



Stickney Township School Treasurer

Financial Report
June 30, 2018

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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 and the major fund of the Stickney Township School Treasurer (the Treasurer) as of and for the year ended June 30, 2018, 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 and the major fund of Stickney Township School Treasurer as of June 30, 2018, 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.

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.

Emphasis of Matter

As discussed in Note 7 to the financial statements, the Treasurer corrected the financial reporting framework as of June 30, 2018. This resulted in a restatement of the opening July 1, 2017 fund balance for the general fund and the opening July 1, 2017 net position for the governmental activities. 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 management's discussion and analysis and schedules of employer contributions and changes in net pension liabilities, 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
April 18, 2019

Basic Financial Statements

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

Stickney Township School Treasurer

**Statement of Net Position – Cash Basis
June 30, 2018**

	Governmental Activities
Assets	
Cash	<u>\$ 575,233</u>
Liabilities and Net Position	
Liabilities	\$ -
Net Position	
Unrestricted	<u>575,233</u>
Total liabilities and net position	<u>\$ 575,233</u>

See notes to basic financial statements.

Statement of Activities – Cash Basis
Year Ended June 30, 2018

See notes to basic financial statements.

Stickney Township School Treasurer

**Balance Sheet – Cash Basis
Governmental Fund
June 30, 2018**

	<u>Major Fund</u> <u>General Fund</u>
Assets	
Cash	<u>\$ 575,233</u>
Liabilities and Fund Balance	
Liabilities	\$ -
Fund balance:	
Unassigned	<u>575,233</u>
Total liabilities and fund balance	<u>\$ 575,233</u>

See notes to basic financial statements.

Stickney Township School Treasurer

**Statement of Cash Receipts, Disbursements and Changes in
Cash Basis Fund Balance
Governmental Fund
June 30, 2018**

	Major Fund
	General
	Fund
<hr/>	
Receipts:	
Interest income:	
School District 110	\$ 75,199
School District 111	837,175
School District 220	53,983
Total receipts	<u>966,357</u>
Disbursements:	
Current:	
Supporting services:	
Salaries	291,417
Retirement and Social Security contributions	74,235
Other employee benefits	42,935
Custodian salary	5,925
Telephone	6,977
Utilities	5,262
Insurance	5,093
Software and programming	103,487
Auditing	39,400
Legal	16,292
Rent	30,783
Dues and subscriptions	3,848
Office supplies	4,145
Other operating costs	1,185
Total disbursements	<u>630,984</u>
Change in fund balance	335,373
Fund balance:	
July 1, 2017, as restated	<u>239,860</u>
June 30, 2018	<u><u>\$ 575,233</u></u>

See notes to basic financial statements.

Stickney Township School Treasurer

Statement of Fiduciary Assets and Liabilities – Cash Basis

Agency Fund

June 30, 2018

	Fiduciary Fund Type Agency
Assets	
Cash and investments	<u>\$ 90,667,520</u>
Liabilities	
Due to Districts:	
Central Stickney School District Number 110	\$ 9,111,181
Burbank School District Number 111	74,411,165
Reavis High School District Number 220	<u>7,145,174</u>
	<u>\$ 90,667,520</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 assets held in a trustee capacity or as an agency on behalf of others.

The **Agency Fund** is custodial in nature and does not present results of operations or have a measurement focus. The agency fund is used to account for assets held by the Treasurer for the public school districts in the Stickney Township in an agency capacity.

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.

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 fair value, which is based on the market value for same or similar investments.

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, 2018, 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, 2018, 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, 2018, 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, 2018, 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.

Stickney Township School Treasurer

Notes to Basic Financial Statements

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, 2018, the Treasurer had deposits with federally insured financial institutions of \$727,773 with bank balances totaling \$4,702,214.

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, 2018, 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, 2018, the Treasurer had the following investments, excluding undistributed interest:

Investment Type	Total	Maturities	
		Less Than 1 Year	1 - 5 Years
Money Market	\$ 13,010,811	\$ 13,010,811	\$ -
Certificates of Deposit	38,482,831	29,786,941	8,695,890
Municipal Bonds	22,125,460	10,140,387	11,985,073
U.S. Treasury Securities	5,732,138	732,962	4,999,176
Federal Farm Credit Bank (FFCB)	349,276	349,276	-
Federal Home Loan Bank (FHLB)	4,716,533	3,000,000	1,716,533
ISDLAF+	6,097,931	6,097,931	-
	<u>\$ 90,514,980</u>	<u>\$ 63,118,308</u>	<u>\$ 27,396,672</u>

The Illinois School District Liquid Asset Fund PLUS (ISDLAF+) is shown as maturing between one and five years, 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.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

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.

