

Hancock County, Illinois

Financial Statements and
Supplemental Information

November 30, 2022



Hancock County, Illinois

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November 30, 2022

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Hancock County, Illinois

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Independent Auditors’ Report

Chairman and Members of the Hancock County Board
 Carthage, Illinois

Disclaimer of Opinion, Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hancock County, Illinois (County) as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Discretely Presented Component Unit	Unmodified
Governmental Fund – General Fund	Unmodified
Governmental Fund – Liability Insurance Fund	Unmodified
Governmental Fund – Health Department	Unmodified
Governmental Fund – IMRF Fund	Unmodified
Aggregate Remaining Fund Information	Disclaimer

Basis for Qualified Opinion on the Governmental Activities

We were unable to verify the revenue of the Ambulance Fund at November 30, 2022, and therefore offer no opinion with regards to the Ambulance Fund. The revenue at November 30, 2022, was \$543,322.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the “Basis for Qualified Opinion on the Governmental Activities” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Hancock County, as of November 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Disclaimer of Opinion on the Aggregate Remaining Fund Information

We were unable to verify the revenue of the Ambulance Fund at November 30, 2022, and therefore offer no opinion with regards to the Ambulance Fund. The revenue at November 30, 2022, was \$543,322.

Disclaimer of Opinion

Because of the significance of the matter described in the “Basis for Disclaimer of Opinion on the Aggregate Remaining Fund Information” paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Aggregate Remaining Fund Information, nonmajor funds of Hancock County, as of November 30, 2022. Accordingly, we do not express an opinion on these financial statements.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component unit, the General Fund, Liability Insurance Fund, the Health Department, and the IMRF Fund, of Hancock County, as of November 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

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

Auditors' 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 for 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:

- Exercise 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 Hancock County, Illinois' 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 Hancock County, Illinois' 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.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that pension and budgetary comparison information on pages 32 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us

with sufficient evidence to express an opinion or provide any assurance. Hancock County, Illinois has omitted the management's discussion and analysis that accounting principles accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplemental information and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements. The supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related 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 supplemental information and schedule of expenditures of federal awards is fairly stated, in all material respects in relation to the basic financial statements as a whole.

The statistical section has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Gray Hunter Stenn LLP

Dated at Quincy, Illinois
July 25, 2023

Hancock County, Illinois

Statement of Net Position

November 30, 2022

	<u>Primary Government</u>	
	Governmental Activities	Component Unit
Assets		
Cash	\$ 6,895,800	\$ 56,564
Investments	7,423,472	1,047,692
Accounts and grants receivable	781,032	135,630
Prepaid insurance	41,743	-
Due from other funds	127,713	-
Inventories	70,582	-
Net pension asset	5,352,376	-
Deferred compensation	512,922	-
Capital assets:		
Land	61,128	-
Construction in progress	317,572	42,356
Building and equipment (net of accumulated depreciation)	<u>10,648,512</u>	<u>495,388</u>
Total Assets	<u>32,232,852</u>	<u>1,777,630</u>
Deferred Outflows of Resources		
Property taxes receivable	<u>4,686,459</u>	-
Total Deferred Outflows of Resources	<u>4,686,459</u>	-
Liabilities		
Accounts payable	218,749	-
Accrued expenses	45,888	-
Claims payable	30,000	-
Unearned income	61,522	-
Funds held for others	48,374	-
Deferred compensation	512,922	-
Long-term liabilities:		
Due within one year	<u>135,897</u>	-
Total Liabilities	<u>1,053,352</u>	-
Deferred Inflows of Resources		
Deferred property taxes	4,686,459	-
Future pension expenses	<u>3,674,539</u>	-
Total Deferred Inflows of Resources	<u>8,360,998</u>	-
Net Position		
Net investment in capital assets	11,027,212	537,744
Restricted for:		
General government	6,054,690	-
Public safety	17,793	-
Judiciary	1,100,311	-
Public works and transportation	1,811,215	-
Health and welfare	1,274,654	-
Unrestricted	<u>6,219,086</u>	<u>1,239,886</u>
Total Net Position	<u>\$ 27,504,961</u>	<u>\$ 1,777,630</u>

Hancock County, Illinois
Statement of Activities
Year Ended November 30, 2022

Activities	Expenses	Program Revenues			Net Revenue(Expense) and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit
Primary Government						
Governmental Activities						
General government	\$ 1,530,722	\$ 318,525	\$ 1,789,362	\$ -	\$ 577,165	
Public safety	2,480,339	640,024	33,176	-	(1,807,139)	
Judiciary	846,540	519,367	217,708	-	(109,465)	
Public works and transportation	2,748,332	444,348	1,520,641	-	(783,343)	
Health and welfare	2,913,158	1,375,134	523,406	-	(1,014,618)	
Education	58,634	-	-	-	(58,634)	
Interest expense	1,669	-	-	-	(1,669)	
Total Primary Government	<u>10,579,394</u>	<u>3,297,398</u>	<u>4,084,293</u>	<u>-</u>	<u>(3,197,703)</u>	
Component Unit						
Emergency Telephone System Board	\$ 311,680	\$ -	\$ 454,650	\$ -		\$ 142,970
General Revenues and Transfers						
					4,424,284	-
					2,298,509	-
					84,041	9,526
					505,348	32
					<u>7,312,182</u>	<u>9,558</u>
					4,114,479	152,528
					<u>23,390,482</u>	<u>1,625,102</u>
					<u>\$ 27,504,961</u>	<u>\$ 1,777,630</u>

Hancock County, Illinois

Balance Sheet

Governmental Funds

November 30, 2022

	General	Liability Insurance	Health Department	IMRF	Other Governmental	Total
Assets						
Cash	\$ 3,701,312	\$ 40,192	\$ 1,013,968	\$ 91,625	\$ 1,100,592	\$ 5,947,689
Investments	1,376,567	630,000	-	635,000	4,340,905	6,982,472
Accounts receivable	317,009	-	198,155	-	265,868	781,032
Property taxes receivable	1,139,629	673,830	331,000	500,000	2,003,000	4,647,459
Prepaid insurance	-	6,676	-	-	10,695	17,371
Inventories, at cost	-	-	44,904	-	25,678	70,582
Due from other funds	135,308	-	-	-	102,489	237,797
Total Assets	<u>6,669,825</u>	<u>1,350,698</u>	<u>1,588,027</u>	<u>1,226,625</u>	<u>7,849,227</u>	<u>18,684,402</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	54,826	-	45,122	51,732	67,069	218,749
Accrued expenses	16,131	-	13,424	-	16,333	45,888
Unearned income	1,139,629	673,830	392,522	500,000	2,003,000	4,708,981
Funds held for others	48,374	-	-	-	-	48,374
Due to other funds	5,958	726	3,400	-	100,000	110,084
Total Liabilities	<u>1,264,918</u>	<u>674,556</u>	<u>454,468</u>	<u>551,732</u>	<u>2,186,402</u>	<u>5,132,076</u>
Fund Balances						
Nonspendable	-	-	44,904	-	25,678	70,582
Restricted	3,326,576	676,142	1,088,655	674,893	4,557,712	10,323,978
Assigned	-	-	-	-	1,079,435	1,079,435
Unassigned	2,078,331	-	-	-	-	2,078,331
Total Fund Balances	<u>5,404,907</u>	<u>676,142</u>	<u>1,133,559</u>	<u>674,893</u>	<u>5,662,825</u>	<u>13,552,326</u>
Total Liabilities and Fund Balances	<u>\$ 6,669,825</u>	<u>\$ 1,350,698</u>	<u>\$ 1,588,027</u>	<u>\$ 1,226,625</u>	<u>\$ 7,849,227</u>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds						10,041,959
Deferred inflows of resources due to pension expense						(3,674,539)
Long-term assets related to governmental activities						5,352,376
Long-term liabilities related to governmental activities						(135,897)
The assets and liabilities of internal service funds are included in governmental activities						<u>2,368,736</u>
Net Position of Governmental Activities						<u>\$ 27,504,961</u>

Hancock County, Illinois
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended November 30, 2022

	General	Liability Insurance	Health Department	IMRF	Other Governmental	Total
Revenues						
Property taxes	\$ 1,018,296	\$ 674,017	\$ 331,090	\$ 500,123	\$ 1,865,722	\$ 4,389,248
Intergovernmental - State of Illinois	2,604,871	-	134,079	-	1,116,702	3,855,652
Federal revenue	1,728,754	-	353,618	-	409,069	2,491,441
Grants and contributions	-	-	35,449	-	260	35,709
Charges for services	118,040	-	837,332	-	1,333,963	2,289,335
Fees	427,160	-	-	-	343,783	770,943
Fines	209,482	-	-	-	27,638	237,120
Interest	40,349	3,177	5,270	2,665	25,675	77,136
Other	371,408	54,357	15,264	-	129,535	570,564
Total Revenues	6,518,360	731,551	1,712,102	502,788	5,252,347	14,717,148
Expenditures						
Current						
General government	2,087,752	426,861	-	50,683	619,448	3,184,744
Public safety	1,592,757	-	-	180,223	527,688	2,300,668
Judiciary	638,308	76,523	-	20,768	75,762	811,361
Public works and transportation	-	-	-	37,194	2,159,216	2,196,410
Health and welfare	1,500	-	1,681,805	104,565	1,030,200	2,818,070
Education	58,634	-	-	-	-	58,634
Debt Service:						
Principal	-	-	-	-	140,000	140,000
Interest	-	-	-	-	1,669	1,669
Capital outlay	178,470	-	63,825	-	325,759	568,054
Total Expenditures	4,557,421	503,384	1,745,630	393,433	4,879,742	12,079,610
Excess of Revenues Over (Under) Expenditures	1,960,939	228,167	(33,528)	109,355	372,605	2,637,538
Other Financing Sources (Uses)						
Proceeds from borrowing	-	-	-	-	140,000	140,000
Transfers from (to) other funds	(20,310)	(109,000)	-	-	129,310	-
Total Other Financing Sources (Uses)	(20,310)	(109,000)	-	-	269,310	140,000
Net Change in Fund Balances	1,940,629	119,167	(33,528)	109,355	641,915	2,777,538
Fund Balances, Beginning	3,464,278	556,975	1,167,087	565,538	5,020,910	10,774,788
Fund Balances, Ending	\$ 5,404,907	\$ 676,142	\$ 1,133,559	\$ 674,893	\$ 5,662,825	\$ 13,552,326

Hancock County, Illinois
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
Governmental Funds to the Statement of Activities
Year Ended November 30, 2022

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

Net change in fund balances - total Governmental Funds	\$ 2,777,538
Proceeds from the issuance of debt principal are recorded as other financing sources in the Governmental Funds, but increases long-term liabilities in the Statement of Net Assets	(140,000)
Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term debt liabilities in the Statement of Net Position	140,000
Capital outlay is an expenditure in the Governmental Funds, but are capitalized and depreciated in the statement of activities	568,054
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Depreciation	(838,490)
Compensated absences	(1,651)
Pension obligations	1,466,817
Internal Service Funds are used to charge the cost of certain activities, such as health and unemployment insurance and rent, to individual funds. The net revenue (expense) of the Internal Service Funds is reported with governmental activities	<u>142,211</u>
Change in Net Positions of Governmental Activities	\$ <u>4,114,479</u>

Hancock County, Illinois
Statement of Net Position
Proprietary Funds
November 30, 2022

			<u>Governmental Activities</u>
			<u>Internal Service Funds</u>
Assets			
Current Assets			
Cash	\$	948,111	
Investments		441,000	
Prepaid insurance		<u>24,372</u>	
Total Current Assets			<u>1,413,483</u>
Capital Assets			
Building and equipment (net of accumulated depreciation)			<u>985,253</u>
Total Capital Assets			<u>985,253</u>
Total Assets			<u>2,398,736</u>
Deferred Outflows of Resources			
Property taxes receivable			<u>39,000</u>
Liabilities			
Claims payable			<u>30,000</u>
Total Liabilities			<u>30,000</u>
Deferred Inflows of Resources			
Deferred income			<u>39,000</u>
Net Position			
Invested in capital assets			985,253
Unrestricted			<u>1,383,483</u>
Total Net Position	\$		<u><u>2,368,736</u></u>

Hancock County, Illinois
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended November 30, 2022

		Governmental Activities
		<u>Internal Service Funds</u>
Operating Revenues		
Taxes - Property	\$	35,036
Charges for services		737,564
Rent		432,128
Other		<u>54,844</u>
Total Operating Revenues		<u>1,259,572</u>
Operating Expenses		
Medical claims and expenses		747,725
Personnel costs		54,419
Professional and contractual		16,320
Telephone and utilities		81,522
Repairs and maintenance		86,144
Insurance		54,357
Depreciation		<u>83,779</u>
Total Operating Expenses		<u>1,124,266</u>
Operating Income (Loss)		<u>135,306</u>
Nonoperating Revenue		
Interest income		<u>6,905</u>
Net Income (Loss)		142,211
Net Position, December 1, 2021		<u>2,226,525</u>
Net Position, November 30, 2022	\$	<u><u>2,368,736</u></u>

