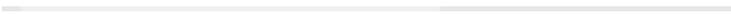


# Village of Stockton

Stockton, Illinois

Financial Report

Year Ended April 30, 2021



## Village of Stockton, Illinois

Year Ended April 30, 2021

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## Village of Stockton, Illinois

Year Ended April 30, 2021

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**WIPFLI**

## **Independent Auditor's Report**

To the Board of Trustees  
Village of Stockton  
Stockton, 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 Village of Stockton, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Stockton, Illinois, as of April 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 18 to the financial statements, the Village changed from the modified cash basis of accounting to the accrual basis of accounting in the current year. Our opinion is not modified with respect to that matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States require that the IMRF multiyear schedule of contributions, schedule of changes in net pension liability and related ratios for IMRF, and budgetary comparison information, as listed in the table of contents, 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, 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States require 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that

collectively compromise the Village of Stockton, Illinois' financial statements. The additional Budgetary Comparison Schedules- Water, Sewer and Garbage Funds and nonmajor governmental fund statements, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial

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statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the Budgetary Comparison Schedules- Water, Sewer and Garbage Funds and nonmajor governmental fund statements are fairly stated in all material respects in relation to the financial statements as a whole.

*Wipfli LLP*

Rockford, Illinois  
October 12, 2021

# Financial Statements

## Village of Stockton, Illinois

### Statement of Net Position

April 30, 2021

**Governmental Business-type**

**Activities Activities Total**

**Assets**

Cash and deposits \$ 608,576 \$ 1,665,192 \$ 2,273,768 Prepaids 43,272 - 43,272 Receivables 738,873 236,093  
974,966

Total current assets 1,390,721 1,901,285 3,292,006 Noncurrent assets:

Special assessment receivable - 90,407 90,407 Capital assets not being depreciated 73,802 1,453,174  
1,526,976 Capital assets  
(net of accumulated depreciation) 681,110 6,406,308 7,087,418 Total noncurrent assets 754,912 7,949,889 8,704,801  
Total assets 2,145,633 9,851,174 11,996,807 **Deferred Outflows**  
Deferred outflows - IMRF 153,867 58,708 212,575 **Liabilities**  
Accrued payroll and withholding 13,887 4,360 18,247 Accrued compensated absences 59,831 15,912 75,743  
Accounts payable 17,098 98,981 116,079 Deposits - 28,155 28,155 Accrued interest - 4,538 4,538 Current portion  
IEPA loans payable - 85,583 85,583 Current portion other loans payable - 1,043,668 1,043,668 Current portion  
bonds payable - 255,000 255,000  
Total current liabilities 90,816 1,536,197 1,627,013 Noncurrent liabilities:  
Bank loans payable - - - IEPA loans payable - 1,774,909 1,774,909 Bonds payable - - - Other loans payable -  
(868,997) (868,997) Pension liability 438,263 167,218 605,481 Total noncurrent liabilities 438,263 1,073,130  
1,511,393  
Total liabilities 529,079 2,609,327 3,138,406 **Deferred Inflows**  
Deferred inflows - IMRF 188,817 72,043 260,860 Deferred inflows - Special assessments - 198,555 198,555  
Unavailable property tax revenue 531,883 1,198 533,081  
Total deferred inflows 720,700 271,796 992,496 **Net Position**  
Net investment in capital assets 754,912 5,569,319 6,324,231 Restricted 131,555 - 131,555 Unrestricted 163,254  
1,459,440 1,622,694 Total net position \$ 1,049,721 \$ 7,028,759 \$ 8,078,480

See accompanying notes to financial statements. 4

## Village of Stockton, Illinois Statement of Activities

For the Year Ended April 30, 2021

### Program Revenue

#### Operating Capital

#### Net (Expense) Revenue and Changes in Net Position

#### Charges for Grants and Grants and Governmental Business

#### Functions/Programs Expenses Services Contributions Contributions Activities Activities Total

##### Governmental activities:

General government \$ 526,063 \$ 31,038 \$ - \$ - \$ (495,025) \$ - \$ (495,025) Public safety 549,750 9,412  
30,613 - (509,725) - (509,725) Public works & streets 412,307 - 131,330 - (280,977) - (280,977)

Total governmental activities \$ 1,488,120 \$ 40,450 \$ 161,943 \$ - (1,285,727) - (1,285,727)

##### Business activities:

Sewer \$ 590,679 \$ 562,604 \$ - \$ 108,626 - 80,551 80,551 Water 513,817 467,697 - - - (46,120) (46,120)  
Garbage 172,059 179,985 - - - 7,926 7,926

Total business activities \$ 1,276,555 \$ 1,210,286 \$ - \$ 108,626 - 42,357 42,357

##### General revenues:

Property taxes 487,750 998 488,748 Other taxes 931,353 - 931,353 Rent farm ground - 7,000 7,000

Interest 6,222 9,393 15,615 Miscellaneous 86,210 5,329 91,539 Transfers (7,686) 7,686 -

Total general revenues and transfers 1,503,849 30,406 1,534,255

Change in net position 218,122 72,763 290,885 Net position - beginning, as restated 831,599 6,955,996

7,787,595 Net position - ending \$ 1,049,721 \$ 7,028,759 \$ 8,078,480

See accompanying notes to financial statements. 5

# Village of Stockton, Illinois

## Balance Sheet Governmental Funds

April 30, 2021

**Nonmajor Total**  
**General TIF Governmental Governmental**  
**Fund Fund Funds Funds**

### **Assets**

Cash and cash equivalents \$ 389,624 \$ 91,835 \$ 127,117 \$ 608,576 Receivables:

Property tax receivables 124,875 270,376 136,632 531,883 State of Illinois receivables 197,643 - 6,134 203,777

Other receivables 3,139 31 43 3,213 Prepaids - - 43,272 43,272 Due from other funds 117,693 - - 117,693

Total assets \$ 832,974 \$ 362,242 \$ 313,198 \$ 1,508,414

### **Liabilities**

Current liabilities

Accounts payable \$ 11,466 \$ 374 \$ 5,258 17,098 Accrued payroll and Withholdings payable 13,672 - 215 13,887

Due to other funds - 117,693 - 117,693

Total liabilities 25,138 118,067 5,473 148,678

### **Deferred Inflows**

Unavailable property tax revenue 124,875 270,376 136,632 531,883

### **Fund Balance**

Restricted for:

Motor fuel tax - - 129,128 129,128 Emergency services - - 2,427 2,427 Insurance - - School Crossing Guard - -  
Street Lighting - - Nonspendable 43,272 43,272 Committed for vehicles or equipment 81,490 - - 81,490 Unassigned,  
reported in General funds 601,471 (26,201) (3,734) 571,536

Total fund balance 682,961 (26,201) 171,093 827,853 Total liabilities and fund balance \$ 832,974 \$ 362,242 \$

313,198 \$ 1,508,414

See accompanying notes to financial statements. 6

# Village of Stockton, Illinois

Reconciliation of the Governmental Funds  
Balance Sheet to the

## Statement of Net Position

April 30, 2021

Total fund balances - governmental funds \$ 827,853

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

Pension related deferred outflows 153,867 Pension related deferred inflows (188,817)

Long-term liabilities, including bonds payable, are not due and payable  
in the current period and, therefore, are not reported in the funds:

Net pension liability (438,263) Compensated absences payable (59,831)

Capital assets used in governmental activities are not financial resources and  
therefore are not reported as assets in governmental funds. The net book

value of the capital assets as reported. 754,912 Total net position - governmental activities \$ 1,049,721

See accompanying notes to financial statements. 7

# Village of Stockton, Illinois

Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Governmental Funds

For the Year Ended April 30, 2021

**Nonmajor Total**  
**General TIF Governmental Governmental**  
**Fund Fund Funds Funds**

**Revenues**

Property taxes \$ 82,578 \$ 246,582 \$ 123,062 \$ 452,222 Street taxes 35,528 - - 35,528  
Intergovernmental 842,636 - - 842,636 Other local sources 168,528 - - 168,528 Motor Fuel Tax allotment  
- - 128,025 128,025 Interest 4,437 1,130 655 6,222 Other 61,482 - 19,285 80,767 Total revenues  
1,195,189 247,712 271,027 1,713,928

