
TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS
UNIT CODE 088/210/01
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2021

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INDEPENDENT AUDITORS' REPORT

Supervisor and Board of Trustees
Township of Stookey
St. Clair County, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Township of Stookey, St. Clair County, Illinois, as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Stookey, St. Clair County, Illinois, as of March 31, 2021, and the respective changes in financial position and cash flows, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the financial statements, in March of 2020, the World Health Organization declared COVID-19 to constitute a "public health emergency of international concern." Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and IMRF information on pages 37-43, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Township of Stookey, St. Clair County, Illinois has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Stookey, St. Clair County, Illinois' basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information, on pages 44-45, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 7, 2021, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial

reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Schowalter + Jabouri, P.C.
SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri
September 7, 2021

Basic Financial Statements

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

STATEMENT OF NET POSITION
MARCH 31, 2021

	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS:			
Cash and cash equivalents	\$ 2,794,706	\$ 3,637,524	\$ 6,432,230
Investments	-	34,558	34,558
Receivables, net:			
Property taxes	1,610,542	-	1,610,542
Other taxes	129,423	-	129,423
Interest	142	503	645
System customers	-	243,627	243,627
Outside sewer treatment	-	29,016	29,016
Prepaid items	42,801	30,131	72,932
Net pension asset	530,988	124,553	655,541
Capital assets	5,878,803	23,755,430	29,634,233
Less: Accumulated depreciation	(1,494,252)	(11,240,562)	(12,734,814)
Capital assets - net	4,384,551	12,514,868	16,899,419
Total Assets	9,493,153	16,614,780	26,107,933
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts related to pension	3,732	875	4,607
Total Assets and Deferred Outflows of Resources	9,496,885	16,615,655	26,112,540
LIABILITIES:			
Current liabilities:			
Accounts payable	76,879	109,551	186,430
Accrued interest	39,816	39,816	79,632
Long-term liabilities:			
Due within one year	347,557	508,290	855,847
Due in more than one year	744,980	6,585,312	7,330,292
Total Liabilities	1,209,232	7,242,969	8,452,201
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	1,610,542	-	1,610,542
Deferred amounts related to pension	312,250	73,244	385,494
Total Deferred Inflows of Resources	1,922,792	73,244	1,996,036
NET POSITION:			
Net investment in capital assets	4,290,462	5,425,759	9,716,221
Restricted for:			
Road and bridge	1,347,732	-	1,347,732
Capital projects	591,765	-	591,765
Debt service	155,958	-	155,958
IMRF and Social Security	96,561	-	96,561
General Assistance	7,010	-	7,010
Police protection	83,849	-	83,849
Liability insurance	141,383	-	141,383
Unrestricted net position	(349,859)	3,873,683	3,523,824
Total Net Position	\$ 6,364,861	\$ 9,299,442	\$ 15,664,303

See accompanying notes to basic financial statements.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2021

	Program Revenues		Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating and Capital Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS						
PRIMARY GOVERNMENT:						
Governmental Activities:						
General government	\$ 374,282	\$ -	\$ -	\$ (374,282)	\$ -	\$ (374,282)
Road maintenance and improvement	769,455	-	-	(769,455)	-	(769,455)
Park and recreation	121,705	-	-	(121,705)	-	(121,705)
Public safety	60,552	-	-	(60,552)	-	(60,552)
Interest and fiscal agent fees	80,640	-	-	(80,640)	-	(80,640)
Total Governmental Activities	1,406,634	-	-	(1,406,634)	-	(1,406,634)
Business-Type Activities:						
Sewer	\$ 1,778,364	\$ 1,694,713	\$ -	-	(83,651)	(83,651)
General Revenues:						
Taxes:						
Property				1,618,415	-	1,618,415
Replacement				51,744	-	51,744
Motor fuel				233,679	-	233,679
Investment income				11,416	19,774	31,190
Miscellaneous				6,646	3,467	10,113
Total General Revenues				1,921,900	23,241	1,945,141
CHANGE IN NET POSITION				515,266	(60,410)	454,856
NET POSITION, BEGINNING OF YEAR				5,849,595	9,359,852	15,209,447
NET POSITION, END OF YEAR				\$ 6,364,861	\$ 9,299,442	\$ 15,664,303

See accompanying notes to basic financial statements.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

BALANCE SHEET – GOVERNMENTAL FUNDS
MARCH 31, 2021

	General Town Fund	Road and Bridge Fund	Permanent Road Fund	Park Capital Project Fund	Park Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and investments	\$ 428,582	\$ 275,018	\$ 294,191	\$ 591,075	\$ 155,958	\$ 1,049,882	\$ 2,794,706
Receivables, net:							
Property taxes	387,496	273,001	276,310	-	348,283	325,452	1,610,542
Other taxes	5,328	124,095	-	-	-	-	129,423
Due from other funds	-	46,040	68,260	-	-	73,038	187,338
Interest	-	-	-	142	-	-	142
Prepaid items	4,240	-	-	-	-	38,561	42,801
Total Assets	\$ 825,646	\$ 718,154	\$ 638,761	\$ 591,217	\$ 504,241	\$ 1,486,933	\$ 4,764,952
LIABILITIES:							
Accounts payable	\$ 10,776	\$ 13,338	\$ 41,319	\$ -	\$ -	\$ 11,446	\$ 76,879
Due to other funds	-	141,298	-	-	-	46,040	187,338
Total Liabilities	10,776	154,636	41,319	-	-	57,486	264,217
DEFERRED INFLOWS OF RESOURCES:							
Unavailable property taxes	387,496	273,001	276,310	-	348,283	325,452	1,610,542
FUND BALANCES:							
Nonspendable:							
Prepaid expenses	4,240	-	-	-	-	38,561	42,801
Restricted:							
Road and bridge	-	290,517	321,132	-	-	736,083	1,347,732
Capital projects	-	-	-	591,217	-	548	591,765
Debt service	-	-	-	-	155,958	-	155,958
IMRF and Social Security	-	-	-	-	-	96,561	96,561
General Assistance	-	-	-	-	-	7,010	7,010
Police protection	-	-	-	-	-	83,849	83,849
Liability insurance	-	-	-	-	-	141,383	141,383
Unassigned:	423,134	-	-	-	-	-	423,134
Total Fund Balances	427,374	290,517	321,132	591,217	155,958	1,103,995	2,890,193
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 825,646	\$ 718,154	\$ 638,761	\$ 591,217	\$ 504,241	\$ 1,486,933	\$ 4,764,952

See accompanying notes to basic financial statements.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
MARCH 31, 2021

Total Fund Balances - Governmental Funds \$ 2,890,193

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$5,878,803 and the accumulated depreciation is \$1,494,252. 4,384,551

Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:

Deferred outflows of resources related to pension 3,732

Deferred inflows of resources related to pension (312,250)

Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Discounts and premiums are reported in the governmental fund financial statements when the debt was issued whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide statements. The following amounts are the effect of these differences in the treatment of long-term debt and related items:

Bonds payable (995,000)

Unamortized bond discount 7,809

Accrued interest on outstanding debt (39,816)

Capital lease (94,089)

Compensated absences (11,257)

Net pension asset is not a financial resource and, therefore, is not reported in the governmental funds:

Net pension asset 530,988

Net Position of Governmental Activities \$ 6,364,861

See accompanying notes to basic financial statements.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2021

	General Town Fund	Road and Bridge Fund	Permanent Road Fund	Park Capital Project Fund	Park Bond Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes:							
Property taxes	\$ 390,363	\$ 268,490	\$ 271,745	\$ -	\$ 353,262	\$ 334,555	\$ 1,618,415
Replacement tax	20,273	31,471	-	-	-	-	51,744
Motor fuel taxes	-	233,679	-	-	-	-	233,679
Miscellaneous	5,939	707	-	-	-	-	6,646
Interest income	623	887	441	7,683	-	1,782	11,416
Total Revenues	417,198	535,234	272,186	7,683	353,262	336,337	1,921,900
EXPENDITURES:							
Current:							
General government	289,030	-	-	-	-	133,154	422,184
Road maintenance and improvement	27,020	425,784	248,413	-	-	35,902	737,119
Parks and recreation	26,565	-	-	-	-	-	26,565
Public safety	-	-	-	-	-	60,552	60,552
Capital outlay	-	-	41,624	-	-	12,500	54,124
Debt service:							
Principal	-	-	-	-	320,000	13,854	333,854
Interest	-	-	-	-	34,085	3,832	37,917
Other	-	-	-	-	303	-	303
Total Expenditures	342,615	425,784	290,037	-	354,388	259,794	1,672,618
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	74,583	109,450	(17,851)	7,683	(1,126)	76,543	249,282
OTHER FINANCING (USES) SOURCES:							
Transfers to other funds	(10,000)	-	-	-	-	-	(10,000)
Transfers from other funds	-	-	-	-	-	10,000	10,000
Total Other Financing (Uses) Sources	(10,000)	-	-	-	-	10,000	-
NET CHANGE IN FUND BALANCES	64,583	109,450	(17,851)	7,683	(1,126)	86,543	249,282
FUND BALANCES, BEGINNING OF YEAR	362,791	181,067	338,983	583,534	157,084	1,017,452	2,640,911
FUND BALANCES, END OF YEAR	\$ 427,374	\$ 290,517	\$ 321,132	\$ 591,217	\$ 155,958	\$ 1,103,995	\$ 2,890,193

See accompanying notes to basic financial statements.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ 249,282
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$145,161) exceeded capital outlays over the capitalization threshold (\$54,124) in the current period.	(91,037)
The net effect of various transactions involving capital assets:	
Cost of disposals, net of accumulated depreciation	(40,269)
The governmental funds report the payment of bond and lease principal as an expenditure, but the repayment reduces long-term liabilities in the statement of net position.	333,854
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Compensated absences	(3,104)
Amortization of discount on debt issuance	(2,604)
Change in accrued interest	(39,816)
Governmental funds report defined benefit pension contributions as expenditures. However, in the statement of activities, the cost of defined benefit pension benefits earned net of employee contributions is reported as pension income.	<u>108,960</u>
Change in Net Position of Governmental Activities	<u>\$ 515,266</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

STATEMENT OF NET POSITION - PROPRIETARY FUND
MARCH 31, 2021

	<u>Business-Type Activities Sewer Fund</u>
CURRENT ASSETS:	
Cash and cash equivalents	\$ 3,637,524
Investments	34,558
Receivables, net:	
System customers	243,627
Outside sewer treatment	29,016
Interest	503
Prepaid expenses	30,131
Total Current Assets	<u>3,975,359</u>
NONCURRENT ASSETS:	
Net pension asset	124,553
Capital assets	23,755,430
Less: Accumulated depreciation	<u>(11,240,562)</u>
Capital assets - net	<u>12,514,868</u>
Total Noncurrent Assets	<u>12,639,421</u>
Total Assets	<u>16,614,780</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred amounts related to pension	<u>875</u>
CURRENT LIABILITIES:	
Accounts payable	109,551
Accrued interest	39,816
Current portion of compensated absences	2,808
Current portion of IEPA loan	<u>505,482</u>
Total Current Liabilities	<u>657,657</u>
NONCURRENT LIABILITIES:	
Compensated absences, net of current portion	1,685
IEPA loan, net of current portion	<u>6,583,627</u>
Total Noncurrent Liabilities	<u>6,585,312</u>
Total Liabilities	<u>7,242,969</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred amounts related to pension	<u>73,244</u>
NET POSITION:	
Net investment in capital assets	5,425,759
Unrestricted	<u>3,873,683</u>
Total Net Position	<u>\$ 9,299,442</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2021

	Business-Type Activities
	Sewer Fund
OPERATING REVENUES:	
Sewer sales	\$ 1,413,167
Outside waste water treatment	278,346
Connection fees	3,200
Miscellaneous	3,467
Total Operating Revenues	1,698,180
OPERATING EXPENSES:	
Contractual plant operations	479,426
Sewerage facilities	99,537
Plant electrical expense	197,242
Supplies and utilities	27,926
General maintenance	160,653
Personnel expenses	56,931
Insurance and bonding	40,963
Billing and collection fees	14,629
Professional fees	9,956
Vehicle expense, motor fuel and lubricants	2,902
Miscellaneous	1,848
Hospitalization expense	4,260
Computer maintenance and support	2,604
Illinois EPA fees	17,735
Depreciation	572,112
Total Operating Expenses	1,688,724
Operating Income	9,456
NONOPERATING REVENUES (EXPENSES):	
Interest earned	19,774
Interest expense	(89,640)
Total Nonoperating Revenues (Expenses)	(69,866)
Change in Net Position	(60,410)
NET POSITION, BEGINNING OF YEAR	9,359,852
NET POSITION, ENDING OF YEAR	\$ 9,299,442

See accompanying notes to basic financial statements.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2021

	<u>Business-Type Activities Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 1,741,278
Repayments to other funds	(61,793)
Payments to suppliers	(1,032,540)
Payments to and for employees	(90,772)
Net Cash Provided By Operating Activities	<u>556,173</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	(59,174)
Principal payments on debt	(499,222)
Interest paid	(93,299)
Net Cash Used By Capital and Related Financing Activities	<u>(651,695)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest earned on investments	19,004
Net Cash Provided By Investing Activities	<u>19,004</u>
Net Decrease in Cash and Cash Equivalents	(76,518)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,714,042</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,637,524</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 9,456
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	572,112
Increase in receivables	43,098
Decrease in prepaid expenses	(691)
Increase in net pension asset	(26,977)
Decrease in deferred outflows	34,166
Increase in due to other funds	(61,793)
Increase in accounts payable	27,832
Increase in accumulated unpaid vacation and sick pay	(4,392)
Increase in deferred inflows	(36,638)
Total Adjustments	<u>546,717</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 556,173</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS
MARCH 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Stookey (Township) are prepared in accordance with U. S. Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

A. Reporting Entity

The Township of Stookey is a township as outlined in the Illinois State Statutes. The Township's executive board consists of a supervisor and four trustees, all of whom are elected by the general public. The Township is responsible primarily for operating and maintaining the system of Township roads as well as providing services to residents within the Township.

