

Stickney Township School Treasurer

Financial Report
June 30, 2021

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Independent Auditor's Report

To the Board of Trustees
Stickney Township School Treasurer

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the major fund, and the custodial fund of the Stickney Township School Treasurer (the Treasurer) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Treasurer's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Treasurer'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 Treasurer's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the major fund, and the custodial fund of Stickney Township School Treasurer as of June 30, 2021, and the respective changes in cash basis financial position, thereof, for the year then ended in accordance with the cash basis of accounting described in Note 1.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2021, the Treasurer adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which required a restatement to convert the previously reported Agency fund to a Custodial fund and establish net position as of July 1, 2020 for the Custodial fund. Our opinions are not modified with respect to this matter.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Treasurer's basic financial statements. The accompanying other information, such as the schedules of employer contributions and the changes in net pension liability as listed in the table of contents as other information, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

RSM US LLP

Chicago, Illinois
June 28, 2022

Basic Financial Statements

**Government-Wide
Financial Statements (GWFS)**

Stickney Township School Treasurer

Statement of Net Position—Cash Basis
June 30, 2021

	Governmental Activities
<hr/>	
Assets	
Cash	\$ 150,948
Investments	<u>679,765</u>
Total assets	<u><u>\$ 830,713</u></u>
Liabilities and Net Position	
Liabilities	\$ -
Net position:	<u>830,713</u>
Unrestricted	<u><u>\$ 830,713</u></u>
Total liabilities and net position	

See notes to basic financial statements.

Stickney Township School Treasurer

Statement of Activities—Cash Basis
Year Ended June 30, 2021

Functions/Programs	Disbursements	Program Receipts Charges for Services	Net (Disbursements), Receipts and Changes in Net Position Governmental Activities
Governmental activities:			
Supporting services	\$ 3,069,443	\$ 779,289	\$ (2,290,154)
General revenues:			
Interest income			1,286,459
Total general receipts			<u>1,286,459</u>
			Change in net position (1,003,695)
Net position:			
July 1, 2020			<u>1,834,408</u>
June 30, 2021			<u>\$ 830,713</u>

See notes to basic financial statements.

Fund Financial Statements (FFS)

Stickney Township School Treasurer

Balance Sheet—Cash Basis
Governmental Fund
June 30, 2021

	<u>Major Fund</u> <u>General Fund</u>
Assets	
Cash	\$ 150,948
Investments	<u>679,765</u>
Total assets	<u><u>\$ 830,713</u></u>
Liabilities and Fund Balance	
Liabilities	\$ -
Fund balance: Unassigned	<u>830,713</u>
Total liabilities and fund balance	<u><u>\$ 830,713</u></u>

See notes to basic financial statements.

Stickney Township School Treasurer

**Statement of Revenues, Expenditures and Changes in
Fund Balance—Cash Basis
Governmental Fund
June 30, 2021**

	<u>Major Fund</u> <u>General Fund</u>
Revenues:	
Interest income:	
Treasurer's account	\$ 3,248
School District 110	180,899
School District 111	839,359
School District 220	262,953
Charges to Stickney Township school districts	779,289
Total receipts	<u>2,065,748</u>
Expenditures:	
Current:	
Supporting services:	
Salaries	336,570
Retirement and Social Security contributions	101,785
Other employee benefits	71,605
Custodian salary	6,475
Telephone	9,219
Utilities	5,099
Insurance	1,100
Software and programming	81,898
Auditing	99,900
Legal	15,547
Rent	34,203
Dues and subscriptions	1,259
Office supplies	4,066
Other operating costs	2,018
Interest distributed to school districts:	
District 110	239,323
District 111	1,925,836
District 220	133,540
Total disbursements	<u>3,069,443</u>
Change in fund balance	(1,003,695)
Fund balance:	
July 1, 2020	<u>1,834,408</u>
June 30, 2021	<u>\$ 830,713</u>

See notes to basic financial statements.

