

**Village of Sauk Village,
Illinois**

Annual Financial Report

Year Ended April 30, 2017

Village of Sauk Village, Illinois

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2017

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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, 2017, 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 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, which is a pension trust fund, included as a fiduciary fund 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 constitute 98.9% of the assets, 98.9% of the net position, and 98.3% of the additions of the fiduciary fund types reported herein, as of and for the year ended April 30, 2017, on pages 16 and 17. Those statements were audited by an other auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund in the fiduciary fund types in the Village's basic financial statements, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

(Continued)

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, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note S to the financial statements, net position of the business-type activities as of May 1, 2016 has been restated to correct for a misstatement of accounts payable. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 13, the Illinois Municipal Retirement Fund, Firefighters' Pension Fund, and Police Pension Fund pension data on pages 96 through 105, the other postemployment benefits data on page 106, and the budgetary comparison schedules and notes to the required supplementary information on pages 107 through 108, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditor 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.

Other Supplementary Information

Our audit for the year ended April 30, 2017 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 for the year ended April 30, 2017 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended April 30, 2017 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, based on our audit, the procedures performed as described above, and the report of the other auditors, the other supplementary information for the year ended April 30, 2017 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
December 22, 2017

Village of Sauk Village, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2017

The Village of Sauk Village, Illinois (the Village) Management's Discussion and Analysis (MD&A) is designed to assist the reader in focusing on significant financial issues, provide an overview of the Village's financial activity, identify changes in the Village's financial position, identify any material deviations from the approved appropriations, and identify individual fund issues or concerns. Please read the information presented here in conjunction with additional information furnished in the Village's audited financial statements and accompanying footnotes, which follow this narrative.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the Village of Sauk Village focus on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant issues, broaden a basis for comparison, and enhance the Village's accountability.

Government-Wide Financial Statements

The government-wide financial statements are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Village. The statement of net position presents information on all of the Village's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position (deficit). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services.

The governmental activities reflect the Village's core services. Shared state revenues (income, use, and replacement taxes) and other tax revenue from sales, local utility, franchise fees, etc., finance the majority of these services. The business-type activities reflect private sector type operations (water and sewer), where the fees for services typically are intended to cover all or most of the cost of operations, including depreciation.

FUND FINANCIAL STATEMENTS

Traditional users of governmental financial statements will find the fund financial statements presentation to be more familiar. The focus is on major funds, rather than fund types. The Village uses fund accounting, like other state or local government entities. The Village has three groups of funds: governmental, proprietary, and fiduciary. Brief explanations of these funds are provided below.

Village of Sauk Village, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2017

Governmental Funds

The governmental major funds are presented on a current financial resources basis. This is the manner in which the appropriation is typically developed. The flow and availability of current resources is a clear and appropriate focus of any analysis of a government. Governmental funds are used to account for the general governmental revenues and expenditures of the Village. The General Fund is the main operating account of the Village and the largest of the governmental funds. Governmental funds use the flow of current financial resources measurement focus at the fund financial statement level. The current financial resources measurement focus uses the modified accrual basis of accounting. Therefore, following the balance sheet for the governmental funds is a reconciliation of the balance sheet to the statement of net position (deficit) to calculate net position (deficit) on the full accrual basis of accounting.

Proprietary Funds

Proprietary Funds consist of enterprise and internal service funds. These funds comprise the business-type category reported in the government-wide statements. These funds account for business or service type operations of the Village that are similar to private sector operations in which costs are recovered as a user fee. The Village's proprietary funds include the Waterworks Fund and the Sewerage Fund.

Fiduciary Funds

The Fiduciary Funds are excluded from the government-wide financial statements. While these funds represent trust or agency responsibilities of the Village, these assets are restricted in purpose and do not represent discretionary assets of the Village. Therefore, these assets are not presented as part of the government-wide financial statements. The Village's fiduciary funds are the Police Pension Fund, the Firefighters' Pension Fund, and the Sauk Village Housing Commission Fund.

Notes to the Basic Financial Statements

The notes to the basic financial statements are intended to supplement the reader with additional information. The notes include information on significant accounting policies, explanations on the reconciliations of statements, investments, receivables, capital assets, debt, interfund balances, contingent liabilities, pensions and other information related to the Village's financial status. The information contained within the notes not only supplements financial statement information, but clarifies line items that are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 96-108 of this report.

Village of Sauk Village, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2017

Additional information on governmental funds is presented following the required supplementary information in the other supplementary information section. Combining and individual fund statements and appropriation comparison schedules for nonmajor governmental funds can be found on pages 120-135 of this report.

Infrastructure Assets

The Village's largest group of assets consists of infrastructure assets and water and sewer systems (land, streets, storm sewers, etc.). These assets are valued and reported in both the governmental activities and business-type activities of the government-wide statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The Village has chosen to depreciate assets over their useful lives. If a project is considered maintenance - a recurring cost that does not extend the asset's original useful life or expand its capacity - the cost of the project will be expensed. For example, the "overlay" of a street will be considered maintenance whereas a "rebuild" of a street will be capitalized.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position (Deficit)

Net position (deficit) can be a useful indicator of a government's financial condition and is defined as the amount by which assets and deferred outflows of resources exceed liabilities and deferred inflows of resources. A significant portion of the Village's net position (deficit) reflects its investment in capital assets, net of depreciation (i.e., land, streets, storm sewers, water mains, buildings, and vehicles), less any related outstanding debt that was used to acquire those assets. The Village uses those capital assets to provide services to citizens; consequently, they are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, the resources required to repay that debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Village of Sauk Village, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2017

Statement of Net Position (Deficit)
As of April 30,

	Governmental		Business-Type		Total	
	Activities		Activity		Government	
	2017	2016	2017	2016	2017	2016
Assets						
Current/other assets	\$ 13,217,911	\$ 12,787,184	\$ 1,692,205	\$ 1,259,430	\$ 14,910,116	\$ 14,046,614
Capital assets	12,608,473	13,130,533	6,248,523	6,591,697	18,856,996	19,722,230
Total Assets	25,826,384	25,917,717	7,940,728	7,851,127	33,767,112	33,768,844
Deferred Outflows of Resources						
Deferred outflows related to pensions	376,810	1,656,231	329,488	359,081	706,298	2,015,312
Total Deferred Outflows	376,810	1,656,231	329,488	359,081	706,298	2,015,312
Liabilities						
Current/other liabilities	4,820,735	4,986,229	330,394	571,748	5,151,129	5,557,977
Long-term liabilities	40,808,446	42,911,327	1,338,889	4,723,197	42,147,335	47,634,524
Total Liabilities	45,629,181	47,897,556	1,669,283	5,294,945	47,298,464	53,192,501
Deferred Inflows of Resources						
Deferred inflows related to pensions	661,073	1,219,581	133,703	161,583	794,776	1,381,164
Total Deferred Inflows	661,073	1,219,581	133,703	161,583	794,776	1,381,164
Net Position (Deficit)						
Net investment in capital assets	8,269,299	8,044,744	5,382,607	2,365,714	13,651,906	10,410,458
Restricted by enabling legislation	12,416,741	11,679,459	-	-	12,416,741	11,679,459
Unrestricted	(40,773,100)	(41,267,392)	1,084,623	387,966	(39,688,477)	(40,879,426)
Total Net Position (Deficit)	\$ (20,087,060)	\$ (21,543,189)	\$ 6,467,230	\$ 2,753,680	* \$ (13,619,830)	* \$ (18,789,509)

* As originally reported

Village of Sauk Village, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2017

Changes in Net Position (Deficit)

The following table summarizes the revenues, expenses, and net position (deficit) of the Village's activities.

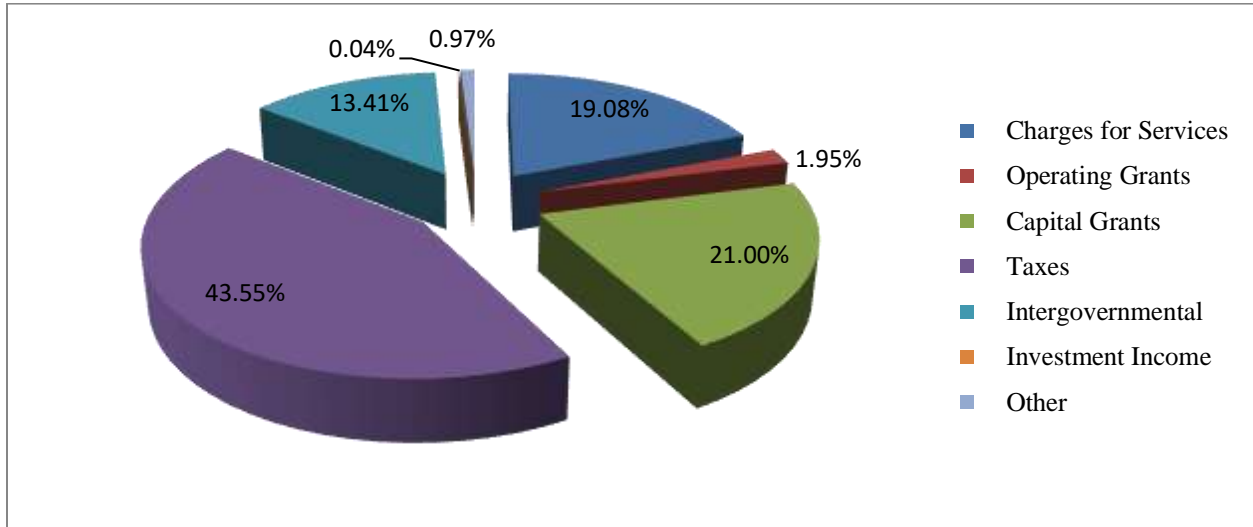
	Changes in Net Position (Deficit) For the Fiscal Year Ended April 30,					
	Governmental Activities		Business-Type Activity		Total Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 832,948	\$ 615,465	\$ 2,433,980	\$ 2,358,300	\$ 3,266,928	\$ 2,973,765
Operating Grants	332,958	37,710	-	-	332,958	37,710
Capital Grants and Contributions	274,331	468,889	3,319,107	-	3,593,438	468,889
General Revenues						
Taxes	7,452,148	6,874,057	-	-	7,452,148	6,874,057
Intergovernmental	2,294,573	2,325,165	-	-	2,294,573	2,325,165
Investment Income	6,054	1,448	-	-	6,054	1,448
Other	285,013	430,255	(118,554)	(272,013)	166,459	158,242
Total Revenues	11,478,025	10,752,989	5,634,533	2,086,287	17,112,558	12,839,276
Expenses						
General Government	2,352,811	2,349,250	-	-	2,352,811	2,349,250
Public Safety	5,387,939	4,564,869	-	-	5,387,939	4,564,869
Public Works	541,556	558,047	-	-	541,556	558,047
Interest	1,739,590	1,868,219	-	-	1,739,590	1,868,219
Water/Sewer	-	-	2,138,050	2,320,488	2,138,050	2,320,488
Total Expenses	10,021,896	9,340,385	2,138,050	2,320,488	12,159,946	11,660,873
Change in Net Position (Deficit)	1,456,129	1,412,604	3,496,483	(234,201)	4,952,612	1,178,403
Beginning Net Position (Deficit)	(21,543,189)	(22,955,793)	2,970,747 *	2,987,881	(18,572,442) *	(19,967,912)
Ending Net Position (Deficit)	\$ (20,087,060)	\$ (21,543,189)	\$ 6,467,230	\$ 2,753,680 **	\$ (13,619,830)	\$ (18,789,509) **

* As restated

** As originally reported

**Village of Sauk Village, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2017**

Total Fiscal Year 2017 Revenues



For the fiscal year ended April 30, 2017, revenues totaled approximately \$17.11 million. The Village benefits from a diversified revenue base. Revenues from the Village's largest single source, property taxes, amounted to approximately \$7.45 million. Property taxes support governmental activities, which include the Village's contribution to the Police Pension Fund and Firefighters' Pension Fund. Between fiscal years 2016 and 2017, total property tax revenues increased by 8.4%.

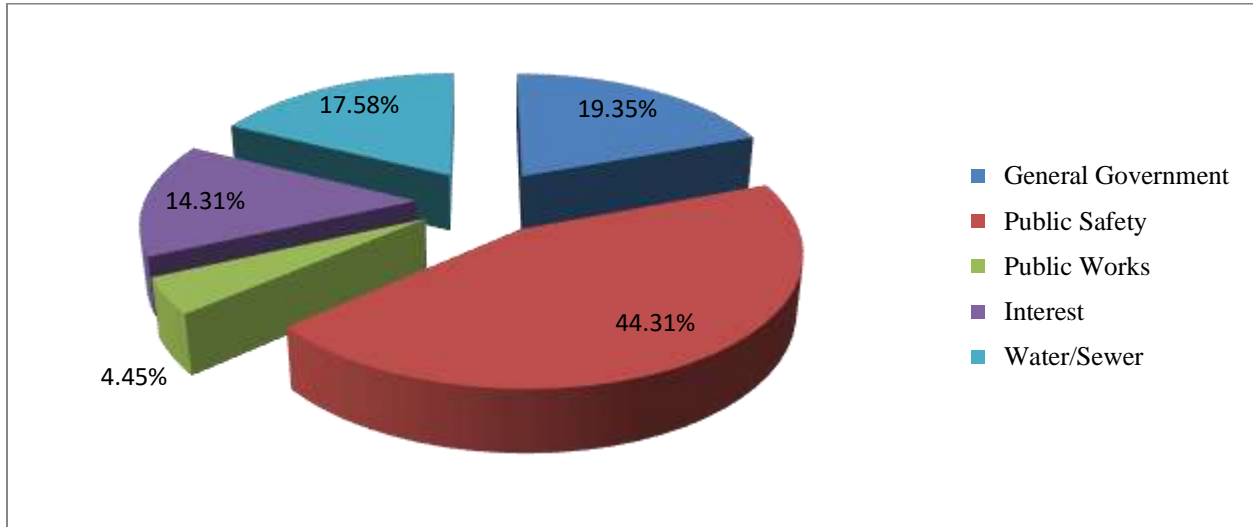
The two major types of sales taxes are the retailer's occupation tax (ROT) and the local use tax. Both of these sales taxes are collected by the State of Illinois. A portion of the ROT is shared by the state with its municipalities based upon the point of sale. In fiscal year 2017, ROT and local use tax revenue was approximately \$0.53 million compared to approximately \$0.51 million in 2016.

Income taxes are also shared by the state, but on a per-capita basis. In fiscal year 2017, state income tax revenue was approximately \$0.99 million, a decrease of approximately \$0.13 million from the previous year.

The Village's sole business-type activity is its Water and Sewer Department. Water service charges, sewer fees, and late payment penalties for fiscal year 2017 totaled approximately \$2.43 million, an increase of 3.2% from the prior year. Also, capital grants and contributions revenues totaled approximately \$3.59 million in 2017, which included approximately \$3.32 million of IEPA loan forgiveness (see Note K-2).

**Village of Sauk Village, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2017**

Total Fiscal Year 2017 Expenses



The Village's expenses totaled approximately \$12.16 million in fiscal year 2017. This represents an increase of approximately \$0.50 million or 4.3% from the prior year.

Public safety costs comprise the greatest portion of the Village's total expenses. Public safety costs increased by 18.0%, from approximately \$4.56 million in 2016 to approximately \$5.39 million in 2017. The increase is attributable to higher personnel-related and other operating costs associated with the Village's police department in fiscal year 2017. The fiscal year 2017 personnel costs reflect the impact of the police department collective bargaining agreement settlement.

In the business-type activities, the expenses of the water and sewer function commodities and operating expenses totaled approximately \$2.14 million in 2017, a decrease of \$182,438 or 7.9% compared to 2016, in which expenses were approximately \$2.32 million.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year. As of April 30, 2017, the governmental funds reported an ending fund balance of approximately \$11.56 million.

Village of Sauk Village, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2017

General Fund Budgetary Highlights

It is the Village's policy to periodically review the appropriations; however, department heads are expected to limit their expenditures to their original appropriation amount and change expenditures between line items, if necessary.

General Fund Revenues

	FY2017	FY2017	Dollar	Percent
	Appropriation	Actual	Variance	Variance
Revenues				
Taxes	\$ 2,759,404	\$ 2,552,939	\$ (206,465)	-7.48%
Intergovernmental	1,642,305	1,769,573	127,268	7.75%
Licenses and Permits	199,000	341,477	142,477	71.60%
Fines	284,000	246,926	(37,074)	-13.05%
Charges for Services	563,000	708,890	145,890	25.91%
Investment Income	50	409	359	718.00%
Miscellaneous Revenues	223,000	48,546	(174,454)	-78.23%
Total Revenues	\$ 5,670,759	\$ 5,668,760	\$ (1,999)	-0.04%

Total General Fund revenue came in under the projected appropriation by \$1,999, or (0.04)%.

General Fund Expenditures

	FY2017	FY2017	Dollar	Percent
	Appropriation	Actual	Variance	Variance
Expenditures				
General Government	\$ 1,816,092	\$ 1,852,465	\$ 36,373	2.00%
Public Safety	3,633,511	3,486,847	(146,664)	-4.04%
Public Works	177,156	155,274	(21,882)	-12.35%
Debt Service	-	112,321	112,321	100.00%
Total Expenditures	\$ 5,626,759	\$ 5,606,907	\$ (19,852)	-0.35%

General Fund expenditures came in under budget by \$19,852, or 0.35%.