**Expenditures**

Current:

General government 286,567 192,513 102,262 581,342 Public safety 468,378 - 74,900 543,278 Public  
works & streets 242,056 - 93,686 335,742 Capital outlay 58,056 - 9,700 67,756

Total expenditures 1,055,057 192,513 280,548 1,528,118

Excess (deficiency) of revenues over  
expenditures 140,132 55,199 (9,521) 185,810

**Other Financing Sources (Uses)**

Transfers in 6,158 - 56,708 62,866 Transfers out (60,852) (9,700) - (70,552) Total other financing sources  
and uses (54,694) (9,700) 56,708 (7,686)

Net change in fund balances 85,438 45,499 47,187 178,124 Fund balances (deficit) - beginning, as  
restated 597,523 (71,700) 123,906 649,729

Fund balances (deficit) - ending \$ 682,961 \$ (26,201) \$ 171,093 \$ 827,853 See accompanying notes to

# Village of Stockton, Illinois

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended April 30, 2021

Net changes in fund balances - Governmental funds \$ 178,124

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

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences (15,292) Pension related expenses 119,902

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which the depreciation expense exceeded the capitalized assets in the period (64,612) Change in net position of governmental activities \$ 218,122

# Village of Stockton, Illinois

## Statement of Net Position Proprietary Funds

April 30, 2021

### Business-type activities- Enterprise Funds

#### Water Sewer Garbage

#### Fund Fund Fund Totals

#### **Assets**

Cash and deposits \$ 692,819 \$ 888,049 \$ 84,324 \$ 1,665,192 Due from other funds - - - - Receivables - net:  
Property Tax Receivables - - 1,198 1,198 Special assessments receivable - 198,555 - 198,555 Other receivables -  
net 47,281 58,567 20,899 126,747 Restricted assets - cash and deposits - - - - Property and equipment - net  
of accumulated depreciation 3,234,869 4,613,196 11,417 7,859,482 Total assets 3,974,969 5,758,367 117,838

9,851,174

#### **Deferred Outflows**

IMRF deferred outflows 23,741 34,967 - 58,708

#### **Liabilities**

Cash overdrafts - - - - Payroll withholdings 1,733 2,627 - 4,360 Compensated absences 7,213 8,699 15,912 Accrued  
interest 958 3,580 4,538 Accounts payable 48,828 47,951 2,202 98,981 Due to other funds - - - - Deposits 28,155 - -  
28,155 Pension liability 67,620 99,598 - 167,218 Bank loan payable - 1,000,000 - 1,000,000 IEPA loan payable  
585,739 274,753 - 860,492 Land acquisition loan payable 174,671 174,671 Bonds payable - 255,000 - 255,000

Total liabilities 740,246 1,866,879 2,202 2,609,327

#### **Deferred Inflows**

IMRF deferred inflow 29,133 42,910 - 72,043 Special assessments deferred inflow - 198,555 - 198,555 Unavailable  
property tax revenue - - 1,198 1,198

Total deferred inflows 29,133 241,465 1,198 271,796

#### **Net Position**

Net investment in capital assets 2,649,130 2,908,772 11,417 5,569,319 Restricted - - - - Unrestricted 580,201 776,218  
103,021 1,459,440

Total net position \$ 3,229,331 \$ 3,684,990 \$ 114,438 \$ 7,028,759 See accompanying notes to financial

statements. 10

# Village of Stockton, Illinois

## Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds

For the Year ended April 30, 2021

**Water Sewer Garbage**  
**Fund Fund Fund Totals**

***Operating revenues***

Charges for services \$ 467,697 \$ 562,604 \$ 179,985 \$ 1,210,286 Total operating revenues 467,697

562,604 179,985 1,210,286

***Operating expenses***

Personnel services:

Salaries 83,497 119,344 - 202,841 Health insurance 10,141 12,921 - 23,062

Total personnel 93,638 132,265 - 225,903

Contractual services:

Testing fees 5,034 4,100 - 9,134 Maintenance - equipment 7,856 7,604 - 15,460 Maintenance - building  
241 439 2,118 2,798 Maintenance - vehicles 352 14 - 366 Maintenance - plant 66,334 16,228 - 82,562  
Professional fees 1,955 66,960 - 68,915 Training 60 - - 60 Hauler fees - 12,704 162,133 174,837  
Utilities 48,844 42,356 - 91,200 Data processing 1,303 1,452 791 3,546 Postage 1,421 1,269 1,136  
3,826 Telephone 4,319 4,334 - 8,653 Publishing 43 - 312 355 Dues 547 197 - 744 Permit fees - 20,010  
- 20,010 Uniform Cleaning 75 (37) - 38

Total contractual services 138,384 177,630 166,490 482,504 See accompanying notes to financial

statements. 11

# Village of Stockton, Illinois

Statement of Revenues, Expenses, and  
Changes in Net Position (Continued)

## Proprietary Funds

For the Year ended April 30, 2021

### **Water Sewer Garbage Fund Fund Fund Totals**

#### **Operating expenses (continued)**

Commodities:

Chemicals 17,317 -- 17,317 Office supplies 2,407 1,496 335 4,238 Gas & oil 1,355 1,441 - 2,796  
Meters 912 -- 912 Operating Supplies 10,333 4,115 1,985 16,433 Uniform replacement 275 527 - 802  
Total commodities 32,599 7,579 2,320 42,498

Depreciation 239,454 221,474 3,127 464,055 Total operating expenses 504,075 538,948 171,937

1,214,960 Operating income (loss) (36,378) 23,656 8,048 (4,674)

#### **Nonoperating revenue (expenses)**

Miscellaneous revenue 2,551 227 2,551 5,329 Miscellaneous expense (3,993) (11,759) (122) (15,874)  
Interest on cash & deposits 3,145 5,507 741 9,393  
Interest on unrestricted cash & deposits - - - - Property taxes - - 998 998 Revenue bond interest & fees  
(5,749) (39,972) - (45,721) Rent - - 7,000 7,000 Total nonoperating revenue  
(expenses) (4,046) (45,997) 11,168 (38,875) Income (loss) before transfers (40,424) (22,341) 19,216

(43,549)

Capital grants and contributions - 108,626 - 108,626 Transfers in 3,815 3,871 - 7,686 Transfers out - - - -

Change in net position (36,609) 90,156 19,216 72,763

Net position - beginning, as restated 3,265,940 3,594,834 95,222 6,955,996 -

Net position - ending \$ 3,229,331 \$ 3,684,990 \$ 114,438 \$ 7,028,759 See accompanying notes to

financial statements. 12

# Village of Stockton, Illinois

## Statement of Cash Flows Proprietary Funds

For the Year ended April 30, 2021

**Water Sewer Garbage**

**Fund Fund Fund Totals**

***Cash Flows From Operating Activities***

Receipts from customers \$ 473,542 \$ 556,777 \$ 179,985 \$ 1,210,304 Payments to suppliers (142,499) (174,590) (184,717) (501,806) Payments to employees (88,150) (124,928) - (213,078)

Net cash flows from

operating activities 242,893 257,259 (4,732) 495,420

***Cash Flows From Investing Activities***

Inflows (outflows):

Interest received 3,145 5,507 741 9,393 Rent & miscellaneous (1,442) (11,532) 9,429 (3,545)

Net cash flows from

investing activities 1,703 (6,025) 10,170 5,848

***Cash Flows From Noncapital Financing Activities***

Real estate taxes - - 998 998 Decrease (increase) in restricted assets - - - - Decrease (increase) in debt service payment receive - 108,626 - 108,626 Transfer from other funds 3,815 3,871 - 7,686 Transfer to other funds - - - -

Net cash flows from noncapital

and related financing activities 3,815 112,497 998 117,310

***Cash Flows From Capital and Related Financing Activities***

Inflows (outflows):