The financial statements of the Township include the financial activities of the Township and its component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, The Financial Reporting Entity (GASB 14), as amended by both GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus. A component unit is a legally separate organization for which the primary government is financially accountable or closely related. The Township is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or because the potential component unit will provide a financial benefit or impose a financial burden on the Township.

The Township's financial reporting entity is composed of the following:

Primary Government:	Township of Stookey
Blended Component Unit:	Stookey Road District

Blended Component Unit

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit provides services entirely to the Township. The component unit's funds are blended into those of the Township by appropriate fund type to constitute the primary government presentation. The Stookey Road District (Road District) is a blended component unit.

Stookey Sewerage System

The governing board of the Township exercises control over the Stookey Sewerage System relative to rates for user fee charges, employees, disbursements and bond issuance authorization and debt requirements.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities for the Township as a whole. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) operating grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major enterprise funds are reported in separate columns with composite columns for nonmajor funds in the fund financial statements.

C. Fund Accounting

The accounts of the Township are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into three categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds) and the servicing of debt (debt service funds). The General Fund, the main operating fund of the Township, is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Township has no fiduciary funds.

The Township reports the following major governmental funds:

The General Town Fund is the Township's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Road and Bridge Fund and **Permanent Road Fund** account for Township revenues and expenditures related to the maintenance of the Township's system of roads.

The Park Capital Project Fund is used to account for the costs associated with the acquisition and demolition of property as well as construction costs associated with the establishment of a park within the Township. Proceeds of a general obligation bond issue approved by Township voters in a prior fiscal year are the source of the funding for this project.

The Park Bond Fund accounts for the debt service of the general obligation bonds noted above.

The Township reports the following major proprietary fund:

The Stookey Sewer System Fund accounts for the activities of the sewerage operations. The Township operates a collection and treatment system to transport and treat sewerage at the Township's treatment facility.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are reported when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing sewer services. Incidental revenues/expenses are reported as nonoperating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough, thereafter, to pay liabilities of the current period. The Township considered revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

Property taxes, replacement taxes, licenses, charges for services, insurance refunds, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports unavailable revenue on its financial statements as deferred inflows of resources. Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unavailable revenues also arise when resources are received by the Township before it has a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Township has a legal claim to the resources, the deferred inflow for unavailable revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise fund are charges to customers for services. Operating expenses for the enterprise fund include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Fund Balances - Governmental Funds

In the governmental fund financial statements, the following classifications are used to define the governmental fund balances:

Nonspendable - consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - consists of fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action by the Board of Trustees. The Board of Trustees is the Township's highest level of decision-making authority. The Township has no committed fund balances as of March 31, 2021.

Assigned - consists of fund balances that are intended to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the Township's Board or their designee. The Township has no assigned fund balances as of March 31, 2021.

Unassigned - fund balance that has not been assigned to other funds and has not been restricted, committed or assigned to specific purposes within the fund.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

When both restricted and unrestricted resources are available for use, it is the Township's policy to use externally restricted resources first, then unrestricted resources - committed, assigned and unassigned - in order as needed.

F. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At March 31, 2021, \$2,424,258 was restricted by enabling legislation. All remaining net position is reported as unrestricted. The Township applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

G. Cash and Certificates of Deposit

Cash and Cash Equivalents

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

Certificates of Deposit

Time deposits and other deposits with financial institutions are recorded at original cost plus accrued interest, which approximates fair value.

H. Allowance for Doubtful Accounts

The Township has established an allowance for uncollectible accounts for sewer service receivables in the amount of approximately \$26,000.

I. Property Taxes

Property taxes are levied each year by the last Tuesday of December on all real property located in the Township. The Township levied its property taxes on December 7, 2020 based upon the assessed valuation as of the previous January 1. Property taxes attach as an enforceable lien on property as of January 1. The St. Clair County Assessor is responsible for the taxes assessed. The values are adjusted by various percentages depending upon the type of property (residential, commercial, etc.). The assessed values are equalized by the Illinois Department of Revenue to ensure uniformity of property assessments throughout the State. The County Clerk computes the annual tax rate by dividing the levy into the equalized value of each taxing unit. The Clerk then computes the tax for each parcel by multiplying the aggregate rates of all the

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

taxing units having jurisdiction over the parcel by the equalized value. The tax amounts by parcel are forwarded to the County Collector.

Property taxes are collected by the County Collector who remits to the taxing units their respective shares of the collection. Taxes levied in one year become due and payable in two installments during the following year. The first installment is generally due in July and the second installment is generally due in September. They are considered delinquent after the due dates. The Township receives a substantial portion of these taxes from July through November. Property taxes for 2020 became an enforceable lien on January 1, 2020.

For governmental funds, only property taxes, which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end, are recorded as revenue. Property taxes for the 2020 levy are recorded as a receivable and as unavailable revenue (a deferred inflow of resources). Property tax revenue in the government-wide and fund financial statements is from the 2019 levy. The amount of uncollected delinquent taxes for all prior years is not accumulated, and is therefore not reported by the Township.

J. Interfund Transfers

Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Elimination of interfund activity is made for governmental activities in the government-wide financial statements.

During the year ended March 31, 2021, the Township completed one permanent transfer as follows:

- \$10,000 was transferred from the General Fund to the General Assistance Fund to finance general assistance expenditures.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

L. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Vehicles	5-15 years
Equipment	5-25 years
Buildings	50-80 years
Utility systems	40 years

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township currently has deferred outflows of resources related to the pension reported on the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township currently has deferred inflows of resources related to the pension reported on the government-wide statement of net position.

N. Pensions

The Township records a net pension obligation in the government-wide financial statements for the defined benefit pension plan. The liability is calculated as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. Actuarial valuations of the total pension liability are required to be performed as least every two years.

In the government-wide financial statements, components of pension expense that are recognized over a period of time are classified as either deferred outflows of resources (using plan assets that are applicable to a future reporting period) or deferred inflows of resources (acquiring plan assets that are applicable to a future reporting period). Employer contributions

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources.

