

Hancock County, Illinois

Financial Statements and
Supplemental Information

November 30, 2020



Hancock County, Illinois

Contents

November 30, 2020

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Hancock County, Illinois

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Independent Auditors' Report

Chairman and Members of the Hancock County Board
Carthage, Illinois

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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Hancock County, as of November 30, 2020, 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.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that pension and budgetary comparison information on pages 30 through 38 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.

Other 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 27, 2021, 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 27, 2021

Hancock County, Illinois

Statement of Net Position

November 30, 2020

| | Primary Government | | Component |
|---|----------------------|-----------|------------------|
| | Governmental | | Unit |
| | Activities | | |
| Assets | | | |
| Cash | \$ 3,061,546 | \$ | 48,872 |
| Investments | 5,084,171 | | 813,942 |
| Accounts and grants receivable | 1,348,046 | | 121,772 |
| Prepaid insurance | 33,519 | | - |
| Prepaid expenses | 29,728 | | - |
| Due from fiduciary funds | 307,559 | | - |
| Inventories | 59,239 | | - |
| Net pension asset | 4,311 | | - |
| Deferred compensation | 631,128 | | - |
| Capital assets: | | | |
| Land | 61,128 | | - |
| Construction in progress | 151,138 | | - |
| Building and equipment (net of accumulated depreciation) | 11,101,919 | | 118,407 |
| Total Assets | 21,873,432 | | 1,102,993 |
| Deferred Outflows of Resources | | | |
| Property taxes receivable | 4,326,079 | | - |
| Liabilities | | | |
| Accounts payable | 378,461 | | - |
| Accrued expenses | 52,901 | | - |
| Claims payable | 70,000 | | - |
| Unearned income | 100,545 | | - |
| Funds held for others | 62,033 | | - |
| Deferred compensation | 631,128 | | - |
| Long-term liabilities: | | | |
| Due within one year | 201,579 | | - |
| Due in more than one year | 49,297 | | - |
| Total Liabilities | 1,545,944 | | - |
| Deferred Inflows of Resources | | | |
| Deferred property taxes | 4,326,079 | | - |
| Future pension expenses | 565,066 | | - |
| Total Deferred Inflows of Resources | 4,891,145 | | - |
| Net Position | | | |
| Net investment in capital assets | 11,223,604 | | 118,407 |
| Restricted for: | | | |
| General government | 2,190,922 | | - |
| Public safety | 15,113 | | - |
| Judiciary | 582,903 | | - |
| Public works and transportation | 778,008 | | - |
| Health and welfare | 1,232,295 | | - |
| Unrestricted | 3,739,577 | | 984,586 |
| Total Net Position | \$ 19,762,422 | \$ | 1,102,993 |

Hancock County, Illinois
Statement of Activities
Year Ended November 30, 2020

| 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 | \$ 2,903,691 | \$ 293,541 | \$ 86,305 | \$ - | \$ (2,523,845) | |
| Public safety | 2,052,464 | 486,605 | 29,290 | - | (1,536,569) | |
| Judiciary | 840,068 | 454,361 | 210,475 | - | (175,232) | |
| Public works and transportation | 2,901,472 | 983,592 | 1,631,155 | - | (286,725) | |
| Health and welfare | 3,049,018 | 1,823,168 | 537,543 | - | (688,307) | |
| Education | 59,415 | - | - | - | (59,415) | |
| Interest expense | 3,139 | - | - | - | (3,139) | |
| Total Primary Government | <u>11,809,267</u> | <u>4,041,267</u> | <u>2,494,768</u> | <u>-</u> | <u>(5,273,232)</u> | |
| Component Unit | | | | | | |
| Emergency Telephone System Board | \$ 266,261 | \$ - | \$ 378,847 | \$ - | | \$ 112,586 |
| General Revenues and Transfers | | | | | | |
| | | | | | 4,186,761 | - |
| | | | | | 1,546,496 | - |
| | | | | | 49,338 | 10,480 |
| | | | | | 599,375 | 7,900 |
| Total General Revenue and Transfers | | | | | <u>6,381,970</u> | <u>18,380</u> |
| Change in Net Position | | | | | 1,108,738 | 130,966 |
| Net Position, Beginning | | | | | <u>18,653,684</u> | <u>972,027</u> |
| Net Position, Ending | | | | | \$ 19,762,422 | \$ 1,102,993 |

Hancock County, Illinois

Balance Sheet

Governmental Funds

November 30, 2020

| | <u>General</u> | <u>Liability Insurance</u> | <u>Health Department</u> | <u>IMRF</u> | <u>Other Governmental</u> | <u>Total</u> |
|---|---------------------|--------------------------------|------------------------------|---------------------|-------------------------------|----------------------|
| Assets | | | | | | |
| Cash | \$ 367,711 | \$ 10,277 | \$ 932,245 | \$ 81,016 | \$ 800,897 | \$ 2,192,146 |
| Investments | 773,551 | 375,000 | - | 515,000 | 3,066,620 | 4,730,171 |
| Accounts receivable | 342,856 | - | 353,561 | - | 650,289 | 1,346,706 |
| Property taxes receivable | 1,010,674 | 614,343 | 329,535 | 496,510 | 1,840,077 | 4,291,139 |
| Prepaid insurance | - | 8,845 | - | - | - | 8,845 |
| Prepaid expenses | 29,728 | - | - | - | - | 29,728 |
| Inventories, at cost | 2,996 | - | 46,877 | - | 9,366 | 59,239 |
| Due from other funds | <u>14,292</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>460,102</u> | <u>474,394</u> |
| Total Assets | <u>2,541,808</u> | <u>1,008,465</u> | <u>1,662,218</u> | <u>1,092,526</u> | <u>6,827,351</u> | <u>13,132,368</u> |
| Liabilities and Fund Balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | 23,125 | - | 48,451 | 59,399 | 247,486 | 378,461 |
| Accrued expenses | 7,007 | - | 24,276 | - | 21,618 | 52,901 |
| Unearned income | 1,010,674 | 614,343 | 430,080 | 496,510 | 1,840,077 | 4,391,684 |
| Funds held for others | 62,033 | - | - | - | - | 62,033 |
| Due to other funds | <u>10,718</u> | <u>-</u> | <u>13,855</u> | <u>-</u> | <u>142,262</u> | <u>166,835</u> |
| Total Liabilities | <u>1,113,557</u> | <u>614,343</u> | <u>516,662</u> | <u>555,909</u> | <u>2,251,443</u> | <u>5,051,914</u> |
| Fund Balances | | | | | | |
| Nonspendable | 2,996 | - | 46,877 | - | 9,366 | 59,239 |
| Restricted | - | 394,122 | 1,098,679 | 536,617 | 2,870,879 | 4,900,297 |
| Assigned | - | - | - | - | 1,695,663 | 1,695,663 |
| Unassigned | <u>1,425,255</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,425,255</u> |
| Total Fund Balances | <u>1,428,251</u> | <u>394,122</u> | <u>1,145,556</u> | <u>536,617</u> | <u>4,575,908</u> | <u>8,080,454</u> |
| Total Liabilities and Fund Balances | \$ <u>2,541,808</u> | \$ <u>1,008,465</u> | \$ <u>1,662,218</u> | \$ <u>1,092,526</u> | \$ <u>6,827,351</u> | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds | | | | | | 10,440,125 |
| Deferred inflows of resources due to pension expense | | | | | | (565,066) |
| Long-term assets related to governmental activities | | | | | | 4,311 |
| Long-term liabilities related to governmental activities | | | | | | (250,876) |
| The assets and liabilities of internal service funds are included in governmental activities | | | | | | <u>2,053,474</u> |
| Net Position of Governmental Activities | | | | | | \$ <u>19,762,422</u> |

Hancock County, Illinois
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended November 30, 2020

| | General | Liability Insurance | Health Department | IMRF | Other Governmental | Total |
|---------------------------------------|---------------------|------------------------|----------------------|-------------------|-----------------------|---------------------|
| Revenues | | | | | | |
| Property taxes | \$ 990,602 | \$ 490,240 | \$ 331,174 | \$ 500,217 | \$ 1,839,508 | \$ 4,151,741 |
| Intergovernmental - State of Illinois | 1,710,448 | - | 68,591 | - | 1,296,956 | 3,075,995 |
| Federal revenue | 157,782 | - | 416,776 | - | 338,535 | 913,093 |
| Grants and contributions | - | - | 52,176 | - | - | 52,176 |
| Charges for services | 126,552 | - | 1,038,229 | - | 1,972,087 | 3,136,868 |
| Fees | 439,189 | - | - | - | 281,068 | 720,257 |
| Fines | 164,642 | - | - | - | 19,500 | 184,142 |
| Interest | 8,970 | 1,832 | 4,606 | 3,060 | 23,958 | 42,426 |
| Other | 356,743 | 53,956 | 5,566 | - | 86,015 | 502,280 |
| Total Revenues | <u>3,954,928</u> | <u>546,028</u> | <u>1,917,118</u> | <u>503,277</u> | <u>5,857,627</u> | <u>12,778,978</u> |
| Expenditures | | | | | | |
| Current | | | | | | |
| General government | 1,765,279 | 401,279 | - | 48,860 | 695,803 | 2,911,221 |
| Public safety | 1,416,881 | - | - | 194,174 | 305,773 | 1,916,828 |
| Judiciary | 643,760 | 97,712 | - | 22,303 | 82,755 | 846,530 |
| Public works and transportation | - | - | - | 40,546 | 2,238,269 | 2,278,815 |
| Health and welfare | 2,500 | - | 1,709,926 | 134,843 | 1,047,412 | 2,894,681 |
| Education | 59,415 | - | - | - | - | 59,415 |
| Debt Service: | | | | | | |
| Principal | 9,575 | - | - | - | 40,961 | 50,536 |
| Interest | 317 | - | - | - | 2,822 | 3,139 |
| Capital outlay | - | - | 55,925 | - | 236,179 | 292,104 |
| Total Expenditures | <u>3,897,727</u> | <u>498,991</u> | <u>1,765,851</u> | <u>440,726</u> | <u>4,649,974</u> | <u>11,253,269</u> |
| Net Change in Fund Balances | 57,201 | 47,037 | 151,267 | 62,551 | 1,207,653 | 1,525,709 |
| Fund Balances, Beginning | <u>1,371,050</u> | <u>347,085</u> | <u>994,289</u> | <u>474,066</u> | <u>3,368,255</u> | <u>6,554,745</u> |
| Fund Balances, Ending | <u>\$ 1,428,251</u> | <u>\$ 394,122</u> | <u>\$ 1,145,556</u> | <u>\$ 536,617</u> | <u>\$ 4,575,908</u> | <u>\$ 8,080,454</u> |

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, 2020

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

| | |
|---|----------------------------|
| Net change in fund balances - total Governmental Funds | \$ 1,525,709 |
| 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 | 50,536 |
| Capital outlay is an expenditure in the Governmental Funds, but are capitalized and depreciated in the statement of activities | 292,104 |
| 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 | (884,173) |
| Compensated absences | (15,409) |
| Pension obligations | (49,562) |
| 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>189,533</u> |
| Change in Net Positions of Governmental Activities | \$ <u>1,108,738</u> |

Hancock County, Illinois

Statement of Net Position

Proprietary Funds

November 30, 2020

| | | <u>Governmental Activities</u> |
|---|----|------------------------------------|
| | | <u>Internal Service Funds</u> |
| Assets | | |
| Current Assets | | |
| Cash | \$ | 869,400 |
| Investments | | 354,000 |
| Reinsurance receivable | | 1,340 |
| Prepaid insurance | | <u>24,674</u> |
| Total Current Assets | | <u>1,249,414</u> |
| Capital Assets | | |
| Building and equipment (net of accumulated depreciation) | | <u>874,060</u> |
| Total Assets | | <u>2,123,474</u> |
| Deferred Outflows of Resources | | |
| Property taxes receivable | | <u>34,940</u> |
| Liabilities | | |
| Claims payable | | <u>70,000</u> |
| Deferred Inflows of Resources | | |
| Deferred income | | <u>34,940</u> |
| Net Position | | |
| Invested in capital assets | | 874,060 |
| Unrestricted | | <u>1,179,414</u> |
| Total Net Position | \$ | <u><u>2,053,474</u></u> |

