

PIATT COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the fiscal year ended November 30, 2020



PIATT COUNTY, ILLINOIS

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November 30, 2020

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PIATT COUNTY, ILLINOIS

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November 30, 2020

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PIATT COUNTY, ILLINOIS

LIST OF PRINCIPAL OFFICERS

November 30, 2020

COUNTY BOARD MEMBERS at November 30, 2020:

District	Representative	District	Representative
1	Dale Lattz	1	Ray Spencer (Chairman)
2	Renee Fruendt	2	Shannon Carroll
3	Randy Shumard	3	Robert Murrell

OTHER ELECTED OFFICIALS at November 30, 2020:

County Clerk & Recorder, Jennifer Harper

Treasurer & Collector, Debbie Marshall

Circuit Clerk, Seth Floyd

State's Attorney, Sarah Perry

Sheriff, David Hunt

Regional Superintendent of Education (Macon-Piatt), Matthew Snyder



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INDEPENDENT AUDITORS' REPORT

To the County Board Members
Piatt County, Illinois
Monticello, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Piatt County, Illinois, as of and for the year ended November 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1 for the governmental activities, each major fund, and the aggregate remaining fund information, and with accounting principles generally accepted in the United States of America for the business-type activities and aggregate discretely presented component units; this includes determining that these are acceptable bases for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Qualified
Aggregate Discretely Presented Component Units	Qualified
General Fund	Unmodified
County Motor Fuel Tax Fund	Unmodified
Illinois Municipal Retirement Fund	Unmodified
Piatt County Nursing Home Fund	Qualified
Piatt County Public Building Commission Fund	Unmodified
Piatt County Public Transportation Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinions on the Business-Type Activities, a Discretely Presented Component Unit, the Piatt County Nursing Home Fund and Piatt County Public Transportation Fund

The financial statements of the Business-Type Activities, Piatt County Mental Health Center (a discretely presented component unit), the Piatt County Nursing Home Fund and Piatt County Public Transportation Fund do not disclose all required components of Governmental Accounting Standards Board Statements No. 75 *Accounting and Financial Reporting for Post-Employment Benefit Other Than Pensions* and No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The amount by which this departure would affect the assets, fund balance, and revenues of these funds has not been determined.

Qualified Opinions

In our opinion, except for the possible effects of the matter discussed in the "Basis for Qualified Opinions on the Business-Type Activities, a Discretely Presented Component Unit, the Piatt County Nursing Home Fund and Piatt County Public Transportation Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aforementioned opinion units as of November 30, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion on a Discretely Presented Component Unit

The financial statements of Piatt County Nursing Home Foundation (Foundation) have not been audited, and we were not engaged to audit the Foundation financial statements as part of our audit of the County's basic financial statements. The Foundation's financial activities are included in the County's basic financial statements as a discretely presented component unit.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the "Basis for Qualified Opinion on the Discretely Presented Component Unit" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the discretely presented component unit of Piatt County, Illinois as of November 30, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each governmental fund-type major fund, and the aggregate remaining fund information of Piatt County, Illinois as of November 30, 2020, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Piatt County Public Building Commission Fund of Piatt County, Illinois as of November 30, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements of the governmental activities, each governmental-type major fund, and the aggregate remaining fund information are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter. The financial statements of the business-type activities, proprietary funds and the aggregate discretely presented component units, however, are prepared in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Piatt County, Illinois' basic financial statements. The combining nonmajor governmental fund financial statements, combining statement of changes in assets and liabilities of agency funds, and schedule of revenue and expenses - public transportation fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. This other information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the combining statement of changes in assets and liabilities of agency funds, and schedule of revenue and expenses - public transportation fund are fairly stated, in all material respects, in relation to the basic 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 July 12, 2021, on our consideration of Piatt County, Illinois' 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 Piatt County, Illinois' 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 Piatt County, Illinois' internal control over financial reporting and compliance.

MCK CPAs & Advisors

Decatur, Illinois
July 12, 2021

PIATT COUNTY, ILLINOIS

**STATEMENT OF NET POSITION
November 30, 2020**

	Primary Government		
	Governmental Activities - Modified Cash Basis	Business-Type Activities - Accrual Basis	Total
Assets			
Cash and cash equivalents	\$ 8,046,282	2,138,144	10,184,426
Investments			
Accounts receivable		884,904	884,904
Accrued interest receivable			
Inventory		111,175	111,175
Prepaid expense		4,650	4,650
Internal balances		(1,052)	(1,052)
Restricted cash and cash equivalents		123,600	123,600
	<u>8,046,282</u>	<u>3,261,421</u>	<u>11,307,703</u>
Capital assets:			
Land	317,500	128,390	445,890
Property, plant, and equipment - net	7,987,005	4,733,130	12,720,135
Total capital assets	<u>8,304,505</u>	<u>4,861,520</u>	<u>13,166,025</u>
Total assets	<u>16,350,787</u>	<u>8,122,941</u>	<u>24,473,728</u>
Liabilities			
Accounts payable		303,585	303,585
Accrued expenses		390,981	390,981
Accrued interest		16,595	16,595
Security deposits		19,287	19,287
Deferred revenue		96,854	96,854
		<u>827,302</u>	<u>827,302</u>
Amounts due within one year:			
Debt certificates	20,000	75,000	95,000
Revenue bonds payable	65,000	60,000	125,000
Employee benefits		36,900	36,900
Amounts due in more than one year:			
Employee benefits		147,630	147,630
Debt certificates	275,000	510,000	785,000
Revenue bonds payable	960,000	1,420,000	2,380,000
Total debt service	<u>1,320,000</u>	<u>2,249,530</u>	<u>3,569,530</u>
Total liabilities	<u>1,320,000</u>	<u>3,076,832</u>	<u>4,396,832</u>

(Continued)

Component Units - Accrual Basis

Piatt County Mental Health Center	Piatt County Emergency Telephone System Board	Piatt County Nursing Home Foundation (Unaudited)
166,350	177,991	228,753
1,016,924	140,300	955,300
197,172		327
31,510		
<hr/>	<hr/>	<hr/>
1,411,956	318,291	1,184,380
<hr/>	<hr/>	<hr/>
426,108	288,983	
<hr/>	<hr/>	<hr/>
426,108	288,983	-
<hr/>	<hr/>	<hr/>
1,838,064	607,274	1,184,380
<hr/>	<hr/>	<hr/>
5,373		
76,729		
<hr/>	<hr/>	<hr/>
82,102	-	-
<hr/>	<hr/>	<hr/>
-	-	-
<hr/>	<hr/>	<hr/>
82,102	-	-
<hr/>	<hr/>	<hr/>

PIATT COUNTY, ILLINOIS

STATEMENT OF NET POSITION (Continued)
November 30, 2020

	Primary Government		
	Governmental Activities - Modified Cash Basis	Business-Type Activities - Accrual Basis	Total
Net Position			
Net investment in capital assets	\$ 6,984,505	2,796,520	9,781,025
Restricted for:			
Capital projects		50,284	50,284
Debt retirement		123,600	123,600
Road projects	4,782,808		4,782,808
Self-insurance	232,348		232,348
Other	3,338,591	14,846	3,353,437
Unrestricted	(307,465)	2,060,859	1,753,394
Total net position	\$ 15,030,787	5,046,109	20,076,896

See Notes to Financial Statements

Component Units - Accrual Basis

<u>Piatt County Mental Health Center</u>	<u>Piatt County Emergency Telephone System Board</u>	<u>Piatt County Nursing Home Foundation (Unaudited)</u>
426,108	288,983	
1,329,854	318,291	1,184,380
<u>1,755,962</u>	<u>607,274</u>	<u>1,184,380</u>

PIATT COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
Year ended November 30, 2020

	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 3,397,703	1,064,281	248,509	
Public safety	3,165,703	52,632	222,887	
Public health and welfare	42,637			
Judiciary and legal	766,214	76,653	182,570	
Transportation	2,437,614		404,594	
Interest on long-term debt	58,154			
Total governmental activities	9,868,025	1,193,566	1,058,560	-
Business-type Activities:				
Nursing Home	9,571,563	7,823,224		35,409
Public Building Commission	60,026			
Transportation program	1,146,941	73,372	917,850	205,424
Total business-type activities	10,778,530	7,896,596	917,850	240,833
Total primary government	20,646,555	9,090,162	1,976,410	240,833
Component Units:				
Mental Health Center	2,105,246	1,249,970	840,680	
Emergency Telephone System Board	252,784		29,344	
Nursing Home Foundation	100,954		93,115	
Total component units	\$ 2,458,984	1,249,970	963,139	-
General Revenues:				
Property taxes				
Income taxes				
Replacement taxes				
Sales and use taxes				
Telephone surcharge				
Restricted for transportation purposes:				
Motor fuel taxes				
Investment earnings				
Miscellaneous				
Internal transfers				
Total general revenues				
Change in net position				
Net position, beginning, as restated (Note 13)				
Net position, ending				

