

VILLAGE OF STICKNEY, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

APRIL 30, 2019



VILLAGE OF STICKNEY, ILLINOIS

ANNUAL FINANCIAL REPORT April 30, 2019

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FINANCIAL SECTION



VILLAGE OF STICKNEY, ILLINOIS



INDEPENDENT AUDITOR'S REPORT

To the Honorable President and Board of Trustees
Village of Stickney, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Stickney, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Stickney Police Pension Fund, which represent 97 percent, 101 percent, and 94 percent, respectively, of the assets, fund balances/net position, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Stickney Police Pension Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Stickney, Illinois, as of April 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 11 to the financial statements, the Village of Stickney, Illinois implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which resulted in an adjustment to beginning net position for governmental activities, business-type activities and the Water Fund.

In addition, as also discussed in Note 11, the Village of Stickney, Illinois corrected an error in the water accounts receivable balance reported in prior year financial statements resulting in an adjustment to beginning net position in business-type activities and the Water Fund. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of changes in net pension liability and related ratios, schedules of contributions, schedule of funding progress, and schedule of investment rate of return on pages 3–10 and 56–66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Stickney, Illinois' basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

JW & Associates, P.C.

Hillside, Illinois
February 13, 2020

VILLAGE OF STICKNEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

As management of the Village of Stickney ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2019. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the Village's financial statements. An overview and analysis of the financial activities of the Village's component unit, the Police Pension Fund, can be found in the Police Pension Fund's separately issued financial statements.

Financial Highlights

At April 30, 2019, the liabilities and deferred inflows of resources of the Village exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$5,802,116 (negative net position).

The government's total net position decreased by \$1,400,762 during the fiscal year ended April 30, 2019 (FY19). The governmental net position decreased by \$1,873,410 and the business-type activities net position increased by \$472,648.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$2,692,894, a decrease of \$707,017 from the prior year. Approximately \$1,079,343 is available for spending at the government's discretion (unassigned fund balance).

The proprietary fund had an ending fund balance of \$4,638,145, an increase of \$472,648 (after restatement) from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other required supplementary information and other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Village's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

VILLAGE OF STICKNEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

The Governmental Activities reflect the Village's basic services, including administration, public safety, highways and streets, and culture and recreation. Property taxes, shared state taxes and local utility taxes finance the majority of these services. The Business-Type Activities reflect private sector-type operations where the fee for service typically covers all or most of the cost of operations, including depreciation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains three individual major governmental funds:

- General Fund
- Debt Service Fund
- Motor Fuel Tax Fund

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the funds listed above, all of which are considered to be major funds. Information from the Village's other governmental funds are combined into a single column presentation. Individual fund information for these nonmajor governmental funds is provided elsewhere in the report.

The Village maintains one type of proprietary fund (enterprise). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide information for the water fund.

VILLAGE OF STICKNEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension and other benefits to its employees. Nonmajor fund information can be found following the required supplementary information.

VILLAGE OF STICKNEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The following chart reflects the condensed Statement of Net Position (in millions):

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | |
|-------------------------------------|------------------------------------|-----------------|-------------------------------------|---------------|-------------------------------------|-----------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Assets | | | | | | |
| Current and other assets | \$ 5.2 | \$ 5.7 | \$ 3.9 | \$ 3.5 | \$ 9.1 | \$ 9.2 |
| Capital assets | 14.3 | 14.7 | 1.4 | 1.5 | 15.7 | 16.2 |
| Total Assets | 19.5 | 20.4 | 5.3 | 5.0 | 24.8 | 25.4 |
| Deferred Outflows | | | | | | |
| Deferred pension outflows | 2.5 | 2.8 | 0.2 | 0.1 | 2.7 | 2.9 |
| Liabilities | | | | | | |
| Other liabilities | 1.7 | 1.3 | 0.2 | 0.2 | 1.9 | 1.5 |
| Long-term liabilities | 27.1 | 24.9 | 0.6 | 0.2 | 27.7 | 25.1 |
| Total Liabilities | 28.8 | 26.2 | 0.8 | 0.4 | 29.6 | 26.6 |
| Deferred Inflows | | | | | | |
| Deferred pension inflows | 2.1 | 1.3 | 0.1 | 0.1 | 2.2 | 1.4 |
| Property taxes | 1.6 | 1.5 | - | - | 1.6 | 1.5 |
| Total Inflows | 3.7 | 2.8 | 0.1 | 0.1 | 3.8 | 2.9 |
| Net Position | | | | | | |
| Net investment in capital assets | 6.8 | 7.1 | 1.4 | 1.5 | 8.2 | 8.6 |
| Restricted | 1.4 | 1.1 | - | - | 1.4 | 1.1 |
| Unrestricted | (18.6) | (14.0) | 3.2 | 3.1 | (15.4) | (10.9) |
| Total Net Position | \$ (10.4) | \$ (5.8) | \$ 4.6 | \$ 4.6 | \$ (5.8) | \$ (1.2) |

The largest portion of the Village's net position reflects the investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Village of Stickney uses the capital assets to provide services to citizens; consequently,

VILLAGE OF STICKNEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A much smaller portion of net position reflects the Village's resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position for the current year is a negative \$15.4 million mainly due to the Police Pension Liability (GASB 68).

At the end of the current year the Village has a negative balance in total net position.

The following chart reflects the condensed Statement of Activities (in millions):

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | |
|-------------------------------|------------------------------------|-----------------|-------------------------------------|---------------|-------------------------------------|-----------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 1.7 | \$ 1.7 | \$ 3.7 | \$ 3.6 | \$ 5.4 | \$ 5.3 |
| Oper. grants/contrib. | 0.2 | 0.2 | - | - | 0.2 | 0.2 |
| Cap. grants/contrib. | - | 0.1 | - | - | - | 0.1 |
| General revenues | | | | | | |
| Property taxes | 3.4 | 3.6 | - | - | 3.4 | 3.6 |
| Other taxes | 3.0 | 2.8 | - | - | 3.0 | 2.8 |
| Other | 0.2 | - | - | - | 0.2 | - |
| Total Revenues | 8.5 | 8.4 | 3.7 | 3.6 | 12.2 | 12.0 |
| Expenses | | | | | | |
| General government | 1.7 | 1.8 | - | - | 1.7 | 1.8 |
| Public safety | 6.7 | 6.2 | - | - | 6.7 | 6.2 |
| Public works | 1.6 | 1.4 | - | - | 1.6 | 1.4 |
| Culture and recreation | 0.1 | 0.1 | - | - | 0.1 | 0.1 |
| Interest long-term debt | 0.3 | 0.3 | - | - | 0.3 | 0.3 |
| Water | - | - | 3.2 | 2.9 | 3.2 | 2.9 |
| Total Expenses | 10.4 | 9.8 | 3.2 | 2.9 | 13.6 | 12.7 |
| Change in Net Position | (1.9) | (1.4) | 0.5 | 0.7 | (1.4) | (0.7) |
| Ending Net Position | \$ (10.4) | \$ (5.8) | \$ 4.6 | \$ 4.6 | \$ (5.8) | \$ (1.2) |

VILLAGE OF STICKNEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds: The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of roughly \$2.7 million, a decrease of \$707 thousand in comparison with the prior year. Approximately \$1.1 million constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1.2 million, while the total fund balance was \$1.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to total fund expenditures.

The fund balance of the Village's General Fund decreased by \$875 thousand during the current fiscal year. Total revenues increased by approximately \$67 thousand while expenditures increased by approximately \$382 thousand. The most significant increases in expenditures were employee insurance (up \$165 thousand), police patrolmen salaries (up \$165 thousand) and contributions to the pension fund (up \$120 thousand).

The following three revenues represented the largest source of funds for the general fund during FY19:

Property Taxes \$2.5 million
Intergovernmental Revenues \$1.8 million
Other Taxes \$1.3 million

The following three expenditures represented the largest use of funds for the general fund during FY19:

Police Department \$2.9 million
Fire Department \$1.3 million
Contributions to pension fund \$1.0 million

The fund balance of the Village's Debt Service Fund increased by \$113,386 from the prior year. The Village's property tax collection for the Debt Service Fund covered all of the principal and interest paid on the Village's debt.

Proprietary Funds: The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Water Fund at the end of the year amounted to \$4,638,145, an increase of \$472,648 (after restatement) from the prior year.

VILLAGE OF STICKNEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

GENERAL FUND BUDGETARY HIGHLIGHTS

The following chart reflects the condensed Budgetary Comparison Schedule:

| | Adopted Budget | Actual |
|---|-------------------------|-------------------------|
| General Fund | | |
| Revenues: | | |
| Taxes | \$ 5,942,186 | \$ 5,501,483 |
| Other | 1,610,641 | 1,862,058 |
| Total | 7,552,827 | 7,363,541 |
| Expenditures: | 7,415,966 | 7,838,773 |
| Transfer | 400,000 | 400,000 |
| Total | 7,815,966 | 8,238,773 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ (263,139) | \$ (875,232) |

Revenues came in under budget mainly due to property tax revenue being less than projected. Expenditures were over budget is mainly attributable to employee insurance being \$211 thousand higher than expected. A transfer of \$400,000 to the Capital Fund was budgeted for and transferred during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The largest portion of the Village of Stickney's net position reflects its investments in capital assets (e.g., land, buildings, land improvements and equipment) less any related debts used to acquire those assets that are still outstanding. Capital assets are used to provide services to users of the Village and are not available for future spending.

As of April 30, 2019, the Village had capital assets net of depreciation of \$14,278,670 for governmental funds and \$1,400,252 for the Water Fund. Annual depreciation was \$553,052 and \$107,490, respectively.

The Village invested roughly \$356 thousand in capital assets during the year. The largest investments were for vehicles and trucks for \$156 thousand and equipment for \$111 thousand.

For more detailed information related to capital assets, see note 6 to the financial statements.

VILLAGE OF STICKNEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

Debt Administration

At April 30, 2019, the Village had outstanding debt as follows:

| | | |
|--------------------------------------|----|-------------------|
| General Obligation Bonds Series 2008 | \$ | 140,000 |
| General Obligation Bonds Series 2015 | | 715,000 |
| General Obligation Bonds Series 2019 | | 5,965,000 |
| Bond Premium | | 655,350 |
| Time Due Payable | | 315,981 |
| IMRF Net Pension Liability | | 1,976,247 |
| Police Net Pension Liability | | 15,345,097 |
| Net OPEB Obligation | | 3,554,856 |
| Total Outstanding Debt | \$ | <u>28,667,531</u> |

Bond debt principal paid during the year was \$6,730,000 while interest expense was \$303,960. During FY19 the Village refinanced both the Series 2008 and 2011 Bonds with the Series 2019 issuance. There were no changes in credit ratings and/or any debt limitations that may affect the financing of planned facilities or services. For more detailed information related to long-term debt, see Note 7 to the financial statements.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Village's citizens, taxpayers and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report or would like to request additional information contact the Village Treasurer, Village of Stickney, 6533 Pershing Road, Stickney, Illinois, 60402.

VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2019

| | Primary Government | | |
|---|----------------------------|-------------------------------|-----------------------|
| | Governmental Activities | Business - Type Activities | Totals |
| Assets | | | |
| Current | | | |
| Cash, cash equivalents, and investments | \$ 2,129,012 | \$ 4,212,279 | \$ 6,341,291 |
| Property taxes receivable | 1,649,854 | - | 1,649,854 |
| Other governmental receivables | 433,760 | - | 433,760 |
| Accounts receivable | 212,012 | 298,506 | 510,518 |
| Internal balances | 576,229 | (576,229) | - |
| Other assets | 242,100 | - | 242,100 |
| Non-current | | | |
| Construction in progress | 39,273 | - | 39,273 |
| Capital assets not being depreciated | 1,349,598 | 25,575 | 1,375,173 |
| Capital assets being depreciated, net | 12,889,799 | 1,374,677 | 14,264,476 |
| Total assets | <u>19,521,637</u> | <u>5,334,808</u> | <u>24,856,445</u> |
| Deferred Outflow of Resources | | | |
| Deferred pension outflows | 2,535,792 | 181,488 | 2,717,280 |
| Total deferred outflows of resources | <u>2,535,792</u> | <u>181,488</u> | <u>2,717,280</u> |
| Liabilities | | | |
| Current | | | |
| Accounts payable | 162,653 | 169,324 | 331,977 |
| Accrued payroll | 565,378 | 31,106 | 596,484 |
| Due to Police Pension | 6,241 | - | 6,241 |
| Accrued interest payable | 60,807 | - | 60,807 |
| Current portion - bonds payable | 945,142 | - | 945,142 |
| Non-current | | | |
| Bonds payable | 6,530,208 | - | 6,530,208 |
| Net pension liability - IMRF | 1,678,647 | 297,600 | 1,976,247 |
| Net pension liability - Police | 15,345,097 | - | 15,345,097 |
| Total OPEB liability | 3,233,826 | 321,030 | 3,554,856 |
| Time-due payable | 315,981 | - | 315,981 |
| Total liabilities | <u>28,843,980</u> | <u>819,060</u> | <u>29,663,040</u> |
| Deferred Inflows of Resources | | | |
| Deferred pension inflows | 2,061,293 | 59,091 | 2,120,384 |
| Property taxes | 1,592,417 | - | 1,592,417 |
| Total deferred inflows of resources | <u>3,653,710</u> | <u>59,091</u> | <u>3,712,801</u> |
| Net Position | | | |
| Net investment in capital assets | 6,764,047 | 1,400,252 | 8,164,299 |
| Restricted for | | | |
| Special revenue | 764,877 | - | 764,877 |
| Capital projects | 9,170 | - | 9,170 |
| Debt service | 597,404 | - | 597,404 |
| Unrestricted | (18,575,759) | 3,237,893 | (15,337,866) |
| Total net position | <u>\$ (10,440,261)</u> | <u>\$ 4,638,145</u> | <u>\$ (5,802,116)</u> |

**VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2019**

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Totals |
| Governmental Activities | | | | | | | |
| General government | \$ 1,695,060 | \$ 684,165 | \$ - | \$ - | \$ (1,010,895) | \$ - | \$ (1,010,895) |
| Public safety | 6,666,806 | 683,862 | - | - | (5,982,944) | - | (5,982,944) |
| Public works | 1,627,267 | 328,804 | 208,285 | - | (1,090,178) | - | (1,090,178) |
| Parks & recreation | 131,948 | 35,830 | - | - | (96,118) | - | (96,118) |
| Interest on long-term debt | 298,205 | - | - | - | (298,205) | - | (298,205) |
| Total governmental activities | <u>10,419,286</u> | <u>1,732,661</u> | <u>208,285</u> | <u>-</u> | <u>(8,478,340)</u> | <u>-</u> | <u>(8,478,340)</u> |
| Business-Type Activities | | | | | | | |
| Water | 3,209,886 | 3,666,580 | - | - | - | 456,694 | 456,694 |
| Total business-type activities | <u>3,209,886</u> | <u>3,666,580</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>456,694</u> | <u>456,694</u> |
| Total primary government | <u>\$ 13,629,172</u> | <u>\$ 5,399,241</u> | <u>\$ 208,285</u> | <u>\$ -</u> | <u>(8,478,340)</u> | <u>456,694</u> | <u>(8,021,646)</u> |
| General Revenues | | | | | | | |
| Taxes | | | | | | | |
| Property taxes, levied for general purposes | | | | | 3,354,806 | - | 3,354,806 |
| Public service taxes | | | | | 3,001,210 | - | 3,001,210 |
| Sale of village property | | | | | 58,562 | - | 58,562 |
| Miscellaneous | | | | | 157,416 | - | 157,416 |
| Unrestricted investment earnings | | | | | 32,936 | 15,954 | 48,890 |
| Total general revenues | | | | | <u>6,604,930</u> | <u>15,954</u> | <u>6,620,884</u> |
| Change in Net Position | | | | | <u>(1,873,410)</u> | <u>472,648</u> | <u>(1,400,762)</u> |
| Net Position - April 30, 2018 (Restated) | | | | | <u>(8,566,851)</u> | <u>4,165,497</u> | <u>(4,401,354)</u> |
| Net Position - April 30, 2019 | | | | | <u>\$ (10,440,261)</u> | <u>\$ 4,638,145</u> | <u>\$ (5,802,116)</u> |

VILLAGE OF STICKNEY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2019

| | Major Funds | | | Nonmajor | Total |
|---|---------------------|---------------------|---------------------|--------------------|---------------------|
| | General Fund | Debt Service Fund | Motor Fuel Tax Fund | Governmental Funds | |
| Assets | | | | | |
| Cash | \$ 1,003,263 | \$ 107,731 | \$ 20,031 | \$ 34,105 | \$ 1,165,130 |
| Investments | 131,460 | - | 718,610 | 113,812 | 963,882 |
| Property taxes receivable | 1,239,957 | 409,897 | - | - | 1,649,854 |
| Other governmental receivables | 433,760 | - | - | - | 433,760 |
| Other receivables | 196,991 | - | 15,021 | - | 212,012 |
| IRMA deposits | 242,100 | - | - | - | 242,100 |
| Interfund receivable | 702,134 | 612,803 | 7,833 | 9,696 | 1,332,466 |
| Total assets | <u>\$ 3,949,665</u> | <u>\$ 1,130,431</u> | <u>\$ 761,495</u> | <u>\$ 157,613</u> | <u>\$ 5,999,204</u> |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 73,157 | \$ 140,000 | \$ - | \$ 89,495 | \$ 302,652 |
| Due to police pension | 6,241 | - | - | - | 6,241 |
| Accrued payroll | 565,378 | - | - | - | 565,378 |
| Interfund payable | 612,803 | - | 10,570 | 132,864 | 756,237 |
| Total liabilities | <u>1,257,579</u> | <u>140,000</u> | <u>10,570</u> | <u>222,359</u> | <u>1,630,508</u> |
| Deferred inflows of resources | | | | | |
| Property taxes | 1,198,397 | 393,027 | - | - | 1,591,424 |
| Unavailable revenue | 83,384 | - | - | 994 | 84,378 |
| Total deferred inflows of resources | <u>1,281,781</u> | <u>393,027</u> | <u>-</u> | <u>994</u> | <u>1,675,802</u> |
| Fund balances | | | | | |
| Nonspendable for IRMA | 242,100 | - | - | - | 242,100 |
| Restricted for capital projects | - | - | - | 9,170 | 9,170 |
| Restricted for debt service | - | 597,404 | - | - | 597,404 |
| Restricted for streets | - | - | 750,925 | - | 750,925 |
| Restricted for police activities | - | - | - | 13,952 | 13,952 |
| Unassigned | 1,168,205 | - | - | (88,862) | 1,079,343 |
| Total fund balances | <u>1,410,305</u> | <u>597,404</u> | <u>750,925</u> | <u>(65,740)</u> | <u>2,692,894</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 3,949,665</u> | <u>\$ 1,130,431</u> | <u>\$ 761,495</u> | <u>\$ 157,613</u> | <u>\$ 5,999,204</u> |

VILLAGE OF STICKNEY, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
April 30, 2019

| | |
|--|-------------------------------|
| Total fund balances - governmental funds | \$ 2,692,894 |
| Amounts reported for governmental activities in the statement of net position differ because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds | 14,278,670 |
| Other long-term assets are not available to pay for current period expenditures and are unavailable in the funds: | |
| Intergovernmental receivables | 83,384 |
| Deferred outflows of resources applicable to the Village's pensions activities do not involve available financial resources and accordingly are not reported on the fund financial statements | 2,535,792 |
| Deferred inflows of resources applicable to the Village's pensions activities do not involve available financial resources and accordingly are not reported on the fund financial statements | (2,061,293) |
| Some liabilities reported in the statements of net position do not require the use of current financial resources and therefore are not reported as liabilities in the governmental funds. These liabilities consist of: | |
| General obligation bonds | (7,475,350) |
| Less debt payment accrued on governmental fund balance sheet | 140,000 |
| Accrued interest on general obligation bonds | (60,807) |
| Time-due payable | (315,981) |
| Total OPEB liability | (3,233,826) |
| Net pension liabilities | (17,023,744) |
| Net position of governmental activities | <u><u>\$ (10,440,261)</u></u> |

VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2019

| | Major Funds | | | Nonmajor Governmental Funds | Total |
|--|---------------------|----------------------|------------------------|-----------------------------------|---------------------|
| | General Fund | Debt Service Fund | Motor Fuel Tax Fund | | |
| Revenues | | | | | |
| Property taxes | \$ 2,453,899 | \$ 900,907 | \$ - | \$ - | \$ 3,354,806 |
| Intergovernmental revenues | 1,793,217 | - | - | - | 1,793,217 |
| Other taxes | 1,254,367 | - | - | 75,286 | 1,329,653 |
| Licenses & permits | 526,797 | - | - | - | 526,797 |
| Fines & fees | 921,526 | - | - | - | 921,526 |
| Motor fuel tax allotments | - | - | 208,285 | - | 208,285 |
| Special events | 14,221 | - | - | - | 14,221 |
| Miscellaneous | 389,050 | - | - | - | 389,050 |
| Program revenue | - | - | - | 21,759 | 21,759 |
| Investment income | 10,464 | 6,439 | 14,016 | 2,017 | 32,936 |
| Total revenues | <u>7,363,541</u> | <u>907,346</u> | <u>222,301</u> | <u>99,062</u> | <u>8,592,250</u> |
| Expenditures | | | | | |
| Current | | | | | |
| Executive & legislative | 68,200 | - | - | - | 68,200 |
| Administration | 370,730 | - | - | - | 370,730 |
| Professional services | 225,741 | - | - | - | 225,741 |
| Police department | 2,910,346 | - | - | - | 2,910,346 |
| Fire department | 1,332,376 | - | - | - | 1,332,376 |
| Public works | 718,654 | - | - | - | 718,654 |
| Public buildings & grounds | 231,067 | - | - | - | 231,067 |
| Miscellaneous | 434 | - | - | - | 434 |
| Sanitation department | 386,201 | - | - | - | 386,201 |
| Insurance | 175,393 | - | - | - | 175,393 |
| Auditing | 27,750 | - | - | - | 27,750 |
| Municipal retirement | 344,586 | - | - | - | 344,586 |
| Contributions to pension fund | 1,004,073 | - | - | - | 1,004,073 |
| Parks & recreation | 43,222 | - | - | - | 43,222 |
| Capital projects | - | - | - | 474,108 | 474,108 |
| Program expenditures | - | - | 53,073 | 139,353 | 192,426 |
| Debt service | | | | | |
| Principal | - | 490,000 | - | - | 490,000 |
| Interest | - | 303,960 | - | - | 303,960 |
| Issuance cost | - | 156,500 | - | - | 156,500 |
| Total expenditures | <u>7,838,773</u> | <u>950,460</u> | <u>53,073</u> | <u>613,461</u> | <u>9,455,767</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(475,232)</u> | <u>(43,114)</u> | <u>169,228</u> | <u>(514,399)</u> | <u>(863,517)</u> |
| Other Financing Sources (Uses) | | | | | |
| Bond Proceeds | - | 5,965,000 | - | - | 5,965,000 |
| Bond Premium | - | 645,561 | - | - | 645,561 |
| Bond Refinancing | - | (6,454,061) | - | - | (6,454,061) |
| Transfers in | - | - | - | 400,000 | 400,000 |
| Transfers (out) | (400,000) | - | - | - | (400,000) |
| Total other financing sources (uses) | <u>(400,000)</u> | <u>156,500</u> | <u>-</u> | <u>400,000</u> | <u>156,500</u> |
| Net Change in Fund Balances | <u>(875,232)</u> | <u>113,386</u> | <u>169,228</u> | <u>(114,399)</u> | <u>(707,017)</u> |
| Fund Balances - Beginning of Year | <u>2,285,537</u> | <u>484,018</u> | <u>581,697</u> | <u>48,659</u> | <u>3,399,911</u> |
| Fund Balances - End of Year | <u>\$ 1,410,305</u> | <u>\$ 597,404</u> | <u>\$ 750,925</u> | <u>\$ (65,740)</u> | <u>\$ 2,692,894</u> |

VILLAGE OF STICKNEY, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2019

Net change in fund balances - total governmental funds \$ (707,017)

Amounts reported in the governmental activities in the statement of activities differ due to the following reasons:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is shown below

| | | |
|-------------------|------------------|-----------|
| Capital outlay | \$ 356,605 | |
| Capital disposals | (203,205) | |
| Depreciation | <u>(553,052)</u> | (399,652) |

Various tax revenues in the statement of activities that do not provide current financial resources are unavailable in the fund statements.

The change from the prior fiscal year totals: (46,374)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal consumes the current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when the debt is issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long term debt.

| | | |
|------------------------------|---------------|---------|
| Principal repayment | 490,000 | |
| Principal refund | 6,380,000 | |
| Amortization of bond premium | 13,973 | |
| Bond Issuance | (5,965,000) | |
| Premium issuance | (645,561) | |
| Change in accrued interest | <u>65,843</u> | 339,255 |

The increase in future salary obligations will not be paid with current financial resources and therefore is not recorded in the fund statements

| | | |
|--|------------------|-------------|
| Change in time due payable | (188,931) | |
| Change in net OPEB obligation | 78,681 | |
| Change in IMRF net pension liability and deferred inflows/outflows | (330,739) | |
| Change in police net pension liability and deferred inflows/outflows | <u>(618,633)</u> | (1,059,622) |

Change in net position of governmental activities \$ (1,873,410)

VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUND
APRIL 30, 2019

| | <u>Water Fund</u> |
|--|---------------------|
| Assets | |
| Current assets | |
| Cash and cash equivalents | \$ 4,212,279 |
| Accounts receivable (net of allowance) | 298,506 |
| Total current assets | <u>4,510,785</u> |
| Noncurrent assets | |
| Capital assets not being depreciated | 25,575 |
| Capital assets being depreciated, net | 1,374,677 |
| Total noncurrent assets | <u>1,400,252</u> |
| Total assets | <u>5,911,037</u> |
| Deferred Outflows of Resources | |
| Deferred pension outflows | 181,488 |
| Total deferred outflows of resources | <u>181,488</u> |
| Liabilities | |
| Current liabilities | |
| Accounts payable | 169,325 |
| Accrued payroll | 31,106 |
| Due to other funds | 576,229 |
| Total current liabilities | <u>776,660</u> |
| Noncurrent liabilities | |
| Net pension liability - IMRF | 297,600 |
| Total OPEB liability | 321,029 |
| Total noncurrent liabilities | <u>618,629</u> |
| Total liabilities | <u>1,395,289</u> |
| Deferred Inflows of Resources | |
| Deferred pension inflows | 59,091 |
| Total deferred inflow of resources | <u>59,091</u> |
| Net Position | |
| Net investment in capital assets | 1,400,252 |
| Unrestricted | 3,237,893 |
| Total net position | <u>\$ 4,638,145</u> |

**VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED APRIL 30, 2019**

| | <u>Water Fund</u> |
|--|----------------------------|
| Operating Revenues | |
| Charges for services | \$ 3,666,580 |
| Total operating revenues | <u>3,666,580</u> |
| Operating Expenses | |
| Water purchases | 2,185,776 |
| Water administration | 916,620 |
| Depreciation | <u>107,490</u> |
| Total operating expenses | <u>3,209,886</u> |
| Net operating income (loss) | <u>456,694</u> |
| Nonoperating Revenues and (Expenses) | |
| Investment income | 15,954 |
| Total nonoperating revenues (expenses) | <u>15,954</u> |
| Net Income (Loss) | <u>472,648</u> |
| Net Position - Beginning of Year (Restated) | <u>4,165,497</u> |
| Net Position - End of Year | <u><u>\$ 4,638,145</u></u> |

VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED APRIL 30, 2019

| | <u>Water Fund</u> |
|---|----------------------------|
| Increase (decrease) in cash and cash equivalents | |
| Cash flows from operating activities | |
| Cash received from customers | \$ 3,674,834 |
| Cash payments to suppliers for goods and services | (2,715,076) |
| Cash payments to employees for services | (358,657) |
| Net cash provided (used) by operating activities | <u>601,101</u> |
| Cash flows from noncapital and related financing activities | |
| Interfund borrowing (lending) | <u>227,575</u> |
| Net cash provided (used) by investing activities | <u>227,575</u> |
| Cash flows from investing activities | |
| Interest and dividends on investments | <u>15,954</u> |
| Net cash provided (used) by investing activities | <u>15,954</u> |
| Net increase (decrease) in cash and cash equivalents | 844,630 |
| Cash and cash equivalents at beginning of year | 3,367,649 |
| Cash and cash equivalents at end of year | <u><u>\$ 4,212,279</u></u> |
| Reconciliation of operating income to net cash provided | |
| by operating activities | |
| Operating income (loss) | <u>\$ 456,694</u> |
| Adjustment to reconcile operating income to net | |
| cash provided by operating activities | |
| Depreciation | 107,490 |
| Changes in assets and liabilities | |
| (Increase) decrease in accounts receivable | 8,254 |
| (Increase) decrease in deferred outflows | (73,087) |
| Increase (decrease) in payables | (2,714) |
| Increase (decrease) in accrued payroll | 13,601 |
| Increase (decrease) in NPL | 160,377 |
| Increase (decrease) in deferred inflows | (32,438) |
| Increase (decrease) in net OPEB liability | (37,076) |
| Total adjustments | <u>144,407</u> |
| Net cash provided by operating activities | <u><u>\$ 601,101</u></u> |

VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF NET POSITION
FIDUCIARY FUND
APRIL 30, 2019

| | Pension Trust Fund |
|--------------------------------------|--------------------------------|
| | Police Pension Fund |
| Assets | |
| Cash and cash equivalents | \$ 449,915 |
| Investments | |
| US treasuries | 586,585 |
| Municipal obligations | 135,231 |
| Corporate obligations | 1,769,321 |
| Common stock | 254,239 |
| Equity mutual funds | 1,914,775 |
| Total investments | <u>4,660,151</u> |
| Due from municipality | 6,241 |
| Prepays | 530 |
| Accrued interest | <u>22,540</u> |
| Total assets | <u>5,139,377</u> |
| Liabilities | |
| Accounts payable | 2,290 |
| Benefits due/unpaid | 80,045 |
| Other payable | <u>1,763</u> |
| Total liabilities | <u>84,098</u> |
| Net position restricted for pensions | <u><u>\$ 5,055,279</u></u> |

VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED APRIL 30, 2019

| | Police Pension Fund |
|---|--------------------------------|
| Additions | |
| Contributions | |
| Employer | \$ 1,004,073 |
| Plan members | 155,904 |
| Total contributions | <u>1,159,977</u> |
| Investment earnings | |
| Interest income | 134,505 |
| Net change in fair value | 157,004 |
| Less investment expenses | <u>(14,724)</u> |
| Total investment earnings | <u>276,785</u> |
| Total additions | <u>1,436,762</u> |
| Deductions | |
| Administration | 52,239 |
| Benefits and refunds | 1,071,833 |
| Refunds | <u>51,333</u> |
| Total deductions | <u>1,175,405</u> |
| Change in Net Position | <u>261,357</u> |
| Net Position - Beginning of Year | <u>4,793,922</u> |
| Net Position - End of Year | <u><u>\$ 5,055,279</u></u> |

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Village of Stickney, Illinois are described below to enhance the usefulness of the financial statements to the readers.

Introduction

The financial statements of the Village of Stickney, Illinois (the "Village") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Village's significant accounting policies are described below.

Reporting Entity

The Village has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 61, The Financial Reporting Entity, under which the financial statements include all the organizations, activities, functions, and component units for which the Village is financially accountable. Financial accountability is defined as an appointment of a voting majority of the component units' board and either (1) the Village's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village.

Because of the nature of the relationship of the Village and the Police Pension Fund, the Village has included the Police Pension Fund as a fiduciary component unit within the Village's basic financial statements. A financial report that includes financial statements and required supplementary information for the Police Pension Fund is available from the Village of Stickney, 6533 West Pershing Road, Stickney, Illinois 60402.

Basis of Presentation

The Village's basic financial statements consist of Village-wide statements, including a statement of net position, statement of activities, and fund financial statements, which provide a more detailed level of financial information. The Village-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

Village-Wide Financial Statements – The statement of net position and the statement of activities display information about the Village as a whole. In the Village-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Village-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-like activity. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

Fund Financial Statements – The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, deferred inflows and deferred outflows, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category — governmental, proprietary, and fiduciary — are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Measurement Focus and Basis of Presentation

Village-Wide Financial Statements – The Village-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Village has reported three categories of program revenues in the statement of activities: (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net position to remove the "grossing up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

or payable to fiduciary funds have been reclassified in the statement of net position as accounts receivable or payable to external parties.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued at the end of the year include real estate tax, state sales tax, state income tax, and motor fuel tax. All other revenue items are considered to be measurable and available only when cash is received by the government. Non-exchange transactions, in which the Village receives value without directly giving equal value in return, include taxes, grants, and donations. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Unavailable revenue is reported on the governmental fund balance sheet as a deferred inflow of resources. Unavailable revenues arise when potential revenue does not meet both the measurable and available criteria. Unavailable revenues also arise when resources are received prior to the government having a legal claim to them. In a subsequent period, when both recognition criteria are met or when the government has a legal claim to the resources, the deferred inflow of resources is removed and the revenue recognized. Grant proceeds received by the Village before they are earned do not meet this criteria and are presented as a liability.

Proprietary funds separate all activity into two categories: operating revenues and expenses and nonoperating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the Village-wide financial statements are prepared that are due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the Village-wide statements and the statements for governmental funds.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Village reports the following major governmental funds:

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

Debt Service Fund: To account for the accumulation of resources for and the payment of general long-term debt principal and interest.

Motor Fuel Tax Fund: To account for activity of the Village's Motor Fuel Tax Allotments from the State of Illinois. This activity generally includes road resurfacing and other infrastructure improvements. The main revenue stream relates to funding from Motor Fuel Tax allotments.

In addition to the fund types mentioned above, the Village uses the following nonmajor governmental fund types:

Special Revenue Funds: To account for the proceeds of specific revenue sources (other than debt service or major capital expenditures) that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: To account for financial resources to be used for the acquisition or construction of major capital facilities that are not financed by Proprietary and Trust Funds.

Proprietary Funds

Proprietary funds account for operations that are (a) financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Village reports the following major proprietary fund:

Water Fund: The fund accounts for the provision of waste water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the Village's own programs.

Police Pension Trust Fund: The fund accounts for assets held by the Village as a trustee. The pension trust fund has resources that are required to be held in trust for the members and beneficiaries of the pension plan.

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value in accordance with GASB 72. Fair values for Illinois Funds are the same as the value of the pool shares. State statute requires these funds to comply with the Illinois Public Funds Investment Act (30 ILCS 235).

Short-Term Receivables/Payable

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "advances from other funds" or "advances to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the Village-wide financial statements as "internal balances."

Capital Assets

Capital assets, which include land, property, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the village-wide financial statements. As allowed by GASB Statement 34, the Village, as a phase-three government, has elected to report governmental activities infrastructure assets acquired subsequent to May 1, 2004. Capital assets are defined by the Village as assets with a useful life of more than one year and an initial individual cost of more than \$5,000.

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets, except land, site improvements, and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | | |
|--------------------------------|-------|-------|
| Land Improvements | 20 | Years |
| Buildings | 15-40 | Years |
| Furniture and Office Equipment | 5-10 | Years |
| Equipment | 10 | Years |
| Vehicles | 3-20 | Years |
| Waterworks System | 50 | Years |
| General Infrastructure Assets | 40 | Years |

Compensated Absences Payable

An ordinance adopted by the Village Board of Trustees provides a written policy for sick leave and vacation for salaried and hourly-paid employees of the Village. In accordance with this ordinance, vacations must be taken in the year after it is earned or forfeited except in the year where the employee terminates their employment with the Village. Any earned vacation will be paid to employees upon his separation of employment. Sick pay is allowable in accordance with the allowable days provided in the ordinance. Sick pay can be accumulated or accrued, but will not be paid out upon an employee's termination or retirement. The Village records a liability for accrued vacation which was earned in the previous year and no liability for unused sick days in these financial statements. However, police officers earn comp time, which the Village is liable to pay should the officer leave the Village. Therefore, this amount of comp time earned but not used or paid is also recorded in the Village-wide financial statements as Time Due Payable.

Long-Term Obligations

In the Village-wide financial statements and in the proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as a debt service expenditure in the year incurred.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity/Net Position

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The components of fund balance include the following line items:

- a. Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- b. Restricted fund balance has externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation.
- c. Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the Village, the Board of Trustees is the highest level of decision making. As of April 30, 2019, the Village does not have any commitments of fund balance.
- d. Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Trustees or by an official designated for that purpose. The Board of Trustees has not designated any members of management for this purpose.
- e. Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. In addition, negative fund balance in other funds, besides the General Fund, is shown as unassigned.

If there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the Village will consider committed fund balance to be spent first, then assigned fund balance and finally unassigned fund balance. The Village will also consider restricted fund balance to be spent before unrestricted.

The capital projects fund has a deficit fund balance as of April 30, 2019 of \$88,862.

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances for any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Pensions

For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and Police Pension Plan and additions to/deductions from

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IMRF's and the Police Pension Plan's fiduciary net positions have been determined on the same basis as they are reported by IMRF and the Police Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports change in pension assumptions, loss on pension investments, and contributions subsequent to the measurement date. Changes in pension plan assumptions are deferred and amortized over the average of the expected remaining service lives of employees that are provided with benefits through the pension plan. Loss on pension investments are deferred and amortized over five years. Contributions subsequent to the measurement date are recognized in the next year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has an item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Certain amounts related to pensions must be deferred. Differences between expected and actual experience are deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan. Property taxes that have been levied but are intended to finance expenses/expenditures of a subsequent period are also recorded as deferred inflows.

Property Taxes

Property taxes are recognized as revenue in the period for which they are intended to finance. Property taxes that have been levied but not collected during the year are recorded as property taxes receivable and deferred inflow of resources to the extent they are not intended to finance current operations. Property taxes are levied and attach as an enforceable lien on property on January 1 and are payable in two installments on March 1 and (normally) August 1 subsequent to the year of levy.

Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Commitments

The Village has no significant commitments at year-end relating to construction projects.

NOTE 2 - DEPOSITS AND INVESTMENTS

Village

Cash

The carrying amount of cash, excluding the Pension Trust Fund, was \$4,664,302 at April 30, 2019, while the bank balances were \$4,714,023. Of the total bank balances, \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC). The remaining \$4,464,023 was fully collateralized as of year-end.

Investments (excluding Pension Trust Fund)

Illinois statutes authorized the Village to invest in obligations of the U.S. Treasury, U.S. agencies, and banks and savings and loan associations covered by federal depositary insurance.

The following schedule reports the fair values for the Village's investments at April 30, 2019. All investments mature in less than one year:

| <u>Investment Type</u> | <u>Fair Value</u> |
|----------------------------------|-------------------|
| Illinois Funds - State Treasurer | \$ 1,676,989 |

The value of the Illinois Funds equates to the number of shares owned as of April 30, 2019.

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

Credit Risk – The Village's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. Illinois Funds are rated AAA by Standard & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investments are fully collateralized as of April 30, 2019.

Concentration of Credit Risk – The Village places no limit on the amount the Village may invest in any one issuer. More than 5% of the Village's investments are in Illinois Funds. These investments are 100% of the Village's investments.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Police Pension Fund

Deposits, Investments, and Concentrations – The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest-bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Funds, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds which must meet specific restrictions, provided the investment in separate accounts and mutual funds do not exceed 10% of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension funds with net position of \$2.5 million or more may invest up to 45% of plan net position in separate accounts of life insurance companies and mutual funds. Pension funds with a net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to 45% of the plan's net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to 50% of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to 55% effective July 1, 2012.

Deposits – At year end, the carrying amount and bank balance of the Pension Fund's deposits totaled \$449,915 and \$451,220, respectively.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments – At year end, the Pension Fund has the following investments and maturities (using the time segmented distribution method):

| Investment Type | Fair Value | Investment Maturities in Years | | | |
|-----------------------|---------------------|--------------------------------|-------------------|-------------------|-------------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| U.S. Treasuries | \$ 586,585 | \$ 124,068 | \$ - | \$ 157,814 | \$ 304,703 |
| Municipal Obligations | 135,231 | 135,231 | - | - | - |
| Corporate Obligations | 1,769,321 | 1,192,351 | 405,820 | 96,762 | 74,388 |
| Total | <u>\$ 2,491,137</u> | <u>\$ 1,451,650</u> | <u>\$ 405,820</u> | <u>\$ 254,576</u> | <u>\$ 379,091</u> |

The difference between the fair value total above of \$2,491,137 and the amount of the Statement of Fiduciary Net Position of \$4,660,151 is due to investments without finite maturity dates. These investments include equity mutual funds in the amount of \$1,914,775 and common stock in the amount of \$254,239.

The Fund has the following recurring fair value measurements as of April 30, 2019:

| Investments by Fair Value Level | April 30 2019 | Fair Value Measurements Using | | |
|--------------------------------------|---------------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Debt Securities | | | | |
| U.S. Treasuries | \$ 586,585 | \$ 586,585 | \$ - | \$ - |
| Municipal Obligations | 135,231 | - | 135,231 | - |
| Corporate Obligations | 1,769,321 | - | 1,769,321 | - |
| Equity Securities | | | | |
| Mutual Funds | 1,914,775 | 1,914,775 | - | - |
| Common Stock | 254,239 | 254,239 | - | - |
| Total Investment by Fair Value Level | <u>\$ 4,660,151</u> | <u>\$ 2,755,599</u> | <u>\$ 1,904,552</u> | <u>\$ -</u> |

The Pension Fund assumes any callable securities will not be called.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Pension Fund’s investment policy, the Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. agencies were not rated or not available. The Investments in municipal bonds were rated Aa2 and the corporate bonds were rated from Baa3 to Aaa by Moody's Investors Services. The Pension Fund's investment policy also prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the Pension Fund will not be able to recover the value of its deposits that are in the possession of an outside party. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Pension Fund's investment policy requires pledging of collateral with a fair value of 115% of all bank balances in excess of federal depository insurance. At April 30, 2019, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

Custodial Credit Risk – Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. At April 30, 2019, the U.S. Government Agencies and the State and Local obligations are held by the counterparty in the trust department. The Pension Fund limits its exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Pension Fund, to act as custodian for its securities and collateral.

Concentration of Credit Risk – Investments: This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Pension Fund's investment policy requires it to diversify its investment portfolio. Assets invested shall be diversified to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or specific class of securities. At April 30, 2019, the Pension Fund does not have any investments over 5% of net position restricted for pensions (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). The Pension Fund's investment policy specifies "in order to further guarantee asset safety, the Pension Fund shall diversify investments to avoid incurring unreasonable risks from the practice of concentrating investments in specific security types and/or individual financial institutions."