Village of Sauk Village, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2017

Capital Assets

The following schedule reflects the Village's capital asset balances as of April 30, 2017 and 2016, net of accumulated depreciation of \$46,269,478 and \$45,965,199 respectively.

Asset Type	Total Capital Assets, Net of Depreciation					
	Governmental Activities		Business-Type Activity		Total Government	
	2017	2016	2017	2016	2017	2016
Land	\$ 574,003	\$ 574,003	\$ 13,500	\$ 13,500	\$ 587,503	\$ 587,503
Buildings	4,821,150	5,004,124	318	634	4,821,468	5,004,758
Machinery and Equipment	179,578	184,818	40,418	54,594	219,996	239,412
Vehicles	992,565	1,103,053	43,630	-	1,036,195	1,103,053
Infrastructure	4,977,355	5,200,713	6,150,657	6,522,969	11,128,012	11,723,682
Total Capital Assets	\$ 11,544,651	\$ 12,066,711	\$ 6,248,523	\$ 6,591,697	\$ 17,793,174	\$ 18,658,408

At the end of the fiscal year 2017, the Village had combined total government net capital assets of approximately \$17.79 million invested in a broad range of capital assets including land, buildings, vehicles, streets, water mains, and sewer lines. During fiscal year 2015, and continuing into fiscal year 2016, the Village completed infrastructure improvements, financed predominantly by the IEPA, for its water distribution and contamination remediation system. Those improvements consisted of various major water remediation equipment and the modernization of the Village's water delivery distribution systems.

Long-Term Debt

The table below summarizes the Village's bonded and other indebtedness.

	Long-Term Debt					
	Governmental Activities		Business-Type Activity		Total Government	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 200,000	\$ 260,000	\$ -	\$ -	\$ 200,000	\$ 260,000
Alternative revenue bonds	30,411,367	32,840,077	-	-	30,411,367	32,840,077
Unamortized bond premium	318,408	344,616	-	-	318,408	344,616
Street light loan	76,084	111,836	-	-	76,084	111,836
Fire truck loan	332,500	350,000	-	-	332,500	350,000
Capital leases	25,686	91,768	-	-	25,686	91,768
Judgment liability	151,575	24,146	-	-	151,575	24,146
Illinois EPA Loan			865,916	4,225,983	865,916	4,225,983
Compensated absences	200,123	163,535	49,896	51,108	250,019	214,643
Net pension liabilities	11,418,567	11,001,208	514,732	538,217	11,933,299	11,539,425
Net other post-employment benefit obligations	1,045,364	906,968	-	-	1,045,364	906,968
Total	\$ 44,179,674	\$ 46,094,154	\$ 1,430,544	\$ 4,815,308	\$ 45,610,218	\$ 50,909,462

Village of Sauk Village, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2017

Long-Term Debt (Continued)

As of April 30, 2017, the Village had a total of approximately \$45.61 million of long-term debt outstanding. Of this amount, approximately \$30.61 million was in the form of general obligation bonds and alternative revenue bonds backed by the full faith and credit of the Village government.

For more detailed information on the Village's bonded and similar indebtedness, see Note K in the notes to the financial statements.

Economic Factors

The Village of Sauk Village is located in the south suburbs of Chicago with a population of approximately 10,540 and 3,380 households. The Village is home to a 425-acre master planned business logistic park with Class 1 Railroad access provided by Canadian National Railroad. Geographically, Sauk Village is near the City of Chicago and within minutes to Interstates 80, 294, 94, 57, 55 and 65. The property tax revenues are derived from residential, commercial and industrial properties, which are relatively stable. Sales tax revenues are expected to remain the same year over year. The Village may increase revenue through future economic development initiatives. Short-term goals include aggressively marketing available land for industrial users seeking greater supply chain management in the Chicago market area and possibly establishing new Tax Increment Financing Districts for commercial development.

Requests for Information

This financial report is intended to provide our citizens, customers, investors, and creditors with general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you should have any questions or requests for additional financial information, please contact the Village of Sauk Village Finance Department, 21801 Torrence Avenue, Sauk Village, Illinois 60411, telephone (708) 753-5120.

BASIC FINANCIAL STATEMENTS

Village of Sauk Village, Illinois
STATEMENT OF NET POSITION (DEFICIT)
April 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current			
Cash and cash equivalents	\$ 1,745,483	\$ -	\$ 1,745,483
Receivables, net of allowances			
Property taxes	1,760,408	-	1,760,408
Intergovernmental	413,581	-	413,581
Charges for services and other	203,963	358,681	562,644
Deposits with paying agent	10,094,910	-	10,094,910
Prepaid items	333,090	-	333,090
Noncurrent			
Internal balances	(1,333,524)	1,333,524	-
Land held for resale	1,063,822	-	1,063,822
Capital assets not being depreciated	574,003	13,500	587,503
Capital assets, net of accumulated depreciation	10,970,648	6,235,023	17,205,671
Total assets	<u>25,826,384</u>	<u>7,940,728</u>	<u>33,767,112</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>376,810</u>	<u>329,488</u>	<u>706,298</u>
LIABILITIES			
Current			
Current portion of long-term liabilities	3,371,228	91,655	3,462,883
Accounts payable	324,010	41,282	365,292
Accrued payroll	124,846	17,174	142,020
Accrued interest	511,933	2,015	513,948
Insurance premium loan	257,586	-	257,586
Deposits payable	-	178,268	178,268
Due to county government	214,339	-	214,339
Due to Firefighters' Pension Fund	704	-	704
Due to Police Pension Fund	16,089	-	16,089
Long-term liabilities, net of current portion			
Due in more than one year	<u>40,808,446</u>	<u>1,338,889</u>	<u>42,147,335</u>
Total liabilities	<u>45,629,181</u>	<u>1,669,283</u>	<u>47,298,464</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>661,073</u>	<u>133,703</u>	<u>794,776</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	8,269,299	5,382,607	13,651,906
Restricted by enabling legislation	12,416,741	-	12,416,741
Unrestricted	<u>(40,773,100)</u>	<u>1,084,623</u>	<u>(39,688,477)</u>
Total net position (deficit)	<u>\$ (20,087,060)</u>	<u>\$ 6,467,230</u>	<u>\$ (13,619,830)</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, 2017

<u>Functions/Programs</u>	Program Revenues			
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities				
General government	\$ 2,352,811	\$ 494,240	\$ 132,807	\$ -
Public safety	5,387,939	338,708	165,151	-
Public works	541,556	-	35,000	274,331
Interest	1,739,590	-	-	-
Total governmental activities	10,021,896	832,948	332,958	274,331
Business-type activities				
Waterworks	1,444,980	1,663,602	-	3,319,107
Sewerage	693,070	770,378	-	-
Total business-type activities	2,138,050	2,433,980	-	3,319,107
Total	\$ 12,159,946	\$ 3,266,928	\$ 332,958	\$ 3,593,438
		General revenues		
		Taxes		
		Intergovernmental		
		Interest		
		Miscellaneous		
		Transfers		
		Total general revenues		
		Change in net position		
		Net position (deficit) - beginning		
		(as restated - see Note S)		
		Net position (deficit) - ending		

The accompanying notes are an integral part of this statement.

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

Governmental Activities	Business-type Activities	Total
\$ (1,725,764)	\$ -	\$ (1,725,764)
(4,884,080)	-	(4,884,080)
(232,225)	-	(232,225)
<u>(1,739,590)</u>	<u>-</u>	<u>(1,739,590)</u>
<u>(8,581,659)</u>	<u>-</u>	<u>(8,581,659)</u>
-	3,537,729	3,537,729
<u>-</u>	<u>77,308</u>	<u>77,308</u>
<u>-</u>	<u>3,615,037</u>	<u>3,615,037</u>
<u>(8,581,659)</u>	<u>3,615,037</u>	<u>(4,966,622)</u>
7,452,148	-	7,452,148
2,294,573	-	2,294,573
6,054	-	6,054
40,013	126,446	166,459
245,000	(245,000)	-
<u>10,037,788</u>	<u>(118,554)</u>	<u>9,919,234</u>
<u>1,456,129</u>	<u>3,496,483</u>	<u>4,952,612</u>
<u>(21,543,189)</u>	<u>2,970,747</u>	<u>(18,572,442)</u>
<u>\$ (20,087,060)</u>	<u>\$ 6,467,230</u>	<u>\$ (13,619,830)</u>

Village of Sauk Village, Illinois

Governmental Funds

BALANCE SHEET

April 30, 2017

	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	\$ -	\$ 1,555,718	\$ -	\$ -	\$ 189,765	\$ 1,745,483
Receivables, net of allowances						
Property taxes	1,474,549	-	14,631	-	271,228	1,760,408
Intergovernmental	390,578	-	-	-	23,003	413,581
Other	185,042	-	-	-	18,921	203,963
Deposits with paying agent	-	9,300,141	-	760,521	34,248	10,094,910
Prepaid items	333,090	-	-	-	-	333,090
Advances to other funds	1,453,697	-	12,609	205,582	2,213,780	3,885,668
Land held for resale	-	-	-	1,063,822	-	1,063,822
Total assets	<u>\$ 3,836,956</u>	<u>\$ 10,855,859</u>	<u>\$ 27,240</u>	<u>\$ 2,029,925</u>	<u>\$ 2,750,945</u>	<u>\$ 19,500,925</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)						
Liabilities						
Accounts payable	\$ 267,749	\$ -	\$ -	\$ -	\$ 56,261	\$ 324,010
Accrued payroll	119,688	-	-	-	5,158	124,846
Advances from other funds	3,192,870	-	205,582	1,636,170	184,570	5,219,192
Due to county government	214,339	-	-	-	-	214,339
Due to Firefighters' Pension Fund	704	-	-	-	-	704
Due to Police Pension Fund	16,089	-	-	-	-	16,089
Insurance premium loan	257,586	-	-	-	-	257,586
Total liabilities	<u>4,069,025</u>	<u>-</u>	<u>205,582</u>	<u>1,636,170</u>	<u>245,989</u>	<u>6,156,766</u>
Deferred inflows						
Property taxes levied for a future period	1,386,193	-	-	-	252,163	1,638,356
Income taxes collected in a future period	140,811	-	-	-	-	140,811
Total deferred inflows	<u>1,527,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,163</u>	<u>1,779,167</u>
Fund balances (deficits)						
Nonspendable						
Deposits with paying agent	-	9,300,141	-	760,521	34,248	10,094,910
Prepaid items	333,090	-	-	-	-	333,090
Advances to other funds	1,453,697	-	12,609	205,582	2,213,780	3,885,668
Land held for resale	-	-	-	1,063,822	-	1,063,822
Restricted						
Railroad noise and safety improvements	195,900	-	-	-	-	195,900
Special revenue purposes	-	-	-	-	106,615	106,615
Debt service	-	1,555,718	-	-	-	1,555,718
Capital projects	-	-	-	-	104,379	104,379
Unassigned	<u>(3,741,760)</u>	<u>-</u>	<u>(190,951)</u>	<u>(1,636,170)</u>	<u>(206,229)</u>	<u>(5,775,110)</u>
Total fund balance (deficits)	<u>(1,759,073)</u>	<u>10,855,859</u>	<u>(178,342)</u>	<u>393,755</u>	<u>2,252,793</u>	<u>11,564,992</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 3,836,956</u>	<u>\$ 10,855,859</u>	<u>\$ 27,240</u>	<u>\$ 2,029,925</u>	<u>\$ 2,750,945</u>	<u>\$ 19,500,925</u>

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, 2017

Total fund balance - governmental funds	\$ 11,564,992
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Amounts reported for governmental activities in the statement of net position (deficit) differ from the governmental funds balance sheet because:

Certain revenues that are recorded as deferred inflows of resources 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.	11,544,651
--	------------

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions	\$ 353,871	
Deferred outflows of 2017 employer contributions related to pensions	<u>22,939</u>	376,810
Deferred inflows of resources related to pensions		(661,073)

Accrued interest reported in the statement of net position does not require the use of current financial resources and, therefore, is not reported in the governmental funds balance sheet.	(511,933)
---	-----------

Long-term liabilities included in the statement of net position (deficit) are not due and payable in the current period and, accordingly, are not reported as liabilities in the governmental funds balance sheet.	<u>(44,179,674)</u>
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Net position (deficit) - governmental activities	<u>\$ (20,087,060)</u>
--	------------------------

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, 2017

	General Fund	Debt Service Fund	Sauk Pointe Industrial Park Fund	LogistiCenter at Sauk Village Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 2,552,939	\$ -	\$ 909,249	\$ 3,520,395	\$ 573,549	\$ 7,556,132
Licenses and permits	341,477	-	-	-	-	341,477
Charges for services	708,890	-	-	-	89,797	798,687
Utility taxes	-	-	-	-	188,437	188,437
Intergovernmental	1,769,573	-	-	-	274,331	2,043,904
Fines and forfeitures	246,926	-	-	-	-	246,926
Interest	409	3,474	-	541	1,630	6,054
Contributions and donations	15,319	-	-	-	-	15,319
Miscellaneous	33,227	-	-	(600)	109,936	142,563
Total revenues	<u>5,668,760</u>	<u>3,474</u>	<u>909,249</u>	<u>3,520,336</u>	<u>1,237,680</u>	<u>11,339,499</u>
Expenditures						
Current						
General government	1,852,465	-	-	7,000	53,806	1,913,271
Public safety	3,486,847	-	-	-	609,482	4,096,329
Public works	155,274	-	-	-	154,597	309,871
Debt service						
Principal	95,193	2,965,000	-	-	24,141	3,084,334
Interest	17,128	1,303,926	-	-	1,067	1,322,121
Total expenditures	<u>5,606,907</u>	<u>4,268,926</u>	<u>-</u>	<u>7,000</u>	<u>843,093</u>	<u>10,725,926</u>
Excess (deficiency) of revenues over expenditures	<u>61,853</u>	<u>(4,265,452)</u>	<u>909,249</u>	<u>3,513,336</u>	<u>394,587</u>	<u>613,573</u>
Other financing sources (uses)						
Transfers in	763,730	6,349,791	-	-	-	7,113,521
Transfers (out)	<u>(690,000)</u>	<u>-</u>	<u>(892,977)</u>	<u>(4,878,213)</u>	<u>(407,331)</u>	<u>(6,868,521)</u>
Total other financing sources (uses)	<u>73,730</u>	<u>6,349,791</u>	<u>(892,977)</u>	<u>(4,878,213)</u>	<u>(407,331)</u>	<u>245,000</u>
Net change in fund balances	135,583	2,084,339	16,272	(1,364,877)	(12,744)	858,573
Fund balances (deficits)						
Beginning of year	<u>(1,894,656)</u>	<u>8,771,520</u>	<u>(194,614)</u>	<u>1,758,632</u>	<u>2,265,537</u>	<u>10,706,419</u>
End of year	<u>\$ (1,759,073)</u>	<u>\$ 10,855,859</u>	<u>\$ (178,342)</u>	<u>\$ 393,755</u>	<u>\$ 2,252,793</u>	<u>\$ 11,564,992</u>

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, 2017

Net change in fund balances - total governmental funds	\$	858,573
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.		(106,474)
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.		(522,060)
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.		32,523
Changes in deferred outflows and inflows of resources related to pensions are reported only in the statement of activities.		
Deferred outflows and inflows of resources related to:		
IMRF pension	(22,384)	
Police pension	(608,784)	
Firefighters' pension	<u>(89,745)</u>	(720,913)
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>1,914,480</u>
Change in net position - governmental activities	\$	<u><u>1,456,129</u></u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Proprietary Funds
STATEMENT OF NET POSITION
April 30, 2017

	Waterworks Fund	Sewerage Fund	Total
ASSETS			
Current			
Receivables, net of allowances	\$ 240,593	\$ 118,088	\$ 358,681
Total current assets	<u>240,593</u>	<u>118,088</u>	<u>358,681</u>
Noncurrent			
Advances to other funds	1,549,667	586,989	2,136,656
Capital assets not being depreciated	13,500	-	13,500
Capital assets, net of accumulated depreciation	<u>5,791,542</u>	<u>443,481</u>	<u>6,235,023</u>
Total noncurrent assets	<u>7,354,709</u>	<u>1,030,470</u>	<u>8,385,179</u>
Total assets	<u>7,595,302</u>	<u>1,148,558</u>	<u>8,743,860</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>167,786</u>	<u>161,702</u>	<u>329,488</u>
LIABILITIES			
Current			
Current portion of long-term liabilities	60,467	31,188	91,655
Accounts payable	23,913	17,369	41,282
Accrued payroll	10,750	6,424	17,174
Accrued interest	2,015	-	2,015
Advances from other funds	586,989	216,143	803,132
Deposits payable	178,268	-	178,268
Noncurrent			
Due in more than one year	<u>1,097,382</u>	<u>241,507</u>	<u>1,338,889</u>
Total liabilities	<u>1,959,784</u>	<u>512,631</u>	<u>2,472,415</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>70,971</u>	<u>62,732</u>	<u>133,703</u>
NET POSITION			
Net investment in capital assets	4,939,126	443,481	5,382,607
Unrestricted	<u>793,207</u>	<u>291,416</u>	<u>1,084,623</u>
Total net position	<u>\$ 5,732,333</u>	<u>\$ 734,897</u>	<u>\$ 6,467,230</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Proprietary Funds
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended April 30, 2017

