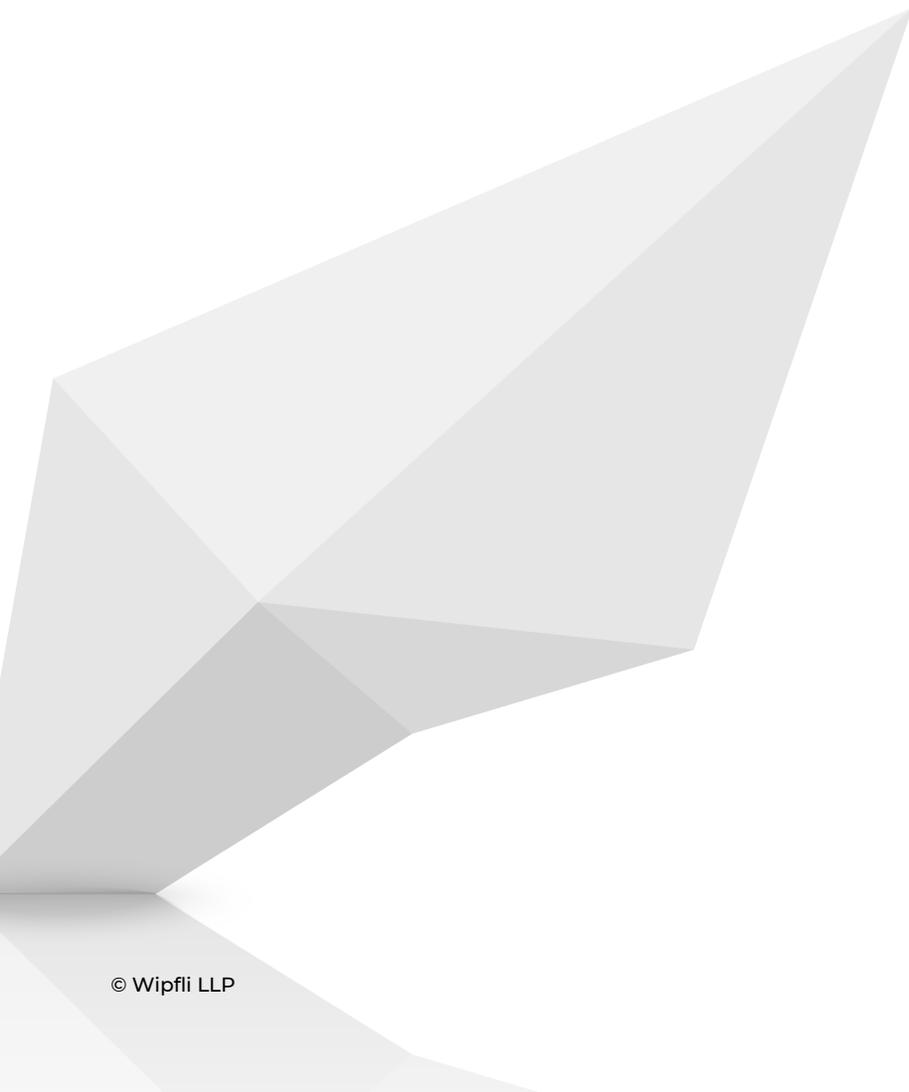


Village of Stockton

Stockton, Illinois

Financial Report

Year Ended April 30, 2022



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Village of Stockton, Illinois

Year Ended April 30, 2022

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Village of Stockton, Illinois

Year Ended April 30, 2022

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Supplementary Information

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Independent Auditor's Report

To the Board of Trustees
Village of Stockton
Stockton, Illinois

Opinions

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, (the "Village") as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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

Responsibilities of Management 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Stockton's basic financial statements. The combining and individual nonmajor fund financial statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wipfli LLP

Rockford, Illinois
September 16, 2022

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Financial Statements

Village of Stockton, Illinois

Statement of Net Position

April 30, 2022

Assets	Governmental Activities	Business-type Activities	Total
Cash and deposits	\$ 1,180,198	\$ 1,664,251	\$ 2,844,449
Prepays	48,166	-	48,166
Receivables	877,643	418,703	1,296,346
Total current assets	2,106,007	2,082,954	4,188,961
Noncurrent assets:			
Accounts receivable	-	76,499	76,499
Capital assets not being depreciated	176,102	4,244,479	4,420,581
Capital assets (net of accumulated depreciation)	649,766	6,220,484	6,870,250
Total noncurrent assets	825,868	10,541,462	11,367,330
Total assets	2,931,875	12,624,416	15,556,291
Deferred Outflows			
Deferred outflows - IMRF	93,233	35,531	128,764
Liabilities			
Accrued payroll and withholding	15,320	3,405	18,725
Accrued compensated absences	54,354	23,705	78,059
Accounts payable	59,914	475,022	534,936
Deposits	-	28,950	28,950
Accrued interest	-	1,723	1,723
Current portion IEPA loans payable	-	86,985	86,985
Current portion other loans payable	-	619,401	619,401
Current portion bonds payable	-	-	-
Total current liabilities	129,588	1,239,191	1,368,779
Noncurrent liabilities:			
IEPA loans payable	-	959,195	959,195
Other loans payable	-	87,335	87,335
Net pension liability	134,088	51,101	185,189
Total noncurrent liabilities	134,088	1,097,631	1,231,719
Total liabilities	263,676	2,336,822	2,600,498
Deferred Inflows			
Deferred inflows - IMRF	358,768	136,727	495,495
Deferred contractual agreement revenue	-	90,408	90,408
Unavailable grant revenue	109,393	-	109,393
Unavailable property tax revenue	560,292	999	561,291
Total deferred inflows	1,028,453	228,134	1,256,587
Net Position			
Net investment in capital assets	825,868	8,712,047	9,537,915
Restricted	395,906	-	395,906
Unrestricted	511,205	1,382,944	1,894,149
Total net position	\$ 1,732,979	\$ 10,094,991	\$ 11,827,970

See Accompanying Notes to Financial Statements.

