

**Stephenson County
Freeport, Illinois**

Annual Financial Report

For the year ended
December 31, 2019

STEPHENSON COUNTY, ILLINOIS
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STEPHENSON COUNTY, ILLINOIS

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Independent Auditor's Report

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

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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Stephenson County, Illinois, as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that other 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. 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 financial statements as a whole. The schedules listed as supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2020, 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 solely 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 effectiveness of the County's 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.



Wipfli LLP
Aurora, Illinois
September 9, 2020

STEPHENSON COUNTY, ILLINOIS

Statement of Net Position

December 31, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and investments	\$ 10,892,051	\$ 1,208,204	\$ 12,100,255
Accounts receivable, net of allowance for doubtful accounts	1,764,598	1,744,811	3,509,409
Property tax receivable	9,148,020	500,000	9,648,020
Prepaid expenditures	125,825	-	125,825
Inventory	2,407	-	2,407
Internal balances	-	-	-
Total current assets	21,932,901	3,453,015	25,385,916
Other assets			
Other assets	1,680,000	-	1,680,000
Total other assets	1,680,000	-	1,680,000
Capital assets			
Capital assets not being depreciated	288,555	-	288,555
Capital assets (net of accumulated depreciation)	20,337,310	1,300,729	21,638,039
Total capital assets	20,625,865	1,300,729	21,926,594
Total assets	44,238,766	4,753,744	48,992,510
Deferred Outflows of Resources			
Deferred outflows of pension resources	10,783,116	-	10,783,116
Total deferred outflows of resources	10,783,116	-	10,783,116
Liabilities			
Current liabilities			
Accounts payable	564,893	228,511	793,404
Accrued payroll	306,777	93,842	400,619
Accrued interest	27,423	-	27,423
Current portion of long term debt	993,162	-	993,162
Total current liabilities	1,892,255	322,353	2,214,608
Noncurrent liabilities			
Compensated absences	391,350	93,930	485,280
Net pension liability	11,930,831	-	11,930,831
Debt certificates	5,744,760	-	5,744,760
Total noncurrent liabilities	18,066,941	93,930	18,160,871
Total liabilities	19,959,196	416,283	20,375,479
Deferred Inflows of Resources			
Unearned revenue	15,281	-	15,281
Unavailable property taxes	9,148,020	500,000	9,648,020
Deferred inflows of pension resources	903,514	-	903,514
Total deferred inflows of resources	10,066,815	500,000	10,566,815
Net Position			
Investment in Capital Assets	13,887,943	1,300,729	15,188,672
Restricted	6,856,631	19,300	6,875,931
Unrestricted	4,251,297	2,517,432	6,768,729
Total Net Position	\$ 24,995,871	\$ 3,837,461	\$ 28,833,332

See accompanying notes to financial statements

STEPHENSON COUNTY, ILLINOIS
Statement of Activities
For the Year Ended December 31, 2019

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 5,901,346	\$ 3,200,645	\$ 236,514	\$ -	\$ (2,464,187)	\$ -	\$ (2,464,187)
Public safety	5,674,206	880,798	-	-	(4,793,408)	-	(4,793,408)
Judicial and court related	5,164,394	486,073	-	-	(4,678,321)	-	(4,678,321)
Public works	4,713,949	61,777	-	-	(4,652,172)	-	(4,652,172)
Health, welfare, and sanitation	3,873,121	1,510,172	841,055	-	(1,521,894)	-	(1,521,894)
Interest	342,031	-	-	-	(342,031)	-	(342,031)
Total Governmental Activities	\$ 25,669,047	\$ 6,139,465	\$ 1,077,569	\$ -	(18,452,013)	-	(18,452,013)
Business-type Activities							
Nursing Center	\$ 6,802,498	\$ 5,719,748	\$ -	\$ -	-	(1,082,750)	(1,082,750)
General revenues							
Taxes							
Property					8,946,429	483,434	9,429,863
Sales and use					3,993,661	-	3,993,661
Income					1,307,984	-	1,307,984
Other					1,562,090	-	1,562,090
Unrestricted investment earnings					90,481	5,963	96,444
Miscellaneous					1,767,897	87,095	1,854,992
Special item - write-down of other assets					(2,912,378)	-	(2,912,378)
Transfers					360,300	(360,300)	-
Total					15,116,464	216,192	15,332,656
Change in net position					(3,335,549)	(866,558)	(4,202,107)
Net position, beginning of year					28,331,420	4,704,019	33,035,439
Net Position, End of Year					\$ 24,995,871	\$ 3,837,461	\$ 28,833,332

See accompanying notes to financial statements

STEPHENSON COUNTY, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	County Health Department	County Highway	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 3,988,431	\$ 361,028	\$ 441,053	\$ 5,839,736	\$ 10,630,248
Accounts receivable	866,474	264,404	-	633,720	1,764,598
Property tax receivable	5,239,023	40,722	635,000	3,233,275	9,148,020
Due from other funds	282,406	49,335	-	402,244	733,985
Prepaid expenditures	-	-	-	125,825	125,825
Inventory	-	2,407	-	-	2,407
Total Assets	\$ 10,376,334	\$ 717,896	\$ 1,076,053	\$ 10,234,800	\$ 22,405,083
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ 164,444	\$ 95,800	\$ 39,755	\$ 262,083	\$ 562,082
Accrued payroll	202,032	51,524	10,408	42,813	306,777
Due to other funds	-	-	378,500	355,485	733,985
Total liabilities	366,476	147,324	428,663	660,381	1,602,844
Deferred Inflows of Resources					
Unearned revenue	-	15,281	-	-	15,281
Property taxes levied for subsequent year	5,239,023	40,722	635,000	3,233,275	9,148,020
Total deferred inflows of resources	5,239,023	56,003	635,000	3,233,275	9,163,301
Fund Balances					
Nonspendable - inventory and prepaids	-	2,407	-	125,825	128,232
Restricted	-	512,162	12,390	6,332,079	6,856,631
Unassigned	4,770,835	-	-	(116,760)	4,654,075
Total fund balances	4,770,835	514,569	12,390	6,341,144	11,638,938
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,376,334	\$ 717,896	\$ 1,076,053	\$ 10,234,800	\$ 22,405,083

See accompanying notes to financial statements

STEPHENSON COUNTY, ILLINOIS
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
December 31, 2019

Total Fund Balances of Governmental Funds \$ 11,638,938

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. 20,625,865

Net pension assets and liabilities are not financial resources and are not reported in governmental funds. (11,930,831)

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. 10,783,116

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. (903,514)

Other assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. This is the cost of other assets. 4,592,378

An internal service fund is used to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 258,992

Some liabilities (excluding those reported in the internal service funds amount above), including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.

Accrued compensated absences payable (391,350)

Accrued interest payable (27,423)

Debt certificates payable (6,737,922)

Net Position of Governmental Activities \$ 27,908,249

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, 2019

	General Fund	County Health Department	County Highway	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 8,832,300	\$ 39,468	\$ 609,083	\$ 6,328,913	\$ 15,809,764
Charges for services	3,118,917	1,510,172	61,777	1,448,599	6,139,465
Grants	-	824,429	-	-	824,429
Intergovernmental	16,575	11,075	-	266,339	293,989
IMRF/FICA reimbursements	-	-	-	-	-
Miscellaneous	22,124	26,704	215,280	679,350	943,458
Total revenues	11,989,916	2,411,848	886,140	8,723,201	24,011,105
Expenditures					
Current operating					
General government	2,633,792	-	-	2,576,579	5,210,371
Public safety	2,357,728	-	-	2,348,162	4,705,890
Judiciary and court related	4,775,246	-	-	346,417	5,121,663
Public works	-	-	873,699	3,063,477	3,937,176
Health and welfare	-	3,209,461	-	621,883	3,831,344
Capital outlay	-	-	-	390,667	390,667
Debt service					
Principal retirement	-	-	-	964,899	964,899
Interest and fiscal charges	-	-	-	346,262	346,262
Total expenditures	9,766,766	3,209,461	873,699	10,658,346	24,508,272
Excess (deficiency) of revenues over (under) expenditures	2,223,150	(797,613)	12,441	(1,935,145)	(497,167)
Other Financing Sources (Uses)					
Transfers in	40,000	250,000	495,727	3,828,331	4,614,058
Transfers out	(2,310,335)	(100,000)	(320,000)	(1,523,423)	(4,253,758)
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	(2,270,335)	150,000	175,727	2,304,908	360,300
Net changes in fund balances	(47,185)	(647,613)	188,168	369,763	(136,867)
Fund balance, beginning of year	4,818,020	1,162,182	(175,778)	5,971,361	11,775,805
Fund Balance, End of Year	\$ 4,770,835	\$ 514,569	\$ 12,390	\$ 6,341,144	\$ 11,638,938

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, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (136,867)

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

An internal service fund is used to charge the costs of health insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities. (40,298)

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities. (874,521)

The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities. 964,899

Some expenses in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds:

Change in accrued interest	4,231
Change in compensated absences	226,454
Change in net pension asset/liability - IMRF	(14,002,463)
Change in deferred outflows and inflows of resources related to pensions	<u>13,435,394</u>

Change in Net Position of Governmental Activities \$ (423,171)

See accompanying notes to financial statements

STEPHENSON COUNTY, ILLINOIS
Statement of Proprietary Net Position
December 31, 2019