	Waterworks Fund	Sewerage Fund	Total
Operating revenues			
Charges for services	\$ 1,643,727	\$ 770,378	\$ 2,414,105
Meter sales	19,875	-	19,875
Miscellaneous	91,177	35,269	126,446
Total operating revenues	<u>1,754,779</u>	<u>805,647</u>	<u>2,560,426</u>
Operating expenses			
Operations	1,068,796	663,228	1,732,024
Depreciation	367,870	29,842	397,712
Total operating expenses	<u>1,436,666</u>	<u>693,070</u>	<u>2,129,736</u>
Operating income	<u>318,113</u>	<u>112,577</u>	<u>430,690</u>
Nonoperating income (expenses)			
IEPA principal forgiveness	3,319,107	-	3,319,107
Debt service - interest	(8,314)	-	(8,314)
Total nonoperating (expenses)	<u>3,310,793</u>	<u>-</u>	<u>3,310,793</u>
Other financing sources (uses)			
Transfers in	15,000	15,000	30,000
Transfers out	(150,000)	(125,000)	(275,000)
Total other financing sources (uses)	<u>(135,000)</u>	<u>(110,000)</u>	<u>(245,000)</u>
Change in net position	3,493,906	2,577	3,496,483
Net position			
Beginning of year - as restated (See Note S)	<u>2,238,427</u>	<u>732,320</u>	<u>2,970,747</u>
End of year	<u>\$ 5,732,333</u>	<u>\$ 734,897</u>	<u>\$ 6,467,230</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Proprietary Funds

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2017

	Waterworks Fund	Sewerage Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 1,718,479	\$ 777,513	\$ 2,495,992
Cash paid to suppliers	(808,226)	(568,359)	(1,376,585)
Cash paid to employees	(306,122)	(92,595)	(398,717)
Net cash provided by operating activities	<u>604,131</u>	<u>116,559</u>	<u>720,690</u>
Cash flows from noncapital financing activities			
Transfers from other funds	15,000	15,000	30,000
Transfers to other funds	(150,000)	(125,000)	(275,000)
Changes in advances to/from other funds, net	(387,000)	24,694	(362,306)
Net cash used in noncapital financing activities	<u>(522,000)</u>	<u>(85,306)</u>	<u>(607,306)</u>
Cash flows from capital financing activities			
Purchases of capital assets	(23,285)	(31,253)	(54,538)
Payments on IEPA loan	(58,846)	-	(58,846)
Net cash provided by capital financing activities	<u>(82,131)</u>	<u>(31,253)</u>	<u>(113,384)</u>
Net change in cash and cash equivalents	-	-	-
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
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
Proprietary Funds
STATEMENT OF CASH FLOWS (Continued)
For the Year Ended April 30, 2017

	<u>Waterworks</u> <u>Fund</u>	<u>Sewerage</u> <u>Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 318,113	\$ 112,577	\$ 430,690
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	367,870	29,842	397,712
(Increase) decrease in assets and deferred outflows			
Receivables	(42,335)	(28,134)	(70,469)
Deferred outflows related to pensions	16,461	13,132	29,593
Increase (decrease) in liabilities and deferred inflows			
Accounts payable	(29,928)	13,938	(15,990)
Accrued payroll	(3,086)	(1,219)	(4,305)
Compensated absences	(980)	(232)	(1,212)
Deposits	6,035	-	6,035
Net pension liability	(13,046)	(10,438)	(23,484)
Deferred inflows related to pensions	(14,973)	(12,907)	(27,880)
Net cash provided by operating activities	<u>\$ 604,131</u>	<u>\$ 116,559</u>	<u>\$ 720,690</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, 2017

	Pension Trust Funds	Agency Fund	Total
ASSETS			
Cash and cash equivalents	\$ 343,803	\$ -	\$ 343,803
Investments	5,095,369	-	5,095,369
Accrued interest	14,952	-	14,952
Other receivable	25,737	-	25,737
Due from Village	16,790	-	16,790
	<hr/>	<hr/>	<hr/>
Total assets	5,496,651	-	5,496,651
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts payable	4,500	-	4,500
	<hr/>	<hr/>	<hr/>
NET POSITION			
Held in trust for pension benefits	\$ <u>5,492,151</u>	\$ <u>-</u>	\$ <u>5,492,151</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Pension Trust Funds
STATEMENT OF CHANGES IN PLAN NET POSITION
For the Year Ended April 30, 2017

ADDITIONS

Contributions		
Employer		\$ 207,056
Members and other		<u>156,221</u>
Total contributions		<u>363,277</u>
Investment earnings		326,880
Investment expenses		<u>(21,335)</u>
Net investment earnings (losses)		<u>305,545</u>
Total additions		<u>668,822</u>

DEDUCTIONS

Pension benefits		584,230
Refunds of contributions		32,265
Administrative expense		<u>38,598</u>
Total deductions		<u>655,093</u>

CHANGE IN NET POSITION

13,729

PLAN NET POSITION HELD IN TRUST
FOR PENSION BENEFITS

Beginning of year		<u>5,478,422</u>
End of year		<u>\$ 5,492,151</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
INDEX TO THE
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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 GAAP, 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, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 72, *Fair Value Measurement and Application*, issued in February 2015, which was implemented by the Village during the fiscal year ended April 30, 2017. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value investments.

The GASB has issued Statement No. 77, *Tax Abatement Disclosures*, issued in August 2015, which was implemented by the Village during the fiscal year ended April 30, 2017. This Statement addresses providing financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current year revenues were sufficient to pay for current year services, (b) compliance with finance related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time.

3. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position (deficit) 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 (deficit) presents the Village's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position (deficit) in three categories:

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 position 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.

Unrestricted net position consists 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 the resources 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 as they are not available to address activities or obligations of the Village. 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, deferred inflows, 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:

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Presentation - Fund Accounting (Continued)

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:

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.

Special revenue funds are used to account for the proceeds of specific revenue sources (other than debt service or major 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.

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.

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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Presentation - Fund Accounting (Continued)

b. Proprietary Fund Types (Continued)

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.

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.

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.

Agency funds are custodial in nature and do not involve the measurement of results of operations. Agency funds account for assets held by the Village which are owned, operated, and managed separately from the governance of the Village. The Sauk Village Housing Commission Fund is the Village's sole agency fund and was inactive as of April 30, 2017.

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 as well as debt service and capital projects funds are by definition restricted for those specified purposes.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Fund Balance (Continued)

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, 2017, 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, 2017. At April 30, 2017, 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.

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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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, 2017, the Village had deferred outflows of resources related to pensions. In addition to liabilities, the Village may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that are applicable to future periods. At April 30, 2017, the Village had deferred inflows related to pensions, property taxes levied for a future period, and income taxes collected in a future period.

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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Receivables (Continued)

- Government mandates or voluntary nonexchange transaction receivables, such as grants, are recognized when all eligibility requirements have been met.

The carrying amount of receivables - charges for services and other is reduced by a valuation allowance that reflects management's best estimate of the amounts that may not be collected. Management's estimate is based on receivables aged over 90 days past due for garbage services and Village utility sales (water and sewer) charged to residents. The allowances for doubtful customer receivables totaled \$37,700, \$91,897 and \$43,177 in the General Fund, Waterworks Fund, and Sewerage Fund, respectively, at April 30, 2017.

10. Investments

Investments are stated at fair value. Gains and losses on the sale of investments are recorded as interest income, at the date of sale or maturity.

11. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

16. Pensions

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

17. 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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

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.

18. 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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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 “Long-term liabilities included in the statement of net position (deficit) are not due and payable in the current period and, accordingly, are not reported as liabilities in the governmental funds balance sheet.” The details of this difference are as follows:

Alternate revenue bonds	\$ 30,411,367
General obligation bonds	200,000
Street light loan	76,084
Fire truck loan	332,500
Capital leases	25,686
Premiums on bonds sold	318,408
Compensated absences	200,123
Net pension liabilities	
IMRF	325,343
Police	9,858,108
Firefighters'	1,235,116
Net other postemployment benefit obligation	1,045,364
Judgment liability	<u>151,575</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	 <u>\$ 44,179,674</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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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)

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	\$ 143,285
Depreciation expense	<u>(665,345)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ (522,060)</u>

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	\$ (476,290)
Principal payments on alternate revenue bonds	2,905,000
Principal payments on general obligation bonds	60,000
Principal payments on fire truck loan	17,500
Principal payments on street light loan	35,752
Principal payments on capital leases	66,082
Unamortized bond premium	26,208
Net decreases (increases) in net pension liabilities	
IMRF	36,147
Police	(451,153)
Firefighters'	(2,353)
Net increase in other postemployment benefits obligation	(138,396)
Net increase in compensated absences	(36,588)
Net increase in judgment liability	<u>(127,429)</u>
Net changes in current financial resources	<u>\$ 1,914,480</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS

1. Village Deposits and Investments

At April 30, 2017, the Village's cash and cash equivalents, excluding the pension trust funds, consisted of the following:

	Governmental Activities	Business-type Activities	Agency Fund	Total
Cash and cash equivalents	\$ 1,745,483	\$ -	\$ -	\$ 1,745,483

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

	Total
Cash on hand	\$ 2,292
Deposits with financial institutions	1,608,033
Illinois Funds	135,158
	\$ 1,745,483

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 proprietary 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, 2017, the carrying amount of the Village's deposits was \$1,608,033 with bank balances totaling \$1,907,940. At April 30, 2017, \$4,105 of the Village's deposits were uninsured or uncollateralized.

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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Village Deposits and Investments (Continued)

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. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAAM and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the Village needs.

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 - 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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

a. Firefighters' Pension Fund (Continued)

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.

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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

Deposits and investments - At April 30, 2017, the carrying amount of the Firefighters' Pension Fund's deposits totaled \$11,706 and the bank balances totaled \$11,706. At April 30, 2017, 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. Treasury notes	\$ 20,195	\$ -	\$ 15,267	\$ 4,928
U.S. government agency obligations	15,234	-	15,234	-
Corporate bonds	5,027	5,027	-	-
Money market funds	2,348	2,348	-	-
Equity mutual funds	4,153	4,153	-	-
	<u>\$ 46,957</u>	<u>\$ 11,528</u>	<u>\$ 30,501</u>	<u>\$ 4,928</u>

The pension fund assumes any callable securities will not be called.

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.

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. 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, 2017, 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 percent of the fair market value of the pension fund's uninsured deposits.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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)

Custodial credit risk - Investments - Money market mutual funds, and equity mutual funds are not subject to custodial credit risk. At April 30, 2017, 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 does not have a formal written policy with regards to concentration credit risk for investments. At April 30, 2017, the pension fund had over 5 percent of plan net position invested in various agency securities. 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.

The fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	90.0 %	2.5 %
Domestic equities	7.0	6.0
International equities	2.5	5.5
Real estate	0.5	7.0
Cash and cash equivalents	0.0	0.0

Securities in any one company should not exceed 5 percent of the total fund.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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)

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in August 2015 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2017 are listed in the table above.

The pension board has diversified its equity mutual fund holdings as follows:

<u>Equity Mutual Funds</u>	<u>Fair Value</u>
Oakmark International	\$ 661
Vanguard	<u>3,492</u>
Total	<u>\$ 4,153</u>

Rate of Return - For the year ended April 30, 2017, the annual time-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.50 percent. The time-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fair Value Measurements The Firefighters' Pension Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Firefighters' Pension Fund had the following fair value measurements as of April 30, 2017:

Corporate bonds, U.S. government agency obligations and U.S. Treasury notes - Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yield currently available on comparable securities of issuers with similar credit ratings.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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)

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Firefighters' Pension Fund are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Sauk Village Firefighters' Pension Fund are deemed to be actively traded.

The following table summarizes the investments of the Firefighters' Pension Fund, for which fair values are determined on a recurring basis as of April 30, 2017:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury notes	\$ 20,195	\$ -	\$ 20,195	\$ -
U.S. government agency obligations	15,234	-	15,234	-
Corporate bonds	5,027	-	5,027	-
Money market funds	2,348	2,348	-	-
Equity mutual funds	4,153	4,153	-	-
	<u>\$ 46,957</u>	<u>\$ 6,501</u>	<u>\$ 40,456</u>	<u>\$ -</u>

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.

Investment Policy - The Police Pension Plan investment program is derived from the terms and provisions of the Illinois Compiled Statutes (ILCS). ILCS requires the Police Pension Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board. During the year, no changes to the investment policy were approved by the Board of Trustees.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

b. Police Pension Fund (Continued)

The following investments are allowed as limited by the provisions of the ILCS: direct obligations of the United States of America; obligations that are fully guaranteed or insured by the United States of America; obligations of agencies of the United States of America; insured savings accounts or certificates of deposit issued by banks or savings and loan associations; insured investments in credit unions; bonds of the state of Illinois; pooled accounts managed by the Illinois Public Treasurer's Investment Pool; funds and pooled accounts managed, operated and administered by banks, subsidiaries of banks, or subsidiaries of bank holding companies; obligations of any county, township, or municipal corporation of the state of Illinois; money market mutual funds; general and separate accounts of life insurance companies; mutual funds; and common and preferred stocks.

The following was the asset allocation policy adopted by the Board of Trustees as of April 30, 2017:

<u>Asset Class</u>	<u>Allocation</u>
Fixed income, government	49.50 %
Domestic equities	33.75
International developed	11.25
Corporate investment grade	<u>5.50</u>
	<u><u>100.00 %</u></u>

Rate of Return - For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.11% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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, 2017, the Police Pension Fund's bank balances were fully covered by federal depository

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

b. Police Pension Fund (Continued)

Investments As of April 30, 2017, 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	\$ 322,682	Aa1 - Baa1	1.87
Equities	561,452	N/A	N/A
Mutual funds	1,822,605	N/A	N/A
U.S. government agency securities	372,816	Aaa/AA+	1.59
U.S. Treasury notes	<u>1,968,857</u>	Aaa/AA+	3.85
Total	<u>\$ 5,048,412</u>		

(1) Ratings are provided where applicable to indicate associated *Credit Risk*. N/A indicates not applicable.

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

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

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.

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 Compiled Statutes Public Funds Investment Act (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.

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, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

b. Police Pension Fund (Continued)

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty to a transaction, the Police Pension Fund will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Police Pension Fund does not have an investment policy for this risk.

Fair Value Measurements The Police Pension Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Police Pension Fund had the following fair value measurements as of April 30, 2017:

Corporate bonds, U.S. government agency obligations and U.S. Treasury notes - Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yield currently available on comparable securities of issuers with similar credit ratings.

Equities - Valued at quoted market prices for identical assets in active markets.

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Police Pension Fund are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Sauk Village Police Pension Fund are deemed to be actively traded.

The following table summarizes the investments of the Police Pension Fund, for which fair values are determined on a recurring basis as of April 30, 2017:

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

b. Police Pension Fund (Continued)

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate bonds	\$ 322,682	\$ -	\$ 322,682	\$ -
Equities	561,452	561,452	-	-
Mutual funds	1,822,605	1,822,605	-	-
U.S. government agency obligations	372,816	-	372,816	-
U.S. Treasury notes	1,968,857	-	1,968,857	-
	<u>\$ 5,048,412</u>	<u>\$ 2,384,057</u>	<u>\$ 2,664,355</u>	<u>\$ -</u>

NOTE D - PROPERTY TAXES

Property taxes for the 2016 tax year attach as an enforceable lien on January 1, 2016 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, 2017 and August 1, 2017. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3 percent of the tax levy to reflect actual collection experience. That portion of the 2016 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 property tax revenue levied for a future period in the fund financial statements.

NOTE E - TAX ABATEMENTS

Village property tax revenues are impacted by certain reduced assessments granted by the County of Cook in conjunction with the Village Board for the development or redevelopment of commercial and industrial properties. The properties receive a real estate tax incentive through a reduction in the assessment from the standard rate to a reduced rate for a period of time. Although tax revenues are not reduced in the whole, those properties receive a reduced bill. The total estimated impact of these incentives to the Village is a reduction in property taxes for those properties in the amount of approximately \$591,000 for the 2016 tax levy.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE F - 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, 2017, deposits with paying agent totaling \$10,094,910 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, 2017.