Stickney Township School Treasurer

**Statement of Fiduciary Net Position—Cash Basis
Custodial Fund
June 30, 2021**

	<u>Custodial Fund</u>
Assets:	
Cash:	
Central Stickney School District 110	\$ 148,234
Burbank School District 111	2,733,897
Reavis High School District 220	2,903,785
Investments:	
Central Stickney School District 110	9,418,611
Burbank School District 111	61,438,909
Reavis High School District 220	<u>48,283,300</u>
Total assets	<u><u>\$ 124,926,736</u></u>
Net position:	
Central Stickney School District 110	\$ 9,566,845
Burbank School District 111	64,172,806
Reavis High School District 220	<u>51,187,085</u>
Net position	<u><u>\$ 124,926,736</u></u>

See notes to basic financial statements.

Stickney Township School Treasurer

Statement of Changes in Fiduciary Net Position—Cash Basis
Custodial Fund
Year Ended June 30, 2021

	Custodial Fund
<hr/>	
Additions:	
Property taxes	\$ 69,273,783
State and federal grants	25,754,227
Corporate personal property replacement taxes	7,326,488
Other local sources	1,698,160
Interest income allocations	2,299,618
Total additions	<u>106,352,276</u>
Deductions:	
Payments made on behalf of school districts:	
Central Stickney School District 110	6,487,852
Burbank School District 111	60,119,379
Reavis High School District 220	45,460,426
Total deductions	<u>112,067,657</u>
Net decrease in fiduciary net position	(5,715,381)
Net position:	
July 1, 2020 (as restated)	<u>130,642,117</u>
June 30, 2021	<u>\$ 124,926,736</u>

See notes to basic financial statements.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 1. Significant Accounting Policies

Nature of Operations

The Stickney Township School Treasurer (the Treasurer) oversees and accounts for the duties of an appointed Township Treasurer. The Treasurer is responsible for the receipts, disbursements and investments for all public school districts in Stickney Township.

The accounting policies of the Treasurer conform to the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Treasurer, as custodian of school funds, maintains all financial records relating to School Districts 110, 111, and 220. Individual independent examinations of the financial statements are made and separate reports thereon submitted to each respective School District Board of Education.

The following is a summary of the more significant accounting policies:

Financial Reporting Entity

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Financial benefit or financial burden is created if any one of the following relationships exists:

- 1) The primary government is legally entitled to or has access to the component unit's resources.
- 2) The primary government is legally required or has assumed the obligation to finance the deficits of, or provide support to, the component unit.
- 3) The primary government is obligated in some manner for the other component unit's debt.

Based upon the application criteria, no component units have been included within the reporting entity.

Basis of Presentation

Government-Wide Financial Statements (GWFS): The government-wide statement of net position—cash basis and statement of activities—cash basis report the overall financial activity of the Treasurer.

The statement of net position—cash basis presents the Treasurer's non-fiduciary assets and liabilities arising out of cash transactions with the difference reported as net position.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 1. Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The statement of activities—cash basis demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct revenues are those that are clearly identifiable with a specific function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements (FFS): The FFS of the reporting entity are generally organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that represent the fund's assets, fund equity, revenues and expenditures. The following fund types are used by the Treasurer:

Governmental fund types are used to account for the Treasurer's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of any general fixed assets and the servicing of any general long-term debt.

The **General Fund** is the Treasurer's primary operating fund. It accounts for all financial resources of the Treasurer.

Fiduciary fund types are used to account for the activities carried out for the benefit of individuals and agencies outside the Treasurer.

The **Custodial Fund** is used to account for the assets held by the Treasurer in custody for the public school districts in Stickney Township.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net position—cash basis and the statement of activities—cash basis, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) are reported within the limitations of the cash basis of accounting. Equity is classified as net position.

In the fund financial statements, the "current financial resources" measurement focus, as applied to the cash basis of accounting, is used. Under a "current financial resources" measurement focus, only current financial assets and liabilities are generally included on the balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. The funds use fund balance as their measure of available spendable financial resources at the end of the period.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 1. Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

In the government-wide and the fund financial statements, governmental activities are presented using cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Treasurer utilized the basis of accounting recognized as generally accepted, the fund financial statements for the governmental funds would use the modified accrual basis of accounting and all government-wide financial statements would be presented on the accrual basis.