	Business-Type Activities Enterprise Funds Nursing Center Fund	Governmental Activities Internal Service Funds
Assets		
Current assets		
Cash and cash equivalents	\$ 1,188,904	\$ 261,803
Receivables, net of a \$134,000 allowance	1,744,811	-
Taxes receivable	500,000	-
Restricted assets	19,300	-
Total current assets	3,453,015	261,803
Noncurrent assets		
Capital assets (net of accumulated depreciation)		
Buildings	1,181,074	-
Equipment	119,655	-
Total noncurrent assets	1,300,729	-
Liabilities		
Current liabilities		
Accounts payable	228,511	2,811
Accrued payroll	93,842	-
Due to other funds	-	-
Compensated absences	93,930	-
Total liabilities	416,283	2,811
Deferred Inflows of Resources		
Property taxes levied for subsequent year	500,000	-
Net Position		
Net investment in capital assets	1,300,729	-
Restricted	19,300	-
Unrestricted	2,517,432	258,992
Total net position	\$ 3,837,461	\$ 258,992

See accompanying notes to financial statements

STEPHENSON COUNTY, ILLINOISStatement of Revenues, Expenses, and Changes in Proprietary Net Position
For the Year Ended December 31, 2019

	Business-Type Activities Enterprise Funds Nursing Center Fund	Governmental Activities Internal Service Funds
Operating Revenues		
Charges for services	\$ 5,719,748	\$ -
Employee contributions	-	868,638
County contributions	-	3,668,544
Reimbursements	-	-
Total operating revenues	5,719,748	4,537,182
Operating Expenses		
Nursing center	6,686,569	-
Depreciation	115,929	-
Administrative fees	-	15
Health and life insurance premiums	-	4,583,298
Health claims	-	-
Total operating expenses	6,802,498	4,583,313
Operating income (loss)	(1,082,750)	(46,131)
Non-Operating Revenue (Expense)		
Property taxes	483,434	-
Interest income	5,963	5,833
Miscellaneous	87,095	-
Total non-operating revenue	576,492	5,833
Other financing sources (uses)		
Operating transfer out	(360,300)	-
Total other financing sources (uses)	(360,300)	-
Change in net position	(866,558)	(40,298)
Net position, beginning of year	4,704,019	299,290
Net Position, End of Year	\$ 3,837,461	\$ 258,992

See accompanying notes to financial statements

STEPHENSON COUNTY, ILLINOIS
Statement of Proprietary Cash Flows
For the Year Ended December 31, 2019

	Business-Type Activities Enterprise Funds Nursing Center Fund	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities		
Cash received for services	\$ 5,314,178	\$ -
Cash received for internal services	-	4,537,182
Cash payments to suppliers	(3,173,866)	(4,580,502)
Cash payments to employees	(3,448,594)	-
Net cash used by operating activities	(1,308,282)	(43,320)
Cash Flows from Financing Activities		
Cash Flows from Capital and Related Financing Activities		
Investment in capital assets	(170,795)	-
Net cash used by capital and related financing activities	(170,795)	-
Cash Flows from Non-Capital Financing Activities		
Property taxes	483,434	-
Miscellaneous	87,095	-
Transfers in/(out)	(360,300)	-
Activity from interfund loan	(29,752)	-
Net cash flows from non-capital financing activities	180,477	-
Net cash flows from financing activities	9,682	-
Cash Flows from Investing Activities		
Interest income	5,963	5,833
Net cash flows from investing activities	5,963	5,833
Net decrease in cash and investments	(1,292,637)	(37,487)
Cash and investments - beginning	2,481,541	299,290
Cash and investments - ending	\$ 1,188,904	\$ 261,803
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ (1,082,750)	\$ (46,131)
Adjustments needed to reconcile net loss to net cash provided (used) in operating activities		
Depreciation expense	115,929	-
Increase in accounts receivable	(271,570)	-
Increase/(decrease) in vouchers payable	(80,640)	2,811
Increase in accrued payroll	6,877	-
Decrease in compensated absences	3,872	-
Net cash used by operating activities	\$ (1,308,282)	\$ (43,320)

See accompanying notes to financial statements

STEPHENSON COUNTY, ILLINOIS
Statement of Fiduciary Net Position
December 31, 2019

Assets

Cash	<u>\$ 2,507,537</u>
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Total assets	<u><u>\$ 2,507,537</u></u>
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Liabilities

Due to others	<u>\$ 2,507,537</u>
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Total liabilities	<u><u>\$ 2,507,537</u></u>
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See accompanying notes to financial statements

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 (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below.

a. Description of Government-Wide 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 primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

b. Reporting Entity

The County is a municipal corporation governed by twenty-two member County Board. The accompanying financial statements present the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials are financially accountable or whose exclusion would render the financial statements misleading because of nature and significance of their relationship. The County has two blended component units.

Blended Component Units - The 911 Fund serves all the citizens of the County. The budget and appropriation ordinance is approved by the 911 Board of Trustees, and the legal liability for any 911 Fund debt remains with the County. The Public Health Foundation Fund almost exclusively benefits the County as grant monies flow from the Foundation to the County. The 911 Fund and the Public Health Foundation Fund are reported as Special Revenue Funds. The Public Health Foundation financial information presented is as of and for the year ended November 30, 2019 which corresponds to its fiscal year. Consequently, receivables and payables to and from the Foundation will not agree with what the County has presented. Separately issued financial statements of the Foundation may be obtained from the Public Health Foundation of Northwest Illinois.

c. Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

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

The *County Highway Fund* accounts for the maintenance of roads of the County.

The County reports the following major enterprise funds:

The *Nursing Center Fund* accounts for the tax monies and charges for services used to operate the County Nursing Home

Additionally, the County reports the following fund types:

Internal service funds account for health insurance provided to other departments or agencies of the County, or to other governments.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

e. Use of Estimates

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

f. Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The cash balances of most County funds are pooled and invested. Each fund's share of the investment pool is reflected on its respective balance sheet.

g. Investments

The County is a participant in the Local Government Investment Pool (LGIP), which is authorized in Illinois Compiled Statutes 30 ILCS 235 under the Public Funds Investment Act. The LGIP is not registered with the Securities Exchange Commission as an investment company. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in LGIP. The investment is not subject to the fair value hierarchy disclosures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Inventories / Prepaid Expenditures

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of deed stamps. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

i. Capital Assets

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

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position 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 will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

k. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

l. Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

m. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

n. Program Revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

o. Property Taxes

The County's property tax is levied each year on all taxable real property located in the County. Since the 2019 property tax levy is levied to finance the operations of fiscal year 2020, the 2019 property tax is recorded as a receivable and the 2019 property tax revenue is unavailable. The 2018 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2019. The County must file its tax levy by the last Tuesday of December each year. The 2018 levy was approved on November 14, 2018. The 2019 levy was approved on November 12, 2019.

The township assessors are responsible for assessment of all taxable real property within the County. The County Clerk computes the annual tax of each parcel of real property and prepares tax books used by the County Collector as a basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Treasurer, who remits to the units their respective share of the collections. Taxes levied in 2018 became due and payable in two installments, generally in June 2019 and September 2019. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.

p. 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 may receive pay for the sick days accumulated above the maximum days. Except in cases of over accumulation, payment is only made for illness.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

r. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

2. CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Custodial credit risk-deposits. In the case of deposits, there is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2019, the County's deposit accounts carrying amount was \$12,100,257 and bank balance was \$14,744,663, all of which was insured or collateralized with securities in the County's name.

For financial statement purposes, the County shows certificates of deposits and money market accounts as temporary cash investments.

In accordance with the provisions of donors and bequests, a special account has been established.

As of December 31, 2019, the Nursing Center has \$19,300 in restricted cash.

3. INVESTMENTS

As of December 31, 2019, the County had the following investments:

	Fair Value
Investment in local government investment pool	\$ 74,125

Interest rate risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no specific policy on the interest rate risk at year-end.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Local government investment pool	\$ 74,125	\$ 74,125	\$ -	\$ -	\$ -

Credit risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in U.S. Government obligations are not considered to be of any credit risk since they carry the full obligation and guarantee of the U.S. Government. Presented below is the actual rating as of year-end for each investment type:

	Total as of December 31, 2019	Agency Rating
Investment in local government investment pool	\$ 74,125	AAAm

Concentration of credit risk. The County's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the County's total investments.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2019, there are no investments with custodial credit risk in that all of its investments are insured.

Foreign Currency Risk. The County has no foreign currency risk for investments at year-end.