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2017 was as follows:

1. Governmental Activities

	<u>Balance</u> <u>May 1, 2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>April 30, 2017</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	2,252,962	45,920	50,386	2,248,496
Vehicles	4,150,331	97,365	605,313	3,642,383
Infrastructure	36,676,704	-	-	36,676,704
Total capital assets being depreciated	<u>50,585,197</u>	<u>143,285</u>	<u>655,699</u>	<u>50,072,783</u>
Less accumulated depreciation for				
Buildings	2,501,076	182,974	-	2,684,050
Machinery and equipment	2,068,144	51,160	50,386	2,068,918
Vehicles	3,047,278	207,853	605,313	2,649,818
Infrastructure	31,475,991	223,358	-	31,699,349
Total accumulated depreciation	<u>39,092,489</u>	<u>665,345</u>	<u>655,699</u>	<u>39,102,135</u>
Total capital assets, being depreciated, net	<u>11,492,708</u>	<u>(522,060)</u>	<u>-</u>	<u>10,970,648</u>
Governmental activities capital assets, net	<u>\$ 12,066,711</u>	<u>\$ (522,060)</u>	<u>\$ -</u>	<u>\$ 11,544,651</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE G - CAPITAL ASSETS (Continued)

2. Business-Type Activities

	<u>Balance</u> <u>May 1, 2016</u>	<u>Additions/</u> <u>Transfers</u>	<u>Disposals/</u> <u>Transfers</u>	<u>Balance</u> <u>April 30, 2017</u>
Capital assets not being depreciated				
Land	\$ 13,500	\$ -	\$ -	\$ 13,500
Capital assets, being depreciated				
Buildings	51,117	-	-	51,117
Waterworks and sewerage system	11,664,070	-	-	11,664,070
Machinery and equipment	621,548	-	19,787	601,761
Vehicles	469,211	54,538	83,292	440,457
Water meters	644,961	-	-	644,961
Total capital assets, being depreciated	<u>13,450,907</u>	<u>54,538</u>	<u>103,079</u>	<u>13,402,366</u>
Less accumulated depreciation for				
Buildings	50,483	316	-	50,799
Waterworks and sewerage system	5,141,101	372,312	-	5,513,413
Machinery and equipment	566,954	14,176	19,787	561,343
Vehicles	469,211	10,908	83,292	396,827
Water meters	644,961	-	-	644,961
Total accumulated depreciation	<u>6,872,710</u>	<u>397,712</u>	<u>103,079</u>	<u>7,167,343</u>
Total capital assets, being depreciated, net	<u>6,578,197</u>	<u>(343,174)</u>	<u>-</u>	<u>6,235,023</u>
Business-type activities, capital assets, net	<u>\$ 6,591,697</u>	<u>\$ (343,174)</u>	<u>\$ -</u>	<u>\$ 6,248,523</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE G - 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	259,796
Public works	<u>258,855</u>
Total depreciation expense - governmental activities	<u>\$ 665,345</u>
Business – type activities:	
Waterworks	\$ 367,870
Sewerage	<u>29,842</u>
Total depreciation expense - business-type activities	<u>\$ 397,712</u>

NOTE H - INTERFUND TRANSACTIONS

1. Interfund Advances

	<u>Advances to</u>	<u>Advances from</u>
General		
Sauk Pointe Industrial Park	\$ 5,000	\$ 12,609
LogistiCenter at Sauk Village	1,048,809	-
Nonmajor governmental	183,745	1,630,594
Waterworks	-	1,549,667
Sewerage	<u>216,143</u>	<u>-</u>
Total General	<u>1,453,697</u>	<u>3,192,870</u>
Sauk Pointe Industrial Park		
General	12,609	-
LogistiCenter at Sauk Village	<u>-</u>	<u>205,582</u>
Total Sauk Pointe Industrial Park	<u>12,609</u>	<u>205,582</u>

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE H - INTERFUND TRANSACTIONS (Continued)

1. Interfund Advances (Continued)

	<u>Advances to</u>	<u>Advances from</u>
LogistiCenter at Sauk Village		
General	\$ -	\$ 1,048,809
Sauk Pointe Industrial Park	205,582	-
Nonmajor governmental	-	587,361
	<u>205,582</u>	<u>1,636,170</u>
Nonmajor governmental		
General	1,626,419	184,570
LogistiCenter at Sauk Village	587,361	-
	<u>2,213,780</u>	<u>184,570</u>
Total nonmajor governmental	<u>2,213,780</u>	<u>184,570</u>
Total governmental funds	<u>3,885,668</u>	<u>5,219,192</u>
Waterworks		
General	1,549,667	-
Sewerage	-	586,989
	<u>1,549,667</u>	<u>586,989</u>
Sewerage		
General	-	216,143
Waterworks	586,989	-
	<u>586,989</u>	<u>216,143</u>
Total Sewerage	<u>586,989</u>	<u>216,143</u>
Total enterprise funds	<u>2,136,656</u>	<u>803,132</u>
Total all funds	6,022,324	6,022,324
Less amounts eliminated during GASB 34 conversion	<u>(4,688,800)</u>	<u>(4,688,800)</u>
Total government-wide internal balances	<u>\$ 1,333,524</u>	<u>\$ 1,333,524</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE H - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers

	Transfers in	Transfers out
General		
LogistiCenter at Sauk Village	\$ 302,730	\$ -
Debt Service	-	690,000
Nonmajor Governmental	186,000	-
Waterworks	150,000	-
Sewerage	125,000	-
Total General	763,730	690,000
Debt Service		
General	690,000	-
Sauk Pointe Industrial Park	1,778,186	-
LogistiCenter at Sauk Village	3,690,274	-
Nonmajor Governmental	191,331	-
Total Debt Service	6,349,791	-
Sauk Pointe Industrial Park		
Debt Service	-	892,977
Total Sauk Pointe Industrial Park	-	892,977
LogistiCenter at Sauk Village		
General	-	302,730
Debt Service	-	4,575,483
Total LogistiCenter at Sauk Village	-	4,878,213

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE H - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers (Continued)

	<u>Transfers in</u>	<u>Transfers out</u>
Nonmajor governmental		
General	\$ -	\$ 121,000
Debt Service	-	256,331
Nonmajor governmental	-	-
Waterworks	-	15,000
Sewerage	-	15,000
	<u>-</u>	<u>407,331</u>
Total nonmajor governmental	-	407,331
	<u>7,113,521</u>	<u>6,868,521</u>
Total governmental funds		
Waterworks		
General	-	150,000
Nonmajor governmental	15,000	-
	<u>15,000</u>	<u>150,000</u>
Total Waterworks	15,000	150,000
Sewerage		
General	-	125,000
Nonmajor governmental	15,000	-
	<u>15,000</u>	<u>125,000</u>
Total Sewerage	15,000	125,000
Total enterprise funds	<u>30,000</u>	<u>275,000</u>
Total all funds	7,143,521	7,143,521
Less amounts eliminated during GASB 34 conversion	<u>(6,898,521)</u>	<u>(6,898,521)</u>
Total government-wide transfers	<u>\$ 245,000</u>	<u>\$ 245,000</u>

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE I - 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.

NOTE J - INSURANCE PREMIUM LOANS

In March 2016, the Village entered into a loan agreement with a third party finance company, to finance premium payments on certain insurance policies. The agreement required monthly payments of \$30,491, including interest at 5.15 percent, through January 2017.

In March 2017, the Village entered into another loan agreement with the same finance company, to finance premium payments on certain insurance policies. The agreement requires monthly payments of \$29,353, including interest at 6.10 percent, through January 2018.

The following is a summary of the Village's insurance premium loan activity, recorded in the General Fund, for the year ended April 30, 2017:

	<u>Balance</u>			<u>Balance</u>
	<u>May 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>April 30, 2017</u>
Insurance premium loans	\$ <u>267,706</u>	\$ <u>285,488</u>	\$ <u>295,608</u>	\$ <u>257,586</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE K - 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, 2017:

	Balance May 1, 2016	Additions/ Accretion	Retirements	Balance April 30, 2017	Due Within One Year
Alternate revenue bonds	\$ 32,840,077	\$ 476,290	\$ 2,905,000	\$ 30,411,367	\$ 2,885,136
General obligation bonds	260,000	-	60,000	200,000	65,000
Unamortized bond premium	344,616	-	26,208	318,408	26,208
Street light loan	111,836	-	35,752	76,084	-
Fire truck loan	350,000	-	17,500	332,500	17,500
Capital leases	91,768	-	66,082	25,686	25,686
Compensated absences	163,535	206,896	170,308	200,123	200,123
Judgment liability	24,146	527,553	400,124	151,575	151,575
Net OPEB obligation	906,968	286,142	147,746	1,045,364	-
Net pension liabilities					
IMRF	361,490	301,614	337,761	325,343	-
Police	9,406,955	1,536,588	1,085,435	9,858,108	-
Firefighters'	1,232,763	65,052	62,699	1,235,116	-
 Total governmental activities	 \$ 46,094,154	 \$ 3,400,135	 \$ 5,314,615	 \$ 44,179,674	 \$ 3,371,228

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, 2017:

	Balance May 1, 2016	Additions/ Interest	Retirements	Balance April 30, 2017	Due Within One Year
Illinois EPA loan	\$ 4,225,983	\$ -	\$ 3,360,067	\$ 865,916	\$ 41,759
Compensated absences	51,108	57,356	58,568	49,896	49,896
IMRF net pension liability	538,217	490,241	513,726	514,732	-
 Total business-type activities	 \$ 4,815,308	 \$ 547,597	 \$ 3,932,361	 \$ 1,430,544	 \$ 91,655

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE K - LONG-TERM LIABILITIES (Continued)

2. Long-Term Debt - Terms and Maturities

Alternate revenue bonds payable at April 30, 2017 are comprised of the following individual issues:

<p>\$9,755,000 general obligation tax increment refunding bonds (alternate revenue source) series 2002A, payable in annual installments ranging from \$755,000 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 interest rates ranging from 5.00% to 5.10%.</p>	\$ 5,800,000
<p>\$4,999,356 general obligation capital appreciation bonds (tax increment alternate revenue source) series 2002B, payable in annual installments ranging from \$1,060,000 to \$1,405,000 through December 1, 2021, with a final installment of \$1,460,000 due on June 1, 2022. Interest rates range from 5.55% to 5.95%. Interest accreted at April 30, 2017 totaled \$3,474,171.</p>	6,200,662
<p>\$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 range from 4.25% to 4.30%. Interest accreted at April 30, 2017 totaled \$426,560.</p>	1,290,705
<p>\$1,405,000 general obligation (alternate revenue) bonds series 2007B, payable in annual installments ranging from \$60,000 to \$140,000 through December 1, 2027; interest is payable on June 1 and December 1 at interest rates ranging from 4.00% to 5.00%.</p>	1,055,000
<p>\$810,000 general obligation (alternate revenue) bonds series 2007C, payable in annual installments ranging from \$35,000 to \$80,000 through December 1, 2027; interest is payable June 1 and December 1 at interest rates ranging from 4.00% to 5.00%.</p>	610,000
<p>\$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 interest rates ranging from 5.40% to 7.25%.</p>	8,610,000

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE K - LONG-TERM LIABILITIES (Continued)

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

\$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 April 1, 2029 at interest rates ranging from 4.30% to 7.50%. \$ 6,845,000

Total alternate revenue bonds 30,411,367

General obligation bonds payable at April 30, 2017 are comprised of the following individual issue:

\$574,000 general obligation working cash bonds series 2010, payable in annual installments ranging from \$65,000 to \$70,000 through February 1, 2020; interest is payable on February 1 and August 1 at rate of 5.00%. 200,000

\$ 30,611,367

The future requirements to retire the alternate revenue and general obligation bonds outstanding, as of April 30, 2017 are as follows:

Years Ending April 30,	Principal	Interest	Total
2018	\$ 2,950,136	\$ 1,314,934	\$ 4,265,070
2019	3,054,466	1,332,836	4,387,302
2020	2,474,258	1,270,494	3,744,752
2021	2,414,215	1,272,087	3,686,302
2022	2,555,642	1,287,970	3,843,612
2023-2027	11,562,650	3,604,957	15,167,607
2028-2029	<u>5,600,000</u>	<u>481,406</u>	<u>6,081,406</u>
	<u>\$ 30,611,367</u>	<u>\$ 10,564,684</u>	<u>\$ 41,176,051</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE K - LONG-TERM LIABILITIES (Continued)

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

The details of the Illinois EPA loan payable as of April 30, 2017 are as follows:

Illinois Environmental Protection Agency Public Water Supply Loan, payable in semiannual installments of \$29,414 through September 18, 2034, including interest at 1.995%. \$ 865,916

During 2017, the State of Illinois awarded \$3,354,767 under a Build Illinois Bond Funds grant, to reduce the balance owed by the Village on the loan. Of this amount, \$3,319,107 was applied to the outstanding principal balance, and \$35,660 to interest. The future requirements to retire the outstanding loan balance, following the application of the Build Illinois Bond Funds grant, are as follows:

Year Ending April 30,	Principal	Interest	Total
2018	\$ 41,759	\$ 17,068	\$ 58,827
2019	42,597	16,231	58,828
2020	43,451	15,376	58,827
2021	44,322	14,505	58,827
2022	45,211	13,617	58,828
2023-2027	240,019	54,118	294,137
2028-2032	265,064	29,072	294,136
2033-2035	<u>143,493</u>	<u>4,338</u>	<u>147,831</u>
	<u>\$ 865,916</u>	<u>\$ 164,325</u>	<u>\$ 1,030,241</u>

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, 2017, 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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE K - LONG-TERM LIABILITIES (Continued)

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, 2017, 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	\$ 14,443,880	6/1/22
2007A	Impact fees/property taxes	1,375,000	12/1/18
2007B	911 and wireless surcharges - ETS Fund	1,392,723	12/1/27
2007C	Property taxes - Fire Protection Fund	813,350	12/1/27
2008	TIF revenue - LogistiCenter TIF	13,124,015	12/1/28
2009	TIF revenue - LogistiCenter TIF	9,806,838	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.

A comparison of the pledged revenues collected and the related principal and interest expenditure for the year ended April 30, 2017 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 - LogistiCenter TIF	\$ 3,520,395	\$ 3,341,263	94.91%
2007A	Impact fees/property taxes	-	690,000	N/A
2007B	911/wireless surcharges - ETS Fund	65,775	104,863	100.00%
2007C	Property taxes - Fire Protection Fund	426,198	60,100	14.10%

In accordance with the respective bond ordinances, supplemental transfers were made for debt service purposes, from other revenue sources of the Village, to provide for the shortfalls in pledged TIF revenues, impact fees, and telecommunications surcharges.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE K - LONG-TERM LIABILITIES (Continued)

5. Capital Lease Obligations

The Village leased six police vehicles under a capital lease, which expired in October 2016. The annual lease payments, including interest at 5.70%, were \$44,649. The original cost of the leased assets, \$164,663, and accumulated depreciation, \$164,663, as of April 30, 2017 are included under vehicles in the governmental activities capital assets.

The Village also leases various computer equipment under a capital lease, which expires in November 2017. The annual lease payments, including interest at 7.475% are \$27,673. The original cost of the leased assets, \$76,722 and accumulated depreciation, \$30,688, as of April 30, 2017 are included under machinery and equipment in the governmental activities capital assets.

