

**Village of Sauk Village,
Illinois**

Annual Financial Report

Year Ended April 30, 2014

Village of Sauk Village, Illinois

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2014

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FINANCIAL SECTION

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the Board of Trustees
Village of Sauk Village, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Sauk Village, Illinois (the Village), as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Village's 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 also includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund and the Firefighters' Pension Fund, which are pension trust funds, included as fiduciary funds in the aggregate remaining fund information, whose accounts are included in the basic financial statements. Total assets, net position, and additions of the Police Pension Fund and the Firefighters' Pension Fund constitute all of the assets, net position, and additions of the fiduciary fund types reported herein, as of and for the year ended April 30, 2014, on pages 17 and 18. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the fiduciary fund types in the Village's basic financial statements, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

To the Honorable Mayor and
Members of the Board of Trustees
Village of Sauk Village, Illinois

Auditors' Responsibility (Continued)

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Sauk Village, Illinois, as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note R-1 to the financial statements, net positions of the business-type activities and the Waterworks Fund (enterprise fund) as of May 1, 2013 have been restated to correct an error in the amount of construction costs capitalized during the fiscal period ended April 30, 2013. Our opinions are not modified with respect to this matter.

As described in Note R-2 to the financial statements, net position of the governmental activities as of May 1, 2013 has been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65). Our opinions are not modified with respect to this matter.

(Continued)

To the Honorable Mayor and
Members of the Board of Trustees
Village of Sauk Village, Illinois

Emphasis of Matters (Continued)

As discussed in Note R-3 to the financial statements, the 2014 financial statements have been restated to correct a misstatement related to the omission of the Police Pension Fund, a fiduciary fund of the Village included in aggregate remaining fund information. Our opinion is not modified with respect to this matter.

As discussed in Note R-4 to the financial statements, the 2014 financial statements have been restated to correct a misstatement to the Village's net pension obligation related to the Police Pension Fund. Our opinion is not modified with respect to this matter.

Other Matters

In our report dated January 16, 2015, we modified our opinion on the aggregate remaining fund information as a result of the misstatement discussed in Note R-3 to the financial statements. Due to the correction of the misstatement, our present opinion on the restated 2014 financial statements, as presented herein, is different from that expressed in our previous report.

In our report dated January 16, 2015, we modified our opinion on governmental activities as a result of the misstatement discussed in Note R-4 to the financial statements. Due to the correction of the misstatement, our present opinion on the restated 2014 financial statements, as presented herein, is different from that expressed in our previous report.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund, Firefighters' Pension Fund, and Police Pension Fund historical data on pages 75 through 77, the other postemployment benefits data on page 78, and the budgetary comparison schedules and notes to the required supplementary information on pages 79 through 80, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 and the other auditors 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.

(Continued)

To the Honorable Mayor and
Members of the Board of Trustees
Village of Sauk Village, Illinois

Other Matters (Continued)

Required Supplementary Information (Continued)

Management has omitted the management's discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Information

Our audit for the year ended April 30, 2014 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The other schedules, listed in the table of contents as other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended April 30, 2014.

(Continued)

To the Honorable Mayor and
Members of the Board of Trustees
Village of Sauk Village, Illinois

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2015 on our consideration of the Village of Sauk Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Sauk Village's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
March 26, 2015

BASIC FINANCIAL STATEMENTS

Village of Sauk Village, Illinois
STATEMENT OF NET POSITION (DEFICIT)
April 30, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current			
Cash and cash equivalents	\$ 1,481,200	\$ -	\$ 1,481,200
Receivables, net of allowances			
Property taxes	1,725,650	-	1,725,650
Intergovernmental	416,799	-	416,799
Charges for services and other	204,565	331,212	535,777
Deposits with paying agent	8,898,525	-	8,898,525
Prepaid items	332,843	-	332,843
Noncurrent			
Internal balances	(143,011)	143,011	-
Land held for resale	1,063,822	-	1,063,822
Capital assets not being depreciated	574,003	829,814	1,403,817
Capital assets, net of accumulated depreciation	11,321,182	2,387,882	13,709,064
	<u>25,875,578</u>	<u>3,691,919</u>	<u>29,567,497</u>
LIABILITIES			
Current			
Accounts payable	880,034	317,098	1,197,132
Accrued payroll	159,869	45,075	204,944
Accrued interest	603,955	1,026	604,981
Insurance premium loan	173,113	-	173,113
Deposits payable	-	163,880	163,880
Due to county government	288,530	-	288,530
Due to Firefighters' Pension Fund	704	-	704
Due to Police Pension Fund	15,682	-	15,682
Noncurrent			
Due within one year	2,996,504	39,043	3,035,547
Due in more than one year	38,572,562	539,487	39,112,049
	<u>43,690,953</u>	<u>1,105,609</u>	<u>44,796,562</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	7,000,580	2,678,209	9,678,789
Restricted by enabling legislation	11,749,887	-	11,749,887
Unrestricted	(36,565,842)	(91,899)	(36,657,741)
	<u>(17,815,375)</u>	<u>2,586,310</u>	<u>(15,229,065)</u>
Total net position (deficit)	\$ <u>(17,815,375)</u>	\$ <u>2,586,310</u>	\$ <u>(15,229,065)</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities			
General government	\$ 2,543,052	\$ 369,528	\$ 29,525
Public safety	4,739,636	470,681	56,877
Public works	636,114	-	549,577
Interest	2,077,356	-	-
	<u>9,996,158</u>	<u>840,209</u>	<u>635,979</u>
Business-type activities			
Waterworks	1,266,029	1,711,773	-
Sewerage	736,359	621,878	-
	<u>2,002,388</u>	<u>2,333,651</u>	<u>-</u>
Total	<u>\$ 11,998,546</u>	<u>\$ 3,173,860</u>	<u>\$ 635,979</u>

General revenues

Taxes

Intergovernmental

Interest

Miscellaneous

Transfers

Total general revenues

Change in net position

Net position (deficit) - beginning
(as restated - see Note R)

Net position (deficit) - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (2,143,999)	\$ -	\$ (2,143,999)
(4,212,078)	-	(4,212,078)
(86,537)	-	(86,537)
<u>(2,077,356)</u>	<u>-</u>	<u>(2,077,356)</u>
<u>(8,519,970)</u>	<u>-</u>	<u>(8,519,970)</u>
-	445,744	445,744
<u>-</u>	<u>(114,481)</u>	<u>(114,481)</u>
<u>-</u>	<u>331,263</u>	<u>331,263</u>
<u>(8,519,970)</u>	<u>331,263</u>	<u>(8,188,707)</u>
7,111,629	-	7,111,629
2,281,964	-	2,281,964
1,459	-	1,459
218,039	582	218,621
<u>(30,000)</u>	<u>30,000</u>	<u>-</u>
<u>9,583,091</u>	<u>30,582</u>	<u>9,613,673</u>
1,063,121	361,845	1,424,966
<u>(18,878,496)</u>	<u>2,224,465</u>	<u>(16,654,031)</u>
<u>\$ (17,815,375)</u>	<u>\$ 2,586,310</u>	<u>\$ (15,229,065)</u>

Village of Sauk Village, Illinois

Governmental Funds

BALANCE SHEET

April 30, 2014

	General Fund	Debt Service Fund	Sauk Pointe Industrial Park Fund	LogistiCenter at Sauk Village Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ -	\$ 326,308	\$ 8,117	\$ -	\$ 1,146,775	\$ 1,481,200
Receivables, net of allowances						
Property taxes	1,364,433	-	-	76,689	284,528	1,725,650
Intergovernmental	397,431	-	-	-	19,368	416,799
Other	173,108	-	-	-	31,457	204,565
Deposits with paying agent	-	8,601,931	-	212,775	83,819	8,898,525
Prepaid items	300,508	-	-	-	32,335	332,843
Advances to other funds	73,930	-	12,609	215,341	1,398,624	1,700,504
Land held for resale	-	-	-	1,063,822	-	1,063,822
Total assets	\$ 2,309,410	\$ 8,928,239	\$ 20,726	\$ 1,568,627	\$ 2,996,906	\$ 15,823,908
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 764,497	\$ -	\$ -	\$ 100	\$ 115,437	\$ 880,034
Accrued payroll	159,293	-	-	-	576	159,869
Advances from other funds	1,428,453	-	215,341	125,791	73,930	1,843,515
Due to county government	288,530	-	-	-	-	288,530
Due to Firefighters' Pension Fund	704	-	-	-	-	704
Other	15,682	-	-	-	-	15,682
Insurance premium loan	173,113	-	-	-	-	173,113
Total liabilities	2,830,272	-	215,341	125,891	189,943	3,361,447
Deferred inflows						
Unavailable property taxes	1,341,940	-	-	-	278,434	1,620,374
Unavailable income taxes	158,793	-	-	-	-	158,793
Total deferred inflows	1,500,733	-	-	-	278,434	1,779,167
Fund balances (deficits)						
Nonspendable						
Deposits with paying agent	-	8,601,931	-	212,775	83,819	8,898,525
Prepaid items	300,508	-	-	-	32,335	332,843
Advances to other funds	73,930	-	12,609	215,341	1,398,624	1,700,504
Land held for resale	-	-	-	1,063,822	-	1,063,822
Restricted						
Railroad noise and safety improvements	244,799	-	-	-	-	244,799
Special revenue purposes	-	-	-	-	558,893	558,893
Debt service	-	326,308	-	-	-	326,308
Capital projects	-	-	-	-	553,096	553,096
Unassigned	(2,640,832)	-	(207,224)	(49,202)	(98,238)	(2,995,496)
Total fund balance (deficit)	(2,021,595)	8,928,239	(194,615)	1,442,736	2,528,529	10,683,294
Total liabilities, deferred inflows, and fund balance	\$ 2,309,410	\$ 8,928,239	\$ 20,726	\$ 1,568,627	\$ 2,996,906	\$ 15,823,908

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Governmental Funds
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION (DEFICIT)
April 30, 2014

Total fund balance - governmental funds \$ 10,683,294

Amounts reported for governmental activities in the statement of net position (deficit) differ from the governmental funds balance sheet because:

Certain revenues that are unearned in the fund financial statements because they are not considered available are recognized as revenue in the government-wide financial statements. 1,779,167

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. 11,895,185

Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. (603,955)

Certain liabilities, including bonds payable, capital leases, premiums on bonds sold, compensated absences, net pension obligations, net other postemployment benefit obligations, and judgment liability, do not require the use of current financial resources and, therefore, are not reported as liabilities in the governmental funds. (41,569,066)

Net position (deficit) - governmental activities \$ (17,815,375)

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)

For the Year Ended April 30, 2014

	General Fund	Debt Service Fund	Sauk Pointe Industrial Park Fund	LogistiCenter at Sauk Village Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 2,478,421	-	\$ 1,018,705	\$ 2,862,453	\$ 759,993	\$ 7,119,572
Licenses and permits	228,192	-	-	-	-	228,192
Charges for services	693,119	-	-	-	86,303	779,422
Utility taxes	-	-	-	-	242,462	242,462
Intergovernmental	1,673,179	-	-	-	569,502	2,242,681
Fines and forfeitures	382,228	-	-	-	-	382,228
Interest	43	508	-	3	905	1,459
Contributions and donations	675	-	-	-	-	675
Miscellaneous	199,643	6	-	-	6,190	205,839
Total revenues	5,655,500	514	1,018,705	2,862,456	1,665,355	11,202,530
Expenditures						
Current						
General government	2,114,497	-	-	111,964	73,742	2,300,203
Public safety	3,795,113	-	-	-	573,285	4,368,398
Public works	165,823	-	-	-	497,951	663,774
Debt service						
Principal	71,385	2,535,000	-	-	64,911	2,671,296
Interest	2,292	1,504,991	-	-	9,995	1,517,278
Total expenditures	6,149,110	4,039,991	-	111,964	1,219,884	11,520,949
Excess (deficiency) of revenues over expenditures	(493,610)	(4,039,477)	1,018,705	2,750,492	445,471	(318,419)
Other financing sources (uses)						
Capital lease proceeds	164,663	-	-	-	-	164,663
Transfers in	386,230	4,352,918	-	-	213,404	4,952,552
Transfers (out)	(689,989)	-	(1,018,705)	(2,577,360)	(696,498)	(4,982,552)
Total other financing sources (uses)	(139,096)	4,352,918	(1,018,705)	(2,577,360)	(483,094)	134,663
Net change in fund balances	(632,706)	313,441	-	173,132	(37,623)	(183,756)
Fund balances (deficits)						
Beginning of year	(1,388,889)	8,614,798	(194,615)	1,269,604	2,566,152	10,867,050
End of year	\$ (2,021,595)	\$ 8,928,239	\$ (194,615)	\$ 1,442,736	\$ 2,528,529	\$ 10,683,294

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO
 THE STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2014

Net change in fund balances - total governmental funds	\$ (183,756)
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Amounts reported for governmental activities in the statement of activities are different because:

Certain revenues that are unearned in the fund financial statements because they are not considered available are recognized as revenue in the government-wide financial statements.	(125,451)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital asset additions.	(157,675)
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Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	22,246
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Premiums on bonds are recorded as other financing sources in the fund financial statements, but the premium is recorded as a liability in the statement of net position that is amortized over the life of the related bonds.	26,208
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds.	<u>1,481,549</u>
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Change in net position - governmental activities	\$ <u><u>1,063,121</u></u>
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The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Enterprise Funds

STATEMENT OF NET POSITION

April 30, 2014

	<u>Waterworks Fund</u>	<u>Sewerage Fund</u>	<u>Total</u>
ASSETS			
Current			
Receivables, net	\$ 234,032	\$ 97,180	\$ 331,212
Total current assets	<u>234,032</u>	<u>97,180</u>	<u>331,212</u>
Noncurrent			
Advances to other funds	94,760	367,117	461,877
Capital assets not being depreciated	829,814	-	829,814
Capital assets, net of accumulated depreciation	<u>1,905,090</u>	<u>482,792</u>	<u>2,387,882</u>
Total noncurrent assets	<u>2,829,664</u>	<u>849,909</u>	<u>3,679,573</u>
Total assets	<u>3,063,696</u>	<u>947,089</u>	<u>4,010,785</u>
LIABILITIES			
Current			
Accounts payable	315,401	1,697	317,098
Accrued payroll	24,754	20,321	45,075
Accrued interest	1,026	-	1,026
Advances from other funds	318,866	-	318,866
Deposits	163,880	-	163,880
Noncurrent			
Due within one year	16,109	22,934	39,043
Due in more than one year	<u>539,487</u>	<u>-</u>	<u>539,487</u>
Total liabilities	<u>1,379,523</u>	<u>44,952</u>	<u>1,424,475</u>
NET POSITION			
Net investment in capital assets	2,195,417	482,792	2,678,209
Unrestricted (deficit)	<u>(511,244)</u>	<u>419,345</u>	<u>(91,899)</u>
Total net position	<u>\$ 1,684,173</u>	<u>\$ 902,137</u>	<u>\$ 2,586,310</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
 Enterprise Funds
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION
For the Year Ended April 30, 2014

	Waterworks Fund	Sewerage Fund	Total
Operating revenues			
Charges for services	\$ 1,700,573	\$ 621,878	\$ 2,322,451
Meter sales	11,200	-	11,200
Miscellaneous	582	-	582
 Total operating revenues	 <u>1,712,355</u>	 <u>621,878</u>	 <u>2,334,233</u>
Operating expenses			
Operations	1,119,993	713,414	1,833,407
Depreciation	146,036	22,945	168,981
 Total operating expenses	 <u>1,266,029</u>	 <u>736,359</u>	 <u>2,002,388</u>
 Operating income (loss)	 <u>446,326</u>	 <u>(114,481)</u>	 <u>331,845</u>
Other financing sources			
Transfers in	15,000	15,000	30,000
 Total other financing sources	 <u>15,000</u>	 <u>15,000</u>	 <u>30,000</u>
 Change in net position	 461,326	 (99,481)	 361,845
Net position			
Beginning of year - as restated (see Note R-1)	<u>1,222,847</u>	<u>1,001,618</u>	<u>2,224,465</u>
 End of year	 <u>\$ 1,684,173</u>	 <u>\$ 902,137</u>	 <u>\$ 2,586,310</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Enterprise Funds