Custodial funds are custodial in nature and do not present results of operations or have a measurement focus. Custodial funds are accounted for using the cash basis of accounting.

Significant Accounting Policies

Investments

The Treasurer accounts for the cash and investments for the School Districts 110, 111, and 220. All investment accounts, except the state aid accounts, are separate for each District. The investments are recorded at cost.

Net Position

The Treasurer's statement of net position—cash basis presents the Treasurer's non-fiduciary assets and liabilities with the difference reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and deferred outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the Treasurer's policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 1. Significant Accounting Policies (Continued)

Fund Balances

Within the General Fund, the Treasurer's fund balance is reported in one of the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either: (a) not in spendable form; or (b) legally or contractually required to be maintained intact. At June 30, 2021, the Treasurer had no nonspendable fund balance amounts.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. At June 30, 2021, the Treasurer had no restricted fund balance amounts.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Treasurer's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Treasurer removes or changes the specified use by taking the same type of action they employed to previously commit those amounts. The Treasurer's highest level of decision-making authority rests with the Treasurer's Board of Education. The Treasurer passes formal resolutions to commit its fund balance. At June 30, 2021, the Treasurer had no committed fund balance amounts.

Assigned – includes amounts that are constrained by the Treasurer's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Treasurer's Board of Education itself; or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The Treasurer's Board of Education has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. At June 30, 2021, the Treasurer had no assigned fund balance amounts.

Unassigned – includes the residual fund balance that has not been restricted, committed, or assigned within the General Fund.

It is the Treasurer's policy to consider restricted resources to have been spent first when a disbursement is made for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

Note 2. Cash and Investments

Substantially all of the cash balances are deposits and investments maintained in the name of the Treasurer, as the legal custodian for any participating Districts of the Stickney Township Schools. Accounting records are maintained to separate the common cash and investment accounts by individual participating District. The only comingled account is related to the state aid received by the Treasurer. The Treasurer distributes the state aid revenue and interest earned to the respective District.

Deposits

State statutes authorize the Treasurer to make deposits in interest-bearing depository accounts in federally insured and/or state chartered banks, savings and loan associations, and credit unions. As of June 30, 2021, the Treasurer had deposits with federally insured financial institutions of \$5,936,864 with bank balances totaling \$8,853,593.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Treasurer's deposits may not be returned to it. The Treasurer does not have a deposit policy for custodial credit risk. As of June 30, 2021, none of the Treasurer's bank balances was uninsured and collateral was held by the pledging bank's trust department not in the Treasurer's name.

Investments

As of June 30, 2021, the Treasurer had the following investments:

Investment Type	Total	Maturities	
		Less Than 1 Year	1 - 5 Years
Money Market	\$ 24,818,863	\$ 24,818,863	\$ -
Certificates of Deposit	20,174,442	17,962,134	2,212,308
Municipal Bonds	38,389,107	12,865,305	25,523,802
U.S. Government Agencies	3,575,000	248,000	3,327,000
ISDLAF+	6,266,142	6,266,142	-
Corporate Notes	26,597,031	15,762,845	10,834,186
	<u>\$119,820,585</u>	<u>\$ 77,923,289</u>	<u>\$ 41,897,296</u>

The Illinois School District Liquid Asset Fund PLUS (ISDLAF+) is shown as maturing less than one year, based on the weighted average maturity of the fund.

Interest rate risk. The Treasurer's investment policy does not limit the Treasurer's investment portfolio to specific maturities; however, the Treasurer's predominant investment strategy is to operate as a buy and hold to maturity investor, which does limit interest rate risk.

ISDLAF+ is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. ISDLAF+ is not registered with the SEC as an investment company. Investments in ISDLAF+ are valued at the fund's share price, which is the price the investment could be sold for.