Minimum future lease payments are as follows:

Year Ending April 30,	
2018	\$ 27,673
Total minimum lease payments	27,673
Less amount representing interest	1,987
Present value of minimum lease payments	25,686
Less current portion	25,686
Long-term portion	\$ -

6. Judgment Liability

There are several pending lawsuits in which the Village is involved. The Village has accrued \$151,575, at April 30, 2017, in the governmental activities statement of net position (deficit), related to settlement payments that occurred subsequent to April 30, 2017. Management believes that all other potential claims against the Village that are not accrued at April 30, 2017 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, 2017

NOTE K - LONG-TERM LIABILITIES (Continued)

7. Street Light Loan

During 2015, the Village entered into a loan agreement with a bank, to finance the installation of energy-efficient street lighting in the Village. The loan is due in annual installments of \$40,461 through May 1, 2019, including interest at 4.21%. No payments are due for the year ending April 30, 2018, as the May 1, 2017 installment was paid prior to April 30, 2017. The future principal and interest maturities at April 30, 2017 are as follows:

Year Ending April 30,	Principal	Interest	Total
2018	\$ -	\$ -	\$ -
2019	37,258	3,203	40,461
2020	38,826	1,635	40,461
	<u>\$ 76,084</u>	<u>\$ 4,838</u>	<u>\$ 80,922</u>

8. Fire Truck Loan

During 2015, the Village entered into a loan agreement with the Illinois State Fire Marshall, to finance the purchase of a new fire truck. The loan is interest-free, and requires annual payments of \$17,500 on November 1 of each year, through November 1, 2035. The future principal maturities at April 30, 2017 are as follows:

Year Ending April 30,	Principal
2018	\$ 17,500
2019	17,500
2020	17,500
2021	17,500
2022	17,500
2023-2027	87,500
2028-2032	87,500
2033-2036	70,000
	<u>\$ 332,500</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE L - RESTRICTIONS OF NET POSITION

The government-wide statement of net position reports net position restricted by enabling legislation, which consists of the following at April 30, 2017:

<u>Net position restricted for:</u>	<u>Amount</u>
Road improvements	\$ 112,148
Public safety	533,197
Emergency 911 services	87,098
Debt service	
Tax incremental financing	11,646,392
Other	<u>37,906</u>
Total net position restricted by enabling legislation	\$ <u><u>12,416,741</u></u>

NOTE M - 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 at April 30, 2017:

<u>Fund balance restricted for:</u>	<u>Amount</u>
Police seizure	\$ 103,929
Working cash	<u>2,686</u>
Total fund balance restricted for special revenue purposes	\$ <u><u>106,615</u></u>

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE N - 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, 2017, \$4,359,845 was held for the 2002A and 2002B bonds, \$1,186,000 was held for the 2008 bonds, and \$805,012 was held for the 2009 bonds. \$ 6,350,857

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. 3,699,178

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. 10,555

Total amounts nonspendable in relation to tax incremental financing districts 10,060,590

(Continued)

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE N - 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	\$	72
Series 2010 bonds		34,248
Total nonspendable deposits with paying agent	\$	10,094,910

NOTE O - DEFICIT FUND BALANCES

At April 30, 2017, the following funds have deficit fund balances:

Fund	Deficit
General	\$ (1,759,073)
Sauk Pointe Industrial Park	(178,342)
Nonmajor	
Motor Fuel Tax	(112,852)
Railroad Noise Mitigation	(64,018)
Municipal Building	(13,043)

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

NOTE P - PENSION LIABILITIES

1. Illinois Municipal Retirement Fund

The Village participates in the Illinois Municipal Retirement Fund (IMRF) and Sheriff's Law Enforcement Personnel (SLEP), which are statewide agent multiple-employer, public employee retirement system which acts as an investment and administrative agent. The IMRF plans covers substantially all of the Village's employees other than police officers. The Village also maintains single-employer retirement plans established by state statute for the Village's firefighters and police officers.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Plan Description

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

Benefits Provided

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Plan Membership

As of December 31, 2016, the following employees were covered by the benefit terms:

	Regular	SLEP
Retirees and beneficiaries currently receiving benefits	30	-
Inactive plan members entitled to but not yet receiving benefits	10	1
Active plan members	17	1
	57	2

Contributions

As set by statute, the Village's Plan Members are required to contribute 4.5% and 7.5% of their annual covered salary for the Regular Plan and the SLEP Plan, respectively. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2016 was 13.73% and 13.35% for the Regular Plan and the SLEP Plan, respectively. For the fiscal year ended April 30, 2017 the Village contributed \$101,718 and \$9,167 to the Regular Plan and the SLEP Plan, 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Village's IMRF net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.75
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Long-term Expected Rate of Return	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	38%	6.85%
International equity	17%	6.75%
Fixed income	27%	3.00%
Real estate	8%	5.75%
Alternative investments	9%	2.65% - 7.35%
Cash equivalents	1%	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.50% for the Regular Plan and the SLEP Plan, was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50% for the Regular Plan and the SLEP Plan.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability

The following tables shows the components of the change in the Village's net pension liability, for the calendar year ended December 31, 2016:

<i>Regular Plan</i>	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability* (A) - (B)
Balances at December 31, 2015	\$ 8,637,222	\$ 7,761,519	\$ 875,703
Changes for the year:			
Service cost	118,994	-	118,994
Interest on the total pension liability	630,513	-	630,513
Difference between expected and actual experience of the total pension liability	(64,531)	-	(64,531)
Changes of assumptions	(10,158)	-	(10,158)
Contributions - Employer	-	151,489	(151,489)
Contributions - Employees	-	49,651	(49,651)
Net Investment Income	-	533,284	(533,284)
Benefit payments, including refunds of employee contributions	(557,263)	(557,263)	-
Other (net transfer)	-	4,066	(4,066)
Net changes	<u>117,555</u>	<u>181,227</u>	<u>(63,672)</u>
Balances at December 31, 2016	<u>\$ 8,754,777</u>	<u>\$ 7,942,746</u>	<u>\$ 812,031</u>

* The net pension liability is allocated between the Governmental and Business Type activities based upon covered payroll within the respective activities.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

1. **Illinois Municipal Retirement Fund** (Continued)

Changes in Net Pension Liability (Continued)

<i>SLEP</i>	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability* (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at December 31, 2015	\$ 154,455	\$ 130,451	\$ 24,004
Changes for the year:			
Service cost	17,165	-	17,165
Interest on the total pension liability	12,130	-	12,130
Difference between expected and actual experience of the total pension liability	6,689	-	6,689
Changes of assumptions	(1,334)	-	(1,334)
Contributions - Employer	-	14,018	(14,018)
Contributions - Employees	-	7,875	(7,875)
Net Investment Income	-	9,364	(9,364)
Benefit payments, including refunds of employee contributions	-	-	-
Other (net transfer)	-	(647)	647
Net changes	<u>34,650</u>	<u>30,610</u>	<u>4,040</u>
Balances at December 31, 2016	<u>\$ 189,105</u>	<u>\$ 161,061</u>	<u>\$ 28,044</u>

* The net pension liability is allocated between the Governmental and Business Type activities based upon covered payroll within the respective activities.

Sensitivity to the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.50% for the Regular Plan and the SLEP Plan, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Sensitivity to the Net Pension Liability (Asset) to Changes in the Discount Rate (Continued)

	<u>1% Lower (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Lower (8.50%)</u>
Regular Plan net pension liability (asset) \$	1,907,012	\$ 812,031	\$ (92,542)
	<u>1% Lower (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Lower (8.50%)</u>
SLEP Plan net pension liability \$	51,927	\$ 28,044	\$ 8,132

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

For the year ended April 30, 2017, the Village recognized pension expense of \$117,342 and \$17,238 for the Regular Plan and the SLEP Plan, respectively. At April 30, 2017, the Village reported deferred inflows of resources related to pensions from the following sources:

	<u>Regular Plan</u>	<u>SLEP</u>
	<u>Deferred Outflows (Inflows) of Resources</u>	<u>Deferred Outflows (Inflows) of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ (210,340)	\$ 6,139
Change of assumptions	(6,878)	(723)
Net difference between projected and actual earnings on pension plan investments	361,253	6,403
Total deferred amounts to be recognized in pension expense in the future periods	144,035	11,819
Pension contributions made subsequent to the measurement date	52,989	6,242
Total deferred amounts related to pensions	\$ 197,024	\$ 18,061

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The Village reported \$59,231 as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended April, 30	<u>Regular Plan</u> Net Deferred Outflows of Resources	<u>SLEP</u> Net Deferred Outflows of Resources
2017	\$ (9,538)	\$ 4,847
2018	30,738	3,419
2019	115,711	3,308
2020	7,124	245
2021	-	-
Thereafter	-	-
Total	\$ 144,035	\$ 11,819

2. Firefighters' Pension Plan

Plan Description

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn fire personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois Legislature. The Village accounts for the plan as a pension trust fund. The plan is governed by a five member Board of Trustees. Two members of the Board are appointed by the Village's Mayor, one member is elected by pension beneficiaries, and two members are elected by active fire employees.

The Plan is not included in the report of a public retirement system or another entity. Separate reports are issued for the Firefighters' Pension Plan and may be obtained by writing to Sauk Village at 21701 Torrence Avenue, Sauk Village, Illinois 60411.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Basis of Accounting

The accrual basis of accounting is utilized by the pension trust fund. 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.

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.

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.

Benefits Provided

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 of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter 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 percent of the original pension and 3% compounded annually thereafter.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 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 firefighter 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. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of one half of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2, percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the Firefighters' office 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 percent or one half of the change in the Consumer Price Index for the proceeding calendar year.

Plan Membership

At April 30, 2017, the Firefighters' Pension Plan membership consisted of the following:

Inactive plan members currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	-
	-
Total plan membership	2

Contributions

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 and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90 percent of the past service cost by the year 2040. For the year ended April 30, 2017, the Village has no active members, resulting in \$0 of covered payroll.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Net Pension Liability

The Village's police fund net pension liability was measured as of April 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of April 30, 2017, using the following actuarial methods and assumptions.

Actuarial valuation date	May 1, 2017
Asset valuation method	Market Value
Assumptions	
Investment rate of return	5.00%
Salary increases	0.00%
Inflation	2.50%
Mortality	RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016
Withdrawal, Disability and Retirement	Based on studies of the Fund and the Department of Insurance, Sample Rates below (100% by age 70)
Marital Status	80% Married, Female spouses 3 years younger

Single Discount Rate

A Single Discount Rate of 5.00% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Single Discount Rate (Continued)

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Changes in Net Pension Liability

The following table shows the components of the change in the Village's net pension liability for the year ended April 30, 2017.

	Total Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
Balances at April 30, 2016	\$ 1,322,917	\$ 90,154	\$ 1,232,763
Changes for the year:			
Interest on the total pension liability	65,052	-	65,052
Difference between expected and actual experience of the total pension liability	(15,002)	-	(15,002)
Changes of assumptions	(34,480)	-	(34,480)
Contributions - employer	-	10,508	(10,508)
Contributions - employees	-	-	-
Net investment income (loss)	-	2,709	(2,709)
Benefit payment, including refunds of member contributions	(43,759)	(43,759)	-
Administrative expense	-	-	-
Net changes	<u>(28,189)</u>	<u>(30,542)</u>	<u>2,353</u>
Balances at April 30, 2017	<u>\$ 1,294,728</u>	<u>\$ 59,612</u>	<u>\$ 1,235,116</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 5.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (4.00%)</u>	<u>Current Discount (5.00%)</u>	<u>1% Increase (6.00%)</u>
Net pension liability	\$ 1,455,524	\$ 1,235,116	\$ 1,060,793

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

For the year ended April 30, 2017 the Village recognized pension expense of \$59,248. At April 30, 2017, the Village reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Difference between expected and actual experience	\$ -	\$ 15,002
Change in assumptions	-	34,480
Net difference between projected and actual earnings on pension plan investments	<u>3,095</u>	<u>-</u>
Total deferred amounts related to Firefighters' Pension	<u>\$ 3,095</u>	<u>\$ 49,482</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year Ended April 30,	Net Deferred Outflows / (Inflows) of Resources
2018	\$ (9,277)
2019	(9,277)
2020	(9,277)
2021	(9,277)
2022	(9,277)
Thereafter	<u>(2)</u>
	<u>\$ (46,387)</u>

3. Police Pension Plan

Plan Description

The Police Pension Fund Board of Trustees administers the Police Pension Plan, a single-employer defined pension plan that provides pensions for the qualified police employees of the Village of Sauk Village, Illinois. The defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (Chapter 40ILCS 5 I Article 3) and may be amended only by the Illinois legislature.

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.

The Police Pension Fund Board of Trustees consists of five members. Two members of the Board shall be appointed by the mayor; one member of the Board shall be elected by and from among the beneficiaries of the fund, if any; and two members of the Board shall be elected from the regular police force by the full time members thereof, provided that neither of the members so elected need be residents of the Village.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

Basis of Accounting

The accrual basis of accounting is utilized by the pension trust fund. 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.

Benefits Provided

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer 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 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 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 the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent 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. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

Plan Membership

As of April 30, 2017, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	14
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>20</u>
	<u><u>36</u></u>

Contributions

Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91 percent of their base salary to the Police 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 amount necessary to finance the Police Pension Plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90 percent of the past service cost for the Police Pension Plan. For the year ended April 30, 2017, the Village's contribution was 13.35 percent of covered payroll.

Net Pension Liability

The Village's police fund net pension liability was measured as of April 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of April 30, 2016, using the following actuarial methods and assumptions.

Actuarial valuation date	May 1, 2017
Asset valuation method	5-year Average Market Value

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

Actuarial Assumptions (Continued)

Assumptions	
Interest rate	6.75%
Salary increases	5.00%
Inflation	2.50%
Retirement age	50-70
Mortality	RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016.
Withdrawal, Disability and Retirement	Based on studies of the Fund and the Department of Insurance, Sample Rates below (100% by age 70)
Marital status	80% married, female spouses 3 years younger

Single Discount Rate

A Single Discount Rate of 6.75% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

Changes in Net Pension Liability

The following table shows the components of the change in the Village's net pension liability for the year ended April 30, 2017.

	Total Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at April 30, 2016	\$ 14,793,197	\$ 5,386,242	\$ 9,406,955
Changes for the year:			
Service cost	401,564	-	401,564
Interest on the total pension liability	979,099	-	979,099
Difference between expected and actual experience of the total pension liability	155,925	-	155,925
Changes of assumptions	(463,084)	-	(463,084)
Contributions - employer	-	196,548	(196,548)
Contributions - employees	-	154,763	(154,763)
Net investment income (loss)	-	304,862	(304,862)
Benefit payment, including refunds of employee contributions	(576,054)	(576,054)	-
Administrative expense	-	(33,822)	33,822
Net changes	<u>497,450</u>	<u>46,297</u>	<u>451,153</u>
Balances at April 30, 2017	<u>\$ 15,290,647</u>	<u>\$ 5,432,539</u>	<u>\$ 9,858,108</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
	<u> </u>	<u> </u>	<u> </u>
Net pension liability	\$ 12,159,612	\$ 9,858,108	\$ 7,989,774

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

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

For the year ended April 30, 2017 the Village recognized pension expense of \$904,877. At April 30, 2017, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Difference between expected and actual experience	\$ 155,925	\$ -
Change in assumptions	-	463,084
Net difference between projected and actual earnings on pension plan investments	<u>49,983</u>	<u>-</u>
Total deferred amounts related to Police Pension	<u>\$ 205,908</u>	<u>\$ 463,084</u>

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

<u>Year Ended April 30,</u>	<u>Net Deferred Inflows of Resources</u>
2018	\$ (35,174)
2019	(35,174)
2020	(35,174)
2021	(35,174)
2022	(35,176)
Thereafter	<u>(81,304)</u>
Total	<u>\$ (257,176)</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE P - PENSION LIABILITIES (Continued)

4. Summary of Pension Items

Below is a summary of the various pension items:

	<u>IMRF</u>	<u>Firefighters'</u>	<u>Police</u>	<u>Total</u>
Deferred outflows of resources:				
Employer contributions	\$ 59,231	\$ -	\$ -	\$ 59,231
Experience	6,139	-	155,925	162,064
Assumptions	271	-	-	271
Proportionate share	63,998	-	-	63,998
Investments	<u>367,656</u>	<u>3,095</u>	<u>49,983</u>	<u>420,734</u>
	<u>\$ 497,295</u>	<u>\$ 3,095</u>	<u>\$ 205,908</u>	<u>\$ 706,298</u>
Net pension liability	<u>\$ 840,075</u>	<u>\$ 1,235,116</u>	<u>\$ 9,858,108</u>	<u>\$ 11,933,299</u>
Deferred inflows of resources:				
Experience	\$ 210,340	\$ 15,002	\$ -	\$ 225,342
Assumptions	7,872	34,480	463,084	505,436
Proportionate share	63,998	-	-	63,998
Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 282,210</u>	<u>\$ 49,482</u>	<u>\$ 463,084</u>	<u>\$ 794,776</u>

Below is a reconciliation of the summary of the various pension items to the amounts reported in the government-wide financial statements:

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Deferred outflows of resources	\$ 376,810	\$ 329,488	\$ 706,298
Net pension liability	11,418,567	514,732	11,933,299
Deferred inflows of resources	661,073	133,703	794,776

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE Q - 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 May 1, 2015, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Actives	38
Retirees	10
	48

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, 2017, the Village contributed \$147,746 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, 2017

NOTE Q - 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	\$	249,863
Interest on net OPEB obligation		36,279
Adjustment to annual required contribution		-
Annual OPEB cost		286,142
Contributions made		147,746
Increase in net OPEB obligation		138,396
Net OPEB obligation, May 1, 2016		906,968
Net OPEB obligation, April 30, 2017	\$	1,045,364

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, 2016 and the two preceding fiscal years were as follows:

Period Ended	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2017	\$ 286,142	51.6%	\$ 1,045,364
4/30/2016	255,193	57.9%	906,968
4/30/2015	271,608	45.9%	799,521

4. Funding Status and Funding Progress

As of May 1, 2015 (the most recent actuarial valuation date), the Plan was 0 percent funded. The actuarial accrued liability for benefits was \$2,694,273, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,694,273.

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE Q - 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	May 1, 2015
Actuarial cost method	Projected unit credit normal cost
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases	4.00%
Healthcare inflation rate	7.00% initial 4.00% ultimate
Mortality, Turnover, Disability, Retirement Ages	Same rate utilized for IMRF, Police and Firefighter Pension Funds

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE Q - OTHER POSTEMPLOYMENT BENEFITS (Continued)

5. Methods and Assumptions (Continued)

Percentage of active employees assumed to elect benefit	100%
Employer provided benefit	Retired employees receive a monthly Village contribution amount towards health, dental, and life insurance coverages. The benefit terminates when a retiree reaches age 65. The percentage of the monthly premiums paid by the Village range from 0% to 100% depending on years of service and date of employment.

*Includes inflation at 2.50%

NOTE R - COMMITMENTS AND CONTINGENCIES

1. 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.

2. Contractual Commitments

During fiscal year 2016, the Village entered into an intergovernmental agreement with the Village of Calumet Park, Illinois, for the provision of dispatching services to the Village, from July 1, 2015 through June 30, 2018. The agreement automatically renews for successive one year periods, unless the Village gives written notice of its intent to terminate the agreement no later than 180 days before the expiration of the term. In consideration for the services, the Village agreed to pay a monthly sum of \$23,750 from October 2015 through June 2018. Annual increases not to exceed 3.5% shall be passed on to the Village in the event cost increases of the services provided.