Village of Stockton, Illinois

Statement of Activities

For the Year Ended April 30, 2022

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Activities	Total	
Governmental activities:								
General government	\$ 517,460	\$ 26,242	\$ -	\$ -	\$ (491,218)	\$ -	\$ (491,218)	
Public safety	489,998	8,477	9,217	-	(472,304)	-	(472,304)	
Public works & streets	461,449	-	115,132	-	(346,317)	-	(346,317)	
Interest expense	-	-	-	-	-	-	-	
Total governmental activities	\$ 1,468,907	\$ 34,719	\$ 124,349	\$ -	\$ (1,309,839)	\$ -	\$ (1,309,839)	
Business activities:								
Sewer	\$ 581,469	\$ 645,190	\$ -	\$ 108,147	\$ -	\$ 171,868	\$ 171,868	
Water	523,629	505,157	-	-	-	(18,472)	(18,472)	
Garbage	185,220	185,297	-	-	-	77	77	
Total business activities	1,290,318	1,335,644	-	108,147	-	153,473	153,473	
General revenues:								
Property taxes					548,275	1,185	549,460	
Other taxes					1,384,218	-	1,384,218	
Rent farm ground					-	10,452	10,452	
Interest					4,795	8,650	13,445	
Loan Forgiveness					-	2,882,174	2,882,174	
Miscellaneous					61,525	4,582	66,107	
Gain on disposal of fixed asset					-	-	-	
Transfers					(5,716)	5,716	-	
Total general revenues and transfers					1,993,097	2,912,759	4,905,856	
Change in net position					683,258	3,066,232	3,749,490	
Net position - beginning					1,049,721	7,028,759	8,078,480	
Net position - ending					\$ 1,732,979	\$ 10,094,991	\$ 11,827,970	

See Accompanying Notes to Financial Statements.

Village of Stockton, Illinois

Balance Sheet Governmental Funds April 30, 2022

Assets	General Fund	TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 620,468	\$ 209,985	\$ 349,745	\$ 1,180,198
Receivables:				
Property tax receivables	118,161	292,291	213,408	623,860
State of Illinois receivables	240,861	-	6,248	247,109
Other receivables	6,597	48	29	6,674
Prepays	-	-	48,166	48,166
Due from other funds	100,000	-	-	100,000
Total assets	\$ 1,086,087	\$ 502,324	\$ 617,596	\$ 2,206,007
Liabilities				
Current liabilities				
Accounts payable	\$ 30,685	\$ -	\$ 29,229	\$ 59,914
Accrued payroll and withholdings payable	15,080	-	240	15,320
Due to other funds	-	100,000	-	100,000
Total liabilities	45,765	100,000	29,469	175,234
Deferred Inflows				
Unavailable grant revenue	-	-	109,393	109,393
Unavailable property tax revenue	118,161	292,291	149,840	669,685
Total deferred inflows	118,161	292,291	259,233	779,078
Fund Balance				
Restricted for:				
Motor fuel tax	-	-	169,890	169,890
Emergency services	-	-	2,726	2,726
Community Foundation Grant			174	174
Business Development District			113,083	113,083
TIF District		110,033		110,033
Nonspendable			48,166	48,166
Committed for vehicles or equipment	81,490	-	-	81,490
Unassigned, reported in General funds	840,671	-	(5,145)	835,526
Total fund balance	922,161	110,033	328,894	1,361,088
Total liabilities and fund balance	\$ 1,086,087	\$ 502,324	\$ 617,596	\$ 2,206,007

See Accompanying Notes to Financial Statements.

Village of Stockton, Illinois

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position April 30, 2022

Total fund balances - governmental funds	\$ 1,361,088
Amounts reported for governmental activities in the statement of net position, are different because:	
Pension related deferred outflows	93,233
Pension related deferred inflows	(358,768)
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	(134,088)
Compensated absences payable	(54,354)
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.	825,868
<hr/>	
Total net position - governmental activities	\$ 1,732,979
<hr/>	

Village of Stockton, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended April 30, 2022

	General Fund	TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 87,199	\$ 288,588	\$ 135,139	\$ 510,926
Street taxes	37,349	-	-	37,349
Intergovernmental	1,018,787	-	-	1,018,787
Other local sources	190,989	-	-	190,989
Motor fuel tax allotment	-	-	115,132	115,132
Other taxes - Business Development	-	-	223,913	223,913
Interest	3,396	759	640	4,795
Other	48,895	-	7,095	55,990
Total revenues	1,386,615	289,347	481,919	2,157,881
Expenditures				
Current:				
General government	275,811	153,113	107,144	536,068
Public safety	446,179	-	58,425	504,604
Public works & streets	282,111	-	103,292	385,403
Capital outlay	83,460	-	109,395	192,855
Total expenditures	1,087,561	153,113	378,256	1,618,930
Excess (deficiency) of revenues over expenditures	299,054	136,234	103,663	538,951
Other Financing Sources (Uses)				
Transfers in	86,774	-	54,138	140,912
Transfers out	(146,628)	-	-	(146,628)
Total other financing sources and uses	(59,854)	-	54,138	(5,716)
Net change in fund balances	239,200	136,234	157,801	533,235
Fund balances (deficit) - beginning	682,961	(26,201)	171,093	827,853
Fund balances (deficit) - ending	\$ 922,161	\$ 110,033	\$ 328,894	\$ 1,361,088

See Accompanying Notes to Financial Statements.

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, 2022

Net changes in fund balances - Governmental funds \$ 533,235

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	5,477
Pension related expenses	73,590

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 capitalized assets exceeded the depreciation expense in the period

70,956

Change in net position of governmental activities

683,258

Village of Stockton, Illinois

Statement of Net Position Proprietary Funds April 30, 2022

Assets	Business-type activities- Enterprise Funds			
	Water Fund	Sewer Fund	Garbage Fund	Totals
Cash and deposits	\$ 620,472	\$ 947,049	\$ 96,730	\$ 1,664,251
Receivables - net:				
Accounts receivable	-	90,408	-	90,408
Other receivables - net	53,355	328,872	22,567	404,794
Property and equipment - net of accumulated depreciation	3,261,435	7,195,238	8,290	10,464,963
Total assets	3,935,262	8,561,567	127,587	12,624,416
Deferred Outflows				
IMRF deferred outflows	12,991	22,540	-	35,531
Liabilities				
Payroll withholdings	835	2,570	-	3,405
Compensated absences	8,913	14,792	-	23,705
Accrued interest	880	843	-	1,723
Accounts payable	84,011	390,923	88	475,022
Deposits	28,950	-	-	28,950
Net pension liability	18,683	32,418	-	51,101
Bank loan payable	-	575,733	-	575,733
IEPA loan payable	531,599	514,581	-	1,046,180
Land acquisition loan payable	-	131,003	-	131,003
Total liabilities	673,871	1,662,863	88	2,336,822
Deferred Inflows				
IMRF deferred inflow	49,990	86,737	-	136,727
Deferred contractual agreement revenue	-	90,408	-	90,408
Unavailable property tax revenue	-	-	999	999
Total deferred inflows	49,990	177,145	999	228,134
Net Position				
Net investment in capital assets	2,729,836	5,973,921	8,290	8,712,047
Restricted	-	-	-	-
Unrestricted	494,556	770,178	118,210	1,382,944
Total net position	\$ 3,224,392	\$ 6,744,099	\$ 126,500	\$ 10,094,991

See Accompanying Notes to Financial Statements.