Hancock County, Illinois
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended November 30, 2020

| | Governmental Activities |
|--|----------------------------|
| | Internal Service Funds |
| Operating Revenues | |
| Taxes - Property | \$ 35,020 |
| Charges for services | 545,631 |
| Rent | 432,221 |
| Other | <u>207,037</u> |
| Total Operating Revenues | <u>1,219,909</u> |
| Operating Expenses | |
| Medical claims and expenses | 692,147 |
| Personnel costs | 47,177 |
| Professional and contractual | 54,816 |
| Telephone and utilities | 62,437 |
| Repairs and maintenance | 50,758 |
| Insurance | 60,063 |
| Depreciation | <u>69,890</u> |
| Total Operating Expenses | <u>1,037,288</u> |
| Operating Income (Loss) | <u>182,621</u> |
| Nonoperating Revenue | |
| Interest income | <u>6,912</u> |
| Net Income (Loss) | 189,533 |
| Net Position, December 1, 2019 | <u>1,863,941</u> |
| Net Position, November 30, 2020 | <u><u>\$ 2,053,474</u></u> |

Hancock County, Illinois
Statement of Cash Flows
Proprietary Funds
Year Ended November 30, 2020

| | Governmental Activities |
|--|-----------------------------------|
| | <u>Internal Service Funds</u> |
| Cash Flows from Operating Activities | |
| Receipts from other funds | \$ 977,852 |
| Receipts from property taxes | 35,020 |
| Other receipts | 239,135 |
| Payments to employees | (94,793) |
| Claims paid | (681,393) |
| Payments for goods and services | <u>(181,226)</u> |
| Net Cash Provided by (Applied to) Operating Activities | <u>294,595</u> |
| Cash Flows from Investing Activities | |
| Interest income | 6,912 |
| Purchases and redemptions of investments | <u>(83,000)</u> |
| Net Cash Provided by (Applied to) Investing Activities | <u>(76,088)</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Purchase of capital assets | <u>(19,672)</u> |
| Net Cash Provided by (Applied to) Capital and Related Financing Activities | <u>(19,672)</u> |
| Net Increase (Decrease) in Cash | 198,835 |
| Cash Balance, December 1, 2019 | <u>670,565</u> |
| Cash Balance, November 30, 2020 | <u>\$ 869,400</u> |
| Reconciliation of Income (Loss) to Net Cash Provided by (Applied to) Operating Activities | |
| Operating Income (Loss) | \$ 182,621 |
| Adjustments to reconcile net operating income (loss) to net cash provided by (applied to) operating activities: | |
| Non-cash: Depreciation | 69,890 |
| Changes in assets and liabilities: | |
| Reinsurance receivable | 15,379 |
| Prepaid expenses | (3,295) |
| Accounts payable and accrued expenses | <u>30,000</u> |
| Net cash provided by (applied to) operating activities | <u>\$ 294,595</u> |

Hancock County, Illinois

Statement of Net Position

Fiduciary Funds

November 30, 2020

| | Private Purpose Trust Funds | Agency Funds |
|-------------------------------------|-----------------------------------|-----------------------|
| Assets | | |
| Cash | \$ 61,220 | \$ 263,444 |
| Investments | 2,539,000 | 25,891 |
| Accounts receivable | <u>181,044</u> | <u>-</u> |
| Total Assets | <u><u>2,781,264</u></u> | <u><u>289,335</u></u> |
| Liabilities | | |
| Accounts payable | 163,865 | - |
| Due to other funds | 307,558 | - |
| Funds held for others | <u>-</u> | <u>289,335</u> |
| Total Liabilities | <u><u>471,423</u></u> | <u><u>289,335</u></u> |
| Net Position | | |
| Held in trust for other governments | \$ <u><u>2,309,841</u></u> | \$ <u><u>-</u></u> |

Hancock County, Illinois
Statement of Changes in Net Position
Fiduciary Funds
Year Ended November 30, 2020

| | Private Purpose Trust Funds |
|---|-----------------------------------|
| | <u> </u> |
| Additions | |
| Intergovernmental revenue | \$ 3,960,521 |
| Interest | <u>10,938</u> |
| Total Additions | <u>3,971,459</u> |
| Deductions | |
| Township road and bridge construction and maintenance | <u>2,319,388</u> |
| Total Deductions | <u>2,319,388</u> |
| Change in Net Position | <u>1,652,071</u> |
| Net Position, December 1, 2019 | <u>657,770</u> |
| Net Position, November 30, 2020 | <u><u>\$ 2,309,841</u></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, County Clerk Payroll Fund, Sheriff Fee Fund and Circuit Clerk 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.

Agency 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 agency 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, 2020, 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 2019 are reflected as revenues in fiscal year 2020. Amounts not collected by the Collector by November 30, 2020 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 2020 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 2021.

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, 2020:

| | Major | | | | | | |
|----------------------------|---------------------|------------------------|----------------------|-------------------|---------------------|---------------------|--|
| | General Fund | Liability Insurance | Health Department | IMRF | Other Funds | Total | |
| Nonspendable | | | | | | | |
| Inventory | \$ 2,996 | \$ - | \$ 46,877 | \$ - | \$ 9,366 | \$ 59,239 | |
| Restricted for | | | | | | | |
| Retirement | - | - | - | 536,617 | - | 536,617 | |
| Social Security/Medicare | - | - | - | - | 322,402 | 322,402 | |
| Insurances | - | 394,122 | - | - | 363,473 | 757,595 | |
| Health and welfare | - | - | 1,098,679 | - | - | 1,098,679 | |
| Law enforcement | - | - | - | - | 58,268 | 58,268 | |
| Highways | - | - | - | - | 807,936 | 807,936 | |
| Debt service | - | - | - | - | 60,818 | 60,818 | |
| Court-related costs | - | - | - | - | 553,929 | 553,929 | |
| Veteran services | - | - | - | - | 152,606 | 152,606 | |
| Information Technology | - | - | - | - | 379,983 | 379,983 | |
| Other capital projects | - | - | - | - | 2,647 | 2,647 | |
| Other purposes | - | - | - | - | 168,817 | 168,817 | |
| Assigned to | | | | | | | |
| Ambulance services | - | - | - | - | 359,318 | 359,318 | |
| Law enforcement | - | - | - | - | 162,008 | 162,008 | |
| Highways | - | - | - | - | 930,025 | 930,025 | |
| Court-related costs | - | - | - | - | 121,626 | 121,626 | |
| Other purposes | - | - | - | - | 122,686 | 122,686 | |
| Unassigned | <u>1,425,255</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,425,255</u> | |
| Total Fund Balances | <u>\$ 1,428,251</u> | <u>\$ 394,122</u> | <u>\$ 1,145,556</u> | <u>\$ 536,617</u> | <u>\$ 4,575,908</u> | <u>\$ 8,080,454</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, 2020, 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, 2020, 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 \$11,026,798. The bank balance of these accounts at November 30, 2020 was \$11,618,078, of which \$10,257,871 was covered by federal depository insurance or by collateral held by the County's agent in the County's name. The County also had cash on hand of \$8,474 at November 30, 2020.

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, 2020 was \$798,572 and the bank balance was \$798,872. 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, 2020, 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 \$862,952. The bank balance of these accounts at November 30, 2020 was \$862,814. 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 | \$ 3,061,546 | \$ 324,664 | \$ 3,386,210 |
| Certificates of deposits | 508,171 | 10,891 | 519,062 |
| Repurchase agreements | <u>4,576,000</u> | <u>2,554,000</u> | <u>7,130,000</u> |
| | 8,145,717 | 2,889,555 | 11,035,272 |
| Less cash on hand | <u>(8,374)</u> | <u>(100)</u> | <u>(8,474)</u> |
| Total | \$ <u>8,137,343</u> | \$ <u>2,889,455</u> | \$ <u>11,026,798</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 | \$ 45,533 | \$ - | \$ - | \$ - | \$ - | \$ 45,533 |
| Sales taxes | 91,337 | - | - | - | - | 91,337 |
| Use tax | 49,762 | - | - | - | - | 49,762 |
| Motor fuel taxes | - | - | - | - | 45,566 | 45,566 |
| Salary reimbursements | 36,839 | - | - | - | - | 36,839 |
| Accounts | - | - | 279,712 | - | 146,128 | 425,840 |
| Grants | 104,074 | - | 73,849 | - | 119,673 | 297,596 |
| Other | <u>15,311</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>338,922</u> | <u>354,233</u> |
| Total | \$ <u>342,856</u> | \$ <u>-</u> | \$ <u>353,561</u> | \$ <u>-</u> | \$ <u>650,289</u> | \$ <u>1,346,706</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, 2020 were \$339,576 with an allowance of \$59,864.

4. Balance Due to/from Other Funds

The interfund receivable and payable balances at November 30, 2020 are as follows:

| Receivable Fund | Payable Fund | Amount |
|---|-------------------|-------------------|
| General Fund | Health Department | \$ 13,855 |
| General Fund | Nonmajor Funds | 437 |
| Nonmajor Funds | General Fund | 10,718 |
| Nonmajor Funds | Nonmajor Funds | 141,825 |
| Nonmajor Funds | Fiduciary Funds | 307,559 |
| Net Governmental Fund Receivable | | \$ 474,394 |

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, 2020 was as follows:

| | Balance November 30, 2019 | Additions | Deletions | Balance November 30, 2020 |
|--|---------------------------------|---------------------|------------------|---------------------------------|
| Capital Assets, Non-Depreciable | | | | |
| Land | \$ 61,128 | \$ - | \$ - | \$ 61,128 |
| Construction in progress | 99,019 | 52,119 | - | 151,138 |
| Total Capital Assets, Non-Depreciable | 160,147 | 52,119 | - | 212,266 |
| Capital Assets, Depreciable | | | | |
| Buildings | 6,639,129 | 27,544 | - | 6,666,673 |
| Equipment | 4,663,640 | 232,114 | (118,658) | 4,777,096 |
| Infrastructure | 17,555,299 | - | - | 17,555,299 |
| Total Capital Assets, Depreciable | 28,858,068 | 259,658 | (118,658) | 28,999,068 |
| Less Accumulated Depreciation for | | | | |
| Buildings | (3,383,239) | (189,832) | - | (3,573,071) |
| Equipment | (3,669,566) | (255,506) | 118,658 | (3,806,414) |
| Infrastructure | (10,008,939) | (508,725) | - | (10,517,664) |
| Total Accumulated Depreciation | (17,061,744) | (954,063) | 118,658 | (17,897,149) |
| Total Capital Assets, Depreciable | 11,796,324 | (694,405) | - | 11,101,919 |
| Total Capital Assets, Net | \$ 11,956,471 | \$ (642,286) | \$ - | \$ 11,314,185 |

5. **Capital Assets** (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

| | |
|--------------------|----------------|
| General government | \$ 79,202 |
| Public safety | 116,723 |
| Judiciary | 2,526 |
| Transportation | 619,119 |
| Health and welfare | <u>136,493</u> |

Total Depreciation Expense \$ 954,063

Activity for the Emergency Telephone System Board (discretely presented component unit) for the year ended November 30, 2020 was as follows:

| | Balance November 30, 2019 | Additions | Deletions | Balance November 30, 2020 |
|--|---------------------------------|-----------------|-------------|---------------------------------|
| Capital Assets, Depreciable | | | | |
| Furniture and equipment | \$ 287,591 | \$ 27,980 | \$ - | \$ 315,571 |
| Less accumulated depreciation | <u>(170,788)</u> | <u>(26,376)</u> | <u>-</u> | <u>(197,164)</u> |
| Total Capital Assets, Depreciable | <u>116,803</u> | <u>1,604</u> | <u>-</u> | <u>118,407</u> |
| Total Capital Assets, Net | \$ <u>116,803</u> | \$ <u>1,604</u> | \$ <u>-</u> | \$ <u>118,407</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 2020 was \$432,221. 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 \$89,275. There was \$975 due to the vendor at November 30, 2020.

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, 2020, are comprised of the following:

| Description/Interest Rates | Maturity Dates | Original Balance | Outstanding Balance |
|---|----------------|------------------|---------------------|
| Governmental Activities | | | |
| Notes Payable | | | |
| Ambulance Building: Collateralized by building at 2005 East US Hwy 136, Carthage, IL Interest rate 2.47% | June 1, 2027 | \$ 250,000 | \$ 60,216 |
| Starcom Tower: Unsecured Interest rate 3.28% | March 1, 2022 | 45,000 | 30,365 |
| Other Long-term Obligations | | | |
| Compensated absences | N/A | N/A | <u>160,295</u> |
| Total Long-term Obligations | | | <u>\$ 250,876</u> |

The changes in long-term obligations for the year ended November 30, 2020, are as follows:

| | Balance November 30, 2019 | Increases | Decreases | Balance November 30, 2020 | Due within One Year |
|--------------------------------|---------------------------------|-------------------|---------------------|---------------------------------|---------------------------|
| Governmental Activities | | | | | |
| Compensated absences | \$ 144,886 | \$ 160,295 | \$ (144,886) | \$ 160,295 | \$ 160,295 |
| Direct borrowings | <u>141,117</u> | <u>-</u> | <u>(50,536)</u> | <u>90,581</u> | <u>41,284</u> |
| Total Long-Term Debt | <u>\$ 286,003</u> | <u>\$ 160,295</u> | <u>\$ (195,422)</u> | <u>\$ 250,876</u> | <u>\$ 201,579</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.

