



STEPHENSON COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2021



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STEPHENSON COUNTY, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1-4
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	5
Statement of Activities	6-7
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	8
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	9
Statement of Revenues, Expenditures and Changes in Fund Balances	10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	11
Proprietary Funds	
Statement of Net Position	12
Statement of Revenues, Expenses and Changes in Net Position.....	13
Statement of Cash Flows	14-15
Fiduciary Funds	
Statement of Net Position	16
Statement of Changes in Net Position	17
Notes to Financial Statements	18-47

STEPHENSON COUNTY, ILLINOIS
TABLE OF CONTENTS

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	48
County Health Department Fund.....	49
Illinois Municipal Retirement Fund - County	50
American Rescue Plan Act (ARPA) Fund	51
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund - County	52
Sheriff's Law Enforcement Personnel.....	53
Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios	
Illinois Municipal Retirement Fund - County	54-55
Sheriff's Law Enforcement Personnel.....	56-57
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	
Other Postemployment Benefit Plan	58
Notes to Required Supplementary Information	59

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	60-65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	66-71

CUSTODIAL FUNDS

Combining Statement of Net Position.....	72-73
Combining Statement of Changes in Plan Net Position.....	74-75

SUPPLEMENTARY INFORMATION

Property Tax Assessed Valuation, Rates, Extensions and Collections	76
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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman
Members of the County Board
Stephenson County
Freeport, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Stephenson County, Illinois (the County), as of and for the year ended December 31, 2021 and the related notes to financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Stephenson County, Illinois, as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 supplementary 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.

Stephenson County, Illinois has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Management implemented GASB S-75 in the fiscal year ended December 31, 2020. Therefore, only two years of data is presented as 2018 and 2019 data are not available. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary 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 combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 combining and individual fund financial statements and schedules and supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplementary information 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 this.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 14, 2022, 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. That 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.

Sikich LLP

Naperville, Illinois

July 14, 2022

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

STEPHENSON COUNTY, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and cash equivalents	\$ 22,272,018	\$ 570,018	\$ 22,842,036
Property tax receivable	9,611,439	500,000	10,111,439
Accounts receivable	3,129,972	1,440,204	4,570,176
Prepaid expenses	364,878	-	364,878
Inventory	269,404	-	269,404
Other assets	1,680,000	-	1,680,000
Restricted assets			
Restricted cash	-	12,384	12,384
Net pension asset	4,316,040	1,935,121	6,251,161
Capital assets			
Not depreciated	288,555	-	288,555
Depreciated (net of accumulated depreciation)	14,508,935	1,147,822	15,656,757
Total assets	56,441,241	5,605,549	62,046,790
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding	286,589	-	286,589
Pension items - IMRF - County	582,752	261,280	844,032
Pension items - IMRF - SLEP	1,471,346	-	1,471,346
Pension items - OPEB	414,255	127,426	541,681
Total deferred outflows of resources	2,754,942	388,706	3,143,648
LIABILITIES			
Accounts payable	514,360	612,432	1,126,792
Accrued payroll	442,163	69,328	511,491
Accrued interest payable	10,614	-	10,614
Unearned revenue	4,279,607	-	4,279,607
Noncurrent liabilities			
Due within one year	1,541,015	94,326	1,635,341
Due in more than one year	10,442,505	1,423,984	11,866,489
Total liabilities	17,230,264	2,200,070	19,430,334
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF - County	4,172,100	1,870,586	6,042,686
Pension items - IMRF - SLEP	3,542,923	-	3,542,923
Pension items - OPEB	113,307	34,853	148,160
Deferred revenue - property taxes	9,611,439	500,000	10,111,439
Total deferred inflows of resources	17,439,769	2,405,439	19,845,208
NET POSITION			
Net investment in capital assets	9,614,768	1,147,822	10,762,590
Restricted for			
Retirement	616,002	-	616,002
Public safety	3,824,547	-	3,824,547
Judiciary and court related	557,175	-	557,175
Highways and streets	6,301,255	-	6,301,255
Insurance	1,040,808	-	1,040,808
Health and welfare	638,528	-	638,528
Specific purposes	-	12,384	12,384
Unrestricted	1,933,067	228,540	2,161,607
TOTAL NET POSITION	\$ 24,526,150	\$ 1,388,746	\$ 25,914,896

See accompanying notes to financial statements.

STEPHENSON COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 4,270,228	\$ 717,682	\$ 16,651	\$ -
Public safety	6,378,627	418,632	239,413	-
Judiciary and court related	5,147,546	969,286	985,113	-
Public works	8,240,350	395,631	3,368,050	1,471,276
Health and welfare	4,046,004	496,412	3,007,161	-
Interest	218,696	-	-	-
Total governmental activities	28,301,451	2,997,643	7,616,388	1,471,276
Business-type activities				
Nursing Center	5,119,032	3,867,758	116,831	-
TOTAL PRIMARY GOVERNMENT	\$ 33,420,483	\$ 6,865,401	\$ 7,733,219	\$ 1,471,276

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,535,895)	\$ -	\$ (3,535,895)
	(5,720,582)	-	(5,720,582)
	(3,193,147)	-	(3,193,147)
	(3,005,393)	-	(3,005,393)
	(542,431)	-	(542,431)
	(218,696)	-	(218,696)
	<u>(16,216,144)</u>	<u>-</u>	<u>(16,216,144)</u>
	-	(1,134,443)	(1,134,443)
	<u>(16,216,144)</u>	<u>(1,134,443)</u>	<u>(17,350,587)</u>
General revenues			
Taxes			
Property	9,536,664	480,909	10,017,573
Sales	4,926,263	-	4,926,263
E-911 surcharge	775,697	-	775,697
Other	1,083,614	-	1,083,614
Shared income taxes	1,885,592	-	1,885,592
Intergovernmental	42,000	-	42,000
Investment income	20,190	1,523	21,713
Miscellaneous	1,707,072	3,953	1,711,025
Transfers in (out)	930,761	(930,761)	-
Total	<u>20,907,853</u>	<u>(444,376)</u>	<u>20,463,477</u>
CHANGE IN NET POSITION	4,691,709	(1,578,819)	3,112,890
NET POSITION, JANUARY 1	<u>19,834,441</u>	<u>2,967,565</u>	<u>22,802,006</u>
NET POSITION, DECEMBER 31	<u>\$ 24,526,150</u>	<u>\$ 1,388,746</u>	<u>\$ 25,914,896</u>

See accompanying notes to financial statements.

STEPHENSON COUNTY, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2021

	General	ARPA	County Health Department	IMRF	Nonmajor Governmental	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 5,831,963	\$ 4,281,776	\$ -	\$ 1,078,826	\$ 11,006,398	\$ 22,198,963
Property taxes receivable	5,274,095	-	40,722	1,207,338	3,089,284	9,611,439
Accounts receivable						
Due from other governments	974,066	-	704,809	-	1,451,097	3,129,972
Due from other funds	55,725	-	-	-	-	55,725
Prepaid items	100,000	-	-	-	-	100,000
Inventory	-	-	37,249	-	232,155	269,404
TOTAL ASSETS	\$ 12,235,849	\$ 4,281,776	\$ 782,780	\$ 2,286,164	\$ 15,778,934	\$ 35,365,503
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 223,816	\$ -	\$ 14,797	\$ 183,897	\$ 91,850	\$ 514,360
Accrued payroll	263,869	-	75,022	-	103,272	442,163
Due to other funds	-	-	40,661	-	15,064	55,725
Unearned revenue	-	4,279,607	-	-	-	4,279,607
Total liabilities	487,685	4,279,607	130,480	183,897	210,186	5,291,855
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grants	-	-	195,028	-	-	195,028
Unavailable revenue - property taxes	5,274,095	-	40,722	1,207,338	3,089,284	9,611,439
Total deferred inflows of resources	5,274,095	-	235,750	1,207,338	3,089,284	9,806,467
FUND BALANCES						
Nonspendable - prepaid items and inventory	100,000	-	37,249	-	232,155	369,404
Restricted for						
Retirement	-	-	-	-	616,002	616,002
Public safety	-	-	-	-	3,824,547	3,824,547
Judiciary and court related	-	-	-	-	557,175	557,175
Public works	-	-	-	894,929	5,406,326	6,301,255
Health and welfare	-	-	379,301	-	661,507	1,040,808
Specific purpose	-	2,169	-	-	636,359	638,528
Unrestricted						
Assigned for capital projects	-	-	-	-	440,183	440,183
Assigned for debt service	-	-	-	-	120,274	120,274
Unassigned	6,374,069	-	-	-	(15,064)	6,359,005
Total fund balances	6,474,069	2,169	416,550	894,929	12,479,464	20,267,181
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 12,235,849	\$ 4,281,776	\$ 782,780	\$ 2,286,164	\$ 15,778,934	\$ 35,365,503

See accompanying notes to financial statements.

STEPHENSON COUNTY, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

December 31, 2021

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 20,267,181
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	14,797,490
Revenues in the statement of activities that do not provide current financial resources are unavailable in the funds	195,028
Differences between expected and actual experiences, assumption changes, contributions after the measurement date and net difference between projected and actual earnings for the IMRF - County are recognized as deferred outflows and inflows of resources on the statement of net position	(3,589,348)
Differences between expected and actual experiences, assumption changes, contributions after the measurement date and net difference between projected and actual earnings for the IMRF - SLEP plan are recognized as deferred outflows and inflows of resources on the statement of net position	(2,071,577)
Differences between expected and actual experiences, assumption changes, contributions after the measurement date and net difference between projected and actual earnings for the OPEB plan are recognized as deferred outflows and inflows of resources on the statement of net position	300,948
Net pension assets are not financial resources and are not reported in governmental funds	
Net pension asset - IMRF	4,316,040
Other assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds	1,680,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences payable	(1,303,468)
Total OPEB liability	(4,749,804)
Net pension liability - IMRF - SLEP	(460,937)
Bonds payable	(5,114,774)
Unamortized loss on refunding	286,589
Interest payable	(10,614)
Capital lease payable	(354,537)
The net position of the internal service funds are included in the governmental activities in the statement of net position	<u>337,933</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 24,526,150</u></u>

See accompanying notes to financial statements.