STEPHENSON COUNTY, ILLINOIS
Notes to Financial Statements
December 31, 2019

4. CAPITAL ASSETS

The governmental activities capital asset activity for the period ended December 31, 2019 was as follows:

	Balances January 1, 2019	Increases	Decreases	Balances December 31, 2019
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	655,301,161	-	-	655,301,161
Intangible assets	108,400	-	-	108,400
Buildings and improvements	15,730,059	265,313	-	15,995,372
Equipment and vehicles	6,730,265	190,376	-	6,920,641
Total capital assets being depreciated	677,869,885	455,689	-	678,325,574
Less accumulated depreciation for				
Infrastructure	642,866,351	591,994	-	643,458,345
Intangible assets	52,393	21,680	-	74,073
Buildings and improvements	7,954,923	374,525	-	8,329,448
Equipment and vehicles	5,784,387	342,011	-	6,126,398
Total accumulated depreciation	656,658,054	1,330,210	-	657,988,264
Total capital assets being depreciated, net	21,211,831	(874,521)	-	20,337,310
Governmental Activities, Net	\$21,500,386	\$ (874,521)	\$ -	\$20,625,865

STEPHENSON COUNTY, ILLINOIS
Notes to Financial Statements
December 31, 2019

4. CAPITAL ASSETS (Continued)

The business-type activities capital asset activity for the period ended December 31, 2019 was as follows:

	Balances January 1, 2019	Increases	Decreases	Balances December 31, 2019
Business-type Activities				
Capital assets being depreciated				
Buildings and improvements	3,539,983	170,795	-	3,710,778
Equipment and vehicles	950,897	-	-	950,897
Total capital assets being depreciated	<u>4,490,880</u>	<u>170,795</u>	<u>-</u>	<u>4,661,675</u>
Less accumulated depreciation for				
Buildings and improvements	2,439,079	90,625	-	2,529,704
Equipment and vehicles	805,938	25,304	-	831,242
Total accumulated depreciation	<u>3,245,017</u>	<u>115,929</u>	<u>-</u>	<u>3,360,946</u>
Total capital assets being depreciated, net	<u>1,245,863</u>	<u>54,866</u>	<u>-</u>	<u>1,300,729</u>
Business-type Activities, Net	<u>\$ 1,245,863</u>	<u>\$ 54,866</u>	<u>\$ -</u>	<u>\$ 1,300,729</u>

4. CAPITAL ASSETS (Continued)

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

Governmental Activities

General control and administration	\$ 35,694
Public safety	512,376
Judicial and court related	11,286
Public works	752,600
Health, sanitation, and welfare	<u>18,254</u>

Total	\$ 1,330,210
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Business-type Activities

Nursing center	<u>\$ 115,929</u>
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5. OTHER ASSETS

During the years ended November 30, 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 the 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 has 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.

6. LONG-TERM DEBT

a. Refunding Debt Certificates (Mill Race)

In May 2006, the County issued \$6,000,000 of Debt Certificates to pay part of the cost of a public improvement project related to economic development.

In 2012, the County issued \$4,330,000 of Taxable Refunding Debt Certificates, Series 2012A and \$1,315,000 Refunding Debt Certificates, Series 2012B to refund all of the outstanding 2006 Debt Certificates.

Principal and interest payments are due annually on December 1 ending December 1, 2031. Interest rates range from 4.0% to 6.375%. The following is a schedule of debt payments due over the remaining life of the certificates:

6. LONG-TERM DEBT (Continued)

Year Ending December 31,	Principal	Interest
2020	\$ 240,000	\$ 227,488
2021	255,000	213,328
2022	270,000	198,283
2023	285,000	182,353
2024	300,000	165,538
2025-2029	1,810,000	522,819
2030-2031	870,000	60,819
Total	\$ 4,030,000	\$ 1,570,628

b. General Obligation Refunding Debt Certificates (Jail)

On May 1, 2018, the County issued Refunding Debt certificates, Series 2018, to pay the remaining principal and interest on the County's outstanding Debt (Jail) Certificates, Series 2007. The Refunding Debt Certificates, Series 2018, were issued in the amount of \$3,740,000 bearing an interest rate of 3.07% and 100% of the proceeds were used to defease the Debt Certificate, Series 2007.

The following is a repayment schedule for the debt:

Year Ending December 31,	Principal	Interest
2020	\$ 613,162	\$ 78,835
2021	631,986	60,011
2022	651,388	40,609
2023	671,386	20,611
Total	\$ 2,567,922	\$ 200,066

6. LONG-TERM DEBT (Continued)

c. Refunding Debt Certificates (Highway)

In August 2002, the County issued \$2,000,000 of Debt certificates to pay part of the cost of building and equipping a building and related facilities for the County's Highway Department.

On April 14, 2014, the County issued Refunding Debt certificates, Series 2014, to pay the remaining principal and interest on the County's outstanding Debt certificate, Series 2002. The Refunding Debt Certificates, Series 2014, were issued in the amount of \$915,000 and, 100% of the proceeds were used to defease the Debt certificate, Series 2002.

The following is the repayment schedule for the debt.

Year Ending December 31,	Principal	Interest
2020	\$ 140,000	\$ 4,550
Total	\$ 140,000	\$ 4,550

d. Summary of Changes in Long Term Debt

	Balances January 1, 2019	Additions	Reductions	Balances December 31, 2019	Current Portion
Governmental Activities					
Debt certificates	\$ 7,702,821	\$ -	\$ 964,899	\$ 6,737,922	\$ 993,162
Compensated absences	617,804	-	226,454	391,350	-
Total Governmental Activities	\$ 8,320,625	\$ -	\$ 1,191,353	\$ 7,129,272	\$ 993,162

	Balances January 1, 2019	Additions	Reductions	Balances December 31, 2019	Current Portion
Business-Type Activities					
Compensated absences	\$ 90,058	\$ 3,872	\$ -	\$ 93,930	\$ -

The County is subject to a debt limitation of 5.75% of its assessed valuation of \$679,200,247. As of December 31, 2019, the County had \$32,316,609 of remaining legal debt margin.

7. DEBT DEFEASANCE

In April 2014, the County defeased the series 2002 general obligation bond by placing the proceeds of the Series 2014 general obligation refunding bond issue in an irrevocable trust fund. New debt was issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the County's financial statements. As of December 31, 2019, the amount of defeased debt from the series 2002 bond outstanding but removed from the County's financial statements amounted to \$410,000.

8. INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of interfund receivables and payables due at December 31, 2019.

Fund	Interfund Receivables	Interfund Payables
Governmental Funds:		
Major funds		
General	\$ 282,406	\$ -
County Health	49,335	-
County Highway	-	378,500
Non-major governmental	402,244	355,485
Total	<u>\$ 733,985</u>	<u>\$ 733,985</u>

The purpose of the interfund balances is to fund short-term cash shortfalls in the various funds. They will be paid back as cash positions in the borrowing funds improve.

9. NET POSITION

Net position reported on the government wide statement of net position at December 31, 2019:

Governmental Activities

Net investment in capital assets:

Land and other nondepreciable assets	\$ 288,555
Other capital assets, net of accumulated depreciation	20,337,310
Less: related long-term debt outstanding	(6,737,922)
Total net investment in capital assets	<u>13,887,943</u>

Restricted:

State statutes and enabling legislation	6,856,631
Total restricted	<u>6,856,631</u>

Unrestricted	<u>7,163,675</u>
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Total governmental activities net position	<u>\$ 27,908,249</u>
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Business-Type Activities

Net investment in capital assets:

Other capital assets, net of accumulated depreciation	\$ 1,300,729
Less: related long-term debt outstanding	-
Total net investment in capital assets	<u>1,300,729</u>

Restricted:

Donors and bequests	19,300
Total restricted	<u>19,300</u>

Unrestricted	<u>2,517,432</u>
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Total business-type activities net position	<u>\$ 3,837,461</u>
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10. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the how these balances are reported.

Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

10. FUND BALANCE REPORTING (Continued)

Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Examples of these restrictions could be those imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

The County commits fund balance by making motions or passing resolution to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contract requirements.

Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Board to assign amounts to be used for specific purposes. The County has no balances that are assigned at year-end.

Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts that have not been restricted, committed, or assigned to specific purposes and for funds with negative fund balances.

The different classifications of fund balance are listed below:

Nonspendable		
Major Funds		
County Health Department - inventory	\$	2,407
Nonmajor		
Liability Insurance - prepaids		<u>125,825</u>
Total nonspendable		<u>128,232</u>

STEPHENSON COUNTY, ILLINOIS
Notes to Financial Statements
December 31, 2019

10. FUND BALANCE REPORTING (Continued)

Restricted	
Major Funds	
State statutes enabling legislation	
County Health Department	512,162
County Highway	12,390
Nonmajor Funds	
State statutes enabling legislation	
County Bridge	934,290
County Matching	175,325
County Motor Fuel Tax	196,576
Geographic Information Systems	46,847
DUI Equipment	13,172
Youth Diversion	7,471
Mental Health	130,726
Tuberculosis	267,419
Animal Control	76,609
Circuit Clerk Administration and Operations	16,362
Social Security Contribution	62,207
Educational Extension Service	167,909
Emergency Service & Disaster Agency	121,605
ETSB 911	1,943,814
Drug Funds	62,865
Waste Management	30,000
Mechanical Document Storage	59,378
Public Safety	816,801
Court Automation	49,247
Probation Service Fee	354,604
Document Storage - Circuit Clerk	28,356
Treasurer Automation	99,920
Court Supervision	11,877
Law Library	7,253
Liability Insurance	49,718
Public Health Foundation	
of Northwest Illinois	30,806
Capital	142,128
Mill Race Crossing	106,206
Highway Building	31,242
Debt Service	290,766
Externally imposed by grantors	
Environmental Remediation	580
Total restricted fund balance	6,856,631

10. FUND BALANCE REPORTING (Continued)

Unassigned	
Major Fund	
General	4,770,835
Nonmajor Funds	
Illinois Municipal Retirement Fund	(100,013)
Coroner's	(16,747)
	<hr/>
Total unassigned	4,654,075
	<hr/>
Total governmental fund balances	\$ 11,638,938
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11. RETIREMENT PLANS

a. Illinois Municipal Retirement Fund

Plan Description

The County's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The County's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