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk - Continued. The Pension Board has diversified its equity mutual fund holdings as follows:

| Equity Mutual Funds | Fair Value |
|-------------------------------|---------------------|
| ETFS Physical Platinum | \$ 15,013 |
| Ishares Core S&P 500 | 263,387 |
| Ishares MSCI Emerging | 189,734 |
| Ishares TR Russell 2000 | 408,388 |
| Ishares US Aerospace | 133,109 |
| T Rowe Price Cap Appr Fd | 349,195 |
| Select Sector SPDR Industrial | 115,923 |
| Select Sector SPDR Materials | 142,684 |
| SPDR Gold Shares | 53,086 |
| SPDR S&P Dividend ETF | 108,220 |
| Vaneck Vectors JR Gold | 34,609 |
| William Blair Small Mid | 101,427 |
| Total | <u>\$ 1,914,775</u> |

NOTE 3 - DEFINED BENEFIT PENSION PLAN

Employee Retirement System – Defined Benefit Pension Plans, Plan Descriptions - The Village contributes to two defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan. The Police Pension Plan issues a financial report that includes financial statements and required supplementary information. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The IMRF report may be obtained on-line at www.imrf.org.

Illinois Municipal Retirement Fund:

Plan Description - The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiemployer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

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

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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

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

Employees Covered by Benefit Terms – As of December 31, 2018 the following employees were covered by the benefit terms:

| | |
|--|------------------|
| Retirees and Beneficiaries currently receiving benefits | 20 |
| Inactive Plan Members entitled to but not yet receiving benefits | 19 |
| Active Plan Members | <u>37</u> |
| Total | <u><u>76</u></u> |

Contributions - As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2018 was 8.65%. For the fiscal year ended April 30, 2019, the Village contributed \$193,886 to the plan.

The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial assumptions – The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market Value of Assets |
| Price Inflation | 2.50% |
| Salary Increases | 3.39% to 14.25% |
| Investment Rate of Return | 7.25% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016. |
| Mortality | For non-disabled retirees, and IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current year IMRF experience. |

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2018 Illinois Municipal Retirement Fund annual actuarial valuation.

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

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------|--------------------------|---|
| Domestic Equity | 37.00% | 7.15% |
| International Equity | 18.00% | 7.25% |
| Fixed Income | 28.00% | 3.75% |
| Real Estate | 9.00% | 6.25% |
| Alternative Investments | 7.00% | 3.20-8.50% |
| Cash Equivalents | 1.00% | 2.50% |
| | <u>100.00%</u> | |

Discount rate - A single discount rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rates reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments used to determine the total pension liability. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|-------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| Balance at December 31, 2017 | \$ 7,489,629 | \$ 6,602,721 | \$ 886,908 |
| Changes for the year: | | | |
| Service Cost | 201,021 | - | 201,021 |
| Interest on the Total Pension Liability | 558,549 | - | 558,549 |
| Difference between expected and actual experience of the total pension liability | (159,257) | - | (159,257) |
| Changes of assumptions | 283,662 | - | 283,662 |
| Benefit payments, including refunds of employee contributions | (285,646) | (285,646) | - |
| Contributions - employer | - | 192,484 | (192,484) |
| Contributions - employee | - | 114,610 | (114,610) |
| Net Investment income | - | (309,704) | 309,704 |
| Other (Net Transfer) | - | (202,754) | 202,754 |
| Net Change | 598,329 | (491,010) | 1,089,339 |
| Balance at December 31, 2018 | \$ 8,087,958 | \$ 6,111,711 | \$ 1,976,247 |

The net pension liability has been allocated as follows:

| | |
|-------------------------|---------------------|
| Governmental Activities | \$ 1,678,647 |
| Water Fund | 297,600 |
| Total | <u>\$ 1,976,247</u> |

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the Village, calculated using the discount rate of 7.25%, as well as what the Village's net pension liability for the regular IMRF plan would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| | 1% Decrease 6.25% | Current Discount Rate 7.25% | 1% Increase 8.25% |
|---|----------------------|-----------------------------------|----------------------|
| Village's IMRF net pension liability for the regular plan | \$ 3,282,164 | \$ 1,976,247 | \$ 927,236 |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2019 the Village recognized pension expense of \$578,074 for the IMRF plan. At April 30, 2019, the Village reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 489,334 | \$ 181,316 |
| Assumption Changes | 239,563 | 211,079 |
| Net difference between projected and actual earnings on pension plan investments | 407,080 | - |
| Contributions made subsequent to the measurement date | 69,217 | - |
| Total | <u>\$ 1,205,194</u> | <u>\$ 392,395</u> |

In 2019, there was \$69,217 reported as deferred outflows of resources related to pension contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending December 31 | Net Deferred Outflows of Resources |
|----------------------------|---------------------------------------|
| 2019 | \$ 193,316 |
| 2020 | 132,299 |
| 2021 | 130,829 |
| 2022 | 226,818 |
| 2023 | 58,357 |
| Thereafter | 1,963 |
| Total | <u>\$ 743,582</u> |

Police Pension:

Plan Description - Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. At April 30, 2019, the Police Pension Trust Fund Plan membership consisted of:

| | |
|---|-----------|
| Inactive plan members or beneficiaries currently receiving benefits | 19 |
| Active plan members | <u>16</u> |
| Total | <u>35</u> |

Benefits Provided - Tier 1 employees (those hired prior to January 1, 2012) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.0% of the original pension and 3.0% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2012) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed \$106,800 however, that amount shall increase annually by the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. $\frac{1}{2}$ % for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions - Covered employees are required to contribute 9.91% of their base salary to the Police Pension Trust Fund Plan. This is determined by and can only be amended by State Statute. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings. Employer contributions for 2019 were \$1,004,073.

Basis of Accounting - The financial statements of the pension fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as additions when they are due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefit and refunds are recorded as deductions when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Fixed-income securities are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Net Pension Liability - The Plan's net pension liability was measured as of April 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 30, 2019.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

Postemployment Benefit Changes - Eligibility for postemployment benefits increases is determined based on the Illinois Pension code. Tier 1 Police retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Police retirees are provided postemployment benefit increases based on one-half of the Consumer Price Index (Urban) for the prior September.

Actuarial assumptions - The total pension liability in the actuarial valuation as of April 30, 2019 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| <u>Actuarial Assumptions</u> | |
|------------------------------|----------------|
| Interest Rate | 6.00% |
| Salary Increases | 4.00% - 27.53% |
| Cost of Living Adjustments | 3.25% |
| Inflation | 2.50% |

Mortality rates were based on the independent actuary 2016 Illinois Police Mortality rates.

Expected Return on Pension Plan Investments - The long-term expected rate of return on pension plan investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2019 are summarized in the following tables:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------|--------------------------|---|
| Cash | 2% | 0.00% |
| Fixed Income | 53% | 1.30% |
| Domestic Equities | 20% | 5.40% |
| International Equities | 10% | 5.50% |
| Real Estate | 5% | 4.50% |
| Blended | 10% | 3.50% |
| | <u>100%</u> | |

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates above are intended to estimate those figures.

Rate of Return. For the year ended April 30, 2019, the annual money weighted rate of return on the plan's assets, net of plan investment expenses, was 6.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate. A single discount rate of 6.00% was used to measure the total pension liability and the prior year discount rate was 5.53%. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.00%, the municipal bond rate is 3.79%, and the resulting single discount rate is 6.00%.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

| | Increase (Decrease) | | |
|--|-------------------------|-----------------------------|-----------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a)-(b) |
| Balance at April 30, 2018 | \$ 21,174,227 | \$ 4,793,922 | \$ 16,380,305 |
| Changes for the year: | | | |
| Service Cost | 633,623 | - | 633,623 |
| Interest on the Total Pension Liability | 1,139,879 | - | 1,139,879 |
| Difference between expected and actual experience of the total pension liability | (75,715) | - | (75,715) |
| Changes of assumptions | (1,348,472) | - | (1,348,472) |
| Benefit payments, including refunds of employee contributions | (1,123,166) | (1,123,166) | - |
| Contributions - employer | - | 1,004,073 | (1,004,073) |
| Contributions - employee | - | 136,262 | (136,262) |
| Contributions - other | - | 19,642 | (19,642) |
| Net Investment income | - | 276,785 | (276,785) |
| other (Net Transfer) | - | (52,239) | 52,239 |
| Net Change | (773,851) | 261,357 | (1,035,208) |
| Balance at April 30, 2019 | \$ 20,400,376 | \$ 5,055,279 | \$ 15,345,097 |

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the Plan calculated using the discount rate of 6.00 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.00 percent) or 1-percentage point higher (7.00 percent) than the current rate:

| | 1% Decrease 5.00% | Current Discount Rate 6.00% | 1% Increase 7.00% |
|--|----------------------|-----------------------------------|----------------------|
| Village's net pension liability for the Police Pension | \$ 18,391,661 | \$ 15,345,097 | \$ 12,887,006 |

Pension Expense and Deferred Outflows of Resources Related to Pensions - For the year ended April 30, 2019 the Village recognized pension expense of \$1,622,704 for the Police Pension Plan. At April 30, 2019, the Village reported deferred outflows of resources related to pensions from the following sources:

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 4,227 | \$ 263,865 |
| Assumption Changes | 1,301,876 | 1,462,853 |
| Net difference between projected and actual earnings on pension plan investments | 204,716 | - |
| Total | <u>\$ 1,510,819</u> | <u>\$ 1,726,718</u> |

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

| Year ending April 30: | Net Deferred Inflows of Resources |
|--------------------------|--------------------------------------|
| 2020 | \$ 228,074 |
| 2021 | (41,722) |
| 2022 | (9,355) |
| 2023 | 5,216 |
| 2024 | (205,215) |
| Thereafter | (192,897) |
| Total | <u>\$ (215,899)</u> |

Summary of Pension Items:

| | IMRF | Police | Total |
|--------------------------------|--------------|---------------|---------------|
| Net Pension Liability | \$ 1,976,247 | \$ 15,345,097 | \$ 17,321,344 |
| Deferred Outflows of Resources | 1,205,194 | 1,510,819 | 2,716,013 |
| Deferred Inflows of Resources | 392,395 | 1,726,718 | 2,119,113 |
| Pension Expenses | 578,074 | 1,622,704 | 2,200,778 |

NOTE 4 – OTHER POST EMPLOYMENT BENEFIT PLAN**Plan Description**

The Village provides other post-employment benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

To be eligible for benefits, an employee must qualify for retirement under the Village's retirement plan or meet COBRA requirements.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 4 - OTHER POST EMPLOYMENT BENEFITS (Continued)

All health benefits are provided through the Village's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; and prescriptions. Eligibility in Village sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits.

All retirees contribute 100% of the plan premiums.

As of April 30, 2019 membership consisted of:

| | |
|---|-----------|
| Total active employees | 50 |
| Inactive Employees Currently Receiving Benefits | 2 |
| Inactive Employees Entitles To But Not Yet Receiving Benefits | 0 |
| Total | <u>52</u> |

The Village does not have a funding policy.

Actuarial Assumptions and Methods

| | |
|--|---|
| Actuarial Valuation Date | May 1, 2018 |
| Actuarial Cost Method | Entry Age Normal |
| Assumptions | |
| Discount Rate | 3.79% |
| Long-Term Expected Rate of Return on Plan Assets | N/A |
| Total Payroll Increases | 3.00% |
| Healthcare Cost Trend Rates | For HMO, 0.00% in fiscal year 2019, trending to 5.71% in fiscal year 2024, and an ultimate trend rate of 5.00%. For PPO, 0.00% in fiscal year 2019, trending to 5.93% in fiscal year 2024, and an ultimate trend rate of 5.00% |
| Asset Valuation Method | N/A |

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 4 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Mortality rates were based on Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment for IMRF participants. These rates are improved generationally using MP-2016 improvement rates.

Retirement, termination and disability rates followed the rates used in pension specific actuarial valuations for IMRF, police, and fire employees performed in 2017.

Assumptions were revised for expected increases in the medical costs assumption to 0.00 percent in the first year of the projection for both HMO and PPO plans, and 6.60 percent and 7.10 percent in the second year of the projection for HMO and PPO plans, respectively. Long-term, ultimate increases in medical costs have been set at 5.00 percent.

The expected rate of compensation increases has been lowered from 4.00 percent to 3.00 percent based on a review of the IMRF December 31, 2017 actuarial valuation and the Lauterbach & Amen Assumption Study for Police 2016.

The percent of active employees assumed to continue the participation from the active medical plan into the retiree medical plan upon retirement has been increased from 20 percent to 30 percent for IMRF employees based on the current census information.

Coverage changes. The current valuation varied from the prior as retirees can no longer remain on Village insurance after reaching the age of 65. Additionally, Police and Radio Dispatch employees no longer need to meet the age and service requirements of 55 years old with 25 years of service with the Village in order to receive their employee only premium paid until age 65.

Discount rate. The discount rate used to measure the total OPEB liability as of April 30, 2019 was 3.79 percent, which was a change from the discount rate of 3.97 percent that was used as of April 30, 2018. The single discount rate is based on the Bond Buyer 20-Bond G.O. Index.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 4 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in the Net OPEB Liability

| | Total OPEB Liability (a) | Increase (Decrease) OPEB Plan Net Position (b) | Net OPEB Liability/(Asset) (a) - (b) |
|--|--------------------------------|---|--|
| Balances at May 1, 2018 | \$ 3,670,613 | \$ - | \$ 3,670,613 |
| Service cost | 108,260 | - | 108,260 |
| Interest on total OPEB liability | 143,652 | - | 143,652 |
| Differences between expected and actual experience of the total OPEB liability | - | - | - |
| Change of assumptions | 66,661 | - | 66,661 |
| Plan changes | (330,072) | - | (330,072) |
| Benefit payments, including refunds of employee contributions | (104,258) | (104,258) | - |
| Contributions - employer | - | 104,258 | (104,258) |
| Contributions - employee | - | - | - |
| Net investment income | - | - | - |
| Other (net transfer) | - | - | - |
| Balances at April 30, 2019 | <u>\$ 3,554,856</u> | <u>\$ -</u> | <u>\$ 3,554,856</u> |

Sensitivity of the Village's net OPEB liability to changes in the discount rate. The following presents the Village's net OPEB liability, as well as what the Village's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.79 percent) or 1-percentage-point higher (4.79 percent) than the current discount rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|------------------------|---------------------|--------------------------|---------------------|
| Total OPEB liability | \$ 3,961,185 | \$ 3,554,856 | \$ 3,205,768 |
| OPEB plan net position | - | - | - |
| Net OPEB liability | <u>\$ 3,961,185</u> | <u>\$ 3,554,856</u> | <u>\$ 3,205,768</u> |

Sensitivity of the Village's net OPEB liability to changes in the healthcare cost trend rates. The following presents the Village's net OPEB liability, as well as what the Village's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.50 percent decreasing to 5.00 percent) than the current discount rate:

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 4 - OTHER POST EMPLOYMENT BENEFITS (Continued)

| | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|------------------------|-------------|-----------------------------------|-------------|
| Total OPEB liability | \$3,108,440 | \$3,554,856 | \$4,083,126 |
| OPEB plan net position | - | - | - |
| Net OPEB liability | \$3,108,440 | \$3,554,856 | \$4,083,126 |

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the year ended April 30, 2019, the Village recognized OPEB expense of \$(11,499). At April 30, 2019, the Village did not report any deferred outflows of resources and deferred inflows related to OPEB. Because the Village uses the Alternative Measurement Method, the impact of assumption changes is expensed in the current year rather than deferred.