Acquisition and construction of capital assets (159,504) (102,200) - (261,704) Principal paid on revenue bond and loan maturities (45,133) (324,330) - (369,463) Loan proceeds received 90,036 80,200 - 170,236 Capital contributions - - - - Interest and fees paid on revenue bonds (5,749) (39,972) - (45,721)

Net cash flows from capital

and related financing activities (120,350) (386,302) - (506,652)

Net increase (decrease) in cash

and cash equivalents 128,061 (22,571) 6,436 111,926 Cash and cash equivalents - beginning 564,758 910,620

77,888 1,553,266 Cash and cash equivalents - ending \$ 692,819 \$ 888,049 \$ 84,324 \$ 1,665,192

See accompanying notes to financial statements. 13

# Village of Stockton, Illinois

Statement of Cash Flows  
(Continued) Proprietary Funds

For the Year ended April 30, 2021

***Reconciliation of Operating Income  
(Loss) to Net Cash Provided (Used)  
By Operating Activities***

**Water Sewer Garbage**

Operating income (loss) \$ (36,378) \$ 23,656 \$ 8,048 \$ (4,674) Adjustments to reconcile net income (loss) to

net cash provided by operations:

Depreciation 239,454 221,474 3,127 464,055 (Increase) decrease in pension related deferred outflows (4,091) (5,067) (1,285) (10,443) (Increase) decrease in receivables 4,195 (5,827) - (1,632) Increase (decrease) in net pension liability (12,744) (22,682) - (35,426) Increase (decrease) in pension related deferred inflows 15,718 22,498 - 38,216 Increase (decrease) in accrued liabilities (4,653) (5,584) - (10,237) Increase (decrease) in accounts payable 39,742 28,791 (14,622) 53,911 Increase (decrease) in deposits 1,650 - - 1,650

Increase (decrease) in due to other funds - - - - Increase (decrease) in payroll withholdings - - - -

Net cash provided by (used in)

operating activities \$ 242,893 \$ 257,259 \$ (4,732) \$ 495,420 See accompanying notes to financial

# Village of Stockton, Illinois

## Notes to Financial Statements

### **Note 1 Summary of Significant Accounting Policies**

#### **Introduction**

The financial statements of the Village of Stockton (the "Village") have been prepared in conformity with the accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Village are described below.

#### **Financial Reporting Entity**

The Village is an incorporated village located in Jo Daviess County and has a population of 1,862 residents. The Village operates under a President/Board of Trustees form of government and provides services to the public such as general administrative services, public safety, public works and streets, water and sewer system, and garbage.

The accompanying financial statements present the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with

the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials are financially accountable or whose exclusion would render the financial statements misleading because of nature and significance of their relationship. Based on these criteria, the Village is considered a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these financial statements.

### **Government Wide, Fund Financial Statements and Basis of Accounting**

The government wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of the interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

# Village of Stockton, Illinois

## Notes to Financial Statements

### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Government Wide, Fund Financial Statements and Basis of Accounting**

##### **(Continued)**

Earnings on investments, not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and enterprise funds.

The government wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is

recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. For this purpose, the Village generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The Village has elected to take exception to this assumption for revenue remitted by the State. Due to the State being late with payments, the Village considers those amounts applicable to the current fiscal year to be available as it is vouchered by the State and will be paid after the 60-day period. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Village:

**Governmental Funds:**

**General Fund** - The General Fund is the general operating fund of the Village. It is used for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

# Village of Stockton, Illinois

## Notes to Financial Statements

### Note 1 Summary of Significant Accounting Policies (Continued)

#### Government Wide, Fund Financial Statements and Basis of Accounting

##### (Continued) Proprietary Fund (Enterprise):

**Enterprise Fund** - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or service to the general public on a continuing basis be financed or recovered primarily through user charges.

The Village reports the following major funds:

**General Fund** - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in other funds.

**TIF Fund** - The TIF Fund is used to account for the revenues and expenditures associated with TIF activities. Financing is provided by incremental sales and property taxes.

**Water, Sewer and Garbage Funds** - The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

### **Budgets and Budgetary Accounting**

The term budget used throughout the financial statements refers to the appropriated expenditures and budgeted revenues as set forth in the Village's appropriation ordinance. Annual budgets are adopted on the cash basis of accounting.

Unexpended budgeted amounts lapse at the end of each year. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line items.

### **Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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 proprietary and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# Village of Stockton, Illinois

## Notes to Financial Statements

### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Cash and Investments**

Cash and cash equivalents consist of demand deposits and savings accounts. Investments as of April 30, 2021 consist of certificates of deposit and money market accounts through various financial institutions. Deposits and investments are stated at cost which approximates market. Although money market accounts appear to be easily accessible, they are considered to be investments for the Village's purposes.

The Village's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated

within the three highest classifications by at least two standard rating services and Illinois Funds.

### **Capital Assets**

Capital assets, which include buildings, land improvements, construction in progress and equipment are reported in the government-wide financial statements. The Village defines capital assets as assets with an individual cost of more than \$3,000 for equipment, \$10,000 for buildings and improvements, \$25,000 for infrastructure assets, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Donated capital assets are recorded at their acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, except construction in progress, are being depreciated using the straight line method over the following useful lives.

Electronics 3 years, straight line    Tools 5 years, straight line    Equipment 7 years, straight line  
Vehicles (police) 4 years, straight line    Vehicles (public works) 8 years, straight line  
Other improvements 20 years, straight line    Buildings 30 years, straight line  
Road Improvements 20 years, straight line    Water & Sewer Improvements 20 years, straight line

Capital assets in the governmental fund financial statements are reported as expenditures when incurred.

# Village of Stockton, Illinois

## Notes to Financial Statements

### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Property Taxes**

The County in which the Village resides is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of the levy year which begins in January and are payable in two equal installments. The first installment is due approximately on or before July 1 and the second installment is due approximately on or before September 1. The Village receives significant distributions of tax receipts approximately one month after these due dates. Payments made after the September 1 installment date are assessed interest at the rate of 1% for farmland and 1-1/2% for all others. The Board passed the 2020 levy on December 8, 2020. Since the 2020 property tax levy is levied to finance the operations of fiscal year 2022, the 2020 property tax is recorded as a receivable and the 2020 property tax revenue as unavailable revenue. Property tax revenue recorded in these financial statements is from the 2019 tax levy which was passed by the Village Board on December 10, 2019.

## **Accumulated Unpaid Vacation and Sick Pay**

Regular full-time and regular part-time employees earn vacation time according to their years of continuous service. Vacation time may be accumulated to double the employee's annual accrued allowance. When the capped amount is reached, the oldest month of unused vacation will be subtracted from their accrued vacation time as the new monthly accrual amount is added. The Village does not pay employees if vacation time is not taken during the year. Earned sick days can accumulate to a maximum of 120 days for retirement credit, however, employees are not paid for unused accumulated sick time.

As it is impossible to predict which employees will retire from the Village and when the retirements will occur, a liability for the expenses incurred related to future retirement is not recorded. Expenses for vacation and sick leave are recorded, in accordance with the modified cash basis of accounting, at the time employees are paid for days not worked due to vacation or illness. The Village also allows employees to accumulate overtime hours in a comp time "bank" to be taken as time off at a later date.

The liability for compensated absences of accumulated unused vacation time and compensated time as of April 30, 2021 is as follows:

Compensated absences liability \$75,743 **Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# Village of Stockton, Illinois

## Notes to Financial Statements

### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Net Position Flow Assumption**

Sometimes the Village will fund outlays from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Village's policy to consider restricted resources to have been depleted before unrestricted is applied.

#### **Fund Balance Flow Assumptions**

Sometimes the Village will fund outlays from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as

restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## **Fund Balance**

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the how these balances are reported.

### ***Nonspendable Fund Balance***

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The Village has \$43,272 in fund balance that is nonspendable at year end.

### ***Restricted Fund Balance***

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Examples of these restrictions could be those imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. See Note 7 for the Village's restricted fund balances at year end.

# Village of Stockton, Illinois

## Notes to Financial Statements

### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### ***Committed Fund Balance***

The Village commits fund balance by making motions or passing resolution to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contract requirements. The Village has committed \$81,490 at year end for future purchases of a vehicles or equipment.