See Notes to Financial Statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Units - Accrual Basis		
Governmental Activities - Modified Cash Basis	Business-Type Activities - Accrual Basis	Total	Piatt County Mental Health Center	Piatt County Emergency Telephone System Board	Piatt County Nursing Home Foundation (Unaudited)
(2,084,913)		(2,084,913)			
(2,890,184)		(2,890,184)			
(42,637)		(42,637)			
(506,991)		(506,991)			
(2,033,020)		(2,033,020)			
(58,154)		(58,154)			
<u>(7,615,899)</u>	<u>-</u>	<u>(7,615,899)</u>			
	(1,712,930)	(1,712,930)			
	(60,026)	(60,026)			
	49,705	49,705			
<u>-</u>	<u>(1,723,251)</u>	<u>(1,723,251)</u>			
<u>(7,615,899)</u>	<u>(1,723,251)</u>	<u>(9,339,150)</u>			
			(14,596)		
				(223,440)	
					(7,839)
			<u>(14,596)</u>	<u>(223,440)</u>	<u>(7,839)</u>
4,439,650	448,896	4,888,546			
576,134		576,134			
1,844,477		1,844,477			
535,649		535,649			
				334,960	
743,758		743,758			
27,597	60,578	88,175	15,366	11,501	50,849
755,349	722,542	1,477,891			
<u>(1,395,903)</u>	<u>1,395,903</u>				
<u>7,526,711</u>	<u>2,627,919</u>	<u>10,154,630</u>	<u>15,366</u>	<u>346,461</u>	<u>50,849</u>
<u>(89,188)</u>	<u>904,668</u>	<u>815,480</u>	<u>770</u>	<u>123,021</u>	<u>43,010</u>
<u>15,119,975</u>	<u>4,141,441</u>	<u>19,261,416</u>	<u>1,755,192</u>	<u>484,253</u>	<u>1,141,370</u>
<u>\$ 15,030,787</u>	<u>5,046,109</u>	<u>20,076,896</u>	<u>1,755,962</u>	<u>607,274</u>	<u>1,184,380</u>

PIATT COUNTY, ILLINOIS

BALANCE SHEET - CASH BASIS

GOVERNMENTAL FUNDS

November 30, 2020

	General	County Motor Fuel Tax	Other Governmental Funds	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ 775,574	4,782,808	2,203,163	7,761,545
Due from other funds	52,389		1,358,423	1,410,812
				<hr/>
TOTAL ASSETS	827,963	4,782,808	3,561,586	9,172,357
				<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to other funds		1,358,423		1,358,423
				<hr/>
Fund Balances:				
Restricted		4,782,808	3,338,591	8,121,399
Unassigned	(530,460)		222,995	(307,465)
				<hr/>
Total fund balances (deficits)	(530,460)	4,782,808	3,561,586	7,813,934
				<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 827,963	4,782,808	3,561,586	9,172,357
				<hr/> <hr/>

See Notes to Financial Statements.

PIATT COUNTY, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET - CASH BASIS - TO THE STATEMENT
OF NET POSITION - MODIFIED CASH BASIS
November 30, 2020**

Total fund balances for Governmental Funds	\$ 7,813,934
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,304,505
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Revenue bonds payable	(1,025,000)
Debt certificate payable	(295,000)
Internal service funds are used to pay for the costs of certain activities, such as insurance, leasing and building maintenance. The assets and liabilities of the internal service funds is included in governmental activities in the statement of net position.	<u>232,348</u>
Net position of governmental activities	<u><u>\$ 15,030,787</u></u>

See Notes to Financial Statements.

PIATT COUNTY, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS
Year ended November 30, 2020**

	General	County Motor Fuel Tax	Other Governmental Funds	Total
Revenues:				
Taxes	\$ 4,429,414	743,758	2,966,496	8,139,668
Intergovernmental	649,630	294,131	114,800	1,058,561
Licenses, permits, fees and fines	941,311		252,255	1,193,566
Investment income	782	23,783	767	25,332
Miscellaneous	734,976		20,372	755,348
Total revenues	6,756,113	1,061,672	3,354,690	11,172,475
Expenditures:				
Current:				
General control and administration	2,219,444		962,959	3,182,403
Public safety	2,878,749		22,254	2,901,003
Public health and welfare	41,264		1,373	42,637
Judiciary and legal	740,631		24,461	765,092
Transportation		835,906	1,567,094	2,403,000
Capital outlay	194,635		209,050	403,685
Debt service:				
Principal	60,000			60,000
Interest	58,154			58,154
Total expenditures	6,192,877	835,906	2,787,191	9,815,974
Excess of revenues over expenditures	563,236	225,766	567,499	1,356,501
Other financing sources (uses):				
Transfers out	(450,067)		(945,836)	(1,395,903)
Proceeds from debt certificates	82,306			82,306
Total other financing sources (uses)	(367,761)	-	(945,836)	(1,313,597)
Net change in fund balances	195,475	225,766	(378,337)	42,904
Fund balances (deficits), beginning of year	(725,935)	4,557,042	3,939,923	7,771,030
Fund balances (deficits), end of year	\$ (530,460)	4,782,808	3,561,586	7,813,934

See Notes to Financial Statements.

PIATT COUNTY, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - CASH BASIS - TO THE STATEMENT OF ACTIVITIES -
MODIFIED CASH BASIS
Year ended November 30, 2020**

Net change in fund balances - total governmental funds	\$ 42,904
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in Governmental Funds. However, in the Statement of Activities, the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period, these amounts are:	
Capital asset additions	\$ 403,685
Depreciation expense	<u>(413,042)</u>
	(9,357)
Internal service funds are used to pay for the costs of certain activities, such as insurance and leasing. The net revenue of the internal service funds is reported with governmental activities in the statement of net assets	(97,735)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long term debt.	
Debt certificates proceeds	(85,000)
Revenue bonds payable	<u>60,000</u>
Change in net position of governmental activities	<u>\$ (89,188)</u>

See Notes to Financial Statements.

PIATT COUNTY, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

November 30, 2020

	Piatt County Nursing Home	Piatt County Public Building Commission	Piatt County Public Transportation	Total Business-Type Activities
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,903,026	42,929	192,189	2,138,144
Accounts receivable	732,997		151,907	884,904
Interfund balances	4,573			4,573
Inventory	111,175			111,175
Lease receivable - current		65,000		65,000
Prepaid expense	4,650			4,650
Noncurrent assets:				
Capital lease receivable		960,000		960,000
Restricted cash and cash equivalents	123,600			123,600
Capital assets:				
Land	123,390		5,000	128,390
Property, plant, and equipment	9,595,925		1,972,164	11,568,089
Less accumulated depreciation	(5,826,650)		(1,008,309)	(6,834,959)
Total assets	6,772,686	1,067,929	1,312,951	9,153,566
Liabilities				
Accounts payable	281,629		21,956	303,585
Accrued expenses	338,256		52,725	390,981
Accrued interest	7,205	9,390		16,595
Security deposits	19,287			19,287
Due to other funds	5,625			5,625
Deferred revenue	96,854			96,854
Amounts due within one year:				
Debt certificates	75,000			75,000
Revenue bonds payable	60,000	65,000		125,000
Employee benefits	36,900			36,900
Amounts due in more than one year:				
Employee benefits	147,630			147,630
Debt certificates	510,000			510,000
Revenue bonds payable	1,420,000	960,000		2,380,000
Total liabilities	2,998,386	1,034,390	74,681	4,107,457
Net Position				
Net investment in capital assets	1,827,665		968,855	2,796,520
Restricted:				
Capital projects	50,284			50,284
Debt retirement	123,600			123,600
PCSS	14,846			14,846
Unrestricted	1,757,905	33,539	269,415	2,060,859
Total net position	\$ 3,774,300	33,539	1,238,270	5,046,109

See Notes to Financial Statements.

Governmental Activities
- Modified Cash Basis

Self Insurance Fund	PCO Bond Maintenance Fund	Total Internal Service Fund
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232,348	52,389	284,737
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232,348	52,389	284,737
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	52,389	52,389
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-	52,389	52,389
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232,348		232,348
232,348	-	232,348

PIATT COUNTY, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year ended November 30, 2020**

	Piatt County Nursing Home	Piatt County Public Building Commission	Piatt County Public Transportation	Total Business-Type Activities
Operating revenues:				
Charges for services	\$ 7,823,224		73,372	7,896,596
Operating grants			1,123,274	1,123,274
Miscellaneous	92,814		12,951	105,765
Total operating revenues	7,916,038	-	1,209,597	9,125,635
Operating expenses:				
General government				
Health and welfare	9,474,743			9,474,743
Transportation			1,146,941	1,146,941
Total operating expenses	9,474,743	-	1,146,941	10,621,684
Operating income (loss)	(1,558,705)	-	62,656	(1,496,049)
Non-operating revenues (expenses):				
Non-operating revenues net of expenses	1,101,082			1,101,082
Investment income	2,369	58,209		60,578
Interest on long-term debt	(96,820)	(60,026)		(156,846)
Total non-operating revenues (expenses)	1,006,631	(1,817)	-	1,004,814
Income (loss) before operating transfers	(552,074)	(1,817)	62,656	(491,235)
Inter-County transfers	1,271,998		123,905	1,395,903
Change in net position	719,924	(1,817)	186,561	904,668
Net position, beginning of year, as restated (Note 13)	3,054,376	35,356	1,051,709	4,141,441
Net position, end of year	\$ 3,774,300	33,539	1,238,270	5,046,109

See Notes to Financial Statements.

