

Stickney Township School Treasurer

Financial Report
June 30, 2022

Contents

Financial Section	
Independent Auditor's Report	1-2
Basic Financial Statements	
Government-Wide Financial Statements (GWFS)	
Statement of Net Position—Cash Basis	3
Statement of Activities—Cash Basis	4
Fund Financial Statements (FFS)	
Governmental Fund:	
Balance Sheet—Cash Basis—Governmental Fund	5
Statement of Revenues, Expenditures and Changes in	
Fund Balance—Cash Basis—Governmental Fund	6
Fiduciary Activities:	
Statement of Fiduciary Net Position—Cash Basis—	
Custodial Fund	7
Statement of Changes in Fiduciary Net Position—Cash Basis—	
Custodial Fund	8
Notes to Basic Financial Statements	9-17
Other Information (Unaudited)	
Schedule of Employer Contributions—Illinois Municipal Retirement Fund	18
Schedule of Changes in Net Pension Liability (Asset) and Related	
Ratios—Illinois Municipal Retirement Fund	19

Independent Auditor's Report

RSM US LLP

To the Board of Trustees
Stickney Township School Treasurer

Report on the Audit of Financial Statements

Opinions

We have audited the cash basis financial statements of the governmental activities, the major fund, and the custodial fund of Stickney Township School Treasurer (the Treasurer), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Treasurer's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 the Treasurer, as of June 30, 2022, and the respective changes in the cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Treasurer, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

We draw attention to Note 1 of the financial statements which describes the basis of accounting. The basic 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.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Treasurer's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Treasurer's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information as listed in the table of contents. The other information comprises the Schedule of Employer Contributions and Schedule of Changes in Net Pension Liability (Asset) and Related Ratios but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Chicago, Illinois
April 10, 2023

Basic Financial Statements

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

Stickney Township School Treasurer

Statement of Net Position—Cash Basis
Year Ended June 30, 2022

	Governmental Activities
Assets	
Cash	\$ 621,283
Investments	<u>125,258</u>
Total assets	<u><u>\$ 746,541</u></u>
Liabilities and Net Position	
Liabilities	\$ -
Net position:	<u>746,541</u>
Unrestricted	<u><u>\$ 746,541</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, 2022**

		Program Receipts	Net (Disbursements), Receipts and Changes in Net Position
Functions/Programs	Disbursements	Charges for Services	Governmental Activities
Governmental activities:			
Supporting services	\$ 1,482,383	\$ 780,841	\$ (701,542)
General revenues:			
Interest income			617,370
Total general receipts			617,370
	Change in net position		(84,172)
Net position:			
July 1, 2021			830,713
June 30, 2022			\$ 746,541

See notes to basic financial statements.

Fund Financial Statements (FFS)

Stickney Township School Treasurer

**Balance Sheet—Cash Basis
Governmental Fund
June 30, 2022**

	<u>Major Fund</u> <u>General Fund</u>
Assets	
Cash	\$ 621,283
Investments	<u>125,258</u>
Total assets	<u><u>\$ 746,541</u></u>
Liabilities and Fund Balance	
Liabilities	\$ -
Fund balance:	
Unassigned	<u>746,541</u>
Total liabilities and fund balance	<u><u>\$ 746,541</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, 2022**

	<u>Major Fund</u> <u>General Fund</u>
Revenues:	
Interest income:	
Treasurer's account	\$ 1,157
School District 110	57,341
School District 111	349,485
School District 220	209,387
Charges to Stickney Township school districts	780,841
Total receipts	<u>1,398,211</u>
Expenditures:	
Current:	
Supporting services:	
Salaries	348,908
Retirement and Social Security contributions	94,730
Other employee benefits	71,605
Custodian salary	6,701
Telephone	9,592
Utilities	5,873
Insurance	12,327
Software and programming	82,102
Auditing	132,000
Legal	16,064
Rent	35,145
Dues and subscriptions	3,779
Office supplies	3,549
Other operating costs	1,721
Interest distributed to school districts:	
District 110	90,450
District 111	436,361
District 220	131,476
Total disbursements	<u>1,482,383</u>
Change in fund balance	(84,172)
Fund balance:	
July 1, 2021	<u>830,713</u>
June 30, 2022	<u><u>\$ 746,541</u></u>

See notes to basic financial statements.

