3 through 9 and statistical schedules on pages 50 through 53, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on such information.

Comparative Information

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

Crowder CPA's PC, PA

Danville, Illinois
August 13, 2019

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, 2019, within the limitations of the District's modified cash basis of accounting. Please read it in conjunction with the District's financial statements that begin on page 10.

FINANCIAL HIGHLIGHTS

- The assets of the Vermilion County Conservation District exceeded its liabilities at the close of the most recent fiscal year by \$6,960,281 (net position). Of this amount, \$598,316 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total revenues exceeded total expenditures, on the modified cash basis of accounting, by \$172,988.
- The Vermilion County Conservation District completed the following projects during fiscal year 2018-2019:
 - Replaced the shower house roof at Forest Glen.
 - Installed Busby-Meyer restroom at Forest Glen.
 - Resurfaced front entrance parking lot at Lake Vermilion.
 - Remodeled Visitor Center by replacing the front door and installing new flooring.

USING THIS ANNUAL REPORT

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

Report Components

This annual report consists of the following four parts:

1. *Government-wide financial statements.* The Statement of Net Position and the Statement of Activities (on pages 10 and 11) provide information about the activities of the District government-wide (or as a whole) and present a longer-term view of the District's finances.
2. *Fund financial statements.* Fund financial statements (starting on page 12) focus on the individual parts of the District's government. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant major fund. For governmental activities, these statements tell how these services were financed in the short term, as well as what remains for future spending.
3. *Notes to financial statements.* The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements. The notes to the financial statements can be found on pages 18 through 38 of this report.
4. *Supplementary information.* The annual report includes optional financial information, such as management's discussion and analysis, budgetary comparison schedules, budgetary statements for nonmajor funds, and budgetary statements 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 3 through 9 and 39 through 49 of this report.

USING THIS ANNUAL REPORT (cont.)

Report Components (cont.)

5. This report also presents certain other information concerning the Vermilion County Conservation District's progress in funding its obligation to provide pension benefits to its employees. 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 pages 50 through 52 of this report.

Basis of Accounting

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

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

Reporting the District as a Whole

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

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

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

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's modified-cash basis financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances provides a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities on pages 13 and 15*.

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

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

The basic governmental fund financial statements can be found on pages 12 through 15.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Vermilion County Conservation District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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 16 and 17 of this report.

A FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position - Modified Cash Basis

The following schedule reflects the condensed net position for the years ended March 31, 2019 and March 31, 2018.

	Governmental Activities	
	2019	2018
Current and other assets	1,194,249	1,023,651
Capital assets, net	6,594,061	6,676,116
Total assets	7,788,310	7,699,767
Current liabilities	93,029	87,474
Noncurrent liabilities	735,000	825,000
Total liabilities	828,029	912,474
Net investment in capital assets	5,769,061	5,766,116
Restricted	592,904	526,737
Unrestricted	598,316	494,440
Total net position	6,960,281	6,787,293

The Vermilion County Conservation District's total net position resulting from modified cash basis transactions or events increased from \$6,787,293 to \$6,960,281 between fiscal years 2018 and 2019, respectively.

The District's total assets for governmental activities was \$7,788,310. The District's largest portion of assets in the governmental activities are capital assets in the amount of \$6,594,061 which are used to provide services but cannot be used for future spending.

Total liabilities of the District's governmental activities were \$828,029. This includes \$825,000 in a General Obligation Bond.

The \$592,904 of restricted net position is legally restricted by outside parties for specific purposes. Unrestricted net positions in the amount of \$598,316 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	
	2019	2018
Revenues:		
Program revenues:		
Charges for services	212,199	229,003
Operating grant and contributions	193,629	62,656
General Revenues:		
Property taxes	1,142,328	1,141,206
Other taxes	188,227	202,787
Farm income	23,649	-
Interest income	12,924	3,053
Miscellaneous income	4,661	11,702
Sale of assets	3,051	16,235
Total revenues	1,780,668	1,666,642
Expenses:		
General administration	417,593	457,801
Recreation	1,130,917	1,178,111
Other expenses	16,503	11,979
Debt service	400	200
Capital projects	3,952	27,506
Interest on debt	38,315	29,022
Total expenses	1,607,680	1,704,619
Change in net position	172,988	(37,977)
Net Position – Beginning of period	6,787,293	6,825,270
Net Position – End of period	6,960,280	6,787,293

Revenues for the District's governmental activities totaled \$1,780,668, an increase of \$114,026 from previous year's activity. This is largely due to an increase in property taxes, contributions and interest income of \$141,966. Total governmental activities expenses equaled \$1,607,680. This is a decrease of \$96,939 over prior year. General administration expenses decreased \$40,208 and recreation expenses decreased by \$47,194.