Governmental Activities
- Modified Cash Basis

Self Insurance Fund	PCO Bond Maintenance Fund	Total Internal Service Fund
-	-	-
100,000		100,000
100,000	-	100,000
(100,000)	-	(100,000)
2,265		2,265
2,265	-	2,265
(97,735)		(97,735)
	-	
(97,735)		(97,735)
330,083		330,083
232,348	-	232,348

PIATT COUNTY, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended November 30, 2020**

	Business-type Activities		
	Piatt County Nursing Home	Piatt County Public Building Commission	Piatt County Public Transportation
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 8,457,949		119,242
Receipts from operating grants			933,684
Payments to suppliers of goods or services	(2,965,489)		(410,656)
Payments to employees	(5,092,427)		(628,558)
Net cash flows from operating activities	400,033	-	13,712
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES			
Property tax revenue	477,213		
Grant receipts	617,352		
Loan repayments from Piatt County Nursing Home Foundation	(265,000)		
Transfers (to) from other funds			123,905
Net cash flows from non capital financing activities	829,565	-	123,905
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(148,687)		
Proceeds on sale of capital assets			
Principal payments on debt certificates	(70,000)		
Principal payments on revenue bonds	(60,000)	(60,000)	
Proceeds from capital lease payments		60,000	
Foundation contributions for asset purchase			
Interest expense paid on bonds and notes	(97,027)	(60,381)	
Net cash flows from capital and related financing activities	(375,714)	(60,381)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	2,369	58,209	
PCSS and FIA	(19,097)		
Net cash flows from investing activities	(16,728)	58,209	-
Net increase (decrease) in cash and cash equivalents	837,156	(2,172)	137,617
Cash and cash equivalents, beginning of year	1,065,870	45,101	54,572
Cash and cash equivalents, end of year	\$ 1,903,026	42,929	192,189

(Continued)

Governmental Activities
- Modified Cash Basis

Total Business-Type Activities	Self Insurance Fund	PCO Bond Maintenance Fund	Total Internal Service Fund
8,577,191			
933,684			
(3,376,145)	(100,000)		(100,000)
(5,720,985)			
413,745	(100,000)	-	(100,000)
477,213			
617,352			
(265,000)			
123,905		(46,812)	(46,812)
953,470	-	(46,812)	(46,812)
(148,687)			
-			
(70,000)			
(120,000)			
60,000			
-			
(157,408)			
(436,095)	-	-	-
60,578	2,265		2,265
(19,097)			
41,481	2,265	-	2,265
972,601	(97,735)	(46,812)	(144,547)
1,165,543	330,083	99,201	429,284
2,138,144	232,348	52,389	284,737

PIATT COUNTY, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Continued)**

Year ended November 30, 2020

	Business-Type Activities		
	Piatt County Nursing Home	Piatt County Public Building Commission	Piatt County Public Transportation
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,558,705)		62,656
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Depreciation	325,313		72,901
Non-cash grant funds			(128,000)
Bad debt expense	303,491		2,421
On-behalf payments made by Piatt County	1,271,998		
Increase in allowance for doubtful accounts	(115,166)		
(Increase) decrease in assets:			
Accounts receivable	256,606		(31,091)
Inventory	(56,376)		
Interfund	(4,573)		
Increase (decrease) in liabilities:			
Accounts payable	(255,045)		5,534
Accrued payroll and employee benefits	136,865		29,291
Security deposits	126		
Deferred revenue	96,854		
Due to Piatt County	(1,355)		
Net cash flows from operating activities	\$ 400,033	-	13,712
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Capital assets acquired through grant	\$ -	-	128,000
Capital assets paid for directly by Piatt County Nursing Home Foundation	\$ 25,614	-	-

See Notes to Financial Statements.

Governmental Activities
- Modified Cash Basis

Total Business-Type Activities	Self Insurance Fund	PCO Bond Maintenance Fund	Total Internal Service Fund
(1,496,049)	(100,000)		(100,000)
398,214			
(128,000)			
305,912			
1,271,998			
(115,166)			
225,515			
(56,376)			
(4,573)			
(249,511)			
166,156			
126			
96,854			
(1,355)			
413,745	(100,000)	-	(100,000)
128,000	-	-	-
25,614	-	-	-

PIATT COUNTY, ILLINOIS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

November 30, 2020

	Agency Funds
<hr/>	
Assets	
Cash and cash equivalents	\$ 2,499,508
Total assets	<u>2,499,508</u>
Liabilities	
Due to other governments	1,918,253
Due to other funds	94,176
Due to others	<u>487,079</u>
Total liabilities	<u>\$ 2,499,508</u>

See Notes to Financial Statements.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

November 30, 2020

Note 1 - Summary of Significant Accounting Policies

Piatt County (County) is a municipal corporation governed by an elected six member board. Other officials elected by the voters of the County that manage various segments of the County's operations are the Circuit Clerk, County Clerk and Recorder, Treasurer and Collector, Sheriff, State's Attorney and Regional Superintendent of Education (Macon-Piatt). Although elected officials manage the internal operations of their respective departments, the County Board authorizes expenditures as well as serves as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

The Financial Reporting Entity: These financial statements present the County (the primary government) and its component units. The County's financial statements include all funds, departments, boards and agencies that are not legally separate from the County. The component units are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. Furthermore, their inclusion is considered necessary to avoid incomplete or misleading financial reporting.

The financial statements are formatted to allow users to clearly distinguish between the primary government and its component units. Because of the closeness of their relationship with the primary government, some component units are blended as though they are part of the primary government; others are discretely presented.

Blended Component Units - The Piatt County Public Building Commission (PCPBC) is a municipal corporation created under the provisions of the Public Building Commission Act of the State of Illinois. The purpose of the PCPBC is to acquire or construct facilities for participating governments and to issue bonded debt to finance the acquisition or construction of such facilities. The County appoints the four-member governing board of the PCPBC. The PCPBC is financially dependent on the County because the debt issued by the PCPBC is paid by the County in the form of lease payments for County facilities. As such, the County has significant influence over the PCPBC and has included the organization in the reporting entity.

Discretely Presented Component Units - The following discretely presented component units are reported in separate columns in the basic financial statements to emphasize that they are legally separate from the County.

The Piatt County Emergency Telephone System Board (ETSB) is a special unit of local County government, operating under the Emergency Telephone System Act, Chapter 50 ILCS, Section 750/15.4 et seq. of the Illinois Compiled Statutes (ILCS). The ETSB is funded through telephone surcharges and distributes funds to plan, coordinate, and supervise the implementation of an enhanced 9-1-1 system. All members of the ETSB are appointed by the Piatt County Board. The Piatt County Board may at any time change the rate of the surcharge imposed as long as the new rate does not exceed the rate specified in the referendum. As such, the County has significant influence over the ETSB and has included the organization in the reporting entity. The ETSB's year end for financial reporting purposes is November 30, 2020, the same as the County. The ETSB's November 30, 2020, financial statements are included herein.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 1 - Summary of Significant Accounting Policies, continued

The Financial Reporting Entity, continued: The Piatt County Mental Health Center (Center) is a special unit of local County government. All members of the Center's Board are appointed by the Piatt County Board. As such, the County has significant influence over the Center and has included the organization in the reporting entity. The Center's year-end for financial reporting purposes is June 30, which differs from the County. The Center's June 30, 2020, financial statements are included herein.

Complete financial statements for the Piatt County Mental Health Center can be obtained at 1921 North Market, Monticello, Illinois 61856.

The Piatt County Nursing Home Foundation is a legally separate, tax-exempt organization. It acts primarily as a fund-raising organization that receives gifts and bequests, administers those resources, and disburses payments to or on behalf of the Piatt County Nursing Home Fund (Nursing Home). Although the Nursing Home does not control the timing or amount of receipts from the Foundation, the Foundation's restricted resources can only be used by, or for the benefit of, the Nursing Home. Consequently, the Foundation is considered a component unit of the County and is discretely presented in the County's financial statements.

For financial reporting purposes, only the Foundation's statements of financial position and activities are included in the County's financial statements as required by generally accepted accounting principles. No modifications have been made to the Foundation's financial information included in the County's financial report. The financial statements included in this report are from the fiscal year ended November 30, 2020, and have not been audited.

During the fiscal year ended November 30, 2020, the Foundation distributed \$ 25,614 to the Nursing Home. During the year ended November 30, 2018, the Foundation made a loan to the Nursing Home to cover current operating expenses. The balance of that loan at November 30, 2020 is \$ -0-.

Payments Between the County and Component Units: Resource flows (except those that affect the statement of net position/balance sheet only, such as loans and repayments) between a primary government and its discretely presented component units are reported as external transactions - that is, as revenues and expenditures. Resource flows between the primary government and blended component units are classified as interfund transactions in the financial statements.

Related Organizations: The County's officials are also responsible for appointing members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County Board appoints board members of all Fire Protection Districts in Piatt County and all Drainage Districts in Piatt County. The County Board also assists in appointing board members to the DeWitt Piatt Bi-County Health Department.