Village of Stockton, Illinois

Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds For the Year Ended April 30, 2022

	Water Fund	Sewer Fund	Garbage Fund	Totals
Operating revenues				
Charges for services	\$ 505,157	\$ 645,190	\$ 185,297	\$ 1,335,644
Total operating revenues	505,157	645,190	185,297	1,335,644
Operating expenses				
Personnel services	70,345	138,050	-	208,395
Contractual	147,654	135,162	181,818	464,634
Commodities	38,075	9,166	397	47,638
Depreciation	257,905	223,124	3,127	484,156
Total operating expenses	513,979	505,502	185,342	1,204,823
Operating income (loss)	(8,822)	139,688	(45)	130,821
Nonoperating revenue (expenses)				
Miscellaneous revenue	92	4,474	16	4,582
Miscellaneous expense	(3,197)	(30,699)	122	(33,774)
Interest on cash & deposits	1,089	7,229	332	8,650
Interest on unrestricted cash & deposits	-	-	-	-
Property taxes	-	-	1,185	1,185
Revenue bond interest & fees	(6,453)	(45,268)	-	(51,721)
Rent	-	-	10,452	10,452
Total nonoperating revenue (expenses)	(8,469)	(64,264)	12,107	(60,626)
Income (loss) before transfers	(17,291)	75,424	12,062	70,195
Capital grants and contributions	-	108,147	-	108,147
Loan forgiveness	-	2,882,174	-	2,882,174
Transfers in	60,700	1,297,855	-	1,358,555
Transfers out	(48,348)	(1,304,491)	-	(1,352,839)
Change in net position	(4,939)	3,059,109	12,062	3,066,232
Net position - beginning	3,229,331	3,684,990	114,438	7,028,759
Net position - ending	\$ 3,224,392	\$ 6,744,099	\$ 126,500	\$ 10,094,991

See Accompanying Notes to Financial Statements.

Village of Stockton, Illinois

Statement of Cash Flows

Proprietary Funds

For the Year Ended April 30, 2022

	Water Fund	Sewer Fund	Garbage Fund	Totals
Cash Flows From Operating Activities				
Receipts from customers	\$ 499,878	\$ 374,885	\$ 184,750	\$ 1,059,513
Payments to suppliers	(90,567)	184,830	(2,511)	91,752
Payments to employees	(146,930)	(131,863)	(181,818)	(460,611)
Net cash flows from operating activities	262,381	427,852	421	690,654
Cash Flows From Investing Activities				
Inflows (outflows):				
Interest received	1,089	7,229	332	8,650
Rent & miscellaneous	(3,105)	(26,225)	10,468	(18,862)
Net cash flows from investing activities	(2,016)	(18,996)	10,800	(10,212)
Cash Flows From Noncapital Financing Activities				
Real estate taxes	-	-	1,185	1,185
Decrease (increase) in restricted assets	-	-	-	-
Transfer from other funds	60,700	1,297,855	-	1,358,555
Transfer to other funds	(48,348)	(1,304,491)	-	(1,352,839)
Net cash flows from noncapital and related financing activities	12,352	(6,636)	1,185	6,901
Cash Flows From Capital and Related Financing Activities				
Inflows (outflows):				
Acquisition and construction of capital assets	(284,471)	(2,805,166)	-	(3,089,637)
Principal paid on revenue bond and loan maturities	(54,140)	(754,368)	-	(808,508)
Loan proceeds received	-	3,153,435	-	3,153,435
Capital contributions	-	108,147	-	108,147
Interest and fees paid on revenue bonds	(6,453)	(45,268)	-	(51,721)
Net cash flows from capital and related financing activities	(345,064)	(343,220)	-	(688,284)
Net increase (decrease) in cash and cash equivalents	(72,347)	59,000	12,406	(941)
Cash and cash equivalents - beginning	692,819	888,049	84,324	1,665,192
Cash and cash equivalents - ending	\$ 620,472	\$ 947,049	\$ 96,730	\$ 1,664,251

See Accompanying Notes to Financial Statements.

Village of Stockton, Illinois

Statement of Cash Flows (Continued) Proprietary Funds For the Year Ended April 30, 2022

	Water Fund	Sewer Fund	Garbage Fund	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities				
Operating income (loss)	\$ (8,822)	\$ 139,688	\$ (45)	\$ 130,821
Adjustments to reconcile net income (loss) to net cash provided by operations:				
Depreciation	257,905	223,124	3,127	484,156
(Increase) decrease in pension related deferred outflows	10,750	12,427	-	23,177
(Increase) decrease in receivables	(6,074)	(270,305)	(348)	(276,727)
Increase (decrease) in net pension liability	(48,937)	(67,180)	-	(116,117)
Increase (decrease) in pension related deferred inflows	20,857	43,827	-	64,684
Increase (decrease) in deferred revenue	-	-	(199)	(199)
Increase (decrease) in accrued liabilities	724	3,299	-	4,023
Increase (decrease) in accounts payable	35,183	342,972	(2,114)	376,041
Increase (decrease) in deposits	795	-	-	795
Net cash provided by (used in) operating activities	\$ 262,381	\$ 427,852	\$ 421	\$ 690,654

See Accompanying Notes to Financial Statements.

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, 2022 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 2021 levy on December 14, 2021. Since the 2021 property tax levy is levied to finance the operations of fiscal year 2023, the 2021 property tax is recorded as a receivable and the 2021 property tax revenue as unavailable revenue. Property tax revenue recorded in these financial statements is from the 2020 tax levy which was passed by the Village Board on December 8, 2020.

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, 2022 is as follows:

Compensated absences liability	<u>\$78,059</u>
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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 \$48,166 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 \$840,671. It also includes the deficit fund balance in the nonmajor funds totaling \$5,145.