STEPHENSON COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	General	ARPA	County Health Department	IMRF	Nonmajor Governmental	Total Governmental Funds
REVENUES						
Taxes	\$ 9,490,803	\$ -	\$ 39,276	\$ 1,522,638	\$ 10,838,948	\$ 21,891,665
Charges for services	1,820,880	-	400,461	-	1,774,611	3,995,952
Intergovernmental	1,221,758	42,000	3,175,777	-	422,959	4,862,494
Investment income	621	2,169	803	1,726	14,866	20,185
Miscellaneous	353,503	-	34,663	-	920,695	1,308,861
Total revenues	12,887,565	44,169	3,650,980	1,524,364	13,972,079	32,079,157
EXPENDITURES						
Current						
General government	2,743,306	-	-	141,517	1,439,212	4,324,035
Public safety	2,603,337	-	-	351,174	1,959,291	4,913,802
Judiciary and court related	4,549,145	-	-	444,208	411,813	5,405,166
Public works	-	-	-	123,173	7,523,395	7,646,568
Health and welfare	-	42,000	3,465,689	250,277	419,930	4,177,896
Capital outlay	-	-	-	-	1,714,929	1,714,929
Debt service						
Principal	-	-	-	-	1,032,349	1,032,349
Interest and fiscal charges	-	-	-	-	185,577	185,577
Total expenditures	9,895,788	42,000	3,465,689	1,310,349	14,686,496	29,400,322
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,991,777	2,169	185,291	214,015	(714,417)	2,678,835
OTHER FINANCING SOURCES (USES)						
Issuance of capital lease	-	-	-	-	414,900	414,900
Transfers in	578	-	14,348	295,951	4,858,147	5,169,024
Transfers (out)	(1,960,134)	-	(277,413)	-	(2,000,716)	(4,238,263)
Total other financing sources (uses)	(1,959,556)	-	(263,065)	295,951	3,272,331	1,345,661
NET CHANGE IN FUND BALANCES	1,032,221	2,169	(77,774)	509,966	2,557,914	4,024,496
FUND BALANCES, JANUARY 1	5,441,848	-	494,324	384,963	9,921,550	16,242,685
FUND BALANCES, DECEMBER 31	\$ 6,474,069	\$ 2,169	\$ 416,550	\$ 894,929	\$ 12,479,464	\$ 20,267,181

See accompanying notes to financial statements.

STEPHENSON COUNTY, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 4,024,496
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	505,033
Some expenses associated with capital assets do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds Depreciation	(1,206,596)
Certain revenue included in the statement of activities does not provide current financial resources and, therefore, is deferred in the governmental funds statements	(16,758)
Some expenses associated with long-term obligations do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds Change in compensated absences Change in accrued interest payable	(34,404) 7,723
The issuance of capital lease payable is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(414,900)
The current year amortizations of loss on refunding is reported as interest expense on the statement of activities Current year loss on refunding	(40,842)
The repayment of long-term debt is reported as an expenditures when due in governmental funds but as a reduction of principal on the government-wide financial statements	1,032,349
The change in the IMRF - County net pension liability and deferred inflows/ outflows of resources is not a source or use of a financial resource	556,431
The change in the IMRF - SLEP plan net pension liability and deferred inflows/ outflows of resources is not a source or use of a financial resource	582,605
The change in the total OPEB liability and deferred inflows/outflows of resources is not a source or use of a financial resource	(323,644)
The change in net position of certain activities of internal service funds is reported with governmental activities	<u>20,216</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 4,691,709</u>

See accompanying notes to financial statements.

STEPHENSON COUNTY, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2021

	Enterprise Fund Nursing Center Fund	Governmental Activities Internal Service Funds
CURRENT ASSETS		
Cash and cash equivalents	\$ 570,018	\$ 73,055
Receivables		
Property taxes	500,000	-
Accounts	1,440,204	-
Prepaid expenses	-	264,878
Restricted cash and cash equivalents	12,384	-
	<hr/>	<hr/>
Total current assets	2,522,606	337,933
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	1,147,822	-
Net pension asset	1,935,121	-
	<hr/>	<hr/>
Total noncurrent assets	3,082,943	-
	<hr/>	<hr/>
Total assets	5,605,549	337,933
DEFERRED OUTFLOWS OF RESOURCES		
Pension items - IMRF	261,280	-
Deferred outflows - OPEB	127,426	-
	<hr/>	<hr/>
Total deferred outflows of resources	388,706	-
	<hr/>	<hr/>
Total assets and deferred outflows of resources	5,994,255	337,933
CURRENT LIABILITIES		
Accounts payable	612,432	-
Accrued payroll	69,328	-
Compensated absences payable	8,589	-
Total OPEB liability	85,737	-
	<hr/>	<hr/>
Total current liabilities	776,086	-
NONCURRENT LIABILITIES		
Compensated absences payable	48,672	-
Total OPEB liability	1,375,312	-
	<hr/>	<hr/>
Total noncurrent liabilities	1,423,984	-
	<hr/>	<hr/>
Total liabilities	2,200,070	-
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	500,000	-
Pension items - IMRF	1,870,586	-
Pension items - OPEB	34,853	-
	<hr/>	<hr/>
Total deferred inflows of resources	2,405,439	-
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	4,605,509	-
NET POSITION		
Net investment in capital assets	1,147,822	-
Restricted	12,384	-
Unrestricted	228,540	337,933
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 1,388,746	\$ 337,933

See accompanying notes to financial statements.

STEPHENSON COUNTY, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

	Enterprise Fund	Governmental Activities
	Nursing Center Fund	Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 3,867,758	\$ -
Employee contributions	-	633,432
Employer contributions	-	2,604,255
Total operating revenues	<u>3,867,758</u>	<u>3,237,687</u>
OPERATING EXPENSES		
Nursing center	5,003,622	-
Depreciation	115,410	-
Health and life insurance premiums	-	3,218,052
Total operating expenses	<u>5,119,032</u>	<u>3,218,052</u>
OPERATING INCOME (LOSS)	<u>(1,251,274)</u>	<u>19,635</u>
NON-OPERATING REVENUES (EXPENSES)		
Property taxes	480,909	-
Investment income	1,523	581
Grants	116,831	-
Miscellaneous	3,953	-
Total non-operating revenues (expenses)	<u>603,216</u>	<u>581</u>
INCOME (LOSS) BEFORE TRANSFERS	(648,058)	20,216
TRANSFERS		
Transfers (out)	<u>(930,761)</u>	-
CHANGE IN NET POSITION	(1,578,819)	20,216
NET POSITION, JANUARY 1	<u>2,967,565</u>	<u>317,717</u>
NET POSITION, DECEMBER 31	<u><u>\$ 1,388,746</u></u>	<u><u>\$ 337,933</u></u>

See accompanying notes to financial statements.

STEPHENSON COUNTY, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Nursing Cetner Fund</u>	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 3,201,221	\$ 633,432
Receipts from interfund service transactions	-	2,604,255
Payments to suppliers	(2,416,290)	(3,482,930)
Payments to employees	(2,610,685)	-
	<hr/>	<hr/>
Net cash from operating activities	(1,825,754)	(245,243)
	<hr/>	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipt of general property taxes	480,909	-
Grant receipts	116,831	-
Transfers (out)	(930,761)	-
	<hr/>	<hr/>
Net cash from noncapital financing activities	(333,021)	-
	<hr/>	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for capital acquisitions	(77,704)	-
	<hr/>	<hr/>
Net cash from capital and related financing activities	(77,704)	-
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,523	581
	<hr/>	<hr/>
Net cash from investing activities	1,523	581
	<hr/>	<hr/>
NET DECREASES IN CASH AND CASH EQUIVALENTS	(2,234,956)	(244,662)
CASH AND CASH EQUIVALENTS, JANUARY 1	2,817,358	317,717
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 582,402	\$ 73,055
	<hr/>	<hr/>

(This statement is continued on the following page.)

STEPHENSON COUNTY, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2021

	<u>Enterprise</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Activities</u>
	<u>Nursing Center</u>	<u>Internal</u>
	<u>Fund</u>	<u>Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS)		
TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (loss)	\$ (1,251,274)	\$ 19,635
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation	115,410	-
Receipts of miscellaneous income	3,953	-
Effects of changes in operating assets and liabilities		
Accounts receivable	(670,490)	-
Prepaid items	-	(264,878)
Accounts payable	173,268	-
Accrued payroll	(23,004)	-
Compensated absences payable	(23,691)	-
Pension items	(249,479)	-
OPEB items	99,553	-
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (1,825,754)</u>	<u>\$ (245,243)</u>

See accompanying notes to financial statements.

STEPHENSON COUNTY, ILLINOIS

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS**

December 31, 2021

	<u>Custodial</u>
ASSETS	
Cash and cash equivalents	\$ 1,599,063
Investments	<u>250,039</u>
Total assets	<u>1,849,102</u>
LIABILITIES	
Amounts due to others	<u>1,824,399</u>
Total liabilities	<u>1,824,399</u>
NET POSITION	
Restricted	
Individuals, organizations and other governments	222
Fund participants	<u>24,481</u>
TOTAL NET POSITION	<u><u>\$ 24,703</u></u>

See accompanying notes to financial statements.

STEPHENSON COUNTY, ILLINOIS

**STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS**

For the Year Ended December 31, 2021

ADDITIONS

Property taxes and related item collections for other governments	\$ 68,132,452
Fines and fees collected for others	4,432,317
Fund participant deposits	<u>1,662,969</u>
Total additions	<u>74,227,738</u>

DEDUCTIONS

Payments of property taxes and related items to other governments	68,334,599
Payments of fines and fees to others	4,230,170
Reimbursement to or on behalf of fund participants	<u>1,664,376</u>
Total deductions	<u>74,229,145</u>

NET DECREASE (1,407)

RESTRICTED NET POSITION

January 1	<u>26,110</u>
December 31	<u><u>\$ 24,703</u></u>

See accompanying notes to financial statements.

STEPHENSON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Stephenson County, Illinois (the County), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

a. Reporting Entity

The County was incorporated under the laws of the State of Illinois in 1837 and operates under an elected 22-member County Board and provides services to the public such as public safety and judicial system, health and social services, road construction and maintenance, planning and zoning and general administrative services. The reporting entity for the County consists of Stephenson County.

The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board if the primary government must approve the organization's budget, tax levies, rates and charges, or issuance of bonded debt and there is a financial benefit or burden to the County.

Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. The County presents the 911 Emergency Fund as a blended component unit. The County has no discretely presented component units.

b. Fund Accounting

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the County's general activities, including the collection and disbursement of revenue sources that are legally restricted or committed for specific purposes (special revenue funds), the funds that are restricted, committed or assigned to the acquisition of capital assets or construction of major capital projects not financed by another fund (capital projects funds), the servicing of bonded general long-term debt using funds restricted, committed or assigned for debt service (debt service fund) and the management of funds held in trust that can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the County (internal service funds).