The following displays the debt service requirements for the direct borrowing obligations described above, using rates in effect as of November 30, 2020:

| Fiscal Year | Notes from Direct Borrowings | |
|--------------|---------------------------------|-----------------|
| | Principal | Interest |
| 2021 | \$ 41,284 | \$ 2,499 |
| 2022 | 42,430 | 1,353 |
| 2023 | <u>6,867</u> | <u>169</u> |
| Total | <u>\$ 90,581</u> | <u>\$ 4,021</u> |

9. Legal Debt Margin

The legal debt margin at November 30, 2020 is calculated as follows:

| | |
|---|-----------------------------|
| Equalized Assessed Valuation - 2019 Tax Extension | \$ <u>360,131,245</u> |
| Statutory Debt Limitation (2.875% Valuation) | 10,353,773 |
| Minus Applicable Debt | <u>-</u> |
| Legal Debt Margin | \$ <u>10,353,773</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 managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplemental information. The report is available for download 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.

10. Defined Benefit Pension Plan (Continued)

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

| | <u>Regular Plan</u> | <u>SLEP Plan</u> |
|--|---------------------|------------------|
| Retirees and Beneficiaries receiving benefits | 124 | 14 |
| Inactive Plan Members entitled to but not yet receiving benefits | 96 | 2 |
| Active Plan Members | <u>82</u> | <u>11</u> |
| Total | <u><u>302</u></u> | <u><u>27</u></u> |

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 2019 were 6.89% and 25.71% of payroll, respectively, for Regular and SLEP plans. For the fiscal year ended 2020, the County contributed \$279,116 and \$129,286, 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, 2019. 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, 2019:

- 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 2.50%.
- Salary Increases were expected to be 3.35% to 14.25%, 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 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) 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 the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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 | 37 % | 5.75 % |
| International Equity | 18 | 6.50 |
| Fixed Income | 28 | 3.25 |
| Real Estate | 9 | 5.20 |
| Alternative Investments | 7 | 3.60-7.60 |
| Cash Equivalents | 1 | 1.85 |
| Total | 100 % | |

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:

- 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
- 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 2.75%, 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, 2018 | \$ 25,355,641 | \$ 22,544,215 | \$ 2,811,426 |
| Changes for the Year | | | |
| Service Cost | 471,253 | - | 471,253 |
| Interest on the Total Pension Liability | 1,804,118 | - | 1,804,118 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience of the Total Pension Liability | (122,861) | - | (122,861) |
| Changes of assumptions | - | - | - |
| Contributions - employer | - | 387,509 | (387,509) |
| Contributions - employees | - | 201,825 | (201,825) |
| Net investment income | - | 4,360,912 | (4,360,912) |
| Benefit payments, including refunds of employee contributions | (1,413,770) | (1,413,770) | - |
| Other (Net Transfer) | - | 18,001 | (18,001) |
| Net Changes | <u>738,740</u> | <u>3,554,477</u> | <u>(2,815,737)</u> |
| Balances at December 31, 2019 | \$ <u>26,094,381</u> | \$ <u>26,098,692</u> | \$ <u>(4,311)</u> |
| Plan fiduciary net positions as a percentage of the total pension liability | 100.02% | | |
| Covered valuation payroll | \$ 4,103,647 | | |
| Net pension liability as a percentage of covered valuation payroll | -0.11% | | |

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 | \$ 23,467,216 | \$ 21,109,391 | \$ 19,175,147 |
| Plan Fiduciary Net Position | <u>21,663,454</u> | <u>21,663,454</u> | <u>21,663,454</u> |
| Net Pension Liability/(Asset) | <u>\$ 1,803,762</u> | <u>\$ (554,063)</u> | <u>\$ (2,488,307)</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 | \$ 5,633,844 | \$ 4,984,990 | \$ 4,453,550 |
| Plan Fiduciary Net Position | <u>4,435,238</u> | <u>4,435,238</u> | <u>4,435,238</u> |
| Net Pension Liability/(Asset) | \$ <u>1,198,606</u> | \$ <u>549,752</u> | \$ <u>18,312</u> |

For the year ended November 30, 2020, the County recognized pension benefit of \$49,562. At November 30, 2020, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

| Deferred Amounts Related to Pensions | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| <i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i> | | |
| Differences between expected and actual experience | \$ - | \$ (27,338) |
| Changes in assumptions | - | (186,637) |
| Net difference between projected and actual earnings on pension plan investments | <u>-</u> | <u>1,156,028</u> |
| Total deferred amounts to be recognized in pension expense in future periods | <u>-</u> | <u>942,053</u> |
| Pension contributions made subsequent to measurement date | <u>-</u> | <u>(376,987)</u> |
| Total Deferred Amounts Related to Pensions | \$ <u>-</u> | \$ <u>565,066</u> |

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

| Years Ending December 31 | Net Deferred Outflows of Resources |
|-----------------------------|--|
| 2020 | \$ (156,412) |
| 2021 | 244,555 |
| 2022 | (93,178) |
| 2023 | <u>570,101</u> |
| Total | \$ <u>565,066</u> |

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, 2020 was \$0. Total contributions by plan members for the year ended November 30, 2020 was \$34,155. The value of the plan on November 30, 2020 was \$631,128. 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 2020 were:

| | <u>Balance at Beginning of Year</u> | <u>Claims Incurred</u> | <u>Claims Paid</u> | <u>Balance at End of Year</u> |
|----|---|----------------------------|------------------------|-----------------------------------|
| \$ | 40,000 | \$ 432,758 | \$ 402,758 | \$ 70,000 |

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, 2020, 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 the local and federal government. The pandemic remains a rapidly evolving situation, and the County cannot reasonably estimate the impact at this time. During the fiscal year 2020, the County expended \$371,733 of Coronavirus Relief Funding that was reimbursed by the Federal government.

15. Subsequent Events

Subsequent events have been evaluated through July 27, 2021, which is the date the financial statements were available to be issued. During June 2021, the County received \$1,719,786 as part of the American Rescue Plan Act (ARPA) that was signed into law on March 11, 2021. The County is anticipating additional funding to be received through ARPA.

Hancock County, Illinois

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

November 30, 2020

Regular Plan - Unaudited

| Calendar year ending December 31, | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Pension Liability | | | | | | |
| Service cost | \$ 366,603 | \$ 364,946 | \$ 360,121 | \$ 373,250 | \$ 374,692 | \$ 357,019 |
| Interest on the total pension liability | 1,455,278 | 1,400,007 | 1,417,630 | 1,296,606 | 1,232,460 | 1,142,344 |
| Difference between expected and actual experience | (19,670) | 272,041 | (325,372) | 1,059,325 | 238,965 | (81,116) |
| Assumption changes | - | 503,559 | (586,606) | - | - | 575,162 |
| Benefit payments and refunds | (1,164,624) | (1,106,085) | (1,100,212) | (1,117,727) | (862,506) | (738,880) |
| Net Change in Total Pension Liability | 637,587 | 1,434,468 | (234,439) | 1,611,454 | 983,611 | 1,254,529 |
| Total pension liability - beginning | 20,471,804 | 19,037,336 | 19,271,775 | 17,660,321 | 16,676,710 | 15,422,181 |
| Total Pension Liability - Ending (A) | 21,109,391 | 20,471,804 | 19,037,336 | 19,271,775 | 17,660,321 | 16,676,710 |
| Plan Fiduciary Net Position | | | | | | |
| Employer contributions | 244,386 | 356,774 | 292,135 | 286,264 | 309,600 | 328,548 |
| Employee contributions | 160,073 | 160,549 | 164,864 | 222,625 | 158,317 | 154,007 |
| Pension plan net investment income | 3,604,157 | (1,164,041) | 3,245,457 | 1,116,260 | 86,065 | 998,480 |
| Benefit payments and refunds | (1,164,624) | (1,106,085) | (1,100,212) | (1,117,727) | (862,506) | (738,880) |
| Other (Net Transfer) | 1,880 | 664,298 | (505,774) | 300,659 | (100,250) | 171,464 |
| Net Change in Plan Fiduciary Net Position | 2,845,872 | (1,088,505) | 2,096,470 | 808,081 | (408,774) | 913,619 |
| Plan fiduciary net position - beginning | 18,817,582 | 19,906,087 | 17,809,617 | 17,001,536 | 17,410,310 | 16,496,691 |
| Plan Fiduciary Net Position - Ending (B) | 21,663,454 | 18,817,582 | 19,906,087 | 17,809,617 | 17,001,536 | 17,410,310 |
| Net Pension Liability - Ending (A) - (B) | \$ (554,063) | \$ 1,654,222 | \$ (868,751) | \$ 1,462,158 | \$ 658,785 | \$ (733,600) |
| Plan fiduciary net position as a percentage of the total pension liability | 102.62% | 91.92% | 104.56% | 92.41% | 96.27% | 104.40% |
| Covered valuation payroll | \$ 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 | -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, 2020

SLEP Plan - Unaudited

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

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% |

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% |

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, 2020
Unaudited

Notes to Schedule of Contributions

Summary of actuarial methods and assumptions used in the calculation of the 2019 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 2019 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): 24-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 19 years for most employers (two employers were financed over 29 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 | 7.50% |
| 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, 2017, actuarial valuation; note two year lag between valuation and rate setting.

Hancock County, Illinois
Budgetary Comparison Schedule
General Fund
Year Ended November 30, 2020

| | Budgeted Amounts | | Actual | Variance |
|---|------------------|---------------------|---------------------|----------------------------|
| | Original | Final | Amounts | Favorable (Unfavorable) |
| Resources (Inflows) | | | | |
| Property taxes | \$ 1,012,642 | \$ 1,012,642 | \$ 990,602 | \$ (22,040) |
| Intergovernmental | 1,759,526 | 1,759,526 | 1,836,918 | 77,392 |
| Charges-ETSB 911 | 150,000 | 150,000 | 126,552 | (23,448) |
| Fees | 421,980 | 421,980 | 439,189 | 17,209 |
| Fines | 203,000 | 203,000 | 164,642 | (38,358) |
| Interest | 6,000 | 6,000 | 8,595 | 2,595 |
| Other | 258,086 | 258,086 | 226,056 | (32,030) |
| Total Resources | <u>3,811,234</u> | <u>3,811,234</u> | <u>3,792,554</u> | <u>(18,680)</u> |
| Charges to Appropriations (Outflows) | | | | |
| General Government | | | | |
| Courthouse and jail | 389,145 | 442,826 | 431,400 | 11,426 |
| County Clerk | 174,499 | 174,499 | 148,905 | 25,594 |
| County Treasurer | 137,847 | 142,096 | 142,096 | - |
| County Board | 53,063 | 53,063 | 48,444 | 4,619 |
| Supervisor of Assessments | 202,318 | 202,318 | 193,316 | 9,002 |
| Elections | 152,400 | 195,950 | 195,950 | - |
| Miscellaneous | 690,271 | 690,271 | 559,518 | 130,753 |
| Contingencies | 30,000 | 16,606 | 16,612 | (6) |
| Total General Government | <u>1,829,543</u> | <u>1,917,629</u> | <u>1,736,241</u> | <u>181,388</u> |
| Public Safety | | | | |
| County Sheriff | 1,309,292 | 1,350,638 | 1,349,402 | 1,236 |
| Coroner | 45,981 | 45,981 | 39,110 | 6,871 |
| Emergency Services | 23,629 | 23,629 | 23,411 | 218 |
| Animal Control | 30,316 | 30,316 | 29,496 | 820 |
| Total Public Safety | <u>1,409,218</u> | <u>1,450,564</u> | <u>1,441,419</u> | <u>9,145</u> |
| Judiciary | | | | |
| Courts | 129,634 | 129,634 | 95,122 | 34,512 |
| State's Attorney | 345,418 | 346,015 | 346,015 | - |
| Circuit Clerk | 206,171 | 206,171 | 204,617 | 1,554 |
| Total Judiciary | <u>681,223</u> | <u>681,820</u> | <u>645,754</u> | <u>36,066</u> |
| Health and Welfare | <u>2,500</u> | <u>2,500</u> | <u>2,500</u> | <u>-</u> |
| Education | <u>59,415</u> | <u>59,415</u> | <u>59,415</u> | <u>-</u> |
| Total Charges to Appropriations | <u>3,981,899</u> | <u>4,111,928</u> | <u>3,885,329</u> | <u>226,599</u> |
| Excess (Deficiency) of Resources over Appropriations | <u>(170,665)</u> | <u>(300,694)</u> | <u>(92,775)</u> | <u>207,919</u> |
| Transfers (to) from other funds | <u>175,000</u> | <u>175,000</u> | <u>200,000</u> | <u>25,000</u> |
| Net Change to Budgetary Fund Balance | <u>\$ 4,335</u> | <u>\$ (125,694)</u> | <u>\$ 107,225</u> | <u>\$ 232,919</u> |
| Reconciliation to modified accrual | | | (50,024) | |
| Budgetary Fund Balance, December 1, 2019 | | | <u>1,371,050</u> | |
| Budgetary Fund Balance, November 30, 2020 | | | <u>\$ 1,428,251</u> | |