#### ***Assigned Fund Balance***

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed.

Intent may be expressed by the Board to assign amounts to be used for specific purposes. The Village has no balances that are assigned at year end.

### ***Unassigned Fund Balance***

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund totaling \$601,471. It also includes the deficit fund balances in the TIF fund and nonmajor funds totaling \$26,201 and \$3,734 respectively.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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. In addition to liabilities, the statement of net 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time.

### **Pensions**

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

# Village of Stockton, Illinois

## Notes to Financial Statements

### **Note 2 Deposits and Investments**

**Deposits.** At year end, the carrying amount of the Village's deposits into checking, money markets, savings accounts and certificates of deposit was \$2,274,236 and the bank balance was \$2,314,853. Of the bank balance, \$2,314,853 was covered by federal depository insurance or by collateral held by the Village's agent in the Village's name.

### **Note 3 Capital Assets**

The governmental activities capital asset activity for the year ended April 30, 2021 is as follows:

**May 1, 2020 Additions Deletions April 30, 2021**

Capital assets not being depreciated:

Land \$ 73,802 \$ - \$ - \$ 73,802

Capital assets being depreciated:

Equipment 841,724 47,768 - 889,492 Buildings 445,851 - - 445,851 Infrastructure  
1,233,259 - - 1,233,259

Total capital assets

being depreciated 2,520,834 47,768 - 2,568,602

Less accumulated depreciation:

Equipment (662,998) (56,803) - (719,801) Buildings (267,561) (8,507) - (276,068)  
Infrastructure (844,553) (47,070) - (891,623)

Total accumulated

depreciation (1,775,112) (112,380) - (1,887,492)

Capital assets -

net \$ 819,524 \$ (64,612) \$ - \$ 754,912

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# Village of Stockton, Illinois

## Notes to Financial Statements

### Note 3 Capital Assets (Continued)

The business-type activities capital asset activity for the year ended April 30, 2021 is as follows:

**May 1, 2020 Additions Deletions April 30, 2021** Capital assets not being depreciated:

Construction in progress \$ 2,130,406 \$190,626 (\$1,210,274) \$ 1,110,758 Land 342,416 - -  
342,416

Total capital assets

not being depreciated 2,472,822 190,626 (1,210,274) 1,453,174

Capital assets being depreciated:

Property, plant

& equipment 11,903,853 71,078 1,210,274 13,185,205 Less:

Accumulated depreciation (6,314,842) (464,055) - (6,778,897) Capital assets - net \$ 8,061,833 \$ (202,351) \$ - \$ 7,859,482 Depreciation expense was charged to function/programs of the primary government as follows:

**Governmental activities:**

General government \$ 774 Public safety 25,501 Public works and streets 86,105

Total depreciation expense, governmental activities \$112,380

**Business-type activities:**

Water \$239,454 Garbage 3,127 Sewer 221,474

Total depreciation expense, business-type activities \$464,055

# Village of Stockton, Illinois

## Notes to Financial Statements

### Note 4 Long-Term Debt

#### General Obligation Bonds (Alternate Revenue Source)

On May 2, 2013, the Village issued bonds in the amount of \$2,145,000 for the refinancing of prior debt of the IEPA Loan - 2000. The ordinance authorizing the bond issue imposed certain conditions on the Village as follows - pledged revenues of sewerage system and sales taxes deposited until an amount is obtained for payment of the next interest and principal requirement. Total sale tax revenue was \$597,349 and principal and interest paid totaled \$262,625. General revenue obligation (alternate revenue source) bonds currently outstanding are as follows:

**Purpose Interest Rates Amount** Refunding 2.0% to 2.5% \$255,000

Annual debt service requirements including \$6,375 of interest are as follows:

**Fiscal**

**Year ending Total Annual April 30, Principal Interest Debt Service**

2022 \$255,000 \$6,375 \$261,375

Total \$255,000 \$6,375 \$261,375

No provision is made in the balance sheet for total interest payable over the term of the bonds. **IEPA Loan - 2009**

On September 3, 2008, the Village entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Infrastructure Financial Assistance Section in the amount of \$585,485 for the sewer lining phase 2 project. The note bears a fixed interest rate of 2.5%. The term of the loan is for 20 years with semi-annual repayments that began in 2010.

Annual debt service requirements including \$30,016 of interest are as follows:

<b>Fiscal</b>		
<b>Year ending</b>	<b>Total Annual</b>	<b><u>April 30, Principal Interest Debt Service</u></b>
2022	\$ 31,443	\$ 6,676 \$ 38,119
2023	32,235	5,885 38,120
2024	33,045	5,074 38,119
2025	33,877	4,243 38,120
2026	34,729	3,390 38,119
2027 – 2029	<u>109,424</u>	<u>4,748 114,172</u>
<b>Total</b>	<b><u>\$274,753</u></b>	<b><u>\$30,016 \$304,769</u></b>

# Village of Stockton, Illinois

## Notes to Financial Statements

### Note 4 Long-Term Debt (Continued)

#### **IEPA Loan – 2011**

On October 10, 2011, the Village entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Infrastructure Financial Assistance Section in the amount of \$533,878 for the replacement of undersized water mains and to loop dead-end locations. The note bears a fixed interest rate of 1.25%. The term of the loan is for 20 years with semi-annual repayments that began in 2014.

Annual debt service requirements including \$25,347 of interest are as follows:

<b>Fiscal</b>		
<b>Year ending</b>	<b>Total Annual</b>	<b><u>April 30, Principal Interest Debt Service</u></b>
2022	\$ 26,889	\$ 4,046 \$ 30,935
2023	27,226	3,709 30,935
2024	27,568	3,368 30,936
2025	27,914	3,022 30,936
2026	28,263	2,672 30,935
2027 – 2031	<u>146,723</u>	<u>7,956 154,679</u>
2032 – 2033	<u>45,829</u>	<u>574 46,403</u>

Total \$330,412 \$25,347 \$355,759

### **IEPA Loan - 2019**

On January 4, 2019, the Village entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Infrastructure Financial Assistance Section in the anticipated amount of \$773,375 for the replacement of undersized water mains and install back-up generators. At the completion of the project \$580,031 of the loan amount was forgiven by the State of Illinois. The note bears a fixed interest rate of 1.00%. The term of the loan is for 10 years with semi-annual repayments of anticipated to begin in 2020. The funds were received in the amount of \$273,904.

Annual debt service requirements including \$12,299 of interest are as follows:

#### **Fiscal**

#### **Year ending Total Annual April 30, Principal Interest Debt Service**

2022	\$ 27,251	\$ 2,485	\$ 29,736
2023	27,524	2,212	29,736
2024	27,800	1,936	29,736
2025	28,079	1,658	29,737
2026	28,360	1,376	29,736
2027 – 2031	<u>116,313</u>	<u>2,632</u>	<u>118,945</u>
Total	<u>\$255,327</u>	<u>\$12,299</u>	<u>\$267,626</u>

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# Village of Stockton, Illinois

## Notes to Financial Statements

### Note 4 Long-Term Debt (Continued)

#### **Bank Loans**

In May 2018, the Village entered into a line of credit loan agreement with Citizens State Bank in the amount not to exceed \$500,000 for the design phase services associated with a new wastewater treatment facility. The note bears an interest rate of 3.50%. The term of the loan is for 2 years with accrued interest due May 16, 2019 and entire unpaid principal and any accrued interest on May 16, 2020. The loan maturity was extended until May 16, 2021. The amount outstanding as of April 30, 2021 was of \$500,000.

In May 2018, the Village entered into a line of credit loan agreement with Illinois Bank and Trust in the amount not to exceed \$500,000 for the design phase services associated with a new wastewater treatment facility. The note bears an interest rate of 3.50%. The term of the loan is for 2 years with accrued interest due May 16, 2019 and entire unpaid principal and any accrued interest on May 16, 2020. The loan maturity was extended until May 16, 2021. The amount outstanding as of April 30, 2021 was of \$500,000.