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The County's utilized custodial funds which are generally used to account for assets that the County holds in a fiduciary capacity on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. It is used to account for all the financial resources except those accounted for in another fund.

The ARPA (American Rescue Plan Act) Fund is used to account for the revenues that are restricted for grant eligible expenditures.

The County Health Department Fund, a special revenue fund, accounts for tax monies, fees, grants and other reimbursements used to operate the County's Health Department.

The Illinois Municipal Retirement Fund (IMRF), a special revenue fund, accounts for tax monies and other reimbursements used to pay the employer portion of IMRF on employees salaries. The IMRF Fund did not meet the criteria for inclusion as major fund, however, the County has elected to report the fund as such.

The County reports the following major enterprise fund:

The Nursing Center Fund is used to account for the revenues and expenses associated with the operation of the County Nursing Home.

The County reports the following internal service funds:

The Internal Service Fund is used to account for revenues and expenses related to the County's employee health plan.

The County reports a variety of custodial funds as fiduciary funds to account for assets held by county officials on behalf of others.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County recognizes property taxes when they become both measurable and available in the year intended to finance. A 60-day availability period is used for revenue recognition for most other governmental fund revenues except for sales taxes which is 90 days. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt is recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Sales and motor fuel taxes, collected and held by the state at year end on behalf of the County are also recognized as revenue. Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The County reports unearned revenue and unavailable/deferred revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability and deferred inflows of resources for unearned and unavailable/deferred revenue are removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the County's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The County categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County did not have any investments measured at fair value as of December 31, 2021.

Restricted Cash

As of December 31, 2021, the Nursing Center has \$12,384 in restricted cash. In accordance with the provisions of donors and bequests, a special account has been established.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due to/from other funds.” Short-term interfund loans, if any, are also classified as “due to/from other funds.” Long-term interfund loans, if any, are classified as “advances to/from other funds.”

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses using the consumption method.

h. Inventories

Inventories (immunization inventories) are valued at cost, which approximates market using the consumption method.

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, right of ways, bridges and storm sewer) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are as defined by the County as individual assets with an initial, individual cost of more \$5,000 and an estimated useful life in excess of two years.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	40
Infrastructure	20-50
Equipment and vehicles	5-7

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued))

j. Compensated Absences

Vacation

The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave

Depending on the employee contract, each employee's earned sick days can accumulate to a maximum of 60 to 120 days and at the end of each calendar year, the employee can receive pay for sick days accumulated above the maximum days. Additionally, certain union agreements within the County allow for payment of sick leave balance upon retirement.

k. Long-Term Obligations

In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund financial statements. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities or internally restricted via enabling legislation. Committed fund balance is constrained by formal actions of the County Board of Trustees, which is considered the County's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the County's intent to use them for a specific purpose. Any residual fund balance in the General Fund and deficit balances in other funds are reported as unassigned.

The County's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the County considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

m. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used and reimbursements, are reported as transfers.

n. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position/balance sheet 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

p. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the County has delayed the implementation of GASB Statement No. 87, *Leases*, to December 31, 2022.

2. DEPOSITS AND INVESTMENTS

The County categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Investment of the County funds, by statute, is vested with the County Treasurer. The County Treasurer's investment policy guides the investments of the County. The investment policy permits the County to make deposits/investments in any investments set forth by Illinois Compiled Statutes (ILCS). These investments include debt securities guaranteed by the United States of America, interest accounts and certificates of a bank (also savings and loans if fully FDIC insured and credit unions if main office is located in Illinois), certain commercial paper, municipal bonds, certain obligations of the Federal National Mortgage Association, certain money market mutual funds, certain repurchase agreements and The Illinois Funds (a money market fund created by the State Legislature under the control of the State Treasurer that maintains a \$1 share value).

It is the policy of the County to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the County and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are safety of principal, diversity, liquidity, yield, public confidence and positive community involvement.

2. DEPOSITS AND INVESTMENTS (Continued)

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's investment policy states that it is the discretion of the County Treasurer to determine whether pledging of collateral is required. At all times, deposits in excess of 35% of the capital and surplus of a financial institution is required to be collateralized. When collateral is required the policy requires pledging of collateral with a fair value of 110% for all bank balances in excess of federal depository insurance with the collateral held by a third party acting as the agent of the County.

b. Investments

In accordance with its investment policy, the County limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a short-term (annual) period. The investment policy does not limit the maximum maturity length of investments. The investment policy also requires all investments and deposits be placed in interest bearing accounts and that all financial institutions provide a monthly analysis that would shown any excess funds that could be invested in longer term higher yield investments.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity.

The County's investment policy does not address credit risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the County will not be able to recover the value of its investments that are in possession of an outside party. The County's investment policy does not address custodial credit risk.

Concentration of credit risk - the County's investment policy requires diversification of the portfolio but does not contain any specific diversification targets.

3. RECEIVABLES - PROPERTY TAXES

Property taxes for 2020 attached as an enforceable lien on January 1, 2020, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills were prepared by the County and issued on or about May 1, 2021 and were payable in two installments on or about June 1, 2021 and September 1, 2021. The County collects such taxes and remits them periodically.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES - PROPERTY TAXES (Continued)

The County has elected, under governmental accounting standards, to match its property tax revenues to the fiscal year that the tax levy is intended to finance. Therefore, the entire 2021 tax levy (adopted in November 2021) has been recorded as receivable and unavailable/deferred revenue on the financial statements.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balances January 1	Increases	Decreases	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 288,555	\$ -	\$ -	\$ 288,555
Total capital assets not being depreciated	288,555	-	-	288,555
Capital assets being depreciated				
Infrastructure	651,215,498	-	-	651,215,498
Intangible assets	108,400	-	-	108,400
Buildings and improvements	16,212,622	-	-	16,212,622
Equipment and vehicles	6,678,523	505,033	-	7,183,556
Total capital assets being depreciated	674,215,043	505,033	-	674,720,076
Less accumulated depreciation for				
Infrastructure	644,050,339	591,994	-	644,642,333
Intangible assets	95,753	12,647	-	108,400
Buildings and improvements	8,703,973	379,956	-	9,083,929
Equipment and vehicles	6,154,480	221,999	-	6,376,479
Total accumulated depreciation	659,004,545	1,206,596	-	660,211,141
Total capital assets being depreciated, net	15,210,498	(701,563)	-	14,508,935
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 15,499,053	\$ (701,563)	\$ -	\$ 14,797,490

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General control and administration	\$ 32,695
Public safety	471,585
Judicial and court related	11,286
Public works	669,152
Health, sanitation and welfare	21,878
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 1,206,596

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated				
Building and improvements	\$ 3,701,026	\$ 77,705	\$ -	\$ 3,778,731
Equipment and vehicles	603,825	-	-	603,825
Total capital assets being depreciated	4,304,851	77,705	-	4,382,556
Less accumulated depreciation for				
Building and improvements	2,610,000	92,878	-	2,702,878
Equipment and vehicles	509,324	22,532	-	531,856
Total accumulated depreciation	3,119,324	115,410	-	3,234,734
Total capital assets being depreciated, net	1,185,527	(37,705)	-	1,147,822
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 1,185,527	\$ (37,705)	\$ -	\$ 1,147,822

5. OTHER ASSETS

During the years ended December 31, 2006 through 2011, the County purchased land, incurred engineering costs and made land improvements totaling \$4,592,378 related to the Mill Race Crossing Economic Development Project. With the cooperation of the Northwest Illinois Development Alliance, the County intends to develop infrastructure in the area and use the land for new business development. Any proceeds from the sale of land will go to the County to offset the cost of the original purchase and further costs the County incurs to develop the land. Of the total 147 acres, 20 acres were given to a commercial development who has since brought electricity to the property. 43 acres have been deemed unimprovable leaving 84 acres for potential development. The County has estimated the 84 acres to be worth \$20,000 per acre, therefore, the value of the asset has been written down \$2,912,378 to \$1,680,000.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities during the fiscal year:

	Beginning Balances	Increases	Decreases	Ending Balances	Current Portions
GOVERNMENTAL ACTIVITIES					
Compensated absences*	\$ 1,269,164	\$ 224,679	\$ 190,375	\$ 1,303,468	\$ 195,520
Debt certificates	6,086,760	-	971,986	5,114,774	996,388
Capital lease obligation	-	414,900	60,363	354,537	70,378
Net pension liability - SLEP*	3,127,930	-	2,666,993	460,937	-
Total OPEB liability*	4,598,970	150,834	-	4,749,804	278,729
TOTAL GOVERNMENTAL ACTIVITIES	\$ 15,082,824	\$ 790,413	\$ 3,889,717	\$ 11,983,520	\$ 1,541,015
BUSINESS-TYPE ACTIVITIES					
Compensated absences	\$ 80,952	\$ -	\$ 23,691	\$ 57,261	\$ 8,589
Total OPEB liability	1,414,652	46,397	-	1,461,049	85,737
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 1,495,604	\$ 46,397	\$ 23,691	\$ 1,518,310	\$ 94,326

*The compensated absences, net pension liability and other postemployment benefit liability for governmental activities typically have been liquidated by the General Fund. The net pension liabilities typically have been liquidated by the IMRF Fund.

b. Debt Certificates

In 2014, the County issued \$915,000 of Taxable Refunding Debt Certificates, Series 2014, to refund all of the outstanding 2002 Debt Certificates. The Certificates bear interest at 2.00% to 3.25%. Principal and interest are payable annually on August 1 each year, ending August 1, 2020 in amounts ranging from \$115,000 to \$140,000.

In 2018, the County issued \$3,740,000 of Refunding Debt Certificates, Series 2018 (direct placement), to refund all of the outstanding 2007 Debt Certificates. The Certificates bear interest at 3.07%. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially on December 1 annually beginning on December 1, 2018 through December 1, 2023 in amounts ranging from \$577,179 to \$671,386.