Hancock County, Illinois
Statement of Cash Flows
Proprietary Funds
Year Ended November 30, 2022

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities	
Receipts from other funds	\$ 1,169,692
Receipts from property taxes	35,036
Other receipts	102,806
Payments to employees	(58,389)
Claims paid	(766,968)
Payments for goods and services	<u>(288,730)</u>
Net Cash Provided by (Applied to) Operating Activities	<u>193,447</u>
Cash Flows from Investing Activities	
Interest income	6,905
Purchases and redemptions of investments	<u>(82,000)</u>
Net Cash Provided by (Applied to) Investing Activities	<u>(75,095)</u>
Net Increase (Decrease) in Cash	118,352
Cash Balance, December 1, 2021	<u>829,759</u>
Cash Balance, November 30, 2022	<u>\$ 948,111</u>
Reconciliation of Income (Loss) to Net Cash Provided by (Applied to) Operating Activities	
Operating Income (Loss)	\$ 135,306
Adjustments to reconcile net operating income (loss) to net cash provided by (applied to) operating activities:	
Non-cash: Depreciation	83,779
Changes in assets and liabilities:	
Reinsurance receivable	47,962
Prepaid expenses	757
Accounts payable and accrued expenses	<u>(74,357)</u>
Net Cash Provided by (Applied to) Operating Activities	<u>\$ 193,447</u>

Hancock County, Illinois
Statement of Net Position
Fiduciary Funds
November 30, 2022

	Private Purpose Trust Funds	Custodial Funds
Assets		
Cash	\$ 150,831	\$ 398,313
Investments	3,232,000	26,031
Accounts receivable	193,291	1,665
Total Assets	3,576,122	426,009
Liabilities		
Accounts payable	278,427	-
Due to other funds	95,911	31,802
Total Liabilities	374,338	31,802
Net Position		
Restricted for individuals, organizations, and other governments	\$ 3,201,784	\$ 394,207

Hancock County, Illinois
Statement of Changes in Net Position
Fiduciary Funds
Year Ended November 30, 2022

	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
Additions		
Intergovernmental revenue	\$ 3,882,577	\$ -
Property taxes collected	-	33,885,835
Collections from others	-	14,513
Interest	<u>22,086</u>	<u>21,544</u>
Total Additions	<u>3,904,663</u>	<u>33,921,892</u>
Deductions		
Transportation expenditures	3,360,144	-
Property taxes disbursed	-	33,644,165
Disbursements to others	<u>-</u>	<u>269,548</u>
Total Deductions	<u>3,360,144</u>	<u>33,913,713</u>
Change in Net Position	<u>544,519</u>	<u>8,179</u>
Net Position, December 1, 2021	<u>2,657,265</u>	<u>386,028</u>
Net Position, November 30, 2022	<u>\$ 3,201,784</u>	<u>\$ 394,207</u>

Hancock County, Illinois
Notes to Basic Financial Statements

1. Summary of Accounting Policies

Hancock County is a governmental entity located in West Central Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to Hancock County (examples would be property taxes, sales taxes, income taxes, and motor fuel taxes) and charges for services performed for constituents of the County and others. Hancock County revenues are therefore primarily dependent on the economy within its territorial boundaries. Industry within the County is primarily agriculture, manufacturing, and retail.

The financial statements of Hancock County, Illinois are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through June 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting and reporting policies used by the County are discussed below.

Reporting Entity

The County's financial reporting entity is composed of the following:

Primary Government	Hancock County
Blended Component Unit	Hancock Public Building Commission
Discretely Presented Component Unit	Emergency Telephone System Board

Blended Component Unit

A blended component unit is a separate legal entity that the County is financially responsible for and its governing body is the same or substantially the same as the County Board or the component unit provides services entirely to the County. The component unit's funds are blended into those of the County by appropriate fund type to constitute the primary government presentation.

The County's blended component unit consists of the Hancock Public Building Commission which was created in 1985 to finance the construction of the County Jail and to maintain the County Courthouse. The fund is presented as an Internal Service Fund.

Discretely Presented Component Unit

A discretely presented component unit is a separate legal entity that the County is financially accountable for but does not have the same or substantially the same governing body as the County Board nor does it provide services entirely to the County.

The County's discretely presented component unit consists of the Emergency Telephone System Board (ETSB). ETSB was created to establish and maintain the County's Emergency 911 telephone system. The County appoints the Board, and the County Treasurer is custodian for the Board's funds. The ETSB is considered major based upon the nature and significance of its relationship to the primary government.

1. **Summary of Accounting Policies** (Continued)

Basis of Presentation

The basic financial statements include both government-wide and fund financial statements.

Government-wide Financial Statements

Government-wide statements focus on the County as a whole, and primary activities are categorized as either governmental or business-type. Even though the government-wide statements focus on the County as a whole, fiduciary funds are not included in the government-wide statements. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. In the government-wide Statement of Net Position the governmental activities are reported on a full accrual, economic resource basis.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major funds are determined based on criteria established by GASB No. 34.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County has the following major governmental funds:

General Fund

This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund includes the general operating funds of the County. These include the General Fund, County Clerk Fee Fund, Sheriff Fee Fund, Circuit Clerk Fund and the ARPA Fund.

Liability Insurance

This fund accounts for expenditures for the County's liability insurance. Funding is provided by a specific annual property tax levy.

Health Department

This fund accounts for the operating activities of the Hancock County Health Department.

IMRF Fund

This fund accounts for the activities resulting from the County's participation in the Illinois Municipal Retirement Fund. Financing is provided by a specific annual property tax levy which is used to pay the County's contributions to the fund on behalf of the County employees.

1. **Summary of Accounting Policies** (Continued)

Basis of Presentation (Continued)

The County has the following proprietary funds:

Internal Service Funds

The Internal Service Funds consist of the Hancock Public Building Commission (the Commission), the Unemployment Compensation Fund, and the Premium and Medical Fund. The purpose of the Commission is to provide maintenance for the Courthouse and Jail. The Unemployment Compensation Fund and the Premium and Medical Fund account for the payment of health and unemployment insurance coverage and claims of County employees.

The County has the following fiduciary funds:

Private Purpose Trust Funds

These funds report principal and income which benefits individuals, private organizations or other governments.

Custodial Funds

These funds account for monies held on behalf of other governments, including property taxes and other taxes collected.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting, as are the proprietary, internal service and custodial funds are accounted for using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for budgetary purposes. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified basis of accounting when the liability is incurred. The exception to this general rule is that debt service expenditures and expenditures related to compensated absences are recognized when due.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

1. Summary of Accounting Policies (Continued)

Cash and Cash Equivalents

The County has defined cash and cash equivalents to include cash on hand and demand deposits. For the purpose of the statements of cash flows, all highly liquid assets other than repurchase agreements with a maturity of three months or less are considered to be cash equivalents. At November 30, 2022, no investments qualified as cash equivalents.

Investments

Investments, which consist primarily of certificates of deposit and repurchase agreements, are stated at cost, which approximates fair value.

Accounts Receivable

Except for the Health Department and Ambulance Fund, accounts receivable in the governmental funds and the internal service funds are reported at gross with no allowance for uncollectibles since the amount of any uncollectible accounts is considered immaterial by management. Accounts receivable of the Health Department and Ambulance Fund are from individuals, insurance companies and governmental units. The Health Department and Ambulance Fund considers accounts receivable to be partially uncollectible and has established an allowance for bad debts to account for amounts considered to be uncollectible. Finance charges occur on individual accounts when 60 days or more are in arrears. When amounts are determined to be uncollectible, they are charged to the allowance. The allowance is evaluated on an annual basis and adjusted based on prior history of collections and a set percentage as stated by policy. The annual adjustment to the allowance is reflected in the bad debt expense or as a bad debt recovery in miscellaneous income. Bad debt recoveries are recorded when received.

Inventories

Inventories consist of expendable supplies and are stated at lower of cost or market with cost determined on a first-in, first-out (FIFO) basis. The cost of inventory is recorded as an expenditure at the time individual inventory items are purchased.

Interfund Activity

Interfund receivables/payables are reported on the fund financial statements in full and are not netted against each other. However, on the government-wide financial statements the interfund receivables/payables are netted against each other and any residual balance is reported on its respective due to other funds or due from other funds line. Interfund revenue and expenses are eliminated in the government-wide statement of activities.

Capital Assets

GASB No. 34 requires all capital assets to be recorded and depreciated over useful lives. Capital assets are carried at historical cost or estimated historical cost if historical cost is not available. A capitalization threshold of \$5,000 is used for all capital assets. The County calculates depreciation on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-50 years
Equipment	3-10 years
Improvements	15-40 years
Infrastructure	50 years

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net positions. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources and debt repayments as debt service expenditures.

1. Summary of Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents the acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only two items that meet the criterion for this category: property taxes receivable and future pension expenses.

Property Taxes

The Supervisor of Assessments prepares the property tax assessment rolls with the property tax liens as of January 1 of each year. Levies are set by individual governmental entities prior to the lien dates set by statute. The collection date for property tax receipts is thirty days after the property tax bills are mailed to taxpayers. The first installment is generally due around June 1 of each year, with the second equal installment due September 1. Property taxes collected are distributed to each taxing district thirty days after receipt. Any unpaid property tax levies are sold at a tax sale the last week of October and final distribution is made in November of each year.

Property taxes levied in 2021 are reflected as revenues in fiscal year 2022. Amounts not collected by the Collector by November 30, 2022 are either under tax objection or forfeiture. Distributions of these tax objection and forfeiture amounts are recognized as revenue in the year of distribution since collection is uncertain.

Property taxes levied in 2022 have been recognized as deferred outflows of resources and deferred inflows of resources as these taxes will be collected and associated for budget purposes to be used in 2023.

Net Position and Fund Equity

In the government-wide financial statements, net position is reported in three categories: invested in capital assets, net of related debt, restricted net position, and unrestricted net position. Net position invested in capital assets, net of related debt represents capital assets less accumulated depreciation less outstanding principal of related debt. Restricted net position represents net position restricted by parties outside of the County (such as grantors, laws, and regulations of other governments). All other net position is considered unrestricted.

In the fund financial statements, fund balance for governmental funds is reported according to GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement enhances the usefulness of the fund balance information by providing clearer fund balance classifications and clarifying the existing governmental fund type definitions. The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance

Fund balance amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance

Fund balance amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation (such as tax levy).

Committed Fund Balance

Fund balance amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

1. Summary of Accounting Policies (Continued)

Assigned Fund Balance

Fund balance amounts a government intends to use for a specific purpose. The intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned Fund Balance

Fund balance amounts that are available for any purpose.

The County's Board of Directors establishes (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget.

The County considers restricted amounts to have been spent when expenditures are incurred for purposes for which the restricted fund balance is available. The County has not established a policy for its use of unrestricted fund balance amounts. It considers that committed would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Detail of the fund balance classifications for the governmental funds is as follows at November 30, 2022:

	Major					Total
	General Fund	Liability Insurance	Health Department	IMRF	Other Funds	
Nonspendable						
Inventory	\$ -	\$ -	\$ 44,904	\$ -	\$ 25,678	\$ 70,582
Restricted for						
Retirement	-	-	-	674,893	-	674,893
Social Security/Medicare	-	-	-	-	306,285	306,285
Insurances	-	676,142	-	-	510,003	1,186,145
Health and welfare	-	-	1,088,655	-	-	1,088,655
Law enforcement	-	-	-	-	-	-
Highways	-	-	-	-	1,845,151	1,845,151
Debt service	-	-	-	-	602	602
Court-related costs	-	-	-	-	1,118,201	1,118,201
Veteran services	-	-	-	-	165,213	165,213
Information Technology	-	-	-	-	362,313	362,313
Other capital projects	-	-	-	-	2,647	2,647
Other purposes	3,326,576	-	-	-	247,297	3,573,873
Assigned to						
Ambulance services	-	-	-	-	71,844	71,844
Law enforcement	-	-	-	-	295,925	295,925
Highways	-	-	-	-	520,676	520,676
Court-related costs	-	-	-	-	12,595	12,595
Other purposes	-	-	-	-	178,395	178,395
Unassigned	<u>2,078,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,078,331</u>
Total Fund Balances	<u>\$ 5,404,907</u>	<u>\$ 676,142</u>	<u>\$ 1,133,559</u>	<u>\$ 674,893</u>	<u>\$ 5,662,825</u>	<u>\$ 13,552,326</u>

1. **Summary of Accounting Policies** (Continued)

Budget and Appropriations

The County adopts an annual budget and appropriation ordinance in accordance with Chapter 55 of the Illinois Compiled Statutes. The budget covers the fiscal year ending November 30 and is available for public inspection at least fifteen days prior to final adoption. All appropriations cease with the close of the fiscal year. The budget document is prepared on a modified accrual basis for all budgetary funds.