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2014

	Waterworks Fund	Sewerage Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 1,719,926	\$ 623,499	\$ 2,343,425
Cash paid to suppliers	(603,583)	(44,037)	(647,620)
Cash paid to employees	(529,083)	(664,615)	(1,193,698)
Net cash provided by (used in) operating activities	<u>587,260</u>	<u>(85,153)</u>	<u>502,107</u>
Cash flows from noncapital financing activities			
Transfers from other funds	15,000	15,000	30,000
Changes in advances to/from other funds, net	(625,433)	70,153	(555,280)
Net cash provided by (used in) noncapital financing activities	<u>(610,433)</u>	<u>85,153</u>	<u>(525,280)</u>
Cash flows from capital financing activities			
Purchases of capital assets	(516,314)	-	(516,314)
Proceeds from IEPA loan	539,487	-	539,487
Net cash provided by capital financing activities	<u>23,173</u>	<u>-</u>	<u>23,173</u>
Net change in cash and cash equivalents	-	-	-
Cash and cash equivalents			
Beginning of year	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
 Enterprise Funds
 STATEMENT OF CASH FLOWS (Continued)
For the Year Ended April 30, 2014

	<u>Waterworks Fund</u>	<u>Sewerage Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 446,326	\$ (114,481)	\$ 331,845
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	146,036	22,945	168,981
Decrease in assets			
Receivables	7,689	1,621	9,310
Increase (decrease) in liabilities			
Accounts payable	(20,334)	(6,394)	(26,728)
Accrued payroll	4,613	3,789	8,402
Accrued interest	1,026	-	1,026
Compensated absences	1,440	7,367	8,807
Deposits	464	-	464
Net cash provided by (used in) operating activities	<u>\$ 587,260</u>	<u>\$ (85,153)</u>	<u>\$ 502,107</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Fiduciary Funds

STATEMENT OF NET POSITION

April 30, 2014

	Police Pension Fund	Firefighters' Pension Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,256,109	\$ 22,111	\$ 1,278,220
Investments	4,516,831	147,360	4,664,191
Accrued interest	16,105	802	16,907
Due from Village	15,682	704	16,386
	<u>5,804,727</u>	<u>170,977</u>	<u>5,975,704</u>
NET POSITION			
Held in trust for pension benefits	\$ <u>5,804,727</u>	\$ <u>170,977</u>	\$ <u>5,975,704</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Fiduciary Funds
STATEMENT OF CHANGES IN PLAN NET POSITION
For the Year Ended April 30, 2014

	Police Pension Fund	Firefighters' Pension Fund	Total
Additions			
Contributions			
Employer	\$ 191,246	\$ 12,946	\$ 204,192
Members	156,367	4,939	161,306
Total contributions	347,613	17,885	365,498
Investment income	395,987	4,131	400,118
Less investment expenses	(21,782)	(692)	(22,474)
Net investment income	374,205	3,439	377,644
Total additions	721,818	21,324	743,142
Deductions			
Benefits			
Administrative expense	482,235	-	482,235
	28,331	6,579	34,910
Total deductions	510,566	6,579	517,145
Change in net position	211,252	14,745	225,997
Net position held in trust for pension benefits			
Beginning of year	5,593,475	156,232	5,749,707
End of year	\$ 5,804,727	\$ 170,977	\$ 5,975,704

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
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April 30, 2014

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Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Sauk Village (the "Village") was incorporated in 1957. The Village is located in Cook County, Illinois, with a small portion located in Will County, Illinois. The Village operates under the mayor-trustee form of government. The Village Board consists of a mayor and six elected members that exercise all powers of the Village but are accountable to their constituents for their actions. The Village provides the following services as authorized by its charter: public safety (police, fire, civil defense and emergency), highways and streets, parks and playgrounds, sanitation, water and sewer, public improvements, planning and zoning, and general administrative services.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the Village's significant accounting policies:

1. **Reporting Entity**

As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials, of the primary government, are financially accountable. Financial accountability is defined as:

- a. Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- b. Fiscal dependency on the primary government.

Based on the above criteria, the Village does not have any component units. Additionally, the Village is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. New Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65), which was implemented by the Village during the fiscal year ended April 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in limiting the use of the term "deferred" in financial statement presentations.

Specific changes to the Village's financial statements relate to the following: unearned and unavailable property taxes and income taxes, and bond issuance costs. Unearned property taxes and income taxes are now reported as deferred inflows of unavailable revenues, rather than as liabilities. This reclassification for reporting purposes had no impact on the net position of the Village. Bond issuance costs are no longer considered an asset and are expensed in the year the costs are incurred. See Note R-2 for an explanation of the restatement relating to bond issuance costs.

3. Government-wide and Fund Financial Statements

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. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of net position presents the Village's non-fiduciary assets and liabilities with the difference reported as net position in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net positions arise when constraints placed on the use of net position are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-wide and Fund Financial Statements (Continued)

Unrestricted net position consist of net positions that do not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

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

Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds, that are aggregated in the fund financial statements, are reported separately in the other supplementary information.

4. Basis of Presentation - Fund Accounting

The accounts of the Village are organized on the basis of funds, which are considered as separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, revenues, and expenditures/expenses. The Village's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into generic fund types and broad fund categories as follows:

a. Governmental Fund Types

Governmental funds are those through which governmental functions of the Village are financed. The Village's expendable financial resources (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon the determination of changes in financial position, rather than upon net income determination. The following are the Village's governmental fund types:

- i. 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 another fund. Its primary revenue sources include property taxes and intergovernmental revenues.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Presentation - Fund Accounting (Continued)

a. Governmental Fund Types (Continued)

- ii. *Special revenue funds* are used to account for the proceeds of specific revenue sources (other than debt service or capital projects) that are legally restricted to expenditures for specified purposes. The Village's special revenue funds are the Fire Protection, Motor Fuel Tax, Emergency Telephone System, Police Seizure, Working Cash, and Railroad Noise Mitigation Funds. The primary revenue sources include property taxes and intergovernmental revenues.
- iii. *Debt service funds* are used to account for the accumulation of resources for debt service payments. The Village's debt service funds are the Debt Service, Sauk Pointe Industrial Park, and Logisticenter at Sauk Village Funds. The primary revenue and other financing sources include property taxes and transfers from other funds.
- iv. *Capital projects funds* are used to account for the use of resources for capital improvements. The Village's capital projects funds are the Utility Tax, Community Development Block Grant, Sauk Plaza Redevelopment Plan, SurreyBrook Plaza, and Municipal Building Funds. The primary revenue and financing sources include property taxes, utility taxes, intergovernmental revenues, bond proceeds, and transfers from other funds.

b. Proprietary Fund Types

Proprietary funds are used to account for the Village's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income.

- i. *Enterprise funds* are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Village's enterprise funds are the Waterworks and Sewerage Funds.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Presentation - Fund Accounting (Continued)

c. Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

- i. *Pension trust funds* are used to account for the Village's public safety employee pension funds. The Police Pension Fund and the Firefighters' Pension Fund are the Village's pension trust funds.

5. Fund Balance

The governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as deposits with paying agent, prepaid expenditures, advances to other funds, or land held for resale.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision making authority (the Village Board). The Village Board commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the Village removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. At April 30, 2014, the Village had no committed fund balances.
- d. *Assigned* - refers to amounts that are constrained by the Village's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Trustees or the individual the Village Board delegates the authority to assign amounts to be used for specific purposes. The Village Board has not delegated this authority as of April 30, 2014. At April 30, 2014, the Village had no assigned fund balances.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Fund Balance (Continued)

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally they act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal period for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements, imposed by the provider, have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers all governmental fund revenues as available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All taxes are reported as general revenues.

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

The Village reports unearned/unavailable revenue on its financial statements. Unearned/unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the unearned/unavailable revenue is removed from the balance sheet and revenue is recognized.

The fiduciary fund statements are reported using the accrual basis of accounting.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Village reports the following major governmental funds:

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

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The *Sauk Pointe Industrial Park Fund* is a debt service fund which accounts for the revenue generated from the tax incremental finance (TIF) district for office and light manufacturing development.

The *Logisticenter at Sauk Village Fund* is a debt service fund which accounts for the revenue generated from the TIF district to finance the first phase development and construction of a one hundred and fifty-acre intermodal transportation facility.

The Village reports the following major proprietary funds:

The *Waterworks Fund* accounts for the provision of potable water services to the residents of the Village. All activities necessary to provide such services are accounted for in this Fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

The *Sewerage Fund* accounts for the provision of sewerage services to the residents of the Village. All activities necessary to provide such services are accounted for in this Fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise 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 Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to future periods. At April 30, 2014, the Village has no deferred outflows of resources. In addition to liabilities, the Village may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At April 30, 2014, the Village's unavailable property taxes and income taxes are reported as deferred inflows of resources.

8. Cash Equivalents

The Village considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

9. Receivables

The recognition of receivables associated with nonexchange transactions is as follows:

- Derived tax receivables (such as sales, income, and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government mandates or voluntary nonexchange transaction receivables, such as grants, are recognized when all eligibility requirements have been met.

10. Investments

Investments are stated at fair value. Due to the nature of the Village, Police, and Firefighters' pension trust funds' investments, fair value approximates cost. Gains and losses on the sale of investments are recorded as interest income, at the date of sale or maturity.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Prepaid Items

Prepaid items are recorded at cost and amortized over the terms of the underlying agreements. Reported prepaid expenditures are equally offset by nonspendable portions of fund balance, which indicate that they do not constitute "available spendable resources" even though they are a component of current assets. Prepaid items are accounted for using the consumption method; that is, they are recognized as an expenditure as they are used.

12. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered, and for lending/borrowing purposes. These receivables and payables are classified as "due from/to other funds" (the current portion of interfund transactions) or "advance from/to other fund" (the noncurrent portion of interfund transactions) on the fund balance sheets.

Advances between funds are offset by a nonspendable fund balance, in applicable governmental funds, to indicate that they are not available for appropriation and are not expendable, available financial resources.

13. Land Held for Resale

The Village values its land held for resale at the lower of cost or market.

14. Capital Assets

Capital assets, which include buildings, machinery and equipment, vehicles, and infrastructure assets (e.g. roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial individual cost of more than \$5,000 for machinery and equipment, \$25,000 for property and buildings, and \$50,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value, at the date of donation.

Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset, are capitalized. The costs of normal maintenance and repairs, that do not add to the value of the asset or materially extend assets' lives, are not capitalized.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Capital Assets (Continued)

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Buildings and improvements	20 - 40
Waterworks and sewerage systems	10 - 40
Machinery and equipment	5 - 25
Vehicles	4 - 15
Water meters	10 - 20
Infrastructure	15 - 40

Construction in progress is stated at cost and includes engineering, design, and legal costs incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and put in use.

15. Compensated Absences

Accumulated vacation and sick leave that are expected to be liquidated with expendable, available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay them, typically the General Fund. Accumulated vacation and sick leave that are not expected to be liquidated with expendable, available financial resources are reported as long-term debt on the government-wide statement of net position. Accumulated vacation and sick leave of the proprietary funds are recorded as expenses and liabilities of that fund, as the benefits accrue to employees.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period in which the bonds are issued.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance cost and losses on refunding are reported as debt service expenditures.

17. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position (Deficit)

The governmental funds balance sheet includes a reconciliation between fund balance – governmental funds and net position (deficit) – governmental activities as reported in the government-wide statement of net position (deficit).

One element of that reconciliation explains that “Certain liabilities do not require the use of current financial resources and, therefore, are not reported as liabilities in the governmental funds.” The details of this difference are as follows:

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position (Deficit) (Continued)

Alternate revenue bonds payable	\$ 37,198,555
General obligation bonds payable	370,000
Capital leases payable	259,514
Premiums on bonds sold	397,032
Compensated absences payable	148,820
Net pension obligations	
IMRF	131,891
Police	2,223,534
Firefighters'	85,459
Net other postemployment benefit obligation	652,567
Judgment liability	<u>101,694</u>
 Net total long-term liabilities not reported in governmental funds	 \$ <u><u>41,569,066</u></u>

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position - governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 499,173
Depreciation expense	<u>(656,848)</u>
 Net total amount by which depreciation expense exceeded capital outlay	 \$ <u><u>(157,675)</u></u>

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
 (Continued)

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this difference are as follows:

Interest accreted - capital appreciation bonds	\$ (608,532)
Principal payments on alternate revenue bonds	2,480,000
Principal payments on general obligation bonds	55,000
Proceeds from capital lease	(164,663)
Principal payments on capital leases	136,296
Net increases in net pension obligations	
IMRF	(30,974)
Police	(300,373)
Firefighters'	(11,324)
Net increase in other postemployment benefits obligation	(139,957)
Net increase in compensated absences	(2,729)
Net decrease in judgment liability	<u>68,805</u>
 Net changes in current financial resources	 <u><u>\$ 1,481,549</u></u>

NOTE C - DEPOSITS AND INVESTMENTS

1. Village Deposits and Investments

At April 30, 2014, the Village's cash and cash equivalents, excluding the pension trust funds, consisted of the following:

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 1,481,200	\$ -	\$ 1,481,200

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Village Deposits and Investments (Continued)

For disclosure purposes, this amount is segregated into three components, as follows:

	<u>Total</u>
Cash on hand	\$ 1,800
Deposits with financial institutions	924,079
Illinois Funds	<u>555,321</u>
	<u>\$ 1,481,200</u>

Deposits with Financial Institutions

The Village maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is included in cash and cash equivalents on the governmental funds balance sheet or the enterprise funds statement of net position. In addition, deposits are separately held by several of the Village's funds.

Custodial risk for deposits with financial institutions is the risk that, in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. At April 30, 2014, the carrying amount of the Village's deposits was \$924,079 with bank balances totaling \$1,324,740. At April 30, 2014, all of the Village's deposits were insured or collateralized.

Investments

The Village's investment policy, which is consistent with state statutes, authorizes the Village to invest in deposits in interest-bearing savings accounts, interest-bearing certificates of deposits or interest-bearing time deposits, insured savings and loan institutions, the Illinois Funds, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations, obligations of the U.S. Treasury and U.S. Agencies, or other securities guaranteed by the full faith and credit of the United States of America. The investment policy limits the Village's deposits to financial institutions that are members of the FDIC system.

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments in The Illinois Funds are valued at The Illinois Fund's share price, the price for which the investment could be sold.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Village Deposits and Investments (Continued)

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not specifically address credit risk. As of April 30, 2014 the Illinois Funds Money Market Fund was rated AAAM by Standard & Poor's.

Concentration of credit risk - In the case of deposits, this is the risk that, in the event of a bank failure, the entity's deposits may not be returned to it. The Village's investment policy does not restrict the amount of investments in any one issuer. The Illinois Funds Money Market Fund is not subject to concentration of credit risk.

Custodial credit risk - for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. The Village's investment policy does not specifically address custodial credit risk. The Illinois Funds Money Market Fund is not subject to custodial credit risk.

2. Pension Deposits, Investments, and Concentrations

a. Firefighters' Pension Fund

The deposits and investments of the Firefighters' Pension Fund (the pension fund) are held separately from those of other Village funds.