During fiscal year 2017, the Village entered into a service contract, expiring in March 2030, with a refuse disposal company. The contract provides for an early termination fee should the Village terminate the contract prior to March 2030. The early termination fee amount is dependent upon the length of time remaining on the original contract term. The fee was approximately \$390,000 as of October 2016, at inception of the contract, and is reduced monthly on a straightline basis through March 2030.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE S - RESTATEMENT

As of April 30, 2016, accounts payable of the Business-type Activities and the Waterworks Fund were overstated by \$217,067. Therefore, the Village restated its net position and current liabilities as of May 1, 2016. As a result of this correction of an error, as of May 1, 2016, net position of the Business-type Activities and Waterworks Fund increased by \$217,067.

NOTE T - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 22, 2017, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than that described, below have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

In November 2017, the Village entered into a capital lease for three police vehicles in the principal amount of \$83,600, and interest charged at 4.20%. The lease requires four annual payments of principal and interest, and expires in November 2022.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Village of Sauk Village, Illinois
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Illinois Municipal Retirement Fund - Regular Plan
April 30, 2017

Calendar year ended December 31,

	<u>2016</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 118,994	\$ 154,860
Interest on the total pension liability	630,513	644,127
Difference between expected and actual experience of the total pension liability	(64,531)	(373,572)
Assumption changes	(10,158)	-
Benefit payments and refunds	<u>(557,263)</u>	<u>(621,188)</u>
Net change in total pension liability	117,555	(195,773)
Total pension liability, beginning	8,637,222	8,832,995
Total pension liability, ending	<u>\$ 8,754,777</u>	<u>\$ 8,637,222</u>
 Plan fiduciary net position		
Contributions, employer	\$ 151,489	\$ 160,519
Contributions, employee	49,651	53,546
Net investment income	533,284	39,597
Benefit payments, including refunds of employee contributions	(557,263)	(621,188)
Other (net transfer)	<u>4,066</u>	<u>6,110</u>
Net change in plan fiduciary net position	181,227	(361,416)
Plan fiduciary net position, beginning	7,761,519	8,122,935
Plan fiduciary net position, ending	<u>\$ 7,942,746</u>	<u>\$ 7,761,519</u>
 Net pension liability	<u>\$ 812,031</u>	<u>\$ 875,703</u>
 Plan fiduciary net position as a percentage of the total pension liability	90.72 %	89.86 %
 Covered Valuation Payroll	\$ 1,103,342	\$ 1,189,912
 Net pension liability as a percentage of covered valuation payroll	73.60 %	73.59 %

Note: The Village implemented GASB 68 beginning with its fiscal year ended April 30, 2016, therefore 10 years of information is not available.

Village of Sauk Village, Illinois
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 Illinois Municipal Retirement Fund - SLEP
April 30, 2017

Calendar year ended December 31,

	<u>2016</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 17,165	\$ 15,085
Interest on the total pension liability	12,130	9,825
Difference between expected and actual experience of the total pension liability	6,689	4,939
Assumption changes	(1,334)	1,155
Benefit payments and refunds	-	-
Net change in total pension liability	<u>34,650</u>	<u>31,004</u>
Total pension liability, beginning	154,455	123,451
Total pension liability, ending	<u><u>\$ 189,105</u></u>	<u><u>\$ 154,455</u></u>
Plan fiduciary net position		
Contributions, employer	\$ 14,018	\$ 3,870
Contributions, employee	7,875	2,120
Net investment income	9,364	660
Benefit payments, including refunds of employee contributions	-	-
Other (net transfer)	(647)	(5,254)
Net change in plan fiduciary net position	<u>30,610</u>	<u>1,396</u>
Plan fiduciary net position, beginning	130,451	129,055
Plan fiduciary net position, ending	<u><u>\$ 161,061</u></u>	<u><u>\$ 130,451</u></u>
Net pension liability	<u><u>\$ 28,044</u></u>	<u><u>\$ 24,004</u></u>
Plan fiduciary net position as a percentage of the total pension liability	85.17 %	84.46 %
Covered Valuation Payroll	\$ 105,000	\$ 28,269
Net pension liability as a percentage of covered valuation payroll	26.71 %	84.91 %

Note: The Village implemented GASB 68 beginning with its fiscal year ended April 30, 2016, therefore 10 years of information is not available.

Village of Sauk Village, Illinois

SCHEDULE OF CONTRIBUTIONS

Illinois Municipal Retirement Fund

April 30, 2017

Regular Plan

	Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
Regular	2016	\$ 151,489	\$ 151,489	\$ -	\$ 1,103,342	13.73 %
Regular	2015	164,389	164,389	-	1,189,912	13.49

Sheriff's Law Enforcement Personnel (SLEP)

	Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
SLEP	2016	\$ 14,018	\$ 14,018	\$ -	\$ 105,000	13.35 %
SLEP	2015	3,870	3,870	-	28,269	13.69

Note: The Village implemented GASB 68 beginning with its fiscal year ended April 30, 2016, therefore 10 years of information is not available.

Village of Sauk Village, Illinois

SCHEDULE OF CONTRIBUTIONS

Illinois Municipal Retirement Fund

April 30, 2017

Valuation Date:

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

Methods and Assumptions Used to Determine the 2016 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 calculation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

There were no benefit changes during the year.

Village of Sauk Village, Illinois
 Firefighters' Pension Fund
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
April 30, 2017

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2017	\$ 78,378	\$ 10,508	\$ (67,870)	-	N/A %
2016	9,636	10,875	1,239	-	N/A
2015	33,416	10,118	(23,298)	-	N/A

Notes to the Schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Remaining amortization period	24 years
Asset valuation method	Market Value
Inflation	2.5%
Salary increases	0.0%
Investment rate of return	5.0%
Retirement age	50-70
Mortality	RP 2014 projected to 2017

Note: The Firefighters' Pension Fund implemented GASB 67 beginning with its fiscal year ended April 30, 2015; therefore, 10 years of information is not available.

Village of Sauk Village, Illinois

Firefighters' Pension Fund

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

April 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ -	\$ -	\$ -
Interest on the total pension liability	65,052	61,760	14,875
Benefit changes	-	-	-
Difference between expected and actual experience of the total pension liability	(15,002)	(17,484)	912,783
Assumption changes	(34,480)	63,671	53,953
Benefit payments and refunds	(43,759)	(40,441)	(47,381)
Net change in total pension liability	(28,189)	67,506	934,230
Total pension liability, beginning	1,322,917	1,255,411	321,181
Total pension liability, ending	<u>\$ 1,294,728</u>	<u>\$ 1,322,917</u>	<u>\$ 1,255,411</u>
Plan fiduciary net position			
Contributions, employer	\$ 10,508	\$ 10,875	\$ 10,118
Contributions, employee	-	-	-
Net investment income	2,709	7,911	3,357
Benefit payments, including refunds of employee contributions	(43,759)	(40,441)	(47,381)
Other (net transfer)	-	(9,203)	(16,059)
Net change in plan fiduciary net position	(30,542)	(30,858)	(49,965)
Plan fiduciary net position, beginning	90,154	121,012	170,977
Plan fiduciary net position, ending	<u>\$ 59,612</u>	<u>\$ 90,154</u>	<u>\$ 121,012</u>
Net pension liability	<u>\$ 1,235,116</u>	<u>\$ 1,232,763</u>	<u>\$ 1,134,399</u>
Plan fiduciary net position as a percentage of the total pension liability	4.60 %	6.81 %	9.64 %
Covered Valuation Payroll	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered valuation payroll	N/A	N/A %	N/A %

Note: The Firefighters' Pension Fund implemented GASB 67 beginning with its fiscal year ended April 30, 2015; therefore, 10 years of information is not available.

Village of Sauk Village, Illinois
Firefighters' Pension Fund
MULTIYEAR SCHEDULE OF INVESTMENT RETURNS
April 30, 2017

<u>Fiscal Year</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
2017	0.90%
2016	7.78%
2015	1.58%

Note: The Firefighters' Pension Fund implemented GASB 67 beginning with its fiscal year ended April 30, 2015; therefore, 10 years of information is not available.

Village of Sauk Village, Illinois
 Police Pension Fund
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
April 30, 2017

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2017	\$ 658,646	\$ 196,548	\$ (462,098)	\$ 1,472,212	13.35 %
2016	645,657	193,171	(452,486)	1,413,545	13.67
2015	645,657	186,532	(459,125)	1,458,307	12.79

Notes to the Schedule:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Remaining amortization period	24 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	6.75%
Retirement age	50-70
Mortality	RP 2014 projected to 2017

Note: The Police Pension Fund implemented GASB 67 beginning with its fiscal year ended April 30, 2015; therefore, 10 years of information is not available.

Village of Sauk Village, Illinois

Police Pension Fund

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

April 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 401,564	\$ 398,595	\$ 484,011
Interest on the total pension liability	979,099	929,999	850,727
Difference between expected and actual experience of the total pension liability	155,925	(1,036,326)	447,822
Assumption changes	(463,084)	988,079	-
Benefit payments and refunds	<u>(576,054)</u>	<u>(529,838)</u>	<u>(686,461)</u>
Net change in total pension liability	497,450	750,509	1,096,099
Total pension liability, beginning	<u>14,793,197</u>	<u>14,042,688</u>	<u>12,946,589</u>
Total pension liability, ending	<u><u>\$ 15,290,647</u></u>	<u><u>\$ 14,793,197</u></u>	<u><u>\$ 14,042,688</u></u>
Plan fiduciary net position			
Contributions, employer	\$ 196,548	\$ 193,171	\$ 186,532
Contributions, employee	154,763	141,687	154,297
Net investment income	304,862	(26,198)	235,980
Benefit payments, including refunds of employee contributions	(576,054)	(529,838)	(686,461)
Administrative expense	(33,822)	(51,475)	-
Other (net transfer)	<u>-</u>	<u>-</u>	<u>(36,180)</u>
Net change in plan fiduciary net position	46,297	(272,653)	(145,832)
Plan fiduciary net position, beginning	<u>5,386,242</u>	<u>5,658,895</u>	<u>5,804,727</u>
Plan fiduciary net position, ending	<u><u>\$ 5,432,539</u></u>	<u><u>\$ 5,386,242</u></u>	<u><u>\$ 5,658,895</u></u>
Net pension liability	<u><u>\$ 9,858,108</u></u>	<u><u>\$ 9,406,955</u></u>	<u><u>\$ 8,383,793</u></u>
Plan fiduciary net position as a percentage of the total pension liability	35.53 %	36.41 %	40.30 %
Covered Valuation Payroll	\$ 1,472,212	\$ 1,413,545	\$ 1,458,307
Net pension liability as a percentage of covered valuation payroll	669.61 %	665.49 %	574.90 %

Note: The Police Pension Fund implemented GASB 67 beginning with its fiscal year ended April 30, 2015; therefore, 10 years of information is not available.

Change in assumptions There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates. The mortality rates have been changed to the RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016 (previously improvement scale MP-2015).

Village of Sauk Village, Illinois
Police Pension Fund
MULTIYEAR SCHEDULE OF INVESTMENT RETURNS
April 30, 2017

<u>Fiscal Year</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
2017	5.80%
2016	-0.17%
2015	4.66%

Note: The Police Pension Fund implemented GASB 67 beginning with its fiscal year ended April 30, 2015; therefore, 10 years of information is not available.

Village of Sauk Village, Illinois
 Other Postemployment Benefits
 SCHEDULE OF FUNDING PROGRESS
April 30, 2017

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)
5/1/15	\$ N/A	\$ 2,694,273	\$ 2,694,273	0.0 %	\$ N/A	N/A %
10/31/12	N/A	2,445,957	2,445,957	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

Actuarial valuations are required to be performed triennially. 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, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 2,759,404	\$ 2,552,939	\$ (206,465)
Licenses and permits	199,000	341,477	142,477
Charges for services	563,000	708,890	145,890
Intergovernmental	1,642,305	1,769,573	127,268
Fines and forfeitures	284,000	246,926	(37,074)
Interest	50	409	359
Contributions and donations	3,000	15,319	12,319
Miscellaneous	220,000	33,227	(186,773)
Total revenues	<u>5,670,759</u>	<u>5,668,760</u>	<u>(1,999)</u>
Expenditures			
Current			
General government	1,816,092	1,852,465	36,373
Public safety	3,633,511	3,486,847	(146,664)
Public works	177,156	155,274	(21,882)
Debt service			
Principal	-	95,193	95,193
Interest	-	17,128	17,128
Total expenditures	<u>5,626,759</u>	<u>5,606,907</u>	<u>(19,852)</u>
Excess (deficiency) of revenues over expenditures	<u>44,000</u>	<u>61,853</u>	<u>17,853</u>
Other financing sources (uses)			
Transfers in	646,000	763,730	117,730
Transfers out	(690,000)	(690,000)	-
Total other financing sources (uses)	<u>(44,000)</u>	<u>73,730</u>	<u>117,730</u>
Net change in fund balance	<u>\$ -</u>	<u>135,583</u>	<u>\$ 135,583</u>
Fund deficit			
Beginning of year		<u>(1,894,656)</u>	
End of year		<u>\$ (1,759,073)</u>	

Village of Sauk Village, Illinois
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2017

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, LogistiCenter at Sauk Village 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, Sauk Pointe Industrial Park Fund, and the SurreyBrook Plaza Fund. Annual appropriations lapse at year-end. The Village did not prepare an appropriation for fiscal year 2016 for the 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, 2017, was taken by the Village Board on May 24, 2016.
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, 2017:

<u>Fund</u>	<u>Variance</u>
Fire Protection	\$ 69,564
Police Seizure	20,571
Utility Tax	1,240
Waterworks	147,993
Sewerage	98,070

OTHER SUPPLEMENTARY INFORMATION

Village of Sauk Village, Illinois
 General Fund
 SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
 For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 2,759,404	\$ 2,552,939	\$ (206,465)
Licenses and permits			
Business licenses	65,000	78,205	13,205
Liquor licenses	8,000	6,600	(1,400)
Vending machine licenses	1,000	1,735	735
Vehicle licenses	95,000	94,012	(988)
Animal licenses	1,000	1,330	330
Building permits	10,000	136,483	126,483
Other permits and licenses	2,000	2,212	212
Building occupation and inspection	17,000	20,900	3,900
Total licenses and permits	199,000	341,477	142,477
Charges for services			
Utility tax	430,000	554,142	124,142
Cable TV franchise fees	85,000	102,505	17,505
Police reports	2,500	1,985	(515)
Garbage collection fee	25,000	25,190	190
Rental income	12,000	23,784	11,784
Other	8,500	1,284	(7,216)
Total charges for services	563,000	708,890	145,890

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues (Continued)			
Intergovernmental			
Replacement taxes	\$ 20,000	\$ 34,525	\$ 14,525
State income taxes	1,080,647	993,078	(87,569)
Municipal sales taxes	486,891	526,881	39,990
Other state grants	-	14,988	14,988
Parks and playground grant	-	102,500	102,500
COPS hire grant	41,667	51,310	9,643
Other	13,100	46,291	33,191
	<u>1,642,305</u>	<u>1,769,573</u>	<u>127,268</u>
Fines and forfeitures			
Police fines	101,000	132,473	31,473
Administrative court	2,500	-	(2,500)
Tow release fines	180,000	112,773	(67,227)
Other fees	500	1,680	1,180
	<u>284,000</u>	<u>246,926</u>	<u>(37,074)</u>
Total fines and forfeitures			
Interest	50	409	359
Contributions and donations			
Welch Park donations	2,000	11,925	9,925
Miscellaneous donations	1,000	3,394	2,394
	<u>3,000</u>	<u>15,319</u>	<u>12,319</u>
Total contributions and donations			
Miscellaneous	220,000	33,227	(186,773)
	<u>220,000</u>	<u>33,227</u>	<u>(186,773)</u>
Total revenues	\$ <u>5,670,759</u>	\$ <u>5,668,760</u>	\$ <u>(1,999)</u>

(Concluded)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures			
General government			
Finance and administration			
Regular employee wages	\$ 168,066	\$ 164,112	\$ (3,954)
Part time employee wages	40,000	16,615	(23,385)
Fringe benefits	73,136	77,864	4,728
Office supplies	7,500	4,594	(2,906)
Vehicle expense	7,500	10,296	2,796
Computer software supplies	10,000	4,539	(5,461)
Telephone	10,000	14,839	4,839
Postage	5,000	7,693	2,693
Insurance	540,381	589,768	49,387
Printing	5,000	4,965	(35)
Equipment repair and maintenance	4,000	4,353	353
Vehicle repair and maintenance	-	667	667
Publications and memberships	-	90	90
Professional services	575,000	350,586	(224,414)
Computer contractual services	10,000	26,526	16,526
Public information	1,000	-	(1,000)
Other contractual services	115,780	373,006	257,226
Refunds	50,000	-	(50,000)
Total finance and administration	<u>1,622,363</u>	<u>1,650,513</u>	<u>28,150</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (Continued)			
General government (Continued)			
Elected officials			
Public official wages	\$ 79,000	\$ 69,163	\$ (9,837)
Fringe benefits	6,732	5,331	(1,401)
Printing	3,000	1,251	(1,749)
Publications and memberships	15,000	18,062	3,062
Public information	500	2,726	2,226
60th Anniversary committee	5,000	-	(5,000)
Fire and police commission	5,000	3,915	(1,085)
Public relations committee	-	4,382	4,382
Senior citizens committee	1,100	1,541	441
Other contractual services	1,000	1,503	503
	<u>116,332</u>	<u>107,874</u>	<u>(8,458)</u>
Total elected officials			
Community development			
Regular employee wages	55,786	71,003	15,217
Fringe benefits	21,611	23,075	1,464
	<u>77,397</u>	<u>94,078</u>	<u>16,681</u>
Total community development			
Total general government	<u>1,816,092</u>	<u>1,852,465</u>	<u>36,373</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2017