Once the County budget has been adopted, no further appropriations shall be made during the year except in the event of an immediate emergency at which time the County Board, by a two-thirds vote, may make appropriations in excess of those authorized in the budget. The ultimate level of control is the funds, but is carried down to department and line item. Budgets are not prepared funds when it is not deemed appropriate by the Board.

2. **Deposits and Investments**

The investment and deposit of County monies is governed by the provisions of the Illinois Compiled Statutes. In accordance with these provisions, all County monies may be invested in one or more of the following:

- a. Interest-bearing savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits constituting direct obligations of any bank as shall have been selected and designated under the terms of the Statutes and as shall have complied with the requirements thereof;
- b. Shares or other forms of securities legally issuable by savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States, provided such shares or securities are insured by the Federal Depository Insurance Corporation;
- c. Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- d. Short-term discount obligations of the Federal National Mortgage Association.

During the year ended November 30, 2022, the County complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made.

Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the bank or counterparty, the County will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The County's investment policy requires deposits in excess of the federally insured amount to be collateralized to the extent of 110% and evidenced by an approved written agreement.

At November 30, 2022, the carrying amount of the County's (including Fiduciary Funds) deposits, which consisted of cash in checking accounts, savings accounts, repurchase agreements, and certificates of deposit, was \$18,125,567. The bank balance of these accounts at November 30, 2022 was \$18,017,242. Federal depository insurance collateralized \$250,000 of the deposits and collateral held by the County's agent in the County's name collateralized the remaining balance of the deposits. The County also had cash on hand of \$880 at November 30, 2022.

The deposits of the Hancock Public Building Commission (included in primary County above) consist of cash. The carrying value of the deposits at November 30, 2022 was \$861,911 and the bank balance was \$864,745. The deposits were maintained in one financial institution. Federal depository insurance collateralized \$250,000 of the deposits and collateral held by the County's agent in the County's name collateralized the remaining balance of the deposits.

2. Deposits and Investments (Continued)

At November 30, 2022, the carrying amount of the Emergency Telephone System Board’s (component unit) deposits, which consisted of cash in checking accounts, repurchase agreements, and certificates of deposit, was \$1,104,256. The bank balance of these accounts at November 30, 2022 was \$1,104,256. Federal depository insurance collateralized \$250,000 of the deposits at each institution and collateral held by the County’s agent in the County’s name collateralized the remaining balance of the deposits.

Reconciliation to Government-wide Statement of Net Position:

	Primary Government	Fiduciary Funds	Total
Cash	\$ 6,895,800	\$ 549,144	\$ 7,444,944
Certificates of deposits	477,472	10,031	487,503
Repurchase agreements	<u>6,946,000</u>	<u>3,248,000</u>	<u>10,194,000</u>
Subtotal	14,319,272	3,807,175	18,126,447
Less cash on hand	<u>(780)</u>	<u>(100)</u>	<u>(880)</u>
Total	<u>\$ 14,318,492</u>	<u>\$ 3,807,075</u>	<u>\$ 18,125,567</u>

3. Receivables

Accounts receivable as of year-end for the County’s individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	Major General Fund	Major Liability Insurance	Major Health Dept.	Major IMRF	Other Funds	Total
Income taxes	\$ 72,255	\$ -	\$ -	\$ -	\$ -	72,255
Sales taxes	147,481	-	-	-	-	147,481
Use tax	43,282	-	-	-	-	43,282
Motor fuel taxes	-	-	-	-	42,962	42,962
Salary reimbursements	38,129	-	-	-	-	38,129
Accounts	-	-	150,302	-	147,937	298,239
Grants	5,325	-	47,853	-	63,061	116,239
Other	<u>10,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,908</u>	<u>22,445</u>
Total	<u>\$ 317,009</u>	<u>\$ -</u>	<u>\$ 198,155</u>	<u>\$ -</u>	<u>\$ 265,868</u>	<u>\$ 781,032</u>

An allowance has been established for the Health Department’s accounts receivable for Home Health, Wellness and Dental services. The gross receivables at November 30, 2022 were \$189,389 with an allowance of \$39,087.

An allowance has been established for the Ambulance’s accounts receivable. The gross receivables at November 30, 2022 were \$295,874 with an allowance of \$147,937.

4. Balance Due to/from Other Funds

The interfund receivable and payable balances at November 30, 2022 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Health Department	\$ 3,400
General Fund	Fiduciary Funds	31,802
General Fund	Nonmajor Funds	100,106
Nonmajor Funds	General Fund	6,578
Nonmajor Funds	Fiduciary Funds	95,911
Net Governmental Fund Receivable		\$ 237,797

The primary purpose for the above interfund balance is short-term loans and amounts due other funds for expenditures made on their behalf.

5. Capital Assets

Capital asset activity for the County's governmental activities for the year ended November 30, 2022 was as follows:

	Balance November 30,			Balance November 30,
	2021	Additions	Deletions	2022
Capital Assets, Non-Depreciable				
Land	\$ 61,128	\$ -	\$ -	\$ 61,128
Construction in progress	255,886	168,901	(107,215)	317,572
Total Capital Assets, Non-Depreciable	317,014	168,901	(107,215)	378,700
Capital Assets, Depreciable				
Buildings	7,051,522	63,826	-	7,115,348
Equipment	5,059,697	442,542	(149,933)	5,352,306
Infrastructure	17,555,299	-	-	17,555,299
Total Capital Assets, Depreciable	29,666,518	506,368	(149,933)	30,022,953
Less Accumulated Depreciation for				
Buildings	(3,769,620)	(214,063)	-	(3,983,683)
Equipment	(3,808,081)	(287,482)	149,933	(3,945,630)
Infrastructure	(11,024,405)	(420,723)	-	(11,445,128)
Total Accumulated Depreciation	(18,602,106)	(922,268)	149,933	(19,374,441)
Total Capital Assets, Depreciable	11,064,412	(415,900)	-	10,648,512
Total Capital Assets, Net	\$ 11,381,426	\$ (246,999)	\$ (107,215)	\$ 11,027,212

5. **Capital Assets** (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General government	\$ 69,896
Public safety	152,305
Judiciary	35,000
Transportation	550,423
Health and welfare	<u>114,644</u>
Total Depreciation Expense	\$ <u>922,268</u>

Activity for the Emergency Telephone System Board (discretely presented component unit) for the year ended November 30, 2022 was as follows:

	Balance November 30, 2021	Additions	Deletions	Balance November 30, 2022
Capital Assets, Non-Depreciable:				
Construction in progress	\$ <u>362,732</u>	\$ <u>102,583</u>	\$ <u>(422,959)</u>	\$ <u>42,356</u>
Capital Assets, Depreciable				
Furniture and equipment	342,148	422,960	-	765,108
Less accumulated depreciation	<u>(220,561)</u>	<u>(49,159)</u>	<u>-</u>	<u>(269,720)</u>
Total Capital Assets, Depreciable	<u>121,587</u>	<u>373,801</u>	<u>-</u>	<u>495,388</u>
Total Capital Assets, Net	\$ <u>484,319</u>	\$ <u>476,384</u>	\$ <u>(422,959)</u>	\$ <u>537,744</u>

6. **Operating Leases**

The County has entered into a lease with the Hancock Public Building Commission (a blended component unit in the accompanying financial statements) for the lease of the County Courthouse and County Jail. The term of the lease is from December 1 to November 30 and renewable each year. The annual lease payment for 2022 was \$432,128. The lease payment is a direct obligation of the County which levies an annual tax to fund the payment. The Commission is responsible for the maintenance, insurance, and any improvements to the properties.

7. **Related Party Transactions**

The County uses a vendor for IT services that is a spouse of an administrator. The IT services provided during the year totaled \$26,365. There was \$0 due to the vendor at November 30, 2022.

8. Long-term Liabilities

The County utilized direct borrowings in the form of notes payables from banks and vendors for the purchase or construction of property and equipment.

General long-term obligations of the County at November 30, 2022, are comprised of the following:

Description/Interest Rates	Maturity Dates	Original Balance	Outstanding Balance
Governmental Activities			
Other Long-term Obligations			
Compensated absences	N/A	N/A	<u>135,897</u>
Total Long-term Obligations			\$ <u>135,897</u>

The changes in long-term obligations for the year ended November 30, 2022, are as follows:

	Balance November 30, 2021	Increases	Decreases	Balance November 30, 2022	Due within One Year
Governmental Activities					
Compensated absences	\$ <u>134,246</u>	\$ <u>135,897</u>	\$ <u>(134,246)</u>	\$ <u>135,897</u>	\$ <u>135,897</u>
Total Long-Term Debt	\$ <u>134,246</u>	\$ <u>135,897</u>	\$ <u>(134,246)</u>	\$ <u>135,897</u>	\$ <u>135,897</u>

Compensated absences are liquidated out of the fund from which the employee was paid. This may include the General Fund or a special revenue fund.

9. Legal Debt Margin

The legal debt margin at November 30, 2022 is calculated as follows:

Equalized Assessed Valuation - 2021 Tax Extension	\$ <u>398,471,828</u>
Statutory Debt Limitation (2.875% Valuation)	11,456,065
Minus Applicable Debt	<u>-</u>
Legal Debt Margin	\$ <u>11,456,065</u>

10. Defined Benefit Pension Plan

Plan Description

The County's defined benefit pension plan provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The County's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multi-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 supplemental information (RSI). That report may be obtained on-line at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

	<u>Regular Plan</u>	<u>SLEP Plan</u>
Retirees and Beneficiaries receiving benefits	132	16
Inactive Plan Members entitled to but not yet receiving benefits	98	3
Active Plan Members	84	10
Total	<u>314</u>	<u>29</u>

10. Defined Benefit Pension Plan (Continued)

Contributions

As set by statute, the County's Regular and SLEP plan members are required to contribute 4.50% and 7.50%, respectively, 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 County's annual contribution rates for calendar year 2021 were 8.30% and 20.41% of payroll, respectively, for Regular and SLEP plans. For the fiscal year ended 2022, the County contributed \$249,192 and \$103,524, respectively, for the Regular and SLEP plans. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For non-disabled retirees, the Pub-2010, Amount-Weighted, below median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For disabled retirees, the Pub-2010, Amount-Weighted, below median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For active members, the Pub-2010, Amount-Weighted, below median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

10. Defined Benefit Pension Plan (Continued)

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

	Portfolio Target Percentage	Long-Term Expected Rate of Return
Domestic equity	39 %	1.90 %
International equity	15	3.15
Fixed income	25	(0.60)
Real estate	10	3.30
Alternative investments	10	1.70-5.50
Cash equivalents	1	(0.90)
Total	<u>100 %</u>	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25% for each plan.

10. Defined Benefit Pension Plan (Continued)

Changes in the Net Pension Liability

The combined changes in the net pension liability for the Regular and SLEP plan is:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2020	\$ 27,075,115	\$ 29,024,340	\$ (1,949,225)
Changes for the Year			
Service cost	450,907	-	450,907
Interest on the Total Pension Liability	1,919,875	-	1,919,875
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the Total Pension Liability	(161,078)	-	(161,078)
Changes of assumptions	-	-	-
Contributions - employer	-	435,427	(435,427)
Contributions - employees	-	263,933	(263,933)
Net investment income	-	4,969,652	(4,969,652)
Benefit payments, including refunds of employee contributions	(1,639,058)	(1,639,058)	-
Other (net transfer)	-	(56,157)	56,157
Net Changes	<u>570,646</u>	<u>3,973,797</u>	<u>(3,403,151)</u>
Balances at December 31, 2021	\$ <u>27,645,761</u>	\$ <u>32,998,137</u>	\$ <u>(5,352,376)</u>
Plan fiduciary net positions as a percentage of the total pension liability	119.36%		
Covered valuation payroll	\$ 4,490,566		
Net pension liability as a percentage of covered valuation payroll	-119.19%		

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

The following presents the Regular plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Total Pension Liability	\$ 24,732,173	\$ 22,322,312	\$ 20,418,058
Plan Fiduciary Net Position	<u>27,256,179</u>	<u>27,256,179</u>	<u>27,256,179</u>
Net Pension Liability/(Asset)	\$ <u>(2,524,006)</u>	\$ <u>(4,933,867)</u>	\$ <u>(6,838,121)</u>

10. Defined Benefit Pension Plan (Continued)

The following presents the SLEP plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Total Pension Liability	\$ 6,010,537	\$ 5,323,449	\$ 4,760,932
Plan Fiduciary Net Position	<u>5,741,958</u>	<u>5,741,958</u>	<u>5,741,958</u>
Net Pension Liability/(Asset)	\$ <u>268,579</u>	\$ <u>(418,509)</u>	\$ <u>(981,026)</u>

For the year ended November 30, 2022, the County recognized pension benefit of \$1,466,817. At November 30, 2022, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ (47,637)
Changes in assumptions	-	95,793
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>3,942,981</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>-</u>	<u>3,991,137</u>
Pension contributions made subsequent to measurement date	<u>-</u>	<u>(316,598)</u>
Total Deferred Amounts Related to Pensions	\$ <u>-</u>	\$ <u>3,674,539</u>

10. Defined Benefit Pension Plan (Continued)

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

Years Ending December 31	Net Deferred Inflows of Resources
2022	\$ 557,729
2023	1,558,930
2024	966,064
2025	591,816
Total	\$ 3,674,539

11. 457 Deferred Compensation Plan

The County implemented a 457 Deferred Compensation Plan in July 1996. The plan is being administered by John Hancock Financial. An employee may contribute the lesser of (a) the applicable dollar amount as specified under Code Section 457(e)(15) or (b) 100% of the employee’s includible compensation. Participants’ accounts are immediately 100% vested. The deferred compensation expense to the County for the year ended November 30, 2022 was \$0. Total contributions by plan members for the year ended November 30, 2022 was \$31,250. The value of the plan on November 30, 2022 was \$512,922. The plan assets, which are used solely for paying benefits, remain the property of the County until paid.

