

VILLAGE OF STICKNEY, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

APRIL 30, 2017



VILLAGE OF STICKNEY, ILLINOIS

ANNUAL FINANCIAL REPORT April 30, 2017

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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, 2017, 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 84 percent, 84 percent, and 78 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, 2017, 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 1, several funds reported as major in the prior year no longer met the requirements for being reported as major funds. As a result, these funds have been included in the nonmajor governmental funds column of the balance sheet and statement of revenues, expenditures and changes in fund balances. Our opinion is not modified with respect to this matter.

As described in Note 11, ending net position of governmental activities on the statement of net position was overstated last year and a prior period adjustment has been made to correct beginning net position. Our opinion is not modified with respect to this matter.

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 54–62 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
January 4, 2018

VILLAGE OF STICKNEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

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, 2017. 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, 2017, the liabilities and deferred inflows of resources of the Village of Stickney exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$546,259 (negative net position). The unrestricted net position is a negative \$10,001,515 mainly due to the Police Pension Liability (GASB 68).

The government's total net position decreased by \$281,523 during the fiscal year ended April 30, 2017 (FY17). The governmental net position decreased by \$878,507 and the business-type activities net position increased by \$596,984.

As of the close of the current fiscal year, the Village of Stickney's governmental funds reported combined ending fund balances of \$3,786,058, a decrease of \$111,775 in comparison with the prior year. Approximately \$2,187,246 is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, the Village's Capital Projects Fund had a positive fund balance of \$403,291.

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

VILLAGE OF STICKNEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

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.

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 two individual major governmental funds:

- General Fund
- Debt Service 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, 2017

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, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets						
Current and other assets	\$ 6.3	\$ 5.9	\$ 2.6	\$ 2.0	\$ 8.9	\$ 7.9
Capital Assets	<u>14.9</u>	<u>15.4</u>	<u>1.6</u>	<u>1.6</u>	<u>16.5</u>	<u>17.0</u>
Total Assets	21.2	21.1	4.2	3.6	25.4	24.7
Deferred Outflows						
Deferred Pension Outflows	1.8	2.6	0.1	0.1	1.9	2.7
Liabilities						
Other liabilities	1.3	0.9	0.2	0.2	1.5	1.1
Long-term Liabilities	<u>23.4</u>	<u>24.1</u>	<u>0.2</u>	<u>0.1</u>	<u>23.6</u>	<u>24.2</u>
Total Liabilities	24.7	25.0	0.4	0.3	25.1	25.4
Deferred Inflows						
Deferred pension inflows	1.1	0.4	0.1	0.1	1.2	0.5
Property taxes	<u>1.7</u>	<u>1.5</u>	<u>-</u>	<u>-</u>	<u>1.7</u>	<u>1.5</u>
Total Inflows	2.8	1.9	0.1	0.1	2.9	2.0
Net Position						
Net Investment in capital assets	6.9	6.9	1.6	1.7	8.5	8.6
Restricted	0.9	0.9	-	-	0.9	0.9
Unrestricted	<u>(12.2)</u>	<u>(11.0)</u>	<u>2.3</u>	<u>1.6</u>	<u>(9.9)</u>	<u>(9.4)</u>
Total Net Position	<u>\$ (4.4)</u>	<u>\$ (3.2)</u>	<u>\$ 3.9</u>	<u>\$ 3.3</u>	<u>\$ (0.5)</u>	<u>\$ 0.1</u>

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, 2017

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 \$9.9 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
REVENUES						
Program Revenues:						
Charges for services	\$ 1.5	\$ 1.4	\$ 3.7	\$ 3.6	\$ 5.2	\$ 5.0
Oper. Grants/contrib.	0.2	0.2	-	-	0.2	0.2
Cap. Grants/contrib.	0.2	0.1	-	-	0.2	0.1
General revenues						-
Property taxes	3.2	3.3	-	-	3.2	3.3
Other taxes	2.8	2.8	-	-	2.8	2.8
Total Revenues	7.9	7.8	3.7	3.6	11.6	11.4
EXPENSES						
General Government	1.1	1.2	-	-	1.1	1.2
Public Safety	6.0	5.2	-	-	6.0	5.2
Public Works	1.2	1.3	-	-	1.2	1.3
Culture and Recreation	0.1	0.1	-	-	0.1	0.1
Interest Long-Term Debt	0.3	0.3	-	-	0.3	0.3
Water	-	-	3.1	3.2	3.1	3.2
Total Expenses	8.7	8.1	3.1	3.2	11.8	11.3
Change in Net Position	(0.8)	(0.3)	0.6	0.4	(0.2)	0.1
Ending Net Position	\$ (4.4)	\$ (3.2)	\$ 3.9	\$ 3.3	\$ (0.5)	\$ 0.1

VILLAGE OF STICKNEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

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 \$3.8 million, a decrease of \$112 thousand in comparison with the prior year. Approximately \$2.2 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 \$2.2 million, while the total fund balance was \$2.5 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 \$7 thousand during the current fiscal year. Total revenues decreased by approximately \$27 thousand while expenditures increased by approximately \$461 thousand. The most significant increase in expenditures was in the police department and was due to an arbitration award of backpay to an employee dating back to 2010 and estimated at \$342,000.

The following three revenues represented the largest source of funds for the general fund during FY17:

Property Taxes \$2.4 million
Intergovernmental Revenues \$1.7 million
Other Taxes \$1.1 million

The following three expenditures represented the largest use of funds for the general fund during FY17:

Police Department \$2.8 million
Fire Department \$1.4 million
Contributions to pension fund \$603 thousand

The fund balance of the Village's Debt Service Fund increased by \$24,933 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 \$3,894,673, an increase of \$596,984 from the prior year.

VILLAGE OF STICKNEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS

The following chart reflects the condensed Budgetary Comparison Schedule:

General Fund	Adopted Budget	Actual
Revenues:		
Taxes	\$ 5,569,737	\$ 5,223,734
Other	1,605,105	1,581,335
Total	7,174,842	6,805,069
Expenditures:	7,174,842	6,813,946
Total	7,174,842	6,813,946
Excess(Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (8,877)</u>

Revenues came in under budget mainly due to a negative variance for property taxes (210k under budget).

The Village remains committed to fiscal responsibility and again was able to keep expenditures below budget.

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, 2017, the Village had capital assets net of depreciation of \$14,964,064 for governmental funds and \$1,617,171 for the Water Fund. Annual depreciation was \$746,420 and \$113,080, respectively.

The Village invested roughly \$367 thousand in capital assets during the year. The largest investment (\$127 thousand) was for infrastructure improvements.

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, 2017

Debt Administration

At April 30, 2017, the Village had outstanding debt as follows:

General Obligation Bonds Series 2008	\$	5,725,000
General Obligation Bonds Series 2011		1,310,000
General Obligation Bonds Series 2015		1,015,000
Bond Premium		37,327
Police Time Due Payable		121,148
IMRF Net Pension Liability		708,493
Police Net Pension Liability		14,684,784
Net OPEB Obligation		519,999
Total Outstanding Debt	\$	<u>24,121,751</u>

Bond debt principal paid during the year was \$445,000 while interest expense was \$331,367. 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, 2017

	Primary Government		
	Governmental Activities	Business - Type Activities	Totals
Assets			
Current			
Cash, cash equivalents, and investments	\$ 3,640,913	\$ 2,120,945	\$ 5,761,858
Property taxes receivable	1,723,754	-	1,723,754
Other governmental receivables	452,675	-	452,675
Accounts receivable	182,829	488,003	670,832
Internal balances	724	(724)	-
Other assets	265,551	-	265,551
Non-current			
Capital assets not being depreciated	1,299,348	25,575	1,324,923
Capital assets being depreciated, net	13,664,716	1,591,596	15,256,312
Total assets	<u>21,230,510</u>	<u>4,225,395</u>	<u>25,455,905</u>
Deferred Outflow of Resources			
Deferred pension outflows	1,825,727	111,156	1,936,883
Total deferred outflows of resources	<u>1,825,727</u>	<u>111,156</u>	<u>1,936,883</u>
Liabilities			
Current			
Accounts payable	115,538	149,274	264,812
Accrued payroll	542,291	32,565	574,856
Accrued interest payable	132,622	-	132,622
Current portion - bonds payable	478,565	-	478,565
Non-current			
Bonds payable	7,608,762	-	7,608,762
Net pension liability - IMRF	530,368	178,125	708,493
Net pension liability - Police	14,684,784	-	14,684,784
Net OPEB obligation	468,999	51,000	519,999
Time-due payable	121,148	-	121,148
Total liabilities	<u>24,683,077</u>	<u>410,964</u>	<u>25,094,041</u>
Deferred Inflows of Resources			
Deferred pension inflows	1,102,066	30,914	1,132,980
Property taxes	1,712,026	-	1,712,026
Total deferred inflows of resources	<u>2,814,092</u>	<u>30,914</u>	<u>2,845,006</u>
Net Position			
Net investment in capital assets	6,876,737	1,617,171	8,493,908
Restricted for			
Special revenue	539,121	-	539,121
Debt service	422,227	-	422,227
Unrestricted	(12,279,017)	2,277,502	(10,001,515)
Total net position	<u>\$ (4,440,932)</u>	<u>\$ 3,894,673</u>	<u>\$ (546,259)</u>

VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2017

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	\$ 1,110,682	\$ 749,628	\$ -	\$ -	\$ (361,054)	\$ -	\$ (361,054)
Public safety	6,015,596	434,439	-	153,893	(5,427,264)	-	(5,427,264)
Public works	1,221,675	294,347	178,192	-	(749,136)	-	(749,136)
Parks & recreation	103,527	22,342	-	-	(81,185)	-	(81,185)
Interest on long-term debt	313,465	-	-	-	(313,465)	-	(313,465)
Total governmental activities	8,764,945	1,500,756	178,192	153,893	(6,932,104)	-	(6,932,104)
Business-Type Activities							
Water	3,099,976	3,694,002	-	-	-	594,026	594,026
Total business-type activities	3,099,976	3,694,002	-	-	-	594,026	594,026
Total primary government	<u>\$ 11,864,921</u>	<u>\$ 5,194,758</u>	<u>\$ 178,192</u>	<u>\$ 153,893</u>	<u>(6,932,104)</u>	<u>594,026</u>	<u>(6,338,078)</u>
General Revenues							
Taxes							
Property taxes, levied for general purposes					3,214,215	-	3,214,215
Public service taxes					2,833,320	-	2,833,320
Unrestricted investment earnings					6,062	2,958	9,020
Total general revenues					<u>6,053,597</u>	<u>2,958</u>	<u>6,056,555</u>
Change in Net Position					<u>(878,507)</u>	<u>596,984</u>	<u>(281,523)</u>
Net Position - April 30, 2016 (As Restated)					<u>(3,562,425)</u>	<u>3,297,689</u>	<u>(264,736)</u>
Net Position - April 30, 2017					<u>\$ (4,440,932)</u>	<u>\$ 3,894,673</u>	<u>\$ (546,259)</u>

VILLAGE OF STICKNEY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2017

	Major Funds		Nonmajor	
	General	Debt	Governmental	
	Fund	Service Fund	Funds	Total
Assets				
Cash	\$ 1,728,103	\$ 419,363	\$ 70,522	\$ 2,217,988
Investments	591,805	-	831,120	1,422,925
Property taxes receivable	1,354,785	368,969	-	1,723,754
Other governmental receivables	452,675	-	-	452,675
Other receivables	154,699	-	28,130	182,829
IRMA deposits	265,551	-	-	265,551
Interfund receivable	724	-	-	724
Total assets	<u>\$ 4,548,342</u>	<u>\$ 788,332</u>	<u>\$ 929,772</u>	<u>\$ 6,266,446</u>
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts payable	\$ 111,067	\$ -	\$ 4,471	\$ 115,538
Accrued payroll	542,291	-	-	542,291
Total liabilities	<u>653,358</u>	<u>-</u>	<u>4,471</u>	<u>657,829</u>
Deferred inflows of resources				
Property taxes	1,345,921	366,105	-	1,712,026
Unavailable revenue	96,266	-	14,267	110,533
Total deferred inflows of resources	<u>1,442,187</u>	<u>366,105</u>	<u>14,267</u>	<u>1,822,559</u>
Fund balances				
Unassigned	2,187,246	-	-	2,187,246
Restricted for capital projects	-	-	422,982	422,982
Restricted for recreation	-	-	13,070	13,070
Restricted for debt service	-	422,227	-	422,227
Restricted for streets	-	-	452,015	452,015
Restricted for police activities	-	-	22,967	22,967
Nonspendable for IRMA	265,551	-	-	265,551
Total fund balances	<u>2,452,797</u>	<u>422,227</u>	<u>911,034</u>	<u>3,786,058</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,548,342</u>	<u>\$ 788,332</u>	<u>\$ 929,772</u>	<u>\$ 6,266,446</u>

VILLAGE OF STICKNEY, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
April 30, 2017

Total fund balances - governmental funds	\$ 3,786,058
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	14,964,064
Other long-term assets are not available to pay for current period expenditures and are unavailable in the funds:	
Intergovernmental receivables	110,533
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	1,825,727
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	(1,102,066)
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	(8,087,327)
Accrued interest on general obligation bonds	(132,622)
Time-due payable	(121,148)
Net OPEB obligations	(468,999)
Net pension liabilities	(15,215,152)
Net position of governmental activities	<u><u>\$ (4,440,932)</u></u>

VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2017

	Major Funds		Nonmajor	
	General	Debt	Governmental	
	Fund	Service Fund	Funds	Total
Revenues				
Property taxes	\$ 2,412,944	\$ 801,271	\$ -	\$ 3,214,215
Intergovernmental revenues	1,684,356	-	-	1,684,356
Other taxes	1,135,322	-	64,000	1,199,322
Licenses & permits	523,397	-	-	523,397
Fines & fees	645,477	-	-	645,477
Other revenue	-	-	3,100	3,100
Motor fuel tax allotments	-	-	177,921	177,921
Special events	10,987	-	-	10,987
Miscellaneous	239,856	-	-	239,856
Program revenue	-	-	17,039	17,039
Grant revenue	150,793	-	-	150,793
Investment income	1,937	30	4,095	6,062
Total revenues	6,805,069	801,301	266,155	7,872,525
Expenditures				
Current				
Executive & legislative	68,200	-	-	68,200
Administration	261,443	-	-	261,443
Professional services	147,353	-	-	147,353
Police department	2,837,539	-	-	2,837,539
Fire department	1,430,609	-	-	1,430,609
Public works	263,202	-	-	263,202
Public buildings & grounds	201,872	-	-	201,872
Miscellaneous	7,473	-	-	7,473
Sanitation department	537,263	-	-	537,263
Insurance	80,771	-	-	80,771
Auditing	21,000	-	-	21,000
Municipal retirement	310,143	-	-	310,143
Contributions to pension fund	602,891	-	-	602,891
Parks & recreation	44,187	-	-	44,187
Capital projects	-	-	163,229	163,229
Program expenditures	-	-	230,757	230,757
Debt service				
Principal	-	445,000	-	445,000
Interest	-	331,368	-	331,368
Total expenditures	6,813,946	776,368	393,986	7,984,300
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	(8,877)	24,933	(127,831)	(111,775)
Other Financing Sources (Uses)				
Transfers in	15,689	-	-	15,689
Transfers (out)	-	-	(15,689)	(15,689)
Total other financing sources (uses)	15,689	-	(15,689)	-
Net Change in Fund Balances	6,812	24,933	(143,520)	(111,775)
Fund Balances - Beginning of Year	2,445,985	397,294	1,054,554	3,897,833
Fund Balances - End of Year	\$ 2,452,797	\$ 422,227	\$ 911,034	\$ 3,786,058

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, 2017

Net change in fund balances - total governmental funds **\$ (111,775)**

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	\$	288,925	
Depreciation		(746,420)	
			(457,495)

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: 13,913

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 of the effect 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	445,000		
Amortization of Bond Premium	12,455		
Change in Accrued Interest	5,448		
			462,903

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	(12,566)		
Change in net OPEB obligation	(41,474)		
Change in IMRF net pension liability and deferred inflows/outflows	19,024		
Change in police net pension liability and deferred inflows/outflows	(751,037)		
			(786,053)

Change in net position of governmental activities **\$ (878,507)**

VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUND
APRIL 30, 2017

	<u>Water Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 2,120,945
Accounts receivable (net of allowance)	488,003
Total current assets	<u>2,608,948</u>
Noncurrent assets	
Capital assets not being depreciated	25,575
Capital assets being depreciated, net	1,591,596
Total noncurrent assets	<u>1,617,171</u>
Total assets	<u>4,226,119</u>
Deferred Outflows of Resources	
Deferred pension outflows	111,156
Total deferred outflows of resources	<u>111,156</u>
Liabilities	
Current liabilities	
Accounts payable	149,274
Accrued payroll	32,565
Due from General Fund	724
Total current liabilities	<u>182,563</u>
Noncurrent liabilities	
Net pension liability - IMRF	178,125
Net OPEB liability	51,000
Total noncurrent liabilities	<u>229,125</u>
Total liabilities	<u>411,688</u>
Deferred Inflows of Resources	
Deferred pension inflows	30,914
Total deferred inflow of resources	<u>30,914</u>
Net Position	
Net investment in capital assets	1,617,171
Unrestricted	2,277,502
Total net position	<u>\$ 3,894,673</u>

**VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
PROPRIETARY FUND
YEAR ENDED APRIL 30, 2017**

	<u>Water Fund</u>
Operating Revenues	
Charges for services	\$ 3,694,002
Total operating revenues	<u>3,694,002</u>
Operating Expenses	
Water purchases	1,959,145
Water administration	1,027,751
Depreciation	113,080
Total operating expenses	<u>3,099,976</u>
Net operating income (loss)	<u>594,026</u>
Nonoperating Revenues and (Expenses)	
Investment income	2,958
Total nonoperating revenues (expenses)	<u>2,958</u>
Net Income (Loss)	<u>596,984</u>
Net Position - Beginning of Year (As Restated)	<u>3,297,689</u>
Net Position - End of Year	<u><u>\$ 3,894,673</u></u>

VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED APRIL 30, 2017

	<u>Water Fund</u>
Increase (decrease) in cash and cash equivalents	
Cash flows from operating activities	
Cash received from customers	\$ 3,665,396
Cash payments to suppliers for goods and services	(2,640,754)
Cash payments to employees for services	(297,887)
Net cash provided (used) by operating activities	<u>726,755</u>
Cash flows from noncapital and related financing activities	
Interfund borrowing (lending)	724
Net cash provided (used) by investing activities	<u>724</u>
Cash flows from capital and related financing activities	
Purchases of capital assets	(80,275)
Net cash provided (used) by investing activities	<u>(80,275)</u>
Cash flows from investing activities	
Interest and dividends on investments	2,958
Net cash provided (used) by investing activities	<u>2,958</u>
Net increase (decrease) in cash and cash equivalents	650,162
Cash and cash equivalents at beginning of year	1,470,783
Cash and cash equivalents at end of year	<u><u>\$ 2,120,945</u></u>
Reconciliation of operating income to net cash provided	
by operating activities	<u>\$ 594,026</u>
Operating income (loss)	
Adjustment to reconcile operating income to net	
cash provided by operating activities	
Depreciation	113,080
Changes in assets and liabilities	
(Increase) decrease in accounts receivable	(28,606)
(Increase) decrease in deferred outflows	(33,423)
Increase (decrease) in payables	(46,867)
Increase (decrease) in accrued payroll	28,799
Increase (decrease) in NPL	48,898
Increase (decrease) in deferred inflows	(152)
Increase (decrease) in OPEB obligation	51,000
Total adjustments	132,729
Net cash provided by operating activities	<u><u>\$ 726,755</u></u>

VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
APRIL 30, 2017

	Pension Trust Fund
	Police Pension Fund
Assets	
Cash and cash equivalents	\$ 485,952
Investments	
US government and agency obligations	1,375,205
Municipal obligations	188,451
Corporate obligations	1,050,960
Equity mutual funds	1,679,377
Total investments	<u>4,293,993</u>
Accrued interest	<u>15,335</u>
Total assets	<u>4,795,280</u>
Net position restricted for pensions	<u><u>\$ 4,795,280</u></u>

VILLAGE OF STICKNEY, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED APRIL 30, 2017

	Police Pension Fund
Additions	
Contributions	
Employer	\$ 602,891
Plan members	131,323
Total contributions	<u>734,214</u>
Investment earnings	
Interest income	101,680
Net change in fair value	114,204
Less investment expenses	<u>(14,412)</u>
Total investment earnings	<u>201,472</u>
Total additions	<u>935,686</u>
Deductions	
Administration	12,070
Benefits and refunds	864,522
Total deductions	<u>876,592</u>
Change in Net Position	<u>59,094</u>
Net position - beginning of year	<u>4,736,186</u>
Net position - end of year	<u><u>\$ 4,795,280</u></u>

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

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

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

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, 2017

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, 2017

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.

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.

In the previous year the Capital Projects Fund, Motor Fuel Tax Fund and the Emergency Telephone System Fund were major funds but this year they are reported as nonmajor 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.

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.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 estimated fair market 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.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 earned or forfeited. 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. Consequently, no liability for accrued vacations and sick leave has been provided for 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 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.

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:

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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 is 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, 2017, 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.

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police Pension Plan and additions to/deductions from the Police Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Police Pension Plan. For this purpose,

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property taxes that have been levied but not collected during the year are recorded as property taxes receivable and Unavailable revenue to the extent they will not be available 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. Property taxes are recognized as revenue when they are available to finance operations (within 60 days of year-end). This method of recognizing property tax revenue resulted in unavailable 2017 tax revenue since this amount will not be collected within 60 days of year end and will not be available to finance operations until the succeeding year.

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, 2017

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 \$3,767,046 at April 30, 2017, while the bank balances were \$3,764,414. Of the total bank balances, \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC). The remaining \$3,514,414 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, 2017. All investments mature in less than one year:

<u>Investment Type</u>	<u>Fair Value</u>
Illinois Funds - State Treasurer	\$ 1,994,812

The value of the Illinois Funds equates to the number of shares owned as of April 30, 2017.

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, 2017.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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.

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 (Formerly known as IPTIP, 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, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does 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 \$485,952 and \$413,037, respectively.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

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. Govt and Agency Obligations	\$ 1,375,205	\$ 667,655	\$ 320,623	\$ 154,830	\$ 232,097
Municipal Obligations	188,451	-	188,451	-	-
Corporate Obligations	1,050,960	862,188	-	95,616	93,156
Total	<u>\$ 2,614,616</u>	<u>\$ 1,529,843</u>	<u>\$ 509,074</u>	<u>\$ 250,446</u>	<u>\$ 325,253</u>

The difference between the fair value total above of \$2,614,616 and the amount of the Statement of Fiduciary Net Position of \$4,293,993 is due to investments without finite maturity dates. These investments include equity mutual funds in the amount of \$1,679,377.

The Fund has the following recurring fair value measurements as of April 30, 2017:

Investments by Fair Value Level	April 30 2017	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	\$ 597,508	\$ 597,508	\$ -	\$ -
U.S. Agencies	777,697	-	777,697	-
Municipal Obligations	188,451	-	188,451	-
Corporate Obligations	1,050,960	-	1,050,960	-
Equity Securities				
Mutual Funds	<u>1,679,377</u>	<u>1,679,377</u>	<u>-</u>	<u>-</u>
Total Investment by Fair Value Level	<u>\$4,293,993</u>	<u>\$2,276,885</u>	<u>\$2,017,108</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 A- and the corporate bonds were rated from BBB to AA by Standard & Poor's or 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 110% of all bank balances in excess of federal depository insurance. At April 30, 2017, 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, 2017, the U.S. Agency Securities are insured and held by the counterparty in the Fund's name. The Pension Fund's investment policy does not mitigate custodial credit risk for investments; however, in practice investments are held at a third party custodian.

Concentration of Credit Risk – 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, 2017, the Pension Fund has over 5% of net position invested in various agency securities as indicated in the previous table. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. 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, 2017

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	\$ 67,579
Ishares Core S&P 500	199,793
Ishares TR Russell 2000	358,775
Powershares DB Multi Sect	69,919
Real Estate Select Sector	18,990
Select Sector SPDR Financial	101,626
Select Sector SPDR Materials	225,369
SPDR Gold Shares	52,897
T Rowe Price Capital Appreciation	321,540
Vaneck Vectors JR Gold	38,031
Wisdom Europe Hedged	224,858
Total	<u>1,679,377</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 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).

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

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, 2016 the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	16
Inactive Plan Members entitled to but not yet receiving benefits	13
Active Plan Members	47
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 2016 was 10.11%. For the fiscal year ended April 30, 2017, the Village contributed \$171,810 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.