Statutes and the pension fund's investment policy authorize the pension fund to make deposits or invest in interest-bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the state of Illinois, to the extent that the deposits are insured by agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Money Market Fund, or by banks, their subsidiaries, or holding companies, in accordance with the laws of the state of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the state of Illinois; and direct obligations of the State of Israel.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

2. Pension Deposits, Investments, and Concentrations (Continued)

a. Firefighters' Pension Fund (Continued)

Also authorized are deposits or investments in money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; separate accounts of life insurance companies and mutual funds - the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the pension fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension funds with net positions of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension funds with net position of at least \$5 million that have appointed an investment advisor may, through that investment advisor, invest up to forty-five percent of the plan's net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net positions of at least \$10 million that have appointed an investment advisor may invest up to fifty-five percent of their plan net position in common and preferred stocks and mutual funds that meet specific restrictions.

i. Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits and investments - At April 30, 2014, the carrying amount of the Firefighters' Pension Fund's deposits totaled \$22,111, and the bank balances totaled \$22,111. At April 30, 2014, the pension fund had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities - in Years		
		Less than 1	1-5	6-10
U.S. Treasuries	\$ 65,245	\$ 10,017	\$ 40,463	\$ 14,765
U.S. Agencies	47,581	5,070	37,706	4,805
Corporate Bonds	15,259	-	15,259	-
Equity Mutual Funds	19,275	19,275	-	-
	<u>\$ 147,360</u>	<u>\$ 34,362</u>	<u>\$ 93,428</u>	<u>\$ 19,570</u>

Interest rate risk - In accordance with the pension fund's investment policy, the pension fund limits its exposure to interest rate risk by structuring the portfolios to provide liquidity, while at the same time matching investment maturities to projected fund liabilities.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

2. Pension Deposits, Investments, and Concentrations (Continued)

a. Firefighters' Pension Fund (Continued)

i. Credit Risk, Custodial Credit Risk, and Concentration Risk (Continued)

Credit risk - The pension fund limits its exposure to credit risk by primarily investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the United States government. The pension fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. government agencies were rated AAA by Standard and Poor's or by Moody's, and corporate bonds were rated from A- to AA by Standard and Poor's. Besides investing in securities issued by agencies of the United States government, the pension fund has no other formal policy for reducing credit risk.

Custodial credit risk - Deposits - At April 30, 2014, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The pension fund's investment policy states that deposits in excess of federally insured limits in financial institutions will be required to be secured by some form of collateral. The pension fund will accept the following as collateral: U.S. Treasuries, Notes and Bonds, and U.S. agencies. The amount of collateral provided will not be less than 110% of the fair market value of the pension fund's uninsured deposits.

Custodial credit risk - Investments Money market mutual funds, and equity mutual funds are not subject to custodial credit risk. At April 30, 2014, the U.S. Government agency securities and the corporate bonds are held by the counterparty in the trust department. The pension fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the pension fund, to act as custodian for its securities and collateral.

Concentration of credit risk - This is the risk of loss attributed to the magnitude of the pension fund's investment in a single issuer. The pension fund's investment policy requires diversification of the total fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. Diversification is to be interpreted to include diversification by asset type, by characteristic, and by number of investments. Asset allocation guidelines are addressed by the pension fund's investment policy upon the Plan reaching \$2.5 million in total assets. Other than U.S. government-guaranteed obligations, at April 30, 2014, the pension fund had over 5% of plan net position invested in various mutual funds. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and are backed by the issuing organization. Although agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have an implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

2. Pension Deposits, Investments, and Concentrations (Continued)

b. Police Pension Fund

The deposits and investments of the Police Pension Fund (the pension fund) are held separately from those of other Village funds.

Deposits Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Police Pension Fund's deposits might not be recovered. The Police Pension Fund does not have a deposit policy for custodial credit risk. As of April 30, 2014, the Police Pension Fund's bank balances were fully covered by federal depository insurance.

Investments As of April 30, 2014, the Police Pension Fund had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighed Average Years to Maturity (2)</u>
Corporate bonds	\$ 390,521	Aa3 - Baa1/AA+ - BBB+	2.47
Equities	444,536	N/A	N/A
Mutual funds	1,786,893	N/A	N/A
U.S. government agency notes	839,503	Aaa/AA+	1.66
U.S. Treasury notes	<u>1,055,378</u>	Aaa/AA+	3.19
 Total	 <u>\$ 4,516,831</u>		

(1) Ratings are provided where applicable to indicate associated *Credit Risk*. N/A indicates not applicable. Ratings are for Moody's and S&P, respectively.

(2) *Interest Rate Risk* is estimated using weighted average years to maturity.

The Police Pension Fund's investments are subject to the following risks:

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Police Pension Fund does not have an investment policy for this risk.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

2. Pension Deposits, Investments, and Concentrations (Continued)

b. Police Pension Fund (Continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension Fund's investment program is derived from the terms and provisions of the Illinois Pension Code (40 ILCS 5/1-113) which allow investment in instruments of the United States of America or its agencies, savings accounts, certificates of deposit, public treasurers' pools, interest bearing bonds of any county, township or municipal corporation, mutual funds, certain short-term obligations of U.S. corporations, common stocks, and general or separate accounts of life insurance companies authorized to transact business in Illinois.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Police Pension Fund's investment in a single issuer. The Police Pension Fund does not have an investment policy for this risk.

NOTE D - PROPERTY TAXES

Property taxes for the 2013 tax year attach, as an enforceable lien, on January 1, 2013 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal period (by passage of a tax levy ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1, 2014 and August 1, 2014. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3% of the tax levy to reflect actual collection experience. That portion of the 2013 levy property tax receivable which is not collected within 60 days after year-end is not considered a current financial resource and is, therefore, recorded as unavailable property tax revenue.

NOTE E - DEPOSITS WITH PAYING AGENT

The Village maintains deposits with the paying agent for the payment of principal and interest maturities on its tax increment financing (TIF) and other bonded debt, TIF redevelopment project costs, reserve and redemption, and for certain other purposes, in accordance with the requirements set forth by the respective bond ordinances. As of April 30, 2014, deposits with paying agent totaling \$8,898,525 were invested in the Goldman Sachs Financial Square Federal Fund, a money market portfolio that comprises U.S. Government and U.S. Treasury securities. The Fund was rated AAAM by Standard & Poor's and Aaa-mf by Moody's as of April 30, 2014.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2014 was as follows:

1. Governmental Activities

	<u>Balance</u> <u>May 1, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>April 30, 2014</u>
Capital assets not being depreciated				
Land	\$ 574,003	\$ -	\$ -	\$ 574,003
Capital assets being depreciated				
Buildings	7,505,200	-	-	7,505,200
Machinery and equipment	2,041,823	8,700	-	2,050,523
Vehicles	3,585,251	215,080	-	3,800,331
Infrastructure	35,539,497	275,393	-	35,814,890
Total capital assets being depreciated	<u>48,671,771</u>	<u>499,173</u>	<u>-</u>	<u>49,170,944</u>
Less accumulated depreciation for				
Buildings	1,919,382	193,898	-	2,113,280
Machinery and equipment	1,948,031	62,799	-	2,010,830
Vehicles	2,490,904	197,439	-	2,688,343
Infrastructure	30,834,597	202,712	-	31,037,309
Total accumulated depreciation	<u>37,192,914</u>	<u>656,848</u>	<u>-</u>	<u>37,849,762</u>
Total capital assets, being depreciated, net	<u>11,478,857</u>	<u>(157,675)</u>	<u>-</u>	<u>11,321,182</u>
Governmental activities capital assets, net	<u>\$ 12,052,860</u>	<u>\$ (157,675)</u>	<u>\$ -</u>	<u>\$ 11,895,185</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE F - CAPITAL ASSETS (Continued)

2. Business-Type Activities

	Balance May 1, 2013 As Restated - See Note R-1	Additions	Disposals	Balance April 30, 2014
Capital assets not being depreciated				
Land	\$ 7,500	\$ 6,000	\$ -	\$ 13,500
Construction in progress	306,000	510,314	-	816,314
	<u>313,500</u>	<u>516,314</u>	<u>-</u>	<u>829,814</u>
Capital assets, being depreciated				
Buildings	51,117	-	-	51,117
Waterworks and sewerage system	6,820,994	-	-	6,820,994
Machinery and equipment	706,503	-	-	706,503
Vehicles	469,211	-	-	469,211
Water meters	644,961	-	-	644,961
	<u>8,692,786</u>	<u>-</u>	<u>-</u>	<u>8,692,786</u>
Less accumulated depreciation for				
Buildings	49,535	316	-	49,851
Waterworks and sewerage system	4,456,650	132,653	-	4,589,303
Machinery and equipment	524,543	28,765	-	553,308
Vehicles	469,211	-	-	469,211
Water meters	635,984	7,247	-	643,231
	<u>6,135,923</u>	<u>168,981</u>	<u>-</u>	<u>6,304,904</u>
Total capital assets, being depreciated, net	<u>2,556,863</u>	<u>(168,981)</u>	<u>-</u>	<u>2,387,882</u>
Business-type activities, capital assets, net	<u>\$ 2,870,363</u>	<u>\$ 347,333</u>	<u>\$ -</u>	<u>\$ 3,217,696</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE F - CAPITAL ASSETS (Continued)

3. Depreciation Expense

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

Governmental activities:	
General government	\$ 146,694
Public safety	262,421
Public works	<u>247,733</u>
Total depreciation expense - governmental activities	<u><u>\$ 656,848</u></u>
Business – type activities:	
Waterworks	\$ 146,036
Sewerage	<u>22,945</u>
Total depreciation expense - business-type activities	<u><u>\$ 168,981</u></u>

NOTE G - INTERFUND TRANSACTIONS

1. Interfund Advances

	<u>Advances to</u>	<u>Advances from</u>
General		
Sauk Pointe Industrial Park	\$ -	\$ 12,609
Nonmajor governmental	73,930	1,272,833
Waterworks	-	94,760
Sewerage	<u>-</u>	<u>48,251</u>
Total General	<u>73,930</u>	<u>1,428,453</u>
Sauk Pointe Industrial Park		
General	12,609	-
Logisticcenter at Sauk Village	<u>-</u>	<u>215,341</u>
Total Sauk Pointe Industrial Park	<u>12,609</u>	<u>215,341</u>

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE G - INTERFUND TRANSACTIONS (Continued)

1. Interfund Advances (Continued)

	<u>Advances to</u>	<u>Advances from</u>
Logisticenter at Sauk Village		
Sauk Pointe Industrial Park	\$ 215,341	\$ -
Nonmajor governmental	<u>-</u>	<u>125,791</u>
Total Logisticenter at Sauk Village	<u>215,341</u>	<u>125,791</u>
Nonmajor governmental		
General	1,272,833	73,930
Logisticenter at Sauk Village	<u>125,791</u>	<u>-</u>
Total nonmajor governmental	<u>1,398,624</u>	<u>73,930</u>
Total governmental funds	<u>1,700,504</u>	<u>1,843,515</u>
Waterworks		
General	94,760	-
Sewerage	<u>-</u>	<u>318,866</u>
Total Waterworks	<u>94,760</u>	<u>318,866</u>
Sewerage		
General	48,251	-
Waterworks	<u>318,866</u>	<u>-</u>
Total Sewerage	<u>367,117</u>	<u>-</u>
Total enterprise funds	<u>461,877</u>	<u>318,866</u>
Total all funds	2,162,381	2,162,381
Less amounts eliminated during GASB 34 conversion	<u>(2,019,370)</u>	<u>(2,019,370)</u>
Total government-wide internal balances	<u>\$ 143,011</u>	<u>\$ 143,011</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE G - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers

	Transfers in	Transfers out
General		
Logisticcenter at Sauk Village	\$ 161,230	\$ -
Debt Service	-	689,989
Nonmajor Governmental	225,000	-
Total General	386,230	689,989
Debt Service		
General	689,989	
Sauk Pointe Industrial Park	1,018,705	-
Logisticcenter at Sauk Village	2,416,130	-
Nonmajor Governmental	228,094	-
Total Debt Service	4,352,918	-
Sauk Pointe Industrial Park		
Debt Service	-	1,018,705
Total Sauk Pointe Industrial Park	-	1,018,705
Logisticcenter at Sauk Village		
General	-	161,230
Debt Service	-	2,416,130
Total Logisticcenter at Sauk Village	-	2,577,360
Nonmajor governmental		
General	-	225,000
Debt Service	-	228,094
Nonmajor governmental	213,404	213,404
Waterworks	-	15,000
Sewerage	-	15,000
Total nonmajor governmental	213,404	696,498

(Continued)

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE G - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers (Continued)

	<u>Transfers in</u>	<u>Transfers out</u>
Total governmental funds	\$ 4,952,552	\$ 4,982,552
Waterworks		
Nonmajor governmental	<u>15,000</u>	<u>-</u>
Total Waterworks	<u>15,000</u>	<u>-</u>
Sewerage		
Nonmajor governmental	<u>15,000</u>	<u>-</u>
Total Sewerage	<u>15,000</u>	<u>-</u>
Total enterprise funds	<u>30,000</u>	<u>-</u>
Total all funds	4,982,552	4,982,552
Less amounts eliminated during GASB 34 conversion	<u>(4,952,552)</u>	<u>(4,952,552)</u>
Total government-wide transfers	<u>\$ 30,000</u>	<u>\$ 30,000</u>

NOTE H - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; natural disasters; employee health; and injuries to the Village's employees. The Village has purchased private commercial liability and health insurance coverage to manage these risks. The Village also participates in the Illinois Public Risk Fund, a self-insured pool for workers' compensation coverage which has in excess of 500 member entities. Settled claims have not exceeded the coverages in the current or preceding three fiscal periods.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE I - INSURANCE PREMIUM LOAN

In March 2014, the Village entered into a loan agreement with a third party finance company, to finance premium payments on certain insurance policies. The agreement requires monthly payments of \$19,731, including interest at 6.15%, through January 2015.