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 \$2,844,449 and the bank balance was \$2,853,919. Of the bank balance, \$2,853,919 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, 2022 is as follows:

	<u>May 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>April 30, 2022</u>
Capital assets not being depreciated:				
Land	\$ 73,802	\$ -	\$ -	\$ 73,802
Construction in progress	<u>-</u>	<u>102,300</u>	<u>-</u>	<u>102,300</u>
Total assets not being depreciated	<u>73,802</u>	<u>102,300</u>	<u>-</u>	<u>176,102</u>
Capital assets being depreciated:				
Equipment	889,492	59,483	(16,046)	932,929
Buildings	445,851	14,480	-	460,331
Infrastructure	<u>1,233,259</u>	<u>8,575</u>	<u>-</u>	<u>1,241,834</u>
Total capital assets being depreciated	<u>2,568,602</u>	<u>82,538</u>	<u>(16,046)</u>	<u>2,635,094</u>
Less accumulated depreciation:				
Equipment	(719,801)	(57,847)	16,046	(761,602)
Buildings	(276,068)	(8,929)	-	(284,997)
Infrastructure	<u>(891,623)</u>	<u>(47,106)</u>	<u>-</u>	<u>(938,729)</u>
Total accumulated depreciation	<u>(1,887,492)</u>	<u>(113,882)</u>	<u>16,046</u>	<u>(1,985,328)</u>
Capital assets - net	<u>\$ 754,912</u>	<u>\$ 70,956</u>	<u>\$ -</u>	<u>\$ 825,868</u>

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, 2022 is as follows:

	<u>May 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>April 30, 2022</u>
Capital assets not being depreciated:				
Construction in progress	\$ 1,110,758	\$2,791,305	\$ -	\$ 3,902,063
Land	<u>342,416</u>	<u>-</u>	<u>-</u>	<u>342,416</u>
Total capital assets not being depreciated	<u>1,453,174</u>	<u>2,791,305</u>	<u>-</u>	<u>4,244,479</u>
Capital assets being depreciated:				
Property, plant & equipment	13,185,205	298,332	-	13,483,537
Less: Accumulated depreciation	<u>(6,778,897)</u>	<u>(484,156)</u>	<u>-</u>	<u>(7,263,053)</u>
Capital assets - net	<u>\$ 7,859,482</u>	<u>\$ 2,605,481</u>	<u>\$ -</u>	<u>\$ 10,464,963</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
General government	\$ 1,366
Public safety	24,723
Public works and streets	<u>87,793</u>
Total depreciation expense, governmental activities	<u>\$113,882</u>
Business-type activities:	
Water	\$257,905
Garbage	3,127
Sewer	<u>223,124</u>
Total depreciation expense, business-type activities	<u>\$484,156</u>

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 \$910,830 and principal and interest paid totaled \$261,375. These general revenue obligation (alternate revenue source) bonds were paid off during fiscal year 2022.

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 \$23,340 of interest are as follows:

Fiscal Year ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Debt Service</u>
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	35,603	2,517	38,120
2028 – 2029	<u>73,831</u>	<u>2,231</u>	<u>76,062</u>
Total	<u>\$243,320</u>	<u>\$23,340</u>	<u>\$266,660</u>

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 \$21,300 of interest are as follows:

Fiscal Year ending April 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Debt Service</u>
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	28,618	2,318	30,936
2028 – 2032	148,562	6,115	154,677
2033	<u>15,372</u>	<u>96</u>	<u>15,468</u>
Total	<u>\$303,523</u>	<u>\$21,300</u>	<u>\$324,823</u>

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 \$9,815 of interest are as follows:

Fiscal Year ending April 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Debt Service</u>
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	28,645	1,092	29,737
2028 – 2031	<u>87,668</u>	<u>1,541</u>	<u>89,209</u>
Total	<u>\$228,076</u>	<u>\$ 9,815</u>	<u>\$237,891</u>

Village of Stockton, Illinois

Notes to Financial Statements

Note 4 Long-Term Debt (Continued)

IEPA Loan - 2022

On April 8, 2021, 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 \$6,404,831 for the construction of equalization lagoons and a new sludge storage building at the Wastewater Treatment Facility; construction of a Brewster Cheese Lift Station and control building, installation of a force main from Brewster Cheese Lift Station to Stockton's, and upgrades to the Simmons and Cherry Street Lift Station. During fiscal year 2022, the Village received \$3,153,435, of which \$2,882,174 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 30 years with semi-annual repayments of anticipated to begin in 2024.

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, 2022 was of \$287,867.

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, 2022 was of \$287,866.

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 15th of each year and will mature on January 15, 2025.

Fiscal

<u>Year ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual</u> <u>Debt Service</u>
2023	\$ 43,668	\$0	\$ 43,668
2024	43,668	0	43,668
2025	<u>43,667</u>	<u>0</u>	<u>43,667</u>
Total	<u>\$131,003</u>	<u>\$ 0</u>	<u>\$131,003</u>

Village of Stockton, Illinois

Notes to Financial Statements

Note 4 Long-Term Debt (Continued)

Changes in Long-Term Debt

The following is a summary of Long-Term Debt transactions of the Village for the year ending April 30, 2022.

	<u>May 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>April 30, 2022</u>
Business-type activities:				
General Obligation (Alternate Revenue) Series 2013	\$ 255,000	\$ -	\$255,000	\$ -
IEPA loan – 2009	274,753	-	31,433	243,320
IEPA loan – 2011	330,412	-	26,889	303,523
IEPA loan – 2019	255,327	-	27,251	228,076
IEPA loan – 2022	-	3,153,435	2,882,174	271,261
Bank loans	1,000,000	-	424,267	575,733
Other loans	174,671	-	43,668	131,003
	<hr/>			
Total Enterprise fund	<u>\$2,290,163</u>	<u>\$3,153,435</u>	<u>\$3,690,682</u>	<u>\$1,752,916</u>

The Village is subject to a debt limitation of 8.625% of its assessed valuation of \$21,678,511. As of April 30, 2022, the Village had \$1,869,772 of remaining legal debt margin.