Details of the Township's defined benefit plans are provided in Note 6.

O. Compensated Absences

In the fund financial statements, vested or accumulated vacation and/or sick pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation and/or sick pay of proprietary funds and in the government-wide financial statements is recorded as an expense and a liability of those funds as the benefits accrue to employees.

In accordance with the provisions of GASB Statement No. 16, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for the portion of accumulated sick leave benefits that are estimated to be taken as "terminal leave" prior to retirement.

Sick Time

Employees of the General Town Fund and Sewer Fund earn 10 days of sick pay per year. A maximum of 20 remaining sick days at December 31 may be carried over to the following year.

Employees of the Road District accrue 10 days of sick pay per year and can accumulate a maximum of 15 days.

Vacation Time

Vacation time is provided for General Town Fund and Sewer Fund, and Road District employees based on the following schedules:

General Town Fund and Sewer Fund		Road District	
After Years of Employment	Number of Weeks of Vacation	After Years of Employment	Number of Weeks of Vacation
6 Months	1	1	2
1	2	5	3
5	3	7	4
10	4	30	5

For the Road District, salary in lieu of vacation earned is paid up to one week vacation, and must be requested and paid by December 31st.

At March 31, 2021, employees of the governmental activities have accumulated \$11,257 in accrued vacation and sick pay.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

Current liabilities include \$8,211 of these compensated absences.

Of the \$4,493 liability recorded in the business-type activity, \$2,808 is considered a current liability.

P. Long-Term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type financial statements. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

The Township is governed by the deposit and investment limitations of state law. The Township is authorized by state statute to make deposits in insured commercial banks, savings and loan institutions, obligations of the United States of America, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool. The Township does not enter into any reverse repurchase agreements. The Township does not have an investment policy.

GASB Statement No. 72, *Fair Value Measurement and Application*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under GASB 72 are described below:

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Township has the ability to access.
Level 2	Inputs to the valuation methodology include: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value.

- External investment pool: Valued at the net asset value of shares reported on the active market for which the individual investments are traded (Level 2 inputs).

The Township participates in the Illinois Public Treasurer's Investment Pool (the Illinois Funds) which is a local government public treasurer's external investment pool in which the Township's monies are pooled with other entities' monies to purchase investments that are permitted by state statutes. The Township's monies are used to purchase a pro-rata share of the pool. The Illinois Funds is considered to be a 2a7-like-pool that operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pool is not registered with the SEC as an investment company. The pool is administered by the Office of the Illinois Treasurer. A separately issued financial statement can be obtained at <https://illinoistreasurer.gov>.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

The deposits and investments held at March 31, 2021, are as follows:

Type	Maturities	Carrying Value
Governmental Activities:		
Deposits:		
Demand deposits	N/A	\$ 2,160,105
Certificates of deposit	N/A	634,601
Total deposits		<u>2,794,706</u>
Business-Type Activities:		
Deposits:		
Demand deposits	N/A	491,265
Certificates of deposit	N/A	3,146,259
Total deposits		<u>3,637,524</u>
Investments:		
External investment pool	< 1 year	34,558
Total deposits and investments		<u>3,672,082</u>
Total primary government		<u>\$ 6,466,788</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At March 31, 2021, \$17,250 of the Township's total deposits of \$6,475,950 was exposed to custodial credit risk as uninsured and uncollectible.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township, and are held by the party who sold the security to the Township or the seller's agent but not in the Township's name. The Township's investments were not exposed to custodial credit risk at year end.

Investment Interest Rate Risk

Individual interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The Township minimizes this risk by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities.

Maturities of investments held at March 31, 2021 are provided in the preceding table.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

Investment Credit Risk

The Township minimizes credit risk, the risk of loss due to the failure of the security issuer or backer by pre-qualifying the institutions with which the Township will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized.

At March 31, 2021, the Township's investments were rated as follows:

<u>Description</u>	<u>Amount</u>	<u>Rate</u>
External Investment Pool - The Illinois Funds	\$34,558	AAAmmf

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the Township for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). At March 31, 2021, the Township did not have investments subject to this disclosure.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2021 was as follows:

	For The Year Ended March 31, 2021			Balance March 31, 2021
	Balance March 31, 2020	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 15,250	\$ -	\$ -	\$ 15,250
Capital assets being depreciated:				
Buildings	242,204	-	-	242,204
Park buildings	4,726,768	-	-	4,726,768
Equipment	651,603	54,124	137,832	567,895
Vehicles	326,686	-	-	326,686
Total Capital Assets Being Depreciated	5,947,261	54,124	137,832	5,863,553
Less - Accumulated depreciation for:				
Buildings	80,095	4,582	-	84,677
Park buildings	850,818	94,535	-	945,353
Equipment	223,537	27,926	97,563	153,900
Vehicles	292,204	18,118	-	310,322
Total Accumulated Depreciation	1,446,654	145,161	97,563	1,494,252
Total Capital Assets Being Depreciated, Net	4,500,607	(91,037)	40,269	4,369,301
Governmental Activities Capital Assets, Net	\$ 4,515,857	\$ (91,037)	\$ 40,269	\$ 4,384,551
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 5,985	\$ 61,966	\$ -	\$ 67,951
Construction in progress	564,873	-	564,873	-
Total Capital Assets Not Being Depreciated	570,858	61,966	564,873	67,951
Capital assets being depreciated:				
Treatment facility and improvements	22,794,646	562,081	-	23,356,727
Other buildings and equipment	330,752	-	-	330,752
Total Capital Assets Being Depreciated	23,125,398	562,081	-	23,687,479
Less - Accumulated depreciation for:				
Treatment facility and improvements	10,402,065	508,182	-	10,910,247
Other buildings and equipment	266,385	63,930	-	330,315
Total Accumulated Depreciation	10,668,450	572,112	-	11,240,562
Total Capital Assets Being Depreciated, Net	12,456,948	(10,031)	-	12,446,917
Business-Type Activities Capital Assets, Net	\$ 13,027,806	\$ 51,935	\$ 564,873	\$ 12,514,868
Primary Government Capital Assets, Net	\$ 17,543,663	\$ (39,102)	\$ 605,142	\$ 16,899,419

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

Depreciation expense is charged to functions/programs as follows:

	For the Year Ended March 31, 2021
Governmental activities:	
General government	\$ 2,358
Park and recreation	95,139
Road maintenance and improvement	47,664
Total Depreciation Expense - Governmental Activities	\$ 145,161
Business-type activities:	
Sewer fund	\$ 572,112
Total Depreciation Expense - Business-Type Activities	\$ 572,112