NOTE 5 - IRS SECTION 457 COMPENSATION PLANS

The Village offers its employees two compensation plans created in accordance with Internal Revenue Code Section 457 and administered by two outside providers. The plans permit eligible employees to delay a portion of their salary until future years. The compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan complies with subsection (g)(1) of the Internal Revenue Code Section 457, which requires that all assets and income of the plan described in subsection (b)(6) be held in trust for the exclusive benefit of the participants and their beneficiaries. As a result, the Village no longer acts in a fiduciary capacity; thus, the plan is no longer required to be reported in the financial statements of the Village.

NOTE 6 - CAPITAL ASSETS

A summary of changes in the Village's Governmental capital assets for the period May 1, 2018 through April 30, 2019 follows:

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 6 - CAPITAL ASSETS (Continued)

| | Balance May 1, 2018 | Additions | Retirements | Balance April 30, 2019 |
|---|------------------------|----------------|----------------|---------------------------|
| Governmental activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 1,299,348 | \$ 50,250 | \$ - | \$ 1,349,598 |
| Construction in progress | - | 39,273 | - | 39,273 |
| | <u>1,299,348</u> | <u>89,523</u> | <u>-</u> | <u>1,388,871</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 1,057,602 | - | - | 1,057,602 |
| Buildings | 9,792,892 | - | - | 9,792,892 |
| Furniture and office equipment | 121,419 | - | - | 121,419 |
| Equipment | 1,414,653 | 111,396 | - | 1,526,049 |
| Vehicles and trucks | 3,036,687 | 155,687 | 203,205 | 2,989,169 |
| Infrastructure | 7,902,856 | - | - | 7,902,856 |
| Subtotal | <u>23,326,109</u> | <u>267,083</u> | <u>203,205</u> | <u>23,389,987</u> |
| Accumulated depreciation | | | | |
| Land improvements | 703,999 | 45,892 | - | 749,891 |
| Buildings | 4,060,571 | 257,343 | - | 4,317,914 |
| Furniture and office equipment | 95,482 | 7,031 | - | 102,513 |
| Equipment | 1,057,276 | 101,424 | - | 1,158,700 |
| Vehicles and trucks | 2,348,862 | 146,996 | 203,205 | 2,292,653 |
| Infrastructure | 1,680,946 | 197,571 | - | 1,878,517 |
| Subtotal | <u>9,947,136</u> | <u>756,257</u> | <u>203,205</u> | <u>10,500,188</u> |
| Total capital assets being depreciated, net | <u>13,378,973</u> | | | <u>12,889,799</u> |
| Total Governmental Capital Assets, net | <u>\$ 14,678,321</u> | | | <u>\$ 14,278,670</u> |

Depreciation expense of the governmental activities was allocated as shown below.

| | |
|------------------------|-------------------|
| General government | \$ 77,330 |
| Public safety | 369,156 |
| Public works | 252,097 |
| Culture and recreation | 57,674 |
| | <u>\$ 756,257</u> |

A summary of changes in the Village's Business-type capital assets for the period from May 1, 2018 through April 30, 2019 follows:

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 6 - CAPITAL ASSETS (Continued)

| | Balance May 1, 2018 | Additions | Retirements | Balance April 30, 2019 |
|---|------------------------|-----------|-------------|---------------------------|
| Business-type activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 25,575 | \$ - | \$ - | \$ 25,575 |
| Capital assets being depreciated: | | | | |
| Pumping station and tower | 1,047,314 | - | - | 1,047,314 |
| Water works system | 949,000 | - | - | 949,000 |
| Office equipment | 59,216 | - | - | 59,216 |
| Truck & accessories | 143,309 | - | - | 143,309 |
| Improvements to system | 1,920,033 | - | - | 1,920,033 |
| Buildings | 789,049 | - | - | 789,049 |
| Subtotal | 4,907,921 | - | - | 4,907,921 |
| Accumulated depreciation | | | | |
| Pumping station and tower | 313,520 | 20,255 | - | 333,775 |
| Water works system | 779,965 | 11,148 | - | 791,113 |
| Office equipment | 59,216 | - | - | 59,216 |
| Truck & accessories | 141,853 | 485 | - | 142,338 |
| Improvements to system | 1,379,692 | 38,400 | - | 1,418,092 |
| Buildings | 751,508 | 37,202 | - | 788,710 |
| Subtotal | 3,425,754 | 107,490 | - | 3,533,244 |
| Total capital assets being depreciated, net | 1,482,167 | | | 1,374,677 |
| Total Business-type capital assets, net | \$ 1,507,742 | | | \$ 1,400,252 |

All depreciation from business-type activities is charged to the water fund.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in the Village's long-term debt:

| | May 1, 2018 | Additions | Deletions | April 30, 2019 | Current |
|---------------------------------|----------------------|---------------------|---------------------|----------------------|-------------------|
| Governmental activities: | | | | | |
| G.O. Bond Series 2008 | \$ 5,595,000 | \$ - | \$ 5,455,000 | \$ 140,000 | \$ 140,000 |
| G.O. Bond Series 2011 | 1,125,000 | - | 1,125,000 | - | - |
| G.O. Bond Series 2015 | 865,000 | - | 150,000 | 715,000 | 715,000 |
| G.O. Bond Series 2019 | - | 5,965,000 | - | 5,965,000 | - |
| Bond Premium | 23,762 | 645,561 | 13,973 | 655,350 | 90,142 |
| Total GO Bonds | <u>7,608,762</u> | <u>6,610,561</u> | <u>6,743,973</u> | <u>7,475,350</u> | <u>945,142</u> |
| | | | | | |
| IMRF NPL | 749,685 | 928,962 | - | 1,678,647 | - |
| Police Pension NPL | 16,380,305 | - | 1,035,208 | 15,345,097 | - |
| OPEB Obligation | 534,224 | - | 534,224 | - | - |
| Total OPEB Liability (Restated) | 3,312,508 | - | 78,682 | 3,233,826 | - |
| Time Due Payable | 127,050 | 188,931 | - | 315,981 | - |
| Total Governmental liabilities | <u>\$ 28,712,534</u> | <u>\$ 7,728,454</u> | <u>\$ 8,392,087</u> | <u>\$ 28,048,901</u> | <u>\$ 945,142</u> |
| | | | | | |
| | May 1, 2018 | Additions | Deletions | April 30, 2019 | Current |
| Business-type activities: | | | | | |
| OPEB Obligation | 57,755 | - | 57,755 | - | - |
| Total OPEB Liability (Restated) | 358,105 | - | 37,075 | 321,030 | - |
| IMRF NPL | 137,223 | 160,377 | - | 297,600 | - |
| Total Business-type activities: | <u>\$ 553,083</u> | <u>\$ 160,377</u> | <u>\$ 94,830</u> | <u>\$ 618,630</u> | <u>\$ -</u> |

Interest paid during the year on the Series 2008, 2011, and 2015 General Obligation Bonds was \$303,960. All bonds are paid from the Debt Service Fund. All other debt is expected to be paid from the General Fund.

On September 25, 2008, the Village issued General Obligation Bonds Series 2008 in the amount of \$6,400,000. The proceeds from the bonds were used for various capital projects within the Village. Interest payments are due every six months starting with interest rates varying from 3.0% to 4.5%. This bond was partially refunded during the year through the issuance of the Series 2019 bonds, and the remaining principal will be paid in full during the Village's fiscal year ended April 30, 2020.

On September 7, 2011, the Village issued General Obligation Bonds Series 2011 for \$2,390,000. These funds were used to currently refund (pay in full) the Series 2001 bond issuance in order to reduce the Village's interest expense. The rate of interest on the Series 2011 ranges from 2.0 to 3.75%. Principal payments are due annually on December 1. The bond was refunded in full through the issuance of the Series 2019 General Obligation Refunding Bonds during fiscal year 2019.

On February 10, 2015, the Village issued General Obligation Bonds Series 2015 for \$1,315,000. These funds were used to currently refund (pay in full) the Series 2004 bond issuance in order to reduce the Village's interest expense. The rate of interest on the Series 2015 ranges from 2.0 to 3.0%. Principal payments are due annually on December 1. This bond is scheduled to mature on December 1, 2019.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 7 - LONG-TERM DEBT (Continued)

On February 5, 2019, the Village issued General Obligation Refunding Bonds, Series 2019 for \$5,965,000. These funds were used to currently refund the Series 2008 and Series 2011 bond issuances. The rate of interest on the Series 2019 issuance ranges from 4.00% to 5.00%. Principal payments are due annually on December 1. This bond is scheduled to mature on December 1, 2028.

Debt Service Requirements Until Maturity

| <u>Fiscal Year</u> | <u>GO Bonds</u> | |
|--------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2020 | \$ 855,000 | \$ 235,028 |
| 2021 | 555,000 | 274,600 |
| 2022 | 580,000 | 252,400 |
| 2023 | 605,000 | 229,200 |
| 2024 | 625,000 | 205,000 |
| 2025-2029 | 3,600,000 | 557,500 |
| Total | <u>\$ 6,820,000</u> | <u>\$ 1,753,728</u> |

NOTE 8 - INSURANCE

Intergovernmental Risk Management Agency: The Village has entered into a contractual agreement with the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in northeastern Illinois that have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. The Village assumes the first \$2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

The Village appoints one delegate, along with an alternate delegate, to represent the Village on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. The Village has a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 8 - INSURANCE (Continued)

Should a claim be paid by IRMA for which these reserves proved inadequate, the Village would be responsible for paying a portion of such deficiency. However, at April 30, 2019, management knows of no claim, asserted or unasserted, which if asserted and paid would have a materially adverse effect on the financial position of the various funds of the Village at April 30, 2019. The amount of settlements has not exceeded coverage during the past three fiscal years.

Health Insurance: The Village has purchased medical insurance through the State of Illinois Local Government Health Plan to cover its employees. The amount of coverage has neither decreased nor has the amount of settlements exceeded coverage during the past four fiscal years.

NOTE 9 - INTERFUND ACTIVITY

| <u>Fund</u> | <u>Due From</u> | <u>Due To</u> |
|--------------------------------|---------------------|---------------------|
| General: | | |
| Water | \$ 558,700 | \$ - |
| Capital Projects | 130,537 | - |
| Motor Fuel Tax | 10,570 | - |
| Police Seizure and Forfeiture | 1,800 | - |
| Emergency Telephone | 527 | - |
| Debt Service | - | 612,803 |
| | <u>702,134</u> | <u>612,803</u> |
| Water: | | |
| General | - | 558,700 |
| Motor Fuel Tax | - | 7,833 |
| Emergency Telephone | - | 9,696 |
| | <u>-</u> | <u>576,229</u> |
| Debt Service: | | |
| General | 612,803 | - |
| Capital Projects: | | |
| General | - | 130,537 |
| MFT: | | |
| General | - | 10,570 |
| Water | 7,833 | - |
| | <u>7,833</u> | <u>10,570</u> |
| Emergency Telephone: | | |
| General | - | 527 |
| Water | 9,696 | - |
| | <u>9,696</u> | <u>527</u> |
| Police Seizure and Forfeiture: | | |
| General | - | 1,800 |
| Total | <u>\$ 1,332,466</u> | <u>\$ 1,332,466</u> |

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 10 - NEW GOVERNMENTAL ACCOUNTING STANDARDS

In November 2016, GASB issued Statement 83, *Certain Asset Retirement Obligations*. This statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations, including obligations that may not have been previously reported. This statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those asset retirement obligations. This Statement is effective for the Village's fiscal year ended April 30, 2020. Management has not determined what impact, if any, this statement will have on its financial statements.

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for the Village's fiscal year ended April 30, 2020. Management has not determined what impact, if any, this statement will have on its financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement is effective for the Village's fiscal year ended April 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

In April 2018, the GASB issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement clarifies which liabilities governments should include when disclosing information related to debt. It requires that additional essential information related to debt be disclosed in notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement is effective for the Village's fiscal year ended April 30, 2020. Management has not determined what impact, if any, this statement will have on its financial statements.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement is effective for the Village's fiscal year ended April 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2019

NOTE 10 - NEW GOVERNMENTAL ACCOUNTING STANDARDS (Continued)

In August 2018, the GASB issued Statement 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. It also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. This Statement is effective for the Village's fiscal year ended April 30, 2020. Management has not determined what impact, if any, this statement will have on its financial statements.

In May of 2019, the GASB issued Statement 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers by clarifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improving required note disclosures. This Statement is effective for the Village's fiscal year ended April 30, 2022. Management has not determined what impact, if any, this statement will have on its financial statements.

NOTE 11 – PRIOR PERIOD ADJUSTMENTS

During the current year, the Village implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the conversion, the Village reported prior period adjustments related to the elimination of the net OPEB obligation balances as of the prior year-end and the establishment of the total OPEB liability balances.