As of June 30, 2018, 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
U.S. Treasury Securities	\$ 5,732,138	\$ 5,732,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Home Loan Bank (FHLB)	4,716,533	4,716,533	-	-	-	-	-	-
Federal Farm Credit Bank (FFCB)	349,276	349,276	-	-	-	-	-	-
Municipal Bonds	10,223,292	-	625,000	3,557,553	2,196,244	756,867	2,007,358	1,080,270
	<u>\$ 21,021,239</u>	<u>\$ 10,797,947</u>	<u>\$ 625,000</u>	<u>\$ 3,557,553</u>	<u>\$ 2,196,244</u>	<u>\$ 756,867</u>	<u>\$ 2,007,358</u>	<u>\$ 1,080,270</u>

Investment Type	Cost	Standard & Poor's					
		AAA	AA+	AA	AA-	A	SP-1+
ISDLAF+	\$ 6,097,931	\$ 6,097,931	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Bonds	11,902,168	-	5,351,198	1,749,625	2,700,245	1,000,000	1,101,100
	<u>\$ 18,000,099</u>	<u>\$ 6,097,931</u>	<u>\$ 5,351,198</u>	<u>\$ 1,749,625</u>	<u>\$ 2,700,245</u>	<u>\$ 1,000,000</u>	<u>\$ 1,101,100</u>

Concentration of credit risk. The Treasurer's investment policy does not restrict the amount of investment in any one issuer. More than 5 percent of the Treasurer's investments are in Municipal Bonds, U.S. Treasury Securities, FHLB, and ISDLAF+. These investments are 24.4 percent, 6.3 percent, 5.2 percent, and 6.7 percent, respectively, 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 \$727,773 and investments of \$90,514,980 totaling \$91,242,753 are reported in the financial statements as cash and investments as follows:

Governmental activities	\$ 575,233
Fiduciary fund type	<u>90,667,520</u>
	<u>\$ 91,242,753</u>

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 3. Office Rental Agreement

On June 1, 2012, the Treasurer entered into a rental agreement for its present offices, which ended on May 31, 2017. The Treasurer exercised its option to renew the lease for an additional five year term, through May 31, 2022. Rental payments are \$2,388 for the first year of the amendment, after which payment will increase by 3% each year.

The future minimum lease payments are as follows:

Year ending June 30:

2019	\$ 29,594
2020	30,484
2021	31,398
2022	29,568
Total	<u>\$ 121,044</u>

Note 4. Risk Management

The Treasurer has been bonded in the amount of \$1,200,000. The bond is effective from July 1, 2010 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 commercial insurance for general liability and property, worker's compensation and employee health coverage. Settled claims have not exceeded commercial insurance coverage during any of the past three years.

Note 5. 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 participate 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 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent of the original amount on January 1 every year after retirement.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 5. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement (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 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent 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, 2017, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries currently receiving benefits	5
Inactive plan members entitles to but not yet receiving benefits	1
Active plan members	4
Total	10

Contributions

As set by statute, the Treasurer's regular plan members are required to contribute 4.50 percent 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, 2018 and 2017, were 15.41 percent and 15.35 percent, respectively. For fiscal year 2018, the Treasurer contributed \$50,010 to the plan. The Treasurer also contribute 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, 2017. 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.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 6. Pronouncements Issued But Not Yet Adopted

The following is a description of the GASB authoritative pronouncements, which have been issued but not yet adopted by the Treasurer:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, will be effective for the Treasurer beginning with its year ending June 30, 2019. This statement establishes criteria for determining the timing and pattern of recognition for liabilities and a corresponding deferred outflow of resources related to such obligations. Under Statement 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The guidance also identifies the circumstances that trigger recognition of these transactions.