The following is a summary of the Village's insurance premium loan activity, recorded in the General Fund, for the year ended April 30, 2014:

	<u>Balance</u> <u>May 1, 2013</u>	<u>Additions/</u> <u>Accretion</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
Insurance premium loan	\$ -	\$ 191,861	\$ 18,748	\$ 173,113	\$ 173,113

NOTE J - LONG-TERM LIABILITIES

1. Changes in Long-Term Liabilities

The following is a summary of the Village's long-term liability balances and transactions associated with governmental activities, for the year ended April 30, 2014:

	<u>Balance</u> <u>May 1, 2013</u>	<u>Additions/</u> <u>Accretion</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
Alternate revenue bonds	\$ 39,070,023	\$ 608,532	\$ 2,480,000	\$ 37,198,555	\$ 2,558,888
General obligation bonds	425,000	-	55,000	370,000	55,000
Unamortized bond premium	423,240	-	26,208	397,032	26,208
Capital leases	231,147	164,663	136,296	259,514	105,894
Compensated absences	146,091	202,486	199,757	148,820	148,820
Judgment liability	170,499	61,000	129,805	101,694	101,694
Net OPEB obligation	512,610	264,611	124,654	652,567	-
Net pension obligations					
IMRF	100,917	216,871	185,897	131,891	-
Police	1,923,161	491,619	191,246	2,223,534	-
Firefighters'	74,135	23,777	12,453	85,459	-
Total governmental activities	\$ 43,076,823	\$ 2,033,559	\$ 3,541,316	\$ 41,569,066	\$ 2,996,504

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE J - LONG-TERM LIABILITIES (Continued)

1. Changes in Long-Term Liabilities (Continued)

The following is a summary of the Village's long-term liability balances and transactions associated with business-type activities, for the year ended April 30, 2014:

	<u>Balance</u> <u>May 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
Illinois EPA loan	\$ -	\$ 539,487	\$ -	\$ 539,487	\$ -
Compensated absences	<u>30,236</u>	<u>52,332</u>	<u>43,525</u>	<u>39,043</u>	<u>39,043</u>
	<u>\$ 30,236</u>	<u>\$ 591,819</u>	<u>\$ 43,525</u>	<u>\$ 578,530</u>	<u>\$ 39,043</u>

2. Long-Term Debt - Terms and Maturities

Alternate revenue bonds payable at April 30, 2014 are comprised of the following individual issues:

\$9,755,000 general obligation tax increment refunding bonds (alternate revenue source) series 2002A, payable in annual installments ranging from \$650,000 to \$1,055,000 through December 1, 2021, with a final installment of \$1,145,000 due on June 1, 2022; interest is payable on June 1 and December 1 at rates ranging from 5.00% to 5.35%.	\$ 7,850,000
\$4,999,356 general obligation capital appreciation bonds (tax increment alternate revenue source) series 2002B, payable in annual installments ranging from \$865,000 to \$1,405,000 through December 1, 2021, with a final installment of \$1,460,000 due on June 1, 2022. Interest rates ranging from 5.25% to 5.95%. Interest accreted through April 30, 2014 totaled \$3,629,595.	7,719,022
\$5,201,610 general obligation capital appreciation (alternate revenue) bonds series 2007A, payable in annual installments ranging from \$685,000 to \$690,000 through December 1, 2018. Interest rates ranging from 4.10% to 4.30%. Interest accreted through April 30, 2014 totaled \$717,621.	3,039,533
\$1,405,000 general obligation (alternate revenue) bonds series 2007B, payable in annual installments ranging from \$45,000 to \$140,000 through December 1, 2027; interest is payable on June 1 and December 1 at rates ranging from 3.95% to 5.00%.	1,205,000

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE J - LONG-TERM LIABILITIES (Continued)

2. Long-Term Debt - Terms and Maturities (Continued)

\$810,000 general obligation (alternate revenue) bonds series 2007C, payable in annual installments ranging from \$25,000 to \$80,000 through December 1, 2027; interest is payable June 1 and December 1 at rates ranging from 3.90% to 5.00%.	\$ 695,000
\$9,500,000 general obligation bonds (alternate revenue source) series 2008, payable in annual installments ranging from \$150,000 to \$1,470,000 through December 1, 2028; interest is payable June 1 and December 1 at rates ranging from 5.40% to 7.25%.	9,180,000
\$8,000,000 general obligation tax increment bonds (alternate revenue source) series 2009, payable in annual installments ranging from \$60,000 to \$1,105,000 through December 1, 2028, with a final installment of \$985,000 due on April 1, 2029; interest is payable semiannually through December 1, 2028 at rates ranging from 4.30% to 7.50%, with a final payment due on April 1, 2029 at 4.75%.	<u>7,510,000</u>
Total alternate revenue bonds	<u>\$ 37,198,555</u>

General obligation bonds payable at April 30, 2014 are comprised of the following individual issue:

\$574,000 general obligation working cash bonds series 2010, payable in annual installments ranging from \$55,000 to \$70,000 through February 1, 2020; interest is payable on February 1 and August 1 at rates ranging from 4.10% to 5.00%.	<u>\$ 370,000</u>
	<u>\$ 37,568,555</u>

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE J - LONG-TERM LIABILITIES (Continued)

2. Long-Term Debt - Terms and Maturities (Continued)

The future requirements to retire the alternate revenue and general obligation bonds outstanding, as of April 30, 2014 are as follows:

Year Ending April 30,	Principal	Interest	Total
2015	\$ 2,613,888	\$ 1,514,902	\$ 4,128,790
2016	2,733,316	1,524,478	4,257,794
2017	2,737,412	1,531,512	4,268,924
2018	2,719,771	1,545,299	4,265,070
2019	2,822,840	1,564,462	4,387,302
2020-2024	11,686,328	6,509,005	18,195,333
2025-2029	<u>12,255,000</u>	<u>2,073,346</u>	<u>14,328,346</u>
	<u>\$ 37,568,555</u>	<u>\$ 16,263,004</u>	<u>\$ 53,831,559</u>

The details of the Illinois EPA loan payable as of April 30, 2014 are as follows:

\$539,487 Illinois Environmental Protection Agency Public Water Supply Loan, payable in semiannual installments following completion of the related project, beginning August 1, 2015 and ending February 1, 2035, including interest at 1.995%. Subsequent to April 30, 2014, the Governor of Illinois announced funding for the project under the *Illinois Jobs Now!* capital construction program, which the Village expects will result in the forgiveness of all principal and interest maturities on the loan.

\$ 539,487

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE J - LONG-TERM LIABILITIES (Continued)

3. Bond Ordinance Compliance

In accordance with the applicable bond ordinances, the Village is required to maintain certain minimum balances in deposits with the paying agent, for debt service and other purposes. For the year ended April 30, 2014, due to a shortfall in pledged revenues for debt service on the 2007A, 2007B, and 2007C bonds, deposits held for the purpose of making the scheduled principal and interest payments on those bonds were insufficient to meet the applicable bond ordinance coverage requirements. Accordingly, supplemental transfers were made from other revenue sources of the Village. All principal and interest maturities were paid as scheduled.

4. Revenues Pledged for Debt Service

The Village has issued alternate revenue bonded debt over several years to be paid by pledged revenue sources. These pledges will remain until all of the associated bonds are retired. The amounts of the pledges remaining, as of April 30, 2014, are as follows:

<u>Debt Issue</u>	<u>Pledged Revenue Source</u>	<u>Pledge Remaining</u>	<u>Commitment End Date</u>
2002A & 2002B	TIF revenue - LogistiCenter TIF	\$ 20,354,113	6/1/22
2007A	Impact fees/property taxes	3,440,000	12/1/18
2007B	911 and wireless surcharges - ETS Fund	1,698,038	12/1/27
2007C	Property taxes - Fire Protection Fund	991,965	12/1/27
2008	TIF revenue - LogistiCenter TIF	15,364,808	12/1/28
2009	TIF revenue - LogistiCenter TIF	11,547,083	4/1/29

The secured debt was issued to provide improvements to the tax increment financing districts and roads of the Village, upgrade the Village's 911 system, purchase a fire truck, build a new Village Hall, and reimburse a developer for TIF-related expenditures.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE J - LONG-TERM LIABILITIES (Continued)

4. Revenues Pledged for Debt Service (Continued)

A comparison of the pledged revenues collected and the related principal and interest expenditure for the year ended April 30, 2014 is as follows:

<u>Debt Issue</u>	<u>Pledged Revenue Source</u>	<u>Pledged Revenues</u>	<u>Principal and Interest Retired</u>	<u>Percentage of Pledged Revenue Used</u>
2002A&B, 2008, and 2009	TIF revenue	\$ 2,862,453	\$ 3,121,891	109.06%
2007A	Impact fees	-	690,000	N/A
2007B	911/wireless surcharge	54,911	95,195	173.36%
2007C	Property taxes	496,217	58,220	11.73%

In accordance with the respective bond ordinances, supplemental transfers were made for debt service purposes, from the Sauk Pointe Industrial Park Fund and general revenues of the Village, to provide for the shortfalls in pledged TIF revenues, impact fees, and telecommunications surcharges.

5. Capital Lease Obligations

The Village leases a street sweeper under a capital lease, which expired in January 2014. The annual lease payments, including interest at 4.89%, were \$28,044. The original cost of the leased asset, \$146,785, and accumulated depreciation, \$146,785, as of April 30, 2014 are included under vehicles in the governmental activities capital assets.

The Village leases a fire pumper under a capital lease, which expires in February 2016. The annual lease payments, including interest at 4.89%, are \$74,907. The original cost of the leased asset, \$451,000, and accumulated depreciation, \$150,333, as of April 30, 2014 are included under vehicles in the governmental activities capital assets.

The Village also leases six police vehicles under a capital lease, which expire in October 2016. The annual lease payments, including interest at 5.70%, are \$44,649. The original cost of the leased assets, \$164,663, and accumulated depreciation, \$41,166, as of April 30, 2014 are included under vehicles in the governmental activities capital assets.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE J - LONG-TERM LIABILITIES (Continued)

5. Capital Lease Obligations (Continued)

Minimum future lease payments are as follows:

Years Ending April 30,		
2015	\$	119,557
2016		119,557
2017		44,649
Total minimum lease payments		283,763
Less amount representing interest		24,249
Present value of minimum lease payments		259,514
Less current portion		105,894
Long-term portion	\$	153,620

6. Judgment Liability

There are several pending lawsuits in which the Village is involved. The Village has accrued \$101,694, at April 30, 2014, in the governmental activities statement of net position, related to settlement payments that occurred subsequent to April 30, 2014. Management believes that all other potential claims against the Village that are not accrued at April 30, 2014 and are not covered by insurance would not have a materially adverse effect on the Village's financial position.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE K - RESTRICTIONS OF NET POSITION

The government-wide statement of net position reports net position restricted by enabling legislation, which consist of the following:

<u>Net position restricted for:</u>	<u>Amount</u>
Road improvements	\$ 206,113
Public safety	905,936
Debt service	
Tax incremental financing	10,311,530
Other	<u>326,308</u>
 Total net position restricted by enabling legislation	 \$ <u><u>11,749,887</u></u>

NOTE L - FUND BALANCES RESTRICTED FOR SPECIAL REVENUE PURPOSES

The governmental funds balance sheet reports fund balances restricted for special revenue purposes, which consist of the following:

<u>Fund balance restricted for:</u>	<u>Amount</u>
Fire protection	\$ 532,575
Police seizure	15,106
Working cash	<u>11,212</u>
 Total fund balance restricted for special revenue purposes	 \$ <u><u>558,893</u></u>

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE M - NONSPENDABLE FUND BALANCES - DEPOSITS WITH PAYING AGENT

The governmental funds balance sheet reports nonspendable fund balances for deposits with paying agent, which are not spendable resources. The details of those balances are as follows:

Tax incremental financing districts - Incremental tax revenues, generated by the Village's TIF districts, and collected by Cook County Treasurer/Collector, are remitted directly by the County Treasurer/Collector to accounts held in the Village's name at Amalgamated Bank of Chicago, the trustee and paying agent. Upon receipt of any incremental tax revenues, the trustee/paying agent directs the funds to the following accounts:

Bond Funds - used to accumulate amounts sufficient for payment of principal, interest and premium, if any, on the Parity Bonds and other additional bonds, if any. Amounts deposited into the Bond Funds should be used solely and only for such purposes until the bonds have been paid in full. If the amount in the Bond Funds at a specified date are less than the debt service requirements, as defined, the Trustee/Paying Agent shall replenish any deficiency by immediately withdrawing funds first from the Reserve and Redemption Fund and then the General Account. As of April 30, 2014, \$2,912,092 was held for the 2002A and 2002B bonds, \$715,936 was held for the 2008 bonds, and \$1,276,988 was held for the 2009 bonds. \$ 4,905,016

Reserve and Redemption Fund - used to hold amounts in excess of the sum of the debt service requirements, as defined, and program expenses for each bond year. Provided the ratio of the amount held in the Reserve and Redemption Fund, as of a specified date, is equal to or greater than 125% of the average annual debt service requirements or such higher amount that may be designated from time to time, the Trustee/Paying Agent may transfer any excess amount to the General Account. 3,696,912

General Account - may be distributed upon the request of the Village for the following purposes; 1) to purchase, redeem or defease the Parity Bonds, 2) to pay, reimburse or provide for payment of redevelopment costs or any expenditure permitted under the Tax Increment Financing Act or 3) to distribute surplus funds to taxing districts as defined by the Tax Increment Financing Act. 105,739

Administrative Expense and Prior Note Fund - used to make payments for certain eligible redevelopment project costs. If, as of a specified date, the amount in the Bond Fund equals or exceeds debt service requirements, as defined, the Trustee/Paying Agent, within 10 days thereafter, shall deposit into this account annually an amount not to exceed \$250,000. 107,036

Total amounts nonspendable in relation to tax incremental financing districts 8,814,703

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE M - NONSPENDABLE FUND BALANCES - DEPOSITS WITH PAYING AGENT (Continued)

Nonspendable in relation to other long-term obligations:

Deposits with paying agent for debt service

Series 2007A bonds	\$	3
Series 2007B bonds		26,808
Series 2007C bonds		16,123
Series 2010 bonds		<u>40,888</u>
Total nonspendable	\$	<u><u>8,898,525</u></u>

NOTE N - DEFICIT FUND BALANCES

At April 30, 2014, the following funds have deficit fund balances:

Fund	Deficit
General	\$ (2,021,595)
Sauk Pointe Industrial Park Fund	(194,615)
Nonmajor	
Motor Fuel Tax	(18,887)
Emergency Telephone System	(303)
Railroad Noise Mitigation	(4,055)
Municipal Building	(13,043)

The Village's management expects to fund these deficits through future operating revenues.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS

1. Illinois Municipal Retirement Fund

a. Plan Description

The Village's defined benefit pension plan for regular and Sheriff's Law Enforcement Personnel (SLEP) employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The Village plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent, multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

b. Funding Policy

As set by state statute, the Village's regular and SLEP plan members are required to contribute 4.5% and 7.5%, respectively, of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rates for calendar year 2013 used by the Village were 13.73% and 0.00% of annual covered payroll for regular and SLEP employees, respectively. The Village's annual required contribution rates for calendar year 2013 were 15.79% and 13.77%, for regular and SLEP employees, respectively. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

c. Fiscal IMRF Pension Cost and Net IMRF Pension Obligation

The Village's annual IMRF pension cost is calculated based on the annual required contribution (ARC) of the Village. The following table shows the components of the Village's annual IMRF pension cost, the amount actually contributed to the plan, and changes in the Village's net IMRF pension obligation, for the year ended April 30, 2014.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS (Continued)

1. Illinois Municipal Retirement Fund (Continued)

c. Fiscal IMRF Pension Cost and Net IMRF Pension Obligation (Continued)

	Regular Employees	SLEP Employees
Annual required contribution	\$ 205,318	\$ -
Interest on net IMRF pension obligation	8,259	-
Adjustment to annual required contribution	3,294	-
Annual IMRF cost	216,871	-
Contributions made	185,897	-
Increase in IMRF pension obligation	30,974	-
Net IMRF pension obligation, at May 1, 2013	100,917	-
Net IMRF pension obligation, at April 30, 2014	\$ 131,891	\$ -

d. Annual Pension Cost

For the year ended April 30, 2014, the Village's actual contributions for pension cost were \$185,897 and \$0 for regular and SLEP employees, respectively. Its required contributions were \$205,318 and \$0, respectively.

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the Village's regular and SLEP plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS (Continued)

1. Illinois Municipal Retirement Fund (Continued)

d. Annual Pension Cost (Continued)

Trend Information				
<u>Regular Employees</u>				
Period Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
4/30/14	\$ 216,871	86%	\$	131,891
4/30/13	88,746	93%		100,917
10/31/12	182,819	82%		94,589
<u>SLEP Employees</u>				
Period Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
04/30/14	\$ -	0%	\$	-
04/30/13	-	0%		-
10/31/12	-	0%		-

e. Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the regular and SLEP plans were 61.71 percent and 101.80 percent funded, respectively. The actuarial accrued liabilities for benefits were \$2,649,136 and \$107,680, and the actuarial values of assets were \$1,634,780 and \$109,621 for the regular and SLEP plans, respectively, resulting in an underfunded actuarial accrued liability (UAAL) for the regular plan of \$1,014,356 and an overfunded actuarial accrued liability (OAAL) for the SLEP plan of \$1,941. The covered payrolls for calendar year 2013 (annual payroll of active employees covered by the plans) were \$1,328,725 and \$0 for the regular and SLEP plans, respectively, and the ratio of the UAAL to the covered payroll was 76 percent for the regular plan. There is no ratio of the OAAL to the covered payroll for the SLEP plan.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan

a. Plan Description

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn fire personnel. The Firefighters' Pension Plan provides retirement, disability, and death benefits, as well as automatic annual cost of living adjustments, to plan members and their beneficiaries. Plan members are required to contribute 9.455% of their annual covered payroll. The Village is required to contribute at an actuarially determined rate. Although this is a single-employer pension plan, the defined benefits and contribution requirements of the plan members and the Village are governed by Illinois State Statutes and may only be amended by the Illinois legislature. Administrative costs are financed through investment earnings.