4. LONG-TERM LIABILITIES

For the year ended March 31, 2021, the following changes occurred in long-term debt:

	Balance March 31, 2020	Additions	Deletions	Balance March 31, 2021	Amount Due Within One Year
Governmental activities:					
General Obligation Park Bonds Series 2013	\$ 1,315,000	\$ -	\$ 320,000	\$ 995,000	\$ 325,000
Discount on refunding	(10,413)	-	(2,604)	(7,809)	-
Capital lease	107,943	-	13,854	94,089	14,346
Compensated absences	8,153	37,920	34,816	11,257	8,211
Total Governmental Activities	\$ 1,420,683	\$ 37,920	\$ 366,066	\$ 1,092,537	\$ 347,557
Business-type activities:					
IEPA loan payable	7,588,331	-	499,222	7,089,109	505,482
Compensated absences	8,885	4,680	9,072	4,493	2,808
Total Business-Type Activities	\$ 7,597,216	\$ 4,680	\$ 508,294	\$ 7,093,602	\$ 508,290
Total Long-Term Liabilities	\$ 9,017,899	\$ 42,600	\$ 874,360	\$ 8,186,139	\$ 855,847

General Obligation Park Refunding Bonds - Series 2013

During a prior fiscal year, the Township issued \$3,375,000 of general obligation bonds to refund the General Obligation Park Bonds - Series 2004. The bonds bear interest at various rates from 2.0% to 2.85% and are payable semi-annually on August 1 and February 1. The final payment is due February 1, 2024. The payments will be made from the Park Bond Fund.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

Future payments are as follows:

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 325,000	\$ 26,725	\$ 351,725
2023	330,000	18,600	348,600
2024	340,000	9,690	349,690
Total	<u>\$ 995,000</u>	<u>\$ 55,015</u>	<u>\$ 1,050,015</u>

Capital Lease

During a prior fiscal year, the Township entered into a lease purchase agreement with KS State Bank for a total of \$107,943. The proceeds of the lease were used to purchase a mower and tractor for use by the Road District. The lease calls for seven annual payments of \$17,686 through December 2026 with interest at 3.55%. The cost of the assets acquired through the lease agreement was \$142,643 and is included in capital assets as Equipment. Accumulated depreciation is \$6,181.

The payments will be made from the Building and Equipment Fund. The following is a schedule of future minimum lease payments under the agreement together with the present value of the net minimum payments as of March 31, 2021:

<u>Year Ending March 31,</u>	
2022	\$ 17,686
2023	17,686
2024	17,686
2025	17,686
2026	17,686
2027	17,686
Total future minimum lease payments	<u>106,116</u>
Less amount representing interest	<u>(12,027)</u>
Present value of future minimum lease payments	<u>\$ 94,089</u>

IEPA Loan/Grant - Sewer Department

During a prior fiscal year, the Township entered into a loan with the Illinois Environmental Protection Agency to update its sewerage treatment facility. The loan repayment calls for semi-annual payments of \$296,261 on April 18 and October 18 for 19 years at 1.25% interest. The loan is to be repaid from the revenue derived from sewer user charges (Sewer Fund). Future payments are as follows:

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

<u>Fiscal Year Ending,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 505,482	\$ 87,039	\$ 592,521
2023	511,820	80,701	592,521
2024	518,238	74,283	592,521
2025	524,736	67,785	592,521
2026	531,316	61,205	592,521
2027-2031	2,758,199	204,407	2,962,606
2032-2034	1,739,318	38,245	1,777,563
	<u>\$ 7,089,109</u>	<u>\$ 613,665</u>	<u>\$ 7,702,774</u>

Accumulated Sick and Vacation Pay

All regular, full-time employees of the Township can accumulate vacation and sick days. This amount represents the liability for accumulated sick and vacation days for the Township as of March 31, 2021.

Legal Debt Margin

The Township's legal debt margin, computed in accordance with Illinois state statutes is as follows:

Assessed Valuation - 2020 Tax Year	<u>\$ 167,126,417</u>
Statutory debt limitation: (2.875% of assessed valuation)	\$ 4,804,884
Less indebtedness:	
Capital lease	(94,089)
Legal Debt Margin	<u>\$ 4,710,795</u>

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

5. INTERFUND RECEIVABLES/PAYABLES

Interfund receivable and payable balances at March 31, 2021 are as follows:

<u>Due From</u>	<u>Due To</u>		
Primary Government	Governmental Activities		
	Road and Bridge Fund	Other Governmental Funds	Total Liability in Funds
Governmental activities:			
Major Governmental Funds:			
Road and Bridge Fund	\$ 141,298	\$ -	\$ 141,298
Other Governmental Funds	-	46,040	46,040
	<u>\$ 141,298</u>	<u>\$ 46,040</u>	<u>\$ 187,338</u>

Interfund balances are the result of temporary loans and/or reimbursements for services provided.

6. PENSION PLAN

Illinois Municipal Retirement Fund

Plan Description

The Township'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 Township's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section that follows. 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

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least 8 years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

full benefits) with 8 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 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 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:

	IMRF
Retirees and beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	9
	<u>23</u>

Contributions

As set by statute, the Township's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual required contribution rate for calendar year 2021 and 2020 was 1.51% and 5.15%. For the year ended March 31, 2021, the Township contributed \$21,392 to the plan. The Township 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's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Asset/Liability

The Township's net pension asset/liability was measured as of December 31, 2020. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of that date.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension asset/liability at December 31, 2020:

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	5-Year Smoothed Market: 20% Corridor
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2020 Illinois Municipal Retirement Fund annual actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00%	7.05%	5.75%
International equities	18.00%	8.10%	6.50%
Fixed income	28.00%	3.70%	3.25%
Real estate	9.00%	6.35%	5.20%
Alternatives	7.00%	-	-
Private equity	-	11.30%	7.60%
Commodities	-	4.65%	3.60%
Cash equivalents	1.00%	1.85%	1.85%

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at March 31, 2020	\$ 2,946,428	\$ 3,359,925	\$ (413,497)
Change for the year:			
Service cost	39,346	-	39,346
Interest on the total pension liability	209,349	-	209,349
Differences between expected and actual experience of the total pension liability	(16,063)	-	(16,063)
Change of assumptions	(5,411)	-	(5,411)
Contributions - employer	-	21,392	(21,392)
Contributions - employees	-	18,693	(18,693)
Net investment income	-	471,908	(471,908)
Benefit payments, including refunds of employee contributions	(157,066)	(157,066)	-
Other (net transfer)	-	(42,728)	42,728
Net Changes	70,155	312,199	(242,044)
Balances at March 31, 2021	\$ 3,016,583	\$ 3,672,124	\$ (655,541)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25% as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total pension liability	\$ 3,279,585	\$ 3,016,583	\$ 2,802,733
Plan fiduciary net pension	3,672,124	3,672,124	3,672,124
Net Pension Liability (Asset)	\$ (392,539)	\$ (655,541)	\$ (869,391)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended March 31, 2021, the Township recognized pension income of \$117,017. At March 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods:		
Difference between expected and actual experience	\$ -	\$ 88,331
Changes in assumptions	3,030	3,945
Net difference between projected and actual earnings on pension plan investments	-	293,218
Total deferred amounts to be recognized in pension expense in future periods	3,030	385,494
Pension contribution made subsequent to the measurement date	1,577	-
Total Deferred Amounts Related to Pensions	\$ 4,607	\$ 385,494

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

Year Ending December 31,	Net Deferred Inflows of Resources
2021	\$ (156,054)
2022	(59,070)
2023	(120,521)
2024	(46,819)
	\$ (382,464)

At March 31, 2021, the Township had approximately \$1,700 payable to IMRF for legally required contributions.

7. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township participates in the Illinois Counties Risk Management Trust and Illinois Public Risk Fund, public entity risk pools, currently operating as a common risk management and insurance program. Whenever the funds determine that the assets of the funds are less than the reserves which would be required to be maintained by the funds, then the funds shall assess each public agency member the amount necessary to correct the deficiency. Each assessment will be prorated based upon the agency's annual contributions, provided that, in no event shall the annual total of any assessment exceed 10 percent of the gross annual premium or contributions to the funds during the most recent fiscal year. The Township's gross annual premium for 2020 was \$106,456. In the opinion of Township officials, no additional liability will be incurred.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There were no significant reductions in insurance coverage from the prior year.

8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Township does not have a policy providing for payment of a portion of the health care insurance premiums for employees. However, employees are eligible for health insurance continuation under COBRA (federal legislation) or under Public Act 86-1444 (Illinois legislation), or both.

Neither of these laws require the Township to pay any portion of the cost of employee's health insurance. The Township does not have any employees receiving other post-employment benefits and has no financial reporting requirements relative to the matter.

9. COMMITMENTS AND CONTINGENCIES

Legal Matters

The Township is involved in various legal proceedings, and the Township's management and legal counsel believe that these items will be resolved with no material adverse effect to the Township.

Collective Bargaining Agreements

The Township's Road District employees are covered under a collective bargaining agreement with the Laborers' International Union of North America Local No. 459. This agreement was effective to May 14, 2020 and has continued on a month-to-month basis since that date.

Coronavirus Pandemic

In March of 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "public health emergency of international concern", which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The outbreak has had a continued material adverse impact on economic and market conditions and triggered a period of global economic slowdown. The rapid development and fluidity of the situation precludes any prediction as to the ultimate material adverse impact, if any, on the Township's future financial operating performance and financial condition.

10. NEW ACCOUNTING PRONOUNCEMENTS

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

In June 2017, the GASB approved Statement No. 87, "Leases." 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 requires recognition of certain lease assets and liabilities for leases

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

Notes to Basic Financial Statements (continued)

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 liability and an intangible right-to-use lease asset, and a lessor 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. As a result of GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance", the requirements of Statement No. 87 are effective for reporting periods beginning after June 15, 2021.

In May 2020, the GASB approved Statement No. 96, "Subscription-Based Information Technology Arrangements". The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITA"s) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

The effects on the Township's financial statements as a result of the adoption of these new pronouncements are unknown.

Required Supplementary Information

**TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL TOWN FUND
FOR THE YEAR ENDED MARCH 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Property taxes	\$ 390,000	\$ 390,000	\$ 390,363	\$ 363
Replacement taxes	15,000	15,000	20,273	5,273
Miscellaneous	1,000	1,000	5,939	4,939
Interest income	1,000	1,000	623	(377)
Total Revenue	407,000	407,000	417,198	10,198
EXPENDITURES:				
Personnel:				
Salaries	190,000	190,000	184,820	(5,180)
Health insurance	70,000	70,000	53,429	(16,571)
Unemployment insurance	1,000	1,000	80	(920)
Social Security Contribution	15,000	15,000	-	(15,000)
Medicare Contribution	5,000	5,000	-	(5,000)
Total Personnel Expense	281,000	281,000	238,329	(42,671)
Contractual services:				
Maintenance service - Building	20,000	20,000	3,567	(16,433)
Accounting service	12,000	12,000	9,080	(2,920)
Legal service	10,000	10,000	-	(10,000)
Telephone	5,000	5,000	3,410	(1,590)
Publishing	2,000	2,000	1,089	(911)
Dues	2,000	2,000	947	(1,053)
Utilities	7,500	7,500	3,439	(4,061)
Liability insurance/bond - Supervisor	15,000	15,000	11,342	(3,658)
Total Contractual Services Expense	73,500	73,500	32,874	(40,626)
Commodities:				
Office supplies	7,500	7,500	4,773	(2,727)
Operating supplies	-	-	1,462	1,462
Total Commodities Expense	7,500	7,500	6,235	(1,265)
Other expenditures:				
Miscellaneous expense	25,000	25,000	341	(24,659)
Senior services	40,000	40,000	-	(40,000)
Mosquito spraying expense	50,000	50,000	9,376	(40,624)
Street lighting	50,000	50,000	27,020	(22,980)
Fire department grants	20,000	20,000	1,875	(18,125)
Park maintenance expense	30,000	30,000	26,565	(3,435)
Total Other Expenditures Expense	215,000	215,000	65,177	(149,823)
Total Expense	577,000	577,000	342,615	(234,385)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(170,000)	(170,000)	74,583	244,583
OTHER FINANCING USES:				
Interfund operating transfer	-	-	(10,000)	(10,000)
NET CHANGE IN FUND BALANCE	\$ (170,000)	\$ (170,000)	64,583	\$ 234,583
FUND BALANCE, BEGINNING OF YEAR			362,791	
FUND BALANCE, END OF YEAR			\$ 427,374	

See the accompanying independent auditors' report and notes to budgetary comparison information.

**TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED MARCH 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$ 270,993	\$ 270,993	\$ 268,490	\$ (2,503)
Replacement taxes	26,400	26,400	31,471	5,071
Motor fuel taxes	-	-	233,679	233,679
Miscellaneous and interest income	1,200	1,200	1,594	394
Total Revenue	<u>298,593</u>	<u>298,593</u>	<u>535,234</u>	<u>236,641</u>
EXPENDITURES:				
Personnel:				
Salaries	280,000	280,000	222,311	(57,689)
Health insurance	60,000	60,000	32,042	(27,958)
Total Personnel Expense	<u>340,000</u>	<u>340,000</u>	<u>254,353</u>	<u>(85,647)</u>
Contractual services:				
Accounting and legal service	16,000	16,000	3,232	(12,768)
Engineering/surveying	10,000	10,000	3,386	(6,614)
Office administrative expense	12,000	12,000	3,353	(8,647)
Miscellaneous expenses	8,000	8,000	2,737	(5,263)
Utilities	12,000	12,000	6,283	(5,717)
Maintenance services	4,000	4,000	2,395	(1,605)
Motor fuel taxes	-	-	132,409	132,409
Gas, diesel, other supplies	2,000	2,000	2,386	386
Building and equipment repairs and supplies	6,000	6,000	6,160	160
Repairs and maintenance	6,200	6,200	-	(6,200)
Materials and supplies	1,500	1,500	1,722	222
Permits, fees, drug testing	6,000	6,000	3,710	(2,290)
Property insurance	3,000	3,000	-	(3,000)
Rentals and small tool purchases	10,000	10,000	3,658	(6,342)
Total Contractual Services Expense	<u>96,700</u>	<u>96,700</u>	<u>171,431</u>	<u>74,731</u>
Total Expense	<u>436,700</u>	<u>436,700</u>	<u>425,784</u>	<u>(10,916)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (138,107)</u>	<u>\$ (138,107)</u>	<u>109,450.00</u>	<u>\$ 247,557</u>
FUND BALANCE, BEGINNING OF YEAR			<u>181,067</u>	
FUND BALANCE, END OF YEAR			<u>\$ 290,517</u>	

See the accompanying independent auditors' report and notes to budgetary comparison information.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PERMANENT ROAD FUND
FOR THE YEAR ENDED MARCH 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$ 274,278	\$ 274,278	\$ 271,745	\$ (2,533)
Interest income	1,000	1,000	441	(559)
Total Revenue	<u>275,278</u>	<u>275,278</u>	<u>272,186</u>	<u>(3,092)</u>
EXPENDITURES:				
Personnel:				
Salaries	40,000	40,000	-	(40,000)
Total Personnel Expense	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Contractual services:				
Repairs and maintenance - Road	170,000	170,000	90,860	(79,140)
Equipment and vehicle repairs	72,000	72,000	66,266	(5,734)
Total Contractual Services Expense	<u>242,000</u>	<u>242,000</u>	<u>157,126</u>	<u>(84,874)</u>
Commodities:				
Maintenance and road supplies	36,000	36,000	50,299	14,299
Gas/diesel	20,000	20,000	20,407	407
Road oil	20,000	20,000	1,885	(18,115)
Road gravel	15,000	15,000	12,675	(2,325)
Road salt	10,000	10,000	-	(10,000)
Total Commodities Expense	<u>101,000</u>	<u>101,000</u>	<u>85,266</u>	<u>(15,734)</u>
Other Expenditures:				
Miscellaneous expense	30,000	30,000	6,021	(23,979)
Capital purchases	50,000	50,000	41,624	(8,376)
Total Other Expenditures Expense	<u>80,000</u>	<u>80,000</u>	<u>47,645</u>	<u>(32,355)</u>
Total Expense	<u>463,000</u>	<u>463,000</u>	<u>290,037</u>	<u>(172,963)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (187,722)</u>	<u>\$ (187,722)</u>	<u>(17,851)</u>	<u>\$ 169,871</u>
FUND BALANCE, BEGINNING OF YEAR			<u>338,983</u>	
FUND BALANCE, END OF YEAR			<u>\$ 321,132</u>	

See the accompanying independent auditors' report and notes to
budgetary comparison information.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

NOTES TO BUDGETARY COMPARISON INFORMATION
FOR THE YEAR ENDED MARCH 31, 2021

Budgetary Data

The Board of Trustees is required to adopt an annual budget and appropriation ordinance for the Township and Road District. The budgets are prepared utilizing the cash basis of accounting. The Township follows these procedures in establishing budgetary data reflected in the financial statements:

- a. The Township Supervisor prepares a tentative budget and appropriation ordinance for the Township and the Highway Commissioner prepares a tentative budget and appropriation ordinance for the Township Road District.
- b. A public notice of the tentative budget and appropriation ordinances is given at least 30 days prior to the public hearing and final action.
- c. A public hearing is held to receive taxpayer comments.
- d. The budget and appropriation ordinances are legally adopted by the Board of Trustees.
- e. The budget is incorporated into the accounting records of the Township.

The Board of Trustees is allowed to make transfers between the various expenditure items up to ten percent (10 percent) of the total amount appropriated. The annual appropriations lapse at the end of the fiscal year.

The Township budget and the Road District budget were adopted on June 1, 2020.

**TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND
RELATED RATIOS - ILLINOIS MUNICIPAL RETIREMENT FUND
FOR THE YEAR ENDED MARCH 31, 2021**

	2020	2019	2018	2017	2016	2015
Total Pension Liability:						
Service cost	\$ 39,346	\$ 41,440	\$ 37,578	\$ 39,853	\$ 39,382	\$ 42,428
Interest on the total pension liability	209,349	216,110	213,763	213,145	200,594	198,245
Benefit changes	-	-	-	-	-	-
Difference between expected and actual experience	(16,063)	(191,599)	(28,888)	(44,637)	40,967	(82,477)
Assumption changes	(5,411)	-	67,020	(60,637)	-	-
Benefit payments, including refunds	(157,066)	(159,269)	(162,229)	(114,452)	(113,217)	(137,490)
Net Change In Total Pension Liability	70,155	(93,318)	127,244	33,272	167,726	20,706
Total Pension Liability Beginning	2,946,428	3,039,746	2,912,502	2,879,230	2,711,504	2,690,798
Total Pension Liability Ending (a)	\$ 3,016,583	\$ 2,946,428	\$ 3,039,746	\$ 2,912,502	\$ 2,879,230	\$ 2,711,504
Plan Fiduciary Net Position:						
Employer contributions	\$ 21,392	\$ 14,986	\$ 28,383	\$ 25,230	\$ 34,466	\$ 37,645
Employee contributions	18,693	16,859	17,715	16,844	17,195	17,926
Pension plan net investment income	471,908	557,740	(164,620)	496,470	187,109	13,730
Benefit payments and refunds	(157,066)	(159,269)	(162,229)	(114,452)	(113,217)	(137,490)
Other	(42,728)	(43,295)	58,576	(71,128)	28,135	(30,331)
Net Change In Plan Fiduciary Net Position	312,199	387,021	(222,175)	352,964	153,688	(98,520)
Plan Fiduciary Net Position Beginning	3,359,925	2,972,904	3,195,079	2,842,115	2,688,427	2,786,947
Plan Fiduciary Net Position Ending (b)	\$ 3,672,124	\$ 3,359,925	\$ 2,972,904	\$ 3,195,079	\$ 2,842,115	\$ 2,688,427
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ (655,541)	\$ (413,497)	\$ 66,842	\$ (282,577)	\$ 37,115	\$ 23,077
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	121.73%	114.03%	97.80%	109.70%	98.71%	99.15%
Covered Valuation Payroll	\$ 415,396	\$ 374,643	\$ 393,655	\$ 374,321	\$ 382,109	\$ 398,364
Net Pension Liability as a Percentage of Covered Valuation Payroll	-157.81%	-110.37%	16.98%	-75.49%	9.71%	5.79%