Expenditures (Continued)	Original and Final Budget	Actual	Variance Over / (Under)
Public safety			
Police department			
Employee wages	\$ 1,797,401	\$ 1,724,442	\$ (72,959)
Part-time wages	75,000	6,665	(68,335)
Overtime	106,500	332,202	225,702
Fringe benefits	569,636	561,072	(8,564)
Pension contributions	210,912	196,548	(14,364)
Office supplies	4,000	3,043	(957)
Vehicle expense	60,000	45,233	(14,767)
Uniforms and clothing	17,850	30,335	12,485
Facility maintenance supplies	500	105	(395)
Operating supplies	5,000	3,310	(1,690)
Computer software supplies	43,750	19,513	(24,237)
Tools and equipment	25,000	3,599	(21,401)
Telephone	50,000	120,972	70,972
Postage	5,000	1,156	(3,844)
K-9	6,000	8,362	2,362
Printing	500	474	(26)
Equipment repair and maintenance	20,000	32,543	12,543
Vehicle repair and maintenance	30,000	36,293	6,293
Facility maintenance	500	273	(227)
Organization business expense	1,500	2,658	1,158
Professional development	2,500	1,813	(687)
Academy training	7,000	1,190	(5,810)
Publications and memberships	500	6,210	5,710
Professional services	35,000	29,397	(5,603)
Computer contractual services	20,000	33,611	13,611
Public information	1,000	-	(1,000)
Other rents and leases	30,000	3,791	(26,209)
Other contractual services	213,750	234,678	20,928
Vehicles	44,649	-	(44,649)
Contingency	205,150	-	(205,150)
Total police department	<u>3,588,598</u>	<u>3,439,488</u>	<u>(149,110)</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
Public safety (Continued)			
Emergency Service and Disaster Agency			
Part-time wages	\$ 25,000	\$ 15,515	\$ (9,485)
Fringe benefits	1,913	1,187	(726)
Vehicle expense	7,000	4,697	(2,303)
Uniforms and clothing	500	293	(207)
Facility maintenance supplies	300	-	(300)
Operating supplies	500	151	(349)
Tools and equipment	500	-	(500)
Other materials and supplies	200	-	(200)
Telephone	2,900	2,531	(369)
Equipment repair and maintenance	500	6,072	5,572
Vehicle repair and maintenance	4,000	5,433	1,433
Organization business expense	200	150	(50)
Professional development	1,200	71	(1,129)
Publications and memberships	200	-	(200)
Professional services	-	320	320
Total Emergency Service and Disaster Agency	<u>44,913</u>	<u>36,420</u>	<u>(8,493)</u>
Dispatch			
Regular wages	-	2,076	2,076
Fringe benefits	-	231	231
Telephone	-	8,632	8,632
Total dispatch	<u>-</u>	<u>10,939</u>	<u>10,939</u>
Total public safety	<u>3,633,511</u>	<u>3,486,847</u>	<u>(146,664)</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
Public works			
Public grounds and buildings			
Vehicle expense	\$ 15,000	\$ 17,824	\$ 2,824
Facility maintenance supplies	7,000	9,692	2,692
Operating supplies	500	-	(500)
Tools and equipment	1,000	1,378	378
Construction supplies	2,000	1,160	(840)
Telephone	1,000	1,341	341
Utilities	10,000	5,341	(4,659)
Equipment repair and maintenance	4,000	4,479	479
Vehicle repair and maintenance	-	381	381
Facility maintenance	25,000	31,657	6,657
Organization business expense	-	150	150
Other rents and leases	-	84	84
Other contractual services	2,000	3,050	1,050
	<u>67,500</u>	<u>76,537</u>	<u>9,037</u>
Total public grounds and buildings			
Streets			
Office supplies	-	19	19
Vehicle expense	6,000	6,654	654
Vehicle repair and maintenance	-	480	480
Other rents and leases	41,461	-	(41,461)
Major tools and work equipment	28,000	30,065	2,065
	<u>75,461</u>	<u>37,218</u>	<u>(38,243)</u>
Total streets			

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
	<u>Budget</u>	<u>Actual</u>	<u>(Under)</u>
Expenditures (Continued)			
Public works (Continued)			
Parks and playgrounds			
Part-time wages	\$ 10,400	\$ 11,860	\$ 1,460
Fringe benefits	795	889	94
Office supplies	-	140	140
Operating supplies	5,000	1,071	(3,929)
Telephone	500	486	(14)
Utilities	2,000	-	(2,000)
Other contractual services	10,500	27,073	16,573
Construction	5,000	-	(5,000)
	<u>34,195</u>	<u>41,519</u>	<u>7,324</u>
Total parks and playgrounds			
	<u>34,195</u>	<u>41,519</u>	<u>7,324</u>
Total public works	<u>177,156</u>	<u>155,274</u>	<u>(21,882)</u>
Debt service			
Principal	-	95,193	95,193
Interest	-	17,128	17,128
	<u>-</u>	<u>112,321</u>	<u>112,321</u>
Total debt service			
	<u>-</u>	<u>112,321</u>	<u>112,321</u>
Total expenditures	<u>\$ 5,626,759</u>	<u>\$ 5,606,907</u>	<u>\$ (19,852)</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, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Interest	\$ 500	\$ 3,474	\$ 2,974
Total revenues	<u>500</u>	<u>3,474</u>	<u>2,974</u>
Expenditures			
Debt service			
Principal	2,965,000	2,965,000	-
Interest	<u>1,303,926</u>	<u>1,303,926</u>	<u>-</u>
Total expenditures	<u>4,268,926</u>	<u>4,268,926</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(4,268,426)</u>	<u>(4,265,452)</u>	<u>2,974</u>
Other financing sources			
Transfers in	<u>927,663</u>	<u>6,349,791</u>	<u>5,422,128</u>
Total other financing sources	<u>927,663</u>	<u>6,349,791</u>	<u>5,422,128</u>
Net change in fund balance	\$ <u>(3,340,763)</u>	2,084,339	\$ <u>5,425,102</u>
Fund balance			
Beginning of year		<u>8,771,520</u>	
End of year		\$ <u>10,855,859</u>	

Village of Sauk Village, Illinois
 Sauk Pointe Industrial Park Fund
 SCHEDULE OF REVENUES AND CHANGES IN
 FUND DEFICIT - BUDGET AND ACTUAL
For the Year Ended April 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Property taxes	\$ 214,605	\$ 909,249	\$ 694,644
Total revenues	<u>214,605</u>	<u>909,249</u>	<u>694,644</u>
Other financing uses			
Transfers out	<u>(214,605)</u>	<u>(892,977)</u>	<u>(678,372)</u>
Total other financing uses	<u>(214,605)</u>	<u>(892,977)</u>	<u>(678,372)</u>
Net change in fund deficit	<u>\$ -</u>	16,272	<u>\$ 16,272</u>
Fund deficit			
Beginning of period		<u>(194,614)</u>	
End of period		<u>\$ (178,342)</u>	

Village of Sauk Village, Illinois

LogistiCenter at Sauk Village Fund

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

For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 580,785	\$ 3,520,395	\$ 2,939,610
Interest	10	541	531
Miscellaneous	-	(600)	(600)
Total revenues	<u>580,795</u>	<u>3,520,336</u>	<u>2,939,541</u>
Expenditures			
Current			
General government	<u>550,000</u>	<u>7,000</u>	<u>(543,000)</u>
Total expenditures	<u>550,000</u>	<u>7,000</u>	<u>(543,000)</u>
Excess of revenues over expenditures	<u>30,795</u>	<u>3,513,336</u>	<u>3,482,541</u>
Other financing uses			
Transfers out	<u>(30,795)</u>	<u>(4,878,213)</u>	<u>(4,847,418)</u>
Total other financing uses	<u>(30,795)</u>	<u>(4,878,213)</u>	<u>(4,847,418)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,364,877)</u>	<u>\$ (1,364,877)</u>
Fund balance			
Beginning of period		<u>1,758,632</u>	
End of period		<u>\$ 393,755</u>	

Village of Sauk Village, Illinois

Nonmajor Governmental Funds
COMBINING BALANCE SHEET
April 30, 2017

	Special Revenue Funds			
	Fire Protection	Motor Fuel Tax	Emergency Telephone System	Police Seizure
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 103,929
Receivables				
Property taxes	268,084	-	-	-
Intergovernmental	-	23,003	-	-
Other	-	-	-	-
Deposits with paying agent	-	-	-	-
Advances to other funds	187,667	-	87,098	-
Total assets	\$ 455,751	\$ 23,003	\$ 87,098	\$ 103,929
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 21,325	\$ 13,186	\$ -	\$ -
Accrued payroll	5,158	-	-	-
Advances from other funds	-	122,669	-	-
Total liabilities	26,483	135,855	-	-
Deferred inflows				
Property taxes levied for a future period	252,163	-	-	-
Fund balance (deficit)				
Nonspendable				
Deposits with paying agent	-	-	-	-
Advances to other funds	187,667	-	87,098	-
Restricted				
Special revenue	-	-	-	103,929
Capital projects	-	-	-	-
Unassigned	(10,562)	(112,852)	-	-
Total fund balance (deficit)	177,105	(112,852)	87,098	103,929
Total liabilities, deferred inflows, and fund balances (deficit)	\$ 455,751	\$ 23,003	\$ 87,098	\$ 103,929

Special Revenue Funds			Capital Projects Funds		
Working Cash	Railroad Noise Mitigation	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ -	\$ -	\$ 103,929	\$ -	\$ 54,417	\$ 31,419
2,686	-	270,770	-	-	-
-	-	23,003	-	-	-
-	-	-	18,921	-	-
34,248	-	34,248	-	-	-
554,779	-	829,544	626,292	170,583	-
<u>\$ 591,713</u>	<u>\$ -</u>	<u>\$ 1,261,494</u>	<u>\$ 645,213</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>
\$ -	\$ 15,985	\$ 50,496	\$ 378	\$ -	\$ -
-	-	5,158	-	-	-
-	48,033	170,702	-	-	-
-	64,018	226,356	378	-	-
-	-	252,163	-	-	-
34,248	-	34,248	-	-	-
554,779	-	829,544	626,292	170,583	-
2,686	-	106,615	-	-	-
-	-	-	18,543	54,417	31,419
-	(64,018)	(187,432)	-	-	-
<u>591,713</u>	<u>(64,018)</u>	<u>782,975</u>	<u>644,835</u>	<u>225,000</u>	<u>31,419</u>
<u>\$ 591,713</u>	<u>\$ -</u>	<u>\$ 1,261,494</u>	<u>\$ 645,213</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>

(Continued)

Village of Sauk Village, Illinois
 Nonmajor Governmental Funds
 COMBINING BALANCE SHEET (Continued)
April 30, 2017

	<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	\$ -	\$ -	\$ 85,836	\$ 189,765
Receivables				
Property taxes	458	-	458	271,228
Intergovernmental	-	-	-	23,003
Other	-	-	18,921	18,921
Deposits with paying agent	-	-	-	34,248
Advances to other funds	<u>587,361</u>	<u>-</u>	<u>1,384,236</u>	<u>2,213,780</u>
Total assets	<u>\$ 587,819</u>	<u>\$ -</u>	<u>\$ 1,489,451</u>	<u>\$ 2,750,945</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 5,387	\$ -	\$ 5,765	\$ 56,261
Accrued payroll	-	-	-	5,158
Advances from other funds	<u>825</u>	<u>13,043</u>	<u>13,868</u>	<u>184,570</u>
Total liabilities	<u>6,212</u>	<u>13,043</u>	<u>19,633</u>	<u>245,989</u>
Deferred inflows				
Property taxes levied for a future period	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,163</u>
Fund balance (deficit)				
Nonspendable				
Deposits with paying agent	-	-	-	34,248
Advances to other funds	587,361	-	1,384,236	2,213,780
Restricted				
Special revenue	-	-	-	106,615
Capital projects	-	-	104,379	104,379
Unassigned	<u>(5,754)</u>	<u>(13,043)</u>	<u>(18,797)</u>	<u>(206,229)</u>
Total fund balance (deficit)	<u>581,607</u>	<u>(13,043)</u>	<u>1,469,818</u>	<u>2,252,793</u>
Total liabilities, deferred inflows, and fund balances (deficit)	<u>\$ 587,819</u>	<u>\$ -</u>	<u>\$ 1,489,451</u>	<u>\$ 2,750,945</u>

(Concluded)

Village of Sauk Village, Illinois

Nonmajor Governmental Funds

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

For the Year Ended April 30, 2017

	Special Revenue Funds			
	Fire Protection	Motor Fuel Tax	Emergency Telephone System	Police Seizure
Revenues				
Property taxes	\$ 436,706	\$ -	\$ -	\$ -
Charges for services	24,022	-	65,775	-
Utility taxes	-	-	-	-
Intergovernmental	-	266,290	-	-
Interest	-	229	-	-
Miscellaneous	536	-	2,887	102,552
Total revenues	461,264	266,519	68,662	102,552
Expenditures				
Current				
General government	-	-	-	-
Public safety	528,911	-	-	80,571
Public works	-	102,964	-	-
Debt service				
Principal	24,141	-	-	-
Interest	1,067	-	-	-
Total expenditures	554,119	102,964	-	80,571
Excess (deficiency) of revenues over expenditures	(92,855)	163,555	68,662	21,981
Other financing uses				
Transfers out	(45,050)	(45,000)	(65,000)	-
Total other financing uses	(45,050)	(45,000)	(65,000)	-
Net change in fund balance (deficit)	(137,905)	118,555	3,662	21,981
Fund balance (deficit)				
Beginning of year	315,010	(231,407)	83,436	81,948
End of year	\$ 177,105	\$ (112,852)	\$ 87,098	\$ 103,929

Special Revenue Funds			Capital Projects Funds		
Working Cash	Railroad Noise Mitigation	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ 72,528	\$ -	\$ 509,234	\$ -	\$ -	\$ -
-	-	89,797	-	-	-
-	-	-	188,437	-	-
-	-	266,290	-	-	-
37	-	266	-	-	-
3,961	-	109,936	-	-	-
<u>76,526</u>	<u>-</u>	<u>975,523</u>	<u>188,437</u>	<u>-</u>	<u>-</u>
-	-	-	5,740	-	-
-	-	609,482	-	-	-
-	51,633	154,597	-	-	-
-	-	24,141	-	-	-
-	-	1,067	-	-	-
<u>-</u>	<u>51,633</u>	<u>789,287</u>	<u>5,740</u>	<u>-</u>	<u>-</u>
<u>76,526</u>	<u>(51,633)</u>	<u>186,236</u>	<u>182,697</u>	<u>-</u>	<u>-</u>
<u>(66,350)</u>	<u>-</u>	<u>(221,400)</u>	<u>(179,931)</u>	<u>-</u>	<u>-</u>
<u>(66,350)</u>	<u>-</u>	<u>(221,400)</u>	<u>(179,931)</u>	<u>-</u>	<u>-</u>
10,176	(51,633)	(35,164)	2,766	-	-
<u>581,537</u>	<u>(12,385)</u>	<u>818,139</u>	<u>642,069</u>	<u>225,000</u>	<u>31,419</u>
<u>\$ 591,713</u>	<u>\$ (64,018)</u>	<u>\$ 782,975</u>	<u>\$ 644,835</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 (DEFICITS) (Continued)

For the Year Ended April 30, 2017

	Capital Projects Funds			Total Nonmajor Governmental Funds
	SurreyBrook Plaza	Municipal Building	Total Capital Projects	
Revenues				
Property taxes	\$ 64,315	\$ -	\$ 64,315	\$ 573,549
Charges for services	-	-	-	89,797
Utility taxes	-	-	188,437	188,437
Intergovernmental	8,041	-	8,041	274,331
Interest	1,364	-	1,364	1,630
Miscellaneous	-	-	-	109,936
Total revenues	73,720	-	262,157	1,237,680
Expenditures				
Current				
General government	48,066	-	53,806	53,806
Public safety	-	-	-	609,482
Public works	-	-	-	154,597
Debt service				
Principal	-	-	-	24,141
Interest	-	-	-	1,067
Total expenditures	48,066	-	53,806	843,093
Excess (deficiency) of revenues over expenditures	25,654	-	208,351	394,587
Other financing uses				
Transfers out	(6,000)	-	(185,931)	(407,331)
Total other financing uses	(6,000)	-	(185,931)	(407,331)
Net change in fund balance (deficit)	19,654	-	22,420	(12,744)
Fund balance (deficit)				
Beginning of year	561,953	(13,043)	1,447,398	2,265,537
End of year	\$ 581,607	\$ (13,043)	\$ 1,469,818	\$ 2,252,793