11. RETIREMENT PLANS (Continued)

Benefits Provided

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

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

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Regular Plan (RP):

Employees Covered by the Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	238
Inactive plan members entitled to but not yet receiving benefits	334
Active plan members	246
Total	<u>818</u>

Contributions

As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rates for calendar years 2018 and 2019 were 8.34% and 5.76%, respectively. For the fiscal period ended December 31, 2019, the County contributed \$551,617 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

11. RETIREMENT PLANS (Continued)

Net Pension Liability

The County's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability for the plan was determined by an actuarial valuation performed as of December 31, 2018 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment Rate of Return	7.25%
Price inflation	2.50%
Salary increases	3.39% to 14.25%, including inflation

Mortality

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

11. RETIREMENT PLANS (Continued)

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic equity	37.0%	7.15%
International equity	18.0%	7.25%
Fixed income	28.0%	3.75%
Real estate	9.0%	6.25%
Alternative investments	7.0%	3.20-8.50%
Cash equivalents	1.0%	2.50%
	<u>100.0%</u>	

Single Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

11. RETIREMENT PLANS (Continued)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2017	\$ 49,289,225	\$ 52,758,914	\$ (3,469,689)
Changes for the year:			
Service Cost	855,723	-	855,723
Interest on the Total Pension Liability	3,620,732	-	3,620,732
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,288,934	-	1,288,934
Changes of Assumptions	1,398,809	-	1,398,809
Contributions - Employer	-	750,705	(750,705)
Contributions - Employees	-	435,505	(435,505)
Net Investment Income	-	(3,163,453)	3,163,453
Benefit Payments, including Refunds of Employee Contributions	(2,881,330)	(2,881,330)	-
Other (Net Transfer)	-	1,027,343	(1,027,343)
Net Changes	4,282,868	(3,831,230)	8,114,098
Balances at December 31, 2018	\$ 53,572,093	\$ 48,927,684	\$ 4,644,409

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the County calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be 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)	\$ 10,956,529	\$ 4,644,409	\$ (585,744)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the period ended December 31, 2019, the County recognized pension expense of \$677,274. The County reported deferred outflows and inflows of resources related to pension from the following sources:

11. RETIREMENT PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 900,162	\$ -
Changes in assumptions	877,604	466,351
Net difference between projected and actual earnings on pension plan investments	3,403,406	-
Total deferred amounts to be recognized in pension expense in future periods	5,181,172	466,351
Contributions subsequent to the measurement date	551,617	-
Total deferred amounts related to pensions	\$ 5,732,789	\$ 466,351

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2020	\$ 1,740,149
2021	1,146,142
2022	409,464
2023	1,419,066
2024	-
Thereafter	-
Total	\$ 4,714,821

Payable to the Pension Plan

At December 31, 2019, the County reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2019.

Sherriff's Law Enforcement (SLEP):

Employees Covered by the Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	64
Inactive plan members entitled to but not yet receiving benefits	19
Active plan members	47
Total	130

11. RETIREMENT PLANS (Continued)

Contributions

As set by statute, the County's SLEP Plan Members are required to contribute 7.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar years 2018 and 2019 were 19.49% and 18.85%, respectively. For the fiscal year ended December 31, 2019, the County contributed \$561,162 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability for the plan was determined by an actuarial valuation performed as of December 31, 2018 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment Rate of Return	7.25%
Price inflation	2.50%
Salary increases	3.39% to 14.25%, including inflation

Mortality

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Real Rate of Return

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

11. RETIREMENT PLANS (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic equity	37.0%	7.15%
International equity	18.0%	7.25%
Fixed income	28.0%	3.75%
Real estate	9.0%	6.25%
Alternative investments	7.0%	3.20-8.50%
	1.0%	2.50%
	<u>100.0%</u>	

Single Discount Rate

The discount rate 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 Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

11. RETIREMENT PLANS (Continued)

Changes in Net Pension Liability

The County's changes in net pension liability/(asset) for the calendar year ended December 31, 2018 were as follows:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 29,569,623	\$ 28,171,566	\$ 1,398,057
Changes for the year:			
Service Cost	512,561	-	512,561
Interest on the Total Pension Liability	2,175,176	-	2,175,176
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,960,803	-	1,960,803
Changes of Assumptions	977,257	-	977,257
Contributions - Employer	-	610,211	(610,211)
Contributions - Employees	-	254,293	(254,293)
Contributions - Other	-	-	-
Net Investment Income	-	(1,886,326)	1,886,326
Benefit Payments, including Refunds of Employee Contributions	(1,647,115)	(1,647,115)	-
Other (Net Transfer)	-	759,254	(759,254)
Net Changes	3,978,682	(1,909,683)	5,888,365
Balances at December 31, 2018	\$ 33,548,305	\$ 26,261,883	\$ 7,286,422

11. RETIREMENT PLANS (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the County calculated using the discount rate of 7.25% as well as what the County's net pension liability 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)	\$ 11,715,559	\$ 7,286,422	\$ 3,640,428

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2019, the County recognized pension expense of \$1,002,545. The County reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,744,128	\$ 215,321
Changes in assumptions	743,792	221,842
Net difference between projected and actual earnings on pension plan investments	2,001,245	-
Total deferred amounts to be recognized in pension expense in future periods	4,489,165	437,163
Contributions subsequent to the measurement date	561,162	-
Total deferred amounts related to pensions	\$ 5,050,327	\$ 437,163

11. RETIREMENT PLANS (Continued)

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2020	\$ 1,252,659
2021	927,965
2022	982,756
2023	888,622
2024	-
Thereafter	-
Total	<u>\$ 4,052,002</u>

Payable to the Pension Plan

At December 31, 2019, the County reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2019.

12. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue code Section 457. The plan, available to all eligible County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan was approved to comply with IRC Section 457(g), which allows for the plan to hold its assets in trust. Under these requirements, the assets of the plan are not subject to the general creditors of the County, the County does not own the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

13. OTHER POSTEMPLOYMENT BENEFITS

The County has evaluated its potential other postemployment benefits liability. The County provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the County are required to pay 100% of the current premium. However, only eight former employees have chosen to stay in the County's current health insurance plan. Therefore, there has been low utilization and, therefore, an immaterial implicit subsidy to calculate in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Additionally, the County has no former employees for whom the County was providing an explicit subsidy and no employees with agreements for future explicit subsidies upon retirement. Therefore, the County has not recorded any postemployment benefit liability as of December 31, 2019.

14. INTERFUND TRANSFERS

Below are the interfund transfers for the period ended December 31, 2019:

	Transfers In	Transfers Out
Governmental Funds:		
Major funds		
General	\$ 40,000	\$ 2,310,335
County Health Department	250,000	100,000
County Highway	548,586	320,000
Non-major governmental	3,974,058	1,669,150
Proprietary Funds:		
Nursing Center	-	360,300
Fiduciary Funds:		
Township MFT	-	52,859
Total	<u>\$ 4,812,644</u>	<u>\$ 4,812,644</u>

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

15. 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; and natural disasters. In order to handle such risks of loss, the County purchases insurance coverage through ICRMT. The deductibles in effect through these policies as of December 31, 2019 were \$50,000 for liability and \$5,000 for property. The amounts of settlements have not exceeded insurance coverage for any of the past three years.

16. CONTINGENCIES

From time to time, the County is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the County's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

The County had exposure to deductibles relating to claims for worker's compensation, general liability insurance, law enforcement insurance, and automobile insurance for the year ended December 31, 2019. The County is liable for the amount of the deductible relating to each claim, and any amount over the deductible is to be paid by the insurance company. Although the County has exposure to deductibles relating to open claims, it is not reasonably estimable the amount of deductibles the County will pay for each claim.

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STEPHENSON COUNTY, ILLINOIS

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ 9,018,230	\$ 8,832,300	\$ (185,930)
Charges for services	2,868,500	3,118,917	250,417
Intergovernmental	36,923	16,575	(20,348)
Miscellaneous	107,500	22,124	(85,376)
Total revenues	12,031,153	11,989,916	(41,237)
Expenditures			
General government and administration	2,375,316	2,633,792	258,476
Judiciary and court related	4,992,105	4,775,246	(216,859)
Public safety	2,506,034	2,357,728	(148,306)
Total expenditures	9,873,455	9,766,766	(106,689)
Excess of revenues over expenditures	2,157,698	2,223,150	65,452
Other Financing Sources (Uses)			
Operating transfers in	92,000	40,000	(52,000)
Operating transfers out	(2,095,335)	(2,310,335)	(215,000)
Total other financing sources (uses)	(2,003,335)	(2,270,335)	(267,000)
Net change in fund balance	\$ 154,363	(47,185)	\$ (201,548)
Fund balance, beginning of year		4,818,020	
Fund Balance, End of Year		\$ 4,770,835	