In 2020, the County issued \$2,717,000 of Taxable Refunding Debt Certificates, Series 2020A (direct placement) and \$1,415,000 Taxable Refunding Debt Certificates, Series 2020B (direct placement), to refund all of the outstanding 2012A and 2012B Debt Certificates. The Certificates bear interest at 1.25% to 3.05%. Interest is payable semiannually on June 1 and December 1 and the bonds mature serially on December 1 annually beginning on December 1, 2021 through December 1, 2031 in amounts ranging from \$173,000 to \$427,000.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. Debt Certificates (Continued)

Debt service to maturity on the debt certificates is as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2022	\$ 996,388	\$ 127,371	\$ 1,123,759
2023	1,021,386	102,716	1,124,102
2024	356,000	77,030	433,030
2025	363,000	70,800	433,800
2026	370,000	63,540	433,540
2027-2031	2,008,000	175,450	2,183,450
TOTAL	\$ 5,114,774	\$ 616,907	\$ 5,731,681

c. Capital Lease

During the year ended December 31, 2021, the County entered into a capital lease for sheriff vehicles. The interest rate for the lease is 0.50%. The assets acquired through capital lease has a cost of \$414,900; accumulated depreciation of \$0 and a book value of \$414,900 at December 31, 2021.

The following is a schedule of future minimum lease payments under the capital lease and the present value of minimum lease payments:

Year Ending December 31,	Amount
2022	\$ 86,128
2023	86,128
2024	86,128
2025	86,128
2026	21,533
Total minimum lease payments	366,045
Amount representing interest	(11,508)
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	\$ 354,537

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

d. Legal Debt Margin

2020 assessed valuation (latest information available)	<u>\$ 699,391,392</u>
Legal debt limit - 5.75% of assessed valuation	\$ 40,215,005
Amount of debt applicable to debt limit	<u>5,114,774</u>
LEGAL DEBT MARGIN	<u><u>\$ 35,100,231</u></u>

7. INTERFUND ACTIVITY

Due from/to other funds at December 31, 2021 consist of the following:

	<u>Due From</u>	<u>Due To</u>
General	\$ 55,725	\$ -
Health Department	-	40,661
Nonmajor Governmental	-	<u>15,064</u>
TOTAL	<u><u>\$ 55,725</u></u>	<u><u>\$ 55,725</u></u>

The purposes of the due from/to other funds are cash flow loans to fund operations. Repayment is expected within one year.

Interfund Transfers

Individual fund transfers are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 578	\$ 1,960,134
County Health	14,348	277,413
Illinois Municipal Retirement Fund	295,951	-
Nonmajor Governmental	4,858,147	2,000,716
Nursing Center	-	<u>930,761</u>
TOTAL	<u><u>\$ 5,169,024</u></u>	<u><u>\$ 5,169,024</u></u>

All transfers were made for budgeted capital outlays or to subsidize certain funds.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INTERFUND ACTIVITY (Continued)

Fund Deficits

The following funds had a deficit in fund balance at December 31, 2021:

Fund	Deficit
Law Library	\$ 15,064

8. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employees' health and natural disasters. In order to handle such risks of loss, the County purchases insurance coverages through various agencies. The deductibles in effect through these policies varied, with the maximum being \$25,000. The amounts of settlements have not exceeded insurance coverage for the current year or any of the past three years.

9. COMMITMENTS AND CONTINGENCIES

a. Litigation

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the County.

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

10. DEFINED BENEFIT PENSION PLANS

The County contributes to two agent multiple-employer defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF-County and the Sheriff's Law Enforcement Personnel (IMRF-SLEP)). The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a financial report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF online at www.imrf.org. The net pension liability for the governmental activities has been liquidated by the IMRF Fund.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund - County

Plan Administration

All employees (other than those covered by IMRF-SLEP) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

Plan Membership

At December 31, 2020 (most recent available), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	243
Inactive employees entitled to but not yet receiving benefits	356
Active employees	<u>214</u>
 TOTAL	 <u><u>813</u></u>

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter. Employees hired on or after January, 2011 are eligible for Tier 2 benefits.

For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The County is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contributions for fiscal year 2021 was 7.87% of covered payroll.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - County (Continued)

Actuarial Assumptions

The County's net pension liability was measured as of December 31, 2020 (most recent available) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020.

Discount Rate

The discount rate at December 31, 2020 used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - County (Continued)

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2020	\$ 55,802,651	\$ 56,771,132	\$ (968,481)
Changes for the period			
Service cost	989,013	-	989,013
Interest	3,960,389	-	3,960,389
Difference between expected and actual experience	(800,096)	-	(800,096)
Changes in assumptions	(522,593)	-	(522,593)
Employer contributions	-	766,497	(766,497)
Employee contributions	-	456,387	(456,387)
Net investment income	-	8,280,371	(8,280,371)
Benefit payments and refunds	(3,342,203)	(3,342,203)	-
Administrative/other (net transfer)	-	(593,862)	593,862
Net changes	284,510	5,567,190	(5,282,680)
BALANCES AT DECEMBER 31, 2020	\$ 56,087,161	\$ 62,338,322	\$ (6,251,161)

Changes in assumptions related to the inflation rate, salary increases and mortality rates were made in 2020.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - County (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2021, the County recognized pension expense of \$579,771. At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 151,042	\$ 520,195
Changes in assumption	-	339,772
Net difference between projected and actual earnings on pension plan investments	-	5,182,719
Contributions made after measurement date	692,990	-
TOTAL	\$ 844,032	\$ 6,042,686

\$692,990 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2022	\$ (1,955,111)
2023	(1,031,074)
2024	(2,052,894)
2025	<u>(852,565)</u>
TOTAL	\$ (5,891,644)

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - County (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the County calculated using the discount rate of 7.25% as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 146,762	\$ (6,251,161)	\$ (11,394,755)

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel

Plan Membership

At December 31, 2020 (most recent available), IMRF-SLEP membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	66
Inactive employees entitled to but not yet receiving benefits	19
Active employees	41
TOTAL	126

Plan Administration

All eligible public safety officials are enrolled in IMRF as participating members.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel
(Continued)

Benefits Provided

SLEP having accumulated at least 20 years of SLEP service and terminating IMRF participation or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. SLEP members meeting the two qualifications described in the first sentence of this paragraph are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited. For SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

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 members who retire at age 55 with ten years of Tier 2 service credit are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited. The pension for participating members who retire between age 50 and 55 will be reduced by 1/2% for each month under age 55. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by ILCS.

Contributions

Participating members are required to contribute 7.50% of their annual salary to SLEP. The County is required to contribute the remaining amounts necessary to fund the SLEP as specified by statute. The employer contributions for fiscal year 2021 was 23.01% of covered payroll.

Actuarial Assumptions

The County's net pension liability was measured as of December 31, 2020 (most recent available) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel
 (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020.

Discount Rate

The discount rate at December 31, 2020 used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel
(Continued)

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2020	\$ 33,746,625	\$ 30,618,695	\$ 3,127,930
Changes for the period			
Service cost	590,547	-	590,547
Interest	2,402,791	-	2,402,791
Difference between expected and actual experience	(79,039)	-	(79,039)
Changes in assumptions	(141,167)	-	(141,167)
Employer contributions	-	749,618	(749,618)
Employee contributions	-	212,050	(212,050)
Net investment income	-	4,497,641	(4,497,641)
Benefit payments and refunds	(1,799,921)	(1,799,921)	-
Administrative/other (net transfer)	-	(19,184)	19,184
Net changes	973,211	3,640,204	(2,666,993)
BALANCES AT DECEMBER 31, 2020	\$ 34,719,836	\$ 34,258,899	\$ 460,937

Changes in assumptions related to the inflation rate, salary increases and mortality rates were made in 2020.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel
(Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2021, the County recognized pension expense of \$686,783. At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 573,675	\$ 592,606
Changes in assumption	266,506	147,271
Net difference between projected and actual earnings on pension plan investments	-	2,803,046
Contributions made after measurement date	631,165	-
TOTAL	<u><u>\$ 1,471,346</u></u>	<u><u>\$ 3,542,923</u></u>

\$631,165 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2022	\$ (501,290)
2023	(555,383)
2024	(1,184,297)
2025	<u>(461,772)</u>
TOTAL	<u><u>\$ (2,702,742)</u></u>

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel
(Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the County calculated using the discount rate of 7.25% as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 4,843,837	\$ 460,937	\$ (3,155,076)

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the County provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the County and can be amended by the County through its personnel manual. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report. The activity of the plan is reported in the County's governmental activities.

b. Benefits Provided

The County provides pre-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under the County's retirement plan. For SLEP and IMRF employees, the County pays 50% to 70% of the COBRA premium (depending on union agreement) for earlier of five years or attainment of Medicare eligibility. Spouses of retirees not yet eligible for Medicare may receive coverage if the full premium is paid for the earlier of three years or attainment of Medicare eligibility. All other employees (non SLEP and IMRF) and their eligible dependents are allowed to remain on the County's insurance plans into retirement if they pay the entire premium. Coverage can continue upon Medicare eligibility. Coverage ceases when premium payments cease. County Board members and part-time employees are not eligible to participate in the County's retiree medical plan.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At December 31, 2020, most recent information available, membership consisted of:

Retirees and beneficiaries currently receiving benefits	5
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>278</u>
TOTAL	<u><u>283</u></u>
Participating employers	<u><u>1</u></u>

d. Total OPEB Liability

The County's total OPEB liability of \$6,210,853 was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2020.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2021, as determined by an actuarial valuation as of December 31, 2020, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not Applicable
Inflation	3.00%
Salary increases	4.00%
Discount rate	2.25%
Healthcare cost trend rates	7.00% initial to an ultimate trend rate of 4.50% in 2035

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on the S&P Municipal Bond 20 year high-grade rate index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2021.