Also, an error was noted in the accounts receivable balance reported in the Water Fund as of April 30, 2018. As a result, the balance should have been \$306,760 rather than the \$464,854 previously reported, a difference of \$158,094.

| | Governmental Activities | Business-type Activities/ Water Fund |
|-------------------------------------|----------------------------|--|
| Net Position Reported at 4/30/18 | \$ (5,788,567) | \$ 4,623,941 |
| Elimination of Net OPEB Obligation | 534,224 | 57,755 |
| Recording of Total OPEB Liability | (3,312,508) | (358,105) |
| Accounts Receivable Restatement | - | (158,094) |
| Net Position at 4/39/18 as Restated | <u>\$ (8,566,851)</u> | <u>\$ 4,165,497</u> |

REQUIRED SUPPLEMENTARY INFORMATION



VILLAGE OF STICKNEY, ILLINOIS

VILLAGE OF STICKNEY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED APRIL 30, 2019

| | Original and Final Budget | Actual | Variance from Budget Over (Under) |
|--|------------------------------|---------------------|--|
| Revenues | | | |
| Property taxes | \$ 2,702,732 | \$ 2,453,899 | \$ (248,833) |
| Intergovernmental revenues | 1,872,547 | 1,793,217 | (79,330) |
| Other taxes | 1,366,907 | 1,254,367 | (112,540) |
| Licenses and permits | 554,908 | 526,797 | (28,111) |
| Fines and fees | 802,292 | 921,526 | 119,234 |
| Special events | 17,340 | 14,221 | (3,119) |
| Miscellaneous | 169,654 | 389,050 | 219,396 |
| Grant revenue | 61,200 | - | (61,200) |
| Investment income | 5,247 | 10,464 | 5,217 |
| Total revenues | <u>7,552,827</u> | <u>7,363,541</u> | <u>(189,286)</u> |
| Expenditures | | | |
| Executive & legislative | 68,200 | 68,200 | - |
| Administration | 391,702 | 370,730 | (20,972) |
| Professional services | 224,000 | 225,741 | 1,741 |
| Police department | 2,623,599 | 2,910,346 | 286,747 |
| Fire department | 1,457,291 | 1,332,376 | (124,915) |
| Public works | 507,110 | 718,654 | 211,544 |
| Public building & grounds | 159,500 | 231,067 | 71,567 |
| Miscellaneous | 7,500 | 434 | (7,066) |
| Sanitation department | 384,034 | 386,201 | 2,167 |
| Insurance | 195,000 | 175,393 | (19,607) |
| Auditing | 13,875 | 27,750 | 13,875 |
| Municipal retirement | 320,500 | 344,586 | 24,086 |
| Contributions to pension fund | 1,023,865 | 1,004,073 | (19,792) |
| Parks & recreation | 39,790 | 43,222 | 3,432 |
| Total expenditures | <u>7,415,966</u> | <u>7,838,773</u> | <u>422,807</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>136,861</u> | <u>(475,232)</u> | <u>(612,093)</u> |
| Other Financing Sources (Uses) | | | |
| Transfer out | (400,000) | (400,000) | - |
| Total other financing sources (uses) | <u>(400,000)</u> | <u>(400,000)</u> | <u>-</u> |
| Net Changes in Fund Balance | <u>\$ (263,139)</u> | <u>(875,232)</u> | <u>\$ (612,093)</u> |
| Fund Balance at Beginning of Year | | <u>2,285,537</u> | |
| Fund Balance at End of Year | | <u>\$ 1,410,305</u> | |

VILLAGE OF STICKNEY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
MOTOR FUEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED APRIL 30, 2019

| | Original and Final Budget | Actual | Variance from Budget Over (Under) |
|--|--------------------------------------|--------------------------|--|
| Revenues | | | |
| Motor fuel tax allotments | \$ 180,000 | \$ 208,285 | \$ 28,285 |
| Investment income | 4,750 | 14,016 | 9,266 |
| Total revenues | <u>184,750</u> | <u>222,301</u> | <u>37,551</u> |
| Expenditures | | | |
| Maintenance - salt | 40,000 | 21,826 | (18,174) |
| LED Street Lights | 20,000 | 29,717 | 9,717 |
| Engineering | - | 1,530 | 1,530 |
| Total expenditures | <u>60,000</u> | <u>53,073</u> | <u>(6,927)</u> |
| Net Change in Fund Balance | <u><u>\$ 124,750</u></u> | <u>169,228</u> | <u><u>\$ 44,478</u></u> |
| Fund Balance at Beginning of Year | | <u>581,697</u> | |
| Fund Balance at End of Year | | <u><u>\$ 750,925</u></u> | |

VILLAGE OF STICKNEY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN ILLINOIS MUNICIPAL RETIREMENT FUND
REGULAR PLAN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Calendar Years

| Calendar Year Ended December 31, | 2018 | 2017 | 2016 | 2015 |
|---|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability | | | | |
| Service cost | \$ 201,021 | \$ 218,054 | \$ 165,760 | \$ 163,453 |
| Interest | 558,549 | 502,368 | 461,791 | 444,908 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience | (159,257) | 610,947 | 126,230 | (181,127) |
| Changes of assumptions | 283,662 | (292,257) | (10,136) | 9,144 |
| Benefit payments, including refunds of member contributions | (285,646) | (277,387) | (196,593) | (211,812) |
| Net change in total pension liability | 598,329 | 761,725 | 547,052 | 224,566 |
| Total Pension Liability - Beginning | 7,489,629 | 6,727,904 | 6,180,852 | 5,956,286 |
| Total Pension Liability - Ending (a) | \$ 8,087,958 | \$ 7,489,629 | \$ 6,727,904 | \$ 6,180,852 |
| Plan Fiduciary Net Position | | | | |
| Employer contributions | \$ 192,484 | \$ 213,168 | \$ 171,810 | \$ 152,899 |
| Employee contributions | 114,610 | 121,942 | 76,474 | 66,866 |
| Pension plan net investment income | (309,704) | 972,699 | 390,494 | 28,369 |
| Benefit payments and refunds | (285,646) | (277,387) | (196,593) | (211,812) |
| Other | (202,754) | (447,112) | 11,566 | (140,538) |
| Net change in plan fiduciary net position | (491,010) | 583,310 | 453,751 | (104,216) |
| Plan Fiduciary Net Position - Beginning | 6,602,721 | 6,019,411 | 5,565,660 | 5,669,876 |
| Plan Fiduciary Net Position - Ending (b) | \$ 6,111,711 | \$ 6,602,721 | \$ 6,019,411 | \$ 5,565,660 |
| Village's Net Pension Liability (a-b) | \$ 1,976,247 | \$ 886,908 | \$ 708,493 | \$ 615,192 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 75.57% | 88.16% | 89.47% | 90.05% |
| Covered-Employee Payroll | \$ 2,036,888 | \$ 2,236,808 | \$ 1,699,418 | \$ 1,485,905 |
| Plan's Net Pension Liability as a Percentage of Covered-employee Payroll | 97.02% | 39.65% | 41.69% | 41.40% |

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years will be presented.

VILLAGE OF STICKNEY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT FUND CONTRIBUTIONS
Last Ten Calendar Years

| Regular Plan | | | | | |
|--------------|-------------------------------------|---------------------|----------------------------------|---------------------------|---|
| Fiscal Year | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contribution as a % of Covered Valuation Payroll |
| 2018 | \$ 176,191 | \$ 192,484 | \$ (16,293) | \$ 2,036,888 | 9.45% |
| 2017 | 213,168 | 213,168 | - | 2,236,808 | 9.53% |
| 2016 | 171,811 | 171,810 | 1 | 1,699,418 | 10.11% |
| 2015 | 152,900 | 152,899 | 1 | 1,485,905 | 10.29% |

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate *

Valuation Date:

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

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method: Aggregate entry age normal
Amortization Method: Level percentage of payroll, closed
Remaining Amortization Period: Non-taxing bodies: 10-year rolling period.
Taxing bodies (Regular, SLEP and ECO groups) 25-year closed period
Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
SLEP supplement liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (two employers were financed over 30 years).
Asset Valuation Growth: 5-year smoothed market; 20% corridor
Wage Growth: 3.50%
Price Inflation: 2.75%
Salary Increases: 3.75% to 14.50% including inflation
Investment Rate of Return: 7.50%
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on valuation assumptions used in the December 31, 2016, actuarial valuation.

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

VILLAGE OF STICKNEY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN POLICE PENSION FUND NET PENSION LIABILITY
Last Ten Fiscal Years

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | |
| Service cost | \$ 633,623 | \$ 415,861 | \$ 392,322 | \$ 366,193 | \$ 275,774 |
| Interest | 1,139,879 | 1,134,853 | 1,162,362 | 1,041,720 | 974,383 |
| Changes of benefit terms | - | - | - | - | - |
| Differences between expected and actual experience | (75,715) | 6,347 | (285,440) | (302,015) | 166,009 |
| Changes of assumptions | (1,348,472) | 1,268,793 | (729,628) | 1,761,637 | 2,852,173 |
| Benefit payments, including refunds of member contributions | (1,123,166) | (1,131,692) | (864,522) | (849,146) | (803,029) |
| Net change in total pension liability | (773,851) | 1,694,162 | (324,906) | 2,018,389 | 3,465,310 |
| Total Pension Liability - Beginning | 21,174,227 | 19,480,065 | 19,804,970 | 17,786,581 | 14,321,271 |
| Total Pension Liability - Ending (a) | \$ 20,400,376 | \$ 21,174,227 | \$ 19,480,064 | \$ 19,804,970 | \$ 17,786,581 |
| Plan Fiduciary Net Position | | | | | |
| Employer contributions | \$ 1,004,073 | \$ 884,337 | \$ 602,890 | \$ 624,450 | \$ 570,934 |
| Employee contributions | 136,262 | 117,301 | 131,323 | 129,722 | 119,628 |
| Contributions - other | 19,642 | - | - | - | - |
| Net investment income | 276,785 | 159,444 | 201,473 | (236,482) | 67,790 |
| Benefit payments and refunds | (1,123,166) | (1,131,692) | (864,522) | (849,146) | (803,029) |
| Administrative expense | (52,239) | (30,748) | (12,070) | (12,676) | (13,503) |
| Net change in plan fiduciary net position | 261,357 | (1,358) | 59,094 | (344,132) | (58,180) |
| Plan Fiduciary Net Position - Beginning | 4,793,922 | 4,795,280 | 4,736,186 | 5,080,318 | 5,138,498 |
| Plan Fiduciary Net Position - Ending (b) | \$ 5,055,279 | \$ 4,793,922 | \$ 4,795,280 | \$ 4,736,186 | \$ 5,080,318 |
| Village's Net Pension Liability (a-b) | \$ 15,345,097 | \$ 16,380,305 | \$ 14,684,784 | \$ 15,068,784 | \$ 12,706,263 |

* GASB 67 was implemented in fiscal year 2015. This schedule is being built prospectively. Information Prior to the implementation of GASB 67 is not available. Ultimately, 10 years of data will be presented.

VILLAGE OF STICKNEY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN POLICE PENSION FUND NET PENSION LIABILITY
Last Ten Fiscal Years

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Total Pension Liability | \$ 20,400,376 | \$ 21,174,227 | \$ 19,480,064 | \$ 19,804,970 | \$ 17,786,581 |
| Plan fiduciary net position | <u>5,055,279</u> | <u>4,793,922</u> | <u>4,795,280</u> | <u>4,736,186</u> | <u>5,080,318</u> |
| Village's net pension liability (asset) | 15,345,097 | 16,380,305 | 14,684,784 | 15,068,784 | 12,706,263 |
| Plan fiduciary net position as a percentage of the total pension liability | 24.78% | 22.64% | 24.62% | 23.91% | 28.56% |
| Covered-employee payroll | 1,356,479 | 1,364,406 | 1,321,459 | 1,298,726 | 1,250,271 |
| Plan's net pension liability (asset) as a percentage of covered-employee payroll | 1131.24% | 1200.54% | 1111.26% | 1160.27% | 1016.28% |

* GASB 67 was implemented in fiscal year 2015. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available. Ultimately, 10 years of data will be presented.

VILLAGE OF STICKNEY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POLICE PENSION FUND CONTRIBUTIONS
APRIL 30, 2019

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|-------------------------------------|------------------|----------------|----------------|----------------|----------------|
| Actuarially determined contribution | \$ 939,152 | \$ 935,521 | \$ 794,692 | \$ 570,135 | \$ 556,450 |
| Contributions in relation to the | | | | | |
| actuarially determined contribution | <u>1,004,073</u> | <u>884,337</u> | <u>602,891</u> | <u>624,450</u> | <u>570,934</u> |
| Contribution deficiency (excess) | (64,921) | 51,184 | 191,801 | (54,315) | (14,484) |
| Covered-employee payroll | 1,356,479 | 1,364,406 | 1,321,459 | 1,298,726 | 1,250,271 |
| Contributions as a percentage of | | | | | |
| covered-employee payroll | 74.02% | 64.81% | 45.62% | 48.08% | 45.66% |

Notes to Required Supplementary Information:

| | |
|--------------------------------|--|
| Actuarial Cost Method: | Entry Age Normal |
| Amortization Method: | Level percentage of pay (closed) |
| Remaining Amortization Period: | 23 years |
| Asset Valuation Method: | 5-Year Smoothed Market |
| Inflation: | 2.50% |
| Salary Increases: | 5.00% |
| Investment Rate of Return: | 5.75% |
| Retirement Age: | 50-70 |
| Mortality: | RP-2014 Mortality Table (BCHA) projected to 2017 using Improvement Scale MP-2016 |

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available

**VILLAGE OF STICKNEY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POLICE PENSION FUND
INVESTMENT RATE OF RETURN
APRIL 30, 2019**

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return net of investment expense | 6.16% | 2.93% | 4.65% | -4.73% | 1.37% |

* GASB 67 was implemented in fiscal year 2015. This schedule is being built prospectively.
Information prior to the implementation of GASB 67 is not available. Ultimately, 10 years of data will
be presented.

VILLAGE OF STICKNEY, ILLINOIS
OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY
APRIL 30, 2019

| | Last 10 Fiscal Years | | | | | | | | | |
|--|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Total OPEB Liability | | | | | | | | | | |
| Service cost | \$ 108,260 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | 143,652 | - | - | - | - | - | - | - | - | - |
| Changes of benefit terms | (330,072) | - | - | - | - | - | - | - | - | - |
| Differences between expected and actual experience | - | - | - | - | - | - | - | - | - | - |
| Changes of assumptions | 66,661 | - | - | - | - | - | - | - | - | - |
| Benefit payments, including refunds of member contributions | (104,258) | - | - | - | - | - | - | - | - | - |
| Net Change in Total OPEB Liability | (115,757) | - | - | - | - | - | - | - | - | - |
| Total OPEB Liability - Beginning | 3,670,613 | - | - | - | - | - | - | - | - | - |
| Total OPEB Liability - Ending (a) | \$ 3,554,856 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Contributions - employer | \$ 104,258 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions - member | - | - | - | - | - | - | - | - | - | - |
| Net investment income | - | - | - | - | - | - | - | - | - | - |
| Benefit payments, including refunds of member contributions | (104,258) | - | - | - | - | - | - | - | - | - |
| Administrative expense | - | - | - | - | - | - | - | - | - | - |
| Net Change in Fiduciary Net Position | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Plan Fiduciary Net Position - Beginning | - | - | - | - | - | - | - | - | - | - |
| Plan Fiduciary Net Position - Ending (b) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net Pension Liability - Ending (a)-(b) | \$ 3,554,856 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| OPEB Plan Net Position as a Percentage of the Total OPEB Liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Covered-Employee Payroll | \$ 2,937,369 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll | 121.02% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Information is presented for those years for which it is available

VILLAGE OF STICKNEY, ILLINOIS
OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF VILLAGE CONTRIBUTIONS
APRIL 30, 2019

Last 10 Fiscal Years

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Contribution Deficiency (Excess) | - | - | - | - | - | - | - | - | - | - |
| Covered-Employee Payroll | \$ 2,937,369 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions as a Percentage of Covered-Employee Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

There is no Actuarially Determined Contribution or employer contribution in relation to the Actuarially Determined Contribution, as there is no Trust that exists for funding the OPEB liabilities. The Village did make contributions from other Village resources in the current year in the amount of \$104,258.