12. Risk Management

The County is exposed to various risks related to torts; theft; damage and destruction of assets; errors and omissions; medical claims of its employees and their dependents; injuries to employees; and natural disasters. The County uses an internal service fund to account for and finance its uninsured risks of loss related to the medical claims of its employees and their eligible covered dependents. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Under this program, the internal service fund provides coverage up to a maximum of \$30,000 per individual per year. The County purchases commercial insurance for claims in excess of coverage provided by the fund.

Changes in the claims liability in fiscal year 2022 were:

Balance at Beginning of Year	Claims Incurred	Claims Paid	Balance at End of Year
\$ 50,000	\$ 386,274	\$ 406,274	\$ 30,000

For other risks of loss, the County carries commercial insurance, including workers compensation insurance. Settlements have not exceeded insurance coverage for each of the past three fiscal years. There have been no significant reductions in insurance coverage from the prior year.

13. Concentrations

For the year ending November 30, 2022, approximately 4% of the County’s property tax collections were received from one taxpayer.

14. COVID-19 and Government Assistance

The ongoing COVID-19 pandemic has impacted and could further impact the County's operations. The extent to which the pandemic impacts the County's financial position and changes in financial position will depend on future developments, which are highly uncertain, including but not limited to the duration, spread, and severity of the pandemic and the remedial actions and stimulus measures adopted by local and federal government. The pandemic remains a rapidly evolving situation, and the County cannot reasonably estimate the impact at this time.

The County's governmental activities received \$3,439,572 as part of the American Rescue Plan Act (ARPA) that was signed into law on March 11, 2021. As of November 30, 2022, \$121,375 has been spent from the ARPA funds.

15. Subsequent Events

Subsequent events have been evaluated through July 25, 2023, which is the date the financial statements were available to be issued.

On January 5, 2023, the Ambulance Fund obtained a bank loan in the amount of \$200,000. The loan is due July 6, 2023 and bears interest at 4.73%

On April 15, 2023, the Ambulance Fund sold its building for \$355,000.

On May 25, 2023, the Public Building Commission entered into a lease agreement with the new owner of the Ambulance building to lease the property back for two years with a lease payment of \$25,000 per year.

Hancock County, Illinois

Schedule of Changes in Net Pension Liability and Related Ratios - Defined Benefit Retirement Plans

November 30, 2022

Regular Plan - Unaudited

Calendar year ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 362,075	\$ 356,921	\$ 366,603	\$ 364,946	\$ 360,121	\$ 373,250	\$ 374,692	\$ 357,019
Interest on the total pension liability	1,547,482	1,499,366	1,455,278	1,400,007	1,417,630	1,296,606	1,232,460	1,142,344
Difference between expected and actual experience	(92,853)	315,637	(19,670)	272,041	(325,372)	1,059,325	238,965	(81,116)
Assumption changes	-	(245,957)	-	503,559	(586,606)	-	-	575,162
Benefit payments and refunds	(1,315,871)	(1,213,879)	(1,164,624)	(1,106,085)	(1,100,212)	(1,117,727)	(862,506)	(738,880)
Net Change in Total Pension Liability	500,833	712,088	637,587	1,434,468	(234,439)	1,611,454	983,611	1,254,529
Total pension liability - beginning	<u>21,821,479</u>	<u>21,109,391</u>	<u>20,471,804</u>	<u>19,037,336</u>	<u>19,271,775</u>	<u>17,660,321</u>	<u>16,676,710</u>	<u>15,422,181</u>
Total Pension Liability - Ending (A)	<u>22,322,312</u>	<u>21,821,479</u>	<u>21,109,391</u>	<u>20,471,804</u>	<u>19,037,336</u>	<u>19,271,775</u>	<u>17,660,321</u>	<u>16,676,710</u>
Plan Fiduciary Net Position								
Employer contributions	320,665	284,498	244,386	356,774	292,135	286,264	309,600	328,548
Employee contributions	178,772	171,560	160,073	160,549	164,864	222,625	158,317	154,007
Pension plan net investment income	4,068,694	3,132,091	3,604,157	(1,164,041)	3,245,457	1,116,260	86,065	998,480
Benefit payments and refunds	(1,315,871)	(1,213,879)	(1,164,624)	(1,106,085)	(1,100,212)	(1,117,727)	(862,506)	(738,880)
Other (Net Transfer)	(8,399)	(25,406)	1,880	664,298	(505,774)	300,659	(100,250)	171,464
Net Change in Plan Fiduciary Net Position	3,243,861	2,348,864	2,845,872	(1,088,505)	2,096,470	808,081	(408,774)	913,619
Plan fiduciary net position - beginning	<u>24,012,318</u>	<u>21,663,454</u>	<u>18,817,582</u>	<u>19,906,087</u>	<u>17,809,617</u>	<u>17,001,536</u>	<u>17,410,310</u>	<u>16,496,691</u>
Plan Fiduciary Net Position - Ending (B)	<u>27,256,179</u>	<u>24,012,318</u>	<u>21,663,454</u>	<u>18,817,582</u>	<u>19,906,087</u>	<u>17,809,617</u>	<u>17,001,536</u>	<u>17,410,310</u>
Net Pension Liability - Ending (A) - (B)	\$ <u>(4,933,867)</u>	\$ <u>(2,190,839)</u>	\$ <u>(554,063)</u>	\$ <u>1,654,222</u>	\$ <u>(868,751)</u>	\$ <u>1,462,158</u>	\$ <u>658,785</u>	\$ <u>(733,600)</u>
Plan fiduciary net position as a percentage of the total pension liability	122.10%	110.04%	102.62%	91.92%	104.56%	92.41%	96.27%	104.40%
Covered valuation payroll	\$ 3,972,721	\$ 3,783,218	\$ 3,546,960	\$ 3,567,741	\$ 3,656,254	\$ 3,623,600	\$ 3,514,228	\$ 3,399,885
Net pension liability as a % of covered valuation payroll	-124.19%	-57.91%	-15.62%	46.37%	-23.76%	40.35%	18.75%	-21.58%

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

Hancock County, Illinois

Schedule of Changes in Net Pension Liability and Related Ratios - Defined Benefit Retirement Plans

November 30, 2022

SLEP Plan - Unaudited

Calendar year ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 88,832	\$ 97,796	\$ 104,650	\$ 80,746	\$ 90,095	\$ 73,128	\$ 76,032	\$ 79,319
Interest on the total pension liability	372,393	354,410	348,840	326,803	313,145	322,710	316,614	300,298
Difference between expected and actual experience	(68,225)	162,592	(103,191)	133,292	59,039	(335,277)	(126,388)	(62,993)
Assumption changes	-	(55,191)	-	142,562	(49,958)	(20,683)	5,102	88,688
Benefit payments and refunds	(323,187)	(290,961)	(249,146)	(233,142)	(217,919)	(180,016)	(185,018)	(174,714)
Net Change in Total Pension Liability	69,813	268,646	101,153	450,261	194,402	(140,138)	86,342	230,598
Total pension liability - beginning	5,253,636	4,984,990	4,883,837	4,433,576	4,239,174	4,379,312	4,292,970	4,062,372
Total Pension Liability - Ending (A)	5,323,449	5,253,636	4,984,990	4,883,837	4,433,576	4,239,174	4,379,312	4,292,970
Plan Fiduciary Net Position								
Employer contributions	114,762	128,727	143,123	123,225	115,802	123,380	104,164	81,620
Employee contributions	85,161	42,381	41,752	37,580	47,771	33,588	28,720	32,215
Pension plan net investment income	900,958	661,523	756,755	(256,641)	534,579	231,418	16,444	191,783
Benefit payments and refunds	(323,187)	(290,961)	(249,146)	(233,142)	(217,919)	(180,016)	(185,018)	(174,714)
Other (Net Transfer)	(47,758)	35,114	16,121	446,382	(5,736)	(364,297)	11,405	9,625
Net Change in Plan Fiduciary Net Position	729,936	576,784	708,605	117,404	474,497	(155,927)	(24,285)	140,529
Plan fiduciary net position - beginning	5,012,022	4,435,238	3,726,633	3,609,229	3,134,732	3,290,659	3,314,944	3,174,415
Plan Fiduciary Net Position - Ending (B)	5,741,958	5,012,022	4,435,238	3,726,633	3,609,229	3,134,732	3,290,659	3,314,944
Net Pension Liability - Ending (A) - (B)	\$ (418,509)	\$ 241,614	\$ 549,752	\$ 1,157,204	\$ 824,347	\$ 1,104,442	\$ 1,088,653	\$ 978,026
Plan fiduciary net position as a % of the total pension liability	107.86%	95.40%	88.97%	76.31%	81.41%	73.95%	75.14%	77.22%
Covered valuation payroll	\$ 517,845	\$ 565,082	\$ 556,687	\$ 501,062	\$ 449,193	\$ 447,838	\$ 381,312	\$ 398,346
Net pension liability as a percentage of covered valuation payroll	-80.82%	42.76%	98.75%	230.95%	183.52%	246.62%	285.50%	245.52%

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

Hancock County, Illinois
Schedule of Employer Contributions - Defined Benefit Retirement Plans
November 30, 2022

Unaudited
Regular Plan

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a Percentage of Covered Valuation Payroll</u>
2014	\$ 326,389	\$ 328,548	\$ (2,159)	\$ 3,399,885	9.66%
2015	309,252	309,600	(348)	3,514,228	8.81%
2016	286,264	286,264	-	3,623,600	7.90%
2017	292,135	292,135	-	3,656,254	7.99%
2018	356,774	356,774	-	3,567,741	10.00%
2019	244,386	244,386	-	3,546,960	6.89%
2020	322,708	284,498	38,210	3,783,218	7.52%
2021	329,736	320,665	9,071	3,972,721	8.07%

SLEP Plan

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a Percentage of Covered Valuation Payroll</u>
2014	\$ 90,385	\$ 81,620	\$ 8,765	398,346	20.49%
2015	103,908	104,164	(256)	381,312	27.32%
2016	123,379	123,379	-	447,838	27.55%
2017	115,802	115,802	-	449,193	25.78%
2018	116,447	123,225	(6,778)	501,062	23.24%
2019	143,124	143,123	1	556,687	25.71%
2020	128,726	128,727	(1)	565,082	22.78%
2021	105,692	114,762	(9,070)	517,845	22.16%

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

Hancock County, Illinois
Schedule of Employer Contributions - Defined Benefit Retirement Plans
November 30, 2022
Unaudited

Notes to Schedule of Contributions

Summary of actuarial methods and assumptions used in the calculation of the 2021 Contribution Rate*

Valuation Date

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

Methods and Assumptions used to Determine 2021 Contribution Rates

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period Taxing bodies (Regular, SLEP and ECO groups): 22-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 17 years for most employers (five employers were financed over 18 years; one employer was financed over 19 years; two employers were financed over 20 years; three employers were financed over 26 years; four employers were financed over 27 years and one employer was financed over 28 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2019, actuarial valuation.