In addition, several legally separate tax exempt organizations have been established to benefit the County and others.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2020

Note 1 - Summary of Significant Accounting Policies, continued

Basis of Presentation: The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government and its component units, except for fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the governmental activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the County.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

Fund Financial Statements: During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. 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. The focus of fund financial statements is on major funds, each presented in a separate column. All remaining funds are aggregated and presented in a single column and reported as nonmajor funds.

Fund Accounting: The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 1 - Summary of Significant Accounting Policies, continued

Fund Accounting, continued:

Governmental Funds: Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund - This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

County Motor Fuel Tax Fund - This fund accounts for County Motor Fuel Tax funds which are to be used for approved County road and bridge projects.

The other governmental funds of the County account for county-wide property tax levies, grants and other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt; and the acquisition or construction of major capital facilities.

Proprietary Funds: Proprietary Funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on determination of operating income, financial position, changes in net position and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The County's proprietary fund types consist of three Enterprise funds and two Internal Service Funds. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where management has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The County's major Enterprise funds consist of activities of the following:

Piatt County Nursing Home - This fund accounts for the operation of the County Nursing Home.

Piatt County Public Transportation - This fund accounts for the operation of a transportation program for the needy in Piatt County.

Public Building Commission - This fund accounts for the financing, acquisition, and construction of facilities for lease to Piatt County.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 1 - Summary of Significant Accounting Policies, continued

Fund Accounting, continued:

Proprietary Funds, continued: The Internal Service Funds account for the financing of goods or services provided by one department to other departments or agencies of the County. The Internal Service Funds are included in governmental activities for government-wide reporting purposes. The following is a description of the County's Internal Service Funds:

Self Insurance Fund - established for the purpose of providing for the accumulation of funds to fund the County's self-funded workmen's compensation liability insurance.

Piatt County Operations Bond Maintenance Fund - accounts for the repairs and maintenance of all County buildings.

Fiduciary Funds: The County's fiduciary fund types consist only of Agency Funds, which are custodial in nature and do not involve the measurement of operations. The County's Agency Funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent and for property taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions as well as account for assets held by the Nursing Home as an agent for individuals, private organizations, other governments and/or other funds.

Basis of Accounting: Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the modified cash basis for governmental activities and accrual basis for business-type activities. Fund financial statements are prepared using the cash basis of accounting for governmental fund and fiduciary types and the accrual basis of accounting for proprietary funds. Differences in the cash and accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Component Units: Each component unit financial statement included herein is prepared using the accrual basis of accounting, except for ETSB, which is prepared on the modified cash basis of accounting.

Expenses/Expenditures: The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 1 - Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents: The County considers all highly liquid investments with an original maturity of three months or less when purchased and all certificates of deposit regardless of maturity to be cash equivalents.

Cash includes amounts in demand deposits, money market accounts, and certificates of deposit. For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments with original maturities of three months or less.

The Treasurer maintains a cash and investment pool for all County funds in order to facilitate the management of cash. Each fund's accounting records reflect equity in pooled cash and investments. All earnings on investments are distributed to each fund based upon their proportionate share of pooled cash and investments at the end of each month. At year-end, earnings that have been distributed to funds for which there is no statutory requirement regarding allocation of interest may be transferred to the General Fund.

Property Tax Calendar: The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions, including the schools and special districts within the County. The County Board adopts the property tax levy on the second Wednesday in November on the assessed valuation as of January 1st. Property taxes attach as an enforceable lien on all assessable real property located within Piatt County, Illinois, as of January 1st of the year following the levy. Taxes are payable in two installments on or about July 1st and September 1st. Collection and distribution of significant amounts of property taxes are expected to be made on approximately July 15th, September 15th and November 15th.

Inventories: Inventories are valued at the lower of cost or market.

Accounts Receivable: The Nursing Home carries its accounts receivable at cost. Illinois Department of Human Services (DHS) and Medicare receivables are kept on the books until it is known whether or not the amount will be paid. When it is determined that an amount will not be received in part or in whole, the uncollectible amount is written off.

For private pay, DHS patient liability and other receivables, if an amount becomes over 180 days past due, the account is reviewed by the Nursing Home administration. Once an amount is deemed uncollectible, it is written off. As of November 30, 2020, the Nursing Home had an allowance for doubtful accounts of \$ 84,893 to cover questionable accounts.

The Nursing Home does not charge interest for past due accounts, and it turns unpaid accounts over to collection only as a last resort.

The Mental Health Center's accounts receivables are comprised of earned and unpaid services performed for clients, various State of Illinois and local agencies, and others. All receivables are current and due within one year. Receivables are reported net of an estimated allowance for uncollectible accounts. The allowance for uncollectible accounts netted with accounts receivable was \$ 10,800 for the year ended June 30, 2020.

The Center does not charge interest for past due accounts, and it rarely turns unpaid accounts over to collection.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2020

Note 1 - Summary of Significant Accounting Policies, continued

Capital Assets: General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Governmental Activities: Capital assets purchased or acquired with an original cost of at least \$ 5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at their fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

All capital assets are depreciated, except for land. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	25-40 years
Vehicles	5-10 years
Furniture and fixtures	5-10 years
Machinery and equipment	5-10 years
Technology equipment	3 years
Infrastructure	25 years

Business-type Activities: Capital assets of proprietary funds are stated at cost. The cost of property additions and major replacements of retired units of property is capitalized. Interest on funds used during construction of major projects is capitalized. The cost of maintenance and minor repairs is charged to operations. Donated fixed assets are valued at their estimated fair value on the date donated.

Depreciation is computed on the straight-line basis over the estimated useful lives of the various assets.

All assets purchased by the PCPBC under the provisions of the lease agreements discussed in Note 8 are considered to be assets owned by other parties, mainly the County, as ownership is transferred to the other parties upon expiration of the leases. Therefore, such purchases are not capitalized by the PCPBC, but rather recorded as materials and supplies expenses on the PCPBC financial statements.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 1 - Summary of Significant Accounting Policies, continued

Budgetary Data: Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Expenditures are controlled at the fund level. All appropriations lapse at year end.

Budgets for the General and Special Revenue Funds, except for the Motor Fuel Tax Fund, are adopted on a basis consistent with the cash basis of accounting. The authority to spend funds of the Motor Fuel Tax Fund is determined by the Illinois Department of Transportation.

The County follows these procedures in establishing its budgetary data:

- 1) During August, the various County officers and department present their budgeted expenditures to the Budget Committee of the County Board.
- 2) After these requests are all approved, they are integrated into a preliminary budget along with the budgeted revenues and proposed property tax levies.
- 3) The preliminary budget is then presented to the full County Board for approval.
- 4) After the preliminary budget is approved, it is made available for public inspection for a statutory period of time.
- 5) Finally, after the preliminary budget has been available for the requisite amount of time, the County Board formally adopts the final budget.

Use of Estimates: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Operating Revenues and Expenses - Proprietary Funds: Operating income consists of those revenues that result from the ongoing principal operations of the proprietary funds. Operating revenues consist primarily of charges for services. Operating expenses consist of the direct costs of operations of the proprietary funds. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from non-exchange transactions or ancillary activities.

Compensated Absences: The liability for compensated absences in the government-wide and proprietary fund statements consists of accumulated unpaid sick and vacation pay. The liability has been calculated using the vesting method.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 1 - Summary of Significant Accounting Policies, continued

Interfund Transactions: Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Fund Equity: The following classifications describe the relative nature, extent and strength of the spending constraints placed on the County's fund balances:

- Nonspendable fund balance - amounts that are in nonspendable form (such as inventory) or are required to be maintained intact (such as perpetual trusts).
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e., County Board). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.
- Assigned fund balance - amounts the County intends to use for a specific purpose. Intent can be expressed by the County Board or by an official or body to which the County Board delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The County Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by County Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service or for other purposes).

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 1 - Summary of Significant Accounting Policies, continued

Fund Equity, continued: The County would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Net Position: Net position comprise the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following three components:

Net investment in capital assets - This component of net position consists of capital assets, net of depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position components as the unspent proceeds.

Restricted - This component of net position consists of constraints imposed by creditors, (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net assets that do not meet the definition of "restricted" or "net investment in capital assets."

Note 2 - Deposits and Investments

Illinois Compiled statutes authorize the County to invest in obligations of the U.S. Treasury or its agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements (subject to limitations), and commercial paper rated within the three highest classifications by at least two standard rating services.

Deposits - Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's policy indicates that the Treasurer requires collateralization of public deposits be performed through pledging of appropriate securities by the depositories. As of November 30, 2020, the County's bank balances of \$ 13,411,118 (including certificates of deposit, checking, and savings accounts) were fully insured and collateralized. The County evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

The Piatt County Public Building Commission's deposits, as well as those for the Public Transportation fund and one account for the Circuit Clerk, are excluded from the above due to the fact that different custodians and deposit risk policies exist for these separate accounts. At November 30, 2020, the bank balances of these cash deposits totaled \$ 243,984 and were fully insured by federal depository insurance or collateralized by securities held by a financial institution's trust department or agent in the County funds' names.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 2 - Deposits and Investments, continued

Deposits - Custodial Credit Risk, continued:

Piatt County Mental Health Center: At June 30, 2020, none of the Piatt County Mental Health Center's bank balances of \$ 1,097,064 were exposed to custodial credit risk.