STEPHENSON COUNTY, ILLINOIS

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual

County Health Department

For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ 40,722	\$ 39,468	\$ (1,254)
Charges for service	1,897,797	1,510,172	(387,625)
Grants	893,340	824,429	(68,911)
Intergovernmental	110,370	11,075	(99,295)
IMRF/FICA reimbursements	-	-	-
Miscellaneous	251,447	26,704	(224,743)
Total revenues	3,193,676	2,411,848	(781,828)
Expenditures			
Health and welfare	3,482,250	3,209,461	(272,789)
Total expenditures	3,482,250	3,209,461	(272,789)
Excess (deficiency) of revenues over (under) expenditures	(288,574)	(797,613)	(509,039)
Other Financing Sources			
Operating transfers in	308,685	250,000	(58,685)
Operating transfers out	(20,000)	(100,000)	(80,000)
Total other financing sources	288,685	150,000	(138,685)
Net change in fund balance	\$ 111	(647,613)	\$ (647,724)
Fund balance, beginning of year		1,162,182	
Fund Balance, End of Year		\$ 514,569	

STEPHENSON COUNTY, ILLINOIS

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual

County Highway Fund

For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ 630,000	\$ 609,083	\$ (20,917)
Charges for services	63,000	61,777	(1,223)
Miscellaneous	64,400	215,280	150,880
Total revenues	757,400	886,140	128,740
Expenditures			
Public works	768,820	873,699	104,879
Total expenditures	768,820	873,699	104,879
Deficiency of revenues under expenditures	(11,420)	12,441	23,861
Other Financing Sources (Uses)			
Transfers in	347,000	495,727	148,727
Transfers out	(320,000)	(320,000)	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	27,000	175,727	148,727
Net change in fund balance	\$ 15,580	188,168	\$ 172,588
Fund balance, beginning of year		(175,778)	
Fund Balance, End of Year		\$ 12,390	

STEPHENSON COUNTY, ILLINOIS

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
 Illinois Municipal Retirement Fund - Regular Plan
 Last Five Calendar Years

	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY					
Service cost	\$ 855,723	\$ 854,910	\$ 898,865	\$ 911,840	\$ 970,453
Interest	3,620,732	3,592,518	3,536,522	3,394,929	3,183,911
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	1,288,934	312,141	(1,007,289)	145,935	(591,620)
Changes of assumptions	1,398,809	(1,591,037)	(54,619)	54,558	1,654,801
Benefit payments, including refunds of member contributions	(2,881,330)	(2,704,176)	(2,631,512)	(2,468,316)	(2,281,012)
Net Change in Total Pension Liability	4,282,868	464,356	741,967	2,038,946	2,936,533
Total Pension Liability - Beginning	49,289,225	48,824,869	48,082,902	46,043,956	43,107,423
TOTAL PENSION LIABILITY - ENDING	\$ 53,572,093	\$ 49,289,225	\$ 48,824,869	\$ 48,082,902	\$ 46,043,956
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 750,705	\$ 736,240	\$ 690,362	\$ 777,235	\$ 833,192
Contributions - member	435,505	379,154	363,582	394,788	391,175
Net investment income	(3,163,453)	8,472,149	3,100,794	235,758	2,772,783
Benefit payments, including refunds of member contributions	(2,881,330)	(2,704,176)	(2,631,512)	(2,468,316)	(2,281,012)
Administrative expense	1,027,343	(1,147,857)	(182,199)	(1,056,920)	99,910
Net Change in Plan Fiduciary Net Position	(3,831,230)	5,735,510	1,341,027	(2,117,455)	1,816,048
Plan Net Position - Beginning	52,758,914	47,023,404	45,682,377	47,799,832	45,983,784
PLAN NET POSITION - ENDING	\$ 48,927,684	\$ 52,758,914	\$ 47,023,404	\$ 45,682,377	\$ 47,799,832
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 4,644,409	\$ (3,469,689)	\$ 1,801,465	\$ 2,400,525	\$ (1,755,876)
Plan fiduciary net position as a percentage of the total pension liability	91.33%	107.04%	96.31%	95.01%	103.81%
Covered-employee payroll	\$ 9,001,351	\$ 8,359,047	\$ 8,083,343	\$ 8,773,077	\$ 8,283,429
Employer's net pension liability as a percentage of covered - employee payroll	51.60%	-41.51%	22.29%	27.36%	-21.20%

The County implemented GASB 68 in fiscal year 2015.
 Information prior to fiscal year 2015 is not available

STEPHENSON COUNTY, ILLINOISSchedule of Changes in the Employer's Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund - SLEP Plan
Last Five Calendar Years

	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY					
Service cost	\$ 512,561	\$ 551,290	\$ 544,228	\$ 546,471	\$ 529,175
Interest	2,175,176	2,097,024	2,053,850	1,902,503	1,790,859
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	1,960,803	318,574	(658,550)	786,895	(263,153)
Changes of assumptions	977,257	(355,003)	(69,243)	34,004	507,049
Benefit payments, including refunds of member contributions	(1,647,115)	(1,453,865)	(1,288,912)	(1,133,951)	(966,322)
Net Change in Total Pension Liability	3,978,682	1,158,020	581,373	2,135,922	1,597,608
Total Pension Liability - Beginning	29,569,623	28,411,603	27,830,230	25,694,308	24,096,700
TOTAL PENSION LIABILITY - ENDING	\$ 33,548,305	\$ 29,569,623	\$ 28,411,603	\$ 27,830,230	\$ 25,694,308
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 610,211	\$ 645,289	\$ 569,063	\$ 629,218	\$ 626,776
Contributions - member	254,293	211,024	209,681	227,737	209,477
Net investment income	(1,886,326)	4,440,159	1,630,767	117,885	1,373,969
Benefit payments, including refunds of member contributions	(1,647,115)	(1,453,865)	(1,288,912)	(1,133,951)	(966,322)
Administrative expense	759,254	(379,759)	54,146	(22,358)	(117,580)
Net Change in Plan Fiduciary Net Position	(1,909,683)	3,462,848	1,174,745	(181,469)	1,126,320
Plan Net Position - Beginning	28,171,566	24,708,718	23,533,973	23,715,442	22,589,122
PLAN NET POSITION - ENDING	\$ 26,261,883	\$ 28,171,566	\$ 24,708,718	\$ 23,533,973	\$ 23,715,442
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 7,286,422	\$ 1,398,057	\$ 3,702,885	\$ 4,296,257	\$ 1,978,866
Plan fiduciary net position as a percentage of the total pension liability	78.28%	95.27%	86.97%	84.56%	92.30%
Covered-employee payroll	\$ 3,130,796	\$ 2,813,647	\$ 2,805,410	\$ 3,036,479	\$ 2,751,781
Employer's net pension liability as a percentage of covered - employee payroll	232.73%	49.69%	131.99%	141.49%	71.91%

The County implemented GASB 68 in fiscal year 2015.
Information prior to fiscal year 2015 is not available

STEPHENSON COUNTY, ILLINOIS
Schedule of Employer Contributions
Illinois Municipal Retirement Fund - Regular Plan
Last Five Calendar Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 551,708	\$ 551,617	\$ 91	\$ 9,578,261	5.76%
2018	750,713	750,705	8	9,001,351	8.34%
2017	719,714	736,240	(16,526)	8,359,047	8.81%
2016	665,259	690,362	(25,103)	8,083,343	8.54%
2015	777,295	777,235	60	8,773,077	8.86%
2014	796,866	833,192	(36,326)	8,283,429	10.06%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	25 years closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.50%
Price inflation	2.75%
Salary increases	3.75% - 14.50%
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

STEPHENSON COUNTY, ILLINOIS
Schedule of Employer Contributions
Illinois Municipal Retirement Fund - SLEP Plan
Last Five Calendar Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 560,269	\$ 561,162	\$ (893)	\$ 2,972,251	18.88%
2018	610,192	610,211	(19)	3,130,796	19.49%
2017	584,957	645,289	(60,332)	2,813,647	22.93%
2016	572,304	569,063	3,241	2,805,410	20.28%
2015	629,158	629,218	(60)	3,036,479	20.72%
2014	580,075	626,776	(46,701)	2,751,781	22.78%

Notes to Schedule

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

Methods and assumptions used to determine 2017 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	25 years closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.50%
Price inflation	2.75%
Salary increases	3.75% - 14.50%
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

BUDGETS

Annual budgets are adopted on a cash basis, which is not consistent with generally accepted accounting principles (GAAP) basis.

The appropriated budget is prepared by fund, function, and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of expenditures over appropriations

For the year ended December 31, 2019, expenditures exceeded appropriations in the County Highway Fund by \$104,879, County Motor Fuel Tax Fund by \$183,742, the Mechanical Document Storage Fund by \$947, the DUI Equipment Fund by \$5,149, the Circuit Clerk Administration and Operations Fund by \$35,049, the Drug Fund by \$10,766, the Social Security Contribution Fund by \$38,128, the Court Supervision Fund by \$1,339, the Waste Management Fund by \$52, the Law Library Fund by \$3,708, and the Debt Service Fund by \$5,173.

Deficit Fund Balance

At December 31, 2019, the IMRF Fund had a deficit fund balance of \$100,013 and the Coroner's Fund had a deficit fund balance of \$16,747.