Hancock County, Illinois
Budgetary Comparison Schedule
Liability Insurance Fund
Year Ended November 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance</u> |
|---|-------------------------|--------------------|-------------------|--|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Favorable</u> <u>(Unfavorable)</u> |
| Resources (Inflows) | | | | |
| Property taxes | \$ 490,000 | \$ 490,000 | \$ 490,240 | \$ 240 |
| Interest | 2,075 | 2,075 | 1,832 | (243) |
| Miscellaneous | - | - | 53,956 | 53,956 |
| Total Resources | <u>492,075</u> | <u>492,075</u> | <u>546,028</u> | <u>53,953</u> |
| Charges to Appropriations (Outflows) | | | | |
| General Government: | | | | |
| Bonds | 100 | 72,210 | 72,210 | - |
| Liability insurance | 145,000 | 72,890 | 72,097 | 793 |
| Health insurance fixed cost | 237,000 | 234,952 | 219,924 | 15,028 |
| HAVA settlement | 25,000 | 25,000 | 25,000 | - |
| Miscellaneous | 10,000 | 12,048 | 12,048 | - |
| Judiciary: | | | | |
| Liability insurance | <u>97,712</u> | <u>97,712</u> | <u>97,712</u> | <u>-</u> |
| Total Charges to Appropriations | <u>514,812</u> | <u>514,812</u> | <u>498,991</u> | <u>15,821</u> |
| Excess (Deficiency) of Resources over Appropriations | <u>(22,737)</u> | <u>(22,737)</u> | <u>47,037</u> | <u>69,774</u> |
| Transfers (to) from other funds | - | - | - | - |
| Net Change to Budgetary Fund Balance | <u>\$ (22,737)</u> | <u>\$ (22,737)</u> | <u>\$ 47,037</u> | <u>\$ 69,774</u> |
| Reconciliation to modified accrual | | | - | |
| Budgetary Fund Balance, December 1, 2019 | | | <u>347,085</u> | |
| Budgetary Fund Balance, November 30, 2020 | | | <u>\$ 394,122</u> | |

Hancock County, Illinois
Budgetary Comparison Schedule
Health Department
Year Ended November 30, 2020

| | Budgeted Amounts | | Actual | Variance |
|---|------------------|------------------|---------------------|----------------------------|
| | Original | Final | Amounts | Favorable (Unfavorable) |
| Resources (Inflows) | | | | |
| Property taxes | \$ 331,750 | \$ 331,750 | \$ 331,174 | \$ (576) |
| Intergovernmental | 294,184 | 294,184 | 230,532 | (63,652) |
| Federal revenue | - | - | 347,193 | 347,193 |
| Grants and contributions | - | - | 97,282 | 97,282 |
| Charges for services | 1,036,022 | 1,036,022 | 920,133 | (115,889) |
| Interest | - | - | 4,606 | 4,606 |
| Other | - | - | 5,566 | 5,566 |
| Total Resources | <u>1,661,956</u> | <u>1,661,956</u> | <u>1,936,486</u> | <u>274,530</u> |
| Charges to Appropriations (Outflows) | | | | |
| Health and welfare: | | | | |
| Administration | 143,616 | 143,616 | 81,408 | 62,208 |
| Dental | 98,100 | 98,100 | 50,037 | 48,063 |
| Grants | 109,322 | 109,322 | 377,703 | (268,381) |
| Home Health | 167,581 | 167,581 | 140,123 | 27,458 |
| Wellness | 132,189 | 132,189 | 123,434 | 8,755 |
| Salaries | 1,011,068 | 1,011,068 | 903,970 | 107,098 |
| Capital outlay | - | - | 55,925 | (55,925) |
| Total Charges to Appropriations | <u>1,661,876</u> | <u>1,661,876</u> | <u>1,732,600</u> | <u>(70,724)</u> |
| Excess (Deficiency) of Resources over Appropriations | <u>80</u> | <u>80</u> | <u>203,886</u> | <u>203,806</u> |
| Transfers (to) from other funds | - | - | - | - |
| Net Change to Budgetary Fund Balance | <u>\$ 80</u> | <u>\$ 80</u> | <u>\$ 203,886</u> | <u>\$ 203,806</u> |
| Reconciliation to modified accrual | | | (52,619) | |
| Budgetary Fund Balance, December 1, 2019 | | | <u>994,289</u> | |
| Budgetary Fund Balance, November 30, 2020 | | | <u>\$ 1,145,556</u> | |

Hancock County, Illinois
Budgetary Comparison Schedule
IMRF Fund
Year Ended November 30, 2020

| | Budgeted Amounts | | Actual | Variance |
|---|------------------|------------------|-------------------|----------------------------|
| | Original | Final | Amounts | Favorable (Unfavorable) |
| Resources (Inflows) | | | | |
| Property taxes | \$ 500,000 | \$ 500,000 | \$ 500,217 | \$ 217 |
| Interest | <u>1,500</u> | <u>1,500</u> | <u>3,060</u> | <u>1,560</u> |
| Total Resources | <u>501,500</u> | <u>501,500</u> | <u>503,277</u> | <u>1,777</u> |
| Charges to Appropriations (Outflows) | | | | |
| General government: | | | | |
| County Contribution - IMRF | <u>457,500</u> | <u>457,500</u> | <u>440,726</u> | <u>16,774</u> |
| Total Charges to Appropriations | <u>457,500</u> | <u>457,500</u> | <u>440,726</u> | <u>16,774</u> |
| Excess (Deficiency) of Resources over Appropriations | <u>44,000</u> | <u>44,000</u> | <u>62,551</u> | <u>18,551</u> |
| Transfers (to) from other funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change to Budgetary Fund Balance | <u>\$ 44,000</u> | <u>\$ 44,000</u> | <u>\$ 62,551</u> | <u>\$ 18,551</u> |
| Reconciliation to modified accrual | | | - | |
| Budgetary Fund Balance, December 1, 2019 | | | <u>474,066</u> | |
| Budgetary Fund Balance, November 30, 2020 | | | <u>\$ 536,617</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.

2. Excess of Expenditures over Appropriations in Individual Funds

The following funds had an excess of expenditures over appropriations for the year ended November 30, 2020:

| | <u>Appropriations</u> | | <u>Expenditures</u> |
|-------------------|-----------------------|----|---------------------|
| Health Department | \$ 1,661,876 | \$ | 1,732,600 |

Hancock County, Illinois**Combining Balance Sheet****General Fund****November 30, 2020**

| | <u>General</u> | <u>County Clerk Fee</u> | <u>Circuit Clerk Fee</u> | <u>Total</u> |
|--|---------------------|---------------------------------|----------------------------------|---------------------|
| Assets | | | | |
| Cash | \$ 259,729 | \$ 107,982 | \$ - | \$ 367,711 |
| Investments | 700,000 | - | 73,551 | 773,551 |
| Accounts receivable | 342,856 | - | - | 342,856 |
| Property taxes receivable | 1,010,674 | - | - | 1,010,674 |
| Prepaid expenses | 29,728 | - | - | 29,728 |
| Inventories, at cost | - | 2,996 | - | 2,996 |
| Due from other funds | <u>14,292</u> | <u>-</u> | <u>-</u> | <u>14,292</u> |
| Total Assets | <u>2,357,279</u> | <u>110,978</u> | <u>73,551</u> | <u>2,541,808</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts payable | 23,125 | - | - | 23,125 |
| Accrued expenses | 7,007 | - | - | 7,007 |
| Deferred income | 1,010,674 | - | - | 1,010,674 |
| Funds held for others | - | 62,033 | - | 62,033 |
| Due to other funds | <u>4,336</u> | <u>6,382</u> | <u>-</u> | <u>10,718</u> |
| Total Liabilities | <u>1,045,142</u> | <u>68,415</u> | <u>-</u> | <u>1,113,557</u> |
| Fund Balances | | | | |
| Nonspendable | - | 2,996 | - | 2,996 |
| Unassigned | <u>1,312,137</u> | <u>39,567</u> | <u>73,551</u> | <u>1,425,255</u> |
| Total Fund Balances | <u>1,312,137</u> | <u>42,563</u> | <u>73,551</u> | <u>1,428,251</u> |
| Total Liabilities and Fund Balances | \$ <u>2,357,279</u> | \$ <u>110,978</u> | \$ <u>73,551</u> | \$ <u>2,541,808</u> |

Hancock County, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
Year Ended November 30, 2020

| | General | County Clerk Fee | County Clerk Payroll | Circuit Clerk Fee | Total |
|-----------------------------------|---------------------|------------------------|----------------------------|-------------------------|---------------------|
| Revenues | | | | | |
| Property taxes | \$ 990,602 | \$ - | \$ - | \$ - | \$ 990,602 |
| Intergovernmental | | | | | |
| State income tax | 699,393 | - | - | - | 699,393 |
| State sales tax | 758,757 | - | - | - | 758,757 |
| State replacement tax | 74,647 | - | - | - | 74,647 |
| Video gaming tax | 9,964 | - | - | - | 9,964 |
| Cannabis use tax | 3,735 | - | - | - | 3,735 |
| State's Attorney salary | 119,981 | - | - | - | 119,981 |
| Public defenders reimbursement | 61,994 | - | - | - | 61,994 |
| Supervisor of Assessments | 38,150 | - | - | - | 38,150 |
| Victim Coordinator | 28,500 | - | - | - | 28,500 |
| Reimburse election costs | 44,461 | - | - | - | 44,461 |
| IEMA grant and reimbursement | 24,954 | - | - | - | 24,954 |
| Other | 3,694 | - | - | - | 3,694 |
| Total Intergovernmental | <u>1,868,230</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,868,230</u> |
| Fees | | | | | |
| County Clerk | 136,879 | 9,473 | - | - | 146,352 |
| Circuit Clerk | 113,014 | - | - | - | 113,014 |
| Public Defender | 7,991 | - | - | - | 7,991 |
| State's Attorney | 872 | - | - | - | 872 |
| Sheriff | 133,142 | - | - | - | 133,142 |
| Sheriff answering service | 8,530 | - | - | - | 8,530 |
| Sales | 14,240 | - | - | - | 14,240 |
| Other | 15,048 | - | - | - | 15,048 |
| Total Fees | <u>429,716</u> | <u>9,473</u> | <u>-</u> | <u>-</u> | <u>439,189</u> |
| Fines | | | | | |
| Fines | 112,336 | - | - | - | 112,336 |
| Real estate tax penalties | 52,306 | - | - | - | 52,306 |
| Total Fines | <u>164,642</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>164,642</u> |
| Charges - ETSB 911 | 126,552 | - | - | - | 126,552 |
| Interest | 6,003 | 1,619 | - | 1,348 | 8,970 |
| Other | | | | | |
| Reimbursement - 911 coordinator | 66,365 | - | - | - | 66,365 |
| Reimbursement - health department | 8,941 | - | - | - | 8,941 |
| Reimbursement - janitor salary | 98,393 | - | - | - | 98,393 |
| Other | 183,044 | - | - | - | 183,044 |
| Total Other | <u>356,743</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>356,743</u> |
| Total Revenues | \$ <u>3,942,488</u> | \$ <u>11,092</u> | \$ <u>-</u> | \$ <u>1,348</u> | \$ <u>3,954,928</u> |