Note 5 Interfund Receivables and Payables

As of April 30, 2022, the following interfund receivables/payables existed for TIF fund expenditures previously paid by General fund:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental:		
General Fund	\$100,000	\$ -
TIF Fund	<u>-</u>	<u>100,000</u>
Totals	<u>\$100,000</u>	<u>\$100,000</u>

Village of Stockton, Illinois

Notes to Financial Statements

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	\$ 86,774	\$ 146,628
TIF fund	-	-
Nonmajor governmental	54,138	-
Business-type:		
Water	60,700	48,348
Sewer	1,297,855	1,304,491
Garbage	<u>-</u>	<u>-</u>
Totals	<u>\$1,499,467</u>	<u>\$1,499,467</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, 2022:

Governmental Activities:	
Restricted for tax levies	<u>\$ 2,726</u>
Restricted by enabling legislation	<u>\$ 393,180</u>

Note 8 Stewardship, Compliance, and Accountability

Deficit Fund Balances

The Social Security Tax Fund, School Crossing Guard Fund, and Street Lighting had deficit fund balances of \$2,714, \$240, and \$1,908 respectively as of April 30, 2022.

Excess of expenditures over appropriations

For the year ended April 30, 2022, the Motor Fuel Tax Fund, Audit Fund, Community Foundation Grant Fund, and Business Development District Fund had expenditures that exceeded appropriations by \$733, \$4,275, \$7,095 and \$110,830 respectively.

Village of Stockton, Illinois

Notes to Financial Statements

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, 2022, the Village has spent \$3,902,063 related to the project and \$342,416 for the land for the new facility. The Village has signed a contract with MSA Professional Services for Phase 2 of the project, with estimated total cost of \$1,002,000. The estimated completion date is in fiscal year 2024.

In August 2021, the Village signed a contract with MSA Professional Services for the design phase services associated with the Downtown Streetscape. The estimated total cost of the contract is \$186,000. As of April 30, 2022, the Village has spent \$102,300 related to the project.

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, 2022 was \$5,000. During the year ended April 30, 2022 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.

Village of Stockton, Illinois

Notes to Financial Statements

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.

The balance in unearned revenue of \$94,238 is comprised of receivables recorded for which the related revenue is not yet earned.

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.

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

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.

Village of Stockton, Illinois

Notes to Financial Statements

Note 13 Pension Plan (Continued)

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

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

Employees Covered by Benefit Terms – As of December 31, 2021, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries currently receiving benefits	16
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	15
Total	38

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 2021 was 17.04%. For the fiscal year ended April 30, 2022, the Village contributed \$115,724 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, 2021. 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, 2021:

- 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, 2021:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	39%	1.90%
International Equity	15%	3.15%
Fixed Income	25%	(0.60)%
Real Estate	10%	3.30%
Alternative Investments	10%	1.70-5.50%
Cash Equivalents	1%	(0.90)%
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

	Total Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at January 1, 2021	\$3,466,088	\$2,860,607	\$605,481
Service cost	71,062	-	71,062
Interest on the total pension liability	244,837	-	244,837
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(125,428)	-	(125,428)
Changes of assumptions	-	-	-
Employer contributions	-	125,107	(125,107)
Employee contributions	-	33,039	(33,039)
Net investment income	-	486,361	(486,361)
Benefit payments – net of refunds	(249,110)	(249,110)	-
Other (net transfer)	-	(33,744)	33,744
Net changes	(58,639)	361,653	420,292
Balances at December 31, 2021	\$3,407,449	\$3,222,260	\$185,189

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:

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net pension liability/ (asset)	\$571,369	\$185,189	(\$119,427)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – For the year ended April 30, 2022, the Village recognized pension expense of \$4,495. At April 30, 2022, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources.

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	\$87,222	\$99,042
Changes of assumptions	7,668	24,792
Net difference between projected and actual earnings on pension plan investments	-	371,661
Total deferred amounts to be recognized in pension expense in future periods	94,890	495,495
Pension contributions made subsequent to the measurement date	33,874	-
Total deferred amounts related to pensions	\$128,764	\$495,495

The Village reported \$33,874 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, 2023.

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:

Year Ending April 30	Net Deferred Inflows of Resources
2023	\$ (58,967)
2024	(148,342)
2025	(116,716)
2026	(76,580)
2027	0
Thereafter	0
Total	\$ (400,605)

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, 2022.

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, 2022, the Village abated property taxes totaling \$30,822 under this program.

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 Statement No. 87. 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. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides more guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Village has not determined the effect of this Statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Village has not determined the effect of this Statement.

Village of Stockton, Illinois

Notes to Financial Statements

Note 16 Impact of Pending Accounting Principles (Continued)

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, amends GASB Statements Nos. 14 and 84, and a suppression of GASB Statement No.32, provides more guidance for determining whether a primary government is financially accountable for a potential component unit, when the financial burden criterion in paragraph 7 of GASB Statement No. 84 applies, and this statement clarifies that GASB Statement No. 84 should applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged if GASB Statement No. 84 has been implemented. The Village has not determined the effect of this Statement.

GASB Statement No. 99, Omnibus 2022, improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and 2023. The Village has not determined the effect of this Statement.

GASB Statement No. 100, Accounting Changes and Error Corrections, enhances accounting and financial reporting for accounting changes in error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The Village has not determined the effect of this Statement.

GASB Statement No. 101, Compensated Absences, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The Village has not determined the effect of this Statement.