Notes to Schedule:

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

See the accompanying independent auditors' report.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

SCHEDULE OF CONTRIBUTIONS - ILLINOIS MUNICIPAL RETIREMENT FUND
FOR THE YEAR ENDED MARCH 31, 2021

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 37,645	\$ 37,645	\$ -	\$ 398,364	9.45%
2016	34,466	34,466	-	382,109	9.02%
2017	25,229	25,230	(1)	374,321	6.74%
2018	28,383	28,383	-	393,655	7.21%
2019	14,986	14,986	-	374,643	4.00%
2020	21,393	21,392	1	415,396	5.15%

Notes to Schedule:

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

See the accompanying independent auditors' report.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

NOTES TO THE SCHEDULE OF CONTRIBUTIONS - ILLINOIS MUNICIPAL RETIREMENT FUND
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE CONTRIBUTION RATE*
FOR THE YEAR ENDED MARCH 31, 2021

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 24-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.5%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.5%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

See the accompanying independent auditors' report.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2021

	Special Revenue Funds								Capital Projects Fund		Total
	Municipal Retirement Fund	Social Security Fund	General Assistance Fund	County Aid Bridge Fund	Police Protection Fund	Liability Insurance Fund	Road Municipal Retirement Fund	Road Social Security Fund	Road Audit Fund	Building and Equipment Fund	
ASSETS:											
Cash and investments	\$ 26,569	\$ 27,319	\$ 7,010	\$ 660,452	\$ 93,361	\$ 141,383	\$ 33,469	\$ 11,138	\$ 2,593	\$ 46,588	\$ 1,049,882
Receivables, net:											
Property taxes	-	-	-	81,735	69,326	64,528	21,675	21,675	8,604	57,909	325,452
Due from other funds	-	-	-	73,038	-	-	-	-	-	-	73,038
Prepaid items	-	-	-	-	-	38,561	-	-	-	-	38,561
TOTAL ASSETS	\$ 26,569	\$ 27,319	\$ 7,010	\$ 815,225	\$ 162,687	\$ 244,472	\$ 55,144	\$ 32,813	\$ 11,197	\$ 104,497	\$ 1,486,933
LIABILITIES:											
Accounts payable	\$ 373	\$ 782	\$ -	\$ -	\$ 9,512	\$ -	\$ 779	\$ -	\$ -	\$ -	\$ 11,446
Due to other funds	-	-	-	-	-	-	-	-	-	46,040	46,040
Total Liabilities	373	782	-	-	9,512	-	779	-	-	46,040	57,486
DEFERRED INFLOWS OF RESOURCES:											
Unavailable property taxes	-	-	-	81,735	69,326	64,528	21,675	21,675	8,604	57,909	325,452
FUND BALANCES:											
Nonspendable:											
Prepaid expenses	-	-	-	-	-	38,561	-	-	-	-	38,561
Restricted:											
Road and bridge	-	-	-	733,490	-	-	-	-	2,593	-	736,083
Capital projects	-	-	-	-	-	-	-	-	-	548	548
IMRF and Social Security	26,196	26,537	-	-	-	-	32,690	11,138	-	-	96,561
General Assistance	-	-	7,010	-	-	-	-	-	-	-	7,010
Police protection	-	-	-	-	83,849	-	-	-	-	-	83,849
Liability insurance	-	-	-	-	-	141,383	-	-	-	-	141,383
Total Fund Balances	26,196	26,537	7,010	733,490	83,849	179,944	32,690	11,138	2,593	548	1,103,995
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 26,569	\$ 27,319	\$ 7,010	\$ 815,225	\$ 162,687	\$ 244,472	\$ 55,144	\$ 32,813	\$ 11,197	\$ 104,497	\$ 1,486,933

See accompanying independent auditors' report.

TOWNSHIP OF STOOKEY
ST. CLAIR COUNTY, ILLINOIS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2021**

	Special Revenue Funds								Capital Projects Fund		Total
	Municipal Retirement Fund	Social Security Fund	General Assistance Fund	County Aid Bridge Fund	Police Protection Fund	Liability Insurance Fund	Road Municipal Retirement Fund	Road Social Security Fund	Road Audit Fund	Building and Equipment Fund	
REVENUES:											
Taxes:											
Property	\$ -	\$ 13,343	\$ -	\$ 79,083	\$ 69,969	\$ 64,926	\$ 20,992	\$ 20,991	\$ 8,299	\$ 56,952	\$ 334,555
Miscellaneous											
Interest income	24	-	3	1,000	479	221	18	5	1	31	1,782
Total Revenues	24	13,343	3	80,083	70,448	65,147	21,010	20,996	8,300	56,983	336,337
EXPENDITURES:											
Current:											
General government	6,309	14,026	5,738	-	-	53,628	9,264	17,468	7,390	19,331	133,154
Road maintenance and improvement	-	-	-	35,902	-	-	-	-	-	-	35,902
Public safety	-	-	-	-	60,552	-	-	-	-	-	60,552
Capital outlay	-	-	-	-	-	-	-	-	-	12,500	12,500
Debt service:											
Principal	-	-	-	-	-	-	-	-	-	13,854	13,854
Interest	-	-	-	-	-	-	-	-	-	3,832	3,832
Total Expenditures	6,309	14,026	5,738	35,902	60,552	53,628	9,264	17,468	7,390	49,517	259,794
(Deficiency) Excess of Revenues (Under) Over Expenditures	(6,285)	(683)	(5,735)	44,181	9,896	11,519	11,746	3,528	910	7,466	76,543
OTHER FINANCING SOURCES:											
Transfers from other funds	-	-	10,000	-	-	-	-	-	-	-	10,000
NET CHANGE IN FUND BALANCES	(6,285)	(683)	4,265	44,181	9,896	11,519	11,746	3,528	910	7,466	86,543
FUND BALANCE, BEGINNING OF YEAR	32,481	27,220	2,745	689,309	73,953	168,425	20,944	7,610	1,683	(6,918)	1,017,452
FUND BALANCE, END OF YEAR	\$ 26,196	\$ 26,537	\$ 7,010	\$ 733,490	\$ 83,849	\$ 179,944	\$ 32,690	\$ 11,138	\$ 2,593	\$ 548	\$ 1,103,995