Net pension liability – The Village's net pension liability for IMRF was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions – The total pension liability in the December 31, 2016 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	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, and 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 year IMRF experience.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2016 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, 2017

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38.00%	6.85%
International Equity	17.00%	6.75%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	5.75%
Alternative Investments	9.00%	2.65-7.35%
Cash Equivalents	1.00%	2.25%
	<u>100.00%</u>	

Discount rate - A single discount rate of 7.50% 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 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

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, 2015	\$ 6,180,852	\$ 5,565,660	\$ 615,192
Changes for the year:			
Service Cost	165,760	-	165,760
Interest on the Total Pension Liability	461,791	-	461,791
Difference between expected and actual experience of the total pension liability	126,230	-	126,230
Changes of assumptions	(10,136)	-	(10,136)
Benefit payments, including refunds of employee contributions	(196,593)	(196,593)	-
Contributions - employer	-	171,810	(171,810)
Contributions - employee	-	76,474	(76,474)
Net Investment income	-	390,494	(390,494)
other (Net Transfer)	-	11,566	(11,566)
Net Change	547,052	453,751	93,301
Balance at December 31, 2016	\$ 6,727,904	\$ 6,019,411	\$ 708,493

The net position liability has been allocated as follows:

Governmental Activities	\$ 530,368
Water Fund	178,125
Total	<u>\$ 708,493</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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Village's IMRF net pension liability for the regular plan	\$ 1,812,756	\$ 708,493	\$ (176,238)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2017 the Village recognized pension expense of \$193,380 for the IMRF plan. At April 30, 2017, 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, 2017

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 103,415	\$ 114,655
Assumption Changes	5,788	8,304
Net difference between projected and actual earnings on pension plan investments	258,582	-
Contributions made subsequent to the measurement date	74,336	-
Total	<u>\$ 442,121</u>	<u>\$ 122,959</u>

In 2017, there was \$74,336 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, 2018. 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
2017	\$ 73,666
2018	73,666
2019	73,666
2020	12,649
2021	11,179
Thereafter	-
Total	<u>\$ 244,826</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, 2017, the Police Pension Trust Fund Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	16
Active plan members	<u>17</u>
Total	<u>33</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

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

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 75.0% 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 2017 were \$602,891.

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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 30, 2017.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

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, 2017 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions

Interest Rate	6.00%
Salary Increases	5.00%
Cost of Living Adjustments	2.50%
Inflation	2.50%

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis. Mortality rates were based on the RP-2014 Mortality Table. The actuarial assumptions used in the April 30, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

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 2017 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, 2017 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>	

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

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, 2017, the annual money weighted rate of return on the plan's assets, net of plan investment expenses, was 4.65%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate. The discount rate used to measure the total pension liability was 6.00%, the same as the prior valuation.

The projection of cash flow projections used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based in those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at April 30, 2016	\$ 19,804,969	\$ 4,736,186	\$ 15,068,783
Changes for the year:			
Service Cost	392,323	-	392,323
Interest on the Total Pension Liability	1,162,362	-	1,162,362
Difference between expected and actual experience of the total pension liability	(285,440)	-	(285,440)
Changes of assumptions	(729,628)	-	(729,628)
Benefit payments, including refunds of employee contributions	(864,522)	(864,522)	-
Contributions - employer	-	602,891	(602,891)
Contributions - employee	-	131,323	(131,323)
Net Investment income	-	201,472	(201,472)
other (Net Transfer)	-	(12,070)	12,070
Net Change	(324,905)	59,094	(383,999)
Balance at April 30, 2017	\$ 19,480,064	\$ 4,795,280	\$ 14,684,784

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

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	\$ 17,300,109	\$ 14,684,784	\$ 12,530,743

Pension Expense and Deferred Outflows of Resources Related to Pensions - For the year ended April 30, 2017 the Village recognized pension expense of \$1,353,928 for the Police Pension Plan. At April 30, 2017, the Village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 295,504	\$ (230,547)
Assumption Changes	1,596,559	(589,314)
Net difference between projected and actual earnings on pension plan investments	1,062,407	-
Total	\$ 2,954,470	\$ (819,861)

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
2018	\$ 665,071
2019	665,071
2020	665,069
2021	178,431
2022	(39,033)
Thereafter	-
Total	\$ 2,134,609

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Pension Items:

	IMRF	Police	Total
Net Pension Liability	\$ 708,493	\$ 14,684,784	\$ 15,393,277
Deferred Outflows of Resources	442,121	2,954,470	3,396,591
Deferred Inflows of Resources	122,959	(819,861)	(696,902)
Pension Expenses	193,380	1,353,928	1,547,308

NOTE 4 – OTHER POST EMPLOYMENT BENEFIT PLAN

Plan Description. The Village provides limited health care insurance coverage for its eligible retired employees in a single employer plan. The Plan does not issue a stand-alone report. Employer provided benefit is 100% of health premiums for life for eligible disabled employees, police, and dispatch with 25 years of service, 100% of single premium to age 65. At May 1, 2015 (the most recent actuarial valuation date), the OPEB plan membership consisted of:

Actives Fully Eligible to Retire	4
Actives Not Yet Fully Eligible to Retire	29
Retirees and Dependents	<u>8</u>
Total	<u><u>41</u></u>

Funding Policy. Funding is provided by the Village on a pay-as-you-go basis. Retirees and their dependents may continue coverage under The Village's group health program. The Village's contribution on behalf of the employees to the insurance provider was \$95,593 for 2017.

Annual OPEB Cost and Net OPEB Obligation. The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *Entry Age actuarial method*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for fiscal year 2017, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual OPEB Cost and Net OPEB Obligation	April 30, 2017
Annual required contribution	185,216
Interest on net OPEB obligation	17,102
Adjustment to annual required contribution	<u>(14,251)</u>
Annual OPEB cost	188,067
Contributions made	<u>95,593</u>
Increase (decrease) in net OPEB obligation	92,474
Net OPEB obligation beginning of year	<u>427,525</u>
Net OPEB obligation end of year	<u><u>519,999</u></u>

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 4 – OTHER POST EMPLOYMENT BENEFIT PLAN (Continued)

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 was as follows:

Actuarial Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost	Net OPEB Obligation
4/30/2017	\$ 188,067	36.17%	\$ 519,999
4/30/2016	180,374	42.19%	427,525
4/30/2015	220,169	64.33%	342,265

Funded Status and Funding Progress. As of May 1, 2015 (the most recent actuarial valuation date), the plan was unfunded. The actuarial accrued liability for benefits was approximately \$2.5 million.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
5/1/2015	\$ -	\$ 2,479,199	\$ 2,479,199	0.0%	N/A	N/A
4/30/2013	-	2,977,055	2,977,055	0.0%	2,522,158	118.0%
4/30/2011	-	2,681,522	2,681,522	0.0%	2,342,810	114.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 4 – OTHER POST EMPLOYMENT BENEFIT PLAN (Continued)

In the May 1, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of (3.2%) initially, then 7.5% which would be reduced by increments of 0.5% every two years until an ultimate rate of 5.0%. Both rates included a 2.5% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2016, was 30 years.

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.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 6 - CAPITAL ASSETS

A summary of changes in the Village's Governmental capital assets for the period May 1, 2016 through April 30, 2017 follows:

	Balance May 1, 2016	Additions	Retirements	Balance April 30, 2017
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,299,348	\$ -	\$ -	\$ 1,299,348
Capital assets being depreciated:				
Land improvements	1,003,673	-	-	1,003,673
Buildings	9,623,721	-	-	9,623,721
Furniture and office equipment	107,806	7,363	-	115,169
Equipment	1,233,872	105,612	-	1,339,484
Vehicles and trucks	2,817,960	48,529	-	2,866,489
Infrastructure	7,775,435	127,421	-	7,902,856
Subtotal	22,562,467	288,925	-	22,851,392
Accumulated depreciation				
Land improvements	614,460	43,421	-	657,881
Buildings	3,550,117	253,112	-	3,803,229
Furniture and office equipment	82,046	6,405	-	88,451
Equipment	869,457	90,151	-	959,608
Vehicles and trucks	2,038,372	155,760	-	2,194,132
Infrastructure	1,285,804	197,571	-	1,483,375
Subtotal	8,440,256	746,420	-	9,186,676
Total capital assets being depreciated, net	14,122,211			13,664,716
Total Governmental Capital Assets, net	\$ 15,421,559			\$ 14,964,064

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

General government	\$ 74,608
Public safety	361,498
Public works	252,414
Culture and recreation	57,900
	<u>\$ 746,420</u>

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 6 - CAPITAL ASSETS (Continued)

A summary of changes in the Village's Business-type capital assets for the period from May 1, 2016 through April 30, 2017 follows:

	Balance May 1, 2016	Additions	Retirements	Balance April 30, 2017
Business-type activities				
Capital assets not being depreciated				
Land	\$ 25,575	\$ -	\$ -	\$ 25,575
Capital assets being depreciated:				
Pumping station and tower	967,039	80,275	-	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	4,827,646	80,275	-	4,907,921
Accumulated depreciation				
Pumping station and tower	273,010	20,255	-	293,265
Water works system	757,280	11,343	-	768,623
Office equipment	55,565	3,650	-	59,215
Truck & accessories	140,881	485	-	141,366
Improvements to system	1,302,892	38,401	-	1,341,293
Buildings	673,617	38,946	-	712,563
Subtotal	3,203,245	113,080	-	3,316,325
Total capital assets being depreciated, net	1,624,401			1,591,596
Total Business-type capital assets, net	\$ 1,649,976			\$ 1,617,171