The actuarial assumptions used in the December 31, 2020 valuation are based on 100% of active employees with a subsidy and 20% of all other are assumed to elect medical coverage at retirement. 30% of active employees electing retiree coverage are assumed to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2021	<u>\$ 6,013,622</u>
Changes for the period	
Service cost	364,466
Interest	114,943
Changes in assumptions	(166,131)
Benefit payments	<u>(116,047)</u>
Net changes	<u>197,231</u>
BALANCES AT DECEMBER 31, 2021	<u>\$ 6,210,853</u>

Changes in assumptions related to the discount rate were made since the prior measurement date.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity

The following is a sensitive analysis of total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the County calculated using the discount rate of 2.25% as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.25%) or 1 percentage point higher (3.25%) than the current rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB liability	\$ 6,743,212	\$ 6,210,853	\$ 5,717,219

The table below presents the total OPEB liability of the County calculated using the healthcare rate of 4.50% to 7.00% as well as what the County's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.50% to 6.00%) or 1 percentage point higher (5.50% to 8.00%) than the current rate:

	1% Decrease (3.50% to 6.00%)	Current Healthcare Rate (4.50% to 7.00%)	1% Increase (5.50% to 8.00%)
Total OPEB liability	\$ 5,510,877	\$ 6,210,853	\$ 7,027,650

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the County recognized OPEB expense of \$539,243. At December 31, 2021, the County reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	541,681	148,160
TOTAL	\$ 541,681	\$ 148,160

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

- h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2022	\$ 59,833
2023	59,833
2024	59,833
2025	59,833
2026	59,833
Thereafter	<u>94,356</u>
 TOTAL	 <u>\$ 393,521</u>

REQUIRED SUPPLEMENTARY INFORMATION

STEPHENSON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes	\$ 8,525,535	\$ 9,490,803	\$ 965,268
Charges for services	1,660,375	1,820,880	160,505
Intergovernmental	1,085,000	1,221,758	136,758
Investment income	3,000	621	(2,379)
Miscellaneous	1,382,943	353,503	(1,029,440)
Total revenues	12,656,853	12,887,565	230,712
EXPENDITURES			
Current			
General government			
County properties	190,145	153,759	(36,386)
County board	107,760	97,338	(10,422)
County treasurer	86,350	84,079	(2,271)
County clerk and elections	195,230	424,227	228,997
Zoning	72,199	77,860	5,661
Administrative services	259,366	194,746	(64,620)
Facilities management	73,413	63,236	(10,177)
Election expense	356,397	278,253	(78,144)
Assessor	241,016	182,374	(58,642)
Recreation and conservation	22,056	22,379	323
Economic development	66,036	66,036	-
Miscellaneous	1,003,925	1,099,019	95,094
Public safety			
Sheriff	2,589,493	2,603,337	13,844
Judiciary and court related			
State's attorney	631,442	597,889	(33,553)
Public defender	422,066	426,759	4,693
Circuit clerk	398,933	362,370	(36,563)
Judiciary	27,086	20,873	(6,213)
Corrections	2,392,987	2,216,360	(176,627)
Court ordered	44,250	33,727	(10,523)
Jury commission	27,500	15,976	(11,524)
Probation	883,631	829,735	(53,896)
Merit commission	11,000	3,967	(7,033)
Jail building	58,054	41,489	(16,565)
Contingency	440,000	-	(440,000)
Total expenditures	10,600,335	9,895,788	(704,547)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,056,518	2,991,777	935,259
OTHER FINANCING SOURCES (USES)			
Transfers in	-	578	578
Transfers (out)	(2,008,182)	(1,960,134)	48,048
Total other financing sources (uses)	(2,008,182)	(1,959,556)	48,626
NET CHANGE IN FUND BALANCE	\$ 48,336	1,032,221	\$ 983,885
FUND BALANCE, JANUARY 1		5,441,848	
FUND BALANCE, DECEMBER 31		\$ 6,474,069	

(See independent auditor's report.)

STEPHENSON COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY HEALTH DEPARTMENT FUND**

For the Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Taxes	\$ 40,722	\$ 39,276	\$ (1,446)
Charges for service	391,962	400,461	8,499
Intergovernmental	3,197,900	3,175,777	(22,123)
Investment income	3,000	803	(2,197)
Miscellaneous	10,200	34,663	24,463
	<hr/>	<hr/>	<hr/>
Total revenues	3,643,784	3,650,980	7,196
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Health and welfare	3,432,428	3,465,689	33,261
	<hr/>	<hr/>	<hr/>
Total expenditures	3,432,428	3,465,689	33,261
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	211,356	185,291	(26,065)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	14,348	14,348	-
Transfers (out)	(225,704)	(277,413)	(51,709)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(211,356)	(263,065)	(51,709)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(77,774)</u>	<u>\$ (77,774)</u>
FUND BALANCE, JANUARY 1		<u>494,324</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 416,550</u></u>	

(See independent auditor's report.)

STEPHENSON COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND - COUNTY**

For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes	\$ 1,550,388	\$ 1,522,638	\$ (27,750)
Investment income	1,800	1,726	(74)
Total revenues	1,552,188	1,524,364	(27,824)
EXPENDITURES			
Current			
General government	206,305	141,517	(64,788)
Public safety	487,630	351,174	(136,456)
Judiciary and court related	656,425	444,208	(212,217)
Public works	168,795	123,173	(45,622)
Health and welfare	356,345	250,277	(106,068)
Total expenditures	1,875,500	1,310,349	(565,151)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(323,312)	214,015	537,327
OTHER FINANCING SOURCES (USES)			
Transfers in	508,568	295,951	(212,617)
Total other financing sources (uses)	508,568	295,951	(212,617)
NET CHANGE IN FUND BALANCE	\$ 185,256	509,966	\$ 324,710
FUND BALANCE, JANUARY 1		384,963	
FUND BALANCE, DECEMBER 31		\$ 894,929	

(See independent auditor's report.)

STEPHENSON COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ARPA FUND**

For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental	\$ 4,321,607	\$ 42,000	\$ (4,279,607)
Investment income	1,000	2,169	1,169
Total revenues	<u>4,322,607</u>	<u>44,169</u>	<u>(4,278,438)</u>
EXPENDITURES			
Current			
Health and welfare	<u>250,000</u>	<u>42,000</u>	<u>(208,000)</u>
Total expenditures	<u>250,000</u>	<u>42,000</u>	<u>(208,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,072,607</u>	2,169	<u>\$ (4,070,438)</u>
FUND BALANCE, JANUARY 1		<u>-</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 2,169</u>	

(See independent auditor's report.)

STEPHENSON COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - COUNTY

Last Eight Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 796,866	\$ 777,295	\$ 665,259	\$ 719,714	\$ 750,713	\$ 551,708	\$ 766,798	\$ 692,990
Contribution in relation to the actuarially determined contribution	833,192	777,235	690,362	736,240	750,705	551,617	766,798	692,990
CONTRIBUTION DEFICIENCY (Excess)	\$ (36,326)	\$ 60	\$ (25,103)	\$ (16,526)	\$ 8	\$ 91	\$ -	\$ -
Covered payroll	\$ 8,283,429	\$ 8,773,077	\$ 8,083,343	\$ 8,359,047	\$ 9,001,351	\$ 9,578,261	\$ 9,085,271	\$ 8,804,467
Contributions as a percentage of covered payroll	10.06%	8.86%	8.54%	8.81%	8.34%	5.76%	8.44%	7.87%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 23 years; the asset valuation method was five-year smoothed market and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

STEPHENSON COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
SHERIFF'S LAW ENFORCEMENT PERSONNEL

Last Eight Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 580,075	\$ 629,158	\$ 572,304	\$ 584,957	\$ 610,192	\$ 560,269	\$ 742,560	\$ 631,165
Contribution in relation to the actuarially determined contribution	626,776	629,218	569,063	645,289	610,211	561,162	742,560	631,165
CONTRIBUTION DEFICIENCY (EXCESS)	\$ (46,701)	\$ (60)	\$ 3,241	\$ (60,332)	\$ (19)	\$ (893)	\$ -	\$ -
Covered payroll	\$ 2,751,781	\$ 3,036,479	\$ 2,805,410	\$ 2,813,647	\$ 3,130,796	\$ 2,972,251	\$ 2,845,054	\$ 2,743,001
Contributions as a percentage of covered payroll	22.78%	20.72%	20.28%	22.93%	19.49%	18.88%	26.10%	23.01%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 23 years; the asset valuation method was five-year smoothed market and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 3.00% compounded annually.

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(See independent auditor's report.)

STEPHENSON COUNTY, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND - COUNTY

Last Seven Calendar Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020
TOTAL PENSION LIABILITY							
Service cost	\$ 970,453	\$ 911,840	\$ 898,865	\$ 854,910	\$ 855,723	\$ 959,539	\$ 989,013
Interest	3,183,911	3,394,929	3,536,522	3,592,518	3,620,732	3,807,775	3,960,389
Differences between expected and actual experience	(591,620)	145,935	(1,007,289)	312,141	1,288,934	524,908	(800,096)
Changes of assumptions	1,654,801	54,558	(54,619)	(1,591,037)	1,398,809	-	(522,593)
Benefit payments, including refunds of member contributions	(2,281,012)	(2,468,316)	(2,631,512)	(2,704,176)	(2,881,330)	(3,061,664)	(3,342,203)
Net change in total pension liability	2,936,533	2,038,946	741,967	464,356	4,282,868	2,230,558	284,510
Total pension liability - beginning	43,107,423	46,043,956	48,082,902	48,824,869	49,289,225	53,572,093	55,802,651
TOTAL PENSION LIABILITY - ENDING	\$ 46,043,956	\$ 48,082,902	\$ 48,824,869	\$ 49,289,225	\$ 53,572,093	\$ 55,802,651	\$ 56,087,161
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 833,192	\$ 777,235	\$ 690,362	\$ 736,240	\$ 750,705	\$ 573,875	\$ 766,497
Contributions - member	391,175	394,788	363,582	379,154	435,505	447,405	456,387
Net investment income	2,772,783	235,758	3,100,794	8,472,149	(3,163,453)	9,489,256	8,280,371
Benefit payments, including refunds of member contributions	(2,281,012)	(2,468,316)	(2,631,512)	(2,704,176)	(2,881,330)	(3,061,664)	(3,342,203)
Administrative/other (net transfer)	99,910	(1,056,920)	(182,199)	(1,147,857)	1,027,343	394,576	(593,862)
Net change in plan fiduciary net position	1,816,048	(2,117,455)	1,341,027	5,735,510	(3,831,230)	7,843,448	5,567,190
Plan fiduciary net position - beginning	45,983,784	47,799,832	45,682,377	47,023,404	52,758,914	48,927,684	56,771,132
PLAN FIDUCIARY NET POSITION - ENDING	\$ 47,799,832	\$ 45,682,377	\$ 47,023,404	\$ 52,758,914	\$ 48,927,684	\$ 56,771,132	\$ 62,338,322
EMPLOYER'S NET PENSION LIABILITY	\$ (1,755,876)	\$ 2,400,525	\$ 1,801,465	\$ (3,469,689)	\$ 4,644,409	\$ (968,481)	\$ (6,251,161)