Hancock County, Illinois
Budgetary Comparison Schedule
General Fund
Year Ended November 30, 2022

	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Resources (Inflows)				
Property taxes	\$ 1,017,994	\$ 1,017,994	\$ 1,018,296	\$ 302
Intergovernmental	2,113,440	2,113,440	4,287,035	2,173,595
Charges-ETSB 911	150,000	150,000	118,040	(31,960)
Fees	424,650	424,650	331,029	(93,621)
Fines	197,500	197,500	209,482	11,982
Interest	6,000	6,000	64,217	58,217
Other	<u>252,706</u>	<u>252,706</u>	<u>362,944</u>	<u>110,238</u>
Total Resources	<u>4,162,290</u>	<u>4,162,290</u>	<u>6,391,043</u>	<u>2,228,753</u>
Charges to Appropriations (Outflows)				
General Government				
Courthouse and jail	439,656	595,484	588,785	6,699
County Clerk	194,911	194,911	187,935	6,976
County Treasurer	156,990	156,990	156,461	529
County Board	40,650	43,186	43,036	150
Supervisor of Assessments	219,438	219,748	186,227	33,521
Elections	209,370	209,370	195,484	13,886
Miscellaneous	735,902	733,366	823,475	(90,109)
Contingencies	<u>50,836</u>	<u>11,212</u>	<u>11,212</u>	<u>-</u>
Total General Government	<u>2,047,753</u>	<u>2,164,267</u>	<u>2,192,615</u>	<u>(28,348)</u>
Public Safety				
County Sheriff	1,445,716	1,555,075	1,555,074	1
Coroner	43,335	43,335	39,109	4,226
Emergency Services	32,787	36,075	36,007	68
Animal Control	<u>31,846</u>	<u>31,846</u>	<u>29,977</u>	<u>1,869</u>
Total Public Safety	<u>1,553,684</u>	<u>1,666,331</u>	<u>1,660,167</u>	<u>6,164</u>
Judiciary				
Courts	120,000	120,000	58,092	61,908
State's Attorney	363,323	368,941	368,941	-
Circuit Clerk	<u>218,898</u>	<u>218,898</u>	<u>209,693</u>	<u>9,205</u>
Total Judiciary	<u>702,221</u>	<u>707,839</u>	<u>636,726</u>	<u>71,113</u>
Health and Welfare	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Education	<u>58,634</u>	<u>58,635</u>	<u>58,634</u>	<u>1</u>
Total Charges to Appropriations	<u>4,363,792</u>	<u>4,598,572</u>	<u>4,549,642</u>	<u>48,930</u>
Excess (Deficiency) of Resources over Appropriations	<u>(201,502)</u>	<u>(436,282)</u>	<u>1,841,401</u>	<u>2,277,683</u>
Transfers (to) from other funds	<u>149,000</u>	<u>149,000</u>	<u>3,806</u>	<u>(145,194)</u>
Net Change to Budgetary Fund Balance	\$ <u>(52,502)</u>	\$ <u>(287,282)</u>	\$ 1,845,207	\$ <u>2,132,489</u>
Reconciliation to modified accrual			95,422	
Budgetary Fund Balance, December 1, 2021			<u>3,464,278</u>	
Budgetary Fund Balance, November 30, 2022			\$ <u>5,404,907</u>	

Hancock County, Illinois
Budgetary Comparison Schedule
Liability Insurance Fund
Year Ended November 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Resources (Inflows)				
Property taxes	\$ 673,830	\$ 673,830	\$ 674,017	\$ 187
Interest	2,400	2,400	3,177	777
Miscellaneous	<u>54,357</u>	<u>54,357</u>	<u>108,714</u>	<u>54,357</u>
Total Resources	<u>730,587</u>	<u>730,587</u>	<u>785,908</u>	<u>55,321</u>
Charges to Appropriations (Outflows)				
General Government:				
Bonds	100	196	196	-
Liability insurance	152,730	151,696	113,323	38,373
Health insurance fixed cost	277,000	277,000	246,840	30,160
HAVA settlement	25,000	25,000	11,415	13,585
Miscellaneous	10,000	10,938	10,938	-
Judiciary:				
Liability insurance	<u>100,000</u>	<u>100,000</u>	<u>76,523</u>	<u>23,477</u>
Total Charges to Appropriations	<u>564,830</u>	<u>564,830</u>	<u>459,235</u>	<u>105,595</u>
Excess (Deficiency) of Resources over Appropriations	<u>165,757</u>	<u>165,757</u>	<u>326,673</u>	<u>160,916</u>
Transfers (to) from other funds	<u>(109,000)</u>	<u>(109,000)</u>	<u>(109,000)</u>	<u>-</u>
Net Change to Budgetary Fund Balance	\$ <u>56,757</u>	\$ <u>56,757</u>	\$ 217,673	\$ <u>160,916</u>
Reconciliation to modified accrual			(98,506)	
Budgetary Fund Balance, December 1, 2021			<u>556,975</u>	
Budgetary Fund Balance, November 30, 2022			\$ <u>676,142</u>	

Hancock County, Illinois
Budgetary Comparison Schedule
Health Department
Year Ended November 30, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
Resources (Inflows)				
Property taxes	\$ 331,750	\$ 331,750	\$ 331,090	\$ (660)
Intergovernmental	715,990	715,990	99,145	(616,845)
Federal revenue	-	-	409,471	409,471
Grants and contributions	-	-	7,002	7,002
Charges for services	1,057,114	1,057,114	913,661	(143,453)
Interest	-	-	5,270	5,270
Other	-	-	<u>9,772</u>	<u>9,772</u>
Total Resources	<u>2,104,854</u>	<u>2,104,854</u>	<u>1,775,411</u>	<u>(329,443)</u>
Charges to Appropriations (Outflows)				
Health and welfare:				
Administration	577,255	577,255	262,192	315,063
Dental	384,429	384,429	335,775	48,654
Grants	673,595	673,595	581,797	91,798
Home Health	344,932	344,932	340,142	4,790
Wellness	194,457	194,457	185,152	9,305
Capital outlay	-	-	<u>63,825</u>	<u>(63,825)</u>
Total Charges to Appropriations	<u>2,174,668</u>	<u>2,174,668</u>	<u>1,768,883</u>	<u>405,785</u>
Excess (Deficiency) of Resources over Appropriations	<u>(69,814)</u>	<u>(69,814)</u>	<u>6,528</u>	<u>76,342</u>
Transfers (to) from other funds	-	-	-	-
Net Change to Budgetary Fund Balance	<u>\$ (69,814)</u>	<u>\$ (69,814)</u>	<u>\$ 6,528</u>	<u>\$ 76,342</u>
Reconciliation to modified accrual			(40,056)	
Budgetary Fund Balance, December 1, 2021			<u>1,167,087</u>	
Budgetary Fund Balance, November 30, 2022			<u>\$ 1,133,559</u>	

Hancock County, Illinois
Budgetary Comparison Schedule
IMRF Fund
Year Ended November 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Resources (Inflows)				
Property taxes	\$ 500,000	\$ 500,000	\$ 500,123	\$ 123
Interest	<u>3,000</u>	<u>3,000</u>	<u>2,665</u>	<u>(335)</u>
Total Resources	<u>503,000</u>	<u>503,000</u>	<u>502,788</u>	<u>(212)</u>
Charges to Appropriations (Outflows)				
General government:				
County Contribution - IMRF	<u>434,091</u>	<u>434,091</u>	<u>393,433</u>	<u>40,658</u>
Total Charges to Appropriations	<u>434,091</u>	<u>434,091</u>	<u>393,433</u>	<u>40,658</u>
Excess (Deficiency) of Resources over Appropriations	<u>68,909</u>	<u>68,909</u>	<u>109,355</u>	<u>40,446</u>
Transfers (to) from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change to Budgetary Fund Balance	\$ <u>68,909</u>	\$ <u>68,909</u>	\$ 109,355	\$ <u>40,446</u>
Reconciliation to modified accrual			-	
Budgetary Fund Balance, December 1, 2021			<u>565,538</u>	
Budgetary Fund Balance, November 30, 2022			\$ <u>674,893</u>	

Hancock County, Illinois
Notes to Budgetary Comparison Schedules
Major Governmental Funds

1. Basis of Accounting

Hancock County, Illinois' budget is prepared on the cash basis for all budgeted funds, including major funds.

Hancock County, Illinois

Combining Balance Sheet

General Fund

November 30, 2022

	<u>General</u>	<u>County Clerk Fee</u>	<u>Circuit Clerk Fee</u>	<u>ARPA Funds</u>	<u>Total</u>
Assets					
Cash	\$ 210,333	\$ 164,403	\$ -	\$ 3,326,576	\$ 3,701,312
Investments	1,300,126	-	76,441	-	1,376,567
Accounts receivable	317,009	-	-	-	317,009
Property taxes receivable	1,139,629	-	-	-	1,139,629
Due from other funds	<u>135,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,308</u>
Total Assets	<u><u>3,102,405</u></u>	<u><u>164,403</u></u>	<u><u>76,441</u></u>	<u><u>3,326,576</u></u>	<u><u>6,669,825</u></u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	42,461	12,365	-	-	54,826
Accrued expenses	16,131	-	-	-	16,131
Deferred income	1,139,629	-	-	-	1,139,629
Funds held for others	-	48,374	-	-	48,374
Due to other funds	<u>2</u>	<u>5,956</u>	<u>-</u>	<u>-</u>	<u>5,958</u>
Total Liabilities	<u><u>1,198,223</u></u>	<u><u>66,695</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,264,918</u></u>
Fund Balances					
Restricted	-	-	-	3,326,576	3,326,576
Unassigned	<u>1,904,182</u>	<u>97,708</u>	<u>76,441</u>	<u>-</u>	<u>2,078,331</u>
Total Fund Balances	<u><u>1,904,182</u></u>	<u><u>97,708</u></u>	<u><u>76,441</u></u>	<u><u>3,326,576</u></u>	<u><u>5,404,907</u></u>
Total Liabilities and Fund Balances	\$ <u><u>3,102,405</u></u>	\$ <u><u>164,403</u></u>	\$ <u><u>76,441</u></u>	\$ <u><u>3,326,576</u></u>	\$ <u><u>6,669,825</u></u>

Hancock County, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
Year Ended November 30, 2022

	General	County Clerk Fee	Circuit Clerk Fee	ARPA Funds	Total
Revenues					
Property taxes	\$ 1,018,296	\$ -	\$ -	\$ -	\$ 1,018,296
Intergovernmental					
State income tax	982,247	-	-	-	982,247
State sales tax	1,011,961	-	-	-	1,011,961
State replacement tax	265,148	-	-	-	265,148
Video gaming tax	29,294	-	-	-	29,294
Cannabis use tax	9,859	-	-	-	9,859
State's Attorney salary	127,131	-	-	-	127,131
Public defenders reimbursement	61,327	-	-	-	61,327
Supervisor of Assessments	31,235	-	-	-	31,235
Sheriff salary reimbursement	19,080	-	-	-	19,080
Victim Coordinator	29,250	-	-	-	29,250
Reimburse election costs	31,649	-	-	-	31,649
IEMA grant and reimbursement	8,966	-	-	-	8,966
Other	6,725	-	-	1,719,753	1,726,478
Total Intergovernmental	<u>2,613,872</u>	<u>-</u>	<u>-</u>	<u>1,719,753</u>	<u>4,333,625</u>
Fees					
County Clerk	128,240	32,559	-	-	160,799
Circuit Clerk	75,319	-	-	-	75,319
Public Defender	25,242	-	-	-	25,242
State's Attorney	591	-	-	-	591
Sheriff	141,723	-	-	-	141,723
Sheriff answering service	5,449	-	-	-	5,449
Sales	12,615	-	-	-	12,615
Other	5,422	-	-	-	5,422
Total Fees	<u>394,601</u>	<u>32,559</u>	<u>-</u>	<u>-</u>	<u>427,160</u>
Fines					
Fines	146,861	-	-	-	146,861
Real estate tax penalties	62,621	-	-	-	62,621
Total Fines	<u>209,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,482</u>
Charges - ETSB 911	118,040	-	-	-	118,040
Interest	7,497	636	1,092	31,124	40,349
Other					
Reimbursement - 911 coordinator	65,035	-	-	-	65,035
Reimbursement - health department	12,128	-	-	-	12,128
Reimbursement - janitor salary	64,564	-	-	-	64,564
Other	229,036	645	-	-	229,681
Total Other	<u>370,763</u>	<u>645</u>	<u>-</u>	<u>-</u>	<u>371,408</u>
Total Revenues	<u>\$ 4,732,551</u>	<u>\$ 33,840</u>	<u>\$ 1,092</u>	<u>\$ 1,750,877</u>	<u>\$ 6,518,360</u>

Hancock County, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
Year Ended November 30, 2022