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

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 7 - LONG-TERM DEBT

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

	May 1, 2016	Additions	Deletions	April 30, 2017	Current
Governmental activities:					
G.O. Bond Series 2008	\$ 5,845,000	\$ -	\$ 120,000	\$ 5,725,000	\$ 130,000
G.O. Bond Series 2011	1,485,000	-	175,000	1,310,000	185,000
G.O. Bond Series 2015	1,165,000	-	150,000	1,015,000	150,000
Bond Premium	49,782	-	12,455	37,327	13,565
Total GO Bonds	<u>8,544,782</u>	<u>-</u>	<u>457,455</u>	<u>8,087,327</u>	<u>478,565</u>
IMRF NPL	485,965	44,403	-	530,368	-
Police Pension NPL	15,068,783	-	383,999	14,684,784	-
OPEB Obligation	387,847	81,152	-	468,999	-
Police Time Due Payable	108,582	12,566	-	121,148	-
Total Governmental liabilities	<u>\$ 24,595,959</u>	<u>\$ 138,121</u>	<u>\$ 841,454</u>	<u>\$ 23,892,626</u>	<u>\$ 478,565</u>
Business-type activities:					
OPEB Obligation	39,677	11,323	-	51,000	-
IMRF NPL	129,227	48,898	-	178,125	-
Total Business-type activities:	<u>\$ 168,904</u>	<u>\$ 60,221</u>	<u>\$ -</u>	<u>\$ 229,125</u>	<u>\$ -</u>

Interest paid during the year on the Series 2008, 2011, and 2015 General Obligation Bonds was \$331,367. 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%. Principal payments are due annually on December 1. The bond is scheduled to mature on December 1, 2028.

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 is scheduled to mature through December 1, 2023.

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, 2017

NOTE 7 - LONG-TERM DEBT (Continued)

Debt Service Requirements Until Maturity

<u>Fiscal Year</u>	<u>GO Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 465,000	\$ 318,292
2019	490,000	303,960
2020	1,065,000	288,070
2021	550,000	254,845
2022	575,000	234,345
2023-2027	3,285,000	808,085
2028-2029	1,620,000	109,855
Total	<u>\$8,050,000</u>	<u>\$2,317,452</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.

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, 2017, 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, 2017. The amount of settlements has not exceeded coverage during the past three fiscal years.

VILLAGE OF STICKNEY, ILLINOIS

Notes to financial statements
April 30, 2017

NOTE 8 – INSURANCE (Continued)

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

At year end, the Water Fund owes the General fund \$724. In addition, \$15,689 was transferred from the nonmajor governmental funds to the general fund during the year.

NOTE 10 – NEW GOVERNMENTAL ACCOUNTING STANDARDS

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement is effective for the Village's fiscal year ended April 30, 2018. This statement will have an effect on the financial statements of the Village as the OPEB plan does not currently issue separate statements.

In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. This Statement is effective for the Village's fiscal year ended April 30, 2019. This statement will have an effect on the Village as the OPEB liability will be added to the statement of net position.

In December 2015, the GASB issued Statement 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This Statement is effective for the Village's fiscal year ended April 30, 2018. This statement will not have an impact on its financial statements.

NOTE 10 – NEW GOVERNMENTAL ACCOUNTING STANDARDS (Continued)

In March 2016, the GASB issued Statement 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This Statement is effective for the Village's fiscal year ended April 30, 2018. This statement will not have an impact on its financial statements.

In March 2016, the GASB issued Statement 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective for the Village's fiscal year ended April 30, 2018. Management has not determined what impact, if any, this statement will have on its financial statements.

In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). This Statement is effective for the Village's fiscal year ended April 30, 2018. 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, 2019. Management has not determined what impact, if any, this statement will have on its financial statements.

In March 2017, the GASB issued Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issue that have been identified during implementation and application of certain GASB Statements. The topics include issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). This Statement is effective for the Village's fiscal year ended April 30, 2019. 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, 2017

NOTE 10 – NEW GOVERNMENTAL ACCOUNTING STANDARDS (Continued)

In June 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement is effective for the Village's fiscal year ended April 30, 2019. 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.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

In the prior year, amortization of deferred inflows of resources and deferred outflows of resources related to the police pension plan was not recorded by the Village. The net effect of this omission was to overstate the net position of governmental activities on the Statement of Net Position by \$377,914. Therefore, beginning net position has been restated (reduced) by this amount.

REQUIRED SUPPLEMENTARY INFORMATION



VILLAGE OF STICKNEY, ILLINOIS

GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED APRIL 30, 2017

	Original and Final Budget	Actual	Variance from Budget Over (Under)
Revenues			
Property taxes	\$ 2,623,737	\$ 2,412,944	\$ (210,793)
Intergovernmental revenues	1,760,000	1,684,356	(75,644)
Other taxes	1,186,000	1,135,322	(50,678)
Licenses and permits	465,800	523,397	57,597
Fines and fees	711,000	645,477	(65,523)
Special events	22,000	10,987	(11,013)
Miscellaneous	255,705	239,856	(15,849)
Grant revenue	150,000	150,793	793
Investment income	600	1,937	1,337
Total revenues	<u>7,174,842</u>	<u>6,805,069</u>	<u>(369,773)</u>
Expenditures			
Executive & legislative	68,200	68,200	-
Administration	282,700	261,443	(21,257)
Professional services	201,600	147,353	(54,247)
Police department	2,544,650	2,837,539	292,889
Fire department	1,483,500	1,430,609	(52,891)
Public works	258,500	263,202	4,702
Public building & grounds	200,500	201,872	1,372
Miscellaneous	25,000	7,473	(17,527)
Sanitation department	629,500	537,263	(92,237)
Insurance	250,000	80,771	(169,229)
Auditing	21,000	21,000	-
Municipal retirement	347,000	310,143	(36,857)
Contributions to pension fund	794,692	602,891	(191,801)
Parks & recreation	68,000	44,187	(23,813)
Total expenditures	<u>7,174,842</u>	<u>6,813,946</u>	<u>(360,896)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(8,877)</u>	<u>(8,877)</u>
Other Financing Sources (Uses)			
Transfer in	-	15,689	15,689
Total other financing sources (uses)	<u>-</u>	<u>15,689</u>	<u>15,689</u>
Net Changes in Fund Balance	<u>\$ -</u>	<u>6,812</u>	<u>\$ 6,812</u>
Fund Balance at Beginning of Year		<u>2,445,985</u>	
Fund Balance at End of Year		<u>\$ 2,452,797</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 Calander Years

Calendar Year Ended December 31,	2016	2015
Total Pension Liability		
Service cost	\$ 165,760	\$ 163,453
Interest	461,791	444,908
Changes of benefit terms	-	-
Differences between expected and actual experience	126,230	(181,127)
Changes of assumptions	(10,136)	9,144
Benefit payments, including refunds of member contributions	(196,593)	(211,812)
Net change in total pension liability	547,052	224,566
Total Pension Liability - Beginning	6,180,852	5,956,286
Total Pension Liability - Ending (a)	\$ 6,727,904	\$ 6,180,852
Plan Fiduciary Net Position		
Employer contributions	\$ 171,810	\$ 152,899
Employee contributions	76,474	66,866
Pension plan net investment income	390,494	28,369
Benefit payments and refunds	(196,593)	(211,812)
Other	11,566	(140,538)
Net change in plan fiduciary net position	453,751	(104,216)
Plan Fiduciary Net Position - Beginning	5,565,660	5,669,876
Plan Fiduciary Net Position - Ending (b)	\$ 6,019,411	\$ 5,565,660
Village's Net Pension Liability (a-b)	\$ 708,493	\$ 615,192
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.47%	90.05%
Covered-Employee Payroll	\$ 1,699,418	\$ 1,485,905
Plan's Net Pension Liability as a Percentage of Covered-employee Payroll	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
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 2016 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 2016 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) 27-year closed period until remaining period reaches 15 years (then 15-year rolling 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 22 years for most employers (two employers were financed over 31 years).
Asset Valuation Growth: 5-year smoothed market; 20% corridor
Wage Growth: 3.50%
Price Inflation: 2.75% - approximate; No explicit price inflation assumption is used in this valuation.
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, 2014, 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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability			
Service cost	\$ 392,323	\$ 366,193	\$ 275,774
Interest	1,162,362	1,041,720	974,383
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(285,440)	(302,015)	166,009
Changes of assumptions	(729,628)	1,761,637	2,852,173
Benefit payments, including refunds of member contributions	(864,522)	(849,146)	(803,029)
Net change in total pension liability	(324,905)	2,018,389	3,465,310
Total Pension Liability - Beginning	<u>19,804,970</u>	<u>17,786,581</u>	<u>14,321,271</u>
Total Pension Liability - Ending (a)	<u><u>\$ 19,480,065</u></u>	<u><u>\$ 19,804,970</u></u>	<u><u>\$ 17,786,581</u></u>
Plan Fiduciary Net Position			
Employer contributions	\$ 602,891	\$ 624,450	\$ 570,934
Employee contributions	131,323	129,722	119,628
Net investment income	201,473	(236,482)	67,790
Benefit payments and refunds	(864,522)	(849,146)	(803,029)
Administrative expense	(12,070)	(12,676)	(13,503)
Net change in plan fiduciary net position	59,095	(344,132)	(58,180)
Plan Fiduciary Net Position - Beginning	<u>4,736,186</u>	<u>5,080,318</u>	<u>5,138,498</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 4,795,281</u></u>	<u><u>\$ 4,736,186</u></u>	<u><u>\$ 5,080,318</u></u>
Village's Net Pension Liability (a-b)	<u><u>\$ 14,684,784</u></u>	<u><u>\$ 15,068,784</u></u>	<u><u>\$ 12,706,263</u></u>