Note 17 Subsequent Events

In April 2021, the Village entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Infrastructure Financial Assistance Section Since year end, the Village has received 1,301,325 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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$ 71,062	\$ 68,899	\$ 74,178	\$ 71,311	\$ 74,306	\$ 64,918	\$ 60,888			
Interest on the total pension liability	244,837	238,390	222,443	215,486	215,800	200,688	190,445			
Changes of benefit terms	-	-	-	-	-	-	-			
Difference between expected and actual experience of the total pension liability	(125,428)	73,578	151,425	13,205	(9,188)	91,431	38,732			
Changes of assumptions	-	(46,520)	-	85,160	(112,244)	(39,449)	(9,151)			
Benefit payments, including refunds of employee contribu	(249,110)	(243,897)	(207,003)	(176,110)	(166,632)	(161,949)	(147,400)			
Net change in total pension liability	(58,639)	90,450	241,043	209,052	2,042	155,639	133,514			
Total pension liability - beginning	3,466,088	3,375,638	3,134,595	2,925,543	2,923,501	2,767,862	2,634,348			
Total pension liability - ending (a)	\$ 3,407,449	\$ 3,466,088	\$ 3,375,638	\$ 3,134,595	\$ 2,925,543	\$ 2,923,501	\$ 2,767,862			
Plan fiduciary net position:										
Contributions - employer	125,107	113,636	97,850	105,909	107,802	115,150	102,154			
Contributions - employees	33,039	33,270	30,857	30,928	30,453	29,712	25,538			
Net investment income	486,361	359,441	396,232	(118,057)	352,873	125,344	8,488			
Benefit payments, including refunds of employee contrib	(249,110)	(243,897)	(207,003)	(176,110)	(166,632)	(161,949)	(147,400)			
Other (net transfers)	(33,744)	68,167	52,230	62,599	(50,105)	27,864	147,878			
Net change in plan fiduciary net position	361,653	330,617	370,166	(94,731)	274,391	136,121	136,658			
Plan fiduciary net position - beginning	2,860,607	2,529,990	2,159,824	2,254,555	1,980,164	1,844,043	1,707,385			
Plan fiduciary net position - ending (b)	\$ 3,222,260	\$ 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)	185,189	605,481	845,648	974,771	670,988	943,337	923,819			
Plan fiduciary net position as a percentage of total pension liability	94.57%	82.53%	74.95%	68.90%	77.06%	67.73%	66.62%			
Covered valuation payroll	734,191	739,340	685,704	687,279	676,723	660,261	567,523			
Net pension liability as a percentage of covered valuation payroll	25.22%	81.89%	123.33%	141.83%	99.15%	142.87%	162.78%			

See Notes to Required Supplementary Information.

Village of Stockton, Illinois

Required Supplementary Information

Multiyear Schedule of Contributions

Illinois Municipal Retirement Fund (IMRF) Regular Plan

Last 10 Fiscal Years

Fiscal Year Ending April 30,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2022	\$ 115,724	\$ 115,724	\$ -	\$ 719,224	17.04%
2021	123,030	123,030	-	772,874	15.92%
2020	100,597	100,597	-	687,972	14.62%
2019	105,173	105,173	-	698,508	15.06%
2018	108,357	108,357	-	686,907	15.77%
2017	115,150	115,150	-	660,261	17.44%
2016	102,154	102,154	-	567,523	18.00%

*Estimated based on 14.18% 2022 calendar year contribution rate, 17.04% 2021 calendar year contribution rate, and covered valuation payroll of \$700,567.

Village of Stockton, Illinois

Budgetary Comparison Schedule
 Required Supplementary Information
 General Fund
 For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Property taxes	\$ 83,000	\$ 87,199	\$ 4,199
Street taxes	35,000	37,349	2,349
Intergovernmental	634,000	975,432	341,432
Other local sources	121,450	196,249	74,799
Motor Fuel Tax allotment	-	-	-
Grant	-	-	-
Interest	3,050	3,572	522
Other	3,100	40,138	37,038
Total revenues	879,600	1,339,939	460,339
Expenditures			
General government	385,125	288,132	(96,993)
Public Safety	709,675	456,820	(252,855)
Public works & streets	462,844	274,931	(187,913)
Capital outlay	102,700	46,897	(55,803)
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	1,660,344	1,066,780	(593,564)
Excess (deficiency) of revenues over expenditures	(780,744)	273,159	1,053,903
Other Financing Sources (Uses)			
Transfers in	87,693	86,774	(919)
Transfers out	(209,400)	(146,628)	62,772
Total other financing sources and uses	(121,707)	(59,854)	61,853
Net change in fund balances	<u>\$ (902,451)</u>	213,305	<u>\$ 1,115,756</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		25,895	
Fund balances (deficit) - beginning		<u>682,961</u>	
Fund balances (deficit) - ending		<u>\$ 922,161</u>	

See Notes to Required Supplementary Information.

Village of Stockton, Illinois

Budgetary Comparison Schedule
 Required Supplementary Information
 TIF Fund
 For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Property taxes	\$ 245,000	\$ 288,588	\$ 43,588
Street taxes	-	-	-
Intergovernmental	-	-	-
Other local sources	-	-	-
Motor Fuel Tax allotment	-	-	-
Grant	-	-	-
Interest	500	742	242
Other	-	-	-
Total revenues	245,500	289,330	43,830
Expenditures			
General government	176,404	143,395	(33,009)
Public Safety	-	-	-
Public works & streets	-	-	-
Capital Outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	176,404	143,395	(33,009)
Excess (deficiency) of revenues over expenditures	69,096	145,935	76,839
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	(67,693)	-	67,693
Total other financing sources and uses	(67,693)	-	67,693
Net change in fund balances	\$ 1,403	145,935	\$ 144,532
Adjustment from budgetary basis to generally accepted accounting principles basis		(9,701)	
Fund balances (deficit) - beginning		(26,201)	
Fund balances (deficit) - ending		\$ 110,033	

See Notes to Required Supplementary Information.

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, 2022.

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 2021 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 2021 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): 22-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 17 years for most employers (five employers were financed over 18 years; one employer was financed over 19 years; two others were financed over 20 years; three employers were financed over 26 years; four employers were financed over 27 years and one employer was 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 2021 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, 2019 actuarial valuation*

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Supplementary Information

Village of Stockton, Illinois

Budgetary Comparison Schedule

Water Fund

For the Year ended April 30, 2022

	Original and Final Budget	Actual	Variance with Final Budget
Operating revenues			
Charges for services	\$ 457,000	\$ 498,881	\$ 41,881
Total operating revenues	457,000	498,881	41,881
Operating expenses			
Personnel services:			
Salaries	95,915	72,404	(23,511)
Health insurance	12,500	12,246	(254)
Total personnel	108,415	84,650	(23,765)
Contractual services:			
Testing fees	7,000	8,251	1,251
Maintenance - equipment	27,500	18,497	(9,003)
Maintenance - building	5,000	221	(4,779)
Maintenance - vehicles	2,500	77	(2,423)
Maintenance - plant	265,000	61,927	(203,073)
Professional fees	7,000	-	(7,000)
Training	1,000	1,760	760
Hauler fees	-	-	-
Utilities	55,000	50,080	(4,920)
Data processing	2,500	1,196	(1,304)
Postage	2,500	1,693	(807)
Telephone	4,000	3,470	(530)
Publishing	500	81	(419)
Dues	600	562	(38)
Permit fees	-	-	-
Uniform cleaning	150	150	-
Total contractual services	380,250	147,965	(232,285)

Village of Stockton, Illinois

Budgetary Comparison Schedule (continued)