STEPHENSON COUNTY, ILLINOIS
 Budget to Actual Comparison - Major Funds
 For the Year Ended December 31, 2019

General Fund	Budget	Actual	Variance
Revenues			
Taxes	\$ 9,018,230	\$ 8,832,300	\$ (185,930)
Charges for service	2,868,500	3,118,917	250,417
Intergovernmental	36,923	16,575	(20,348)
Miscellaneous	107,500	22,124	(85,376)
Total revenues	\$ 12,031,153	\$ 11,989,916	\$ (41,237)
Expenditures			
General government			
County properties	\$ 178,256	\$ 171,173	\$ 7,083
County board	115,360	104,240	11,120
County treasurer	104,415	103,528	887
County clerk and elections	201,334	199,076	2,258
Zoning	74,685	69,399	5,286
Administrative services	333,230	234,091	99,139
Facilities management	80,046	61,818	18,228
Election expense	312,403	223,773	88,630
Assessor	253,311	275,270	(21,959)
Recreation and conservation	23,180	17,798	5,382
Economic development	41,036	44,477	(3,441)
Miscellaneous	658,060	1,129,149	(471,089)
Public safety			
Sheriff	2,506,034	2,357,728	148,306
Judiciary and court related			
State's attorney	650,098	643,607	6,491
Public defender	424,544	425,521	(977)
Circuit clerk	408,800	390,827	17,973
Judiciary	28,440	25,727	2,713
Corrections	2,423,588	2,334,946	88,642
Court ordered	46,250	36,381	9,869
Jury commission	29,090	20,122	8,968
Probation	913,513	841,928	71,585
Merit commission	10,250	3,835	6,415
Jail building	57,532	52,352	5,180
Total expenditures	\$ 9,873,455	\$ 9,766,766	\$ 106,689
Other financing sources (uses)			
Operating transfers in	\$ 92,000	\$ 40,000	\$ (52,000)
Operating transfers out	(2,095,335)	(2,310,335)	(215,000)
Total other financing sources (uses)	\$ (2,003,335)	\$ (2,270,335)	\$ (267,000)

STEPHENSON COUNTY, ILLINOIS

Budget to Actual Comparison - Major Funds

For the Year Ended December 31, 2019

County Health Department	Budget	Actual	Variance
Revenues			
Taxes	\$ 40,722	\$ 39,468	\$ (1,254)
Charges for service	1,897,797	1,510,172	(387,625)
Grants	893,340	824,429	(68,911)
Intergovernmental	110,370	11,075	(99,295)
IMRF/FICA reimbursements			-
Miscellaneous	251,447	26,704	(224,743)
Total revenues	<u>\$ 3,193,676</u>	<u>\$ 2,411,848</u>	<u>\$ (781,828)</u>
Expenditures			
Health and welfare	<u>\$ 3,482,250</u>	<u>\$ 3,209,461</u>	<u>\$ 272,789</u>
Other financing sources (uses)			
Operating transfers in	\$ 308,685	\$ 250,000	\$ (58,685)
Operating transfers out	(20,000)	(100,000)	(80,000)
Total other financing sources (uses)	<u>\$ 288,685</u>	<u>\$ 150,000</u>	<u>\$ (138,685)</u>

STEPHENSON COUNTY, ILLINOIS

Budget to Actual Comparison - Major Funds
For the Year Ended December 31, 2019

County Highway	Budget	Actual	Variance
Revenues			
Taxes	\$ 630,000	\$ 609,083	\$ (20,917)
Charges for services	63,000	61,777	(1,223)
Miscellaneous	64,400	215,280	150,880
Total revenues	<u>\$ 757,400</u>	<u>\$ 886,140</u>	<u>\$ 128,740</u>
Expenditures			
Public works	<u>\$ 768,820</u>	<u>\$ 873,699</u>	<u>\$ (104,879)</u>
Other financing sources (uses)			
Operating transfers in	\$ 347,000	\$ 495,727	\$ 148,727
Operating transfers out	(320,000)	(320,000)	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>\$ 27,000</u>	<u>\$ 175,727</u>	<u>\$ 148,727</u>

STEPHENSON COUNTY, ILLINOIS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Total Nonmajor Governmental Funds	Special Revenue		
		IMRF	County Bridge	County Matching
Assets				
Cash and investments	\$ 5,839,736	\$ 322,713	\$ 560,175	\$ 177,899
Accounts receivable	633,720	-	-	-
Property tax receivable	3,233,275	1,100,000	155,000	310,000
Due from other funds	402,244	-	398,477	-
Prepaid expenditures	125,825	-	-	-
Total Assets	10,234,800	\$ 1,422,713	\$ 1,113,652	\$ 487,899
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	262,083	\$ 138,699	\$ 23,367	\$ -
Accrued payroll	42,813	-	995	2,574
Due to other funds	355,485	284,027	-	-
Total liabilities	660,381	422,726	24,362	2,574
Deferred Inflows of Resources				
Property taxes levied for subsequent years	3,233,275	1,100,000	155,000	310,000
Total deferred inflows of resources	3,233,275	1,100,000	155,000	310,000
Fund Balances				
Nonspendable	125,825	-	-	-
Restricted	6,332,079	-	934,290	175,325
Unassigned	(116,760)	(100,013)	-	-
Total fund balances	6,341,144	(100,013)	934,290	175,325
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,234,800	\$ 1,422,713	\$ 1,113,652	\$ 487,899

Special Revenue						
County Motor Fuel Tax	Geographic Information Systems	DUI Equipment	Youth Diversion	Mental Health	Tuberculosis	
\$ 173,643	\$ 56,328	\$ 13,172	\$ 7,572	\$ 130,726	\$ 316,754	
81,076	-	-	-	-	-	
-	-	-	-	332,000	58,665	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$ 254,719	\$ 56,328	\$ 13,172	\$ 7,572	\$ 462,726	\$ 375,419	
\$ 22,841	\$ 8,024	\$ -	\$ -	\$ -	\$ -	
15,325	1,457	-	101	-	-	
19,977	-	-	-	-	49,335	
58,143	9,481	-	101	-	49,335	
-	-	-	-	332,000	58,665	
-	-	-	-	332,000	58,665	
-	-	-	-	-	-	
196,576	46,847	13,172	7,471	130,726	267,419	
-	-	-	-	-	-	
196,576	46,847	13,172	7,471	130,726	267,419	
\$ 254,719	\$ 56,328	\$ 13,172	\$ 7,572	\$ 462,726	\$ 375,419	

(Continued)

STEPHENSON COUNTY, ILLINOIS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Special Revenue			
	Animal Control	Veteran's Assistance Commission	Circuit Clerk Administration & Operations	Social Security Contribution
Assets				
Cash and investments	\$ 79,673	\$ -	\$ 16,362	\$ 62,207
Accounts receivable	-	-	-	-
Property tax receivable	-	182,610	-	300,000
Due from other funds	-	-	-	-
Prepaid expenditures	-	-	-	-
Total Assets	\$ 79,673	\$ 182,610	\$ 16,362	\$ 362,207
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 1,479	\$ -	\$ -	\$ -
Accrued payroll	1,585	-	-	-
Due to other funds	-	-	-	-
Total liabilities	3,064	-	-	-
Deferred Inflows of Resources				
Property taxes levied for subsequent years	-	182,610	-	300,000
Total deferred inflows of resources	-	182,610	-	300,000
Fund Balances				
Nonspendable	-	-	-	-
Restricted	76,609	-	16,362	62,207
Unassigned	-	-	-	-
Total fund balances	76,609	-	16,362	62,207
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 79,673	\$ 182,610	\$ 16,362	\$ 362,207

Special Revenue					
Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911	Drug Funds	Waste Management	Mechanical Document Storage
\$ 167,909	\$ 126,689	\$ 1,947,089	\$ 62,865	\$ -	\$ 59,378
-	-	-	-	30,000	-
195,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 362,909</u>	<u>\$ 126,689</u>	<u>\$ 1,947,089</u>	<u>\$ 62,865</u>	<u>\$ 30,000</u>	<u>\$ 59,378</u>
\$ -	\$ 3,314	\$ 1,884	\$ -	\$ -	\$ -
-	1,770	1,391	-	-	-
-	-	-	-	-	-
-	5,084	3,275	-	-	-
195,000	-	-	-	-	-
195,000	-	-	-	-	-
-	-	-	-	-	-
167,909	121,605	1,943,814	62,865	30,000	59,378
-	-	-	-	-	-
167,909	121,605	1,943,814	62,865	30,000	59,378
<u>\$ 362,909</u>	<u>\$ 126,689</u>	<u>\$ 1,947,089</u>	<u>\$ 62,865</u>	<u>\$ 30,000</u>	<u>\$ 59,378</u>

STEPHENSON COUNTY, ILLINOIS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Special Revenue			
	Public Safety	Coroner's Fund	Court Automation	Probation Service Fee
Assets				
Cash and investments	\$ 361,511	\$ -	\$ 51,543	\$ 360,596
Accounts receivable	504,174	-	-	-
Property tax receivable	-	-	-	-
Due from other funds	(156,612)	-	-	-
Prepaid expenditures	-	-	-	-
Total Assets	\$ 709,073	\$ -	\$ 51,543	\$ 360,596
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 46,344	\$ 6,574	\$ 450	\$ 5,992
Accrued payroll	10,688	2,025	1,846	-
Due to other funds	(164,760)	8,148	-	-
Total liabilities	(107,728)	16,747	2,296	5,992
Deferred Inflows of Resources				
Property taxes levied for subsequent years	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	816,801	-	49,247	354,604
Unassigned	-	(16,747)	-	-
Total fund balances	816,801	(16,747)	49,247	354,604
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 709,073	\$ -	\$ 51,543	\$ 360,596