Stickney Township School Treasurer

Statement of Fiduciary Net Position—Cash Basis

Custodial Fund

June 30, 2022

	Custodial Fund
Assets:	
Cash:	
Central Stickney School District 110	\$ 368,128
Burbank School District 111	1,605,234
Reavis High School District 220	1,465,079
Investments:	
Central Stickney School District 110	10,806,365
Burbank School District 111	68,990,410
Reavis High School District 220	<u>54,330,384</u>
Total assets	<u><u>\$ 137,565,600</u></u>
Net position:	
Central Stickney School District 110	\$ 11,174,493
Burbank School District 111	70,595,644
Reavis High School District 220	<u>55,795,463</u>
Net position	<u><u>\$ 137,565,600</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, 2022**

	Custodial Fund
Additions:	
Property taxes	\$ 76,843,642
State and federal grants	34,419,158
Corporate personal property replacement taxes	15,969,821
Other local sources	3,850,739
Interest income allocations	658,444
Total additions	<u>131,741,804</u>
Deductions:	
Payments made on behalf of school districts:	
Central Stickney School District 110	7,149,224
Burbank School District 111	63,478,738
Reavis High School District 220	48,474,978
Total deductions	<u>119,102,940</u>
Net increase in fiduciary net position	12,638,864
Net position:	
July 1, 2021	<u>124,926,736</u>
June 30, 2022	<u><u>\$ 137,565,600</u></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, 2022, 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 Trustees. The Trustees pass formal resolutions to commit its fund balance. At June 30, 2022, 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 Trustees 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 Trustees has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. At June 30, 2022, 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, 2022, the Treasurer had deposits with federally insured financial institutions of \$4,059,724 with bank balances totaling \$5,464,431.

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, 2022, 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, 2022, the Treasurer had the following investments:

Investment Type	Total	Maturities	
		Less Than 1 Year	1 - 5 Years
Money Market	\$ 12,875,479	\$ 12,875,479	\$ -
Certificates of Deposit	20,086,501	16,427,123	3,659,378
Municipal Bonds	43,122,900	43,122,900	-
U.S. Government Agencies	21,536,372	21,536,372	-
ISDLAF+	10,751,596	10,751,596	-
Corporate Notes	25,879,569	25,879,569	-
	<u>\$134,252,417</u>	<u>\$ 130,593,039</u>	<u>\$ 3,659,378</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, 2022, the Treasurer had the following investments which were rated by Moody's and Standard & Poor's as follows:

Investment Type	Cost	Moody's										WR	Not Rated
		Aaa	Aa1	Aa2	Aa3	A1	A2	A3	MIG1				
U.S. Government Agencies	\$ 21,536,372	\$ 6,080,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,455,522
Municipal Bonds	43,122,900	2,889,045	1,914,509	5,029,636	4,939,769	931,158	3,696,604	4,570,191	511,798	-	-	-	18,640,190
Corporate Notes	25,879,569	-	-	-	-	2,305,721	8,098,617	10,529,165	-	-	253,119	-	4,692,947
	<u>\$ 90,538,841</u>	<u>\$ 8,969,895</u>	<u>\$ 1,914,509</u>	<u>\$ 5,029,636</u>	<u>\$ 4,939,769</u>	<u>\$ 3,236,879</u>	<u>\$ 11,795,221</u>	<u>\$ 15,099,356</u>	<u>\$ 511,798</u>	<u>\$ 253,119</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,788,659</u>

Investment Type	Cost	Standard & Poor's										Not Rated
		SP-1+	AAA	AA+	AA	A+	A	A-	BBB	BBB+		
ISDLAF+	\$ 10,751,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,751,596
Municipal Bonds	43,122,900	505,725	4,169,909	3,279,695	11,071,430	6,024,397	2,272,838	2,730,767	4,288,047	530,000	-	8,250,092
Corporate Notes	25,879,569	-	-	766,256	305,163	781,651	1,758,369	4,148,902	8,507,806	835,396	5,630,988	3,145,038
U.S. Government Agencies	21,536,372	-	-	4,065,983	-	-	-	-	-	-	-	17,470,389
	<u>\$101,290,437</u>	<u>\$ 505,725</u>	<u>\$ 4,169,909</u>	<u>\$ 8,111,934</u>	<u>\$ 11,376,593</u>	<u>\$ 6,806,048</u>	<u>\$ 4,031,207</u>	<u>\$ 6,879,669</u>	<u>\$ 12,795,853</u>	<u>\$ 1,365,396</u>	<u>\$ 5,630,988</u>	<u>\$ 39,617,115</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 8.0% 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 \$4,059,724 and investments of \$134,252,417 totaling \$138,312,141 are reported in the financial statements as cash and investments as follows:

Governmental activities	\$ 746,541
Fiduciary fund type	137,565,600
	<u>\$ 138,312,141</u>

Note 3. Office Rental Agreement

The Treasurer has a rental agreement for its present offices, which expires May 31, 2027. 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:	
2023	\$ 33,023
2024	34,674
2025	36,408
2026	38,228
2027	40,140
Total	<u>\$ 182,473</u>

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 4. 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 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 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.

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.

Stickney Township School Treasurer

Notes to Basic Financial Statements

Note 5. Retirement Fund Commitments (Continued)

Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

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

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, 2022 and 2021, were 14.08% and 16.35%, respectively. For fiscal year 2022, the Treasurer contributed \$64,126 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 (Asset), Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

The Treasurer's net pension liability (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. Since the net pension liability (asset), 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 (asset) and related ratios and the schedule of employer contributions are presented as other information following the notes to the financial statements.

Note 6. Pronouncements Issued But Not Yet Adopted

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. 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.

Stickney Township School Treasurer

Notes to Basic Financial Statements

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

GASB Statement No. 99, *Omnibus 2022*, will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The statement will be effective for the Treasurer with its year ending June 30, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The statement will be effective for the Treasurer with its year ending June 30, 2024.

GASB Statement No. 101, *Compensated Absences*, will through its unified recognition and remeasurement model, result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The statement will be effective for the Treasurer with its year ending June 30, 2024.

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>
2021	\$ 67,781	\$ 67,780	\$ 1	\$ 414,563	16.35%
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 (Asset) and Related Ratios
Illinois Municipal Retirement Fund**

Calendar Year Ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014
A. Total pension liability								
1. Service cost	\$ 39,097	\$ 39,677	\$ 37,948	\$ 32,536	\$ 30,157	\$ 32,812	\$ 30,765	\$ 31,568
2. Interest on the Total Pension Liability	122,101	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	(38,122)	13,283	(241,902)	43,096	19,250	23,030	27,214	18,880
5. Changes of assumptions	(1,521)	(2,753)	(1,502)	40,038	(63,543)	(52,062)	(4,465)	125,376
6. Benefit payments, including refunds of employee contributions	(63,387)	(61,970)	(75,825)	(112,545)	(111,381)	(108,983)	(106,493)	(100,998)
7. Net change in total pension liability	58,168	102,956	(156,005)	122,325	(5,918)	8,395	56,159	174,234
8. Total pension liability - beginning	1,698,618	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>\$ 1,756,786</u>	<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	\$ 67,780	\$ 77,301	\$ 47,159	\$ 55,171	\$ 45,577	\$ 47,304	\$ 45,441	\$ 34,071
2. Contributions - employee	18,655	18,309	17,240	16,110	13,361	12,398	12,142	11,273
3. Net investment income	251,128	184,612	248,580	(78,195)	228,209	83,347	5,548	65,341
4. Benefit payments, including refunds of employee contributions	(63,387)	(61,970)	(75,825)	(112,545)	(111,381)	(108,983)	(106,493)	(100,998)
5. Other (net transfer)	(434)	169	(233,394)	26,415	(18,995)	29,255	106,642	25,286
6. Net change in plan fiduciary net position	273,742	218,421	3,760	(93,044)	156,771	63,321	63,280	34,973
7. Plan fiduciary net position - beginning	1,546,474	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>\$ 1,820,216</u>	<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 (asset)	<u>\$ (63,430)</u>	<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	103.61%	91.04%	83.23%	75.60%	86.99%	77.09%	73.59%	72.19%
E. Covered valuation payroll	\$ 414,563	\$ 406,852	\$ 383,097	\$ 358,011	\$ 296,923	\$ 275,503	\$ 269,838	\$ 250,517
F. Net pension liability (asset) as a percentage of covered valuation payroll	-15.30%	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>