#### **Other Loans Payable**

In fiscal year ending April 30, 2020, the Village entered into a loan agreement for the purchase of land for the sewer plant in the amount of \$305,675. The loan bears no interest. The required payment is \$43,668 January 15<sup>th</sup> of each year and will mature on January 15, 2025.

**Changes in Long-Term Debt**

The following is a summary of Long-Term Debt transactions of the Village for the year ending April 30, 2021.

**May 1, 2020 Issued Retired April 30, 2021**

Business-type activities:  
 General Obligation (Alternate Revenue) Series 2013 \$ 505,000 \$ - \$250,000 \$ 255,000 IEPA loan – 2009 305,415 - 30,662 274,753 IEPA loan – 2011 356,968 - 26,556 330,412 IEPA loan – 2019 183,868 90,036 18,577 255,327 Bank loans 919,800 80,200 - 1,000,000 Other loans 218,339 - 43,668 174,671

Total Enterprise fund \$2,489,390 \$170,236 \$369,463 \$2,290,163

The Village is subject to a debt limitation of 8.625% of its assessed valuation of \$20,267,373. As of April 30, 2021, the Village had \$1,748,061 of remaining legal debt margin.

# Village of Stockton, Illinois

## Notes to Financial Statements

### Note 5 Interfund Receivables and Payables

As of April 30, 2021, the following interfund receivables/payables existed for TIF fund expenditures previously paid by General fund:

Interfund	Interfund	<u>Receivables</u>	<u>Payables</u>	Governmental:
General Fund	\$117,693	\$ -	TIF Fund	<u>- 117,693</u>
				Totals <u>\$117,693 \$117,693</u>

### Note 6 Transfers

Transfers were made to simplify cash flows within the Village.

<u>Transfers In</u>	<u>Transfers out</u>	Governmental:
Major funds		
General fund	\$ 6,158 \$ 60,852	TIF fund - 9,700 Nonmajor governmental
	56,708 -	
Business-type:		
Water and Sewer	3,815 -	Sewer 3,871 - Garbage --
Totals <u>\$70,552 \$70,552</u>		

Transfers out of the General fund to other Village funds are based on annual budgeted amounts approved by the Village board. The Village also transfers amounts from nonmajor

governmental funds for capital project purposes.

### **Note 7 Restricted Net Position**

The following restrictions of fund balance/net position existed as of April 30, 2021:

Governmental Activities:

Restricted for tax levies \$ 2,427 Restricted by enabling legislation \$ 129,128

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# Village of Stockton, Illinois

## Notes to Financial Statements

### **Note 8 Stewardship, Compliance, and Accountability**

#### *Deficit Fund Balances*

The TIF Fund, School Crossing Guard Fund, and Street Lighting had deficit fund balances of \$26,201, \$215, and \$3,519 respectively as of June 30, 2021.

#### *Excess of expenditures over appropriations*

For the year ended April 30, 2021, the TIF Fund, Social Security Fund, and Community Foundation Grant Fund had expenditures that exceeded appropriations by \$80,739, \$1,355, and \$10,000 respectively.

### **Note 9 Contingencies**

The General Obligation Bond is accounted for as an Enterprise Fund obligation as it is the intent of the Village to fund the obligations through water and sewer user fees. However, in the event water and sewer user fees are insufficient to meet the debt service requirements, the County Treasurer is

required to levy a property tax equal to the annual debt service. At that time the bonds would affect the overall borrowing power of the Village by reducing the legal debt margin and the bonds would be reclassified as a general long-term debt.

From time to time, the Village is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the Village's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

### **Note 10 Commitments**

In April 2018, the Village signed a contract with MSA Professional Services for the design phase services associated with a new wastewater treatment facility. The estimated total cost of the contract is \$1,022,000. An agreement for the construction phase of Phase 1 of the project was signed with MSA Professional Services in October 2020 for \$799,000 and with Larson & Larson Builders, Inc. for \$4,980,800. As of April 30, 2021, the Village has spent \$1,110,758 related to the project and \$342,416 for the land for the new facility. The estimated completion date is in fiscal year 2024.

# Village of Stockton, Illinois

## Notes to Financial Statements

### **Note 11 Risk Management**

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In order to protect against such risks of loss, the Village purchases insurance coverage. The maximum deductible in effect through these policies as of April 30, 2021 was \$5,000. During the year ended April 30, 2021 there were no significant reductions in coverage. Also, there have been no settlements which have exceeded insurance coverage in the past three years.

For risks of loss related to injuries to employees, the Village purchases coverage through the Illinois Public Risk Fund. Potentially the Village could be assessed additional premiums for its share of any losses of the pool. Historically, the Village has not been assessed any additional premiums.

### **Note 12 Waste Treatment Agreement**

During the fiscal year ending April 30, 2000, the Village entered into an agreement with an existing enterprise to offset part of the costs of construction of a new system designed for the purposes of waterworks and sewerage collection and treatment. Under terms of the agreement, the enterprise agrees to pay a percentage of principal and interest on the outstanding General Obligation 2013 Refunding Bonds, any additional costs of construction that was not eligible for financing from IEPA, fixed operations and maintenance costs, and variable operations and maintenance costs. The percentage amounts to be paid by the enterprise are based upon the amount of average annual wastewater generated by the enterprise and treated by the Village.

A guaranty agreement is in place between the Village and the enterprise to ensure performance by the enterprise. The payments for the year ending April 30, 2021 received from the enterprise were \$94,718.

## Note 13 Pension Plan

**IMRF Plan Description** – The Village’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided** – IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP).

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# Village of Stockton, Illinois

## Notes to Financial Statements

### Note 13 Pension Plan (Continued)

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1- 2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**Employees Covered by Benefit Terms** – As of December 31, 2020, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits 15 Inactive plan members entitled to but not yet receiving benefits 6 Active plan members 16

Total 37

**Contributions** – As set by statute, the Village’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar year 2020 was 15.37%. For the fiscal year ended April 30, 2021, the Village contributed \$123,030 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability** – The Village’s net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

# Village of Stockton, Illinois

## Notes to Financial Statements

### Note 13 Pension Plan (Continued)

**Actuarial Assumptions** – The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation. •
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.
- **Mortality** - For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount- Weighted, below median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- 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:

	<b>Long-Term Portfolio Expected Target Real Rate</b>
<b><u>Asset Class</u></b>	<b><u>Percentage of Return</u></b>
Domestic Equity	37% 5.00%
International Equity	18% 6.00%
Fixed Income	28% 1.30%
Real Estate	9% 6.20%
Alternative Investments	7% 2.85-6.95%
Cash Equivalents	1% 0.70%
Total	100%

# Village of Stockton, Illinois

## Notes to Financial Statements

### Note 13 Pension Plan (Continued)

**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 plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

### Changes in the Net Pension Liability

	<b>Pension Plan Net Pension Liability Net Position Liability</b>
<b><u>Balances at January 1, 2020</u></b>	<b><u>(A) (B) (A)-(B)</u></b>
Service cost 68,899 - 68,899	Interest on the total pension liability 238,390 - 238,390
Changes of benefit terms - - -	Differences between expected and actual

experience 73,578 - 73,578 Changes of assumptions (46,520) - (46,520) Employer contributions - 113,636 (113,636) Employee contributions - 33,270 (33,270) Net investment income - 359,441 (359,441) Benefit payments – net of refunds (243,897) (243,897) - Other (net transfer) - 68,167 (68,167)  
Net changes 90,450 330,617 (240,167)

Balances at December 31, 2020 \$3,466,088 \$2,860,607 \$605,481

# Village of Stockton, Illinois

## Notes to Financial Statements

### Note 13 Pension Plan (Continued)

**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:

	<b>Current</b>	<b>1% Lower Discount</b>	<b>1% Higher</b>
	<b>(6.25%)</b>	<b>(7.25%)</b>	<b>(8.25%)</b>
<u>Net pension liability</u>	<u>\$1,002,348</u>	<u>\$605,481</u>	<u>\$288,211</u>

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – For the year ended April 30, 2021, the Village recognized pension income of \$3,241. At April 30, 2021, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources.