Piatt County Emergency Telephone System Board: At November 30, 2020, ETSB's cash account with a bank balance of \$ 263,714 was covered by federal insurance or collateralized by the pledging financial institution's trust department or agent in favor of the Board.

Piatt County Nursing Home Foundation: At June 30, 2020, none of the Piatt County Nursing Home Foundation's bank balances of \$ 231,849 were exposed to custodial credit risk.

Note 3 - Property Taxes

The County's property tax is levied on January 1 of each year on all taxable real property located in the County. Real property tax revenue received in 2020 represents collection of the 2019 taxes. Real property taxes for the 2020 levy will be collected in and are intended to finance 2021 operations.

Piatt County property is assessed as of January 1 of each year by the Township Assessors. The values are adjusted by various percentages according to the type of property (residential, commercial, etc.). The assessed values are equalized by the Illinois Department of Revenue to ensure uniformity of property assessments throughout the state. The Piatt County Clerk computes the annual tax rate by dividing the requested levy into the equalized value of each taxing unit. The Clerk then computes the tax for each parcel by multiplying the aggregate rates of all the taxing units having jurisdiction over the parcel by the equalized value. The tax amounts by parcel are forwarded to the Piatt County Collector and used as a basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the Piatt County Collector who periodically remits to each taxing unit its respective share of the collections. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds. Taxes levied in one year become due and payable in two installments during the following year. The first installment is due in early July and the second installment is due in early September. A lien on taxable real property is effective thirty (30) days after the second installment due date.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 3 - Property Taxes, continued

The following are the taxes levied per \$ 100 of assessed valuation (\$ 486,380,738 for the 2019 Levy):

	<u>Maximum Rate</u>	<u>2019 Levy</u>
General Corporate	0.27000	0.27000
County Highway	0.10000	0.10000
Bridge Fund	0.05000	0.05000
Illinois Municipal Retirement		0.20931
Federal Aid Matching	0.05000	0.05000
T.B. Sanitarium	0.05200	0.00330
Health Unit	0.06800	0.04287
Bonds and Interest		0.02475
Veterans' Assistance Commission	0.03000	0.00329
Unemployment Insurance		0.01731
Nursing Home	0.10000	0.10000
Social Security		0.18838
Piatt County Cooperative Extension	0.03000	<u>0.02114</u>
		<u>1.08035</u>

Note 4 - Interfund Receivables, Payables and Transfers

Individual fund receivable/payable balances at November 30, 2020 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	PCO Bond Maintenance	\$ 52,389
Bridges	General	\$ 727,782
Highway	General	\$ 606,668
Matching	General	\$ 23,973

The General Fund receivable from the PCO Bond Maintenance Fund represents ending cash balances being held in the PCO Bond Maintenance Fund to be used by and thus due to the General Fund for the maintenance and improvement of the Piatt County Office Building. Once these cash balances have been expended, the PCO Bond Maintenance Fund will be closed, and all future amounts paid from General Fund cash balances.

The General Fund payable amounts to the Bridge, Highway, and Matching funds totaling \$ 1,358,423 represents the General Fund's deficit balance of cash in the County's pooled cash account at November 30, 2020.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 4 - Interfund Receivables, Payables and Transfers, continued

A schedule of interfund transfers for the year ended November 30, 2020, is as follows:

Transfers To	Transfers From	Amount
Nursing Home Fund	General Fund	\$ 423,028
Nursing Home Fund	IMRF Fund	400,885
Nursing Home Fund	Social Security Fund	386,406
Nursing Home Fund	Unemployment Fund	61,679
Transportation Fund	IMRF Fund	44,139
Transportation Fund	Social Security Fund	46,078
Transportation Fund	Unemployment Fund	6,649
Transportation Fund	General Fund	27,039
Transfers Out - Governmental Funds		<u>\$ 1,395,903</u>

Transfers To	Transfers From	Amount
Nursing Home Fund	General Fund	\$ 423,028
Nursing Home Fund	IMRF Fund	400,885
Nursing Home Fund	Social Security Fund	386,406
Nursing Home Fund	Unemployment Fund	61,679
Transportation Fund	IMRF Fund	44,139
Transportation Fund	Social Security Fund	46,078
Transportation Fund	Unemployment Fund	6,649
Transportation Fund	General Fund	27,039
Transfers In - Proprietary Funds		<u>\$ 1,395,903</u>

Transfers shown to the Nursing Home and Transportation funds represent employer IMRF, Social Security tax, Unemployment tax and insurance expenses levied-for by the County and paid by other funds on behalf of these funds.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2020

Note 5 - Capital Assets

Capital activity for the year ended November 30, 2020, was as follows:

	Balance December 1, 2019	Increases	Decreases	Balance November 30, 2020
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 317,500			317,500
Total capital assets not being depreciated	317,500	-	-	317,500
Capital assets being depreciated:				
Buildings and improvements	11,759,844	112,388		11,872,232
Machinery and equipment	318,082	46,786		364,868
Vehicles	712,835	56,136		768,971
Furniture and fixtures	183,606			183,606
Office equipment	650,628			650,628
Other equipment	315,515	44,497		360,012
Infrastructure	90,258	143,878		234,136
Total capital assets being depreciated	14,030,768	403,685	-	14,434,553
Less accumulated depreciation for:				
Buildings and improvements	4,258,688	309,606		4,568,294
Machinery and equipment	225,994	5,287		231,281
Vehicles	548,374	61,108		609,482
Furniture and fixtures	183,606			183,606
Office equipment	503,051	21,781		524,832
Other equipment	289,871	10,447		300,318
Infrastructure	24,822	4,813		29,635
Total accumulated depreciation	6,034,406	413,042	-	6,447,448
Total capital assets being depreciated, net	7,996,362	(9,357)	-	7,987,005
Governmental activity, capital assets, net	\$ 8,313,862	(9,357)	-	8,304,505

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2020

Note 5 - Capital Assets, continued

Depreciation was charged to functions of governmental activities as follows:

General government	\$ 112,606
Public safety	264,700
Judiciary and legal	1,122
Transportation	34,614
	<u>413,042</u>

	Balance December 1, 2019	Additions	Deletions	Balance November 30, 2020
<u>Business-type activities:</u>				
Nursing Home:				
Capital assets not being depreciated:				
Land	\$ 123,390			123,390
Capital assets being depreciated:				
Ground improvements	90,055	3,250		93,305
Buildings	6,200,691			6,200,691
Equipment	1,370,219	58,856	113,954	1,315,121
Building improvements	1,874,416	112,392		1,986,808
Total capital assets being depreciated	9,535,381	174,498	113,954	9,595,925
Less accumulated depreciation for:				
Ground improvements	58,623	3,496		62,119
Buildings	3,784,331	133,766		3,918,097
Equipment	896,072	102,412	113,954	884,530
Building improvements	876,068	85,836		961,904
Total accumulated depreciation	5,615,094	325,510	113,954	5,826,650
Total capital assets being depreciated, net	3,920,287	(151,012)	-	3,769,275
Nursing Home capital assets, net	\$ 4,043,677	(151,012)	-	3,892,665

Total depreciation expense for the Nursing Home in 2020 was \$ 325,313.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 5 - Capital Assets, continued

	Balance December 1, 2019	Additions	Deletions	Balance November 30, 2020
Business-type activities:				
Piatt County Public Transportation:				
Capital assets not being depreciated:				
Land	\$ 5,000			5,000
Capital assets being depreciated:				
Building	1,017,254			1,017,254
Vehicles	793,410	128,000		921,410
Equipment	36,620		3,120	33,500
Total capital assets being depreciated	1,847,284	128,000	3,120	1,972,164
Less accumulated depreciation for:				
Building	259,182	25,561		284,743
Vehicles	642,726	47,340		690,066
Equipment	36,620		3,120	33,500
Total accumulated depreciation	938,528	72,901	3,120	1,008,309
Total capital assets being depreciated, net	908,756	55,099	-	963,855
Piatt County Public Transportation capital assets, net	913,756	55,099	-	968,855
Business-type activities, capital assets, net	\$ 4,957,433	(95,913)	-	4,861,520

Total depreciation expense for Piatt County Public Transportation in 2020 was \$ 72,901.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 5 - Capital Assets, continued

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>Component unit:</u>				
Piatt County Mental Health Center (PCMHC):				
Capital assets being depreciated:				
Building	\$ 506,312	63,348		569,660
Equipment, furniture and fixtures, and building improvements	548,943	80,680	40,016	589,607
Total capital assets being depreciated	1,055,255	144,028	40,016	1,159,267
Less accumulated depreciation for:				
Building	287,187	20,876		308,063
Equipment, furniture and fixtures, and building improvements	413,946	47,544	36,394	425,096
Total accumulated depreciation	701,133	68,420	36,394	733,159
PCMHC, capital assets, net	\$ 354,122	75,608	3,622	426,108

Total depreciation expense for Piatt County Mental Health Center in 2020 was \$ 68,420.