	<u>General</u>	<u>County Clerk Fee</u>	<u>Circuit Clerk Fee</u>	<u>ARPA Funds</u>	<u>Total</u>
Expenditures					
General Government					
Courthouse and jail	\$ 586,084	\$ -	\$ -	\$ -	\$ 586,084
County Clerk	187,935	-	-	-	187,935
County Treasurer	157,186	-	-	-	157,186
County Board	43,036	-	-	-	43,036
Supervisor of Assessments	186,227	-	-	-	186,227
Elections	200,484	-	-	-	200,484
Miscellaneous	689,618	-	-	86,375	775,993
Contingencies	20,173	-	-	-	20,173
Total General Government	<u>2,070,743</u>	<u>-</u>	<u>-</u>	<u>86,375</u>	<u>2,157,118</u>
Public Safety					
County Sheriff	1,594,653	-	-	-	1,594,653
Coroner	41,224	-	-	-	41,224
ESDA	36,007	-	-	-	36,007
Animal Control	29,977	-	-	-	29,977
Total Public Safety	<u>1,701,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,701,861</u>
Judiciary					
Courts	61,724	-	-	-	61,724
State's Attorney	366,891	-	-	-	366,891
Circuit Clerk	209,693	-	-	-	209,693
Total Judiciary	<u>638,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>638,308</u>
Health and Welfare					
Soil and Water Conservation District	1,500	-	-	-	1,500
Education					
Office of Regional Superintendent	58,634	-	-	-	58,634
Total Expenditures	<u>4,471,046</u>	<u>-</u>	<u>-</u>	<u>86,375</u>	<u>4,557,421</u>
Excess (Deficiency) of Revenues over Expenditures	<u>261,505</u>	<u>33,840</u>	<u>1,092</u>	<u>1,664,502</u>	<u>1,960,939</u>
Other Financing Sources (Uses)					
Transfers from (to) other funds	3,806	-	-	(24,116)	(20,310)
Net Change in Fund Balance	265,311	33,840	1,092	1,640,386	1,940,629
Fund Balance, December 1, 2021	<u>1,638,871</u>	<u>63,868</u>	<u>75,349</u>	<u>1,686,190</u>	<u>3,464,278</u>
Fund Balance, November 30, 2022	<u>\$ 1,904,182</u>	<u>\$ 97,708</u>	<u>\$ 76,441</u>	<u>\$ 3,326,576</u>	<u>\$ 5,404,907</u>

Hancock County, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
November 30, 2022

	Capital Improvement	Debt Service	County Highway	County Bridge	County Motor Fuel Tax	Federal Aid	Engineering and Administration	Building Lease
Assets								
Cash	\$ 2,647	\$ 602	\$ 75,986	\$ 25,669	\$ 26,802	\$ 29,902	\$ 25,521	\$ -
Investments	-	-	256,000	301,000	1,398,000	44,000	59,000	-
Accounts receivable	-	-	-	-	42,962	-	11,908	-
Property taxes receivable	-	-	344,000	172,000	-	172,000	-	500,000
Prepaid insurance	-	-	-	-	-	-	-	-
Inventories, at cost	-	-	-	-	25,678	-	-	-
Due from other funds	-	-	-	-	-	-	95,911	-
Total Assets	2,647	602	675,986	498,669	1,493,442	245,902	192,340	500,000
Liabilities and Fund Balances								
Liabilities								
Accounts payable	-	-	3,650	10,297	12,887	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-
Unearned income	-	-	344,000	172,000	-	172,000	-	500,000
Due to other funds	-	-	-	-	-	-	-	-
Total Liabilities	-	-	347,650	182,297	12,887	172,000	-	500,000
Fund Balances								
Nonspendable	-	-	-	-	25,678	-	-	-
Restricted	2,647	602	-	316,372	1,454,877	73,902	-	-
Assigned	-	-	328,336	-	-	-	192,340	-
Total Fund Balances	2,647	602	328,336	316,372	1,480,555	73,902	192,340	-
Total Liabilities and Fund Balances	\$ 2,647	\$ 602	\$ 675,986	\$ 498,669	\$ 1,493,442	\$ 245,902	\$ 192,340	\$ 500,000

Hancock County, Illinois
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
November 30, 2022

	<u>Circuit Clerk Admin.</u>	<u>Treasurer's Automation</u>	<u>Veterans Assistance</u>	<u>Workers' Comp.</u>	<u>Ambulance</u>	<u>Sheriff</u>	<u>Social Security/ Medicare</u>	<u>Interest Escrow</u>
Assets								
Cash	\$ 3,860	\$ 6,311	\$ 4,025	\$ 4,308	\$ 49,855	\$ 235,663	\$ 56,285	\$ 15,889
Investments	120,000	87,000	161,188	495,000	-	-	250,000	28,000
Accounts receivable	-	-	-	-	147,937	-	-	-
Property taxes receivable	-	-	30,000	140,000	265,000	-	380,000	-
Prepaid insurance	-	-	-	10,695	-	-	-	-
Inventories, at cost	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	622	-	-	-
Total Assets	<u>123,860</u>	<u>93,311</u>	<u>195,213</u>	<u>650,003</u>	<u>463,414</u>	<u>235,663</u>	<u>686,285</u>	<u>43,889</u>
Liabilities and Fund Balances								
Liabilities								
Accounts payable	-	-	-	-	10,237	1,944	-	-
Accrued expenses	-	-	-	-	16,333	-	-	-
Unearned income	-	-	30,000	140,000	265,000	-	380,000	-
Due to other funds	-	-	-	-	100,000	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>140,000</u>	<u>391,570</u>	<u>1,944</u>	<u>380,000</u>	<u>-</u>
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	123,860	93,311	165,213	510,003	-	-	306,285	43,889
Assigned	-	-	-	-	71,844	233,719	-	-
Total Fund Balances	<u>123,860</u>	<u>93,311</u>	<u>165,213</u>	<u>510,003</u>	<u>71,844</u>	<u>233,719</u>	<u>306,285</u>	<u>43,889</u>
Total Liabilities and Fund Balances	<u>\$ 123,860</u>	<u>\$ 93,311</u>	<u>\$ 195,213</u>	<u>\$ 650,003</u>	<u>\$ 463,414</u>	<u>\$ 235,663</u>	<u>\$ 686,285</u>	<u>\$ 43,889</u>

Hancock County, Illinois
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
November 30, 2022

	Record Preservation	Vital Records	Court Security, Automation & Operations	Document Storage	State's Attorney Automation	Public Defender Automation	Law Library
Assets							
Cash	\$ 4,620	\$ 2,669	\$ 22,696	\$ 46,927	\$ 3,113	\$ 2,379	\$ 3,103
Investments	109,226	67,000	447,000	236,000	4,000	-	-
Accounts receivable	-	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-
Inventories, at cost	-	-	-	-	-	-	-
Due from other funds	3,112	354	-	-	-	-	-
Total Assets	116,958	70,023	469,696	282,927	7,113	2,379	3,103
Liabilities and Fund Balances							
Liabilities							
Accounts payable	1,366	-	1,643	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Unearned income	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	1,366	-	1,643	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	115,592	70,023	468,053	282,927	-	-	-
Assigned	-	-	-	-	7,113	2,379	3,103
Total Fund Balances	115,592	70,023	468,053	282,927	7,113	2,379	3,103
Total Liabilities and Fund Balances	\$ 116,958	\$ 70,023	\$ 469,696	\$ 282,927	\$ 7,113	\$ 2,379	\$ 3,103

Hancock County, Illinois
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
November 30, 2022

	Maintenance and Child Support	GIS	Coroner Grant	Drug Acts	DUI	Public Transportation	Probation Fees	Total
Assets								
Cash	\$ 2,711	\$ 7,021	\$ 17,793	\$ 33,589	\$ 24,617	\$ 140,379	\$ 225,650	\$ 1,100,592
Investments	15,000	259,491	-	4,000	-	-	-	4,340,905
Accounts receivable	-	-	-	-	-	63,061	-	265,868
Property taxes receivable	-	-	-	-	-	-	-	2,003,000
Prepaid insurance	-	-	-	-	-	-	-	10,695
Inventories, at cost	-	-	-	-	-	-	-	25,678
Due from other funds	-	2,490	-	-	-	-	-	102,489
Total Assets	<u>17,711</u>	<u>269,002</u>	<u>17,793</u>	<u>37,589</u>	<u>24,617</u>	<u>203,440</u>	<u>225,650</u>	<u>7,849,227</u>
Liabilities and Fund Balances								
Liabilities								
Accounts payable	-	-	-	-	-	25,045	-	67,069
Accrued expenses	-	-	-	-	-	-	-	16,333
Unearned income	-	-	-	-	-	-	-	2,003,000
Due to other funds	-	-	-	-	-	-	-	100,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,045</u>	<u>-</u>	<u>2,186,402</u>
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	25,678
Restricted	17,711	269,002	17,793	-	-	-	225,650	4,557,712
Assigned	-	-	-	37,589	24,617	178,395	-	1,079,435
Total Fund Balances	<u>17,711</u>	<u>269,002</u>	<u>17,793</u>	<u>37,589</u>	<u>24,617</u>	<u>178,395</u>	<u>225,650</u>	<u>5,662,825</u>
Total Liabilities and Fund Balances	<u>\$ 17,711</u>	<u>\$ 269,002</u>	<u>\$ 17,793</u>	<u>\$ 37,589</u>	<u>\$ 24,617</u>	<u>\$ 203,440</u>	<u>\$ 225,650</u>	<u>\$ 7,849,227</u>

Hancock County, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended November 30, 2022

	Capital Improvement	Debt Service	County Highway	County Bridge	County Motor Fuel Tax	Federal Aid	Engineering and Administration	Building Lease
Revenues								
Property taxes	\$ -	\$ -	\$ 334,120	\$ 167,081	\$ -	\$ 167,081	\$ -	\$ 432,128
Intergovernmental - State of Illinois	-	-	-	-	984,494	-	-	-
Federal revenue	-	-	225,707	-	-	-	23,215	-
Grants and contributions	-	-	-	-	-	-	-	-
Charges for services	-	-	347,576	-	-	-	96,204	-
Fees	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-
Interest	-	-	1,900	1,600	6,830	330	745	-
Other	-	-	-	-	-	4,000	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>909,303</u>	<u>168,681</u>	<u>991,324</u>	<u>171,411</u>	<u>120,164</u>	<u>432,128</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	432,128
Public Safety	-	-	-	-	-	-	-	-
Judiciary	-	-	-	-	-	-	-	-
Public works and transportation	-	-	1,077,199	38,983	428,973	128,092	151,587	-
Health and welfare	-	-	-	-	-	-	-	-
Capital Outlay	-	-	96,647	22,898	72,660	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,173,846</u>	<u>61,881</u>	<u>501,633</u>	<u>128,092</u>	<u>151,587</u>	<u>432,128</u>
Excess of Revenues over (under) Expenditures	<u>-</u>	<u>-</u>	<u>(264,543)</u>	<u>106,800</u>	<u>489,691</u>	<u>43,319</u>	<u>(31,423)</u>	<u>-</u>
Other Financing Sources (Uses)								
Proceeds from borrowing	-	-	-	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	(264,543)	106,800	489,691	43,319	(31,423)	-
Fund Balances, December 1, 2021	2,647	602	592,879	209,572	990,864	30,583	223,763	-
Fund Balances, November 30, 2022	<u>\$ 2,647</u>	<u>\$ 602</u>	<u>\$ 328,336</u>	<u>\$ 316,372</u>	<u>\$ 1,480,555</u>	<u>\$ 73,902</u>	<u>\$ 192,340</u>	<u>\$ -</u>

Hancock County, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (continued)
Nonmajor Governmental Funds
Year Ended November 30, 2022

	<u>Circuit Clerk Admin.</u>	<u>Treasurer's Automation</u>	<u>Veterans Assistance</u>	<u>Workers' Comp.</u>	<u>Ambulance</u>	<u>Sheriff</u>	<u>Social Security/ Medicare</u>	<u>Interest Escrow</u>
Revenues								
Property taxes	\$ -	\$ -	\$ 30,013	\$ 140,057	\$ 215,090	\$ -	\$ 380,152	\$ -
Intergovernmental - State of Illinois	-	-	-	-	-	-	-	-
Federal revenue	-	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	260	-	-	-
Charges for services	-	-	-	-	537,802	351,813	-	-
Fees	7,827	8,196	-	-	-	-	-	13,380
Fines	-	-	-	-	-	-	-	-
Interest	607	477	989	2,492	441	334	1,466	154
Other	-	-	600	-	4,819	81,869	3,541	-
Total Revenues	<u>8,434</u>	<u>8,673</u>	<u>31,602</u>	<u>142,549</u>	<u>758,412</u>	<u>434,016</u>	<u>385,159</u>	<u>13,534</u>
Expenditures								
Current								
General government	-	2,534	-	63,472	-	-	61,732	460
Public Safety	-	-	-	-	-	383,232	109,816	-
Judiciary	-	-	-	-	-	-	46,821	-
Public works and transportation	-	-	-	-	-	-	44,493	-
Health and welfare	-	-	27,861	-	876,533	-	125,806	-
Capital Outlay	-	-	-	-	-	36,103	-	-
Debt Service	-	-	-	-	141,669	-	-	-
Total Expenditures	<u>-</u>	<u>2,534</u>	<u>27,861</u>	<u>63,472</u>	<u>1,018,202</u>	<u>419,335</u>	<u>388,668</u>	<u>460</u>
Excess of Revenues over (under) Expenditures	<u>8,434</u>	<u>6,139</u>	<u>3,741</u>	<u>79,077</u>	<u>(259,790)</u>	<u>14,681</u>	<u>(3,509)</u>	<u>13,074</u>
Other Financing Sources (Uses)								
Proceeds from borrowing	-	-	-	-	140,000	-	-	-
Transfers from (to) other funds	-	-	-	-	-	14,906	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,000</u>	<u>14,906</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	8,434	6,139	3,741	79,077	(119,790)	29,587	(3,509)	13,074
Fund Balances, December 1, 2021	<u>115,426</u>	<u>87,172</u>	<u>161,472</u>	<u>430,926</u>	<u>191,634</u>	<u>204,132</u>	<u>309,794</u>	<u>30,815</u>
Fund Balances, November 30, 2022	<u>\$ 123,860</u>	<u>\$ 93,311</u>	<u>\$ 165,213</u>	<u>\$ 510,003</u>	<u>\$ 71,844</u>	<u>\$ 233,719</u>	<u>\$ 306,285</u>	<u>\$ 43,889</u>