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	\$142,277	\$980
Changes of assumptions	27,041	47,624
Net difference between projected and actual earnings on pension plan investments -	<u>212,256</u>	
Total deferred amounts to be recognized in pension expense in future periods	<u>169,318</u>	<u>260,860</u>
Pension contributions made subsequent to the measurement date	43,257	
		<u>Total deferred amounts related to pensions \$212,575 \$260,860</u>

The Village reported \$43,257 as deferred outflows of resources related to pension resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2022.

# Village of Stockton, Illinois

## Notes to Financial Statements

### Note 13 Pension Plan (Continued)

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:

	<b>Year Ending Net Deferred Inflows April 30 of Resources</b>
	2022 \$ (16,769)
2023 24,117	2024 (65,258)
	2025 (33,632)
2026 0	
<u>Thereafter 0</u>	
<u>Total \$ (91,542)</u>	

### Note 14 Other Postemployment Benefits

The Village has evaluated its potential other postemployment benefits liability. The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium.

However, no former employees have elected to stay in the Village's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statements.

Additionally, the Village had no former employees for whom the Village was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Village has not recorded any postemployment benefit liability as of April 30, 2021.

## **Note 15 Tax Abatements**

The Village entered into property tax abatement agreements with local businesses under the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74,4-1 (TIC Act). Under the TIF Act, localities may reimburse businesses or developers a portion of their redevelopment project costs for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate within a designated area of the Village.

For the fiscal year ended April 30, 2021, the Village abated property taxes totaling \$29,549 under this program.

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# Village of Stockton, Illinois

## Notes to Financial Statements

### **Note 16 Impact of Pending Accounting Principles**

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Village has not determined the effect of this Statement.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, provides more relevant information about capital assets and the cost of borrowing for a reporting period. This Statement's objectives are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The Village has not determined the effect of this Statement.

GASB Statement No. 91, *Conduit Debt Obligations*, clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by the issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The Village has not determined the effect of this Statement.

GASB Statement No. 92, *Omnibus 2020*, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Village has not determined the effect of this Statement.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB



Receivable 5,843 87 66 712 5,031 132 Add: Utility Receivable 0 0 0 50,764 47,709 19,482 Add: Comptroller  
 Receivable 144,509 0 5,522 0 0 0  
 Balance at May 1, 2020, as restated \$597,523 (\$71,700) \$123,906 \$3,265,940 \$3,594,834 \$95,222

# Village of Stockton, Illinois

## Notes to Financial Statements

### Note 17 Prior Period Adjustment (Continued)

### Business-Type Activities

#### Net Position Governmental Activities

Balance at May 1, 2020 \$1,331,624 \$7,099,204 Less: Accounts Payable (32,987) (45,070) Less:  
 Accrued Payroll (32,948) (11,367) Less: Compensated Absences (44,539) (15,932) Less: Accrued  
 Interest Payable 0 (7,748) Less: Net Pension Liability (643,004) (202,644) Less: Deferred Inflows of  
 Pension Resources (107,336) (33,827) Add: Deferred Outflows of Pension Resources 157,225  
 49,550 Add: Prepaid Insurance 47,537 0 Add: Accounts Receivable 5,996 5,875 Add: Utility  
 Receivable 0 117,955 Add: Comptroller Receivable 150,031 0

Balance at May 1, 2020, as restated \$831,599 \$6,955,996

### Note 18 Change in Basis of Accounting

The Village changed from the modified cash basis of accounting to the accrual basis of accounting in the current year. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The prior period adjustment resulting from the change is disclosed in Note 17.

### Note 19 Subsequent Events

In August 2021, the Village entered into a contract with MSA for Phase 2 Wastewater Treatment Facility construction engineering in the amount of \$1,002,000. The Village also entered into a contract with MSA for Downtown Phase 1 engineering design for \$186,000.

In May 2021, the Village has entered into a new loan agreement with the IEPA. Since year end, the Village has received \$2,326,906 in loan proceeds.

## Required Supplementary Information

### Village of Stockton, Illinois

#### Required Supplementary Information

#### Multiyear Schedule of Changes in Net Pension Liability and Related Ratios Illinois Municipal Retirement Fund (IMRF) Regular Plan

##### Last 10 Calendar Years (schedule to be built prospectively from 2015)

2020 2019 2018 2017 2016 2015 2014 2013 2012 2011

Calendar year ending December 31,

Total pension liability:

Service cost \$68,899 \$74,178 \$71,311 \$74,306 \$64,918 \$60,888

Interest on the total pension liability 238,390 222,443 215,486 215,800 200,688 190,445

Changes of benefit terms 0 0 0 0 0 0

Difference between expected and actual experience

of the total pension liability 73,578 151,425 13,205 (9,188) 91,431 38,732

Changes of assumptions (46,520) 0 85,160 (112,244) (39,449) (9,151)

Benefit payments, including refunds of employee contributions (243,897) (207,003) (176,110) (166,632) (161,949) (147,400)

Net change in total pension liability 90,450 241,043 209,052 2,042 155,639 133,514

Total pension liability - beginning 3,375,638 3,134,595 2,925,543 2,923,501 2,767,862 2,634,348

Total pension liability - ending (a) \$3,466,088 \$3,375,638 \$3,134,595 \$2,925,543 \$2,923,501 \$2,767,862

Plan fiduciary net position:

Contributions - employer \$113,636 \$97,850 \$105,909 \$107,802 \$115,150 \$102,154

Contributions - employees 33,270 30,857 30,928 30,453 29,712 25,538

Net investment income 359,441 396,232 (118,057) 352,873 125,344 8,488

Benefit payments, including refunds of employee contributions (243,897) (207,003) (176,110) (166,632) (161,949) (147,400)

Other (net transfers) 68,167 52,230 62,599 (50,105) 27,864 147,878

Net change in plan fiduciary net position 330,617 370,166 (94,731) 274,391 136,121 136,658

Plan fiduciary net position - beginning 2,529,990 2,159,824 2,254,555 1,980,164 1,844,043 1,707,385

Plan fiduciary net position - ending (b) \$2,860,607 \$2,529,990 \$2,159,824 \$2,254,555 \$1,980,164 \$1,844,043

Net pension liability(asset) - Ending (a) - (b) 605,481 845,648 974,771 670,988 943,337 923,819

Plan fiduciary net position as a percentage

of total pension liability 82.53% 74.95% 68.90% 77.06% 67.73% 66.62%

Covered valuation payroll 739,340 685,704 687,279 676,723 660,261 567,523

Net pension liability as a percentage of

covered valuation payroll 81.89% 123.33% 141.83% 99.15% 142.87% 162.78%

# Village of Stockton, Illinois

## Required Supplementary Information

### Multiyear Schedule of Contributions Illinois Municipal Retirement Fund

#### (IMRF) Regular Plan Last 10 Fiscal Years **Actual Contribution As a % of Covered Valuation Payroll**

<b>Fiscal Year Actuarially Contribution Covered</b>	15.92%
<b>Ending Determined Actual Deficiency Valuation</b>	14.62%
<b><u>April 30, Contribution* Contribution (Excess) Payroll</u></b>	15.06%
	15.77%
2021 \$123,030 \$123,030 \$0 \$772,874 2020 100,597	17.44%
100,597 0 687,972 2019 105,173 105,173 0 698,508	18.00%
2018 108,357 108,357 0 686,907 2017 115,150 115,150	

\*Estimated based on 17.04% 2021 calendar year contribution rate, 15.37% 2020 calendar year contribution rate, and covered valuation payroll of \$772,874.