Special Revenue					
Document Storage - Circuit Clerk	Treasurer Automation	Court Supervision	Environmental Remediation	Law Library	Liability Insurance
\$ 23,319	\$ 99,920	\$ 11,877	\$ 580	\$ 7,253	\$ 50,843
6,895	-	-	-	-	-
-	-	-	-	-	600,000
-	-	-	-	-	160,379
-	-	-	-	-	125,825
<u>\$ 30,214</u>	<u>\$ 99,920</u>	<u>\$ 11,877</u>	<u>\$ 580</u>	<u>\$ 7,253</u>	<u>\$ 937,047</u>
\$ 369	\$ -	\$ -	\$ -	\$ -	\$ 2,746
1,489	-	-	-	-	-
-	-	-	-	-	158,758
<u>1,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,504</u>
-	-	-	-	-	600,000
-	-	-	-	-	600,000
-	-	-	-	-	125,825
28,356	99,920	11,877	580	7,253	49,718
-	-	-	-	-	-
<u>28,356</u>	<u>99,920</u>	<u>11,877</u>	<u>580</u>	<u>7,253</u>	<u>175,543</u>
<u>\$ 30,214</u>	<u>\$ 99,920</u>	<u>\$ 11,877</u>	<u>\$ 580</u>	<u>\$ 7,253</u>	<u>\$ 937,047</u>

(Continued)

STEPHENSON COUNTY, ILLINOIS

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2019

	Special Revenue		Capital Projects			
	Public Health					
	Foundation of					
	Northwest Illinois			Mill Race		
	(Blended Comp. Unit)		Capital	Crossing		
Assets						
Cash and investments	\$	30,798	\$	132,128	\$	106,206
Accounts receivable		1,575		10,000		-
Property tax receivable		-		-		-
Due from other funds		-		-		-
Prepaid expenditures		-		-		-
Total Assets	\$	32,373	\$	142,128	\$	106,206
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	\$	-	\$	-	\$	-
Accrued payroll		1,567		-		-
Due to other funds		-		-		-
Total liabilities		1,567		-		-
Deferred Inflows of Resources						
Property taxes levied for subsequent years		-		-		-
Total deferred inflows of resources		-		-		-
Fund Balances						
Nonspendable		-		-		-
Restricted		30,806		142,128		106,206
Unassigned		-		-		-
Total fund balances		30,806		142,128		106,206
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	32,373	\$	142,128	\$	106,206

Capital Projects		Debt Service	
Highway Building		Debt Service	
\$	31,242	\$	290,766
	-		-
	-		-
	-		-
	-		-
\$	31,242	\$	290,766
\$	-	\$	-
	-		-
	-		-
	-		-
	-		-
	-		-
	31,242		290,766
	-		-
	31,242		290,766
\$	31,242	\$	290,766

STEPHENSON COUNTY, ILLINOIS

Combining Schedule of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2019

	Total Nonmajor Governmental Funds	Special Revenue		
		IMRF	County Bridge	County Matching
Revenues				
Taxes	\$ 6,328,913	\$ 846,736	\$ 149,926	\$ 299,914
Charges for service	1,448,599	-	-	-
Intergovernmental	266,339	-	241,469	12,668
Miscellaneous	679,350	3,291	426	4,629
Total revenues	8,723,201	850,027	391,821	317,211
Expenditures				
General government	2,576,579	1,143,108	-	-
Public safety	2,348,162	-	-	-
Judiciary and court related	346,417	-	-	-
Public works	3,063,477	-	297,913	401,231
Health and welfare	621,883	-	-	-
Capital outlay	390,667	-	-	-
Debt service	1,311,161	-	-	-
Total expenditures	10,658,346	1,143,108	297,913	401,231
Excess (deficiency) of revenues over (under) expenditures	(1,935,145)	(293,081)	93,908	(84,020)
Other financing sources (uses)				
Operating transfers in	3,828,331	407,782	24,273	-
Operating transfers out	(1,523,423)	-	-	(30,000)
Total other financing sources (u	2,304,908	407,782	24,273	(30,000)
Net changes in fund balances	369,763	114,701	118,181	(114,020)
Fund balances, beginning of year	5,971,381	(214,714)	816,109	289,345
Fund Balances, End of Year	\$ 6,341,144	\$ (100,013)	\$ 934,290	\$ 175,325

Special Revenue					
County Motor Fuel Tax	Geographic Information Systems	DUI Equipment	Youth Diversion	Mental Health	Tuberculosis
\$ 867,919	\$ -	\$ -	\$ -	\$ 314,197	\$ 56,756
-	136,275	-	13,634	-	-
7,790	-	-	-	-	-
4,014	1,513	13,571	-	105	-
879,723	137,788	13,571	13,634	314,302	56,756
-	-	-	-	-	-
-	-	5,149	-	-	-
-	-	-	17,977	-	-
868,742	152,756	-	-	-	-
-	-	-	-	324,638	-
-	-	-	-	-	-
-	-	-	-	-	-
868,742	152,756	5,149	17,977	324,638	-
10,981	(14,968)	8,422	(4,343)	(10,336)	56,756
-	-	-	-	-	-
(150,000)	-	-	-	-	-
(150,000)	-	-	-	-	-
(139,019)	(14,968)	8,422	(4,343)	(10,336)	56,756
335,595	61,815	4,750	11,814	141,062	210,663
\$ 196,576	\$ 46,847	\$ 13,172	\$ 7,471	\$ 130,726	\$ 267,419

(Continued)

STEPHENSON COUNTY, ILLINOIS

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Special Revenue			
	Animal Control	Veteran's Assistance Commission	Circuit Clerk Administration & Operations	Social Security Contribution
Revenues				
Taxes	\$ -	\$ 176,603	\$ -	\$ 382,559
Charges for service	101,897	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	731	-	26,426	9,919
Total revenues	102,628	176,603	26,426	392,478
Expenditures				
General government	-	-	35,049	1,033,128
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public works	-	176,603	-	-
Health and welfare	97,563	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	97,563	176,603	35,049	1,033,128
Excess (deficiency) of revenues over (under) expenditures	5,065	-	(8,623)	(640,650)
Other financing sources (uses)				
Operating transfers in	-	-	-	352,518
Operating transfers out	-	-	-	-
Total other financing sources (u	-	-	-	352,518
Net changes in fund balances	5,065	-	(8,623)	(288,132)
Fund balances, beginning of year	71,544	-	24,985	350,339
Fund Balances, End of Year	\$ 76,609	\$ -	\$ 16,362	\$ 62,207

Special Revenue						
Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911	Drug Funds	Waste Management	Mechanical Document Storage	
\$ 185,679	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	766,773	-	-	62,772	
-	-	-	-	-	-	
196	55,047	36,012	5,702	76	1,324	
185,875	55,047	802,785	5,702	76	64,096	
190,100	25	-	-	-	54,132	
-	100,668	556,898	10,766	-	-	
-	-	-	-	-	-	
-	-	-	-	52	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
190,100	100,693	556,898	10,766	52	54,132	
(4,225)	(45,646)	245,887	(5,064)	24	9,964	
-	90,000	-	-	-	-	
-	-	(25,000)	-	(11,665)	-	
-	90,000	(25,000)	-	(11,665)	-	
(4,225)	44,354	220,887	(5,064)	(11,641)	9,964	
172,134	77,251	1,722,927	67,929	41,641	49,414	
\$ 167,909	\$ 121,605	\$ 1,943,814	\$ 62,865	\$ 30,000	\$ 59,378	

(Continued)

STEPHENSON COUNTY, ILLINOIS

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Special Revenue			
	Public Safety	Coroner's Fund	Court Automation	Probation Service Fee
Revenues				
Taxes	\$ 1,852,280	\$ -	\$ -	\$ -
Charges for service	-	12,128	112,251	86,874
Intergovernmental	-	4,412	-	-
Miscellaneous	60	-	605	3,296
Total revenues	1,852,340	16,540	112,856	90,170
Expenditures				
General government	-	-	-	-
Public safety	1,497,836	176,845	-	-
Judiciary and court related	-	-	122,932	54,713
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	181,313	-	-	-
Debt service	-	-	-	-
Total expenditures	1,679,149	176,845	122,932	54,713
Excess (deficiency) of revenues over (under) expenditures	173,191	(160,305)	(10,076)	35,457
Other financing sources (uses)				
Operating transfers in	932,000	164,760	-	-
Operating transfers out	(946,758)	-	-	(40,000)
Total other financing sources (u	(14,758)	164,760	-	(40,000)
Net changes in fund balances	158,433	4,455	(10,076)	(4,543)
Fund balances, beginning of year	658,368	(21,202)	59,323	359,147
Fund Balances, End of Year	\$ 816,801	\$ (16,747)	\$ 49,247	\$ 354,604

Special Revenue				
Document Storage - Circuit Clerk	Treasurer Automation	Court Supervision	Environmental Remediation	Law Library
\$ -	\$ -	\$ -	\$ -	\$ -
110,908	18,956	-	-	26,131
-	-	-	-	-
153	556	7,325	-	117
111,061	19,512	7,325	-	26,248
-	11,075	-	-	-
-	-	-	-	-
113,248	-	1,339	-	29,708
-	-	-	-	-
-	-	-	-	-
2,987	-	-	-	-
-	-	-	-	-
116,235	11,075	1,339	-	29,708
(5,174)	8,437	5,986	-	(3,460)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(5,174)	8,437	5,986	-	(3,460)
33,530	91,483	5,891	580	10,713
\$ 28,356	\$ 99,920	\$ 11,877	\$ 580	\$ 7,253