Water Fund

For the Year ended April 30, 2022

	Original and Final Budget	Actual	Variance with Final Budget
Operating expenses (continued)			
Commodities:			
Chemicals	20,000	18,991	(1,009)
Office supplies	2,800	965	(1,835)
Gas & oil	2,500	701	(1,799)
Meters	29,000	1,266	(27,734)
Operating Supplies	14,750	11,024	(3,726)
Uniform replacement	650	223	(427)
Total commodities	69,700	33,170	(36,530)
Depreciation	-	257,905	257,905
Total operating expenses	558,365	523,690	(34,675)
Operating income (loss)	(101,365)	(24,809)	76,556
Nonoperating revenue (expenses)			
Miscellaneous revenue	-	752	752
Miscellaneous expense	(4,700)	(3,549)	1,151
Interest on cash & deposits	1,900	1,262	(638)
Interest on unrestricted cash & deposits	-	-	-
Contingencies	(155,316)	-	155,316
Property taxes	-	-	-
Revenue bond interest & fees	(33,421)	(6,453)	26,968
Rent	-	-	-
Total nonoperating revenue (expenses)	(191,537)	(7,988)	183,549
Income (loss) before transfers	(292,902)	(32,797)	260,105
Capital grants and contributions	-	-	-
Transfers in	63,940	60,700	(3,240)
Transfers out	(61,700)	(48,348)	13,352
Change in net position	<u>\$ (290,662)</u>	(20,445)	<u>\$ 270,217</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		15,506	
Net position - beginning		3,229,331	
Net position - ending		<u>\$ 3,224,392</u>	

See Independent Auditor's Report on Supplementary Information

Village of Stockton, Illinois

Budgetary Comparison Schedule

Sewer Fund

For the Year ended April 30, 2022

	Original and Final Budget	Actual	Variance with Final Budget
Operating revenues			
Charges for services	\$ 622,146	\$ 641,115	\$ 18,969
Total operating revenues	622,146	641,115	18,969
Operating expenses			
Personnel services:			
Salaries	148,915	124,336	(24,579)
Health insurance	17,000	18,418	1,418
Total personnel	165,915	142,754	(23,161)
Contractual services:			
Testing fees	10,000	3,777	(6,223)
Maintenance - equipment	67,268	10,890	(56,378)
Maintenance - building	1,000	2,844	1,844
Maintenance - vehicles	1,000	433	(567)
Maintenance - plant	50,000	8,650	(41,350)
Professional fees	9,461,824	(308,960)	(9,770,784)
Training	2,000	-	(2,000)
Hauler fees	30,000	16,413	(13,587)
Utilities	50,000	42,515	(7,485)
Data processing	3,000	1,208	(1,792)
Postage	2,000	1,405	(595)
Telephone	5,500	4,565	(935)
Publishing	-	-	-
Dues	300	201	(99)
Permit fees	10,000	10,000	-
Uniform Cleaning	225	125	(100)
Total contractual services	9,694,117	(205,934)	(9,900,051)

Village of Stockton, Illinois

Budgetary Comparison Schedule (continued)

Sewer Fund

For the Year ended April 30, 2022

	Original and Final Budget	Actual	Variance with Final Budget
<i>Operating expenses (continued)</i>			
Commodities:			
Chemicals	1,000	760	(240)
Office supplies	2,100	1,246	(854)
Gas & oil	3,000	1,426	(1,574)
Meters	-	-	-
Operating Supplies	7,500	4,268	(3,232)
Uniform replacement	950	993	43
Total commodities	14,550	8,693	(5,857)
Depreciation	-	223,124	223,124
Total operating expenses	9,874,582	168,637	(9,705,945)
Operating income (loss)	(9,252,436)	472,478	9,724,914
<i>Nonoperating revenue (expenses)</i>			
Miscellaneous revenue	-	4,474	4,474
Miscellaneous expense	(50,125)	(31,065)	19,060
Interest on cash & deposits	4,700	7,401	2,701
Interest on unrestricted cash & deposits	-	-	-
Contingencies	(188,232)	-	188,232
Property taxes	-	-	-
Revenue bond interest & fees	(758,749)	(45,268)	713,481
Rent	-	-	-
Total nonoperating revenue (expenses)	(992,406)	(64,458)	927,948
Income (loss) before transfers	(10,244,842)	408,020	10,652,862
Capital grants and contributions	-	108,147	108,147
Loan forgiveness	-	2,882,174	2,882,174
Transfers in	702,646	1,297,855	595,209
Transfers out	(399,906)	(1,304,491)	(904,585)
Change in net position	<u>\$ (9,942,102)</u>	3,391,705	<u>\$ 13,333,807</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		(332,596)	
Net position - beginning		3,684,990	
Net position - ending		<u>\$ 6,744,099</u>	

See Independent Auditor's Report on Supplementary Information

Village of Stockton, Illinois

Budgetary Comparison Schedule

Garbage Fund

For the Year ended April 30, 2022

	Original and Final Budget	Actual	Variance with Final Budget
Operating revenues			
Charges for services	\$ 183,240	\$ 185,206	\$ 1,966
Total operating revenues	183,240	185,206	1,966
Operating expenses			
Personnel services:			
Salaries	-	-	-
Health insurance	-	-	-
Total personnel	-	-	-
Contractual services:			
Testing fees	-	-	-
Maintenance - equipment	-	-	-
Maintenance - building	4,000	2,118	(1,882)
Maintenance - vehicles	-	353	353
Maintenance - plant	-	-	-
Professional fees	500	-	(500)
Training	-	-	-
Hauler fees	181,440	179,702	(1,738)
Utilities	-	-	-
Data processing	500	427	(73)
Postage	1,500	1,188	(312)
Telephone	-	-	-
Publishing	400	134	(266)
Dues	-	-	-
Permit fees	-	-	-
Uniform Cleaning	-	-	-
Total contractual services	188,340	183,922	(4,418)

Village of Stockton, Illinois

Budgetary Comparison Schedule (continued)