See Notes to Required Supplementary Information 39

# Village of Stockton, Illinois

## Budgetary Comparison Schedule Required Supplementary Information General Fund

For the Year Ended April 30, 2021

Original and Variance  
Final with  
**Budget Actual Final Budget**

### **Revenues**

Property taxes \$ 113,500 \$ 82,578 \$ (30,922) Street taxes - 35,528 35,528 Intergovernmental 482,000 660,897  
178,897 Other local sources 125,818 150,504 24,686  
Motor Fuel Tax allotment - - - Grant - - - Interest - 4,138 4,138 Other 4,100 61,292 57,192 Total revenues  
725,418 994,937 269,519

### **Expenditures**

General government 386,975 286,225 (100,750) Public Safety 673,998 456,872 (217,126) Public works &  
streets 421,839 233,511 (188,328) Capital Outlay 82,400 51,338 (31,062) Debt service:  
Principal - - - Interest - - - Total expenditures 1,565,212 1,027,946 (537,266)

Excess (deficiency) of revenues over expenditures (839,794) (33,009) 806,785

**Other Financing Sources (Uses)**

Transfers in - 5,627 5,627 Transfers out (215,937) (60,851) 155,086 Total other financing sources and uses (215,937) (55,224) 160,713

Net change in fund balances \$ (1,055,731) (88,233) \$ 967,498

Adjustment from budgetary basis to generally  
accepted accounting principles basis 173,671 Fund balances ( deficit) - beginning, as restated

597,523 Fund balances (deficit) - ending \$ 682,961

See Notes to Required Supplementary Information 40

# Village of Stockton, Illinois

## Budgetary Comparison Schedule Required Supplementary Information TIF Fund

For the Year Ended April 30, 2021

**Original and Variance  
Final with  
Budget Actual Final Budget**

**Revenues**

Property taxes \$ 245,000 \$ 246,582 \$ 1,582 Street taxes - - - Intergovernmental - - - Other local sources - - -  
Motor Fuel Tax allotment - - - Grant - - - Interest 1,500 1,099 (401) Other - - - Total revenues 246,500 247,681  
1,181

**Expenditures**

General government 111,400 192,139 80,739 Public Safety - - - Public works & streets - - - Capital Outlay - -  
- Debt service:  
Principal - - - Interest - - -

Total expenditures 111,400 192,139 80,739 Excess (deficiency) of revenues over expenditures 135,100 55,542

(79,558)

**Other Financing Sources (Uses)**

Transfers in - - - Transfers out (90,000) (9,700) 80,300 Total other financing sources and uses (90,000) (9,700)  
80,300

Net change in fund balances \$ 45,100 45,842 \$ 742

Adjustment from budgetary basis to generally  
accepted accounting principles basis (343) Fund balances ( deficit) - beginning, as restated

# Village of Stockton, Illinois

## Notes to Required Supplementary Information

### Note 1 Budgets

The term budget used throughout the financial statements represents the estimated revenues and appropriations set forth in the Village's annual appropriation ordinance adopted for the fiscal year ended April 30, 2021.

Budgetary comparisons presented in the accompanying financial statements are prepared on the cash basis method of accounting which differs from the GAAP basis used in the preparing the financial statements.

Unexpended budgeted amounts lapse at the end of each year. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line item levels.

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees.

### Note 2 Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate for IMRF \*

#### 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 2020 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): 23-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).

# Village of Stockton, Illinois

## Notes to Required Supplementary Information

### **Note 2 Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate for IMRF \* (Continued)**

Asset Valuation Method 5-Year smoothed market; 20% corridor

Wage growth 3.25%

Price Inflation 2.50%

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.

#### **Other Information:**

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 projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Notes There were no benefit changes during the year. \* *Based on Valuation*

*Assumptions used in the December 31, 2018 actuarial valuation*

# Supplementary Information

## Village of Stockton,

### Illinois Budgetary Comparison

Schedule

Water Fund

For the Year ended April 30, 2021

**Original and Variance Final with Budget Actual  
Budget**

#### ***Operating revenues***

Charges for services \$ 456,500 \$ 453,802 \$ (2,698) Total operating revenues 456,500 453,802 (2,698)

#### ***Operating expenses***

Personnel services:

Salaries 93,848 84,193 (9,655) Health insurance 12,300 10,042 (2,258)

Total personnel 106,148 94,235 (11,913)

Contractual services:

Testing fees 7,000 1,619 (5,381) Maintenance - equipment 19,500 7,743 (11,757) Maintenance - building 6,750 233 (6,517) Maintenance - vehicles 2,000 352 (1,648) Maintenance - plant 280,930 66,140 (214,790) Professional fees 7,500 1,955 (5,545) Training 1,000 60 (940) Hauler fees - - - Utilities 50,000 45,567 (4,433) Data processing 1,500 1,211 (289) Postage 2,000 1,348 (652) Telephone 4,000 4,188 188 Publishing 500 43 (457) Dues 600 547 (53) Permit fees - - - Uniform Cleaning 150 (150) (300)

Total contractual services 383,430 130,856 (252,574) 44

# Village of Stockton, Illinois Budgetary Comparison

Commodities:

Schedule (continued) Water Fund

For the Year ended April 30, 2021

**Original and Variance Final with Budget Actual  
Final Budget**

## ***Operating expenses (continued)***

Chemicals 20,000 17,317 (2,683) Office supplies 2,800 2,320 (480) Gas & oil 6,500 1,240 (5,260) Meters  
28,000 912 (27,088) Operating Supplies 11,750 9,337 (2,413) Uniform replacement 450 275 (175) Total  
commodities 69,500 31,401 (38,099)

Depreciation - 239,454 239,454 Total operating expenses 559,078 495,946 (63,132) Operating income (loss)  
(102,578) (42,144) 60,434

## ***Nonoperating revenue (expenses)***

Miscellaneous revenue - 1,891 1,891 Miscellaneous expense (3,700) (3,641) 59 Interest on cash & deposits  
3,500 2,952 (548) Interest on unrestricted cash & deposits - - - Contingencies (133,462) - 133,462 Property  
taxes - - - Revenue bond interest & fees (43,689) (5,749) 37,940 Rent - - - Total nonoperating revenue  
(expenses) (177,351) (4,547) 172,804 Income (loss) before transfers (279,929) (46,691) 233,238

Capital grants and contributions 92,430 - (92,430) Transfers in 74,500 109,887 35,387 Transfers out (67,000)  
(106,072) (39,072)

Change in net position \$ (179,999) (42,876) \$ 137,123

Adjustment from budgetary basis to generally

accepted accounting principles basis 6,267 Net position - beginning 3,265,940 Net position - ending \$ 3,229,331

# Village of Stockton, Illinois Budgetary Comparison

Budget

*Operating revenues*  
Budget Actual

Schedule

Sewer Fund

For the Year ended April 30, 2021

## Original and Variance Final with Final

Charges for services \$ 621,625 \$ 540,665 \$ (80,960) Total operating revenues 621,625 540,665 (80,960)

### **Operating expenses**

Personnel services:

Salaries 133,602 120,814 (12,788) Health insurance 18,350 12,774 (5,576)

Total personnel 151,952 133,588 (18,364)

Contractual services:

Testing fees 10,000 4,100 (5,900) Maintenance - equipment 51,400 7,491 (43,909) Maintenance - building 1,000 431 (569) Maintenance - vehicles 1,000 14 (986) Maintenance - plant 50,000 16,228 (33,772) Professional fees 41,000 23,610 (17,390) Training 2,000 - (2,000) Hauler fees 30,000 12,704 (17,296) Utilities 50,000 38,859 (11,141) Data processing 1,500 1,373 (127) Postage 2,000 1,177 (823) Telephone 4,500 3,990 (510) Publishing - - -  
Dues 300 197 (103) Permit fees 10,000 10,000 - Uniform Cleaning 225 (225) (450)

Total contractual services 254,925 119,949 (134,976) 46

# Village of Stockton, Illinois Budgetary Comparison

Commodities:

## Schedule (continued) Sewer Fund

For the Year ended April 30, 2021

**Original and Variance Final with Budget Actual  
Final Budget**

### ***Operating expenses (continued)***

Chemicals 1,000 - (1,000) Office supplies 2,100 1,496 (604) Gas & oil 3,000 1,441 (1,559) Meters - - -  
Operating Supplies 7,500 4,089 (3,411) Uniform replacement 675 357 (318) Total commodities 14,275 7,383  
(6,892)

Depreciation - 221,474 221,474 Total operating expenses 421,152 482,394 61,242 Operating income (loss)  
200,473 58,271 (142,202)