* GASB 67 was implemented in fiscal year 2015. This schedule is being build 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>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability	\$ 19,480,065	\$ 19,804,970	\$ 17,786,581
Plan fiduciary net position	<u>4,795,281</u>	<u>4,736,186</u>	<u>5,080,318</u>
Village's net pension liability (asset)	14,684,784	15,068,784	12,706,263
Plan fiduciary net position as a percentage of the total pension liability	24.62%	23.91%	28.56%
Covered-employee payroll	1,321,459	1,298,726	1,250,271
Plan's net pension liability (asset) as a percentage of covered-employee payroll	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, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 794,692	\$ 570,135	\$ 556,450
Contributions in relation to the actuarially determined contribution	<u>602,891</u>	<u>624,450</u>	<u>570,934</u>
Contribution deficiency (excess)	191,801	(54,315)	(14,484)
 Covered-employee payroll	 1,321,459	 1,298,726	 1,250,271
 Contributions as a percentage of covered-employee payroll	 45.62%	 48.08%	 45.66%

**VILLAGE OF STICKNEY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POLICE PENSION FUND
INVESTMENT RATE OF RETURN
APRIL 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return net of investment expense	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
REQUIRED SUPPLEMENTARY INFORMATION
HEALTH INSURANCE PLAN FOR RETIRED EMPLOYEES
SCHEDULE OF FUNDING PROGRESS
APRIL 30, 2017**

Fiscal Year	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
2016	\$ -	\$ 2,479,199	\$ 2,479,199	N/A	N/A
2013	-	2,977,055	2,977,055	2,522,158	118%
2011	-	2,681,422	2,681,422	2,342,810	114%

Information presented for the years it is available for the OPEB plan.

VILLAGE OF STICKNEY, ILLINOIS

Note to required supplementary information
April 30, 2017

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 | - Police Revenue Sharing 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.

COMBINING & INDIVIDUAL FUND STATEMENTS



VILLAGE OF STICKNEY, ILLINOIS

VILLAGE OF STICKNEY, ILLINOIS
COMBINING NONMAJOR FUNDS BALANCE SHEET
APRIL 30, 2017

	Capital Projects Fund	Motor Fuel Tax Fund	Emergency Telephone System Fund	Police Seizure and Forfeiture Fund	Family Day Fund	Police Revenue Sharing Fund	Total
Assets							
Cash	\$ 1,687	\$ 8,635	\$ 24,163	\$ 20,387	\$ 13,070	\$ 2,580	\$ 70,522
Receivable	-	-	13,272	-	-	-	13,272
Investments	402,598	428,522	-	-	-	-	831,120
Due from state	-	14,858	-	-	-	-	14,858
Total assets	<u>\$ 404,285</u>	<u>\$ 452,015</u>	<u>\$ 37,435</u>	<u>\$ 20,387</u>	<u>\$ 13,070</u>	<u>\$ 2,580</u>	<u>\$ 929,772</u>
Liabilities							
Accounts payable	\$ -	\$ -	\$ 4,471	\$ -	\$ -	\$ -	\$ 4,471
Total liabilities	<u>-</u>	<u>-</u>	<u>4,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,471</u>
Deferred Inflows of Resources							
Unavailable revenue	994	-	13,273	-	-	-	14,267
Total deferred inflows of resources	<u>994</u>	<u>-</u>	<u>13,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,267</u>
Fund Balance							
Restricted for police activities	-	-	-	20,387	-	2,580	22,967
Restricted for capital projects	403,291	-	19,691	-	-	-	422,982
Restricted for recreation	-	-	-	-	13,070	-	13,070
Restricted for streets	-	452,015	-	-	-	-	452,015
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>403,291</u>	<u>452,015</u>	<u>19,691</u>	<u>20,387</u>	<u>13,070</u>	<u>2,580</u>	<u>911,034</u>
Total liabilities and fund balance	<u>\$ 404,285</u>	<u>\$ 452,015</u>	<u>\$ 37,435</u>	<u>\$ 20,387</u>	<u>\$ 13,070</u>	<u>\$ 2,580</u>	<u>\$ 929,772</u>

VILLAGE OF STICKNEY, ILLINOIS
COMBINING NONMAJOR FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended April 30, 2017

	Capital Projects Fund	Motor Fuel Tax Fund	Emergency Telephone System Fund	Police Seizure and Forfeiture Fund	Family Day Fund	Police Revenue Sharing Fund	Total
Revenues							
Other revenue	\$ -	\$ -	\$ -	\$ 3,100	\$ -	\$ -	\$ 3,100
Other taxes	-	-	64,000	-	-	-	64,000
Program revenue	-	-	-	-	17,039	-	17,039
Investmet income	1,966	2,128	1	-	-	-	4,095
Motor fuel tax allotment	-	177,921	-	-	-	-	177,921
Total revenues	<u>1,966</u>	<u>180,049</u>	<u>64,001</u>	<u>3,100</u>	<u>17,039</u>	<u>-</u>	<u>266,155</u>
Expenditures							
Capital projects	163,229	-	-	-	-	-	163,229
Program expenditures	-	180,179	30,811	2,696	17,071	-	230,757
Total expenditures	<u>163,229</u>	<u>180,179</u>	<u>30,811</u>	<u>2,696</u>	<u>17,071</u>	<u>-</u>	<u>393,986</u>
Other Financing Sources (Uses)							
Transfers (out)	-	-	(15,689)	-	-	-	(15,689)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(15,689)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,689)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(161,263)</u>	<u>(130)</u>	<u>17,501</u>	<u>404</u>	<u>(32)</u>	<u>-</u>	<u>(143,520)</u>
Fund Balances at Beginning of Year	<u>564,554</u>	<u>452,145</u>	<u>2,190</u>	<u>19,983</u>	<u>13,102</u>	<u>2,580</u>	<u>1,054,554</u>
Fund Balances at End of Year	<u>\$ 403,291</u>	<u>\$ 452,015</u>	<u>\$ 19,691</u>	<u>\$ 20,387</u>	<u>\$ 13,070</u>	<u>\$ 2,580</u>	<u>\$ 911,034</u>

VILLAGE OF STICKNEY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance from Budget Over (Under)</u>
Revenues			
Property taxes			
Property tax revenue	\$ 2,615,737	\$ 2,411,471	\$ (204,266)
Road and bridge tax	8,000	1,473	(6,527)
Total property taxes	<u>2,623,737</u>	<u>2,412,944</u>	<u>(210,793)</u>
Intergovernmental revenues			
Personal property replacement tax	135,000	143,255	8,255
State income tax	900,000	807,155	(92,845)
State sales tax	725,000	733,946	8,946
Total intergovernmental revenues	<u>1,760,000</u>	<u>1,684,356</u>	<u>(75,644)</u>
Other taxes			
Race track - admission	5,000	-	(5,000)
Race track - parking tax	5,000	-	(5,000)
Utility tax - electricity	325,000	295,379	(29,621)
Utility tax - gas	450,000	431,585	(18,415)
Utility tax - telephone	190,000	162,341	(27,659)
Franchise tax	72,000	70,717	(1,283)
Real estate transfer tax	85,000	108,243	23,243
Video gaming tax	54,000	67,057	13,057
Total other taxes	<u>1,186,000</u>	<u>1,135,322</u>	<u>(50,678)</u>
Licenses and permits			
Licenses - business	90,000	101,894	11,894
Licenses - liquor	12,000	13,575	1,575
Licenses - cigarette	300	250	(50)
Licenses - tank	19,000	18,855	(145)
Licenses - truck	17,000	17,090	90
Licenses - animal	3,200	3,130	(70)
Licenses - amusement/machines	28,000	28,400	400
Permits - building	75,000	115,783	40,783
Licenses - auto	65,000	68,430	3,430
License - motorcycle	300	395	95
Gasoline tax	156,000	155,595	(405)
Total licenses and permits	<u>465,800</u>	<u>523,397</u>	<u>57,597</u>