At April 30, 2014, the Firefighters' Pension Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	-
Deferred plan members	2
Active plan members	-
	<hr/>
Total plan membership	<u>2</u>

The following is a summary of the Firefighters' Pension Plan as provided in Illinois State Statutes:

The Firefighters' Pension Plan provides retirement benefits through two tiers as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or more with 20 or more years of creditable service, are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held at the date of retirement.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

a. Plan Description (Continued)

The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a firefighter hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement, and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a firefighter hired on or after January 1, 2011 shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or 1/2 of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040, the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded.

b. Summary of Significant Accounting Policies and Plan Asset Matters

i. Reporting Entity

The Firefighters' Pension Fund is a pension trust fund of the Village of Sauk Village, Illinois. The decision to include the Firefighters' Pension Fund in the Village's reporting entity was made based upon the significance of the operational or financial relationship with the Village.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

i. Reporting Entity (Continued)

The Village's fire employees participate in the Firefighters Pension Employees' Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board: two members appointed by the Village's Mayor, one elected pension beneficiary, and two elected firefighter employees constitute the pension board. The Village and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels.

The Firefighters' Pension Plan issues its own financial report and required supplementary information. That report may be obtained by writing to the Village of Sauk Village, 21801 Torrence Avenue, Sauk Village, Illinois 60411.

ii. Basis of Presentation

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

iii. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded. *Basis of accounting* refers to when transactions are recorded, regardless of the measurement focus applied.

Measurement focus. Pension trust funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of changes in net position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Pension trust fund equity is classified as net position.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

iii. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting. The accrual basis of accounting is utilized by pension trust funds. Under this method, additions to net position are recorded when earned and deductions from net position are recorded when the time-related liabilities/deferred inflows are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

iv. Investments

Firefighters' Pension Fund investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market, if any, are reported at estimated fair value.

v. Receivables

Firefighters' Pension Fund receivables consist of all revenues earned at year-end and not yet received. The major receivable balance for the Firefighters' Pension Fund is accrued interest from cash and investments.

vi. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds of the Village for goods provided or services rendered. These receivables that relate to the Firefighters' Pension Fund are classified as "Due from Village" on the statement of net position.

c. Funding Policy and Annual Pension Cost

The Village's payroll for employees covered by the Firefighters' Pension Plan for the year ended April 30, 2013 (the period covered by the most recent actuarial valuation) was \$60,570.

For the year ended April 30, 2014, the Village's estimated annual pension cost was \$23,777. Actual contributions made by the Village were \$12,453. The estimated annual pension cost presented was determined based on the actuarial valuation as of May 1, 2013, the most recent actuarial information available.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

c. Funding Policy and Annual Pension Cost (Continued)

Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry age normal; the amortization method was level percent of pay, closed, and the amortization period was 28 years; the asset valuation method was a market value method; and the significant actuarial assumptions were an investment rate of return at 5.0%, compounded annually which includes a 3.0% inflation factor, a projected salary increase assumption range of 4.0% compounded annually, which includes a 3.0% inflation factor, and cost-of-living adjustments of 3.0%, compounded annually.

The Village's net pension obligation as of April 30, 2014, and its annual pension cost for the year then ended, for the Firefighters' Pension Fund, were estimated based on the fund's most recent actuarial valuation (year ended April 30, 2013) and are as follows:

Annual required contribution	\$	22,270
Interest on net pension obligation		3,811
Adjustment to annual required contribution		<u>(2,304)</u>
Annual pension cost		23,777
Contributions made		<u>12,453</u>
Increase in net pension obligation		11,324
Net pension obligation as of May 1, 2013		<u>74,135</u>
Net pension obligation as of April 30, 2014	\$	<u><u>85,459</u></u>

d. Three-Year Trend Information

<u>Period</u> <u>Ended</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
4/30/2014	\$ 23,777	52.4%	\$ 85,459
4/30/2013	23,777	17.2	74,135
10/31/2012	33,790	7.1	101,149

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS (Continued)

3. Police Pension Plan

a. Plan Description

Police sworn personnel are covered by the Sauk Village Police Pension Fund, Illinois Pension Plan, which is a defined benefit single-employer pension plan administered by the Sauk Village Police Pension Fund Board. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40ILCS 5 / Article 3) and may be amended only by the Illinois legislature.

At May 1, 2011 (the most current information available), the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	9
Terminated plan members entitled to but not yet receiving benefits	5
Active plan members	<u>24</u>
Total plan membership	<u><u>38</u></u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries.

Plan members attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Members with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service. Surviving spouses receive the greater of 50% of final salary or the member's retirement benefits. Members disabled in the line of duty receive 65% of final salary.

The monthly pension of a member who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3% of the amount of the pension payable at the time of the increase.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS (Continued)

3. Police Pension Plan (Continued)

a. Plan Description (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer' salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the annual change in the Consumer Price Index or 3%. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 10 years of service may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or one-half of the change in the Consumer Price Index for the preceding calendar year.

Plan members are required to contribute 9.91% of their annual covered payroll. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Administrative costs of the Police Pension Plan are financed through investment earnings.

b. Summary of Significant Accounting Policies and Plan Asset Matters

i. Reporting Entity

The Police Pension Fund is a pension trust fund of the Village of Sauk Village, Illinois. The decision to include the Police Pension Fund in the Village's reporting entity was made based upon the significance of the operational or financial relationship with the Village.

The Police Pension Plan issues its own financial report and required supplementary information. That report may be obtained by writing to the Village of Sauk Village, 21801 Torrence Avenue, Sauk Village, Illinois 60411.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS (Continued)

3. Police Pension Plan (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

ii. Basis of Presentation

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Police Department.

iii. Measurement Focus and Basis of Accounting

The Police Pension Fund is accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. Member contributions are recognized in the year in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

iv. Investments

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount which reasonably estimates fair value.

v. Receivables

Police Pension Fund receivables consist of all revenues earned at year-end and not yet received. The major receivable balance for the Police Pension Fund is accrued interest from cash and investments.

vi. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds of the Village for goods provided or services rendered. These receivables that relate to the Police Pension Fund are classified as "Due from Village" on the fiduciary funds statement of net position.

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS (Continued)

3. Police Pension Plan (Continued)

c. Funding Policy and Annual Pension Cost

The Village's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2011 (the period covered by the most recent actuarial valuation) was \$1,473,410.

For the year ended April 30, 2014, the Village's estimated annual pension cost was \$491,619. Actual contributions made by the Village were \$191,246. The estimated annual pension cost presented was determined based on the actuarial valuation as of May 1, 2011, the most recent actuarial information available.

Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry age normal; the amortization method was level percent of pay, closed, and the amortization period was 22 years; the asset valuation method was a market value method; and the significant actuarial assumptions were an investment rate of return at 7.0%, compounded annually which includes a 3.0% inflation factor, a projected salary increase assumption range of 5.5% compounded annually, which includes a 3.0% inflation factor and cost-of-living adjustments.

The Village's net pension obligation as of April 30, 2014, and its annual pension cost for the year then ended, for the Police Pension Fund, were estimated based on the fund's most recent actuarial valuation (May 1, 2011) and are as follows:

Annual required contribution	\$	447,444
Interest on net pension obligation		131,443
Adjustment to annual required contribution		<u>(87,268)</u>
Annual pension cost		491,619
Contributions made		<u>191,246</u>
Increase in net pension obligation		300,373
Net pension obligation as of May 1, 2013		<u>1,923,161</u>
Net pension obligation as of April 30, 2014	\$	<u><u>2,223,534</u></u>

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE O - DEFINED BENEFIT PENSION PLANS (Continued)

3. Police Pension Plan (Continued)

d. Three-Year Trend Information

<u>Period Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
4/30/2014	\$ 491,619	38.9%	\$ 2,223,534
4/30/2013	240,346	32.8	1,923,161
10/31/2012	480,691	39.7	1,764,570

e. Funded Status and Funding Progress

As of May 1, 2011, the most recent actuarial valuation date, the Police Pension Plan was 54.40 percent funded. The actuarial accrued liability for benefits was \$9,884,581 and the actuarial value of assets was \$5,377,178, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,507,404. The covered payroll (annual payroll of active employees covered by the plan) was \$1,473,410 and the ratio of the UAAL to the covered payroll was 305.9 percent.

The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE P - OTHER POSTEMPLOYMENT BENEFITS

1. Plan Description

The Village Board provides postretirement health insurance benefits, as per the requirements of a local ordinance, for all employees who retire from the Village on or after attaining age 55 (age 50 for police officers) with at least 10 years of service, until the retiree reaches the age of 65. As of November 1, 2012, the most recent actuarial valuation date, nine retirees had met those eligibility requirements.

For regular employees who began full-time employment prior to May 14, 1991, and police officers who began full-time employment prior to October 15, 1999, the Village pays the following percentage of the monthly premium, based on the number of years of service, until the retiree becomes eligible for Medicare:

Length of Service	Premiums Paid by Village
10 to 15 years	50%
15 to 20 years	75%
20 years or more	100%

For regular employees who began full-time employment on or after May 14, 1991, and police officers who began full-time employment on or after October 15, 1999, the Village pays the following percentage of the monthly premium, based on the number of years of service, until the retiree becomes eligible for Medicare:

Length of Service	Premiums Paid by Village
10 to 20 years	0%
20 to 25 years	50%
25 to 30 years	75%
30 years or more	100%

2. Funding Policy

The contribution requirements of the plan members and the Village are established and may be amended by the Village Board and are detailed in the "Plan Document". The required contribution is based on projected pay-as-you-go financing requirements. For the year ended April 30, 2014, the Village contributed \$124,654 to the Plan. Plan members receiving benefits were not required to make any contributions during the same period.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Annual OPEB Cost and Net OPEB Obligation

The Village's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's estimated annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's estimated net OPEB obligation to the retiree health plan:

Annual required contribution	\$	238,980
Interest on net OPEB obligation		25,631
Adjustment to annual required contribution		-
Annual OPEB cost		264,611
Contributions made		124,654
Increase in net OPEB obligation		139,957
Net OPEB obligation, May 1, 2013		512,610
Net OPEB obligation, April 30, 2014	\$	652,567

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended April 30, 2014 and the two preceding fiscal years were as follows:

		Annual OPEB Cost	Percentage Annual OPEB Cost Contributed		Net OPEB Obligation
Period Ended		Cost	Contributed		Obligation
4/30/2014	\$	264,611	47.1%	\$	652,567
4/30/2013		122,743	50.8		512,610
10/31/2012		299,407	49.6		452,194

4. Funding Status and Funding Progress

As of November 1, 2012 (the most recent actuarial valuation date), the Plan was 0% funded. The actuarial accrued liability for benefits was \$2,445,957, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,445,957.

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

4. Funding Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

5. Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Contribution rates:	
Village	N/A
Plan members	0.00%
Actuarial valuation date	November 1, 2012
Actuarial cost method	Entry age normal
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases	5.00%
Healthcare inflation rate	8.00% initial 6.00% ultimate

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

5. Methods and Assumptions (Continued)

Mortality, Turnover, Disability, Retirement Ages	Same rate utilized for IMRF, Police and Firefighter Pension Funds
Percentage of active employees assumed to elect benefit	100%
Employer provided benefit	Explicit: 100% of single premium to age 65
	Implicit: 40% of premium to age 65

*Includes inflation at 3.00%

NOTE Q - CONTINGENCIES AND COMMITMENTS

1. Water Treatment System

In 2009, chemical contamination was detected in groundwater affecting one of the Village's three supply wells. The well was taken out of service in 2009 and has remained out of service since that time. Under state legislation that became effective in 2010, the Village was required to develop a plan to remedy the contamination issue at the closed well site. Temporary treatment units were installed at the Village's two operational well sites, and the Village secured financing to construct permanent improvements to its treatment facilities, as further described in Note J-2, above.

The Village has a contract for the construction of the improvements to the water treatment facilities. The Village's commitment under this contract was approximately \$3,665,000 as of April 30, 2014.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures which may be disallowed by the grantor cannot be determined at this time, although the Village expects such amounts, if any, to be immaterial.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

NOTE R - RESTATEMENTS

Prior Period Adjustments

1. Construction in Progress

During the fiscal period ended April 30, 2013, the Village expensed, in the Business-Type Activities and the Waterworks Fund, certain design engineering costs relating to the water treatment system improvements, which were required under GAAP to be capitalized as construction in progress. As a result of this error, net positions of the Business-Type Activities and the Waterworks Fund as of May 1, 2013 were restated and increased \$306,000.

2. Bond Issuance Costs

The implementation of GASB 65 (Note A-2) required that bond issuance costs be expensed in the year incurred. As a result of this implementation, net position of the Governmental Activities as of May 1, 2013 was restated and decreased \$1,065,644.

Current Period Adjustments

3. Police Pension Fund

In our report dated January 16, 2015, we modified our opinion on the aggregate remaining fund information as the Police Pension Fund, a fiduciary fund of the Village, was omitted from the Village's financial statements and notes. Subsequent to January 16, 2015, the audited financial statements of the Police Pension Fund were made available and applicable fiduciary fund information has been properly included in the accompanying financial statements, notes, and required supplementary information.

4. Police Pension Fund Net Pension Obligation

In our report dated January 16, 2015, we modified our opinion on the governmental activities' financial statements as we were unable to obtain appropriate audit evidence for the net police pension obligation of \$2,251,645. Subsequent to January 16, 2015, additional information was obtained and the net police pension obligation was restated to \$2,223,534. As a result of this restatement, the Village's net deficit decreased \$28,111 from \$15,257,176 to \$15,229,065.

NOTE S - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 26, 2015, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than as described in Note J-2 above, have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Village of Sauk Village, Illinois
 Illinois Municipal Retirement Fund
 SCHEDULES OF FUNDING PROGRESS
April 30, 2014

Regular Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 1,634,780	\$ 2,649,136	\$ 1,014,356	61.71 %	\$ 1,328,725	76.34 %
12/31/12	1,310,732	2,586,143	1,275,411	50.68	1,318,986	96.70
12/31/11	1,348,475	2,842,679	1,494,204	47.44	1,165,547	128.20

On a market value basis, the actuarial value of assets as of December 31, 2013 was \$2,391,468. On a market basis, the funded ratio would be 90.27%

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

SLEP Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Overfunded AAL (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	OAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 109,621	\$ 107,680	\$ (1,941)	101.80 %	\$ -	N/A %
12/31/12	102,737	97,257	(5,480)	105.63	-	N/A
12/31/11	96,967	87,833	(9,134)	110.40	-	N/A

On a market value basis, the actuarial value of assets as of December 31, 2013 was \$121,264. On a market basis, the funded ratio would be 112.62%

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Village of Sauk Village, Illinois
 Firefighters' Pension Fund
 SCHEDULE OF FUNDING PROGRESS
April 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/13	\$ 156,232	\$ 480,147	\$ 323,915	32.54%	\$ 60,570	534.78 %
4/30/12	N/A	N/A	N/A	N/A	N/A	N/A
4/30/11	146,209	324,628	178,419	45.04%	60,498	294.92
4/30/10	N/A	N/A	N/A	N/A	N/A	N/A
4/30/09	108,511	208,209	99,698	52.12%	137,297	72.61

Source: Actuarial valuations and the required supplementary information presented in the separate Firefighters' Pension Fund financial statements as of and for the year ended April 30, 2013.