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>Component unit:</u>				
Piatt County Emergency Telephone System Board (ETSB):				
Capital assets being depreciated:				
Equipment, furniture and fixtures	\$ 583,470	75,184		658,654
Less accumulated depreciation for:				
Equipment, furniture and fixtures	331,916	37,755		369,671
ETSB, capital assets, net	\$ 251,554	37,429	-	288,983

Total depreciation expense for Piatt County Emergency Telephone System Board in 2020 was \$ 37,755.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2020

Note 6 - Long-Term Obligations

The following is a summary of changes in the County's long-term obligations for the year ended November 30, 2020:

Governmental Activities:

	Balance November 30, 2019	Additions	Reductions	Balance November 30, 2020	Amount Due in One Year
Public Building Revenue Bonds, Series 2011	\$ 1,085,000		60,000	1,025,000	65,000
General obligation debt certificate, Series 2018	210,000		210,000		
General obligation debt certificate, Series 2020		295,000		295,000	20,000
Total governmental Activities	\$ 1,295,000	295,000	270,000	1,320,000	

Public Building Revenue Bonds:

On September 2, 2011, the PCPBC issued \$ 1,500,000 in Public Building Revenue Bonds, Series 2011. The bonds bear interest at varying fixed rates increasing with the length of maturity from 1.125% to 6.250%. The bond issue calls for retirement of principal on October 1 and interest payable on April 1 and October 1.

The annual requirements to amortize the remaining outstanding debt of the Series 2011 Public Building Revenue Bonds of \$ 1,025,000 as of November 30, 2020, assuming no early retirements, is as follows:

Year ending November 30	Principal	Interest	Total	Balance
2021	\$ 65,000	56,969	121,969	960,000
2022	65,000	54,288	119,288	895,000
2023	70,000	51,606	121,606	825,000
2024	75,000	48,019	123,019	750,000
2025	75,000	44,175	119,175	675,000
2026-30	450,000	155,000	605,000	225,000
2031-32	225,000	21,250	246,250	-
Total	\$ 1,025,000	431,307	1,456,307	

Since the PCPBC is a blended component unit, the lease payable/receivable between the PCPBC and the County has been eliminated at the government-wide reporting level, and the revenue bonds have been reported as a liability of the County.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2020

Note 6 - Long-Term Obligations, continued

Governmental Activities, continued:

General Obligation Debt Certificates:

The County issued \$ 250,000 in general obligation debt certificates, Series 2018, dated March 14, 2018. Principal and interest payments were payable on November 1. Interest rates varied between 1.25% and 3.25%.

In March 2020, these debt certificates were paid off (refinanced) with taxable general obligation debt certificates, Series 2020. The amount of new certificates issued was \$ 295,000. Interest rates vary between 2.50% and 3.25%.

Annual debt service requirements to maturity for the new General Obligation Debt Certificates, Series 2020:

Year ending November 30	Principal	Interest	Total	Balance
2021	\$ 20,000	13,254	33,254	275,000
2022	20,000	7,975	47,975	255,000
2023	20,000	7,475	47,475	235,000
2024	20,000	6,975	46,975	215,000
2025	25,000	6,475	31,475	190,000
2026-30	130,000	21,750	275,375	60,000
2031-32	60,000	2,925	185,775	-
Total	<u>\$ 295,000</u>	<u>66,829</u>	<u>361,829</u>	

Business-type Activities:

	Balance November 30, 2019	Additions	Reductions	Balance November 30, 2020	Amount Due in One Year
General obligation debt certificates, Series 2007	\$ 655,000		70,000	585,000	75,000
Revenue Bond, Maple Point, Series 2007	1,540,000		60,000	1,480,000	60,000
Accrued employee benefits	194,457		9,927	184,530	36,900
Total business-type activities	<u>\$ 2,389,457</u>	<u>-</u>	<u>139,927</u>	<u>2,249,530</u>	

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 6 - Long-Term Obligations, continued

Business-type Activities, continued:

The County, on behalf of the Piatt County Nursing Home, issued \$ 1,255,000 general obligation debt certificates, Series 2007, dated February 14, 2008. Principal is payable on November 1. Interest is payable May 1 and November 1 with interest rates varying between 4.25% and 5.00%.

Annual debt service requirements to maturity for the general obligation debt certificates, Series 2007, are as follows:

Year ending November 30	Principal	Interest	Total	Balance
2021	\$ 75,000	28,250	103,250	510,000
2022	75,000	24,688	99,688	435,000
2023	80,000	21,126	101,125	355,000
2024	85,000	17,325	102,325	270,000
2025	85,000	13,288	98,288	185,000
2026-28	185,000	14,000	199,000	-
Total	<u>\$ 585,000</u>	<u>118,677</u>	<u>703,677</u>	

The County, on behalf of the Piatt County Nursing Home for the construction of Maple Point ALF, issued \$ 2,000,000 revenue bonds, Series 2007, dated February 14, 2008. Principal is payable on May 1. Interest is payable May 1 and November 1 with an interest rate ranging from 4.25% to 5.00%.

Annual debt service requirements to maturity for the revenue bond, Series 2007, are as follows:

Year ending November 30	Principal	Interest	Total	Balance
2021	\$ 60,000	62,900	122,900	1,420,000
2022	60,000	60,350	120,350	1,360,000
2023	60,000	57,800	117,800	1,300,000
2024	60,000	55,250	115,250	1,240,000
2025	80,000	52,700	132,700	1,160,000
2026-30	400,000	212,500	612,500	760,000
2031-35	520,000	119,000	639,000	240,000
2036-37	240,000	15,300	255,300	-
Total	<u>\$ 1,480,000</u>	<u>635,800</u>	<u>2,115,800</u>	

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2020

Note 6 - Long-Term Obligations, continued

Business-type Activities, continued:

The creation and funding of certain reserve accounts required by the revenue bond ordinances have not been established by the County or the Piatt County Public Building Commission.

Legal Debt Margin: The Illinois Compiled Statutes provide that the net general obligation debt of the County, exclusive of certain exempt debt, should not exceed 2.875 percent of the total assessed valuation of the County. The effect of the debt limitations described above is an overall debt margin of \$ 13,103,446 at November 30, 2020.

Note 7 - Multiple Facilities Lease

The County had entered into lease agreements in 2002 and 2003 with the Piatt County Public Building Commission (PCPBC) for financing the construction of the County jail and public safety building facilities. On September 1, 2011, the County and the PCPBC entered into a new noncancellable 20-year lease for financing the purchase and construction of a County public building. On July 1, 2014, the County and the PCPBC entered into a new agreement to continue to lease to the County the above described public buildings and sites and all improvements thereon, in conjunction with the issuance of refunding revenue bonds to refinance the 2002 series bonds. The leases require that the County levy property taxes to make annual rental payments to the PCPBC to service the PCPBC revenue bonds.

Lease payments are due each September 25 for the succeeding year and are divisible into a debt service component and a facilities rent portion. The debt service component is payable in order to retire the bonds issued by PCPBC. The facilities rent component reflects the amounts necessary to cover operations and maintenance expenditures of the buildings. The following is a schedule of the future minimum lease payments under the leases and the present value of the net minimum lease payments at November 30, 2020:

Year ending November 30	Facilities Rent	Debt Service Component		
		Principal	Interest	Total
2021	\$ 52,031	65,000	56,969	121,969
2022	54,712	65,000	54,288	119,288
2023	52,394	70,000	51,606	121,606
2024	50,981	75,000	48,019	123,019
2025	54,825	75,000	44,175	119,175
2026-30	265,000	450,000	155,000	605,000
2031-32	101,750	225,000	21,250	246,250
Total	\$ 631,693	1,025,000	431,307	1,456,307

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2020

Note 8 - Pension Plan

Employees of the County participate in the Illinois Municipal Retirement Fund. Amounts and disclosures that follow are for the plan as a whole. The County uses general and special revenue funds to liquidate net pension obligations.

IMRF Plan Description: The Piatt County, Illinois' defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Piatt County, Illinois' plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. 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 financial report that includes financial statements and required supplementary information. The report is available for download at www.imrf.org.

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

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

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

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

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2020

Note 8 - Pension Plan, continued

Contributions: As set by statute, the County's Regular and SLEP plan members are required to contribute 4.50% and 7.50%, respectively, of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2019 for Regular and SLEP was 6.39% and 14.82%, respectively (2020 - 7.03% and 16.54%). 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Employees Covered by Benefit Terms: As of December 31, 2019, the following employees were covered by the benefit terms:

	<u>Regular</u>	<u>SLEP</u>
Retirees and beneficiaries currently receiving benefits	233	7
Inactive plan members entitled to but not yet receiving benefits	274	6
Active plan members	<u>255</u>	<u>14</u>
Total	<u>762</u>	<u>27</u>

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. The net pension liabilities for Regular and SLEP at December 31, 2019 are as follows:

	<u>Regular</u>	<u>SLEP</u>
Total pension liability	\$ 44,929,035	6,663,289
Plan fiduciary net position	<u>44,363,392</u>	<u>6,348,046</u>
Net pension liability (asset)	<u>\$ 565,643</u>	<u>315,243</u>
Percent funded	<u>98.74%</u>	<u>95.27%</u>

Pension Contributions Made: For the fiscal year ended November 30, 2020, the County made pension contributions totaling \$ 810,926.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020

Note 9 - 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; injury to employees; and natural disasters. In December 1988, the County established a Self-Insurance Reserve Fund, which was funded by the sale of \$ 2,500,000 in General Obligation Bonds. This fund enabled the County to self-insure workers' compensation, general liability, automobile liability, automobile physical damage, and public official errors and omissions claims. As of November 30, 2016, the County is no longer self-insuring these policies. There are still open workers' compensation claims, and those will be paid from this fund. It has been determined that these funds may also be used for other purposes such as the payment of employee physicals costs and to help cover health insurance premiums paid by the County. The County has \$ 232,348 in reserves at November 30, 2020 to cover current and future potential self-insurance claims and other allowed costs.