Property taxes increased \$1,122 (less than 1%) over the previous year. This comprises approximately 64% of all revenues in the current year. The assessed property valuation increased by 4.1% between 2018 and 2017, compared to the 2.5% increase between 2017 and 2016. The rates charged decreased 2.4% resulting in a slight increase in property taxes received.

Financial Analysis of the Government's Funds

Governmental funds. The focus of the Vermilion County Conservation District's *governmental funds* is to provide information on modified cash basis inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Vermilion County Conservation District's ability to meet financial requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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 \$1,191,220, an increase of \$170,043 from the previous year. Approximately 50% of this amount (\$590,335) 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 2019, the Board did not modify the General Fund budget. Total revenues were budgeted at \$1,345,155 and total expenditures were budgeted at \$1,335,585. Total revenues were under budget by \$63,222 and total expenditures were under budget by \$250,091 for the year. Overall, the actual General Fund expenses increased \$3,252 over the prior year's actual expenses.

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

Revenues. Corporate Personal Property Replacement Tax (CPPRT) had an unfavorable variance of \$15,085 (20.8%) under budget as compared to the previous year of an unfavorable variance of \$77,531 (51.7%).

Donations had an unfavorable variance of \$32,046 under budget as compared to the previous year's favorable variance of \$16,516.

Charges for Services had an unfavorable variance of \$13,030 (11.6%) under budget.

Overall the revenue in the general fund, for fiscal year ended March 31, 2019, had an unfavorable variance of \$63,222 under budget. This is primarily due to the decrease in farm income and the reallocation of corporate replacement tax to the debt service fund.

Property Taxes had an unfavorable variance of \$5,403. Licenses and permits had a favorable variance of \$1,437 and interest income had a favorable variance of \$5,786.

Payroll Expenditures. The Salaries and Wages had a favorable variance compared to budget of \$43,338 (approximately 6.2%). Actual salaries and wages decreased by \$55,878 from the prior year.

General Government - Other Administrative Expenses. The largest fluctuation from budget in Administrative Expenditures was Other Administrative Expenses with a favorable variance of \$150,002 (79%) under budget as compared to the previous year's favorable variance of \$33,463 (43.7%). This represents donor restricted expenditures that were budgeted but not yet expended.

Recreation. Wildlife Management expenses came in with a favorable variance of \$2,374 overall. The largest fluctuation from budget was Kennekuk Maintenance expenses with a favorable variance of \$18,712.

Forest Glen Maintenance expenses came in with a favorable variance of \$1,598 overall.

Lake Vermilion had an overall favorable variance of \$4,295.

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

Budgetary Highlights – Other Governmental Funds

The following reflects budget variances over \$5,000 in other Governmental Funds as of March 31, 2019:

<u>FUND</u>	<u>EXPENDITURES</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Municipal Retirement Fund	Participating Employees Contributions	52,000	31,019	+20,981
FICA Fund	Participating Employees Contributions	55,000	41,238	+13,762
Capital Projects Fund	Capital Outlay	187,560	99,751	+87,809
Insurance Fund	Liability	50,000	25,898	+24,102
	Health Insurance Claims	183,000	158,542	+24,438
	HRA Reimbursement	35,000	8,004	+26,996

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, 2019 was \$5,769,061 (net of related debt and accumulated depreciation). The investment in capital assets includes land and land improvements, buildings and improvements, and furniture, fixtures, and equipment. The district’s net investment in capital assets decreased for the current fiscal year by \$2,945. Depreciation expense exceeded capital outlay for current year additions by \$80,441.

The major capital outlay for the current fiscal year was for equipment purchases of mowers, snowplows, pickup trucks and a concrete breaker.

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

Debt Administration. At the end of the current fiscal year, the Vermilion County Conservation District had \$825,000 in long-term debt obligations. This is a decrease of \$85,000 from prior year. Detailed information about the District’s long-term debt obligations is presented in Note 7 on page 29 of the financial statements.

Economic Factors and Next Year’s Budget and Rates

- Inflationary trends in the locale are slightly less favorable compared to national indices.
- The estimated assessed valuation of Vermilion County is higher than last year, due to the counties valuation of real estate property in the area.
- Nationally, the State of Illinois’ sales tax collection is in the bottom half of all states. This is attributable to the recessionary climate and poor farming conditions over the past few years.
- Unemployment in Vermilion County is above average in most counties in Illinois, running as low as 5.4% and as high as 6.7% each month.