Information is presented for those years for which it is available

VILLAGE OF STICKNEY, ILLINOIS

Note to required supplementary information
April 30, 2019

NOTE 1 - LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets:

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the following funds:

- | | |
|--------------------------------------|-------------------------|
| - General Fund | - Debt Service Fund |
| - Motor Fuel Tax Fund | - Capital Projects Fund |
| - Emergency Telephone System Fund | - Family Day Fund |
| - Police Seizure and Forfeiture Fund | |
| - Water Fund | |

All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund and department. The legal level of budgetary control (i.e., the level at which expenditures may not exceed appropriations) is the fund level.

The budget may be amended during the year by the Village's Board of Trustees. During the year, no supplementary appropriations were necessary.

The following funds had an excess of actual expenditures over related budgeted expenditures for the year ended April 30, 2019:

| | |
|------------------------------------|------------|
| General Fund | \$ 422,807 |
| Emergency Telephone System Fund | 85,324 |
| Police Seizure and Forfeiture Fund | 6,977 |
| Family Day Fund | 11,052 |
| Debt Service Fund | 156,500 |
| Capital Projects Fund | 92,064 |

**COMBINING & INDIVIDUAL FUND
STATEMENTS**



VILLAGE OF STICKNEY, ILLINOIS

VILLAGE OF STICKNEY, ILLINOIS
COMBINING NONMAJOR FUNDS BALANCE SHEET
APRIL 30, 2019

| | Capital Projects Fund | Emergency Telephone System Fund | Police Seizure and Forfeiture Fund | Family Day Fund | Police Revenue Sharing Fund | Total |
|--|----------------------------------|--|---|----------------------------|--|-------------------|
| Assets | | | | | | |
| Cash | \$ 18,352 | \$ 1 | \$ 11,122 | \$ - | \$ 4,630 | \$ 34,105 |
| Investments | 113,812 | - | - | - | - | 113,812 |
| Interfund receivable | - | 9,696 | - | - | - | 9,696 |
| Total assets | <u>\$ 132,164</u> | <u>\$ 9,697</u> | <u>\$ 11,122</u> | <u>\$ -</u> | <u>\$ 4,630</u> | <u>\$ 157,613</u> |
| Liabilities | | | | | | |
| Accounts payable | \$ 89,495 | \$ - | \$ - | \$ - | \$ - | \$ 89,495 |
| Interfund payable | 130,537 | 527 | 1,800 | - | - | 132,864 |
| Total liabilities | <u>220,032</u> | <u>527</u> | <u>1,800</u> | <u>-</u> | <u>-</u> | <u>222,359</u> |
| Deferred Inflows of Resources | | | | | | |
| Unavailable revenue | 994 | - | - | - | - | 994 |
| Total deferred inflows of resources | <u>994</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>994</u> |
| Fund Balance | | | | | | |
| Restricted for police activities | - | - | 9,322 | - | 4,630 | 13,952 |
| Restricted for capital projects | - | 9,170 | - | - | - | 9,170 |
| Unassigned | (88,862) | - | - | - | - | (88,862) |
| Total fund balance | <u>(88,862)</u> | <u>9,170</u> | <u>9,322</u> | <u>-</u> | <u>4,630</u> | <u>(65,740)</u> |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 132,164</u> | <u>\$ 9,697</u> | <u>\$ 11,122</u> | <u>\$ -</u> | <u>\$ 4,630</u> | <u>\$ 157,613</u> |

VILLAGE OF STICKNEY, ILLINOIS
COMBINING NONMAJOR FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended April 30, 2019

| | Capital Projects Fund | Emergency Telephone System Fund | Police Seizure and Forfeiture Fund | Family Day Fund | Police Revenue Sharing Fund | Total |
|--|----------------------------------|--|---|----------------------------|--|--------------------|
| Revenues | | | | | | |
| Other revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other taxes | - | 75,286 | - | - | - | 75,286 |
| Program revenue | - | - | - | 21,759 | - | 21,759 |
| Investment income | 2,017 | - | - | - | - | 2,017 |
| Total revenues | <u>2,017</u> | <u>75,286</u> | <u>-</u> | <u>21,759</u> | <u>-</u> | <u>99,062</u> |
| Expenditures | | | | | | |
| Capital projects | 474,108 | - | - | - | - | 474,108 |
| Program expenditures | - | 101,324 | 6,977 | 31,052 | - | 139,353 |
| Total expenditures | <u>474,108</u> | <u>101,324</u> | <u>6,977</u> | <u>31,052</u> | <u>-</u> | <u>613,461</u> |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 400,000 | - | - | - | - | 400,000 |
| Transfers (out) | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>400,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>400,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(72,091)</u> | <u>(26,038)</u> | <u>(6,977)</u> | <u>(9,293)</u> | <u>-</u> | <u>(114,399)</u> |
| Fund Balances at Beginning of Year | <u>(16,771)</u> | <u>35,208</u> | <u>16,299</u> | <u>9,293</u> | <u>4,630</u> | <u>48,659</u> |
| Fund Balances at End of Year | <u>\$ (88,862)</u> | <u>\$ 9,170</u> | <u>\$ 9,322</u> | <u>\$ -</u> | <u>\$ 4,630</u> | <u>\$ (65,740)</u> |

VILLAGE OF STICKNEY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended April 30, 2019

| | <u>Budget</u> | <u>Actual</u> | <u>Variance from Budget Over (Under)</u> |
|-----------------------------------|------------------|------------------|--|
| Revenues | | | |
| Property taxes | | | |
| Property tax revenue | \$ 2,694,732 | \$ 2,442,168 | \$ (252,564) |
| Road and bridge tax | 8,000 | 11,731 | 3,731 |
| Total property taxes | <u>2,702,732</u> | <u>2,453,899</u> | <u>(248,833)</u> |
| Intergovernmental revenues | | | |
| Personal property replacement tax | 138,216 | 130,088 | (8,128) |
| State income tax | 910,000 | 908,363 | (1,637) |
| State sales tax | 824,331 | 754,766 | (69,565) |
| Total intergovernmental revenues | <u>1,872,547</u> | <u>1,793,217</u> | <u>(79,330)</u> |
| Other taxes | | | |
| Race track - admission | 5,000 | - | (5,000) |
| Race track - parking tax | 5,000 | 4,320 | (680) |
| Utility tax - electricity | 328,440 | 345,019 | 16,579 |
| Utility tax - gas | 491,640 | 513,929 | 22,289 |
| Utility tax - telephone | 144,593 | 107,135 | (37,458) |
| Franchise tax | 128,520 | 68,857 | (59,663) |
| Real estate transfer tax | 160,000 | 125,505 | (34,495) |
| Semi-trailer storage tax | - | 449 | 449 |
| Video gaming tax | 103,714 | 89,153 | (14,561) |
| Total other taxes | <u>1,366,907</u> | <u>1,254,367</u> | <u>(112,540)</u> |
| Licenses and permits | | | |
| Licenses - business | 100,000 | 137,064 | 37,064 |
| Licenses - liquor | 13,000 | 14,825 | 1,825 |
| Licenses - cigarette | 300 | 200 | (100) |
| Licenses - tank | 20,000 | 21,145 | 1,145 |
| Licenses - truck | 19,000 | 18,928 | (72) |
| Licenses - animal | 3,200 | 3,105 | (95) |
| Licenses - amusement/machines | 45,000 | 34,300 | (10,700) |
| Permits - building | 120,000 | 87,371 | (32,629) |
| Licenses - auto | 74,000 | 70,900 | (3,100) |
| License - motorcycle | 408 | 330 | (78) |
| Gasoline tax | 160,000 | 138,629 | (21,371) |
| Total licenses and permits | <u>554,908</u> | <u>526,797</u> | <u>(28,111)</u> |

VILLAGE OF STICKNEY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended April 30, 2019

| | Budget | Actual | Variance from Budget Over (Under) |
|-----------------------------------|---------------|---------------|--|
| Fines and fees | | | |
| Garbage disposal fees | 285,600 | 310,119 | 24,519 |
| Police fines | 300,000 | 480,266 | 180,266 |
| Real estate exempt fees | 2,040 | 1,375 | (665) |
| Ambulance fees | 200,000 | 120,316 | (79,684) |
| Entertainment fees | 2,652 | 75 | (2,577) |
| Real estate inspection fees | 12,000 | 9,375 | (2,625) |
| Total fines and fees | 802,292 | 921,526 | 119,234 |
| Special events | | | |
| Special events | 8,160 | 150 | (8,010) |
| Parks and recreation | 9,180 | 14,071 | 4,891 |
| Total special events | 17,340 | 14,221 | (3,119) |
| Miscellaneous | | | |
| Miscellaneous | 66,300 | 157,416 | 91,116 |
| Rental of tower | 45,900 | 155,768 | 109,868 |
| Sale of property | - | 58,562 | 58,562 |
| Reimbursement sidewalk program | 15,430 | 9,310 | (6,120) |
| Miscellaneous - police department | 35,700 | 1,220 | (34,480) |
| Miscellaneous - fire department | 6,324 | 6,774 | 450 |
| Total miscellaneous | 169,654 | 389,050 | 219,396 |
| Grant revenue | 61,200 | - | (61,200) |
| Investment income | 5,247 | 10,464 | 5,217 |
| Total revenues | \$ 7,552,827 | \$ 7,363,541 | \$ (189,286) |

VILLAGE OF STICKNEY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended April 30, 2019

| | <u>Budget</u> | <u>Actual</u> | <u>Variance from Budget Over (Under)</u> |
|--|----------------|----------------|--|
| Expenditures | | | |
| Executive & legislative | | | |
| Salary - village president | \$ 21,500 | \$ 21,500 | \$ - |
| Salary - trustees | 43,200 | 43,200 | - |
| Salary - liquor commissioner | 3,500 | 3,500 | - |
| Total executive & legislative | <u>68,200</u> | <u>68,200</u> | <u>-</u> |
| Administration | | | |
| Salary - village clerk | 17,000 | 17,000 | - |
| Salary - treasurer/collector | 52,000 | 50,934 | (1,066) |
| Salary - office clerks | 109,002 | 100,941 | (8,061) |
| Salary - building inspector | 35,000 | 15,450 | (19,550) |
| Compensation electrical inspector | 7,500 | 1,400 | (6,100) |
| Compensation police and fire board of commissioners | 9,000 | 7,750 | (1,250) |
| Police and fire board of commissioners expenses | 2,000 | 1,130 | (870) |
| Postage, stationery and supplies | 8,000 | 34,179 | 26,179 |
| Purchase of license supplies | 6,000 | - | (6,000) |
| Membership and expenses IL | | | |
| Municipal League | 2,500 | 22,268 | 19,768 |
| Printing and publishing | 5,500 | 17,160 | 11,660 |
| Cost of preparing and publishing financial statements | 500 | - | (500) |
| Education and training | 1,000 | - | (1,000) |
| Employee insurance | 85,000 | 48,205 | (36,795) |
| Computer maintenance and service | 30,000 | 36,773 | 6,773 |
| Zoning board of appeals | 1,000 | - | (1,000) |
| Revision and recodification of ordinances | 2,200 | 3,379 | 1,179 |
| Plumbing inspection service | 6,000 | 3,560 | (2,440) |
| WCMC membership and expenses | 12,500 | 10,601 | (1,899) |
| Total administration | <u>391,702</u> | <u>370,730</u> | <u>(20,972)</u> |
| Professional services | | | |
| Legal services | 150,000 | 162,010 | 12,010 |
| Village prosecutor | 9,000 | 15,314 | 6,314 |
| Other professional fees | 4,000 | 2,801 | (1,199) |
| Lobbyist | 36,000 | 36,000 | - |
| Engineering services | 25,000 | 9,616 | (15,384) |
| Total professional services | <u>224,000</u> | <u>225,741</u> | <u>1,741</u> |

VILLAGE OF STICKNEY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended April 30, 2019

| | <u>Budget</u> | <u>Actual</u> | <u>Variance from Budget Over (Under)</u> |
|--|------------------|------------------|--|
| Police department | | | |
| Salary - police chief | 101,475 | 101,774 | 299 |
| Salary - deputy police | 98,708 | 104,065 | 5,357 |
| Salary - police sergeants | 379,244 | 438,274 | 59,030 |
| Salary - patrolmen | 952,800 | 956,652 | 3,852 |
| Salary - special police | 177,000 | 130,701 | (46,299) |
| Salary - radio clerks | 173,000 | 377,791 | 204,791 |
| Salary ordinance officer | 36,720 | 25,952 | (10,768) |
| Dispatch fees | 95,000 | - | (95,000) |
| Maintenance motor equipment | 34,000 | 43,535 | 9,535 |
| Maintenance communications equipment | 30,000 | 37,643 | 7,643 |
| Office supplies | 5,000 | 1,741 | (3,259) |
| Equipment/supplies | 20,000 | 18,839 | (1,161) |
| Motor fuel | 40,000 | 48,056 | 8,056 |
| Education and training | 15,000 | 20,733 | 5,733 |
| Employee insurance | 270,932 | 482,292 | 211,360 |
| Maintenance of gun range | 3,000 | 7,323 | 4,323 |
| Clothing allowance | 17,650 | 20,390 | 2,740 |
| Adjudication | 42,000 | 47,533 | 5,533 |
| Maintenance and services | 27,570 | - | (27,570) |
| Animal control contractual service | 500 | - | (500) |
| Adjudication hearing officer | 9,000 | - | (9,000) |
| Police officers holiday pay | 95,000 | 47,052 | (47,948) |
| Total police department | <u>2,623,599</u> | <u>2,910,346</u> | <u>286,747</u> |
| Fire department | | | |
| Salary - fire chief | 100,980 | 101,019 | 39 |
| Salary - assistant fire chief | 46,022 | 47,827 | 1,805 |
| Salary - firemen | 1,037,015 | 951,388 | (85,627) |
| Salary - fire inspector | 15,000 | 7,118 | (7,882) |
| MABAS Division XI dues | 10,000 | 10,000 | - |
| Stationary, printing and office supplies | 4,000 | 2,912 | (1,088) |
| Motor fuel | 10,000 | 29,611 | 19,611 |
| Maintenance motor equipment | 35,000 | 32,011 | (2,989) |
| Maintenance communications equipment | 10,000 | - | (10,000) |
| Operating supplies | 24,000 | 16,222 | (7,778) |
| Education and training cost | 20,000 | 19,011 | (989) |
| Purchase of fire fighting clothing | 20,000 | 17,274 | (2,726) |
| Purchase of operating equipment | 30,000 | 6,045 | (23,955) |
| E.V.P. system | 1,000 | 1,424 | 424 |
| Medical examinations | 10,000 | 19,108 | 9,108 |
| Computer maintenance and services | 11,506 | 14,971 | 3,465 |
| Ambulance billing service | 12,000 | 11,089 | (911) |