STEPHENSON COUNTY, ILLINOIS

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Special Revenue	
	Liability Insurance	Public Health Foundation of Northwest Illinois (Blended Comp. Unit)
Revenues		
Taxes	\$ 580,053	\$ -
Charges for service	-	-
Intergovernmental	-	-
Miscellaneous	340,259	144,617
Total revenues	920,312	144,617
Expenditures		
General government	24,102	-
Public safety	-	-
Judiciary and court related	-	-
Public works	1,114,409	-
Health and welfare	-	199,682
Capital outlay	-	-
Debt service	-	-
Total expenditures	1,138,511	199,682
Excess (deficiency) of revenues over (under) expenditures	(218,199)	(55,065)
Other financing sources (uses)		
Operating transfers in	200,000	-
Operating transfers out	-	-
Total other financing sources (uses)	200,000	-
Net changes in fund balances	(18,199)	(55,065)
Fund balances, beginning of year	193,742	85,871
Fund Balances, End of Year	\$ 175,543	\$ 30,806

Capital Projects			Debt Service
Capital	Mill Race Crossing	Highway Building	Debt Service
\$ 382,085	\$ 234,206	\$ -	\$ -
-	-	-	-
-	-	-	-
178	17,936	672	594
382,263	252,142	672	594
85,860	-	-	-
-	-	-	-
6,500	-	-	-
-	51,771	-	-
-	-	-	-
206,367	-	-	-
-	-	-	1,311,161
298,727	51,771	-	1,311,161
83,536	200,371	672	(1,310,567)
-	-	150,000	1,506,998
-	(170,000)	(150,000)	-
-	(170,000)	-	1,506,998
83,536	30,371	672	196,431
58,592	75,835	30,570	94,335
\$ 142,128	\$ 106,206	\$ 31,242	\$ 290,766

STEPHENSON COUNTY, ILLINOIS

Schedule of Changes in Assets and Liabilities - Fiduciary Fund - Agency Funds

For the Year Ended December 31, 2019

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
Assets				
Cash and investments				
Administration				
Township bridge fund	\$ 183,466	\$ 786	\$ (183,220)	\$ 1,032
Township motor fuel	624,388	1,370,351	(1,558,286)	436,453
Total administration	807,854	1,371,137	(1,741,506)	437,485
Circuit clerk				
General fund money market	250,041	538	(547)	250,032
General fund	383,224	2,826,508	(2,777,303)	432,429
Deposits with court	19	-	-	19
Certificates of deposit	180,000	-	-	180,000
Total circuit clerk	813,284	2,827,046	(2,777,850)	862,480
Collector				
Collector account	358,384	121,390,356	(121,402,176)	346,564
Sale in error	60,644	26,511	(14,047)	73,108
Escrow	38,157	254,772	(255,548)	37,381
Special	226,979	122,904	(172,928)	176,955
Indemnity	59,387	13,297	(37,170)	35,514
Trustee payment	10,795	104,278	(83,220)	31,853
Total collector	754,346	121,912,118	(121,965,089)	701,375
County clerk				
Delinquent taxes	45,764	863,364	(825,837)	83,291
Total county clerk	45,764	863,364	(825,837)	83,291
Nursing center				
Gift shop	820	302	(505)	617
Resident trust	11,647	80,540	(81,254)	10,933
Pop	662	2,691	(2,596)	757
Willows	6,991	-	(864)	6,127
Total nursing center	20,120	83,533	(85,219)	18,434
Probation				
Probation restitution	11,620	-	-	11,620
Total probation	11,620	-	-	11,620
Sheriff				
Prisoner account	2,374	687,449	(650,158)	39,665
Jail employee pop	179	342	(265)	256
Prisoner trust	27,770	276,111	(303,881)	-
Civil process	2,882	53,816	-	56,698
Reserve unit		24,894	-	24,894
Total sheriff	\$ 33,205	\$ 1,042,612	\$ (954,304)	\$ 121,513

(Continued)

STEPHENSON COUNTY, ILLINOIS**Schedule of Changes in Assets and Liabilities - Fiduciary Fund - Agency Funds**

For the Year Ended December 31, 2019

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
Assets				
Cash and investments				
Treasurer				
Enterprise zone	\$ 221,265	\$ 50,176	\$ (64,447)	\$ 206,994
Mobile home	56,182	50,659	(44,761)	62,080
Zoning public hearing	2,265	-	-	2,265
Total treasurer	279,712	100,835	(109,208)	271,339
Total assets	\$ 2,765,905	\$ 128,200,645	\$(128,459,013)	\$ 2,507,537
Liabilities				
Due to others				
Total administration	\$ 807,854	\$ 1,371,137	\$ (1,741,506)	\$ 437,485
Total circuit clerk	813,284	2,827,046	(2,777,850)	862,480
Total collector	754,346	121,912,118	(121,965,089)	701,375
Total county clerk	45,764	863,364	(825,837)	83,291
Total nursing center	20,120	83,533	(85,219)	18,434
Total probation	11,620	-	-	11,620
Total sheriff	33,205	1,042,612	(954,304)	121,513
Total treasurer	279,712	100,835	(109,208)	271,339
Total liabilities	\$ 2,765,905	\$ 128,200,645	\$(128,459,013)	\$ 2,507,537

(Concluded)

STEPHENSON COUNTY, ILLINOIS

Assessed Valuations, Tax Rates,
Extensions, and Collections
Tax Levy Year - 2016

	Tax Year 2016	
Assessed Valuation	\$ 625,804,454	
Property tax rates and extensions	Rate	Amount
County General	0.89103	\$ 5,576,106
County Highway	0.10067	629,997
County Bridge	0.00240	15,019
County Matching	0.00240	15,019
Tuberculosis	0.00938	58,701
Mental Health	0.04855	303,828
Illinois Municipal Retirement	0.06392	400,014
Educational Extension Service	0.02638	165,087
Liability Insurance	0.09588	600,021
County Health Department	0.00651	40,740
Social Security Contribution	0.04794	300,011
Veterans Assistance	0.02918	182,610
Nursing Home	0.07990	500,018
Total property tax rates and extensions	1.40414	\$ 8,787,171
Property tax collection		
County General		\$ 5,574,208
County Highway		629,780
County Bridge		15,012
County Matching		15,012
Tuberculosis		58,678
Mental Health		303,721
Illinois Municipal Retirement		399,881
Educational Extension Service		165,028
Liability Insurance		599,818
County Health Department		40,723
Social Security Contribution		299,909
Veterans Assistance		182,544
Nursing Home		499,845
Total property tax collection		\$ 8,784,159
Percentage collected		100.0%

STEPHENSON COUNTY, ILLINOIS

Assessed Valuations, Tax Rates,

Tax Levy Year - 2017

	Tax Year 2017	
Assessed Valuation	\$ 661,300,453	
Property tax rates and extensions	Rate	Amount
County General	0.82148	\$ 5,432,451
County Highway	0.09943	657,531
County Bridge	0.00395	26,121
County Matching	0.04893	323,574
Tuberculosis	0.00926	61,236
Mental Health	0.04891	323,442
Illinois Municipal Retirement	0.09470	626,252
Educational Extension Service	0.02605	172,269
Liability Insurance	0.09470	626,252
County Health Department	0.00643	42,522
Social Security Contribution	0.04735	313,126
Veterans Assistance	0.02883	190,653
Nursing Home	0.07892	521,898
Total property tax rates and extensions	1.40894	\$ 9,317,327
Property tax collection		
County General		\$ 5,245,652
County Highway		634,925
County Bridge		25,227
County Matching		312,446
Tuberculosis		59,128
Mental Health		312,320
Illinois Municipal Retirement		604,722
Educational Extension Service		166,345
Liability Insurance		604,722
County Health Department		41,062
Social Security Contribution		302,361
Veterans Assistance		184,096
Nursing Home		503,956
Total property tax collection		\$ 8,996,962
Percentage collected		96.6%

STEPHENSON COUNTY, ILLINOIS

Assessed Valuations, Tax Rates,

Tax Levy Year - 2018

	Tax Year 2018	
Assessed Valuation	\$ 679,200,247	
Property tax rates and extensions	Rate	Amount
County General	0.81758	\$ 5,334,921
County Highway	0.09336	609,198
County Bridge	0.02298	149,950
County Matching	0.04594	299,770
Tuberculosis	0.00870	56,770
Mental Health	0.04816	314,256
Illinois Municipal Retirement	0.10373	676,865
Educational Extension Service	0.02846	185,709
Liability Insurance	0.08891	580,161
County Health Department	0.00605	39,478
Social Security Contribution	0.04446	290,113
Veterans Assistance	0.02707	176,639
Nursing Home	0.07410	483,522
Total property tax rates and extensions	1.40950	\$ 9,197,352
Property tax collection		
County General		\$ 5,332,672
County Highway		608,660
County Bridge		149,866
County Matching		299,733
Tuberculosis		57,004
Mental Health		314,444
Illinois Municipal Retirement		676,698
Educational Extension Service		185,724
Liability Insurance		580,158
County Health Department		39,535
Social Security Contribution		289,619
Veterans Assistance		176,530
Nursing Home		483,618
Total property tax collection		\$ 9,194,261
Percentage collected		100.0%