Hancock County, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
Year Ended November 30, 2020

| | <u>General</u> | <u>County Clerk Fee</u> | <u>County Clerk Payroll</u> | <u>Circuit Clerk Fee</u> | <u>Total</u> |
|--|----------------------------|---------------------------------|-------------------------------------|----------------------------------|----------------------------|
| Expenditures | | | | | |
| General Government | | | | | |
| Courthouse and jail | \$ 436,323 | \$ - | \$ - | \$ - | \$ 436,323 |
| County Clerk | 148,874 | - | 31 | - | 148,905 |
| County Treasurer | 139,424 | - | - | - | 139,424 |
| County Board | 48,444 | - | - | - | 48,444 |
| Supervisor of Assessments | 187,056 | - | - | - | 187,056 |
| Elections | 192,710 | - | - | - | 192,710 |
| Miscellaneous | 595,805 | - | - | - | 595,805 |
| Contingencies | <u>16,612</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>16,612</u> |
| Total General Government | <u>1,765,248</u> | <u>-</u> | <u>31</u> | <u>-</u> | <u>1,765,279</u> |
| Public Safety | | | | | |
| County Sheriff | 1,334,756 | - | - | - | 1,334,756 |
| Coroner | 39,110 | - | - | - | 39,110 |
| ESDA | 23,411 | - | - | - | 23,411 |
| Animal Control | <u>29,496</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>29,496</u> |
| Total Public Safety | <u>1,426,773</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,426,773</u> |
| Judiciary | | | | | |
| Courts | 95,122 | - | - | - | 95,122 |
| State's Attorney | 344,899 | - | - | - | 344,899 |
| Circuit Clerk | <u>203,739</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>203,739</u> |
| Total Judiciary | <u>643,760</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>643,760</u> |
| Health and Welfare | | | | | |
| Soil and Water Conservation District | <u>2,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,500</u> |
| Education | | | | | |
| Office of Regional Superintendent | <u>59,415</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>59,415</u> |
| Total Expenditures | <u>3,897,696</u> | <u>-</u> | <u>31</u> | <u>-</u> | <u>3,897,727</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>44,792</u> | <u>11,092</u> | <u>(31)</u> | <u>1,348</u> | <u>57,201</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers from (to) other funds | <u>200,000</u> | <u>(200,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | 244,792 | (188,908) | (31) | 1,348 | 57,201 |
| Fund Balance, December 1, 2019 | <u>1,067,345</u> | <u>231,471</u> | <u>31</u> | <u>72,203</u> | <u>1,371,050</u> |
| Fund Balance, November 30, 2020 | \$ <u><u>1,312,137</u></u> | \$ <u><u>42,563</u></u> | \$ <u><u>-</u></u> | \$ <u><u>73,551</u></u> | \$ <u><u>1,428,251</u></u> |

Hancock County, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
November 30, 2020

| | Capital Improvement | Debt Service | County Highway | County Bridge | County Motor Fuel Tax | Federal Aid | Engineering and Administration | Building Lease |
|--|------------------------|-----------------|---------------------|-------------------|-----------------------------|-------------------|--------------------------------------|-------------------|
| Assets | | | | | | | | |
| Cash | \$ 2,647 | \$ 602 | \$ 25,761 | \$ 25,660 | \$ 25,230 | \$ 25,334 | \$ 25,098 | \$ - |
| Investments | - | - | 312,077 | 35,000 | 590,000 | 116,000 | 35,000 | - |
| Accounts receivable | - | - | 338,922 | - | 45,566 | - | 9,383 | - |
| Property taxes receivable | - | - | 328,844 | 164,422 | - | 164,422 | - | 429,757 |
| Prepaid insurance | - | - | - | - | - | - | - | - |
| Inventories, at cost | - | - | - | - | 9,366 | - | - | - |
| Due from other funds | - | - | 82,124 | 246,923 | - | - | 120,337 | - |
| Total Assets | <u>2,647</u> | <u>602</u> | <u>1,087,728</u> | <u>472,005</u> | <u>670,162</u> | <u>305,756</u> | <u>189,818</u> | <u>429,757</u> |
| Liabilities and Fund Balances | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | - | - | 12,375 | 159,952 | - | - | - | - |
| Accrued expenses | - | - | 6,302 | - | - | - | - | - |
| Unearned income | - | - | 328,844 | 164,422 | - | 164,422 | - | 429,757 |
| Due to other funds | - | - | - | 59,701 | 82,124 | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>347,521</u> | <u>384,075</u> | <u>82,124</u> | <u>164,422</u> | <u>-</u> | <u>429,757</u> |
| Fund Balances | | | | | | | | |
| Nonspendable | - | - | - | - | 9,366 | - | - | - |
| Restricted | 2,647 | 602 | - | 87,930 | 578,672 | 141,334 | - | - |
| Assigned | - | - | 740,207 | - | - | - | 189,818 | - |
| Total Fund Balances | <u>2,647</u> | <u>602</u> | <u>740,207</u> | <u>87,930</u> | <u>588,038</u> | <u>141,334</u> | <u>189,818</u> | <u>-</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,647</u> | <u>\$ 602</u> | <u>\$ 1,087,728</u> | <u>\$ 472,005</u> | <u>\$ 670,162</u> | <u>\$ 305,756</u> | <u>\$ 189,818</u> | <u>\$ 429,757</u> |

Hancock County, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
November 30, 2020

| | Circuit Clerk Administration | Treasurer's Automation | Veterans Assistance | Workers' Compensation | Ambulance | Sheriff | Social Security/ Medicare |
|--|------------------------------------|---------------------------|------------------------|--------------------------|-------------------|-------------------|------------------------------|
| Assets | | | | | | | |
| Cash | \$ 405 | \$ 6,982 | \$ 6,324 | \$ 3,473 | \$ 97,102 | \$ 185,834 | \$ 42,402 |
| Investments | 106,000 | 81,000 | 146,719 | 360,000 | 200,000 | - | 280,000 |
| Accounts receivable | - | - | - | - | 146,128 | - | - |
| Property taxes receivable | - | - | 30,158 | 139,391 | 205,000 | - | 378,083 |
| Prepaid insurance | - | - | - | - | - | - | - |
| Inventories, at cost | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - |
| Total Assets | <u>106,405</u> | <u>87,982</u> | <u>183,201</u> | <u>502,864</u> | <u>648,230</u> | <u>185,834</u> | <u>700,485</u> |
| Liabilities and Fund Balances | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | - | - | - | - | 8,380 | 18,003 | - |
| Accrued expenses | - | - | - | - | 15,316 | - | - |
| Unearned income | - | - | 30,158 | 139,391 | 205,000 | - | 378,083 |
| Due to other funds | - | - | 437 | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>30,595</u> | <u>139,391</u> | <u>228,696</u> | <u>18,003</u> | <u>378,083</u> |
| Fund Balances | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | 106,405 | 87,982 | 152,606 | 363,473 | 60,216 | 30,365 | 322,402 |
| Assigned | - | - | - | - | 359,318 | 137,466 | - |
| Total Fund Balances | <u>106,405</u> | <u>87,982</u> | <u>152,606</u> | <u>363,473</u> | <u>419,534</u> | <u>167,831</u> | <u>322,402</u> |
| Total Liabilities and Fund Balances | <u>\$ 106,405</u> | <u>\$ 87,982</u> | <u>\$ 183,201</u> | <u>\$ 502,864</u> | <u>\$ 648,230</u> | <u>\$ 185,834</u> | <u>\$ 700,485</u> |

Hancock County, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
November 30, 2020

| | <u>Record Preservation</u> | <u>Vital Records</u> | <u>Court Automation</u> | <u>Document Storage</u> | <u>State's Attorney Automation</u> | <u>Public Defender Automation</u> | <u>Court Operations</u> | <u>Law Library</u> |
|--|--------------------------------|--------------------------|-----------------------------|-----------------------------|--|---|-----------------------------|------------------------|
| Assets | | | | | | | | |
| Cash | \$ 3,678 | \$ 2,455 | \$ 1,938 | \$ 2,895 | \$ 5,616 | \$ 742 | \$ 2,133 | \$ 1,135 |
| Investments | 77,949 | 66,000 | 44,000 | 223,000 | - | - | 112,000 | - |
| Accounts receivable | - | - | - | - | - | - | - | - |
| Property taxes receivable | - | - | - | - | - | - | - | - |
| Prepaid insurance | - | - | - | - | - | - | - | - |
| Inventories, at cost | - | - | - | - | - | - | - | - |
| Due from other funds | <u>3,312</u> | <u>310</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u>84,939</u> | <u>68,765</u> | <u>45,938</u> | <u>225,895</u> | <u>5,616</u> | <u>742</u> | <u>114,133</u> | <u>1,135</u> |
| Liabilities and Fund Balances | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | - | - | - | - | - | - | - | - |
| Accrued expenses | - | - | - | - | - | - | - | - |
| Unearned income | - | - | - | - | - | - | - | - |
| Due to other funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | 84,939 | 68,765 | 45,938 | 225,895 | - | - | - | - |
| Assigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,616</u> | <u>742</u> | <u>114,133</u> | <u>1,135</u> |
| Total Fund Balances | <u>84,939</u> | <u>68,765</u> | <u>45,938</u> | <u>225,895</u> | <u>5,616</u> | <u>742</u> | <u>114,133</u> | <u>1,135</u> |
| Total Liabilities and Fund Balances | <u>\$ 84,939</u> | <u>\$ 68,765</u> | <u>\$ 45,938</u> | <u>\$ 225,895</u> | <u>\$ 5,616</u> | <u>\$ 742</u> | <u>\$ 114,133</u> | <u>\$ 1,135</u> |

Hancock County, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
November 30, 2020

| | Maintenance and Child Support | GIS | Coroner Grant | Drug Act | DUI | Public Transportation | Probation Fees | Total |
|--|-------------------------------------|-------------------|------------------|------------------|------------------|--------------------------|-------------------|---------------------|
| Assets | | | | | | | | |
| Cash | \$ 2,964 | \$ 5,028 | \$ 10,777 | \$ 30,210 | \$ 22,235 | \$ 31,572 | \$ 204,665 | \$ 800,897 |
| Investments | 14,000 | 267,875 | - | - | - | - | - | 3,066,620 |
| Accounts receivable | - | - | - | - | - | 110,290 | - | 650,289 |
| Property taxes receivable | - | - | - | - | - | - | - | 1,840,077 |
| Prepaid insurance | - | - | - | - | - | - | - | - |
| Inventories, at cost | - | - | - | - | - | - | - | 9,366 |
| Due from other funds | - | 2,760 | 4,336 | - | - | - | - | 460,102 |
| Total Assets | <u>16,964</u> | <u>275,663</u> | <u>15,113</u> | <u>30,210</u> | <u>22,235</u> | <u>141,862</u> | <u>204,665</u> | <u>6,827,351</u> |
| Liabilities and Fund Balances | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | - | 29,600 | - | - | - | 19,176 | - | 247,486 |
| Accrued expenses | - | - | - | - | - | - | - | 21,618 |
| Unearned income | - | - | - | - | - | - | - | 1,840,077 |
| Due to other funds | - | - | - | - | - | - | - | 142,262 |
| Total Liabilities | <u>-</u> | <u>29,600</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,176</u> | <u>-</u> | <u>2,251,443</u> |
| Fund Balances | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | 9,366 |
| Restricted | 16,964 | 246,063 | 15,113 | 27,903 | - | - | 204,665 | 2,870,879 |
| Assigned | - | - | - | 2,307 | 22,235 | 122,686 | - | 1,695,663 |
| Total Fund Balances | <u>16,964</u> | <u>246,063</u> | <u>15,113</u> | <u>30,210</u> | <u>22,235</u> | <u>122,686</u> | <u>204,665</u> | <u>4,575,908</u> |
| Total Liabilities and Fund Balances | \$ <u>16,964</u> | \$ <u>275,663</u> | \$ <u>15,113</u> | \$ <u>30,210</u> | \$ <u>22,235</u> | \$ <u>141,862</u> | \$ <u>204,665</u> | \$ <u>6,827,351</u> |

Hancock County, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended November 30, 2020

| | Capital Improvement | Debt Service | County Highway | County Bridge | County Motor Fuel Tax | Federal Aid | Engineering and Administration | Building Lease |
|---|------------------------|-----------------|-------------------|------------------|-----------------------------|-------------------|--------------------------------------|-------------------|
| Revenues | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ 322,168 | \$ 161,082 | \$ - | \$ 161,082 | \$ - | \$ 432,221 |
| Intergovernmental - State of Illinois | - | - | - | - | 1,135,661 | - | - | - |
| Federal revenue | - | - | 271,137 | - | - | - | 9,363 | - |
| Charges for services | - | - | 561,462 | 269,259 | - | - | 152,167 | - |
| Fees | - | - | - | - | - | - | - | - |
| Fines | - | - | - | - | - | - | - | - |
| Interest | - | - | 2,854 | 98 | 1,162 | 1,752 | 705 | - |
| Other | - | - | - | - | - | - | - | - |
| Total Revenues | <u>-</u> | <u>-</u> | <u>1,157,621</u> | <u>430,439</u> | <u>1,136,823</u> | <u>162,834</u> | <u>162,235</u> | <u>432,221</u> |
| Expenditures | | | | | | | | |
| Current | | | | | | | | |
| General government | - | - | - | - | - | - | - | 432,221 |
| Public Safety | - | - | - | - | - | - | - | - |
| Judiciary | - | - | - | - | - | - | - | - |
| Public works and transportation | - | - | 747,817 | 318,902 | 554,707 | 270,952 | 113,554 | - |
| Health and welfare | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | 166,930 | 32,167 | - | 19,952 | - | - |
| Debt Service | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>914,747</u> | <u>351,069</u> | <u>554,707</u> | <u>290,904</u> | <u>113,554</u> | <u>432,221</u> |
| Excess of Revenues over (under) Expenditures | <u>-</u> | <u>-</u> | <u>242,874</u> | <u>79,370</u> | <u>582,116</u> | <u>(128,070)</u> | <u>48,681</u> | <u>-</u> |
| Fund Balances, December 1, 2019 | <u>2,647</u> | <u>602</u> | <u>497,333</u> | <u>8,560</u> | <u>5,922</u> | <u>269,404</u> | <u>141,137</u> | <u>-</u> |
| Fund Balances, November 30, 2020 | <u>\$ 2,647</u> | <u>\$ 602</u> | <u>\$ 740,207</u> | <u>\$ 87,930</u> | <u>\$ 588,038</u> | <u>\$ 141,334</u> | <u>\$ 189,818</u> | <u>\$ -</u> |