The County carries commercial insurance coverage for workers' compensation, liability, property, crime and other insurance. The County pays all elected officials' bonds by statute. From time to time, the County has pending litigation arising from operations.

Note 10 - Other Postemployment Benefits

Retirees of Piatt County may elect to maintain health and/or dental insurance through the County subsequent to retirement. Such retirees are responsible for paying the full cost of all premiums. As of November 30, 2020 there were three retirees participating in this plan.

Note 11 - Net Position/Fund Equity

Restricted net position in Piatt County Nursing Home - During the fiscal year ended November 30, 1984, Piatt County established the Funded Depreciation Fund to acquire and replace equipment and betterments within the Nursing Home. The fund is restricted and cannot be used for general operating expenses; therefore, net position is restricted for this purpose. This fund is funded by periodic transfers from the Operating Fund. The balance as of November 30, 2020 was \$ 38,322. A similar fund was set up for the Nursing Home's Maple Point operations in 2011. That balance as of November 30, 2020 was \$ 11,962.

The Nursing Home also restricts net position for the Piatt County Service for Seniors Program (PCSS). A separate bank account has been set up for this program. Money for this program is restricted and cannot be used for general operating expenses. The balance at November 30, 2020 for PCSS was \$ 14,846.

Finally, the Nursing Home shows as restricted cash and cash equivalents \$ 123,600 at November 30, 2020, which represents amounts set aside for upcoming bond payments, as required by the related bond ordinance.

PIATT COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2020

Note 12 - Deficit Fund Balances

A deficit fund balance of \$ 530,460 exists in the general fund as a result of expenditures and net inter-fund transfers exceeding revenues for the past many years.

Note 13 - Prior-Period Adjustments

The County's financial statements for the year ended November 30, 2020 include a prior-period adjustments.

It was discovered that Transportation Fund had not accrued salaries due at the prior year-end November 30, 2019. Beginning net position on the proprietary fund financial statements and net position, beginning for business-type activities on the government-wide financial statements have been restated to include the costs of salaries due November 30, 2019 of \$ 23,433.

Note 14 - COVID-19

The spread of COVID-19, a novel strain of coronavirus, has altered the behavior of entities and individuals throughout the United States. The continued spread of COVID-19 may adversely impact the local, regional, and national economies. The extent to which the coronavirus has and will impact the County's results will depend on current and future developments, which are uncertain and cannot be predicted. The impact is highly dependent on the breadth and duration of the outbreak and could be affected by other factors that cannot currently be predicted. Accordingly, management cannot presently estimate the overall operational and financial impact on the County.

Note 15 - Subsequent Events

The County has evaluated subsequent events through July 12, 2021, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

PIATT COUNTY, ILLINOIS

**COMBINING BALANCE SHEET FOR NONMAJOR
GOVERNMENTAL FUNDS - CASH BASIS**

November 30, 2020

	Special Revenue Funds				
	Highway Fund	Bridge Fund	Matching Fund	Illinois Municipal Retirement Fund	Court Automation Fund
<u>ASSETS</u>					
Cash	\$		230,684	222,995	59,439
Due from other funds	606,668	727,782	23,973		
TOTAL ASSETS	606,668	727,782	254,657	222,995	59,439
<u>FUND BALANCES</u>					
Restricted	606,668	727,782	254,657		59,439
Unassigned				222,995	
Total fund balances	606,668	727,782	254,657	222,995	59,439
TOTAL LIABILITIES AND FUND BALANCES	\$ 606,668	727,782	254,657	222,995	59,439

(Continued)

Special Revenue Funds

Document Storage Fund	Probation Fees Fund	Social Security/ FICA Fund	TB Care Fund	Unemployment Comp Fund	Working Cash Fund	Document Storage Circuit Clerk Fund	Medical Fund	Piatt County Drug Enforcement Fund
65,771	127,929	281,668	140,170	125,833	148,505	44,509	27,395	12,724
65,771	127,929	281,668	140,170	125,833	148,505	44,509	27,395	12,724
65,771	127,929	281,668	140,170	125,833	148,505	44,509	27,395	12,724
65,771	127,929	281,668	140,170	125,833	148,505	44,509	27,395	12,724
65,771	127,929	281,668	140,170	125,833	148,505	44,509	27,395	12,724

PIATT COUNTY, ILLINOIS

**COMBINING BALANCE SHEET FOR NONMAJOR
GOVERNMENTAL FUNDS - CASH BASIS**

November 30, 2020

	Special Revenue Funds			
	DUI Equipment Fund	GIS Fund	PCCC Operations and Administrative Fund	Police Vehicle Fund
<u>ASSETS</u>				
Cash	\$ 16,092	30,260	32,765	3,456
Due from other funds				
TOTAL ASSETS	16,092	30,260	32,765	3,456
<u>FUND BALANCES</u>				
Restricted	16,092	30,260	32,765	3,456
Unassigned				
Total fund balances	16,092	30,260	32,765	3,456
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,092	30,260	32,765	3,456

Special Revenue Funds

Pet Population Control Fund	Court Improvement Fund	Court Security Fund	Treasurer Automation Fund	Veterans Assistance Commission Fund	Treasurer Indemnity Fund	Township Bridge Fund	IDNS Fund	Cannabis Control Fund	Support Administration Fund	Sheriff's Forfeiture Fund	Death Examiner Fund	Highway Safety Hire-Back Fund	Total Nonmajor Governmental Funds
9,066	31,806	55,633	31,493	48,325	102,754	309,766		1,802	18,186	23,004	89	1,044	2,203,163 1,358,423
9,066	31,806	55,633	31,493	48,325	102,754	309,766	-	1,802	18,186	23,004	89	1,044	3,561,586
9,066	31,806	55,633	31,493	48,325	102,754	309,766		1,802	18,186	23,004	89	1,044	3,338,591 222,995
9,066	31,806	55,633	31,493	48,325	102,754	309,766	-	1,802	18,186	23,004	89	1,044	3,561,586
9,066	31,806	55,633	31,493	48,325	102,754	309,766	-	1,802	18,186	23,004	89	1,044	3,561,586

PIATT COUNTY, ILLINOIS

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

Year ended November 30, 2020

	Special Revenue Funds				
	Highway Fund	Bridge Fund	Matching Fund	Illinois Municipal Retirement Fund	Court Automation Fund
Revenues:					
Taxes	\$ 477,248	238,604	238,622	998,925	
Intergovernmental	36,710	73,753			
Licenses, permits, fees and fines					17,332
Investment income		18		162	
Miscellaneous	4,667	14,705			
Total revenues	518,625	327,080	238,622	999,087	17,332
Expenditures:					
Current:					
General control and administration				351,110	
Public safety					
Public health and welfare					
Judiciary and legal					16,706
Transportation	543,081	518,453	505,560		
Capital outlay	63,172	143,878			
Total expenditures	606,253	662,331	505,560	351,110	16,706
Excess (deficiency) of revenues over (under) expenditures	(87,628)	(335,251)	(266,938)	647,977	626
Other financing sources (uses):					
Transfers out				(451,673)	
Total other financing sources (uses)	-	-	-	(451,673)	-
Net change in fund balances	(87,628)		(266,938)	196,304	626
Fund balances, beginning of year	694,296	1,063,033	521,595	26,691	58,813
Fund balances, end of year	\$ 606,668	727,782	254,657	222,995	59,439

(Continued)

Special Revenue Funds

Document Storage Fund	Probation Fees Fund	Social Security/ FICA Fund	TB Care Fund	Unemployment Compensation Fund	Working Cash Fund	Document Storage Circuit Clerk Fund	Medical Fund	Piatt County Drug Enforcement Fund
		899,034	15,751	82,613				
55,301	29,357					17,540	490	5,123
55,301	29,357	899,034	15,751	82,613	-	17,540	490	5,123
27,272	48,623	385,629		38,067		19,779		4,625
			1,373					
27,272	48,623	385,629	1,373	38,067	-	19,779	-	4,625
28,029	(19,266)	513,405	14,378	44,546	-	(2,239)	490	498
		(432,485)		(61,678)				
-	-	(432,485)	-	(61,678)	-	-	-	-
28,029	(19,266)	80,920	14,378	(17,132)	-	(2,239)	490	498
37,742	147,195	200,748	125,792	142,965	148,505	46,748	26,905	12,226
65,771	127,929	281,668	140,170	125,833	148,505	44,509	27,395	12,724

PIATT COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS - CASH BASIS (Continued)
Year ended November 30, 2020**