Hancock County, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (continued)
Nonmajor Governmental Funds
Year Ended November 30, 2022

	Record Preservation	Vital Records	Court Security, Automation & Operations	Document Storage	State's Attorney Automation	Public Defender Automation	Law Library
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - State of Illinois	-	-	-	-	-	-	-
Federal revenue	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fees	38,250	5,042	178,882	24,570	628	727	960
Fines	-	-	-	-	-	-	-
Interest	725	374	2,315	1,305	28	5	6
Other	-	-	-	-	-	-	-
Total Revenues	38,975	5,416	181,197	25,875	656	732	966
Expenditures							
Current							
General government	34,162	5,000	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Judiciary	-	-	9,860	-	-	-	-
Public works and transportation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital Outlay	-	-	91,818	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Total Expenditures	34,162	5,000	101,678	-	-	-	-
Excess of Revenues over (under) Expenditures	4,813	416	79,519	25,875	656	732	966
Other Financing Sources (Uses)							
Proceeds from borrowing	-	-	-	-	-	-	-
Transfers from (to) other funds	-	-	114,404	-	-	-	-
Total Other Financing Sources (Uses)	-	-	114,404	-	-	-	-
Net Change in Fund Balances	4,813	416	193,923	25,875	656	732	966
Fund Balances, December 1, 2021	110,779	69,607	274,130	257,052	6,457	1,647	2,137
Fund Balances, November 30, 2022	\$ 115,592	\$ 70,023	\$ 468,053	\$ 282,927	\$ 7,113	\$ 2,379	\$ 3,103

Hancock County, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (continued)
Nonmajor Governmental Funds
Year Ended November 30, 2022

	Maintenance and Child Support	GIS	Coroner Grant	Drug Acts	DUI	Public Transportation	Probation Fees	Total
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,865,722
Intergovernmental - State of Illinois	-	-	5,130	-	-	127,078	-	1,116,702
Federal revenue	-	-	-	-	-	160,147	-	409,069
Grants and contributions	-	-	-	-	-	-	-	260
Charges for services	-	-	-	-	-	568	-	1,333,963
Fees	339	30,922	-	-	465	-	33,595	343,783
Fines	-	-	-	22,999	4,639	-	-	27,638
Interest	92	1,514	79	55	-	265	547	25,675
Other	210	-	-	11,762	-	22,734	-	129,535
Total Revenues	641	32,436	5,209	34,816	5,104	310,792	34,142	5,252,347
Expenditures								
Current								
General government	-	19,960	-	-	-	-	-	619,448
Public Safety	-	-	4,024	29,238	1,378	-	-	527,688
Judiciary	-	-	-	-	-	-	19,081	75,762
Public works and transportation	-	-	-	-	-	289,889	-	2,159,216
Health and welfare	-	-	-	-	-	-	-	1,030,200
Capital Outlay	-	-	-	5,633	-	-	-	325,759
Debt Service	-	-	-	-	-	-	-	141,669
Total Expenditures	-	19,960	4,024	34,871	1,378	289,889	19,081	4,879,742
Excess of Revenues over (under) Expenditures	641	12,476	1,185	(55)	3,726	20,903	15,061	372,605
Other Financing Sources (Uses)								
Proceeds from borrowing	-	-	-	-	-	-	-	140,000
Transfers from (to) other funds	-	-	-	-	-	-	-	129,310
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	269,310
Net Change in Fund Balances	641	12,476	1,185	(55)	3,726	20,903	15,061	641,915
Fund Balances, December 1, 2021	17,070	256,526	16,608	37,644	20,891	157,492	210,589	5,020,910
Fund Balances, November 30, 2022	\$ 17,711	\$ 269,002	\$ 17,793	\$ 37,589	\$ 24,617	\$ 178,395	\$ 225,650	\$ 5,662,825

Hancock County, Illinois
Combining Statement of Net Position

Internal Service Funds

November 30, 2022

	<u>Hancock Public Building Commission</u>	<u>Unemployment Compensation</u>	<u>Premium and Medical Care</u>	<u>Total</u>
Assets				
Current Assets				
Cash	\$ 861,911	\$ 3,256	\$ 82,944	\$ 948,111
Investments	-	226,000	215,000	441,000
Prepaid insurance	-	-	24,372	24,372
Total Current Assets	<u>861,911</u>	<u>229,256</u>	<u>322,316</u>	<u>1,413,483</u>
Capital Assets				
Building and equipment (net of accumulated depreciation)	<u>985,253</u>	<u>-</u>	<u>-</u>	<u>985,253</u>
Total Capital Assets	<u>985,253</u>	<u>-</u>	<u>-</u>	<u>985,253</u>
Total Assets	<u>1,847,164</u>	<u>229,256</u>	<u>322,316</u>	<u>2,398,736</u>
Deferred Outflows of Resources				
Property taxes receivable	<u>-</u>	<u>39,000</u>	<u>-</u>	<u>39,000</u>
Liabilities				
Accounts/Claims payable	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
Deferred Inflows of Resources				
Unearned income	<u>-</u>	<u>39,000</u>	<u>-</u>	<u>39,000</u>
Net Position				
Invested in capital assets	985,253	-	-	985,253
Unrestricted	<u>861,911</u>	<u>229,256</u>	<u>292,316</u>	<u>1,383,483</u>
Total Net Position	<u>\$ 1,847,164</u>	<u>\$ 229,256</u>	<u>\$ 292,316</u>	<u>\$ 2,368,736</u>

Hancock County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Net Position

Internal Service Funds

Year Ended November 30, 2022

	<u>Hancock Public Building Commission</u>	<u>Unemployment Compensation</u>	<u>Premium and Medical Care</u>	<u>Total</u>
Operating Revenues				
Taxes - Property	\$ -	\$ 35,036	\$ -	\$ 35,036
Charges for services	-	-	737,564	737,564
Rent	432,128	-	-	432,128
Other	<u>960</u>	<u>-</u>	<u>53,884</u>	<u>54,844</u>
Total Operating Revenues	<u>433,088</u>	<u>35,036</u>	<u>791,448</u>	<u>1,259,572</u>
Operating Expenses				
Claims and expenses	-	9,737	737,988	747,725
Utilities	81,522	-	-	81,522
Janitor	48,244	-	-	48,244
Maintenance superintendent	16,320	-	-	16,320
Treasurer's fees	6,175	-	-	6,175
Insurance	54,357	-	-	54,357
Repairs and maintenance	86,144	-	-	86,144
Depreciation	<u>83,779</u>	<u>-</u>	<u>-</u>	<u>83,779</u>
Total Operating Expenses	<u>376,541</u>	<u>9,737</u>	<u>737,988</u>	<u>1,124,266</u>
Operating Income (Loss)	<u>56,547</u>	<u>25,299</u>	<u>53,460</u>	<u>135,306</u>
Nonoperating Revenue				
Interest	<u>3,941</u>	<u>1,173</u>	<u>1,791</u>	<u>6,905</u>
Total Nonoperating Revenue	<u>3,941</u>	<u>1,173</u>	<u>1,791</u>	<u>6,905</u>
Net Income (Loss)	60,488	26,472	55,251	142,211
Net Position, December 1, 2021	<u>1,786,676</u>	<u>202,784</u>	<u>237,065</u>	<u>2,226,525</u>
Net Position, November 30, 2022	\$ <u>1,847,164</u>	\$ <u>229,256</u>	\$ <u>292,316</u>	\$ <u>2,368,736</u>

Hancock County, Illinois
Combining Statement of Cash Flows
Internal Service Funds
Year Ended November 30, 2022

	<u>Hancock Public Building Commission</u>	<u>Unemployment Compensation</u>	<u>Premium and Medical Care</u>	<u>Total</u>
Cash Flows from Operating Activities				
Receipts from other funds	\$ 432,128	\$ -	\$ 737,564	\$ 1,169,692
Receipts from property taxes	-	35,036	-	35,036
Other receipts	960	-	101,846	102,806
Payments to employees	(58,389)	-	-	(58,389)
Claims paid	-	(9,737)	(757,231)	(766,968)
Payments for goods and services	<u>(288,730)</u>	<u>-</u>	<u>-</u>	<u>(288,730)</u>
Net Cash Provided by (Applied to) Operating Activities	<u>85,969</u>	<u>25,299</u>	<u>82,179</u>	<u>193,447</u>
Cash Flows from Investing Activities				
Interest	3,941	1,173	1,791	6,905
Purchases and redemptions of investments	<u>-</u>	<u>(27,000)</u>	<u>(55,000)</u>	<u>(82,000)</u>
Net Cash Provided by (Applied to) Investing Activities	<u>3,941</u>	<u>(25,827)</u>	<u>(53,209)</u>	<u>(75,095)</u>
Net Increase (Decrease) in Cash	89,910	(528)	28,970	118,352
Cash Balance, December 1, 2021	<u>772,001</u>	<u>3,784</u>	<u>53,974</u>	<u>829,759</u>
Cash Balance, November 30, 2022	<u>\$ 861,911</u>	<u>\$ 3,256</u>	<u>\$ 82,944</u>	<u>\$ 948,111</u>
Reconciliation of Income (Loss) to Net Cash Provided by (Applied to) Operating Activities				
Operating income (loss)	\$ 56,547	\$ 25,299	\$ 53,460	\$ 135,306
Adjustments to reconcile net operating income (loss) to net cash provided by (applied to) operating activities:				
Non-cash: Depreciation	83,779	-	-	83,779
Changes in assets and liabilities:				
Reinsurance receivable	-	-	47,962	47,962
Prepaid expenses	-	-	757	757
Accounts payable and accrued expenses	<u>(54,357)</u>	<u>-</u>	<u>(20,000)</u>	<u>(74,357)</u>
Net Cash Provided by (Applied to) Operating Activities	<u>\$ 85,969</u>	<u>\$ 25,299</u>	<u>\$ 82,179</u>	<u>\$ 193,447</u>

Hancock County, Illinois
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
November 30, 2022

	Township Motor Fuel Tax	Township Bridge	Total
Assets			
Cash	\$ 46,391	\$ 104,440	\$ 150,831
Investments	3,232,000	-	3,232,000
Accounts receivable	193,291	-	193,291
Total Assets	3,471,682	104,440	3,576,122
Liabilities			
Accounts payable	278,427	-	278,427
Due to other funds	95,911	-	95,911
Total Liabilities	374,338	-	374,338
Net Position			
Unrestricted	\$ 3,097,344	\$ 104,440	\$ 3,201,784

Hancock County, Illinois
Combing Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
Year Ended November 30, 2022

	<u>Township Motor Fuel Tax</u>	<u>Township Bridge</u>	<u>Total</u>
Additions			
Intergovernmental			
Illinois motor fuel tax	\$ 2,635,496	\$ -	\$ 2,635,496
State of Illinois	1,245,112	-	1,245,112
Townships	<u>1,969</u>	<u>-</u>	<u>1,969</u>
Total Intergovernmental	3,882,577	-	3,882,577
Interest	<u>21,475</u>	<u>611</u>	<u>22,086</u>
Total Additions	<u>3,904,052</u>	<u>611</u>	<u>3,904,663</u>
Deductions			
Township Road and Bridge Construction and maintenance	<u>3,354,452</u>	<u>5,692</u>	<u>3,360,144</u>
Total Deductions	<u>3,354,452</u>	<u>5,692</u>	<u>3,360,144</u>
Change in Net Position	549,600	(5,081)	544,519
Net Position - Beginning	<u>2,547,744</u>	<u>109,521</u>	<u>2,657,265</u>
Net Position - Ending	<u>\$ 3,097,344</u>	<u>\$ 104,440</u>	<u>\$ 3,201,784</u>

Hancock County, Illinois
Combing Statement of Fiduciary Assets and Liabilities

Custodial Funds

Year Ended November 30, 2022

	<u>County Collector</u>	<u>Protested Tax</u>	<u>Circuit Clerk</u>	<u>Abandoned Property</u>	<u>Sheriff Bond</u>
Assets					
Cash	\$ 41,931	\$ 2,107	\$ 347,308	\$ -	\$ 280
Investments	-	12,000	10,031	-	-
Accounts receivable	<u>1,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>43,596</u>	<u>14,107</u>	<u>357,339</u>	<u>-</u>	<u>280</u>
Liabilities					
Due to other funds	<u>-</u>	<u>-</u>	<u>31,802</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>31,802</u>	<u>-</u>	<u>-</u>
Net Position					
Restricted for individuals, organizations, and other governments	\$ <u>43,596</u>	\$ <u>14,107</u>	\$ <u>325,537</u>	\$ <u>-</u>	\$ <u>280</u>