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020
Plan fiduciary net position as a percentage of the total pension liability	103.80%	95.00%	96.30%	107.00%	91.30%	101.70%	111.10%
Covered payroll	\$ 8,283,429	\$ 8,773,077	\$ 8,083,343	\$ 8,359,047	\$ 9,001,351	\$ 9,578,261	\$ 9,084,273
Employer's net pension liability as a percentage of covered payroll	(21.20%)	27.40%	22.30%	(41.50%)	51.60%	(10.10%)	(68.80%)

Changes in assumptions related to retirement age and mortality were made in 2015. There was a change in the discount rate assumption from 2015 to 2016. Changes in assumptions related to retirement age and mortality were made in 2017. There was a change in the discount rate assumption from 2017 to 2018. There was a change in inflation rate, salary increases and mortality rates from 2019 to 2020.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

STEPHENSON COUNTY, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
SHERIFF'S LAW ENFORCEMENT PERSONNEL

Last Seven Calendar Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020
TOTAL PENSION LIABILITY							
Service cost	\$ 529,175	\$ 546,471	\$ 544,228	\$ 551,290	\$ 512,561	\$ 613,168	\$ 590,547
Interest	1,790,859	1,902,503	2,053,850	2,097,024	2,175,176	2,392,898	2,402,791
Differences between expected and actual experience	(263,153)	786,895	(658,550)	318,574	1,960,803	(1,108,939)	(79,039)
Changes of assumptions	507,049	34,004	(69,243)	(355,003)	977,257	-	(141,167)
Benefit payments, including refunds of member contributions	(966,322)	(1,133,951)	(1,288,912)	(1,453,865)	(1,647,115)	(1,698,807)	(1,799,921)
Net change in total pension liability	1,597,608	2,135,922	581,373	1,158,020	3,978,682	198,320	973,211
Total pension liability - beginning	24,096,700	25,694,308	27,830,230	28,411,603	29,569,623	33,548,305	33,746,625
TOTAL PENSION LIABILITY - ENDING	\$ 25,694,308	\$ 27,830,230	\$ 28,411,603	\$ 29,569,623	\$ 33,548,305	\$ 33,746,625	\$ 34,719,836
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 626,776	\$ 629,218	\$ 569,063	\$ 645,289	\$ 610,211	\$ 563,718	\$ 749,618
Contributions - member	209,477	227,737	209,681	211,024	254,293	224,121	212,050
Net investment income	1,373,969	117,885	1,630,767	4,440,159	(1,886,326)	5,255,652	4,497,641
Benefit payments, including refunds of member contributions	(966,322)	(1,133,951)	(1,288,912)	(1,453,865)	(1,647,115)	(1,698,807)	(1,799,921)
Administrative/other (net transfer)	(117,580)	(22,358)	54,146	(379,759)	759,254	12,128	(19,184)
Net change in plan fiduciary net position	1,126,320	(181,469)	1,174,745	3,462,848	(1,909,683)	4,356,812	3,640,204
Plan fiduciary net position - beginning	22,589,122	23,715,442	23,533,973	24,708,718	28,171,566	26,261,883	30,618,695
PLAN FIDUCIARY NET POSITION - ENDING	\$ 23,715,442	\$ 23,533,973	\$ 24,708,718	\$ 28,171,566	\$ 26,261,883	\$ 30,618,695	\$ 34,258,899
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 1,978,866	\$ 4,296,257	\$ 3,702,885	\$ 1,398,057	\$ 7,286,422	\$ 3,127,930	\$ 460,937

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020
Plan fiduciary net position as a percentage of the total pension liability	92.30%	84.60%	87.00%	95.30%	78.30%	90.70%	98.70%
Covered payroll	\$ 2,751,781	\$ 3,036,479	\$ 2,805,410	\$ 2,813,647	\$ 3,130,796	\$ 2,972,251	\$ 2,824,336
Employer's net pension liability (asset) as a percentage of covered payroll	71.90%	141.50%	132.00%	49.70%	232.70%	105.20%	16.30%

Changes in assumptions related to retirement age and mortality were made in 2015. There was a change in the discount rate assumption from 2015 to 2016. Changes in assumptions related to retirement age and mortality were made in 2017. There was a change in the discount rate assumption from 2017 to 2018. There was a change in inflation rate, salary increases and mortality rates from 2019 to 2020.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

STEPHENSON COUNTY, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2020	2021
TOTAL OPEB LIABILITY		
Service cost	\$ 277,683	\$ 364,466
Interest	160,782	114,943
Changes in assumptions	697,292	(166,131)
Benefit payments	(108,172)	(116,047)
Net change in total OPEB liability	1,027,585	197,231
Total OPEB liability - beginning	4,986,037	6,013,622
TOTAL OPEB LIABILITY - ENDING	\$ 6,013,622	\$ 6,210,853
Covered payroll	\$ 11,930,325	\$ 11,547,468
Employers total OPEB liability as a percentage of covered payroll	50.41%	53.79%

Notes to Required Supplementary Information

There were changes in assumptions related to the discount rate made in 2021.

There were changes in assumptions related to the discount rate made in 2020.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available. The County implemented GASB 75 in fiscal year ending December 31, 2020.

(See independent auditor's report.)

STEPHENSON COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021

1. BUDGETS

Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required. The County adopted a budget for all governmental funds during the year ended December 31, 2021, except for the DUI Equipment Fund, Police Vehicle Fund, Circuit Clerk Administration and Operations, Drug Fund, Court Supervision Fund, Collector, Collector Mobile Home, Sale in Error, Collector Special, Collector Indemnity and Zoning Public Hearing.

The County utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- a. At least 15 days prior to the enactment of the budget, the Finance Committee submits to the County Board of Trustees a proposed means of financing and expenditure appropriation for the fiscal year commencing the following January 1.
- b. No later than three months after the beginning of the fiscal year, the budget is required to be legally enacted through passage of the appropriation ordinance.
- c. Budgeted amounts are as originally reported or as amended by the County Board of Trustees. Individual amendments were not material in relation to the original appropriations.
- d. Unexpended budget amounts lapse at the end of the budget year. Spending control is established by the amount of expenditures budgeted for each department, but management control is exercised at the budgetary line item levels.
- e. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

2. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following fund over expended appropriations in fiscal year 2021:

Fund	Budget	Actual
County Bridge	\$ 367,573	\$ 632,922
Township Motor Fuel Tax	2,405,739	2,701,782
Health Department	3,432,428	3,465,689
Veteran's Assistance Commission	165,619	183,663
Probation Service Fee	76,800	81,460
Emergency Management Agency	140,111	143,813
Law Library	29,294	35,559

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

STEPHENSON COUNTY, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2021

	Special Revenue					
	County Highway	County Bridge	Township Bridge	County Matching	County Motor Fuel Tax	Township Motor Fuel Tax
ASSETS						
Cash and investments	\$ 730,296	\$ 278,648	\$ 43	\$ 202,250	\$ 1,497,390	\$ 1,340,886
Accounts receivable	-	-	-	365,999	99,804	152,093
Property taxes receivable	630,000	310,000	-	310,000	-	-
Prepaid items	-	-	-	-	-	-
TOTAL ASSETS	\$ 1,360,296	\$ 588,648	\$ 43	\$ 878,249	\$ 1,597,194	\$ 1,492,979
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	3,912	-	-	-	36,526	-
Due to other funds	-	-	-	-	-	-
Total liabilities	3,912	-	-	-	36,526	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	630,000	310,000	-	310,000	-	-
Total deferred inflows of resources	630,000	310,000	-	310,000	-	-
FUND BALANCES						
Nonspendable - prepaid items	-	-	-	-	-	-
Restricted for						
Retirement	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	-	-
Public works	726,384	278,648	43	568,249	1,560,668	1,492,979
Health and welfare	-	-	-	-	-	-
Specific purpose	-	-	-	-	-	-
Assigned						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	726,384	278,648	43	568,249	1,560,668	1,492,979
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,360,296	\$ 588,648	\$ 43	\$ 878,249	\$ 1,597,194	\$ 1,492,979

Special Revenue										
Geographic Information Systems	DUI Equipment	Youth Diversion	Mental Health	Tuberculosis	Animal Control	Veteran's Assistance Commission	Circuit Clerk Administration and Operations	Social Security Contribution	Educational Extension Service	
\$ 258,320	\$ 13,036	\$ 2,398	\$ 113,271	\$ 430,804	\$ 22,249	\$ 98,820	\$ 26,782	\$ 650,869	\$ 157,505	
-	-	-	-	-	-	-	-	-	-	-
-	-	-	325,000	58,665	-	165,619	-	400,000	190,000	-
-	-	-	-	-	-	-	-	-	-	-
\$ 258,320	\$ 13,036	\$ 2,398	\$ 438,271	\$ 489,469	\$ 22,249	\$ 264,439	\$ 26,782	\$ 1,050,869	\$ 347,505	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,363	\$ -	\$ -	\$ -	\$ -	\$ -
2,026	-	-	-	-	2,274	-	-	34,867	-	-
-	-	-	-	-	-	-	-	-	-	-
2,026	-	-	-	-	3,637	-	-	34,867	-	-
-	-	-	325,000	58,665	-	165,619	-	400,000	190,000	-
-	-	-	325,000	58,665	-	165,619	-	400,000	190,000	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	616,002	-	-
-	13,036	-	-	-	-	-	-	-	-	-
-	-	2,398	-	-	-	-	-	-	-	-
256,294	-	-	-	-	-	-	-	-	-	-
-	-	-	113,271	430,804	18,612	98,820	-	-	-	-
-	-	-	-	-	-	-	26,782	-	-	157,505
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
256,294	13,036	2,398	113,271	430,804	18,612	98,820	26,782	616,002	157,505	
\$ 258,320	\$ 13,036	\$ 2,398	\$ 438,271	\$ 489,469	\$ 22,249	\$ 264,439	\$ 26,782	\$ 1,050,869	\$ 347,505	

(This schedule is continued on the following pages.)