GASB Statement No. 84, *Fiduciary Activities*, will be effective for the Treasurer beginning with its year ended June 30, 2020. This statement establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement 84 provides that governments should report activities meeting certain criteria in a fiduciary fund in the basic financial statements and present a statement of fiduciary net position and a statements of changes in fiduciary net position. Statement 84 also describes four fiduciary funds that should be reported, if applicable: pension/employee benefit trust funds; investment trust funds; private purpose funds; and custodial funds with fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 87, *Leases*, will be effective for the Treasurer with its year ending June 30, 2021. 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.

GASB Statement No. 88, *Certain Disclosures Related to Debt Including Borrowing Placements*, will be effective for the Treasurer beginning with its year ending June 30, 2019. The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowing and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

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, 2021. 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.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 6. Pronouncements Issued But Not Yet Adopted (Continued)

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No 14 and 61*, will be effective for the Treasurer beginning with its year ending June 30, 2020. This statement improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interest in legally separate organizations that previously were reported inconsistently. In addition, it requires reporting of information about component units if the government acquires 100 percent equity interest in the component unit.

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

Note 7. Restatement

For the year ended June 30, 2017, the Treasurer was reported as an investment trust fund. However, in accordance with Government Accounting Standards Board No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the correct reporting framework includes an agency fund for the District's investments held by the Treasurer, and a general fund for the Treasurer's operations. For the year ended June 30, 2018, the Treasurer corrected the reporting framework and presented a complete set of financial statements, which includes a statement of fiduciary assets and liabilities – cash basis, a balance sheet – cash basis and a statement of cash receipts, disbursements and changes in cash basis fund balance for the General Fund and a statement of net position – cash basis and a statement of activities – cash basis for the Governmental Activities. The 2017 financial statements reported ending net assets of \$4,726,664. Due to the change in the reporting format, the 2018 statements present an agency fund which reports cash and investments and a liability for amounts due to the Districts as of June 30, 2018. Additionally, the change resulted in a restatement of the opening July 1, 2017, fund balance for the General Fund and the opening July 1, 2017, net position for the Governmental Activities.

The following table reflects the changes in the July 1, 2017, beginning fund balance:

	<u>General Fund</u>
Fund balance, July 1, 2017	\$ -
Change in reporting framework	239,860
Fund balance, July 1, 2017, restated	<u>\$ 239,860</u>

The following table reflects the changes in the July 1, 2017, beginning net position:

	<u>Governmental Activities</u>
Net position, July 1, 2017	\$ -
Change in reporting framework	239,860
Net position, July 1, 2017, restated	<u>\$ 239,860</u>

Other Information

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>
2017	\$ 45,578	\$ 45,577	1	\$ 296,923	15.35%
2016	47,304	47,304	-	275,503	17.17%
2015	45,441	45,441	-	269,838	16.84%
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 Trustees' 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,	2017	2016	2015	2014
A. Total pension liability				
1. Service cost	\$ 30,157	\$ 32,812	\$ 30,765	\$ 31,568
2. Interest on the Total Pension Liability	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	19,250	23,030	27,214	18,880
5. Changes of assumptions	(63,543)	(52,062)	(4,465)	125,376
6. Benefit payments, including refunds of employee contributions	(111,381)	(108,983)	(106,493)	(100,998)
7. Net change in total pension liability	(5,918)	8,395	56,159	174,234
8. Total pension liability - beginning	1,635,260	1,626,865	1,570,706	1,396,472
9. Total pension liability - ending	<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	\$ 45,577	\$ 47,304	\$ 45,441	\$ 34,071
2. Contributions - employee	13,361	12,398	12,142	11,273
3. Net investment income	228,209	83,347	5,548	65,341
4. Benefit payments, including refunds of employee contributions	(111,381)	(108,983)	(106,493)	(100,998)
5. Other (net transfer)	(18,995)	29,255	106,642	25,286
6. Net change in plan fiduciary net position	156,771	63,321	63,280	34,973
7. Plan fiduciary net position - beginning	1,260,566	1,197,245	1,133,965	1,098,992
8. Plan fiduciary net position - ending	<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>\$ 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	86.99%	77.09%	73.59%	72.19%
E. Covered valuation payroll	\$ 296,923	\$ 275,503	\$ 269,838	\$ 250,517
F. Net pension liability as a percentage of covered valuation payroll	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 Trustees' administrative offices and at <https://www.imrf.org/en/employers/employer-resources/reports-for-employers>