N/A - No actuarial valuation was performed for the years ended April 30, 2008, 2010, 2012, or 2014. The plan is required to have an actuarial valuation performed biennially.

The information presented above is the most recent information available.

Village of Sauk Village, Illinois
 Police Pension Fund
 SCHEDULE OF FUNDING PROGRESS
April 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
5/1/11	\$ 5,377,178	\$ 9,884,581	\$ 4,507,403	54.40%	\$ 1,473,410	305.92 %
5/1/09	4,277,100	8,508,959	4,231,859	50.27%	1,442,117	293.45
5/1/07	4,956,107	7,345,490	2,389,383	67.47%	1,183,499	201.89

Source: Actuarial valuations and the required supplementary information presented in the separate Police Pension Fund financial statements as of and for the year ended April 30, 2014.

Note: No actuarial valuation was performed for the years ended April 30, 2008, 2010, 2012, 2013, or 2014. The plan is required to have an actuarial valuation performed biennially.

The information presented above is the most recent information available.

Village of Sauk Village, Illinois
 Other Postemployment Benefits
 SCHEDULE OF FUNDING PROGRESS
April 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/31/12	\$ N/A	\$ 2,445,957	\$ 2,445,957	0.0 %	\$ N/A	N/A %
10/31/11 *	N/A	2,823,887	2,823,887	0.0	N/A	N/A
10/31/10	N/A	2,823,887	2,823,887	0.0	N/A	N/A

N/A - Not Available

* Estimated

Actuarial valuations are required to be performed biennially. No valuation was performed as of October 31, 2011; Accordingly, funding progress information as of that date has been estimated.

The information presented above is the most recent available.

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND DEFICIT - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 2,543,884	\$ 2,478,421	\$ (65,463)
Licenses and permits	185,100	228,192	43,092
Charges for services	626,100	693,119	67,019
Intergovernmental	1,503,738	1,673,179	169,441
Fines and forfeitures	280,000	382,228	102,228
Interest	-	43	43
Contributions and donations	-	675	675
Miscellaneous	77,500	199,643	122,143
Total revenues	<u>5,216,322</u>	<u>5,655,500</u>	<u>439,178</u>
Expenditures			
Current			
General government	1,678,072	2,114,497	436,425
Public safety	3,103,540	3,795,113	691,573
Public works	107,415	165,823	58,408
Debt service			
Principal	26,736	71,385	44,649
Interest	1,314	2,292	978
Total expenditures	<u>4,917,077</u>	<u>6,149,110</u>	<u>1,232,033</u>
Deficiency of revenues over expenditures	<u>299,245</u>	<u>(493,610)</u>	<u>(792,855)</u>
Other financing sources (uses)			
Capital lease proceeds	-	164,663	164,663
Transfers in	394,205	386,230	(7,975)
Transfers out	(690,000)	(689,989)	11
Total other financing sources (uses)	<u>(295,795)</u>	<u>(139,096)</u>	<u>156,699</u>
Net change in fund balance	<u>\$ 3,450</u>	<u>(632,706)</u>	<u>\$ (636,156)</u>
Fund deficit			
Beginning of year		<u>(1,388,889)</u>	
End of year		<u>\$ (2,021,595)</u>	

Village of Sauk Village, Illinois
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2014

NOTE A - BUDGETARY DATA

The Village prepares its appropriation ordinance in accordance with generally accepted accounting principles. Appropriations were adopted for the General Fund, Debt Service Fund, Waterworks Fund, Sewerage Fund, Fire Protection Fund, Motor Fuel Tax Fund, Emergency Telephone System Fund, Police Seizure Fund, Working Cash Fund, Utility Tax Fund, Community Development Block Grant Fund, Railroad Noise Mitigation Fund, and the SurreyBrook Plaza Fund. Annual appropriations lapse at year-end. The Village did not prepare an appropriation for fiscal year 2014 for the Sauk Pointe Industrial Park Fund, LogistiCenter at Sauk Village Fund, Municipal Building Fund or the Sauk Plaza Redevelopment Plan Fund.

1. Within ninety days of the start of the fiscal period, the annual appropriation ordinance is presented for adoption by the Village Board. This ordinance appropriates such sums of money as are deemed necessary to defray all necessary expenses and liabilities of the Village. The ordinance also specifies the objects and purposes for which these appropriations are made and the amount appropriated for each.
2. Prior to the adoption of the appropriation ordinance, the Village makes the proposed ordinance conveniently available to public inspection and holds at least one public hearing subsequent to published notice.
3. Subsequent to the public hearing and before final action is taken on the appropriation ordinance, the Village Board may revise, alter, increase, or decrease the items contained therein.
4. Final action to adopt the appropriation, for the year ended April 30, 2014, was taken by the Village Board on July 9, 2013.
5. The Board may subsequently transfer appropriated amounts to other appropriations, but may not increase overall appropriation of an individual fund without the passage of a supplemental appropriation.
6. The legal level of budgetary control is at the fund level.

NOTE B - EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds had an excess of expenditures over appropriations for the year ended April 30, 2014:

<u>Fund</u>	<u>Variance</u>
General	\$ 1,232,033
Fire Protection	84,542
Motor Fuel Tax	130,701
Utility Tax	3,344
SurreyBrook Plaza	398
Sewerage	169,527

OTHER SUPPLEMENTARY INFORMATION

Village of Sauk Village, Illinois
 General Fund
 SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
 For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 2,543,884	\$ 2,478,421	\$ (65,463)
Licenses and permits			
Business licenses	33,000	75,044	42,044
Liquor licenses	6,400	6,500	100
Vending machine licenses	500	2,830	2,330
Vehicle licenses	113,000	109,803	(3,197)
Animal licenses	1,100	2,159	1,059
Building permits	12,500	10,821	(1,679)
Other permits and licenses	2,100	1,335	(765)
Building occupation and inspection	16,500	19,700	3,200
Total licenses and permits	185,100	228,192	43,092
Charges for services			
Utility tax	530,000	549,633	19,633
Cable TV franchise fees	42,000	85,716	43,716
Police reports	3,500	2,150	(1,350)
Garbage collection fee	35,000	22,195	(12,805)
Rental income	12,600	24,599	11,999
Other	3,000	8,826	5,826
Total charges for services	626,100	693,119	67,019

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues (Continued)			
Intergovernmental			
Replacement taxes	\$ 17,200	\$ 32,431	\$ 15,231
State income taxes	958,538	1,120,815	162,277
Municipal sales taxes	445,000	454,131	9,131
Welch Park donations	-	2,670	2,670
COPS grant	82,000	7,232	(74,768)
Other state grants	-	25,950	25,950
Youth access to tobacco	1,000	1,100	100
Parks and playgrounds	-	13,000	13,000
Other	-	15,850	15,850
	<u>1,503,738</u>	<u>1,673,179</u>	<u>169,441</u>
Fines and forfeitures			
Police fines	100,000	115,193	15,193
Administrative court	30,000	2,200	(27,800)
Tow release fines	150,000	264,205	114,205
Other fees	-	630	630
	<u>280,000</u>	<u>382,228</u>	<u>102,228</u>
Total fines and forfeitures			
Interest	-	43	43
Contributions and donations	-	675	675
Miscellaneous	77,500	199,643	122,143
Total revenues	<u>\$ 5,216,322</u>	<u>\$ 5,655,500</u>	<u>\$ 439,178</u>

(Concluded)

Village of Sauk Village, Illinois
 General Fund
 SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures			
General government			
Finance and administration			
Regular employee wages	\$ 132,634	\$ 154,503	\$ 21,869
Fringe benefits	68,235	67,084	(1,151)
Office supplies	7,500	6,086	(1,414)
Vehicle expense	3,000	3,484	484
Uniforms and clothing	800	247	(553)
Computer software supplies	7,500	2,540	(4,960)
Other materials and supplies	-	845	845
Telephone	6,500	8,868	2,368
Postage	5,000	2,729	(2,271)
Insurance	557,000	751,866	194,866
Printing	3,000	7,325	4,325
Equipment repair and maintenance	4,000	3,611	(389)
Professional development	1,000	-	(1,000)
Publications and memberships	500	375	(125)
Professional services	535,000	703,923	168,923
Computer contractual services	10,000	12,932	2,932
Public information	750	1,022	272
Other contractual services	30,000	152,488	122,488
Refunds	100,000	19,165	(80,835)
Office equipment and furniture	-	4,690	4,690
Total finance and administration	<u>1,472,419</u>	<u>1,903,783</u>	<u>431,364</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
General government (Continued)			
Elected officials			
Public official wages	\$ 88,000	\$ 83,240	\$ (4,760)
Fringe benefits	6,732	6,368	(364)
Telephone	2,500	1,705	(795)
Printing	8,000	4,627	(3,373)
Publications and memberships	10,000	24,231	14,231
Public information	-	260	260
Human relations commission	-	35	35
Beautification/improvement commission	500	(326)	(826)
Fire and police commission	4,000	7,748	3,748
Public relations committee	300	573	273
Intergovernmental relations committee	500	182	(318)
Neighborhood watch committee	500	(27)	(527)
Police alliance committee	500	-	(500)
Senior citizens committee	500	1,387	887
Other contractual services	-	1,450	1,450
	<hr/>	<hr/>	<hr/>
Total elected officials	122,032	131,453	9,421
	<hr/>	<hr/>	<hr/>
Community development			
Regular employee wages	50,544	50,544	-
Fringe benefits	33,077	28,717	(4,360)
	<hr/>	<hr/>	<hr/>
Total community development	83,621	79,261	(4,360)
	<hr/>	<hr/>	<hr/>
Total general government	1,678,072	2,114,497	436,425
	<hr/>	<hr/>	<hr/>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

Expenditures (Continued)	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Public safety			
Police department			
Employee wages	\$ 1,543,434	\$ 1,568,932	\$ 25,498
Part-time wages	6,000	6,200	200
Overtime	160,000	271,945	111,945
Fringe benefits	554,283	571,413	17,130
Pension contributions	-	191,212	191,212
Office supplies	2,500	5,536	3,036
Vehicle expense	55,492	88,363	32,871
Uniforms and clothing	61,476	41,042	(20,434)
Facility maintenance supplies	3,000	325	(2,675)
Operating supplies	5,619	16,738	11,119
Computer software supplies	9,576	4,202	(5,374)
Tools and equipment	1,500	5,613	4,113
Construction supplies	500	-	(500)
Other materials and supplies	500	-	(500)
Telephone	36,909	36,908	(1)
Postage	4,000	8,938	4,938
K-9	6,000	168	(5,832)
Printing	1,400	2,694	1,294
Equipment repair and maintenance	17,000	21,126	4,126
Vehicle repair and maintenance	-	65,525	65,525
Facility maintenance	1,000	-	(1,000)
Organization business expense	1,200	945	(255)
Professional development	-	11,982	11,982
Academy training	15,000	6,339	(8,661)
Publications and memberships	2,000	3,651	1,651
Professional services	21,000	30,099	9,099
Computer contractual services	8,000	12,515	4,515
Intergovernmental services	100	-	(100)
Other rents and leases	1,000	20,059	19,059
Other contractual services	10,000	12,231	2,231
Refunds	3,000	-	(3,000)
Vehicles	45,000	204,580	159,580
Total police department	<u>2,576,489</u>	<u>3,209,281</u>	<u>632,792</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (Continued)			
Public safety (Continued)			
Emergency Service and Disaster Agency			
Part-time wages	\$ 30,000	\$ 30,717	\$ 717
Fringe benefits	2,295	2,351	56
Office supplies	400	159	(241)
Vehicle expense	5,000	10,464	5,464
Uniforms and clothing	1,500	584	(916)
Facility maintenance supplies	200	144	(56)
Operating supplies	650	620	(30)
Tools and equipment	200	904	704
Telephone	3,000	2,516	(484)
Equipment repair and maintenance	2,600	1,900	(700)
Vehicle repair and maintenance	2,000	521	(1,479)
Organization business expense	200	177	(23)
Professional development	2,500	656	(1,844)
Publications and memberships	200	115	(85)
Professional services	300	190	(110)
Computer contractual services	200	45	(155)
	51,245	52,063	818
Dispatch			
Regular wages	250,470	282,365	31,895
Overtime	24,000	57,371	33,371
Fringe benefits	144,876	176,039	31,163
Office supplies	500	427	(73)
Uniforms	7,100	450	(6,650)
Computer software supplies	1,200	974	(226)
Telephone	14,000	12,067	(1,933)
Equipment repair and maintenance	32,660	2,940	(29,720)
Computer contractual services	1,000	1,136	136
	475,806	533,769	57,963
Total public safety	3,103,540	3,795,113	691,573

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
Public works			
Public grounds and buildings			
Vehicle expense	\$ 15,000	\$ 30,608	\$ 15,608
Uniforms and clothing	-	584	584
Facility maintenance supplies	6,000	9,631	3,631
Operating supplies	600	26,078	25,478
Computer software supplies	600	-	(600)
Tools and equipment	1,500	1,456	(44)
Construction supplies	5,000	1,655	(3,345)
Telephone	1,000	711	(289)
Utilities	12,000	18,391	6,391
Equipment repair and maintenance	6,000	6,128	128
Vehicle repair and maintenance	1,500	362	(1,138)
Facility maintenance	30,000	34,791	4,791
Other rents and leases	1,000	-	(1,000)
Other contractual services	2,500	2,399	(101)
	<hr/>	<hr/>	<hr/>
Total public grounds and buildings	82,700	132,794	50,094
	<hr/>	<hr/>	<hr/>
Streets			
Vehicle expense	10,000	13,096	3,096
Equipment repair and maintenance	-	95	95
	<hr/>	<hr/>	<hr/>
Total streets	10,000	13,191	3,191

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (Continued)			
Public works (Continued)			
Parks and playgrounds			
Part-time wages	\$ 11,440	\$ 4,849	\$ (6,591)
Fringe benefits	875	371	(504)
Operating supplies	-	6,551	6,551
Other materials and supplies	2,000	540	(1,460)
Telephone	400	373	(27)
Utilities	-	1,017	1,017
Other contractual services	-	6,137	6,137
	<u>14,715</u>	<u>19,838</u>	<u>5,123</u>
Total parks and playgrounds			
	<u>14,715</u>	<u>19,838</u>	<u>5,123</u>
Total public works	<u>107,415</u>	<u>165,823</u>	<u>58,408</u>
Debt service			
Principal	26,736	71,385	44,649
Interest	1,314	2,292	978
	<u>28,050</u>	<u>73,677</u>	<u>45,627</u>
Total debt service	<u>28,050</u>	<u>73,677</u>	<u>45,627</u>
Total expenditures	<u>\$ 4,917,077</u>	<u>\$ 6,149,110</u>	<u>\$ 1,232,033</u>

(Concluded)

Village of Sauk Village, Illinois

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Interest	\$ -	\$ 508	\$ 508
Miscellaneous	-	6	6
Total revenues	-	514	514
Expenditures			
Debt service			
Principal	2,535,000	2,535,000	-
Interest	1,504,991	1,504,991	-
Total expenditures	4,039,991	4,039,991	-
Deficiency of revenues over expenditures	(4,039,991)	(4,039,477)	514
Other financing sources			
Transfers in	928,915	4,352,918	3,424,003
Total other financing sources	928,915	4,352,918	3,424,003
Net change in fund balance	\$ <u>(3,111,076)</u>	313,441	\$ <u>3,424,517</u>
Fund balance			
Beginning of year		8,614,798	
End of year		\$ <u>8,928,239</u>	