All of these factors were considered during the development of the Vermilion County Conservation District’s 2019-2020 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, 2019

	Primary Government
	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	533,534
Restricted cash	201,626
Investments	451,108
Inventory	7,981
Total current assets	<u>1,194,249</u>
Noncurrent Assets:	
Capital assets, non-depreciable	3,377,979
Capital assets, depreciable, net	<u>3,216,082</u>
Total noncurrent assets	<u>6,594,061</u>
TOTAL ASSETS	<u>7,788,310</u>
LIABILITIES	
Current Liabilities:	
Payroll withholdings	85
Insurance payable	1,804
Lease payable	1,140
GO bonds payable – current	<u>90,000</u>
Total current liabilities	<u>93,029</u>
Noncurrent Liabilities:	
GO bonds payable – long-term	<u>735,000</u>
Total noncurrent liabilities	<u>735,000</u>
TOTAL LIABILITIES	<u>828,029</u>
NET POSITIONS	
Net investment in capital assets	5,769,061
Restricted for:	
Retirement	123,697
Dedicated funds	143,176
Liability	196,824
Social Security	44,226
Capital projects	84,981
Unrestricted for:	
Audit	(1,729)
Debt Service	(30)
General fund	<u>600,075</u>
TOTAL NET POSITION	<u>6,960,281</u>

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
 For the fiscal year ended March 31, 2019

	Program Revenues			Primary
	Expenses	Charges for Services	Operating Grants & Contributions	Government Total
Primary Government				
Governmental activities:				
General government:				
General/Administration	417,593	90,938	-	(326,655)
Recreation	1,130,917	121,261	193,629	(816,027)
Other	16,503	-	-	(16,503)
Debt service	400	-	-	(400)
Capital projects	3,952	-	-	(3,952)
Interest on long-term debt	38,315	-	-	(38,315)
Total governmental activities	<u>1,607,680</u>	<u>212,199</u>	<u>193,629</u>	<u>(1,201,852)</u>

General revenues:	
Tax levy revenues	1,142,328
Corporate replacement tax	184,415
Hotel/motel tax	2,093
TIF taxes received	1,719
Farm income	23,649
Interest income	12,924
Miscellaneous	4,661
Gain on sale of assets	3,051
Total general revenues	<u>1,374,840</u>
Change in net position	172,988
Net position – beginning	<u>6,787,293</u>
Net position – ending	<u>6,960,281</u>

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF ASSETS, LIABILITIES, & FUND BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
 March 31, 2019

	General Fund	Insurance & Compensation Fund	Municipal Retirement Fund	FICA Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash - unrestricted	314,617	114,793	76,627	27,397	93	-	7	533,534
- restricted	143,176	5,806	-	-	-	52,644	-	201,626
Investments	278,702	76,170	47,070	16,829	-	32,337	-	451,108
Inventory	7,981	-	-	-	-	-	-	7,981
Due from other funds	-	1,859	-	-	-	-	-	1,859
TOTAL ASSETS	744,476	198,628	123,697	44,226	93	84,981	7	1,196,108
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Payroll withholdings	85	-	-	-	-	-	-	85
Insurance withholdings	-	1,804	-	-	-	-	-	1,804
Lease payable	1,140	-	-	-	-	-	-	1,140
Due to other funds	-	-	-	-	123	-	1,736	1,859
TOTAL LIABILITIES	1,225	1,804	-	-	123	-	1,736	4,888
FUND BALANCES								
Fund Balance – nonspendable	7,981	-	-	-	-	-	-	7,981
Fund Balance – restricted	143,176	-	-	-	-	84,981	-	228,157
Fund Balance – assigned	-	196,824	123,697	44,226	-	-	-	364,747
Fund Balance – unassigned	592,094	-	-	-	(30)	-	(1,729)	590,335
TOTAL FUND BALANCES	743,251	196,824	123,697	44,226	(30)	84,981	(1,729)	1,191,220
TOTAL LIABILITIES AND FUND BALANCES	744,476	198,628	123,697	44,226	93	84,981	7	1,196,108

VERMILION COUNTY CONSERVATION DISTRICT
 RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 – MODIFIED CASH BASIS OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 March 31, 2019

TOTAL FUND BALANCE – GOVERNMENTAL FUNDS (page 12) 1,191,220

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities of \$12,152,494, net of accumulated depreciation of \$5,558,433, are not financial resources; therefore, are not reported in the funds.