VILLAGE OF STICKNEY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Over (Under)
Fines and fees			
Garbage disposal fees	270,000	265,705	(4,295)
Police fines	280,000	215,555	(64,445)
Real estate exempt fees	2,000	1,825	(175)
Ambulance fees	150,000	142,898	(7,102)
Entertainment fees	3,000	2,500	(500)
Real estate inspection fees	6,000	16,994	10,994
Total fines and fees	<u>711,000</u>	<u>645,477</u>	<u>(65,523)</u>
Special events			
Special events	10,000	5,684	(4,316)
Parks and recreation	12,000	5,303	(6,697)
Total special events	<u>22,000</u>	<u>10,987</u>	<u>(11,013)</u>
Miscellaneous			
Miscellaneous	64,205	74,575	10,370
Rental of tower	146,500	141,647	(4,853)
Reimbursement sidewalk program	6,000	11,648	5,648
Miscellaneous - police department	24,000	6,798	(17,202)
Miscellaneous - fire department	15,000	5,188	(9,812)
Total miscellaneous	<u>255,705</u>	<u>239,856</u>	<u>(15,849)</u>
Grant revenue	<u>150,000</u>	<u>150,793</u>	<u>793</u>
Investment income	<u>600</u>	<u>1,937</u>	<u>1,337</u>
Total revenues	<u>\$ 7,174,842</u>	<u>\$ 6,805,069</u>	<u>\$ (369,773)</u>

VILLAGE OF STICKNEY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended April 30, 2017

	<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	48,000	48,000	-
Salary - office clerks	60,000	58,120	(1,880)
Salary - building inspector	37,500	29,513	(7,987)
Compensation electrical inspector	8,000	7,280	(720)
Compensation police and fire board of commissioners	6,000	6,000	-
Police and fire board of commissioners expenses	2,000	-	(2,000)
Postage, stationery and supplies	10,000	9,317	(683)
Purchase of license supplies	7,000	6,061	(939)
Membership and expenses IL			
Municipal League	2,000	1,108	(892)
Printing and publishing	9,000	3,830	(5,170)
Cost of preparing and publishing financial statements	1,800	1,620	(180)
Employee Insurance	11,200	9,776	(1,424)
Computer maintenance and service	20,000	18,427	(1,573)
Zoning board of appeals	1,000	-	(1,000)
Revision and recodification of ordinances	3,500	3,692	192
Plumbing inspection service	3,200	3,200	-
WCMC membership and expenses	12,000	11,078	(922)
Expenses of IMRA safety committee	23,500	27,421	3,921
Total administration	<u>282,700</u>	<u>261,443</u>	<u>(21,257)</u>
Professional services			
Legal services	150,000	104,502	(45,498)
Village prosecutor	21,600	3,600	(18,000)
Other professional fees	6,000	3,850	(2,150)
Lobbyist	18,000	8,400	(9,600)
Engineering services	6,000	27,001	21,001
Total professional services	<u>201,600</u>	<u>147,353</u>	<u>(54,247)</u>
Police department			
Salary - police chief	107,000	118,868	11,868
Salary - deputy police	92,000	91,845	(155)

VILLAGE OF STICKNEY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended April 30, 2017

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Over (Under)
Salary - police sergeants	281,000	279,624	(1,376)
Salary - patrolmen	858,000	856,358	(1,642)
Salary - special police	170,000	156,238	(13,762)
Salary - radio clerks	272,000	615,552	343,552
Salary ordinance officer	35,000	34,710	(290)
Maintenance motor equipment	45,000	43,023	(1,977)
Maintenance communications equipment	30,000	24,238	(5,762)
Office supplies	4,500	4,100	(400)
Equipment/supplies	20,000	16,269	(3,731)
Motor fuel	50,000	36,848	(13,152)
Education and training	12,000	10,808	(1,192)
Employee insurance	360,000	343,917	(16,083)
Maintenance of gun range	3,000	3,935	935
Clothing allowance	16,850	16,850	-
Adjudication	55,200	51,207	(3,993)
Maintenance and services	20,000	39,416	19,416
Animal control contractual service	1,000	291	(709)
Adjudication hearing officer	8,400	7,700	(700)
Police officers holiday pay	95,000	85,742	(9,258)
Salary - police corporal	6,600	-	(6,600)
Salary - leads supervisor	2,100	-	(2,100)
Total police department	<u>2,544,650</u>	<u>2,837,539</u>	<u>292,889</u>
Fire department			
Salary - fire chief	73,500	73,501	1
Salary - firemen	985,000	950,042	(34,958)
Salary - Fire inspector	32,000	16,034	(15,966)
MABAS Division XI dues	10,000	10,000	-
Stationary, printing and office supplies	3,000	2,208	(792)
Motor fuel	15,000	10,135	(4,865)
Maintenance motor equipment	40,000	58,250	18,250
Maintenance communications equipment	14,000	10,583	(3,417)
Operating supplies	24,000	20,700	(3,300)
Education and training cost	10,000	9,691	(309)
Purchase of fire fighting clothing	25,000	23,585	(1,415)
Purchase of operating equipment	24,000	21,680	(2,320)
Emergency vehicle priority system	1,000	923	(77)
Medical examinations	13,000	15,323	2,323
Computer maintenance and services	10,000	14,183	4,183
Ambulance billing service	12,000	11,732	(268)
Breathing apparatus	8,000	3,666	(4,334)

VILLAGE OF STICKNEY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Over (Under)
Fire equipment grants	160,000	156,666	(3,334)
Employee insurance	24,000	21,707	(2,293)
Total fire department	<u>1,483,500</u>	<u>1,430,609</u>	<u>(52,891)</u>
Public works			
Salary - village supervisor	47,500	47,500	-
Office supplies	1,000	993	(7)
Material repairing streets	7,000	6,319	(681)
Material repairing alleys	2,000	-	(2,000)
Repairing public walks	7,000	16,190	9,190
Repairing public walks 50/50	20,000	24,718	4,718
Trimming and removal of trees	50,000	59,160	9,160
Maintenance motor equipment	23,000	19,382	(3,618)
Computer maintenance	3,000	1,919	(1,081)
Traffic regulations and street signals	6,000	3,276	(2,724)
Material street snow removal	5,000	1,319	(3,681)
Maintenance supplies	4,000	2,694	(1,306)
Maintenance equipment	7,000	7,326	326
Energy maintenance, alley repair and street lights	70,000	70,681	681
Maintenance of private property	6,000	1,725	(4,275)
Total public works	<u>258,500</u>	<u>263,202</u>	<u>4,702</u>
Public building & grounds			
Salary - buildings and grounds	22,500	22,500	-
Heat/electric - village hall	7,000	-	(7,000)
Telephone services	66,000	62,688	(3,312)
Maintenance and repair of building	75,000	89,391	14,391
Supplies	8,000	6,660	(1,340)
Security and fire system	22,000	20,633	(1,367)
Total public building & grounds	<u>200,500</u>	<u>201,872</u>	<u>1,372</u>
Miscellaneous	<u>25,000</u>	<u>7,473</u>	<u>(17,527)</u>
Sanitation department			
Salaries - public works	371,000	313,038	(57,962)
Maintenance and repair of motorized equipment	80,000	95,740	15,740
Motor fuel	30,000	18,383	(11,617)
Materials and supplies	3,500	4,521	1,021
Disposal services	10,000	1,744	(8,256)
Uniforms	12,000	7,869	(4,131)
Employee insurance	107,000	80,012	(26,988)
Medical examinations	1,000	888	(112)

VILLAGE OF STICKNEY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended April 30, 2017

			Variance from Budget Over (Under)
	Budget	Actual	
Containers and recycling bins	15,000	15,068	68
Total sanitation department	629,500	537,263	(92,237)
Insurance	250,000	80,771	(169,229)
Auditing	21,000	21,000	-
Municipal retirement			
Municipal retirement	150,000	139,186	(10,814)
FICA and Medicare tax	182,000	160,676	(21,324)
Unemployment tax	15,000	10,281	(4,719)
Total municipal retirement	347,000	310,143	(36,857)
Contributions to pension fund	794,692	602,891	(191,801)
Parks & recreation			
Salaries - parks & recreation	10,000	793	(9,207)
Stickney Recreation	15,000	5,452	(9,548)
Maintenance & supplies	20,000	23,838	3,838
Activities	10,000	8,604	(1,396)
Equipment	5,000	-	(5,000)
Stickney baseball association	2,500	2,500	-
Stickney golden agers	1,500	1,500	-
Stickney senior citizens	1,500	1,500	-
Stickney youth football	2,500	-	(2,500)
Total parks & recreation	68,000	44,187	(23,813)
Total expenditures	<u>\$ 7,174,842</u>	<u>\$ 6,813,946</u>	<u>\$ (360,896)</u>