Village of Sauk Village, Illinois

Nonmajor Governmental Funds
COMBINING BALANCE SHEET
April 30, 2014

	Special Revenue Funds			
	Fire Protection	Motor Fuel Tax	Emergency Telephone System	Police Seizure
ASSETS				
Cash and cash equivalents	\$ 580,193	\$ 5,384	\$ -	\$ 15,106
Receivables				
Property taxes	283,047	-	-	-
Intergovernmental	-	19,368	-	-
Other	-	-	-	-
Prepaid items	-	-	32,335	-
Deposit with paying agent	16,123	-	26,808	-
Advances to other funds	63,698	2,807	-	-
	<u>\$ 943,061</u>	<u>\$ 27,559</u>	<u>\$ 59,143</u>	<u>\$ 15,106</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 51,655	\$ 46,446	\$ 2,614	\$ -
Accrued payroll	576	-	-	-
Advances from other funds	-	-	56,832	-
	<u>52,231</u>	<u>46,446</u>	<u>59,446</u>	<u>-</u>
Deferred inflows				
Unavailable property taxes	278,434	-	-	-
Fund balance (deficit)				
Nonspendable				
Prepaid items	-	-	32,335	-
Advances	63,698	2,807	-	-
Deposits with paying agent	16,123	-	26,808	-
Restricted				
Special revenue	532,575	-	-	15,106
Capital projects	-	-	-	-
Unassigned	-	(21,694)	(59,446)	-
	<u>612,396</u>	<u>(18,887)</u>	<u>(303)</u>	<u>15,106</u>
Total fund balance (deficit)	<u>612,396</u>	<u>(18,887)</u>	<u>(303)</u>	<u>15,106</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 943,061</u>	<u>\$ 27,559</u>	<u>\$ 59,143</u>	<u>\$ 15,106</u>

Special Revenue Funds			Capital Projects Funds		
Working Cash	Railroad Noise Mitigation	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ 10,246	\$ -	\$ 610,929	\$ -	\$ 225,000	\$ 31,419
966	-	284,013	-	-	-
-	-	19,368	-	-	-
-	-	-	31,457	-	-
-	-	32,335	-	-	-
40,888	-	83,819	-	-	-
<u>530,596</u>	<u>-</u>	<u>597,101</u>	<u>636,684</u>	<u>-</u>	<u>-</u>
<u>\$ 582,696</u>	<u>\$ -</u>	<u>\$ 1,627,565</u>	<u>\$ 668,141</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>
\$ -	\$ -	\$ 100,715	\$ -	\$ -	\$ -
-	-	576	-	-	-
-	4,055	60,887	-	-	-
<u>-</u>	<u>4,055</u>	<u>162,178</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	278,434	-	-	-
-	-	32,335	-	-	-
530,596	-	597,101	636,684	-	-
40,888	-	83,819	-	-	-
11,212	-	558,893	-	-	-
-	-	-	31,457	225,000	31,419
-	(4,055)	(85,195)	-	-	-
<u>582,696</u>	<u>(4,055)</u>	<u>1,186,953</u>	<u>668,141</u>	<u>225,000</u>	<u>31,419</u>
<u>\$ 582,696</u>	<u>\$ -</u>	<u>\$ 1,627,565</u>	<u>\$ 668,141</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>

(Continued)

Village of Sauk Village, Illinois
 Nonmajor Governmental Funds
 COMBINING BALANCE SHEET (Continued)
April 30, 2014

	<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	<u>SurreyBrook Plaza</u>	<u>Municipal Building</u>	<u>Total Capital Projects</u>	
ASSETS				
Cash and cash equivalents	\$ 279,427	\$ -	\$ 535,846	\$ 1,146,775
Receivables				
Property taxes	515	-	515	284,528
Intergovernmental	-	-	-	19,368
Other	-	-	31,457	31,457
Prepaid items	-	-	-	32,335
Deposit with paying agent	-	-	-	83,819
Advances to other funds	164,839	-	801,523	1,398,624
Total assets	<u>\$ 444,781</u>	<u>\$ -</u>	<u>\$ 1,369,341</u>	<u>\$ 2,996,906</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 14,722	\$ -	\$ 14,722	\$ 115,437
Accrued payroll	-	-	-	576
Advances from other funds	-	13,043	13,043	73,930
Total liabilities	<u>14,722</u>	<u>13,043</u>	<u>27,765</u>	<u>189,943</u>
Deferred inflows				
Unavailable property taxes	-	-	-	278,434
Fund balance (deficit)				
Nonspendable				
Prepaid items	-	-	-	32,335
Advances	164,839	-	801,523	1,398,624
Deposits with paying agent	-	-	-	83,819
Restricted				
Special revenue	-	-	-	558,893
Capital projects	265,220	-	553,096	553,096
Unassigned	-	(13,043)	(13,043)	(98,238)
Total fund balance (deficit)	<u>430,059</u>	<u>(13,043)</u>	<u>1,341,576</u>	<u>2,528,529</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 444,781</u>	<u>\$ -</u>	<u>\$ 1,369,341</u>	<u>\$ 2,996,906</u>

(Concluded)

Village of Sauk Village, Illinois

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)

For the Year Ended April 30, 2014

	Special Revenue Funds			
	Fire Protection	Motor Fuel Tax	Emergency Telephone System	Police Seizure
Revenues				
Property taxes	\$ 496,217	\$ -	\$ -	\$ -
Charges for services	31,392	-	54,911	-
Utility taxes	-	-	-	-
Intergovernmental	22,595	321,011	-	-
Interest	1	12	2	-
Miscellaneous	110	(202)	-	6,282
Total revenues	550,315	320,821	54,913	6,282
Expenditures				
Current				
General government	-	-	-	-
Public safety	552,722	-	10,241	10,322
Public works	-	493,201	-	-
Debt service				
Principal	64,911	-	-	-
Interest	9,995	-	-	-
Total expenditures	627,628	493,201	10,241	10,322
Excess (deficiency) of revenues over expenditures	(77,313)	(172,380)	44,672	(4,040)
Other financing sources (uses)				
Transfers in	-	200,000	13,404	-
Transfers out	(58,217)	(55,000)	(95,192)	-
Total other financing sources (uses)	(58,217)	145,000	(81,788)	-
Net change in fund balance	(135,530)	(27,380)	(37,116)	(4,040)
Fund balance (deficit)				
Beginning of year	747,926	8,493	36,813	19,146
End of year	\$ 612,396	\$ (18,887)	\$ (303)	\$ 15,106

Special Revenue Funds			Capital Projects Funds		
Working Cash	Railroad Noise Mitigation	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ 73,165	\$ -	\$ 569,382	\$ -	\$ -	\$ -
-	-	86,303	-	-	-
-	-	-	242,462	-	-
-	25,896	369,502	-	200,000	-
4	-	19	-	-	-
-	-	6,190	-	-	-
<u>73,169</u>	<u>25,896</u>	<u>1,031,396</u>	<u>242,462</u>	<u>200,000</u>	<u>-</u>
-	-	-	3,344	-	-
-	-	573,285	-	-	-
-	4,750	497,951	-	-	-
-	-	64,911	-	-	-
-	-	9,995	-	-	-
<u>-</u>	<u>4,750</u>	<u>1,146,142</u>	<u>3,344</u>	<u>-</u>	<u>-</u>
<u>73,169</u>	<u>21,146</u>	<u>(114,746)</u>	<u>239,118</u>	<u>200,000</u>	<u>-</u>
-	-	213,404	-	-	-
<u>(74,685)</u>	<u>-</u>	<u>(283,094)</u>	<u>(213,404)</u>	<u>(200,000)</u>	<u>-</u>
<u>(74,685)</u>	<u>-</u>	<u>(69,690)</u>	<u>(213,404)</u>	<u>(200,000)</u>	<u>-</u>
<u>(1,516)</u>	<u>21,146</u>	<u>(184,436)</u>	<u>25,714</u>	<u>-</u>	<u>-</u>
<u>584,212</u>	<u>(25,201)</u>	<u>1,371,389</u>	<u>642,427</u>	<u>225,000</u>	<u>31,419</u>
<u>\$ 582,696</u>	<u>\$ (4,055)</u>	<u>\$ 1,186,953</u>	<u>\$ 668,141</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>

(Continued)

Village of Sauk Village, Illinois

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) (Continued)

For the Year Ended April 30, 2014

	Capital Projects Funds			Total Nonmajor Governmental Funds
	SurreyBrook Plaza	Municipal Building	Total Capital Projects	
Revenues				
Property taxes	\$ 190,611	\$ -	\$ 190,611	\$ 759,993
Charges for services	-	-	-	86,303
Utility taxes	-	-	242,462	242,462
Intergovernmental	-	-	200,000	569,502
Interest	886	-	886	905
Miscellaneous	-	-	-	6,190
Total revenues	191,497	-	633,959	1,665,355
Expenditures				
Current				
General government	70,398	-	73,742	73,742
Public safety	-	-	-	573,285
Public works	-	-	-	497,951
Debt service				
Principal	-	-	-	64,911
Interest	-	-	-	9,995
Total expenditures	70,398	-	73,742	1,219,884
Excess (deficiency) of revenues over expenditures	121,099	-	560,217	445,471
Other financing sources (uses)				
Transfers in	-	-	-	213,404
Transfers out	-	-	(413,404)	(696,498)
Total other financing sources (uses)	-	-	(413,404)	(483,094)
Net change in fund balance	121,099	-	146,813	(37,623)
Fund balance (deficit)				
Beginning of year	308,960	(13,043)	1,194,763	2,566,152
End of year	\$ 430,059	\$ (13,043)	\$ 1,341,576	\$ 2,528,529

(Concluded)

Village of Sauk Village, Illinois

Fire Protection Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Property taxes	\$ 601,510	\$ 496,217	\$ (105,293)
Charges for services	22,000	31,392	9,392
Intergovernmental	-	22,595	22,595
Interest	-	1	1
Miscellaneous	2,000	110	(1,890)
Total revenues	<u>625,510</u>	<u>550,315</u>	<u>(75,195)</u>
Expenditures			
Current			
Public safety			
Regular wages	125,850	125,296	(554)
Part-time wages	100,000	145,441	45,441
Fringe benefits	42,576	38,163	(4,413)
Pension contributions	-	12,453	12,453
Office supplies	2,000	19,011	17,011
Vehicle expense	19,200	23,249	4,049
Uniforms and clothing	7,000	5,493	(1,507)
Facility maintenance supplies	3,000	1,658	(1,342)
Operating supplies	1,500	215	(1,285)
Computer software supplies	400	1,649	1,249
Tools and equipment	15,500	1,828	(13,672)
Other materials and supplies	-	333	333
Telephone	8,000	1,463	(6,537)
Utilities	2,500	4,738	2,238
Postage	300	80	(220)
Printing	500	565	65
Equipment repair and maintenance	10,000	7,618	(2,382)
Vehicle repair and maintenance	12,000	31,212	19,212
Facility maintenance	1,000	4,422	3,422
Organization business expense	200	92	(108)
Professional development	9,050	17,753	8,703
Publications and memberships	1,500	828	(672)
Professional services	-	9,586	9,586

(Continued)

Village of Sauk Village, Illinois

Fire Protection Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (continued)			
Current (continued)			
Public safety (continued)			
Computer contractual services	\$ 1,500	\$ 2,971	\$ 1,471
Intergovernmental services	3,000	3,000	-
Public information	3,000	2,337	(663)
Vehicles	-	10,746	10,746
Trust fees	3,000	3,000	-
Other contractual services	<u>70,000</u>	<u>77,522</u>	<u>7,522</u>
Total public safety	<u>442,576</u>	<u>552,722</u>	<u>110,146</u>
Debt service			
Principal	64,911	64,911	-
Interest	<u>17,089</u>	<u>9,995</u>	<u>(7,094)</u>
Total debt service	<u>82,000</u>	<u>74,906</u>	<u>(7,094)</u>
Capital outlay	<u>18,510</u>	<u>-</u>	<u>(18,510)</u>
Total expenditures	<u>543,086</u>	<u>627,628</u>	<u>84,542</u>
Excess of revenues over expenditures	82,424	(77,313)	(159,737)
Other financing uses			
Transfer out	<u>(82,425)</u>	<u>(58,217)</u>	<u>24,208</u>
Net change in fund balance	<u>\$ (1)</u>	(135,530)	<u>\$ (135,529)</u>
Fund balance			
Beginning of year		<u>747,926</u>	
End of year		<u>\$ 612,396</u>	

(Concluded)

Village of Sauk Village, Illinois

Motor Fuel Tax Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Intergovernmental	\$ 265,100	\$ 321,011	\$ 55,911
Interest	100	12	(88)
Miscellaneous	-	(202)	(202)
Total revenues	<u>265,200</u>	<u>320,821</u>	<u>55,621</u>
Expenditures			
Current			
Public works			
Operating supplies	25,000	35,528	10,528
Construction supplies	45,000	32,504	(12,496)
Utilities	28,000	40,982	12,982
Equipment repair and maintenance	7,000	10,898	3,898
Professional services	50,000	93,735	43,735
Contractual services	7,500	4,160	(3,340)
Construction	-	275,394	275,394
Total public works	<u>162,500</u>	<u>493,201</u>	<u>330,701</u>
Capital outlay	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total expenditures	<u>362,500</u>	<u>493,201</u>	<u>130,701</u>
Deficiency of revenues over expenditures	<u>(97,300)</u>	<u>(172,380)</u>	<u>(75,080)</u>
Other financing sources (uses)			
Transfer in	200,000	200,000	-
Transfer out	(55,000)	(55,000)	-
Total other financing sources (uses)	<u>145,000</u>	<u>145,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 47,700</u>	(27,380)	<u>\$ (75,080)</u>
Fund balance (deficit)			
Beginning of year		<u>8,493</u>	
End of year		<u>\$ (18,887)</u>	

Village of Sauk Village, Illinois

Emergency Telephone System Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Charges for services			
911 surcharge	\$ 70,000	\$ 54,911	\$ (15,089)
Interest	-	2	2
Total revenues	<u>70,000</u>	<u>54,913</u>	<u>(15,087)</u>
Expenditures			
Current			
Public safety			
Equipment repair and maintenance	33,000	3,159	(29,841)
Trust fees	-	1,500	1,500
Major tools and work equipment	-	5,582	5,582
Total expenditures	<u>33,000</u>	<u>10,241</u>	<u>(22,759)</u>
Excess of revenues over expenditures	<u>37,000</u>	<u>44,672</u>	<u>7,672</u>
Other financing sources (uses)			
Transfer in	-	13,404	13,404
Transfer (out)	<u>(47,598)</u>	<u>(95,192)</u>	<u>(47,594)</u>
Net change in fund balance	\$ <u>(10,598)</u>	(37,116)	\$ <u>(26,518)</u>
Fund balance (deficit)			
Beginning of year		<u>36,813</u>	
End of year		\$ <u>(303)</u>	

Village of Sauk Village, Illinois

Police Seizure Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Miscellaneous	\$ <u>50,000</u>	\$ <u>6,282</u>	\$ <u>(43,718)</u>
Total revenues	<u>50,000</u>	<u>6,282</u>	<u>(43,718)</u>
Expenditures			
Current			
Public safety			
Contingency	<u>29,101</u>	<u>10,322</u>	<u>(18,779)</u>
Total expenditures	<u>29,101</u>	<u>10,322</u>	<u>(18,779)</u>
Net change in fund balance	\$ <u><u>20,899</u></u>	(4,040)	\$ <u><u>(24,939)</u></u>
Fund balance			
Beginning of year		<u>19,146</u>	
End of year		\$ <u><u>15,106</u></u>	