STEPHENSON COUNTY, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2021

	Special Revenue					
	Emergency Service and Disaster Agency	ETSB 911	Drug Funds	Waste Management	Mechanical Document Storage	Public Safety
ASSETS						
Cash and investments	\$ 135,307	\$ 2,143,373	\$ 51,279	\$ -	\$ 119,008	\$ 642,390
Accounts receivable	16,046	180,383	-	-	-	636,772
Property taxes receivable	-	-	-	-	-	-
Prepaid items	-	45,601	-	-	-	-
TOTAL ASSETS	\$ 151,353	\$ 2,369,357	\$ 51,279	\$ -	\$ 119,008	\$ 1,279,162
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,310	\$ 6,285	\$ -	\$ -	\$ 1,083	\$ 3,395
Accrued payroll	2,694	2,031	-	-	-	12,025
Due to other funds	-	-	-	-	-	-
Total liabilities	4,004	8,316	-	-	1,083	15,420
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Nonspendable - prepaid items	-	45,601	-	-	-	-
Restricted for						
Retirement	-	-	-	-	-	-
Public safety	147,349	2,315,440	51,279	-	-	1,263,742
Judiciary and court related	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Specific purpose	-	-	-	-	117,925	-
Assigned						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	147,349	2,361,041	51,279	-	117,925	1,263,742
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 151,353	\$ 2,369,357	\$ 51,279	\$ -	\$ 119,008	\$ 1,279,162

Special Revenue									
Coroner's Fund	Court Automation	Probation Service Fee	Document Storage - Circuit Clerk	Treasurer Automation	Court Supervision	Environmental Remediation	Law Library		
\$ 36,618	\$ 38,566	\$ 493,415	\$ 9,134	\$ 83,159	\$ 23,298	\$ -	\$ -		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-		
\$ 36,618	\$ 38,566	\$ 493,415	\$ 9,134	\$ 83,159	\$ 23,298	\$ -	\$ -		
\$ -	\$ -	\$ 5,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,917	1,499	-	2,501	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	15,064
2,917	1,499	5,636	2,501	-	-	-	-	-	15,064
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
33,701	-	-	-	-	-	-	-	-	-
-	37,067	487,779	6,633	-	23,298	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	83,159	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(15,064)
33,701	37,067	487,779	6,633	83,159	23,298	-	-	-	(15,064)
\$ 36,618	\$ 38,566	\$ 493,415	\$ 9,134	\$ 83,159	\$ 23,298	\$ -	\$ -		

(This schedule is continued on the following pages.)

STEPHENSON COUNTY, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2021

	Special Revenue					
	Liability Insurance	County Collector	Collector Mobile Home	Sale In Error	Collector Special	Collector Indemnity
ASSETS						
Cash and investments	\$ 523,061	\$ 29,606	\$ 34,241	\$ 93,084	\$ 156	\$ 66,300
Accounts receivable	-	-	-	-	-	-
Property taxes receivable	700,000	-	-	-	-	-
Prepaid items	186,554	-	-	-	-	-
TOTAL ASSETS	\$ 1,409,615	\$ 29,606	\$ 34,241	\$ 93,084	\$ 156	\$ 66,300
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	700,000	-	-	-	-	-
Total deferred inflows of resources	700,000	-	-	-	-	-
FUND BALANCES						
Nonspendable - prepaid items	186,554	-	-	-	-	-
Restricted for						
Retirement	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	-	-
Public works	523,061	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Specific purpose	-	29,606	34,241	93,084	156	66,300
Assigned						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	709,615	29,606	34,241	93,084	156	66,300
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,409,615	\$ 29,606	\$ 34,241	\$ 93,084	\$ 156	\$ 66,300

Special Revenue		Capital Projects	Debt Service	Total
Zoning Public Hearing	Capital	Mill Race Crossing	Debt Service	Nonmajor Governmental Funds
\$ 27,601	\$ 328,187	\$ 184,774	\$ 120,274	\$ 11,006,398
-	-	-	-	1,451,097
-	-	-	-	3,089,284
-	-	-	-	232,155
\$ 27,601	\$ 328,187	\$ 184,774	\$ 120,274	\$ 15,778,934
\$ -	\$ 72,778	\$ -	\$ -	\$ 91,850
-	-	-	-	103,272
-	-	-	-	15,064
-	72,778	-	-	210,186
-	-	-	-	3,089,284
-	-	-	-	3,089,284
-	-	-	-	232,155
-	-	-	-	616,002
-	-	-	-	3,824,547
-	-	-	-	557,175
-	-	-	-	5,406,326
-	-	-	-	661,507
27,601	-	-	-	636,359
-	255,409	184,774	-	440,183
-	-	-	120,274	120,274
-	-	-	-	(15,064)
27,601	255,409	184,774	120,274	12,479,464
\$ 27,601	\$ 328,187	\$ 184,774	\$ 120,274	\$ 15,778,934

(See independent auditor's report.)

STEPHENSON COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	Special Revenue					
	County Highway	County Bridge	Township Bridge	County Matching	County Motor Fuel Tax	Township Motor Fuel Tax
REVENUES						
Taxes	\$ 606,323	\$ 298,372	\$ -	\$ 298,372	\$ 1,907,682	\$ 2,563,754
Charges for services	108,871	-	-	-	-	-
Intergovernmental	-	-	-	367,889	-	-
Investment income	1,152	331	27	526	447	795
Miscellaneous	54,154	80,021	155,477	-	10,749	68,194
Total revenues	770,500	378,724	155,504	666,787	1,918,878	2,632,743
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	-	-
Public works	1,131,233	632,922	-	496,964	1,092,070	2,701,782
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	1,131,233	632,922	-	496,964	1,092,070	2,701,782
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(360,733)	(254,198)	155,504	169,823	826,808	(69,039)
OTHER FINANCING SOURCES (USES)						
Issuance of capital lease	-	-	-	-	-	-
Transfers in	374,416	156,500	-	-	-	-
Transfers (out)	(54,677)	(77,000)	(156,500)	(50,000)	(193,826)	(96,704)
Total other financing sources (uses)	319,739	79,500	(156,500)	(50,000)	(193,826)	(96,704)
NET CHANGE IN FUND BALANCES	(40,994)	(174,698)	(996)	119,823	632,982	(165,743)
FUND BALANCES (DEFICIT), JANUARY 1	767,378	453,346	1,039	448,426	927,686	1,658,722
Prior period adjustments	-	-	-	-	-	-
FUND BALANCES (DEFICIT), JANUARY 1, AS RESTATED	767,378	453,346	1,039	448,426	927,686	1,658,722
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 726,384	\$ 278,648	\$ 43	\$ 568,249	\$ 1,560,668	\$ 1,492,979

Special Revenue									
Geographic Information Systems	DUI Equipment	Youth Diversion	Mental Health	Tuberculosis	Animal Control	Veteran's Assistance Commission	Circuit Clerk Administration and Operations	Social Security Contribution	Educational Extension Service
\$ -	\$ -	\$ -	\$ 302,995	\$ 56,459	\$ -	\$ 159,321	\$ -	\$ 964,801	\$ 182,805
286,760	-	10,881	-	-	77,761	-	-	-	-
-	-	-	-	-	-	-	-	-	-
817	-	-	40	-	154	-	-	16	172
-	12,917	-	-	-	-	27,226	10,382	-	-
287,577	12,917	10,881	303,035	56,459	77,915	186,547	10,382	964,817	182,977
-	-	-	-	-	-	-	12,086	940,559	190,000
-	19,848	-	-	-	-	-	-	-	-
-	-	11,515	-	-	-	-	-	-	-
195,616	-	-	-	-	-	183,663	-	-	-
-	-	-	314,628	-	105,302	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
195,616	19,848	11,515	314,628	-	105,302	183,663	12,086	940,559	190,000
91,961	(6,931)	(634)	(11,593)	56,459	(27,387)	2,884	(1,704)	24,258	(7,023)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	467,053	-
(188)	-	-	-	-	(1,808)	-	-	-	-
(188)	-	-	-	-	(1,808)	-	-	467,053	-
91,773	(6,931)	(634)	(11,593)	56,459	(29,195)	2,884	(1,704)	491,311	(7,023)
164,521	19,967	3,032	124,864	374,345	47,807	95,936	28,486	124,691	164,528
-	-	-	-	-	-	-	-	-	-
164,521	19,967	3,032	124,864	374,345	47,807	95,936	28,486	124,691	164,528
\$ 256,294	\$ 13,036	\$ 2,398	\$ 113,271	\$ 430,804	\$ 18,612	\$ 98,820	\$ 26,782	\$ 616,002	\$ 157,505

(This schedule is continued on the following pages.)

STEPHENSON COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	Special Revenue					
	Emergency Service and Disaster Agency	ETSB 911	Drug Funds	Waste Management	Mechanical Document Storage	Public Safety
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,301,437
Charges for services	-	775,697	-	-	65,139	-
Intergovernmental	51,148	-	-	-	-	-
Investment income	180	7,232	-	-	61	33
Miscellaneous	25,316	-	1,648	-	-	92,142
Total revenues	76,644	782,929	1,648	-	65,200	2,393,612
EXPENDITURES						
Current						
General government	-	-	-	-	55,822	-
Public safety	143,813	304,204	-	-	-	1,326,382
Judiciary and court related	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	221,446
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	143,813	304,204	-	-	55,822	1,547,828
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(67,169)	478,725	1,648	-	9,378	845,784
OTHER FINANCING SOURCES (USES)						
Issuance of capital lease	-	-	-	-	-	-
Transfers in	82,783	-	-	-	-	614,257
Transfers (out)	-	(28,500)	-	-	-	(1,141,396)
Total other financing sources (uses)	82,783	(28,500)	-	-	-	(527,139)
NET CHANGE IN FUND BALANCES	15,614	450,225	1,648	-	9,378	318,645
FUND BALANCES (DEFICIT), JANUARY 1	131,735	1,910,816	49,631	-	108,547	945,097
Prior period adjustments	-	-	-	-	-	-
FUND BALANCES (DEFICIT), JANUARY 1, AS RESTATED	131,735	1,910,816	49,631	-	108,547	945,097
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 147,349	\$ 2,361,041	\$ 51,279	\$ -	\$ 117,925	\$ 1,263,742

Special Revenue							
Coroner's Fund	Court Automation	Probation Service Fee	Document Storage - Circuit Clerk	Treasurer Automation	Court Supervision	Environmental Remediation	Law Library
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18,190	102,079	150,160	101,728	19,156	-	-	18,285
3,922	-	-	-	-	-	-	-
-	103	1,638	68	102	-	-	1
-	25,000	-	10,000	-	30,427	-	-
22,112	127,182	151,798	111,796	19,258	30,427	-	18,286
-	-	-	-	38,038	-	-	-
165,044	-	-	-	-	-	-	-
-	117,310	81,460	112,248	-	19,130	-	35,559
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
165,044	117,310	81,460	112,248	38,038	19,130	-	35,559
(142,932)	9,872	70,338	(452)	(18,780)	11,297	-	(17,273)
-	-	-	-	-	-	-	-
152,001	-	-	-	-	-	-	-
-	(3,500)	-	(4,000)	(2,037)	-	(580)	-
152,001	(3,500)	-	(4,000)	(2,037)	-	(580)	-
9,069	6,372	70,338	(4,452)	(20,817)	11,297	(580)	(17,273)
24,632	30,695	417,441	11,085	103,976	12,001	580	2,209
-	-	-	-	-	-	-	-
24,632	30,695	417,441	11,085	103,976	12,001	580	2,209
\$ 33,701	\$ 37,067	\$ 487,779	\$ 6,633	\$ 83,159	\$ 23,298	\$ -	\$ (15,064)

(This schedule is continued on the following pages.)