Hancock County, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended November 30, 2020

| | Circuit Clerk Administration | Treasurer's Automation | Veterans Assistance | Workers' Compensation | Ambulance | Sheriff | Social Security/ Medicare |
|---|------------------------------------|---------------------------|------------------------|--------------------------|-------------------|-------------------|---------------------------------|
| Revenues | | | | | | | |
| Property taxes | \$ - | \$ - | \$ 30,047 | \$ 140,077 | \$ 212,118 | \$ - | \$ 380,713 |
| Intergovernmental - State of Illinois | - | - | - | - | - | - | - |
| Federal revenue | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | 784,939 | 203,556 | - |
| Fees | 29,963 | 9,053 | - | - | - | - | - |
| Fines | - | - | - | - | - | - | - |
| Interest | 772 | 715 | 1,511 | 2,361 | 939 | 84 | 2,078 |
| Other | - | - | - | 4,432 | 33,368 | 24,473 | 2,486 |
| Total Revenues | <u>30,735</u> | <u>9,768</u> | <u>31,558</u> | <u>146,870</u> | <u>1,031,364</u> | <u>228,113</u> | <u>385,277</u> |
| Expenditures | | | | | | | |
| Current | | | | | | | |
| General government | - | 1,860 | - | 72,258 | - | - | 62,310 |
| Public Safety | - | - | - | - | - | 170,833 | 108,534 |
| Judiciary | 3,399 | - | - | - | - | - | 23,476 |
| Public works and transportation | - | - | - | - | - | - | 41,988 |
| Health and welfare | - | - | 29,296 | - | 881,184 | - | 136,932 |
| Capital Outlay | - | - | - | - | - | 17,130 | - |
| Debt Service | - | - | - | - | 27,837 | 15,946 | - |
| Total Expenditures | <u>3,399</u> | <u>1,860</u> | <u>29,296</u> | <u>72,258</u> | <u>909,021</u> | <u>203,909</u> | <u>373,240</u> |
| Excess of Revenues over (under) Expenditures | <u>27,336</u> | <u>7,908</u> | <u>2,262</u> | <u>74,612</u> | <u>122,343</u> | <u>24,204</u> | <u>12,037</u> |
| Fund Balances, December 1, 2019 | <u>79,069</u> | <u>80,074</u> | <u>150,344</u> | <u>288,861</u> | <u>297,191</u> | <u>143,627</u> | <u>310,365</u> |
| Fund Balances, November 30, 2020 | <u>\$ 106,405</u> | <u>\$ 87,982</u> | <u>\$ 152,606</u> | <u>\$ 363,473</u> | <u>\$ 419,534</u> | <u>\$ 167,831</u> | <u>\$ 322,402</u> |

Hancock County, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended November 30, 2020

| | <u>Record Preservation</u> | <u>Vital Records</u> | <u>Court Automation</u> | <u>Document Storage</u> | <u>State's Attorney Automation</u> | <u>Public Defender Automation</u> | <u>Court Operations</u> | <u>Law Library</u> |
|---|--------------------------------|--------------------------|-----------------------------|-----------------------------|--|---|-----------------------------|------------------------|
| Revenues | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental - State of Illinois | - | - | - | - | - | - | - | - |
| Federal revenue | - | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - | - |
| Fees | 37,920 | 6,684 | 25,081 | 24,942 | 715 | 589 | 84,164 | 992 |
| Fines | - | - | - | - | - | - | - | - |
| Interest | 1,169 | 575 | 353 | 1,652 | 9 | 1 | 322 | 2 |
| Other | - | - | - | - | - | - | - | - |
| Total Revenues | <u>39,089</u> | <u>7,259</u> | <u>25,434</u> | <u>26,594</u> | <u>724</u> | <u>590</u> | <u>84,486</u> | <u>994</u> |
| Expenditures | | | | | | | | |
| Current | | | | | | | | |
| General government | 29,624 | 2,746 | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - |
| Judiciary | - | - | 25,339 | 18,603 | - | - | - | 131 |
| Public works and transportation | - | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>29,624</u> | <u>2,746</u> | <u>25,339</u> | <u>18,603</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>131</u> |
| Excess of Revenues over (under) Expenditures | <u>9,465</u> | <u>4,513</u> | <u>95</u> | <u>7,991</u> | <u>724</u> | <u>590</u> | <u>84,486</u> | <u>863</u> |
| Fund Balances, December 1, 2019 | <u>75,474</u> | <u>64,252</u> | <u>45,843</u> | <u>217,904</u> | <u>4,892</u> | <u>152</u> | <u>29,647</u> | <u>272</u> |
| Fund Balances, November 30, 2020 | <u>\$ 84,939</u> | <u>\$ 68,765</u> | <u>\$ 45,938</u> | <u>\$ 225,895</u> | <u>\$ 5,616</u> | <u>\$ 742</u> | <u>\$ 114,133</u> | <u>\$ 1,135</u> |

Hancock County, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended November 30, 2020

| | Maintenance and Child Support | GIS | Coroner Grant | Drug Act | DUI | Public Transportation | Probation Fees | Total |
|---|-------------------------------------|-------------------|------------------|------------------|------------------|--------------------------|-------------------|---------------------|
| Revenues | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,839,508 |
| Intergovernmental - State of Illinois | - | - | 4,336 | - | - | 156,959 | - | 1,296,956 |
| Federal revenue | - | - | - | - | - | 58,035 | - | 338,535 |
| Charges for services | - | - | - | - | - | 704 | - | 1,972,087 |
| Fees | 72 | 31,600 | - | - | 45 | - | 29,248 | 281,068 |
| Fines | - | - | - | 14,825 | 4,675 | - | - | 19,500 |
| Interest | 142 | 4,026 | 93 | 110 | - | 103 | 370 | 23,958 |
| Other | - | - | - | - | 1,310 | 19,946 | - | 86,015 |
| Total Revenues | <u>214</u> | <u>35,626</u> | <u>4,429</u> | <u>14,935</u> | <u>6,030</u> | <u>235,747</u> | <u>29,618</u> | <u>5,857,627</u> |
| Expenditures | | | | | | | | |
| Current | | | | | | | | |
| General government | - | 94,784 | - | - | - | - | - | 695,803 |
| Public Safety | - | - | 6,616 | 12,628 | 7,162 | - | - | 305,773 |
| Judiciary | - | - | - | - | - | - | 11,807 | 82,755 |
| Public works and transportation | - | - | - | - | - | 190,349 | - | 2,238,269 |
| Health and welfare | - | - | - | - | - | - | - | 1,047,412 |
| Capital Outlay | - | - | - | - | - | - | - | 236,179 |
| Debt Service | - | - | - | - | - | - | - | 43,783 |
| Total Expenditures | <u>-</u> | <u>94,784</u> | <u>6,616</u> | <u>12,628</u> | <u>7,162</u> | <u>190,349</u> | <u>11,807</u> | <u>4,649,974</u> |
| Excess of Revenues over (under) Expenditures | <u>214</u> | <u>(59,158)</u> | <u>(2,187)</u> | <u>2,307</u> | <u>(1,132)</u> | <u>45,398</u> | <u>17,811</u> | <u>1,207,653</u> |
| Fund Balances, December 1, 2019 | <u>16,750</u> | <u>305,221</u> | <u>17,300</u> | <u>27,903</u> | <u>23,367</u> | <u>77,288</u> | <u>186,854</u> | <u>3,368,255</u> |
| Fund Balances, November 30, 2020 | <u>\$ 16,964</u> | <u>\$ 246,063</u> | <u>\$ 15,113</u> | <u>\$ 30,210</u> | <u>\$ 22,235</u> | <u>\$ 122,686</u> | <u>\$ 204,665</u> | <u>\$ 4,575,908</u> |

Hancock County, Illinois
Combining Statement of Net Position

Internal Service Funds

November 30, 2020

| | Hancock Public Building Commission | Unemployment Compensation | Premium and Medical Care | Total |
|---|---|------------------------------|-----------------------------|----------------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash | \$ 798,572 | \$ 3,823 | \$ 67,005 | \$ 869,400 |
| Investments | - | 169,000 | 185,000 | 354,000 |
| Reinsurance receivable | - | - | 1,340 | 1,340 |
| Prepaid insurance | - | - | 24,674 | 24,674 |
| Total Current Assets | <u>798,572</u> | <u>172,823</u> | <u>278,019</u> | <u>1,249,414</u> |
| Capital Assets | | | | |
| Building and equipment (net of accumulated depreciation) | <u>874,060</u> | <u>-</u> | <u>-</u> | <u>874,060</u> |
| Total Assets | <u>1,672,632</u> | <u>172,823</u> | <u>278,019</u> | <u>2,123,474</u> |
| Deferred Outflows of Resources | | | | |
| Property taxes receivable | <u>-</u> | <u>34,940</u> | <u>-</u> | <u>34,940</u> |
| Liabilities | | | | |
| Accounts/Claims payable | <u>-</u> | <u>-</u> | <u>70,000</u> | <u>70,000</u> |
| Deferred Inflows of Resources | | | | |
| Unearned income | <u>-</u> | <u>34,940</u> | <u>-</u> | <u>34,940</u> |
| Net Position | | | | |
| Invested in capital assets | 874,060 | - | - | 874,060 |
| Unrestricted | <u>798,572</u> | <u>172,823</u> | <u>208,019</u> | <u>1,179,414</u> |
| Total Net Position | \$ <u><u>1,672,632</u></u> | \$ <u><u>172,823</u></u> | \$ <u><u>208,019</u></u> | \$ <u><u>2,053,474</u></u> |

Hancock County, Illinois

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

Internal Service Funds

Year Ended November 30, 2020

| | Hancock Public Building Commission | Unemployment Compensation | Premium and Medical Care | Total |
|--|---|------------------------------|-----------------------------|----------------------------|
| Operating Revenues | | | | |
| Taxes - Property | \$ - | \$ 35,020 | \$ - | \$ 35,020 |
| Charges for services | - | - | 545,631 | 545,631 |
| Rent | 432,221 | - | - | 432,221 |
| Other | 1,011 | - | 206,026 | 207,037 |
| Total Operating Revenues | <u>433,232</u> | <u>35,020</u> | <u>751,657</u> | <u>1,219,909</u> |
| Operating Expenses | | | | |
| Claims and expenses | - | 1,785 | 690,362 | 692,147 |
| Utilities | 62,437 | - | - | 62,437 |
| Janitor | 43,577 | - | - | 43,577 |
| Maintenance superintendent | 54,816 | - | - | 54,816 |
| Treasurer's fees | 3,600 | - | - | 3,600 |
| Insurance | 60,063 | - | - | 60,063 |
| Repairs and maintenance | 50,758 | - | - | 50,758 |
| Depreciation | 69,890 | - | - | 69,890 |
| Total Operating Expenses | <u>345,141</u> | <u>1,785</u> | <u>690,362</u> | <u>1,037,288</u> |
| Operating Income (Loss) | <u>88,091</u> | <u>33,235</u> | <u>61,295</u> | <u>182,621</u> |
| Nonoperating Revenue | | | | |
| Interest | 4,023 | 1,248 | 1,641 | 6,912 |
| Net Income (Loss) | 92,114 | 34,483 | 62,936 | 189,533 |
| Net Position, December 1, 2019 | <u>1,580,518</u> | <u>138,340</u> | <u>145,083</u> | <u>1,863,941</u> |
| Net Position, November 30, 2020 | \$ <u><u>1,672,632</u></u> | \$ <u><u>172,823</u></u> | \$ <u><u>208,019</u></u> | \$ <u><u>2,053,474</u></u> |