Authorized investments. State statutes authorize the Treasurer to invest in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, and short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000. The Treasurer is also authorized to invest in the Illinois School District Liquid Asset Fund Plus, the Illinois Institutional Investors Trust, the Illinois Funds and Municipal Bonds. The Treasurer restricted its investments to only those investments described above.

Credit risk. State statutes authorize the Treasurer to invest in securities which are guaranteed by the full faith and credit of the United States of America, obligations of the United States of America or its agencies, commercial paper constituting direct obligations of any bank as defined by the Illinois Banking Act, short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000, and money market mutual funds registered under the Investment Company Act of 1940. The Treasurer is also authorized to invest in the Illinois School District Liquid Asset Fund Plus and the Illinois Funds. The Treasurer restricted their investments to only those investments shown in the table above.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

As of June 30, 2021, the Treasurer had the following investments which were rated by Moody's and Standard & Poor's as follows:

Investment Type	Cost	Moody's								
		Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Not Rated	
U.S. Government Agencies	\$ 3,575,000	\$ 2,988,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 587,000
Municipal Bonds	38,389,107	936,323	1,969,934	4,115,559	2,230,470	-	5,051,430	3,079,066	-	21,006,325
Corporate Notes	26,597,031	-	-	403,733	1,242,877	1,212,609	3,007,315	7,616,941	-	13,113,556
	<u>\$ 68,561,138</u>	<u>\$ 3,924,323</u>	<u>\$ 1,969,934</u>	<u>\$ 4,519,292</u>	<u>\$ 3,473,347</u>	<u>\$ 1,212,609</u>	<u>\$ 8,058,745</u>	<u>\$ 10,696,007</u>	<u>\$ -</u>	<u>\$ 34,706,881</u>

Investment Type	Cost	Standard & Poor's									
		AAAm	AAA	AA+	AA	AA-	A+	A	A-	BBB+	Not Rated
ISDLAF+	\$ 6,266,142	\$ 6,266,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Bonds	38,389,107	-	1,741,977	2,521,620	10,736,204	974,105	1,043,159	1,790,827	3,250,184	243,486	16,087,545
Corporate Notes	26,597,031	-	-	-	-	-	663,182	1,472,405	6,032,690	5,088,430	13,340,324
U.S. Government Agencies	3,575,000	-	-	2,988,000	-	-	-	-	-	-	587,000
	<u>\$ 74,827,280</u>	<u>\$ 6,266,142</u>	<u>\$ 1,741,977</u>	<u>\$ 5,509,620</u>	<u>\$ 10,736,204</u>	<u>\$ 974,105</u>	<u>\$ 1,706,341</u>	<u>\$ 3,263,232</u>	<u>\$ 9,282,874</u>	<u>\$ 5,331,916</u>	<u>\$ 30,014,869</u>

Concentration of credit risk. The Treasurer's investment policy does not restrict the amount of investment in any one issuer. More than 5% of the Treasurer's investments are in the ISDLAF+. This investment is 6.9% of the Treasurer's total investments.

Custodial credit risk—investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Treasurer will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Treasury Securities and U.S. Agency Securities (FHLB, and FFCB) and municipal bonds are insured or registered or are held by the Treasurer or its agent in the Treasurer's name. The money markets, certificates of deposit, and the ISDLAF+ are not subject to custodial credit risk.

The deposits of \$5,936,864 and investments of \$119,820,585 totaling \$125,757,449 are reported in the financial statements as cash and investments as follows:

Governmental activities	\$ 830,713
Fiduciary fund type	<u>124,926,736</u>
	<u><u>\$ 125,757,449</u></u>

Note 3. Restatement of Net Position

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented July 1, 2020 and had the effect of converting the previously reported Agency fund to a Custodial fund and establishing net position as of July 1, 2020 for the Custodial fund.