Garbage Fund

For the Year ended April 30, 2022

	Original and Final Budget	Actual	Variance with Final Budget
Operating expenses (continued)			
Commodities:			
Chemicals	-	-	-
Office supplies	750	397	(353)
Gas & oil	-	-	-
Meters	-	-	-
Operating supplies	550	-	(550)
Uniform replacement	-	-	-
Total commodities	1,300	397	(903)
Depreciation	-	3,127	3,127
Total operating expenses	189,640	187,446	(2,194)
Operating income (loss)	(6,400)	(2,240)	4,160
Nonoperating revenue (expenses)			
Miscellaneous revenue	-	16	16
Miscellaneous expense	-	-	-
Interest on cash & deposits	400	364	(36)
Interest on unrestricted cash & deposits	-	-	-
Property taxes	1,000	1,185	185
Revenue bond interest & fees	-	-	-
Rent	10,452	10,452	-
Total nonoperating revenue (expenses)	11,852	12,017	165
Income (loss) before transfers	5,452	9,777	4,325
Capital grants and contributions	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Change in net position	<u>\$ 5,452</u>	9,777	<u>\$ 4,325</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		2,285	
Net position - beginning		114,438	
Net position - ending		<u>\$ 126,500</u>	

See Independent Auditor's Report on Supplementary Information

Village of Stockton, Illinois

Combining Balance Sheet Nonmajor Governmental Funds April 30, 2022

	Total Nonmajor Governmental Funds	Motor Fuel Tax Fund	Emergency Services Fund
Assets			
Cash and deposits	\$ 349,745	\$ 163,613	\$ 2,726
Receivables:			
Property taxes	213,408	-	301
State of Illinois	6,248	6,248	-
Other	29	29	-
Prepays	48,166	-	-
Due from other funds	-	-	-
Total assets	\$ 617,596	\$ 169,890	\$ 3,027
Liabilities			
Accounts payable	\$ 29,229	\$ -	\$ -
Accrued payroll	240	-	-
Total liabilities	\$ 29,469	\$ -	\$ -
Deferred Inflows			
Unavailable grant revenue	\$ 109,393	\$ -	\$ -
Unavailable property taxes	149,840	-	301
Total deferred inflows	259,233	-	301
Fund Balance			
Fund balance			
Restricted	\$ 285,873	\$ 169,890	\$ 2,726
Nonspendable	48,166	-	-
Unassigned	(5,145)	-	-
Total fund balance	328,894	169,890	2,726
Total liabilities and fund balance	\$ 617,596	\$ 169,890	\$ 3,027

See Independent Auditor's Report on Supplementary Information

Audit Fund	Insurance Fund	Social Security Tax Funds	School Crossing Guard Fund	Street Lighting Fund	Community Foundation Grant Fund	Business Development District Fund
\$ -	\$ -	\$ 2,349	\$ -	\$ -	\$ 116,662	\$ 64,395
13,944	70,709	49,791	4,314	10,781	-	63,568
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	48,166	-	-	-	-	-
-	-	-	-	-	-	-
\$ 13,944	\$ 118,875	\$ 52,140	\$ 4,314	\$ 10,781	\$ 116,662	\$ 127,963
\$ -	\$ 283	\$ 5,063	\$ -	\$ 1,908	\$ 7,095	\$ 14,880
-	-	-	240	-	-	-
\$ -	\$ 283	\$ 5,063	\$ 240	\$ 1,908	\$ 7,095	\$ 14,880
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,393	\$ -
13,944	70,709	49,791	4,314	10,781	-	-
13,944	70,709	49,791	4,314	10,781	109,393	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174	\$ 113,083
-	48,166	-	-	-	-	-
-	(283)	(2,714)	(240)	(1,908)	-	-
-	47,883	(2,714)	(240)	(1,908)	174	113,083
\$ 13,944	\$ 118,875	\$ 52,140	\$ 4,314	\$ 10,781	\$ 116,662	\$ 127,963

See Independent Auditor's Report on Supplementary Information

Village of Stockton, Illinois

Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year ended April 30, 2022

	Total Nonmajor Governmental Funds	Motor Fuel Tax Fund	Emergency Services Fund
Revenues			
Local sources - taxes:			
Property taxes	\$ 135,139	\$ -	\$ 299
Intergovernmental - state:			
State motor fuel tax allotments	115,132	115,132	-
Other taxes - Business Development	223,913	-	-
Other local sources:			
Interest earnings	640	410	-
Miscellaneous	7,095	-	-
Total revenues	481,919	115,542	299
Expenditures			
General government	107,144	-	-
Public safety	58,425	-	-
Public works & streets	103,292	74,780	-
Capital outlay	109,395	-	-
Total expenditures	378,256	74,780	-
Excess (deficiency) of revenues over (under) expenditures	103,663	40,762	299
Other financing sources (uses)			
Operating transfers in	54,138	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	54,138	-	-
Net change in fund balance	157,801	40,762	299
Fund balance, beginning of year	171,093	129,128	2,427
Fund balance, end of year	\$ 328,894	\$ 169,890	\$ 2,726

See Independent Auditor's Report on Supplementary Information

Audit Fund	Insurance Fund	Social Security Tax Funds	School Crossing Guard Fund	Street Lighting Fund	Community Foundation Grant Fund	Business Development District Fund
\$ 9,604	\$ 64,988	\$ 46,292	\$ 3,989	\$ 9,967	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	223,913
4	27	19	2	4	174	-
-	-	-	-	-	7,095	-
9,608	65,015	46,311	3,991	9,971	7,269	223,913
18,275	74,304	6,035	-	-	-	8,530
-	-	29,548	7,990	20,887	-	-
-	-	28,512	-	-	-	-
-	-	-	-	-	7,095	102,300
18,275	74,304	64,095	7,990	20,887	7,095	110,830
(8,667)	(9,289)	(17,784)	(3,999)	(10,916)	174	113,083
8,667	13,900	15,070	3,974	12,527	-	-
-	-	-	-	-	-	-
8,667	13,900	15,070	3,974	12,527	-	-
-	4,611	(2,714)	(25)	1,611	174	113,083
-	43,272	-	(215)	(3,519)	-	-
\$ -	\$ 47,883	\$ (2,714)	\$ (240)	\$ (1,908)	\$ 174	\$ 113,083

See Independent Auditor's Report on Supplementary Information

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

To the Board of Trustees
Village of Stockton, Illinois
Stockton, Illinois

We have examined management's assertion of the Village of Stockton'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) during the year ended April 30, 2022. The Village's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the Village's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the management's assertion about compliance with the specified requirements is fairly stated, in all material respects.

An examination involves performing procedures to obtain evidence about where management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depends on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Village's compliance with the specified requirements.

In our opinion, management's assertion that 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) during the year ended April 30, 2022.

This report is intended solely for the information and use of the Village Trustees, management of the Village, the Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

Wipfli LLP

Rockford, Illinois
September 16, 2022