	Special Revenue Funds			
	DUI Equipment Fund	GIS Fund	PCCC Operations and Administrative Fund	Police Vehicle Fund
Revenues:				
Taxes	\$			
Intergovernmental				
Fines, fees, forfeitures	5,507	56,516	8,749	216
Interest on investments				
Miscellaneous				
Total revenues	<u>5,507</u>	<u>56,516</u>	<u>8,749</u>	<u>216</u>
Expenditures:				
Current:				
General control and administration		60,265	14,203	
Public safety	9,000			
Public health and welfare				
Judiciary and legal				
Transportation				
Capital outlay				
Total expenditures	<u>9,000</u>	<u>60,265</u>	<u>14,203</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,493)</u>	<u>(3,749)</u>	<u>(5,454)</u>	<u>216</u>
Other financing sources (uses):				
Transfers out				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3,493)	(3,749)	(5,454)	216
Fund balances, beginning of year	<u>19,585</u>	<u>34,009</u>	<u>38,219</u>	<u>3,240</u>
Fund balances, end of year	<u>\$ 16,092</u>	<u>30,260</u>	<u>32,765</u>	<u>3,456</u>

Special Revenue Funds													
Pet Population Control Fund	Court Improvement Fund	Court Security Fund	Treasurer Automation Fund	Veterans Assistance Commission Fund	Treasurer Indemnity Fund	Township Bridge Fund	IDNS Fund	Cannabis Control Fund	Support Administration Fund	Sheriff's Forfeiture Funds	Death Examiner Fund	Highway Safety Hire-Back Fund	Total Nonmajor Governmental Funds
				15,699							4,337		2,966,496
4,510	8,208	24,824	4,901		3,240								114,800
	3	50	33	43	100	336		2	2,522	7,919	2	1	252,255
				1,000					17				767
													20,372
4,510	8,211	24,874	4,934	16,742	3,340	336	-	2	2,539	7,919	4,339	1	3,354,690
		0	8,612	9,318	81								962,959
1,497							923			85	6,124		22,254
		7,755											1,373
													24,461
													1,567,094
												2,000	209,050
1,497	-	7,755	8,612	9,318	81	-	923	-	-	85	6,124	2,000	2,787,191
3,013	8,211	17,119	(3,678)	7,424	3,259	336	(923)	2	2,539	7,834	(1,785)	(1,999)	567,499
													(945,836)
													(945,836)
3,013	8,211	17,119	(3,678)	7,424	3,259	336	(923)	2	2,539	7,834	(1,785)	(1,999)	(378,337)
6,053	23,595	38,514	35,171	40,901	99,495	309,430	923	1,800	15,647	15,170	1,874	3,043	3,939,923
9,066	31,806	55,633	31,493	48,325	102,754	309,766	-	1,802	18,186	23,004	89	1,044	3,561,586

PIATT COUNTY, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES OF AGENCY FUNDS
Year ended November 30, 2020**

	Balance December 1, 2019	Additions	Reductions	Balance November 30, 2020
<u>ASSETS</u>				
Cash and cash equivalents:				
Held by County Clerk:				
County clerk accounts	\$ 105,209	815,888	754,850	166,247
Held by Treasurer:				
General trust	5,814	2		5,816
General trust	278,975	1,103		280,078
Federal tax trust		2,557,070	2,557,064	6
Earnings fees	411	1,383	1,772	22
Collector cash	126,794	36,107,513	36,133,482	100,825
Revolving tax sale	26,853	29,636	6,337	50,152
Department of Justice asset forfeiture	1,141			1,141
Held by Circuit Clerk:				
Circuit clerk accounts	63,190	859,608	819,027	103,771
Held by Piatt County Highway Department:				
Township motor fuel tax	1,046,154	2,029,079	1,393,987	1,681,246
Held by Piatt County Sheriff:				
Sheriff's warrant fee account	9,148	272,388	189,789	91,747
Held by Piatt County Nursing Home:				
Resident accounts	19,806		1,349	18,457
 TOTAL ASSETS	 \$ 1,683,495	 42,673,670	 41,857,657	 2,499,508

PIATT COUNTY, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES OF AGENCY FUNDS (Continued)
Year ended November 30, 2020

	Balance December 1, 2019	Additions	Reductions	Balance November 30, 2020
<u>LIABILITIES</u>				
Due to Other Governments:				
Due to area drainage districts	\$ 1,133	527,203	527,659	677
Due to local townships	1,046,154	2,029,079	1,393,987	1,681,246
Due to other counties	9,148	272,388	189,789	91,747
Illinois Department of Public Health		296	288	8
Illinois Department of Revenue	62,733	128,437	117,954	73,216
Illinois State Treasurer	25	365	350	40
Property taxes due to other governments	75,309	30,449,110	30,455,364	69,055
Social Security Administration		2,557,070	2,557,064	6
State of Illinois Rural Housing program	1,881	29,924	29,547	2,258
Due to Other Funds:				
Due to other funds	72,522	5,480,356	5,474,029	78,849
Property taxes due to other funds	12,135	4,060	868	15,327
Due to Others:				
Bond refunds payable	75,649	859,608	819,027	116,230
Due to individual taxpayers	284,789	291,487	290,382	285,894
Due to insurance companies for current and future claims	21,070	44,287		65,357
Due to others	1,141			1,141
Due to residents of PCNH and MP	19,806		1,349	18,457
TOTAL LIABILITIES	\$ 1,683,495	42,673,670	41,857,657	2,499,508

PIATT COUNTY, ILLINOIS

SCHEDULE OF REVENUE AND EXPENSES -
PUBLIC TRANSPORTATION FUND
For the twelve months ended June 30, 2020

Revenues:	
Passenger fares	\$ 34,633
Non-transportation revenue	7,116
Local cash and contributions	217,183
Federal cash grant - Section 5311	81,636
Downstate operating assistance grant	669,737
Capital assistance grants	42,880
CARES Act funding	27,483
Other grants and contributions	<u>10,000</u>
Total revenue	<u>1,090,668</u>
Expenses:	
Labor	580,356
Fringe benefits	318,141
Services	67,963
Fuel and oil	95,151
Tires and tubes	9,536
Other materials	28,995
Utilities	17,659
Miscellaneous	11,126
Depreciation	<u>69,672</u>
Total expenses	<u>1,198,599</u>
Net revenue less expenses	<u><u>\$ (107,931)</u></u>



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**To the County Board Members
Piatt County, Illinois
Monticello, Illinois**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Piatt County, Illinois, as of and for the year ended November 30, 2020, and the related notes to the financial statements, which collectively comprise Piatt County, Illinois' basic financial statements and have issued our report thereon dated July 12, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and responses that we consider to be material weaknesses (2020-001 and 2020-002).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Piatt County, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described below.

- The County has several bond ordinances that require the establishment of certain bank accounts to provide for the repayment of debt and interest and provide funds for operating needs and lease payments related to the debt issues. The County has not complied with the provisions of the bond ordinances and does not intend to.

Piatt County, Illinois' Response to Findings

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

Purpose of this Report

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

MCK CPAs & Advisors

Decatur, Illinois
July 12, 2021

PIATT COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND RESPONSES

November 30, 2020

Material Weaknesses

2020-001 Financial Reporting

Criteria: Management is responsible for establishing and maintaining adequate internal control over financial reporting, including controls over the ability of management to select and apply appropriate accounting principles to prepare financial statements and related footnote disclosures in conformity with the modified cash basis of accounting.

Condition: During the review of the financial reporting process, we noted that neither management nor the accounting personnel have the expertise to select and apply appropriate accounting principles or to prepare financial statements with appropriate footnotes in accordance with the modified cash basis of accounting.

Cause: The responsibility for financial reporting rests entirely with the County and not the auditor. In other words, if the County is not able to issue, without the auditors' involvement, complete financial statements with notes, in accordance with the modified cash basis of accounting, and free of material misstatement, that inability is a symptom of material deficiencies in internal control.

Effect: Without adequate financial reporting expertise, errors and omissions could occur in the financial statements and not be detected by management.

Recommendation: We recommend that management assess the financial reporting process and consider implementing additional reporting functions. Additionally, we recommend that the Board include persons knowledgeable about financial statements and reporting requirements.

County's Response: There is no disagreement with the audit finding. The County is aware of the need for the expertise necessary to prepare a complete set of financial statement and the related disclosures. Management will continue to monitor the internal controls over financial reporting as well as the cost/benefit relationship with these issues.

PIATT COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND RESPONSES, *continued*
November 30, 2020

Material Weaknesses, continued

2020-002 Material Audit Adjustments

Criteria: Management is responsible for establishing effective internal controls to ensure that its accounting records are free of material misstatements.

Condition: During the audit of the Piatt County Nursing Home Fund, we discovered that multiple accounts that were not being reconciled timely during the year and as a result were materially misstated.

Cause: Multiple causes were identified including an overall inconsistent system of internal control over the accounting process at the Nursing Home in the previous year, the subsequent change in accounting personnel to address the issue, and the large amount of time needed for such personnel to get the records caught back up.

Effect: These accounting errors caused multiple preliminary financial statement balances to be materially misstated which resulted in multiple material adjustments during the audit - both those proposed by the Nursing Home and those found as a result of auditing procedures.

Recommendation: We recommend that the County continue to monitor the accounting of the Piatt County Nursing Home Fund to ensure that balances are being reconciled completely and timely and that financial statements are correct and current.

County's Response: There is no disagreement with the audit finding. The Piatt County Nursing Home Fund has made huge strides in improving its accounting system since the change in personnel and feels it is now current with its month-end account reconciliation processes.