	Custodial Fund
	<u> </u>
Net position, June 30, 2020 (as previously reported)	\$ -
Adjustment related to GASB 84	<u>130,642,117</u>
	<u><u>\$ 130,642,117</u></u>

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 4. Office Rental Agreement

The Treasurer has a rental agreement for its present offices, which expired on May 31, 2022. The Treasurer is in the process of renewing the lease. Rental payments are \$2,741 per month for the first year of the lease, after which payments increase by 3% - 5% each year, based on CPI, not to exceed 5%.

The future minimum lease payments are as follows:

Year ending June 30:

2022	\$ 28,710
Total	<u>\$ 28,710</u>

Note 5. Risk Management

The Treasurer has been bonded in the amount of \$1,500,000. The bond is effective from December 7, 2017 and ends only with the cancellation of said bond. Commercial Crime insurance is in effect covering all employees.

The Treasurer is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The Treasurer carries disability coverage through the Illinois Municipal Retirement Fund, employees purchase their health insurance on the open market. Upon purchasing a cafeteria plan, the employees are provided with a fixed benefit amount to assist in covering all health related costs. The Treasurer carries commercial insurance for general liability and property and property coverage. Settled claims have not exceeded commercial insurance coverage during any of the past three years.

Note 6. Retirement Fund Commitments

Illinois Municipal Retirement

Plan Description

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

Benefits Provided

The Treasurer participates in the Regular Plan (RP). 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.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 6. Retirement Fund Commitments (Continued)

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, 2020, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and beneficiaries currently receiving benefits	3
Inactive plan members entitles to but not yet receiving benefits	1
Active plan members	4
Total	<u>8</u>

Contributions

As set by statute, the Treasurer's regular plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Treasurer's required and actual contribution rates for the calendar years ending December 31, 2021 and 2020, were 16.35% and 19.00%, respectively. For fiscal year 2021, the Treasurer contributed \$72,308 to the plan. The Treasurer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefit rate is set by statute.

Net Pension Liability, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

The Treasurer's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Since the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the pension are not the result of cash transactions, the cash basis of accounting does not allow for these to be recorded on the government-wide financial statements.

The schedule of changes in net pension liability and related ratios and the schedule of employer contributions are presented as other information following the notes to the financial statements.

Note 7. Pronouncements Issued But Not Yet Adopted

GASB Statement No. 87, *Leases*, will be effective for the Treasurer with its year ending June 30, 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases 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. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 7. Pronouncements Issued But Not Yet Adopted (Continued)

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective for the Treasurer beginning with its year ending June 30, 2022. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and cost of borrowing for a reporting period and (2) to simplify accounting for interest costs incurred before the end of a construction period.

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the Treasurer beginning with its year ending June 30, 2023. This statement establishes a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. Under Statement 91 a government entity no longer reports a liability for any conduit debt that it has issued; however, the issuer should recognize a liability for any additional commitments or voluntary commitments to support the debt service.

GASB Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB statements and other technical pronouncements. The statement addresses a variety of topics. The statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The statement will be effective for the Treasurer with its year ending June 30, 2022.

GASB No. 93, *Replacement of Interbank Offered Rates*, establishes how the Treasurer will report the change of any of its variable payment debt that are tied to the London Interbank Offered Rate (LIBOR) when the LIBOR standard is no longer used after December 31, 2021. This statement will be effective for the Treasurer with its year ending June 30, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will improve financial reporting by addressing issues related to public-private and public-public partnerships and provides guidance for accounting and reporting for availability payment arrangements. This statement will be effective for the Treasurer with its year ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement will be effective for the Treasurer with its year ending June 30, 2023.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The statement will be effective for the Treasurer with its year ending June 30, 2022.

Management has not determined the impact, if any, these statements will have on the basic financial statements and related disclosures.