	<u>Adult Restitution</u>	<u>Condemnation</u>	<u>ICP Dist. #9 Fish & Wildlife</u>	<u>ISP DUI Equipment</u>	<u>Total</u>
Assets					
Cash	\$ 516	\$ 1,950	\$ 2,615	\$ 1,606	\$ 398,313
Investments	-	-	4,000	-	26,031
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,665</u>
Total Assets	<u>516</u>	<u>1,950</u>	<u>6,615</u>	<u>1,606</u>	<u>426,009</u>
Liabilities					
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,802</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,802</u>
Net Position					
Restricted for individuals, organizations, and other governments	\$ <u>516</u>	\$ <u>1,950</u>	\$ <u>6,615</u>	\$ <u>1,606</u>	\$ <u>394,207</u>

Hancock County, Illinois
Net Position by Component
Last Three Fiscal Years
(Accrual Basis of Accounting)

	Year Ending November 30		
	2020	2021	2022
Governmental Activities			
Invested in capital assets, net of related debt	\$ 11,223,604	\$ 11,381,427	\$ 11,027,212
Restricted	4,799,241	7,242,018	10,258,663
Unrestricted	3,739,577	4,767,039	6,219,086
Total Governmental Activities Net Position	\$ 19,762,422	\$ 23,390,484	\$ 27,504,961

Hancock County, Illinois

Changes in Net Position

Last Three Fiscal Years

(Accrual Basis of Accounting)

	Year Ending November 30		
	2020	2021	2022
Program Revenues			
Governmental Activities			
Charges for services			
Fines and forfeitures	184,142	226,194	237,120
County Clerk, Circuit Clerk and Sheriff fees	392,508	487,668	377,841
ETBS, Highway and Ambulance	1,894,379	1,434,964	1,099,622
All other charges for services	1,570,238	1,944,527	1,582,815
Operating grants and contributions	2,494,768	4,823,371	4,084,293
Total Governmental Activities Revenues	6,536,035	8,916,724	7,381,691
Expenses			
Governmental Activities			
General government	\$ 2,903,691	\$ 2,321,590	\$ 1,530,722
Public safety	2,052,464	2,450,080	2,480,339
Judiciary	840,068	775,991	846,540
Public works and transportation	2,901,472	3,029,080	2,748,332
Health and welfare	3,049,018	3,617,476	2,913,158
Education	59,415	57,030	58,634
Interest Expense	3,139	6,042	1,669
Total Governmental Activities Expenses	11,809,267	12,257,289	10,579,394
Net Revenue (Expense)	(5,273,232)	(3,340,565)	(3,197,703)
General Revenue and Other Changes in Net Position			
Governmental Activities			
Property taxes	4,186,761	4,324,624	4,424,284
Other taxes	1,546,496	1,880,293	2,298,509
Interest	49,338	27,713	84,041
Miscellaneous	599,375	735,997	505,348
Total Governmental Activities	6,381,970	6,968,627	7,312,182
Changes in Net Position	\$ 1,108,738	\$ 3,628,062	\$ 4,114,479

Hancock County, Illinois
Fund Balances, Governmental Funds
Last Three Fiscal Years
(Modified Accrual Basis of Accounting)

	Year Ending November 30		
	2020	2021	2022
General Fund			
Nonspendable	\$ 2,996	\$ -	\$ -
Restricted	-	1,686,190	3,326,576
Unassigned	1,425,255	1,778,088	2,078,331
Total General Fund	1,428,251	3,464,278	5,404,907
All Other Governmental Funds			
Nonspendable	56,243	67,756	70,582
Restricted	4,900,297	5,622,318	6,997,402
Assigned	1,695,663	1,620,438	1,079,435
Total All Other Governmental Funds	6,652,203	7,310,512	8,147,419
Total Governmental Funds	\$ 8,080,454	\$ 10,774,790	\$ 13,552,326

Note: For this schedule and the schedule on the following page, Governmental Funds include the General Fund, Special Revenue, Debt Service and Capital Project Funds.

Hancock County, Illinois
Changes in Fund Balances, Governmental Funds
Last Three Fiscal Years
(Modified Accrual Basis of Accounting)

	Year Ending November 30		
	2020	2021	2022
Revenues			
Taxes - Property	\$ 4,151,741	\$ 4,289,673	\$ 4,389,248
Intergovernmental - State of Illinois	3,075,995	5,098,924	3,855,652
Federal revenue	913,093	1,512,534	2,491,441
Grants and contributions	52,176	92,206	35,709
Charges for services	3,136,868	2,998,417	2,289,335
Fees	720,257	868,742	770,943
Fines	184,142	226,194	237,120
Interest	42,426	23,603	77,136
Other	502,280	569,770	570,564
Total Revenues	<u>12,778,978</u>	<u>15,680,063</u>	<u>14,717,148</u>
Expenditures			
Current			
General government	2,911,221	3,068,356	3,184,744
Public Safety	1,916,828	2,332,351	2,300,668
Judiciary	846,530	757,373	811,361
Public works and transportation	2,278,815	2,387,073	2,196,410
Health and welfare	2,894,681	3,498,518	2,818,070
Education	59,415	57,030	58,634
Debt Service			
Principal	50,536	90,581	140,000
Interest	3,139	6,042	1,669
Capital Outlay	292,104	788,403	568,054
Total Expenditures	<u>11,253,269</u>	<u>12,985,727</u>	<u>12,079,610</u>
Excess of Revenues Over (Under) Expenditures	<u>1,525,709</u>	<u>2,694,336</u>	<u>2,637,538</u>
Other Financing Sources (Uses)			
Proceeds from borrowing	-	-	140,000
Net Changes in Fund Balance	<u>\$ 1,525,709</u>	<u>\$ 2,694,336</u>	<u>\$ 2,777,538</u>



Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Chairman and Members of the
Hancock County Board
Hancock County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hancock County, Illinois (County) as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise Hancock County, Illinois' basic financial statements and have issued our report thereon dated July 25, 2023.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2022-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hancock County, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Hancock County, Illinois' Responses to Finding

Hancock County, Illinois' response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Hancock County, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Gray Hunter Stenn LLP

Dated at Quincy, Illinois
July 25, 2023



**Independent Auditors' Report on Compliance for Each Major Federal Program
and on Internal Control over Compliance Required by the Uniform Guidance**

Chairman and Members of the
Hancock County Board
Hancock County, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hancock County, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hancock County, Illinois' major federal programs for the year ended November 30, 2022. Hancock County, Illinois' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hancock County, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable

user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as finding 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Hancock County, Illinois' response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance, that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2022-001 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Hancock County, Illinois' response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gray Hunter Stenn LLP

Gray Hunter Stenn LLP

Dated at Quincy, Illinois
July 25, 2023

Hancock County, Illinois
Schedule of Expenditures of Federal Awards
Year Ended November 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Pass-through/ Grantor's Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through Illinois Department of Human Services			
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	FCSAQ00883	\$ 26,870
WIC	10.557	FCSBQ00883	<u>14,650</u>
Total Passed through Illinois Department of Human Services			<u>41,520</u>
Total U.S. Department of Agriculture			<u>41,520</u>
U.S. Department of the Treasury			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>86,375</u>
Total U.S. Department of Treasury			<u>86,375</u>
U.S. Environmental Protection Agency			
Passed through Illinois Department of Public Health			
Performance Partnership Grants	66.605	1005080036J	63
Performance Partnership Grants	66.605	3038080036K	<u>25</u>
Total Passed through Illinois Department of Public Health			<u>88</u>
Total U.S. Environmental Protection Agency			<u>88</u>
U.S. Department of Health and Human Services			
Passed through Illinois Department of Public Health			
Public Health Emergency Preparedness	93.069	07180035J	30,229
Public Health Emergency Preparedness	93.069	3037180035K	<u>14,539</u>
			<u>44,768</u>
COVID-19: Public Health Emergency Response	93.354	27680035J	<u>16,815</u>
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	06180010H	14,211
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	26180010J	<u>19,804</u>
			<u>34,015</u>
(M) Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	05180135H	125,820
(M) Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	28180535J	<u>57,820</u>
			<u>183,640</u>
Immunization Cooperative Agreements	93.268	2005080036J	9,061
COVID-19: Immunization Cooperative Agreements	93.268	150806351I	<u>23,713</u>
			<u>32,774</u>
Total Passed through Illinois Department of Public Health			<u>312,012</u>
Total U.S. Department of Health and Human Services			<u>312,012</u>

Hancock County, Illinois
Schedule of Expenditures of Federal Awards
Year Ended November 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Pass-through/ Grantor's Number	Federal Expenditures
U.S. Department of Homeland Security			
Passed through Illinois Emergency Management Agency			
Emergency Management Performance Grants	97.042	21EMAHANCO	<u>8,966</u>
Total Passed through Illinois Emergency Management Agency			<u>8,966</u>
Total U.S. Department of Homeland Security			<u>8,966</u>
U.S. Department of Transportation			
Passed through Illinois Department of Transportation			
Highway Planning and Construction	20.205		<u>248,922</u>
(M) Formula Grants for Rural Areas	20.509	22-0338-27220	15,334
(M) Formula Grants for Rural Areas	20.509	OP-23-15-FED	27,512
(M) COVID-19: Formula Grants for Rural Areas	20.509	2410-24332	<u>117,301</u>
			<u>160,147</u>
Total Passed through Illinois Department of Transportation			<u>409,069</u>
Total U.S. Department of Transportation			<u>409,069</u>
Total Expenditures of Federal Awards			<u>\$ 858,030</u>

(M) - Denotes Major Program

Hancock County, Illinois
Notes to Schedule of Expenditures of Federal Awards
Year Ended November 30, 2022

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Hancock County, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Federal Insurance and Loans

Hancock County, Illinois did not have any federal insurance, loans or federal loan guarantees in effect during the year ended November 30, 2022.

3. Indirect Cost Rate

Hancock County, Illinois has not elected to use the 10% de minimis indirect cost rate for the year ended November 30, 2022.

4. Subrecipients

Hancock County, Illinois did not disburse any federal funds to subrecipients during the year ended November 30, 2022.

Hancock County, Illinois
Schedule of Findings and Questioned Costs for Federal Awards
Year Ended November 30, 2022

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported
- Noncompliance material to the combined financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X Yes No
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X Yes No

Identification of Major Program

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases
20.509	Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes X No

II. Findings Relating to the Financial Statement Audit that are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

Material Weakness

Finding 2022-001 – Segregation of Duties

Condition

The County departments are comprised of a limited number of employees. The limited number of employees allows for a lack of segregation of duties over accounting transactions.

Criteria

Accounting duties of authorization, recording, and custodian should be segregated between employees to prevent financial misstatements and the opportunity for fraudulent behavior.

Effect

With a limited number of employees and a lack of segregation of duties, the County is at a higher risk for errors or misappropriations.

Cause

The County departments are comprised of a limited number of employees.

Recommendation

When a lack of segregation of duties exists, management's and the County Board's close supervision and review of accounting information are the best means of preventing or detecting errors and irregularities.

Views of Responsible Officials and Planned Corrective Action

To the extent possible, monitoring of monthly financial results and compliance information will continue in the County Courthouse offices and the County Health Department.

Responsible Parties

Mark Menn, County Board Chairman
Kris Pilkington, County Treasurer
Holly Wilde-Tillman, County Clerk

III. Federal Award Findings and Questioned Costs

Material Weakness

Finding 2022-001 – Segregation of Duties

See Section II – Financial Statement Findings

Federal Agency Program:

All federal programs are affected.

Questioned costs: None

Hancock County, Illinois
Summary Schedule of Prior Audit Findings
Year Ended November 30, 2022

Finding 2021-001 – Segregation of Duties

This condition continues to exist due to a limited number of accounting personnel. The County does monitor monthly financial results. This finding has been repeated in the current year as finding 2022-001.



HANCOCK COUNTY BOARD

P.O. BOX 39 • CARTHAGE, ILLINOIS 62321 • PHONE (217) 357-3811

The findings from the November 30, 2022, Schedule of Findings and Questioned Costs – Major Federal Award Program are discussed below. The findings are numbered with the numbers assigned in the schedule.

Federal Award Program Audit Findings

Material Weakness

Finding 2022-001 – Segregation of Duties

Corrective Action Plan

The County Board will continue to review all claims provided to them.

Anticipated Completion Date

The County is not in a financial position to hire additional employees. The increased monitoring has already begun.

Responsible Parties

Mark Menn, County Board Chairman
500 Main Street, P.O. Box 248
Carthage, Illinois 62321
(217) 357-3986

Kris Pilkington, County Treasurer
500 Main Street, P.O. Box 248
Carthage, Illinois 62321
(217) 357-3986

Holly Wilde-Tillman, County Clerk
500 Main Street, P.O. Box 248
Carthage, Illinois 62321
(217) 357-3911