STEPHENSON COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	Special Revenue					
	Liability Insurance	County Collector	Collector Mobile Home	Sale In Error	Collector Special	Collector Indemnity
REVENUES						
Taxes	\$ 673,224	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	21,811	-	-	14,713
Intergovernmental	-	-	-	-	-	-
Investment income	19	-	-	-	-	-
Miscellaneous	149,867	(19,321)	-	-	-	-
Total revenues	823,110	(19,321)	21,811	-	-	14,713
EXPENDITURES						
Current						
General government	13,650	-	43,630	-	103,005	-
Public safety	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	-	-
Public works	1,030,414	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	1,044,064	-	43,630	-	103,005	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(220,954)	(19,321)	(21,819)	-	(103,005)	14,713
OTHER FINANCING SOURCES (USES)						
Issuance of capital lease	-	-	-	-	-	-
Transfers in	592,692	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	592,692	-	-	-	-	-
NET CHANGE IN FUND BALANCES	371,738	(19,321)	(21,819)	-	(103,005)	14,713
FUND BALANCES (DEFICIT), JANUARY 1	337,877	48,927	56,060	93,084	103,161	51,587
Prior period adjustments	-	-	-	-	-	-
FUND BALANCES (DEFICIT), JANUARY 1, AS RESTATED	337,877	48,927	56,060	93,084	103,161	51,587
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 709,615	\$ 29,606	\$ 34,241	\$ 93,084	\$ 156	\$ 66,300

Special Revenue	Capital Projects		Debt Service	Total
Zoning Public Hearing	Capital	Mill Race Crossing	Debt Service	Nonmajor Governmental Funds
\$ -	\$ 230,000	\$ 293,403	\$ -	\$ 10,838,948
3,380	-	-	-	1,774,611
-	-	-	-	422,959
-	467	271	214	14,866
-	170,201	16,295	-	920,695
3,380	400,668	309,969	214	13,972,079
42,422	-	-	-	1,439,212
-	-	-	-	1,959,291
-	34,591	-	-	411,813
-	-	58,731	-	7,523,395
-	-	-	-	419,930
-	1,493,483	-	-	1,714,929
-	60,363	-	971,986	1,032,349
-	25,767	-	159,810	185,577
42,422	1,614,204	58,731	1,131,796	14,686,496
(39,042)	(1,213,536)	251,238	(1,131,582)	(714,417)
-	414,900	-	-	414,900
-	1,285,999	-	1,132,446	4,858,147
-	-	(190,000)	-	(2,000,716)
-	1,700,899	(190,000)	1,132,446	3,272,331
(39,042)	487,363	61,238	864	2,557,914
66,643	(231,954)	123,536	119,410	9,921,550
-	-	-	-	-
66,643	(231,954)	123,536	119,410	9,921,550
\$ 27,601	\$ 255,409	\$ 184,774	\$ 120,274	\$ 12,479,464

(See independent auditor's report.)

CUSTODIAL FUNDS

STEPHENSON COUNTY, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS**

For the Year Ended December 31, 2021

	County Collector	Collector's Special	Collector's Mobile Home	Nursing Center	Enterprise Zone
ASSETS					
Cash and cash equivalents	\$ 216,245	\$ 177,275	\$ 49,830	\$ 8,851	\$ -
Investments	-	-	-	-	-
Total assets	216,245	177,275	49,830	8,851	-
LIABILITIES					
Amounts due to others	216,245	177,275	49,830	-	-
Total liabilities	216,245	177,275	49,830	-	-
NET POSITION					
Restricted					
Individuals, organizations and other governments	-	-	-	-	-
Fund participants	-	-	-	8,851	-
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ 8,851	\$ -

Prisoner Account	Jail Pop	Civil Process	Circuit Clerk	Delinquent Taxes	Trustee Payment	Probation Restitution	Total
\$ 150,408	\$ 222	\$ 1,872	\$ 891,830	\$ 86,900	\$ 4,010	\$ 11,620	\$ 1,599,063
-	-	-	250,039	-	-	-	250,039
150,408	222	1,872	1,141,869	86,900	4,010	11,620	1,849,102
150,408	-	1,872	1,141,869	86,900	-	-	1,824,399
150,408	-	1,872	1,141,869	86,900	-	-	1,824,399
-	222	-	-	-	-	-	222
-	-	-	-	-	4,010	11,620	24,481
\$ -	\$ 222	\$ -	\$ -	\$ -	\$ 4,010	\$ 11,620	\$ 24,703

(See independent auditor's report.)

STEPHENSON COUNTY, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
CUSTODIAL FUNDS

For the Year Ended December 31, 2021

	County Collector	Collector's Special	Collector's Mobile Home	Nursing Center	Enterprise Zone
ADDITIONS					
Property taxes and related item collections for other governments	\$ 68,132,452	\$ -	\$ -	\$ -	\$ -
Fines and fees collected for others	-	156,735	45,412	-	-
Fund participant deposits	-	-	-	28,852	-
Total additions	68,132,452	156,735	45,412	28,852	-
DEDUCTIONS					
Payments of property taxes and related items to other governments	68,132,452	156,735	45,412	-	-
Payments of fines and fees to others	-	-	-	-	-
Reimbursement to or on behalf of fund participants	-	-	-	23,301	-
Total deductions	68,132,452	156,735	45,412	23,301	-
NET INCREASE (DECREASE)	-	-	-	5,551	-
RESTRICTED NET POSITION					
January 1, as restated	-	-	-	3,300	-
December 31	\$ -	\$ -	\$ -	\$ 8,851	\$ -

Prisoner Account	Jail Pop	Civil Process	Circuit Clerk	Delinquent Taxes	Trustee Payment	Probation Restitution	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,132,452
-	-	-	1,634,759	2,595,411	-	-	4,432,317
1,172,905	169	276,149	-	-	184,894	-	1,662,969
1,172,905	169	276,149	1,634,759	2,595,411	184,894	-	74,227,738
-	-	-	-	-	-	-	68,334,599
-	-	-	1,634,759	2,595,411	-	-	4,230,170
1,172,905	332	276,149	-	-	191,689	-	1,664,376
1,172,905	332	276,149	1,634,759	2,595,411	191,689	-	74,229,145
-	(163)	-	-	-	(6,795)	-	(1,407)
-	385	-	-	-	10,805	11,620	26,110
\$ -	\$ 222	\$ -	\$ -	\$ -	\$ 4,010	\$ 11,620	\$ 24,703

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

STEPHENSON COUNTY, ILLINOIS

PROPERTY TAX ASSESSED VALUATION, RATES, EXTENSIONS AND COLLECTIONS

Last Four Levy Years

Tax Levy Year	2020		2019		2018		2017	
ASSESSED VALUATION	<u>\$ 699,391,392</u>		<u>\$ 674,900,030</u>		<u>\$ 679,200,247</u>		<u>\$ 661,300,453</u>	
	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount
TAX RATES AND EXTENSIONS								
County General	0.72711	\$ 5,085,345	0.78021	\$ 5,265,638	0.81758	\$ 5,334,921	0.82148	\$ 5,432,451
County Highway	0.08671	606,442	0.07771	524,465	0.09336	609,198	0.09943	657,531
County Bridge	0.04267	298,430	0.02249	151,785	0.02298	149,950	0.00395	26,121
County Matching	0.04267	298,430	0.04498	303,570	0.04594	299,770	0.04893	323,574
Tuberculosis	0.00808	56,511	0.00852	57,501	0.00870	56,770	0.00926	61,236
Mental Health	0.04336	303,256	0.04492	303,165	0.04816	314,256	0.04891	323,442
Illinois Municipal Retirement	0.16616	1,162,109	0.15959	1,077,073	0.10373	676,865	0.09470	626,252
Educational Extension Service	0.02616	182,961	0.02698	182,088	0.02846	185,709	0.02605	172,269
Liability Insurance	0.09634	673,794	0.08706	587,568	0.08891	580,161	0.09470	626,252
County Health Department	0.00562	39,306	0.00592	39,954	0.00605	39,478	0.00643	42,522
Social Security Contribution	0.05506	385,085	0.04354	293,851	0.04446	290,113	0.04735	313,126
Veterans Assistance	0.02280	159,461	0.02403	162,178	0.02707	176,639	0.02883	190,653
Nursing Home	0.06882	481,321	0.07255	489,640	0.07410	483,522	0.07892	521,898
TOTAL TAX RATES AND EXTENSIONS	<u>1.39156</u>	<u>\$ 9,732,451</u>	<u>1.39850</u>	<u>\$ 9,438,476</u>	<u>1.40950</u>	<u>\$ 9,197,352</u>	<u>1.40894</u>	<u>\$ 9,317,327</u>
TAX COLLECTIONS								
County General		\$ 5,081,034		\$ 5,273,735		\$ 5,332,672		\$ 5,245,652
County Highway		605,923		525,274		608,660		634,925
County Bridge		298,172		152,023		149,866		25,227
County Matching		298,172		304,036		299,733		312,446
Tuberculosis		56,459		57,587		57,004		59,128
Mental Health		302,995		303,630		314,444		312,320
Illinois Municipal Retirement		1,161,124		1,078,728		676,698		604,722
Educational Extension Service		182,805		182,367		185,724		166,345
Liability Insurance		673,224		588,467		580,158		604,722
County Health Department		39,276		40,015		39,535		41,062
Social Security Contribution		384,756		294,300		289,619		302,361
Veterans Assistance		159,321		162,431		176,530		184,096
Nursing Home		480,909		490,392		483,618		503,956
TOTAL TAX COLLECTIONS		<u>\$ 9,724,170</u>		<u>\$ 9,452,985</u>		<u>\$ 9,194,261</u>		<u>\$ 8,996,962</u>
PERCENTAGE COLLECTED		<u>99.91%</u>		<u>100.15%</u>		<u>99.97%</u>		<u>96.56%</u>

(See independent auditor's report.)