6,594,061

General Obligation Bonds are not due and payable in the current period; therefore, are not reported in the funds

(825,000)

NET POSITION OF GOVERNMENTAL ACTIVITIES

6,960,281

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENTS OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN
 FUND BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
 Year Ended March 31, 2019 with Comparative Totals for 2018

	GOVERNMENTAL FUND TYPES							TOTALS	
	General Fund	Insurance & Compensation Fund	Municipal Retirement Fund	FICA Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Year Ended 03/31/19	Year Ended 03/31/18
REVENUES RECEIVED									
Tax levy revenues received	778,597	268,219	24,901	64,564	-	-	6,047	1,142,328	1,141,206
Corporate replacement tax	57,600	-	3,500	-	123,315	-	-	184,415	199,071
Hotel/Motel tax	2,093	-	-	-	-	-	-	2,093	1,858
TIF taxes received	1,719	-	-	-	-	-	-	1,719	1,858
Charges for services	98,970	-	-	-	-	-	-	98,970	108,520
Farm income	23,649	-	-	-	-	-	-	23,649	-
Interest	7,786	2,044	1,259	441	270	1,124	-	12,924	3,053
Licenses and permits	76,537	-	-	-	-	-	-	76,537	76,146
Concessions	22,291	-	-	-	-	-	-	22,291	21,550
Special events and projects	14,401	-	-	-	-	-	-	14,401	22,787
Grant income	1,905	-	-	-	-	-	-	1,905	-
Donations	191,724	-	-	-	-	-	-	191,724	62,656
Miscellaneous	4,661	-	-	-	-	-	-	4,661	11,202
Lease income	-	-	-	-	-	-	-	-	500
TOTAL REVENUES RECEIVED	1,281,933	270,263	29,660	65,005	123,585	1,124	6,047	1,777,617	1,650,407
EXPENDITURES DISBURSED									
Current:									
General government	229,354	207,217	31,019	49,330	400	3,952	10,147	531,419	617,612
Recreation	740,018	-	-	-	-	-	-	740,018	786,568
Other	16,503	-	-	-	-	-	-	16,503	11,979
Capital outlay:									
General government	99,619	-	-	-	-	99,751	-	199,370	798,302
Debt service:									
Principal	-	-	-	-	85,000	-	-	85,000	90,000
Interest	-	-	-	-	38,315	-	-	38,315	29,022
TOTAL EXPENDITURES DISBURSED	1,085,494	207,217	31,019	49,330	123,715	103,703	10,147	1,610,625	2,333,483
EXCESS OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	196,439	63,046	(1,359)	15,675	(130)	(102,579)	(4,100)	166,992	(683,076)
OTHER FINANCING SOURCES (USES)									
Bond proceeds	-	-	-	-	-	-	-	-	1,000,000
Sale of assets	3,051	-	-	-	-	-	-	3,051	16,235
TOTAL OTHER FINANCING SOURCES (USES)	3,051	-	-	-	-	-	-	3,051	1,016,235
NET CHANGE IN FUND BALANCES	199,490	63,046	(1,359)	15,675	(130)	(102,579)	(4,100)	170,043	333,159
FUND BALANCES (DEFICIT) – BEGINNING OF PERIOD	543,761	133,778	125,056	28,551	100	187,560	2,371	1,021,177	688,018
FUND BALANCES (DEFICIT) – END OF PERIOD	743,251	196,824	123,697	44,226	(30)	84,981	(1,729)	1,191,220	1,021,177

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES
 DISBURSED, AND CHANGES IN FUND BALANCES – MODIFIED CASH BASIS OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended March 31, 2019

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS (page 14)	170,043
Amounts reported for governmental activities in the Statement of Activities are different because:	
Repayment of bond proceeds	85,000
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	199,370
Depreciation expense	(279,811)
Loss on disposal of capital assets	<u>(1,614)</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>172,988</u>

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
March 31, 2019

	<u>Pension Trust Fund</u>
ASSETS	
Investments in deferred compensation	<u>162,949</u>
TOTAL ASSETS	<u><u>162,949</u></u>
NET POSITIONS	
Held in trust for pension benefits	<u>162,949</u>
TOTAL NET POSITION	<u><u>162,949</u></u>

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 March 31, 2019

	<u>Pension Trust Fund</u>
ADDITIONS	
Contributions from plan members	317
Net increase in fair value of investments	<u>6,231</u>
Total additions	<u>6,548</u>
DEDUCTIONS	
Administrative expenses	<u>116</u>
Total deductions	<u>116</u>
Net change in net position	6,432
Net position – beginning	<u>156,517</u>
Net position – ending	<u>162,949</u>

See accompanying notes.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DATE OF MANAGEMENT’S REVIEW – Management has evaluated subsequent events through August 13, 2019, 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.

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

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

FUND FINANCIAL STATEMENTS

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

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

The funds of the financial reporting entity are described subsequently:

Governmental Funds

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

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

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

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

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

BASIS OF PRESENTATION (cont.)

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

MEASUREMENT FOCUS

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

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

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

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

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

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

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

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

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

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

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

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

BASIS OF ACCOUNTING

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

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

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

VERMILION COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

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

FINANCIAL POSITION

CASH AND CASH EQUIVALENTS

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

INVESTMENTS

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

INTERFUND RECEIVABLES AND PAYABLES

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

CAPITAL ASSETS

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

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

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

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