### ***Nonoperating revenue (expenses)***

Miscellaneous revenue 5,250 227 (5,023) Miscellaneous expense (550) (11,393) (10,843) Interest on cash &  
deposits 9,500 5,152 (4,348) Interest on unrestricted cash & deposits - - -  
Contingencies (177,958) - 177,958 Property taxes - - - Revenue bond interest & fees (366,900) (39,972)  
326,928 Rent - - - Total nonoperating revenue  
(expenses) (530,658) (45,986) 484,672 Income (loss) before transfers (330,185) 12,285 342,470

Capital grants and contributions - 108,626 108,626 Transfers in 465,099 453,461 (11,638) Transfers out  
(398,049) (449,590) (51,541)

Change in net position \$ (263,135) 124,782 \$ 387,917

Adjustment from budgetary basis to generally  
accepted accounting principles basis (34,626) Net position - beginning 3,594,834 Net position

- ending \$ 3,684,990

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# Village of Stockton, Illinois Budgetary Comparison

***Operating revenues***

## Schedule

## Garbage Fund

For the Year ended April 30, 2021

**Final Budget**

**Original and Variance Final with Budget Actual**

Charges for services \$ 178,393 \$ 174,666 \$ (3,727) Total operating revenues 178,393 174,666 (3,727)

***Operating expenses***

Personnel services:

Salaries - - - Health insurance - - -

Total personnel - -

Contractual services:

Testing fees - - - Maintenance - equipment - - - Maintenance - building 3,700 - (3,700) Maintenance - vehicles - - - Maintenance - plant - - - Professional fees 625 - (625) Training - - - Hauler fees 176,593 147,013 (29,580) Utilities - - - Data processing 500 774 274 Postage 1,550 1,069 (481) Telephone - - - Publishing 300 312 12 Dues - - - Permit fees - - - Uniform Cleaning - - -

Total contractual services 183,268 149,168 (34,100) 48

Village of Stockton,

Commodities:

Illinois Budgetary Comparison

Schedule (continued) Garbage Fund

For the Year ended April 30, 2021

**Original and Variance Final with  
Budget Actual Final Budget**

***Operating expenses (continued)***

Chemicals - - - Office supplies 1,700 336 (1,364) Gas & oil - - - Meters - - - Operating Supplies 150 1,985  
 1,835 Uniform replacement - - - Total commodities 1,850 2,321 471

Depreciation - 3,127 3,127 Total operating expenses 185,118 154,616 (30,502) Operating income (loss)

(6,725) 20,050 26,775

**Nonoperating revenue (expenses)**

Miscellaneous revenue 1,300 2,551 1,251 Miscellaneous expense - - - Interest on cash & deposits 1,000 709  
 (291) Interest on unrestricted cash & deposits - - - Property taxes 1,000 998 (2) Revenue bond interest & fees  
 - - - Rent 7,000 7,000 - Total nonoperating revenue

(expenses) 10,300 11,258 958

Income (loss) before transfers 3,575 31,308 27,733 -

Capital grants and contributions - - - Transfers in - - - Transfers out - - -

Change in net position \$ 3,575 31,308 \$ 27,733

Adjustment from budgetary basis to generally  
 accepted accounting principles basis (12,092) Net position - beginning 95,222 Net position -  
ending \$ 114,438

# Village of Stockton, Illinois

## Combining Balance Sheet Nonmajor Governmental Funds

April 30, 2021

**Total Nonmajor Motor Emergency Social School Street Community Governmental Fuel Tax Services Audit  
 Insurance Security Crossing Lighting Foundation Funds Fund Fund Fund Fund Fund Tax Funds Guard Fund  
Fund Grant Fund**

**Assets**

Cash and deposits \$ 127,117 \$ 124,690 \$ 2,427 \$ - \$ - \$ - \$ - \$ - Receivables:  
 Property Taxes 136,632 - 302 9,710 65,707 46,803 4,033 10,077 - State of Illinois 6,134 6,134 - - - - - Other  
 43 43 - - - - - Prepaids 43,272 - - - 43,272 - - - - Due from other funds - - - - -

Total assets \$ 313,198 \$ 130,867 \$ 2,729 \$ 9,710 \$ 108,979 \$ 46,803 \$ 4,033 \$ 10,077 \$ -

**Liabilities**

Accounts Payable \$ 5,258 \$ 1,739 \$ - \$ - \$ - \$ - \$ - \$ 3,519 \$ - Accrued Payroll 215 - - - - - 215 - -

Total liabilities \$ 5,473 \$ 1,739 \$ - \$ - \$ - \$ - \$ 215 \$ 3,519 \$ -

**Deferred Inflows**

Unavailable property taxes \$ 136,632 \$ - \$ 302 \$ 9,710 \$ 65,707 \$ 46,803 \$ 4,033 \$ 10,077 \$ - Fund Balance

Fund balance

Restricted 131,555 129,128 2,427 - - - - - Nonspendable 43,272 - - - 43,272 - - - - Unassigned (3,734) - - - - -  
(215) (3,519) -

Total liabilities  
and fund balance \$ 313,198 \$ 130,867 \$ 2,729 \$ 9,710 \$ 108,979 \$ 46,803 \$ 4,033 \$ 10,077 \$ - 50

# Village of Stockton, Illinois

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year ended April 30, 2021

**Total Nonmajor Motor Emergency Social School Street Community Governmental Fuel Tax Services Audit  
Insurance Security Crossing Lighting Foundation Funds Fund Fund Fund Fund Fund Tax Funds Guard Fund  
Fund Grant Fund**

### **Revenues**

Local sources - taxes:

Property taxes \$ 123,062 \$ - \$ 438 \$ 8,411 \$ 57,132 \$ 43,864 \$ 3,778 \$ 9,439 \$ - Intergovernmental - state:

State motor fuel tax allotments 128,025 128,025 - - - - - Other local sources:

Interest earnings 655 595 - 4 28 21 2 5 - Miscellaneous 19,285 - - - 9,285 - - - 10,000 Total revenues 271,027  
128,620 438 8,415 66,445 43,885 3,780 9,444 10,000

### **Expenditures**

General government 102,262 - - 9,750 73,274 9,238 - - 10,000 Public safety 74,900 - 5,928 - - 28,936 5,875  
34,161 - Public works & streets 93,686 68,660 - - - 25,026 - - - Capital outlay 9,700 - - - - - 9,700 - Total  
expenditures 280,548 68,660 5,928 9,750 73,274 63,200 5,875 43,861 10,000

Excess (deficiency) of revenues

over (under) expenditures (9,521) 59,960 (5,490) (1,335) (6,829) (19,315) (2,095) (34,417) -

### **Other financing sources (uses)**

Operating transfers in 56,708 - - 1,335 3,212 19,315 1,880 30,966 - Operating transfers out - - - - - - - Total  
other financing

sources (uses) 56,708 - - 1,335 3,212 19,315 1,880 30,966 - Net change in fund balance 47,187 59,960 (5,490) -

(3,617) - (215) (3,451) - Fund balance, beginning of year 123,906 69,168 7,917 - 46,889 - - (68) - Fund balance,

end of year \$ 171,093 \$ 129,128 \$ 2,427 \$ - \$ 43,272 \$ - \$ (215) \$ (3,519) \$ -

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**WIPFLI**

**Independent Auditor's Report on Compliance  
with State of Illinois Public Act 85-1142**

To the Board of Trustees  
Village of Stockton

Stockton, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Stockton, Illinois, (the "Village") as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise Village's basic financial statements and have issued our report thereon dated October 12, 2021. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have also audited the Village's compliance with the provisions of subsection (q) of the Illinois Compiled Statutes 65 (ILCS) 5/11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the year ended April 30, 2021. The management of the Village is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

Our audit was made in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In connection with our audit, referred to above, we selected and tested transactions and records to determine the Village of Stockton's compliance with subsection (q) of the Illinois Compiled Statutes (ILCS) 5/11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the year ended April 30, 2021.

In our opinion, the Village of Stockton, Illinois, complied, in all material respects, with the requirements of subsection (q) of the Illinois Compiled Statutes (ILCS) 5/11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the year ended April 30, 2021.



Rockford, Illinois  
October 12, 2021