Other Information (Unaudited)

Stickney Township School Treasurer

**Schedule of Employer Contributions
Illinois Municipal Retirement Fund**

<u>Calendar Year Ended December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2020	\$ 77,302	\$ 77,301	\$ 1	\$ 406,852	19.00%
2019	47,159	47,159	-	383,097	12.31%
2018	55,169	55,171	(2)	358,011	15.41%
2017	45,578	55,171	(9,593)	358,011	15.41%
2016	47,304	45,577	1,727	296,923	15.35%
2015	45,441	47,304	(1,863)	275,503	17.17%
2014	34,070	34,071	(1)	250,517	13.60%

Note to schedule: Detailed information and the summary of actuarial methods and assumptions used in the calculation of the contribution rate are available at the Treasurer's administrative offices.

Stickney Township School Treasurer

Schedule of Changes in Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund

Calendar Year Ended December 31,	2020	2019	2018	2017	2016	2015	2014
A. Total pension liability							
1. Service cost	\$ 39,677	\$ 37,948	\$ 32,536	\$ 30,157	\$ 32,812	\$ 30,765	\$ 31,568
2. Interest on the Total Pension Liability	114,719	125,276	119,200	119,599	113,598	109,138	99,408
3. Changes of benefit terms	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	13,283	(241,902)	43,096	19,250	23,030	27,214	18,880
5. Changes of assumptions	(2,753)	(1,502)	40,038	(63,543)	(52,062)	(4,465)	125,376
6. Benefit payments, including refunds of employee contributions	(61,970)	(75,825)	(112,545)	(111,381)	(108,983)	(106,493)	(100,998)
7. Net change in total pension liability	102,956	(156,005)	122,325	(5,918)	8,395	56,159	174,234
8. Total pension liability - beginning	1,595,662	1,751,667	1,629,342	1,635,260	1,626,865	1,570,706	1,396,472
9. Total pension liability - ending	<u>\$ 1,698,618</u>	<u>\$ 1,595,662</u>	<u>\$ 1,751,667</u>	<u>\$ 1,629,342</u>	<u>\$ 1,635,260</u>	<u>\$ 1,626,865</u>	<u>\$ 1,570,706</u>
B. Plan fiduciary net position							
1. Contributions - employer	\$ 77,301	\$ 47,159	\$ 55,171	\$ 45,577	\$ 47,304	\$ 45,441	\$ 34,071
2. Contributions - employee	18,309	17,240	16,110	13,361	12,398	12,142	11,273
3. Net investment income	184,612	248,580	(78,195)	228,209	83,347	5,548	65,341
4. Benefit payments, including refunds of employee contributions	(61,970)	(75,825)	(112,545)	(111,381)	(108,983)	(106,493)	(100,998)
5. Other (net transfer)	169	(233,394)	26,415	(18,995)	29,255	106,642	25,286
6. Net change in plan fiduciary net position	218,421	3,760	(93,044)	156,771	63,321	63,280	34,973
7. Plan fiduciary net position - beginning	1,328,053	1,324,293	1,417,337	1,260,566	1,197,245	1,133,965	1,098,992
8. Plan fiduciary net position - ending	<u>\$ 1,546,474</u>	<u>\$ 1,328,053</u>	<u>\$ 1,324,293</u>	<u>\$ 1,417,337</u>	<u>\$ 1,260,566</u>	<u>\$ 1,197,245</u>	<u>\$ 1,133,965</u>
C. Net pension liability	<u>\$ 152,144</u>	<u>\$ 267,609</u>	<u>\$ 427,374</u>	<u>\$ 212,005</u>	<u>\$ 374,694</u>	<u>\$ 429,620</u>	<u>\$ 436,741</u>
D. Plan fiduciary net position as a percentage of total pension liability	91.04%	83.23%	75.60%	86.99%	77.09%	73.59%	72.19%
E. Covered valuation payroll	\$ 406,852	\$ 383,097	\$ 358,011	\$ 296,923	\$ 275,503	\$ 269,838	\$ 250,517
F. Net pension liability as a percentage of covered valuation payroll	37.40%	69.85%	119.37%	71.40%	136.00%	159.21%	174.34%

Note to schedule: Detailed information and actuarial assumptions used in the preparation of this schedule are available at the Treasurer's administrative offices and at <https://www.imrf.org/en/employers/employer-resources/reports-for-employers>