Hancock County, Illinois
Combining Statement of Cash Flows
Internal Service Funds
Year Ended November 30, 2020

| | Hancock Public Building Commission | Unemployment Compensation | Premium and Medical Care | Total |
|---|---|------------------------------|-----------------------------|-------------------|
| Cash Flows from Operating Activities | | | | |
| Receipts from other funds | \$ 432,221 | \$ - | \$ 545,631 | \$ 977,852 |
| Receipts from property taxes | - | 35,020 | - | 35,020 |
| Other receipts | 1,011 | - | 238,124 | 239,135 |
| Payments to employees | (94,793) | - | - | (94,793) |
| Claims paid | - | (1,785) | (679,608) | (681,393) |
| Payments for goods and services | (180,458) | - | (768) | (181,226) |
| Net Cash Provided by (Applied to) Operating Activities | <u>157,981</u> | <u>33,235</u> | <u>103,379</u> | <u>294,595</u> |
| Cash Flows from Investing Activities | | | | |
| Interest | 4,023 | 1,248 | 1,641 | 6,912 |
| Purchases and redemptions of investments | - | (33,000) | (50,000) | (83,000) |
| Net Cash Provided by (Applied to) Investing Activities | <u>4,023</u> | <u>(31,752)</u> | <u>(48,359)</u> | <u>(76,088)</u> |
| Cash Flows from Capital and Financing Activities | | | | |
| Purchase of capital assets | (19,672) | - | - | (19,672) |
| Net Cash Applied to Capital and Financing Activities | <u>(19,672)</u> | <u>-</u> | <u>-</u> | <u>(19,672)</u> |
| Net Increase (Decrease) in Cash | 142,332 | 1,483 | 55,020 | 198,835 |
| Cash Balance, December 1, 2019 | <u>656,240</u> | <u>2,340</u> | <u>11,985</u> | <u>670,565</u> |
| Cash Balance, November 30, 2020 | <u>798,572</u> | <u>3,823</u> | <u>67,005</u> | <u>869,400</u> |
| Reconciliation of Income (Loss) to Net Cash Provided by (Applied to) Operating Activities | | | | |
| Operating income (loss) | 88,091 | 33,235 | 61,295 | 182,621 |
| Adjustments to reconcile net operating income (loss) to net cash provided by (applied to) operating activities: | | | | |
| Non-cash: Depreciation | 69,890 | - | - | 69,890 |
| Changes in assets and liabilities: | | | | |
| Reinsurance receivable | - | - | 15,379 | 15,379 |
| Prepaid expenses | - | - | (3,295) | (3,295) |
| Accounts payable and accrued expenses | - | - | 30,000 | 30,000 |
| Net Cash Provided by (Applied to) Operating Activities | <u>\$ 157,981</u> | <u>\$ 33,235</u> | <u>\$ 103,379</u> | <u>\$ 294,595</u> |

Hancock County, Illinois
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
November 30, 2020

| | Township Motor Fuel Tax | Township Bridge | Total |
|--------------------------|-------------------------------|--------------------|---------------------|
| Assets | | | |
| Cash | \$ 35,205 | \$ 26,015 | \$ 61,220 |
| Investments | 2,202,000 | 337,000 | 2,539,000 |
| Accounts receivable | <u>181,044</u> | <u>-</u> | <u>181,044</u> |
| Total Assets | <u>2,418,249</u> | <u>363,015</u> | <u>2,781,264</u> |
| Liabilities | | | |
| Accounts payable | 163,865 | - | 163,865 |
| Due to other funds | <u>60,635</u> | <u>246,923</u> | <u>307,558</u> |
| Total Liabilities | <u>224,500</u> | <u>246,923</u> | <u>471,423</u> |
| Net Position | | | |
| Unrestricted | \$ <u>2,193,749</u> | \$ <u>116,092</u> | \$ <u>2,309,841</u> |

Hancock County, Illinois
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
Year Ended November 30, 2020

| | Township Motor Fuel Tax | Township Bridge | Total |
|--------------------------------|-------------------------------|--------------------------|----------------------------|
| Additions | | | |
| Intergovernmental | | | |
| Illinois motor fuel tax | \$ 2,354,898 | \$ - | \$ 2,354,898 |
| State of Illinois | 1,245,112 | 225,889 | 1,471,001 |
| Townships | <u>-</u> | <u>134,622</u> | <u>134,622</u> |
| Total Intergovernmental | 3,600,010 | 360,511 | 3,960,521 |
| Interest | <u>10,593</u> | <u>345</u> | <u>10,938</u> |
| Total Additions | <u>3,610,603</u> | <u>360,856</u> | <u>3,971,459</u> |
| Deductions | | | |
| Township Road and Bridge | | | |
| Construction and maintenance | <u>2,023,707</u> | <u>295,681</u> | <u>2,319,388</u> |
| Total Deductions | <u>2,023,707</u> | <u>295,681</u> | <u>2,319,388</u> |
| Change in Net Position | 1,586,896 | 65,175 | 1,652,071 |
| Net Position - Beginning | <u>606,853</u> | <u>50,917</u> | <u>657,770</u> |
| Net Position - Ending | \$ <u><u>2,193,749</u></u> | \$ <u><u>116,092</u></u> | \$ <u><u>2,309,841</u></u> |

Hancock County, Illinois
Combing Statement of Fiduciary Assets and Liabilities
Agency Funds
Year Ended November 30, 2020

| | <u>County Collector</u> | <u>Protested Tax</u> | <u>Circuit Clerk</u> | <u>Abandoned Property</u> | <u>Sheriff Bond</u> |
|--------------------------|-----------------------------|--------------------------|--------------------------|-------------------------------|-------------------------|
| Assets | | | | | |
| Cash | \$ 30,201 | \$ 2,018 | \$ 217,435 | \$ 2,032 | \$ 961 |
| Investments | <u>-</u> | <u>12,000</u> | <u>10,891</u> | <u>3,000</u> | <u>-</u> |
| Total Assets | <u>30,201</u> | <u>14,018</u> | <u>228,326</u> | <u>5,032</u> | <u>961</u> |
| Liabilities | | | | | |
| Due to taxing districts | 30,201 | 14,018 | - | - | - |
| Funds held for others | <u>-</u> | <u>-</u> | <u>228,326</u> | <u>5,032</u> | <u>961</u> |
| Total Liabilities | \$ <u>30,201</u> | \$ <u>14,018</u> | \$ <u>228,326</u> | \$ <u>5,032</u> | \$ <u>961</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 | \$ 636 | \$ 1,960 | \$ 6,595 | \$ 1,606 | \$ 263,444 |
| Investments | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,891</u> |
| Total Assets | <u>636</u> | <u>1,960</u> | <u>6,595</u> | <u>1,606</u> | <u>289,335</u> |
| Liabilities | | | | | |
| Due to taxing districts | - | - | - | - | 44,219 |
| Funds held for others | <u>636</u> | <u>1,960</u> | <u>6,595</u> | <u>1,606</u> | <u>245,116</u> |
| Total Liabilities | \$ <u>636</u> | \$ <u>1,960</u> | \$ <u>6,595</u> | \$ <u>1,606</u> | \$ <u>289,335</u> |

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

| | | Year Ending November 30 | | |
|---|----|--------------------------|-----------------------------|-----------------------------|
| | | 2018 | 2019 | 2020 |
| Governmental Activities | | | | |
| Invested in capital assets, net of related debt | \$ | 12,551,844 | \$ 11,815,355 | \$ 11,223,604 |
| Restricted | | 3,833,043 | 3,942,547 | 4,799,241 |
| Unrestricted | | <u>1,819,427</u> | <u>2,895,782</u> | <u>3,739,577</u> |
| Total Governmental Activities Net Position | \$ | <u><u>18,204,314</u></u> | \$ <u><u>18,653,684</u></u> | \$ <u><u>19,762,422</u></u> |

Hancock County, Illinois

Changes in Net Position

Last Three Fiscal Years

(Accrual Basis of Accounting)

| | Year Ending November 30 | | |
|--|-------------------------|--------------------|---------------------|
| | 2018 | 2019 | 2020 |
| Expenses | | | |
| Governmental Activities | | | |
| General government | \$ 3,220,953 | \$ 2,245,681 | \$ 2,903,691 |
| Public safety | 1,879,252 | 1,947,393 | 2,052,464 |
| Judiciary | 797,802 | 814,665 | 840,068 |
| Public works and transportation | 3,110,295 | 2,893,195 | 2,901,472 |
| Health and welfare | 3,044,947 | 2,827,723 | 3,049,018 |
| Education | 54,292 | 55,701 | 59,415 |
| Interest Expense | 6,591 | 7,020 | 3,139 |
| Total Governmental Activities Expenses | 12,114,132 | 10,791,378 | 11,809,267 |
| Program Revenues | | | |
| Governmental Activities | | | |
| Charges for services | | | |
| Fines and forfeitures | 192,808 | 248,373 | 184,142 |
| County Clerk, Circuit Clerk and Sheriff fees | 307,928 | 439,118 | 392,508 |
| ETBS, Highway and Ambulance | 875,199 | 866,798 | 126,552 |
| All other charges for services | 1,899,108 | 1,969,871 | 3,338,065 |
| Operating grants and contributions | 1,481,772 | 1,471,981 | 2,494,768 |
| Total Governmental Activities Revenues | 4,756,815 | 4,996,141 | 6,536,035 |
| Net Revenue (Expense) | (7,357,317) | (5,795,237) | (5,273,232) |
| General Revenue and Other Changes in Net Position | | | |
| Governmental Activities | | | |
| Property taxes | 3,978,772 | 4,166,354 | 4,186,761 |
| Other taxes | 1,393,280 | 1,481,044 | 1,546,496 |
| Interest | 22,670 | 79,742 | 49,338 |
| Miscellaneous | 491,058 | 517,467 | 599,375 |
| Total Governmental Activities | 5,885,780 | 6,244,607 | 6,381,970 |
| Changes in Net Position | \$ (1,471,537) | \$ 449,370 | \$ 1,108,738 |

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

| | Year Ending November 30 | | |
|---|----------------------------|----------------------------|----------------------------|
| | 2018 | 2019 | 2020 |
| General Fund | | | |
| Nonspendable | \$ 14,344 | \$ 22,527 | \$ 2,996 |
| Restricted | 42,416 | 9,575 | - |
| Unassigned | <u>1,124,490</u> | <u>1,338,948</u> | <u>1,425,255</u> |
| Total General Fund | <u>1,181,250</u> | <u>1,371,050</u> | <u>1,428,251</u> |
| All Other Governmental Funds | | | |
| Nonspendable | 46,618 | 49,332 | 56,243 |
| Restricted | 3,861,570 | 4,005,999 | 4,900,297 |
| Assigned | <u>807,134</u> | <u>1,128,364</u> | <u>1,695,663</u> |
| Total All Other Governmental Funds | <u>4,715,322</u> | <u>5,183,695</u> | <u>6,652,203</u> |
| Total Governmental Funds | \$ <u><u>5,896,572</u></u> | \$ <u><u>6,554,745</u></u> | \$ <u><u>8,080,454</u></u> |

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 | | |
|---|-------------------------|-------------------|---------------------|
| | 2018 | 2019 | 2020 |
| Revenues | | | |
| Taxes - Property | \$ 3,943,876 | \$ 4,131,376 | \$ 4,151,741 |
| Intergovernmental - State of Illinois | 2,358,526 | 2,347,730 | 3,075,995 |
| Federal revenue | 502,985 | 593,677 | 913,093 |
| Grants and contributions | 13,541 | 11,618 | 52,176 |
| Charges for services | 2,541,110 | 2,544,646 | 3,136,868 |
| Fees | 541,125 | 731,141 | 720,257 |
| Fines | 192,808 | 248,373 | 184,142 |
| Interest | 18,862 | 68,691 | 42,426 |
| Other | 373,370 | 376,502 | 502,280 |
| Total Revenues | <u>10,486,203</u> | <u>11,053,754</u> | <u>12,778,978</u> |
| Expenditures | | | |
| Current | | | |
| General government | 2,774,119 | 2,565,082 | 2,911,221 |
| Public Safety | 1,728,525 | 1,793,899 | 1,916,828 |
| Judiciary | 790,903 | 807,536 | 846,530 |
| Public works and transportation | 2,438,382 | 2,273,084 | 2,278,815 |
| Health and welfare | 2,842,346 | 2,661,925 | 2,894,681 |
| Education | 54,292 | 55,701 | 59,415 |
| Debt Service | | | |
| Principal | 156,272 | 166,462 | 50,536 |
| Interest | 6,591 | 7,020 | 3,139 |
| Capital Outlay | 261,951 | 129,872 | 292,104 |
| Total Expenditures | <u>11,053,381</u> | <u>10,460,581</u> | <u>11,253,269</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(567,178)</u> | <u>593,173</u> | <u>1,525,709</u> |
| Other Financing Sources (Uses) | | | |
| Proceeds from borrowing | <u>124,500</u> | <u>65,000</u> | <u>-</u> |
| Net Changes in Fund Balance | <u>\$ (442,678)</u> | <u>\$ 658,173</u> | <u>\$ 1,525,709</u> |



**Independent Auditors' Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financials 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, 2020, 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 27, 2021.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in finding 2020-001 in the accompanying schedule of findings and questioned costs to be a material weakness.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in findings 2020-002 and 2020-003 in the accompanying schedule of findings and questioned costs to be significant deficiencies.