Village of Sauk Village, Illinois

Working Cash Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 85,500	\$ 73,165	\$ (12,335)
Interest	<u>-</u>	<u>4</u>	<u>4</u>
Total revenues	<u>85,500</u>	<u>73,169</u>	<u>(12,331)</u>
Other financing uses			
Transfer out	<u>(85,500)</u>	<u>(74,685)</u>	<u>10,815</u>
Total other financing uses	<u>(85,500)</u>	<u>(74,685)</u>	<u>10,815</u>
Net change in fund balance	\$ <u><u>-</u></u>	(1,516)	\$ <u><u>(1,516)</u></u>
Fund balance			
Beginning of year		<u>584,212</u>	
End of year		\$ <u><u>582,696</u></u>	

Village of Sauk Village, Illinois
Railroad Noise Mitigation Fund
SCHEDULE OF DETAILED EXPENDITURES AND CHANGES IN
FUND DEFICIT - BUDGET AND ACTUAL
For the Year Ended April 30, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Intergovernmental	\$ <u> -</u>	\$ <u> 25,896</u>	\$ <u> 25,896</u>
Expenditures			
Current			
Public works			
Professional services	<u> 250,000</u>	<u> 4,750</u>	<u> (245,250)</u>
Total public works	<u> 250,000</u>	<u> 4,750</u>	<u> (245,250)</u>
Change in fund balance	\$ <u><u> (250,000)</u></u>	21,146	\$ <u><u> 271,146</u></u>
Fund deficit			
Beginning of year		<u> (25,201)</u>	
End of year		\$ <u><u> (4,055)</u></u>	

Village of Sauk Village, Illinois

Utility Tax Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Utility taxes	\$ 248,000	\$ 242,462	\$ (5,538)
Total revenues	<u>248,000</u>	<u>242,462</u>	<u>(5,538)</u>
Expenditures			
Current			
General government			
Other contractual services	-	1,500	1,500
Refunds	-	564	564
Contingency	-	1,280	1,280
Total general government	<u>-</u>	<u>3,344</u>	<u>3,344</u>
Total expenditures	<u>-</u>	<u>3,344</u>	<u>3,344</u>
Excess of revenues over expenditures	248,000	239,118	(8,882)
Other financing uses			
Transfer out	<u>(247,598)</u>	<u>(213,404)</u>	<u>34,194</u>
Net change in fund balance	\$ <u>402</u>	25,714	\$ <u>25,312</u>
Fund balance			
Beginning of year		<u>642,427</u>	
End of year		\$ <u>668,141</u>	

Village of Sauk Village, Illinois
Community Development Block Grant Fund
SCHEDULE OF DETAILED REVENUES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Intergovernmental	\$ 200,000	\$ 200,000	\$ -
Other financing uses			
Transfer out	(200,000)	(200,000)	-
Net change in fund balance	\$ -	-	\$ -
Fund balance			
Beginning of year		225,000	
End of year		\$ 225,000	

Village of Sauk Village, Illinois

SurreyBrook Plaza Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 130,500	\$ 190,611	\$ 60,111
Interest	50	886	836
Total revenues	<u>130,550</u>	<u>191,497</u>	<u>60,947</u>
Expenditures			
General government			
Professional services	<u>70,000</u>	<u>70,398</u>	<u>398</u>
Total expenditures	<u>70,000</u>	<u>70,398</u>	<u>398</u>
Other financing uses			
Transfer out	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance	<u>\$ 50,550</u>	121,099	<u>\$ 70,549</u>
Fund balance			
Beginning of year		<u>308,960</u>	
End of year		<u>\$ 430,059</u>	

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ 1,700,535	\$ 1,700,573	\$ 38
Meter sales	2,500	11,200	8,700
Miscellaneous	<u>2,000</u>	<u>582</u>	<u>(1,418)</u>
Total revenues	<u>\$ 1,705,035</u>	<u>\$ 1,712,355</u>	<u>\$ 7,320</u>

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Operating expenses			
Salaries			
Regular wages	\$ 388,772	\$ 317,326	\$ (71,446)
Overtime	15,000	28,815	13,815
Total salaries	<u>403,772</u>	<u>346,141</u>	<u>(57,631)</u>
Fringe benefits	<u>282,286</u>	<u>188,995</u>	<u>(93,291)</u>
Supplies, fees and services			
Office supplies	500	495	(5)
Vehicle expense	15,000	25,799	10,799
Uniforms and clothing	5,000	5,382	382
Facility maintenance supplies	1,500	929	(571)
Operating supplies	58,000	43,494	(14,506)
Computer software supplies	300	-	(300)
Tools and equipment	5,000	2,919	(2,081)
Construction supplies	50,000	36,911	(13,089)
Telephone	8,000	11,593	3,593
Utilities	70,000	71,660	1,660
Postage	8,000	6,069	(1,931)
Printing	4,000	872	(3,128)
Professional development	2,000	1,290	(710)
Publications and memberships	400	135	(265)
Professional services	70,000	63,216	(6,784)
Computer contractual services	3,000	4,215	1,215
Intergovernmental services	3,000	1,000	(2,000)
Public information	4,000	1,756	(2,244)
Other rents and leases	3,000	452	(2,548)
Other contractual services	200,000	258,013	58,013
Refunds	-	22,999	22,999
Total supplies, fees and services	<u>510,700</u>	<u>559,199</u>	<u>48,499</u>

(Continued)

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 15,000	\$ 14,387	\$ (613)
Vehicle repair and maintenance	9,000	8,286	(714)
Facility repair and maintenance	<u>4,000</u>	<u>1,959</u>	<u>(2,041)</u>
Total repairs and maintenance	<u>28,000</u>	<u>24,632</u>	<u>(3,368)</u>
Debt service			
Interest	<u>69,563</u>	<u>1,026</u>	<u>(68,537)</u>
Total debt service	<u>69,563</u>	<u>1,026</u>	<u>(68,537)</u>
Capital outlay			
Construction	<u>5,565,000</u>	<u>-</u>	<u>(5,565,000)</u>
Total capital outlay	<u>5,565,000</u>	<u>-</u>	<u>(5,565,000)</u>
Total operating expenses before depreciation	<u>6,859,321</u>	<u>1,119,993</u>	<u>(5,739,328)</u>
Depreciation	<u>-</u>	<u>146,036</u>	<u>146,036</u>
Total operating expenses	<u>\$ 6,859,321</u>	<u>\$ 1,266,029</u>	<u>\$ (5,593,292)</u>

(Concluded)

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ <u>528,598</u>	\$ <u>621,878</u>	\$ <u>93,280</u>
Total revenues	\$ <u><u>528,598</u></u>	\$ <u><u>621,878</u></u>	\$ <u><u>93,280</u></u>

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses			
Salaries			
Regular wages	\$ 284,858	\$ 402,373	\$ 117,515
Overtime	15,000	42,499	27,499
Total salaries	299,858	444,872	145,014
Fringe benefits	219,974	230,899	10,925
Supplies, fees and services			
Office supplies	500	453	(47)
Vehicle expense	6,000	9,572	3,572
Uniforms and clothing	4,000	5,533	1,533
Operating supplies	1,000	492	(508)
Computer software supplies	500	85	(415)
Tools and equipment	2,000	521	(1,479)
Construction supplies	7,000	292	(6,708)
Telephone	1,000	1,760	760
Postage	2,500	3,222	722
Printing	2,000	872	(1,128)
Professional development	1,000	-	(1,000)
Publications and memberships	500	-	(500)
Professional services	1,500	378	(1,122)
Computer contractual services	1,500	3,620	2,120
Intergovernmental services	500	300	(200)
Other rents and leases	3,000	-	(3,000)
Other contractual services	2,500	7,885	5,385
Total supplies, fees and services	37,000	34,985	(2,015)

(Continued)

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 5,000	\$ 1,332	\$ (3,668)
Vehicle repair and maintenance	<u>5,000</u>	<u>1,326</u>	<u>(3,674)</u>
Total repairs and maintenance	<u>10,000</u>	<u>2,658</u>	<u>(7,342)</u>
Total operating expenses before depreciation	<u>566,832</u>	<u>713,414</u>	<u>146,582</u>
Depreciation	<u>-</u>	<u>22,945</u>	<u>22,945</u>
Total operating expenses	<u>\$ 566,832</u>	<u>\$ 736,359</u>	<u>\$ 169,527</u>

(Concluded)

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Tax Increment Refunding Bonds Series 2002A
April 30, 2014

Dated:	June 15, 2002
Original Issue:	\$9,755,000
Due:	June 1, 2022
Interest Payment Dates:	June 1 and December 1
Interest Rates:	5.00% - 5.35%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 650,000	\$ 396,572	\$ 1,046,572
2016	685,000	361,798	1,046,798
2017	715,000	326,862	1,041,862
2018	755,000	290,756	1,045,756
2019	900,000	252,250	1,152,250
2020	945,000	207,250	1,152,250
2021	1,000,000	160,000	1,160,000
2022	1,055,000	110,000	1,165,000
2023	1,145,000	28,625	1,173,625
	<u>\$ 7,850,000</u>	<u>\$ 2,134,113</u>	<u>\$ 9,984,113</u>

Village of Sauk Village, Illinois

SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS

General Obligation Capital Appreciation Bonds (Tax Increment Alternate Revenue Source) Series 2002B

April 30, 2014

Dated:	June 27, 2002
Original Issue:	\$4,999,356
Due:	June 1, 2022
Interest Rates:	5.25% - 5.95%

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 821,335	\$ 43,665	\$ 865,000
2016	832,343	92,657	925,000
2017	838,306	146,694	985,000
2018	851,608	208,392	1,060,000
2019	859,102	275,898	1,135,000
2020	868,335	351,665	1,220,000
2021	878,388	436,612	1,315,000
2022	882,506	522,494	1,405,000
2023	887,099	572,901	1,460,000
	<u>\$ 7,719,022</u>	<u>\$ 2,650,978</u>	<u>\$ 10,370,000</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Capital Appreciation (Alternate Revenue) Bonds Series 2007A
April 30, 2014

Dated: June 6, 2007
 Original Issue: \$5,201,610
 Due: December 1, 2018
 Interest Rates: 4.10% - 4.30%

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 662,553	\$ 27,447	\$ 690,000
2016	630,973	54,027	685,000
2017	609,106	80,894	690,000
2018	583,163	106,837	690,000
2019	553,738	131,262	685,000
	<u>\$ 3,039,533</u>	<u>\$ 400,467</u>	<u>\$ 3,440,000</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation (Alternate Revenue) Bonds Series 2007B
April 30, 2014

Dated: June 6, 2007
 Original Issue: \$1,405,000
 Due: December 1, 2027
 Interest Payment Dates: June 1 and December 1
 Interest Rates: 3.95% - 5.00%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 45,000	\$ 53,616	\$ 98,616
2016	50,000	51,838	101,838
2017	55,000	49,862	104,862
2018	60,000	47,690	107,690
2019	65,000	45,290	110,290
2020	75,000	42,690	117,690
2021	80,000	39,690	119,690
2022	85,000	36,370	121,370
2023	95,000	32,842	127,842
2024	100,000	28,900	128,900
2025	110,000	24,750	134,750
2026	120,000	19,250	139,250
2027	125,000	13,250	138,250
2028	140,000	7,000	147,000
	<u>\$ 1,205,000</u>	<u>\$ 493,038</u>	<u>\$ 1,698,038</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation (Alternate Revenue) Bonds Series 2007C
April 30, 2014

Dated: June 6, 2007
 Original Issue: \$810,000
 Due: December 1, 2027
 Interest Payment Dates: June 1 and December 1
 Interest Rates: 3.90% - 5.00%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 25,000	\$ 32,246	\$ 57,246
2016	30,000	31,270	61,270
2017	30,000	30,100	60,100
2018	35,000	28,900	63,900
2019	40,000	27,500	67,500
2020	40,000	25,900	65,900
2021	45,000	24,300	69,300
2022	50,000	22,500	72,500
2023	55,000	20,000	75,000
2024	60,000	17,250	77,250
2025	65,000	14,250	79,250
2026	65,000	11,000	76,000
2027	75,000	7,750	82,750
2028	80,000	4,000	84,000
	<u>\$ 695,000</u>	<u>\$ 296,966</u>	<u>\$ 991,966</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Bonds (Alternate Revenue Source) Series 2008
April 30, 2014

Dated: December 23, 2008
Original Issue: \$9,500,000
Due: December 1, 2028
Interest Payment Dates: June 1 and December 1
Interest Rates: 5.40% - 7.25%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 165,000	\$ 569,136	\$ 734,136
2016	175,000	557,172	732,172
2017	230,000	544,486	774,486
2018	215,000	527,810	742,810
2019	160,000	512,222	672,222
2020	210,000	500,622	710,622
2021	185,000	485,398	670,398
2022	150,000	475,408	625,408
2023	220,000	467,008	687,008
2024	1,295,000	454,358	1,749,358
2025	1,470,000	378,600	1,848,600
2026	1,355,000	290,400	1,645,400
2027	1,075,000	207,746	1,282,746
2028	1,110,000	141,632	1,251,632
2029	1,165,000	72,812	1,237,812
	<u>\$ 9,180,000</u>	<u>\$ 6,184,810</u>	<u>\$ 15,364,810</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Tax Increment Bonds (Alternate Revenue Source) Series 2009
April 30, 2014

Dated: April 28, 2009
 Original Issue: \$8,000,000
 Due: April 1, 2029
 Interest Payment Dates: June 1 and December 1 through
 2028, then April 1, 2029
 Interest Rates: 4.30% - 7.50%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 190,000	\$ 374,790	\$ 564,790
2016	275,000	360,540	635,540
2017	200,000	339,914	539,914
2018	155,000	324,914	479,914
2019	180,000	313,290	493,290
2020	105,000	299,790	404,790
2021	60,000	291,914	351,914
2022	165,000	289,334	454,334
2023	65,000	282,240	347,240
2024	815,000	279,444	1,094,444
2025	885,000	244,400	1,129,400
2026	675,000	205,460	880,460
2027	635,000	175,084	810,084
2028	1,105,000	145,874	1,250,874
2029	2,000,000	110,088	2,110,088
	<u>\$ 7,510,000</u>	<u>\$ 4,037,076</u>	<u>\$ 11,547,076</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Working Cash Bonds Series 2010
April 30, 2014

Dated: February 1, 2010
 Original Issue: \$574,000
 Due: February 1, 2020
 Interest Payment Dates: February 1 and August 1
 Interest Rates: 4.10% - 5.00%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 55,000	\$ 17,430	\$ 72,430
2016	55,000	15,176	70,176
2017	60,000	12,700	72,700
2018	65,000	10,000	75,000
2019	65,000	6,750	71,750
2020	<u>70,000</u>	<u>3,500</u>	<u>73,500</u>
	<u>\$ 370,000</u>	<u>\$ 65,556</u>	<u>\$ 435,556</u>

Village of Sauk Village, Illinois

LEGAL DEBT MARGIN

April 30, 2014

2013 Equalized Assessed Valuation (EAV)	\$ <u>72,997,704</u>	
Voted and Unvoted Debt Limit - 8.625% of EAV		\$ 6,296,052
Total Debt Outstanding	38,540,669	
Less Exempted Debt	<u>37,198,555</u>	
Net Subject to 8.625% Limit		<u>1,342,114</u>
Total Legal Voted and Unvoted Debt Margin		\$ <u><u>4,953,938</u></u>