VILLAGE OF STICKNEY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended April 30, 2019

| | Budget | Actual | Variance from Budget Over (Under) |
|---|------------------|------------------|--|
| Breathing apparatus | 12,000 | 3,481 | (8,519) |
| Fire equipment grants | - | 6,035 | 6,035 |
| Employee insurance | 48,768 | 35,830 | (12,938) |
| Total fire department | <u>1,457,291</u> | <u>1,332,376</u> | <u>(124,915)</u> |
| Public works | | | |
| Salary - village supervisor | 47,500 | 50,834 | 3,334 |
| Salaries - public works | 136,082 | 324,520 | 188,438 |
| Employee insurance | 72,528 | 94,054 | 21,526 |
| Office supplies | 1,000 | 3,019 | 2,019 |
| Material repairing streets | 7,000 | 14,363 | 7,363 |
| Material repairing alleys | 15,000 | 6,445 | (8,555) |
| Repairing public walks | 5,000 | - | (5,000) |
| Repairing public walks 50/50 | 25,000 | 40,483 | 15,483 |
| Trimming and removal of trees | 75,000 | 56,408 | (18,592) |
| Maintenance motor equipment | 23,000 | 30,489 | 7,489 |
| Computer maintenance | 3,000 | 2,345 | (655) |
| Traffic regulations and street signals | 10,000 | 20,620 | 10,620 |
| Material street snow removal | 5,000 | 3,170 | (1,830) |
| Maintenance supplies | 4,000 | 35,202 | 31,202 |
| Maintenance equipment | 7,000 | 29,780 | 22,780 |
| Energy maintenance, alley repair and street lights | 65,000 | - | (65,000) |
| Maintenance of private property | 6,000 | 6,922 | 922 |
| Total public works | <u>507,110</u> | <u>718,654</u> | <u>211,544</u> |
| Public building & grounds | | | |
| Salary - buildings and grounds | 22,500 | 58,487 | 35,987 |
| Heat/electric - village hall | 7,000 | 19,678 | 12,678 |
| Telephone services | 50,000 | 51,645 | 1,645 |
| Maintenance public recreation | - | - | - |
| Maintenance and repair of building | 50,000 | 68,052 | 18,052 |
| Supplies | 8,000 | 11,877 | 3,877 |
| Security and fire system | 22,000 | 21,328 | (672) |
| Total public building & grounds | <u>159,500</u> | <u>231,067</u> | <u>71,567</u> |
| Miscellaneous | <u>7,500</u> | <u>434</u> | <u>(7,066)</u> |
| Sanitation department | | | |
| Salaries - public works | 46,894 | - | (46,894) |
| Waste management | 313,140 | 324,041 | 10,901 |
| Maintenance and repair of motorized equipment | 10,000 | 31,983 | 21,983 |
| Motor fuel | 2,500 | 7,515 | 5,015 |

VILLAGE OF STICKNEY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended April 30, 2019

| | Budget | Actual | Variance from Budget Over (Under) |
|-------------------------------|---------------------|---------------------|--|
| Materials and supplies | 1,000 | 6,284 | 5,284 |
| Disposal services | 2,500 | - | (2,500) |
| Uniforms | 6,000 | 7,397 | 1,397 |
| Medical examinations | 1,000 | - | (1,000) |
| Containers and recycling bins | 1,000 | 8,981 | 7,981 |
| Total sanitation department | <u>384,034</u> | <u>386,201</u> | <u>2,167</u> |
| Insurance | <u>195,000</u> | <u>175,393</u> | <u>(19,607)</u> |
| Auditing | <u>13,875</u> | <u>27,750</u> | <u>13,875</u> |
| Municipal retirement | | | |
| Municipal retirement | 138,000 | 164,689 | 26,689 |
| FICA and Medicare tax | 175,000 | 176,049 | 1,049 |
| Unemployment tax | 7,500 | 3,848 | (3,652) |
| Total municipal retirement | <u>320,500</u> | <u>344,586</u> | <u>24,086</u> |
| Contributions to pension fund | <u>1,023,865</u> | <u>1,004,073</u> | <u>(19,792)</u> |
| Parks & recreation | | | |
| Maintenance & supplies | 15,000 | 7,490 | (7,510) |
| Donations | 8,000 | 6,099 | (1,901) |
| Activities | 11,790 | 22,872 | 11,082 |
| Equipment | 5,000 | 6,761 | 1,761 |
| Total parks & recreation | <u>39,790</u> | <u>43,222</u> | <u>3,432</u> |
| Transfers to capital projects | <u>400,000</u> | <u>400,000</u> | <u>-</u> |
| Total expenditures | <u>\$ 7,815,966</u> | <u>\$ 8,238,773</u> | <u>\$ 422,807</u> |

VILLAGE OF STICKNEY, ILLINOIS
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2019

| | Original and Final Budget | Actual | Variance from Budget Over (Under) |
|--|------------------------------|------------------------|--|
| Revenues | | | |
| 911 surcharge | \$ 67,000 | \$ 75,286 | \$ 8,286 |
| Total revenues | <u>67,000</u> | <u>75,286</u> | <u>8,286</u> |
| Expenditures | | | |
| Maintenance of systems | 16,000 | 56,407 | 40,407 |
| Professional services | - | 44,917 | 44,917 |
| Total expenditures | <u>16,000</u> | <u>101,324</u> | <u>85,324</u> |
| Other Financing Sources (Uses) | | | |
| Transfers (out) | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | <u><u>\$ 51,000</u></u> | <u>(26,038)</u> | <u><u>\$ (77,038)</u></u> |
| Fund Balance at Beginning of Year | | <u>35,208</u> | |
| Fund Balance at End of Year | | <u><u>\$ 9,170</u></u> | |

VILLAGE OF STICKNEY
POLICE SEIZURE AND FOREITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2019

| | Original and Final Budget | Actual | Variance from Budget Over (Under) |
|--|------------------------------|-----------------|--|
| Revenues | | | |
| Seizures | \$ - | \$ - | \$ - |
| Reserves | - | - | - |
| Interest income | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | |
| Equipment | - | 6,977 | 6,977 |
| Total expenditures | <u>-</u> | <u>6,977</u> | <u>6,977</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>(6,977)</u> | <u>\$ (6,977)</u> |
| Fund Balance at Beginning of Year | | <u>16,299</u> | |
| Fund Balance at End of Year | | <u>\$ 9,322</u> | |

**VILLAGE OF STICKNEY
FAMILY DAY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2019**

| | Original and Final Budget | Actual | Variance from Budget Over (Under) |
|--|--------------------------------------|---------------|--|
| Revenues | | | |
| Program revenues | \$ 20,000 | \$ 21,759 | \$ 1,759 |
| Total revenues | 20,000 | 21,759 | 1,759 |
| Expenditures | | | |
| Program expenditures | 20,000 | 31,052 | 11,052 |
| Total expenditures | 20,000 | 31,052 | 11,052 |
| Other Financing Sources (Uses) | | | |
| Transfers in | - | - | - |
| Total other financing sources (uses) | - | - | - |
| Net Change in Fund Balance | - | (9,293) | (9,293) |
| Fund Balance at Beginning of Year | | 9,293 | |
| Fund Balance at End of Year | | \$ - | |

VILLAGE OF STICKNEY
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2019

| | Original and Final Budget | Actual | Variance from Budget Over (Under) |
|--|------------------------------|-------------------|--|
| Revenues | | | |
| Property taxes | \$ 793,960 | \$ 900,907 | \$ 106,947 |
| Interest income | 100 | 6,439 | 6,339 |
| Total revenues | <u>794,060</u> | <u>907,346</u> | <u>113,286</u> |
| Expenditures | | | |
| Principal | 641,980 | 490,000 | (151,980) |
| Interest | 151,980 | 303,960 | 151,980 |
| Bond Issuance Costs | - | 156,500 | 156,500 |
| Total expenditures | <u>793,960</u> | <u>950,460</u> | <u>156,500</u> |
| Operating income (loss) | <u>100</u> | <u>(43,114)</u> | <u>(43,214)</u> |
| Other Financing Sources (uses) | | | |
| Bond Proceeds | - | 5,965,000 | 5,965,000 |
| Bond Premium | - | 645,561 | 645,561 |
| Bond Refinancing | - | (6,454,061) | (6,454,061) |
| Total Other Financing Sources (uses) | <u>-</u> | <u>156,500</u> | <u>156,500</u> |
| Net Income (Loss) | <u>\$ 100</u> | <u>113,386</u> | <u>\$ 113,286</u> |
| Fund Balance at Beginning of Year | | <u>484,018</u> | |
| Fund Balance at End of Year | | <u>\$ 597,404</u> | |

**VILLAGE OF STICKNEY
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2019**

| | Original and Final Budget | Actual | Variance from Budget Over (Under) |
|--|--------------------------------------|--------------------|--|
| Revenues | | | |
| Grants | \$ - | \$ - | \$ - |
| Investment income | - | 2,017 | 2,017 |
| Total revenues | <u>-</u> | <u>2,017</u> | <u>2,017</u> |
| Expenditures | | | |
| Equipment and other | | | |
| Capital expenditures | 382,044 | 474,108 | 92,064 |
| Total expenditures | <u>382,044</u> | <u>474,108</u> | <u>92,064</u> |
| Other financing sources (uses) | | | |
| Transfers in | 400,000 | 400,000 | - |
| Total other financing sources (uses) | <u>400,000</u> | <u>400,000</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ 17,956</u> | <u>(72,091)</u> | <u>\$ 90,047</u> |
| Fund Balance at Beginning of Year | | <u>(16,771)</u> | |
| Fund Balance at End of Year | | <u>\$ (88,862)</u> | |

VILLAGE OF STICKNEY, ILLINOIS
WATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2019

| | Original and Final Budget | Actual | Variance from Budget Over (Under) |
|--|------------------------------|---------------------|--|
| Operating Revenues | | | |
| Charges for services | | | |
| Water - residential | \$ 1,036,000 | \$ 1,008,133 | \$ (27,867) |
| Water - commercial | 368,816 | 453,561 | 84,745 |
| Water - industrial | 2,261,639 | 2,199,144 | (62,495) |
| Miscellaneous | 5,500 | 3,567 | (1,933) |
| Recycling revenue | 1,700 | 2,175 | 475 |
| Total operating revenues | <u>3,673,655</u> | <u>3,666,580</u> | <u>(7,075)</u> |
| Operating Expenses | | | |
| Purchase of water | 2,030,800 | 2,185,776 | 154,976 |
| Electric power reservoir | 35,000 | 48,911 | 13,911 |
| Meters and connections | 100,000 | 45,702 | (54,298) |
| Materials and supplies | 5,000 | 9,189 | 4,189 |
| Contractual rep system | 130,000 | 116,859 | (13,141) |
| Salary - supervisor | 45,000 | 40,970 | (4,030) |
| Computer upgrade | 9,000 | 2,112 | (6,888) |
| Salary - water department | 242,000 | 189,196 | (52,804) |
| Salary - treasurer/collector | 52,000 | 52,089 | 89 |
| Salary - office clerk | 98,000 | 107,779 | 9,779 |
| Office supplies, postage | 7,200 | 2,056 | (5,144) |
| Telephone services | 10,000 | 9,944 | (56) |
| Maintenance - office equipment | 2,000 | 5,377 | 3,377 |
| Maintenance - pump station | 5,000 | 2,335 | (2,665) |
| Auditing services | 13,875 | - | (13,875) |
| Operating equipment | 6,000 | 12,221 | 6,221 |
| Motor fuel costs | 3,000 | 3,558 | 558 |
| Maintenance - motor equipment | 2,500 | 3,939 | 1,439 |
| Insurance | 40,000 | 40,000 | - |
| Heating fuel | 1,500 | - | (1,500) |
| Rental - sanitary district | 100 | - | (100) |
| Premium life, health, accident insurance | 80,000 | 41,767 | (38,233) |
| IL Municipal Retirement | 45,000 | 84,049 | 39,049 |
| Contingencies | 2,500 | 100 | (2,400) |
| Fire hydrants | 30,000 | 12,442 | (17,558) |
| Maintenance - computer | 5,000 | - | (5,000) |
| Lead treat/water sample | 2,500 | 2,493 | (7) |
| Unemployment tax | 1,000 | 130 | (870) |
| FICA/Medicare tax | 33,000 | 25,247 | (7,753) |
| Sewer cleaning | 7,500 | 51,467 | 43,967 |
| Water main repairs | - | - | - |
| Sewer repairs/maintenance | 45,000 | - | (45,000) |
| Engineering service | - | 6,213 | 6,213 |
| Events | - | 475 | 475 |
| Depreciation | 115,000 | 107,490 | (7,510) |
| Total operating expenses | <u>3,204,475</u> | <u>3,209,886</u> | <u>5,411</u> |
| Operating income (loss) | <u>469,180</u> | <u>456,694</u> | <u>(12,486)</u> |
| Nonoperating Revenues (Expenses) | | | |
| Investment income | 2,500 | 15,954 | 13,454 |
| Total nonoperating revenues (expenses) | <u>2,500</u> | <u>15,954</u> | <u>13,454</u> |
| Net Income (Loss) | <u>\$ 471,680</u> | <u>472,648</u> | <u>\$ 968</u> |
| Net Position at Beginning of Year | | <u>4,165,497</u> | |
| Net Position at End of Year | | <u>\$ 4,638,145</u> | |