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.

A handwritten signature in black ink that reads "Gray Hunter Stenn LLP". The signature is written in a cursive, flowing style.

Gray Hunter Stenn LLP

Dated at Quincy, Illinois
July 27, 2021



**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

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, 2020. Hancock County, Illinois' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Hancock County, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. 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; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hancock County, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Hancock County, Illinois' compliance.

Opinion on Each Major Federal Program

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, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as findings 2020-001, 2020-002 and 2020-003. Our opinion on each major federal program is not modified with respect to these matters.

Hancock County, Illinois' response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Hancock County, Illinois is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hancock County, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hancock County, Illinois' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2020-001 to be a material weakness.

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2020-002 and 2020-003 to be significant deficiencies.

Hancock County, Illinois' response to the internal control over compliance findings 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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Gray Hunter Stenn LLP

Dated at Quincy, Illinois
July 27, 2021

Hancock County, Illinois
Schedule of Expenditures of Federal Awards
Year Ended November 30, 2020

| Federal Grantor/Pass-through Grantor/Program Title | Federal CFDA 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 | FCSYQ00883 | \$ 31,838 |
| WIC | 10.557 | FCSZQ00883 | 11,086 |
| WIC Non-Cash Food Instruments | 10.557 | | <u>107,010</u> |
| Total Passed through Illinois Department of Human Services | | | <u>149,934</u> |
| Total U.S. Department of Agriculture | | | <u>149,934</u> |
| U.S. Department of the Treasury | | | |
| Passed through Illinois Department of Commerce and Economic Opportunity | | | |
| (M) COVID-19: Coronavirus Relief Fund | 21.019 | 20-491032 | 111,005 |
| (M) COVID-19: Coronavirus Relief Fund | 21.019 | 20-492032 | <u>41,850</u> |
| Total Passed through Illinois Department of Commerce and Economic Opportunity | | | 152,855 |
| Passed through Illinois Department of Public Health | | | |
| (M) COVID-19: Coronavirus Relief Fund | 21.019 | 05180135H | <u>218,878</u> |
| Total U.S. Department of Treasury | | | <u>371,733</u> |
| U.S. Election Assistance Commission | | | |
| Passed through Illinois Board of Elections | | | |
| COVID-19: Help America Vote Act | 90.404 | | 24,483 |
| Help America Vote Act Security Grants | 90.404 | | <u>7,372</u> |
| Total Passed through Illinois Board of Elections | | | <u>31,855</u> |
| Total U.S. Election Assistance Commission | | | <u>31,855</u> |
| U.S. Environmental Protection Agency | | | |
| Passed through Illinois Department of Public Health | | | |
| Performance Partnership Grants | 66.605 | 0005080063H | 63 |
| Performance Partnership Grants | 66.605 | 1005080036H | <u>12</u> |
| Total Passed through Illinois Department of Public Aid | | | <u>75</u> |
| Total U.S. Environmental Protection Agency | | | <u>75</u> |

Hancock County, Illinois
Schedule of Expenditures of Federal Awards
Year Ended November 30, 2020

| Federal Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | Pass-through/ Grantor's Number | Federal Expenditures |
|--|---------------------------|--------------------------------------|----------------------------|
| U.S. Department of Health and Human Services | | | |
| Passed through National Association of County and City Health Officials | | | |
| Medical Reserve Corps Small Grant Program | 93.008 | NACCHO-MRC 20-2436 | <u>2,500</u> |
| Passed through Southern Illinois University School of Medicine | | | |
| Rural Health Care Services Outreach, Rural Health Network | | | |
| Development and Small Health Care Provider Quality Improvement | 93.912 | GRH33005 | <u>2,295</u> |
| Passed through Illinois Department of Public Health | | | |
| Public Health Emergency Preparedness | 93.069 | 07180035H | 31,965 |
| Public Health Emergency Preparedness | 93.069 | 07180035I | <u>7,601</u> |
| | | | <u>39,566</u> |
| COVID-19: Public Health Emergency Response | 93.354 | 07680035H | <u>34,368</u> |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations | 93.898 | 06180010H | <u>33,630</u> |
| Total Passed through Illinois Department of Public Health | | | <u>107,564</u> |
| Total U.S. Department of Health and Human Services | | | <u>112,359</u> |
| U.S. Department of Homeland Security | | | |
| Passed through Illinois Emergency Management Agency | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | #4461 DR | 3,694 |
| Emergency Management Performance Grant | 97.042 | 20EMA | <u>11,228</u> |
| Total U.S. Department of Homeland Security | | | <u>14,922</u> |
| U.S. Department of Justice | | | |
| Special Data Collections and Statistical Studies | 16.734 | 2019-FU-CXX-K017 | <u>7,900</u> |
| U.S. Department of Transportation | | | |
| Passed through Illinois Department of Transportation | | | |
| Highway Construction Engineering | 20.205 | | <u>280,501</u> |
| (M) Formula Grants for Rural Areas | 20.509 | 20-0338-14173 | 23,873 |
| (M) Formula Grants for Rural Areas | 20.509 | 21-0338-24336 | 32,313 |
| (M) COVID-19: Formula Grants for Rural Areas | 20.509 | 2410-24332 | <u>1,849</u> |
| | | | 58,035 |
| Total Passed through Illinois Department of Transportation | | | <u>338,536</u> |
| Total U.S. Department of Transportation | | | <u>338,536</u> |
| Total Expenditures of Federal Awards | | | \$ <u><u>1,027,314</u></u> |

(M) - Denotes Major Program

Hancock County, Illinois
Notes to Schedule of Expenditures of Federal Awards
Year Ended November 30, 2020

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. Noncash Food Instruments

The County participates in the Supplemental Food Program for Women, Infants and Children (CFDA #10.557) and issues food instruments to eligible participants. The food instruments can be exchanged for authorized supplemental foods at retail stores. The State of Illinois processes and tracks the food instruments redeemed. The federal portion of food instruments distributed by Hancock County and redeemed during the period July 1, 2019 to June 30, 2020 was \$107,010 and is reported in the Schedule of Expenditures of Federal Awards. Information is not available from the State of Illinois to report this information on the County's fiscal year.

3. 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, 2020.

4. Indirect Cost Rate

Hancock County, Illinois has not elected to use the 10% de minimis indirect cost rate for the year ended November 30, 2020.

Hancock County, Illinois
Schedule of Findings and Questioned Costs for Federal Awards
Year Ended November 30, 2020

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to the combined financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiencies identified that are not considered to be material weakness(es)? ☒ Yes ☐ 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)? ☒ Yes ☐ No

Identification of Major Program

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u> |
|---------------------|---|
| 21.019 | Coronavirus Relief Fund |
| 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 ☒ 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 2020-001 – 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

Delbert Kreps, County Board Chairman
Kris Pilkington, County Treasurer
Holly Wilde-Tillman, County Clerk

Significant Deficiencies

Finding 2020-002 – Indirect Cost Allocations

Condition

The County Health Department did not follow a cost allocation plan when charging indirect costs to the various Health Department programs.

Criteria

The Uniform Guidance requires a cost allocation plan be used to produce an equitable and consistent distribution of costs.

Effect

Indirect costs were allocated to various programs with no documentation as to how they were allocated.

Cause

The County Health Department does not currently have a written cost allocation plan in place.

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

Finding 2020-002 – Indirect Cost Allocations (Continued)

Recommendation

The County Health Department should establish a written cost allocation plan that produces an equitable and consistent distribution of costs. The plan should then be followed consistently until revised or replaced.

Views of Responsible Officials and Planned Corrective Action

Agree, the 2017 cost allocation policy wasn't used during FY20. The Health Department Administrator will discuss the agency's 2017 cost allocation policy with the BOH to review that policy and make updated changes to the cost allocation policy to include indirect costs and how those will be allocated.

Responsible Parties

Amy Hall, County Health Department Administrator
Tasha Speer, Finance Director
Board of Health

Finding 2020-003 – Cash Disbursements

Condition

1. The County Health Department paid vendors off quotations provided rather than an invoice. In one instance, the County Health Department received quotes from two vendors for products. Both of those quotes were turned in for payment and paid. The products were only received from one vendor.
2. The County paid vendors off a statement and did not have invoices to substantiate the vendor's statement of account. The statement also included \$150 of interest charges.

Criteria

1. Cash should only be disbursed based on invoices received from vendors to avoid paying for products or services not received.
2. Cash should only be disbursed for a vendor's statement after invoices on that statement have been received. Payment on accounts should be made in a timely manner to avoid unnecessary interest charges.

Effect

1. The County Health Department paid a vendor ~\$4,500 that it did not owe the vendor.
2. The County paid unnecessary interest charges and paid a vendor without having adequate documentation to substantiate the accuracy and legitimacy of the claim.

Cause

1. The County Health Department allows the accounting department to pay vendors off quotations.
2. The County did not request invoices from the vendor and did not turn in the claim in a timely manner.

Recommendation

1. The County Health Department should not allow the accounting department to pay vendors based off quotations.
2. Claims should not be approved for payment and should not be paid without invoices to substantiate a vendor statement. Claims should be turned in for payment in a timely manner.

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

Finding 2020-003 – Cash Disbursements (Continued)

Views of Responsible Officials and Planned Corrective Action

1. I can understand why we shouldn't pay off of a quote to a vendor. If we were provided the actual invoice we could have avoided paying a vendor that we didn't need to pay. We will inform all staff via an email that we will not be paying bills off of quotes and that we need to have an actual invoice before payment is issued to vendors.
2. Circuit Clerk Automation claims come from the Circuit Clerk's office and are signed by the Judge's order to pay and given to the Treasurer's office. The Treasurer's office was not given the claim in a timely manner but was ordered by the Judge to pay. Vendor has been notified to send invoices to Treasurer's office and Circuit Clerk's office. Circuit Clerk has also been notified to not hold invoices. All claims will be accompanied by invoices that match the statement and the judge's order to pay.

Responsible Parties

1. Amy Hall, County Health Department Administrator
2. John Neally, County Circuit Clerk

III. Federal Award Findings and Questioned Costs

Material Weakness

Finding 2020-001 – Segregation of Duties

See Section II – Financial Statement Findings

Federal Agency Program:
All federal programs are affected.

Questioned costs: None

Significant Deficiencies

Finding 2020-002 – Indirect Cost Allocations

See Section II – Financial Statement Findings

Federal Agency Program:
21.019 Coronavirus Relief Fund

Questioned costs: \$1,876

Finding 2020-003 – Cash Disbursements

See Section II – Financial Statement Findings

Federal Agency Program:
21.019 Coronavirus Relief Fund

Questioned costs: \$4,500



HANCOCK COUNTY BOARD

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

The findings from the November 30, 2020, 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 2020-001 – 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

Delbert Kreps, 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

Significant Deficiencies

Finding 2020-002 – Indirect Cost Allocations

Corrective Action Plan

The Health Department Administrator will discuss the agency's 2017 cost allocation policy with the BOH to review that policy and make updated changes to the cost allocation policy to include indirect costs and how those will be allocated.

Anticipated Completion Date

September 1, 2021

Finding 2020-002 – Indirect Cost Allocations (Continued)

Responsible Parties

Amy Hall, County Health Department Administrator
671 Wabash Avenue
Carthage, Illinois 62321
(217) 357-2171

Tasha Speer, Finance Director
671 Wabash Avenue
Carthage, Illinois 62321
(217) 357-2171

Finding 2020-003 – Cash Disbursements

Corrective Action Plan

1. Will inform all staff via an email that we will not be paying bills off of quotes and that we need to have an actual invoice before payment is issued to vendors.
2. Vendor has been notified to send invoices to Treasurer's office and Circuit Clerk's office. Circuit Clerk has also been notified to not hold invoices. All claims will be accompanied by invoices that match the statement and the judge's order to pay.

Anticipated Completion Date

1. July 15, 2021
2. Immediately

Responsible Parties

1. Amy Hall, County Health Department Administrator
671 Wabash Avenue
Carthage, Illinois 62321
(217) 357-2171

2. John Neally, County Circuit Clerk
500 Main Street, P.O. Box 248
Carthage, Illinois 62321
(217) 357-2616