VILLAGE OF STICKNEY, ILLINOIS
MOTOR FUEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance from Budget Over (Under)
Revenues			
Motor fuel tax allotments	\$ 164,500	\$ 177,921	\$ 13,421
Grant revenue	35,000	-	(35,000)
Investment income	500	2,128	1,628
Total revenues	<u>200,000</u>	<u>180,049</u>	<u>(19,951)</u>
Expenditures			
Maintenance - salt	85,000	24,691	(60,309)
Maintenance - engineering	2,000	2,500	500
Engineering	25,000	25,567	567
Construction	<u>200,000</u>	<u>127,421</u>	<u>(72,579)</u>
Total expenditures	<u>312,000</u>	<u>180,179</u>	<u>(131,821)</u>
Net Change in Fund Balance	<u><u>\$ (112,000)</u></u>	<u>(130)</u>	<u><u>\$ 111,870</u></u>
Fund Balance at Beginning of Year		<u>452,145</u>	
Fund Balance at End of Year		<u><u>\$ 452,015</u></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, 2017

	Original and Final Budget	Actual	Variance from Budget Over (Under)
Revenues			
911 surcharge	\$ 60,000	\$ 64,000	\$ 4,000
Investment income	-	1	1
Total revenues	<u>60,000</u>	<u>64,001</u>	<u>4,001</u>
Expenditures			
Maintenance of systems	<u>42,000</u>	<u>30,811</u>	<u>(11,189)</u>
Total expenditures	<u>42,000</u>	<u>30,811</u>	<u>(11,189)</u>
Other Financing Sources (Uses)			
Transfers (out)	<u>(18,000)</u>	<u>(15,689)</u>	<u>2,311</u>
Total other financing sources (uses)	<u>(18,000)</u>	<u>(15,689)</u>	<u>2,311</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>17,501</u>	<u>\$ 17,501</u>
Fund Balance at Beginning of Year		<u>2,190</u>	
Fund Balance at End of Year		<u>\$ 19,691</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, 2017

	Original and Final Budget	Actual	Variance from Budget Over (Under)
Revenues			
Director of Illinois state	\$ 1,950	\$ -	\$ (1,950)
Seizures	5,550	3,100	(2,450)
Total revenues	<u>7,500</u>	<u>3,100</u>	<u>(4,400)</u>
Expenditures			
Returned seizures	3,000	-	(3,000)
Equipment	7,500	-	(7,500)
Supplies	1,000	196	(804)
Investigation expenses	1,000	2,500	1,500
Total expenditures	<u>12,500</u>	<u>2,696</u>	<u>(9,804)</u>
Net Change in Fund Balance	<u><u>\$ (5,000)</u></u>	<u>404</u>	<u><u>\$ 5,404</u></u>
Fund Balance at Beginning of Year		<u>19,983</u>	
Fund Balance at End of Year		<u><u>\$ 20,387</u></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, 2017**

	Original and Final Budget	Actual	Variance from Budget Over (Under)
Revenues			
Program revenues	\$ 15,000	\$ 17,039	\$ 2,039
Total revenues	<u>15,000</u>	<u>17,039</u>	<u>2,039</u>
Expenditures			
Program expenditures	<u>20,000</u>	<u>17,071</u>	<u>(2,929)</u>
Total expenditures	<u>20,000</u>	<u>17,071</u>	<u>(2,929)</u>
Net Change in Fund Balance	<u>\$ (5,000)</u>	<u>(32)</u>	<u>\$ 4,968</u>
Fund Balance at Beginning of Year		<u>13,102</u>	
Fund Balance at End of Year		<u>\$ 13,070</u>	

VILLAGE OF STICKNEY
POLICE REVENUE SHARING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance from Budget Over (Under)
Revenues			
Total revenues	\$ -	\$ -	\$ -
Expenditures			
Program expenditures	2,580	-	(2,580)
Total expenditures	2,580	-	(2,580)
Net Change in Fund Balance	<u>\$ (2,580)</u>	<u>-</u>	<u>\$ 2,580</u>
Fund Balance at Beginning of Year		<u>2,580</u>	
Fund Balance at End of Year		<u>\$ 2,580</u>	

**VILLAGE OF STICKNEY
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017**

	Original and Final Budget	Actual	Variance from Budget Over (Under)
Revenues			
Property taxes	\$ 783,293	\$ 801,271	\$ 17,978
Interest income	-	30	30
Total revenues	<u>783,293</u>	<u>801,301</u>	<u>18,008</u>
Expenditures			
Principal	465,000	445,000	(20,000)
Interest	318,293	331,368	13,075
Total expenditures	<u>783,293</u>	<u>776,368</u>	<u>(6,925)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>24,933</u>	<u>\$ 24,933</u>
Fund Balance at Beginning of Year		<u>397,294</u>	
Fund Balance at End of Year		<u>\$ 422,227</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, 2017**

	Original and Final Budget	Actual	Variance from Budget Over (Under)
Revenues			
Grants	\$ 154,500	\$ -	\$ (154,500)
Investment income	500	1,966	1,466
Total revenues	<u>155,000</u>	<u>1,966</u>	<u>(153,034)</u>
Expenditures			
Equipment and other			
Capital expenditures	400,000	163,229	(236,771)
Total expenditures	<u>400,000</u>	<u>163,229</u>	<u>(236,771)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(245,000)</u>	<u>(161,263)</u>	<u>(83,737)</u>
Other financing sources (uses)			
Transfers in	18,000	-	(18,000)
Total other financing sources (uses)	<u>18,000</u>	<u>-</u>	<u>(18,000)</u>
Net Change in Fund Balance	<u><u>\$ (227,000)</u></u>	<u>(161,263)</u>	<u><u>\$ (65,737)</u></u>
Fund Balance at Beginning of Year		<u>564,554</u>	
Fund Balance at End of Year		<u><u>\$ 403,291</u></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, 2017

	Original and Final Budget	Actual	Variance from Budget Over (Under)
Operating Revenues			
Charges for services			
Water - residential	\$ 1,076,250	\$ 941,742	\$ (134,508)
Water - commercial	358,750	312,784	(45,966)
Water - industrial	2,152,500	2,405,588	253,088
Miscellaneous	19,800	32,084	12,284
Recycling revenue	2,000	1,804	(196)
Total operating revenues	<u>3,609,300</u>	<u>3,694,002</u>	<u>84,702</u>
Operating Expenses			
Purchase of water	2,300,000	1,959,145	(340,855)
Electric power reservoir	40,000	24,295	(15,705)
Meters and connections	30,000	30,931	931
Materials and supplies	5,000	1,599	(3,401)
Contractual rep system	120,000	104,673	(15,327)
Salary - supervisor	37,700	37,691	(9)
Computer upgrade	5,000	1,548	(3,452)
Salary - water department	201,000	194,927	(6,073)
Salary - treasurer/collector	49,000	58,700	9,700
Salary - office clerk	104,000	101,691	(2,309)
Office supplies, postage	6,000	3,932	(2,068)
Telephone services	15,000	19,422	4,422
Maintenance - office equipment	3,000	2,392	(608)
Maintenance - pump station	130,000	24,574	(105,426)
Auditing services	12,000	12,000	-
Operating equipment	1,000	221	(779)
Motor fuel costs	3,000	2,129	(871)
Maintenance - motor equipment	3,000	-	(3,000)
Insurance	54,000	45,000	(9,000)
Heating fuel	3,000	1,809	(1,191)
Premium life, health, accident insurance	108,000	159,594	51,594
IL Municipal Retirement	48,500	62,069	13,569
Contingencies	5,000	1,097	(3,903)
Fire hydrants	20,000	27,621	7,621
Maintenance - computer	5,000	1,531	(3,469)
Lead treat/water sample	7,000	4,309	(2,691)
Unemployment tax	2,000	953	(1,047)
FICA/Medicare tax	37,500	34,895	(2,605)
Sewer cleaning	40,000	16,946	(23,054)
Water main repairs	30,000	-	(30,000)
Sewer repairs/maintenance	70,000	49,996	(20,004)
Miscellaneous	-	1,206	1,206
Depreciation	115,000	113,080	(1,920)
Total operating expenses	<u>3,609,700</u>	<u>3,099,976</u>	<u>(509,724)</u>
Operating income (loss)	<u>(400)</u>	<u>594,026</u>	<u>594,426</u>
Nonoperating Revenues (Expenses)			
Investment income	400	2,958	2,558
Total nonoperating revenues (expenses)	<u>400</u>	<u>2,958</u>	<u>2,558</u>
Net Income (Loss)	<u>\$ -</u>	<u>596,984</u>	<u>\$ 596,984</u>
Net Position at Beginning of Year		<u>3,297,689</u>	
Net Position at End of Year		<u>\$ 3,894,673</u>	