(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, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 492,155	\$ 436,706	\$ (55,449)
Charges for services	37,000	24,022	(12,978)
Intergovernmental	20,000	-	(20,000)
Miscellaneous	500	536	36
Total revenues	549,655	461,264	(88,391)
Expenditures			
Current			
Public safety			
Regular wages	94,767	88,652	(6,115)
Part-time wages	100,000	132,927	32,927
Fringe benefits	15,975	17,101	1,126
Pension contributions	11,370	10,508	(862)
Office supplies	7,000	5,688	(1,312)
Vehicle expense	8,000	27,105	19,105
Uniforms and clothing	17,525	1,587	(15,938)
Facility maintenance supplies	1,000	3,525	2,525
Operating supplies	1,000	837	(163)
Computer software supplies	11,250	6,250	(5,000)
Tools and equipment	19,000	8,301	(10,699)
Other materials and supplies	1,000	653	(347)
Telephone	2,000	6,507	4,507
Utilities	2,000	3,168	1,168
Postage	100	45	(55)
Printing	750	78	(672)
Equipment repair and maintenance	8,000	9,689	1,689
Vehicle repair and maintenance	18,000	5,238	(12,762)
Facility maintenance	-	450	450
Professional development	10,000	279	(9,721)
Publications and memberships	900	534	(366)
Professional services	16,000	1,350	(14,650)

(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, 2017

	<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	\$ 5,803	\$ 4,303
Intergovernmental services	3,000	-	(3,000)
Other rents and leases	9,225	136	(9,089)
Public information	2,000	1,192	(808)
Vehicles	17,500	47,483	29,983
Trust fees	3,000	3,000	-
Other contractual services	87,880	140,825	52,945
Contingency	14,813	-	(14,813)
Total public safety	<u>484,555</u>	<u>528,911</u>	<u>44,356</u>
Debt service			
Principal	-	24,141	24,141
Interest	-	1,067	1,067
Total debt service	<u>-</u>	<u>25,208</u>	<u>25,208</u>
Total expenditures	<u>484,555</u>	<u>554,119</u>	<u>69,564</u>
Excess (deficiency) of revenues over expenditures	<u>65,100</u>	<u>(92,855)</u>	<u>(157,955)</u>
Other financing uses			
Transfer out	<u>(60,100)</u>	<u>(45,050)</u>	<u>15,050</u>
Total other financing uses	<u>(60,100)</u>	<u>(45,050)</u>	<u>15,050</u>
Net change in fund balance	<u>\$ 5,000</u>	(137,905)	<u>\$ (142,905)</u>
Fund balance			
Beginning of year		<u>315,010</u>	
End of year		<u>\$ 177,105</u>	

(Concluded)

Village of Sauk Village, Illinois

Motor Fuel Tax Fund

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

For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Intergovernmental	\$ 362,105	\$ 266,290	\$ (95,815)
Interest	25	229	204
Total revenues	<u>362,130</u>	<u>266,519</u>	<u>(95,611)</u>
Expenditures			
Current			
Public works			
Operating supplies	37,000	25,824	(11,176)
Construction supplies	49,130	14,830	(34,300)
Utilities	32,000	20,873	(11,127)
Equipment repair and maintenance	9,000	8,553	(447)
Professional services	70,000	31,084	(38,916)
Contractual services	75,000	1,800	(73,200)
Construction	445,000	-	(445,000)
Total public works	<u>717,130</u>	<u>102,964</u>	<u>(614,166)</u>
Total expenditures	<u>717,130</u>	<u>102,964</u>	<u>(614,166)</u>
Excess (deficiency) of revenues over expenditures	<u>(355,000)</u>	<u>163,555</u>	<u>518,555</u>
Other financing sources (uses)			
Transfer in	400,000	-	(400,000)
Transfer out	(45,000)	(45,000)	-
Total other financing sources (uses)	<u>355,000</u>	<u>(45,000)</u>	<u>(400,000)</u>
Net change in fund deficit	<u>\$ -</u>	118,555	<u>\$ 118,555</u>
Fund deficit			
Beginning of year		<u>(231,407)</u>	
End of year		<u>\$ (112,852)</u>	

Village of Sauk Village, Illinois

Emergency Telephone System Fund

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

For the Year Ended April 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Charges for services			
911 surcharge	\$ 30,000	\$ 65,775	\$ 35,775
Miscellaneous	<u>-</u>	<u>2,887</u>	<u>2,887</u>
Total revenues	<u>30,000</u>	<u>68,662</u>	<u>38,662</u>
Other financing uses			
Transfer (out)	<u>(52,431)</u>	<u>(65,000)</u>	<u>(12,569)</u>
Total other financing uses	<u>(52,431)</u>	<u>(65,000)</u>	<u>(12,569)</u>
Net change in fund balance	<u>\$ (22,431)</u>	3,662	<u>\$ 26,093</u>
Fund balance			
Beginning of year		<u>83,436</u>	
End of year		<u>\$ 87,098</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, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Drug enforcement program receipts	\$ 60,000	\$ 102,550	\$ 42,550
Interest	<u>-</u>	<u>2</u>	<u>2</u>
Total revenues	<u>60,000</u>	<u>102,552</u>	<u>42,552</u>
Expenditures			
Current			
Public safety			
Contingency	-	288	288
Major tools and equipment	25,000	76,109	51,109
Other contractual	10,000	4,174	(5,826)
Refunds	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Total expenditures	<u>60,000</u>	<u>80,571</u>	<u>20,571</u>
Net change in fund balance	<u>\$ -</u>	21,981	<u>\$ 21,981</u>
Fund balance			
Beginning of year		<u>81,948</u>	
End of year		<u>\$ 103,929</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, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 85,000	\$ 72,528	\$ (12,472)
Interest	-	37	37
Miscellaneous	-	3,961	3,961
Total revenues	<u>85,000</u>	<u>76,526</u>	<u>(8,474)</u>
Other financing uses			
Transfer out	<u>(72,700)</u>	<u>(66,350)</u>	<u>6,350</u>
Total other financing uses	<u>(72,700)</u>	<u>(66,350)</u>	<u>6,350</u>
Excess of revenues over expenditures	\$ <u><u>12,300</u></u>	10,176	\$ <u><u>(2,124)</u></u>
Fund balance			
Beginning of year		<u>581,537</u>	
End of year		\$ <u><u>591,713</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, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures			
Current			
Public works			
Professional services	\$ <u>220,000</u>	\$ <u>51,633</u>	\$ <u>(168,367)</u>
Total public works	<u>220,000</u>	<u>51,633</u>	<u>(168,367)</u>
Deficiency of revenues over expenditures	\$ <u><u>(220,000)</u></u>	(51,633)	\$ <u><u>168,367</u></u>
Fund deficit			
Beginning of year		<u>(12,385)</u>	
End of year		\$ <u><u>(64,018)</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, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Utility taxes	\$ 190,000	\$ 188,437	\$ (1,563)
Miscellaneous	500	-	(500)
Total revenues	<u>190,500</u>	<u>188,437</u>	<u>(2,063)</u>
Expenditures			
Current			
General government			
Amalgamated trust fees	3,000	3,000	-
Refunds	<u>1,500</u>	<u>2,740</u>	<u>1,240</u>
Total general government	<u>4,500</u>	<u>5,740</u>	<u>1,240</u>
Total expenditures	<u>4,500</u>	<u>5,740</u>	<u>1,240</u>
Excess of revenues over expenditures	<u>186,000</u>	<u>182,697</u>	<u>(3,303)</u>
Other financing uses			
Transfer out	<u>(152,431)</u>	<u>(179,931)</u>	<u>(27,500)</u>
Net change in fund balance	<u>\$ 33,569</u>	2,766	<u>\$ (30,803)</u>
Fund balance			
Beginning of year		<u>642,069</u>	
End of year		<u>\$ 644,835</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, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Intergovernmental	\$ 400,000	\$ -	\$ (400,000)
Excess of revenues over expenditures	400,000	-	(400,000)
Other financing uses			
Transfer out	(400,000)	-	400,000
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, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Property taxes	\$ 152,872	\$ 64,315	\$ (88,557)
Intergovernmental	-	8,041	8,041
Interest	100	1,364	1,264
	<u>152,972</u>	<u>73,720</u>	<u>(79,252)</u>
Total revenues			
Expenditures			
General government			
Professional services	75,000	48,066	(26,934)
	<u>75,000</u>	<u>48,066</u>	<u>(26,934)</u>
Total expenditures			
Excess of revenues over expenditures	77,972	25,654	(52,318)
Other financing uses			
Transfer out	(6,000)	(6,000)	-
	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
Total other financing uses			
Net change in fund balance	\$ <u>71,972</u>	19,654	\$ <u>(52,318)</u>
Fund balance			
Beginning of year		<u>561,953</u>	
End of year		\$ <u>581,607</u>	

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ 1,500,000	\$ 1,643,727	\$ 143,727
Meter sales	25,000	19,875	(5,125)
Miscellaneous	5,500	91,177	85,677
Total revenues	<u>\$ 1,530,500</u>	<u>\$ 1,754,779</u>	<u>\$ 224,279</u>

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses			
Salaries			
Regular wages	\$ 462,652	\$ 537,266	\$ 74,614
Part time wages	48,000	-	(48,000)
Overtime	55,000	55,263	263
Total salaries	565,652	592,529	26,877
Fringe benefits	231,280	200,073	(31,207)
Supplies, fees and services			
Office supplies	500	569	69
Vehicle expense	23,000	21,424	(1,576)
Uniforms and clothing	6,000	3,533	(2,467)
Facility maintenance supplies	1,000	251	(749)
Operating supplies	35,000	37,556	2,556
Computer software supplies	500	169	(331)
Tools and equipment	4,000	6,933	2,933
Construction supplies	50,000	45,822	(4,178)
Telephone	5,000	6,706	1,706
Utilities	50,000	67,249	17,249
Postage	5,000	3,129	(1,871)
Printing	1,500	1,213	(287)
Professional development	2,500	1,352	(1,148)
Publications and memberships	500	100	(400)
Professional services	180,000	1,849	(178,151)
Computer contractual services	3,000	1,757	(1,243)
Intergovernmental services	2,000	1,036	(964)
Other rents and leases	641	770	129
Other contractual services	-	12,730	12,730
Computer hardware purchases	1,600	2,288	688
Major tools and work equipment	97,000	8,007	(88,993)
Vehicles	50,000	-	(50,000)
Total supplies, fees and services	518,741	224,443	(294,298)

(Continued)

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 10,000	\$ 21,882	\$ 11,882
Vehicle repair and maintenance	8,000	17,153	9,153
Facility repair and maintenance	<u>3,000</u>	<u>3,041</u>	<u>41</u>
Total repairs and maintenance	<u>21,000</u>	<u>42,076</u>	<u>21,076</u>
Capital outlay			
Construction	<u>-</u>	<u>9,675</u>	<u>9,675</u>
Total capital outlay	<u>-</u>	<u>9,675</u>	<u>9,675</u>
Total operating expenses before depreciation and contingency	<u>1,336,673</u>	<u>1,068,796</u>	<u>(267,877)</u>
Depreciation	<u>-</u>	<u>367,870</u>	<u>367,870</u>
Total operating expenses	<u>\$ 1,336,673</u>	<u>\$ 1,436,666</u>	<u>\$ 99,993</u>

(Concluded)

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ 705,000	\$ 770,378	\$ 65,378
Miscellaneous	<u>-</u>	<u>35,269</u>	<u>35,269</u>
Total revenues	<u>\$ 705,000</u>	<u>\$ 805,647</u>	<u>\$ 100,647</u>

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses			
Salaries			
Regular wages	\$ 360,702	\$ 349,849	\$ (10,853)
Overtime	10,000	19,597	9,597
Total salaries	370,702	369,446	(1,256)
Fringe benefits	169,458	187,249	17,791
Supplies, fees and services			
Office supplies	500	397	(103)
Vehicle expense	3,000	6,302	3,302
Uniforms and clothing	4,000	3,174	(826)
Operating supplies	500	554	54
Computer software supplies	500	-	(500)
Tools and equipment	1,000	378	(622)
Construction supplies	2,500	1,613	(887)
Telephone	2,000	2,783	783
Postage	2,000	1,260	(740)
Printing	300	1,213	913
Professional development	-	60	60
Publications and memberships	540	-	(540)
Professional services	25,000	67,964	42,964
Computer contractual services	1,000	1,757	757
Other contractual services	2,500	7,071	4,571
Computer hardware purchases	-	2,288	2,288
Total supplies, fees and services	45,340	96,814	51,474

(Continued)

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 5,500	\$ 7,031	\$ 1,531
Vehicle repair and maintenance	<u>4,000</u>	<u>2,688</u>	<u>(1,312)</u>
Total repairs and maintenance	<u>9,500</u>	<u>9,719</u>	<u>219</u>
Total operating expenses before depreciation and contingency	<u>595,000</u>	<u>663,228</u>	<u>68,228</u>
Depreciation	<u>-</u>	<u>29,842</u>	<u>29,842</u>
Total operating expenses	<u>\$ 595,000</u>	<u>\$ 693,070</u>	<u>\$ 98,070</u>

(Concluded)

Village of Sauk Village, Illinois
Pension Trust Funds
COMBINING STATEMENT OF PLAN NET POSITION
April 30, 2017

	<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 332,097	\$ 11,706	\$ 343,803
Investments	5,048,412	46,957	5,095,369
Accrued interest	14,707	245	14,952
Other receivable	25,737	-	25,737
Due from Village	16,086	704	16,790
	<u>5,437,039</u>	<u>59,612</u>	<u>5,496,651</u>
LIABILITIES:			
Accounts payable	<u>4,500</u>	<u>-</u>	<u>4,500</u>
NET POSITION			
Held in trust for pension benefits	<u>\$ 5,432,539</u>	<u>\$ 59,612</u>	<u>\$ 5,492,151</u>

Village of Sauk Village, Illinois
Pension Trust Funds
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
For the Year Ended April 30, 2017

	Police Pension Fund	Firefighters' Pension Fund	Total
ADDITIONS			
Contributions			
Employer	\$ 196,548	\$ 10,508	\$ 207,056
Members and other	156,221	-	156,221
Total contributions	352,769	10,508	363,277
Investment earnings	326,197	683	326,880
Investment expenses	(21,335)	-	(21,335)
Net investment earnings (losses)	304,862	683	305,545
Total additions	657,631	11,191	668,822
DEDUCTIONS			
Pension benefits	543,789	40,441	584,230
Refunds of contributions	32,265	-	32,265
Administrative expense	35,280	3,318	38,598
Total deductions	611,334	43,759	655,093
CHANGE IN NET POSITION	46,297	(32,568)	13,729
PLAN NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Beginning of year	5,386,242	92,180	5,478,422
End of year	\$ 5,432,539	\$ 59,612	\$ 5,492,151

Village of Sauk Village, Illinois
 Agency Fund - Sauk Village Housing Commission
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended April 30, 2017

	<u>Balance</u>		<u>Deletions</u>	<u>Balance</u>
	<u>May 1, 2016</u>	<u>Additions</u>		<u>April 30, 2017</u>
Assets				
Cash	\$ <u>384</u>	\$ <u>5,116</u>	\$ <u>5,500</u>	\$ <u>-</u>
Liabilities				
Due to Sauk Village Housing Commission	\$ <u>384</u>	\$ <u>5,116</u>	\$ <u>5,500</u>	\$ <u>-</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Tax Increment Refunding Bonds (Alternative Revenue Source) Series 2002A
April 30, 2017

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% - 5.10%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 5,800,000</u>	<u>\$ 1,048,881</u>	<u>\$ 6,848,881</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, 2017

Dated:	June 27, 2002
Original Issue:	\$4,999,356
Due:	June 1, 2022
Interest Rates:	5.45% - 5.95%

<u>Year Ending April 30,</u>	<u>Principal</u>
2018	\$ 1,060,000
2019	1,135,000
2020	1,220,000
2021	1,315,000
2022	1,405,000
2023	<u>1,460,000</u>
	<u>\$ 7,595,000</u>

Village of Sauk Village, Illinois

SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS

General Obligation Capital Appreciation (Alternate Revenue) Bonds Series 2007A

April 30, 2017

Dated:	June 6, 2007
Original Issue:	\$5,201,610
Due:	December 1, 2018
Interest Rates:	4.20% - 4.30%

<u>Year Ending April 30,</u>	<u>Principal</u>
2018	\$ 690,000
2019	<u>685,000</u>
	<u>\$ 1,375,000</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation (Alternate Revenue) Bonds Series 2007B
April 30, 2017

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>
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>\$ 1,055,000</u>	<u>\$ 337,722</u>	<u>\$ 1,392,722</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation (Alternate Revenue) Bonds Series 2007C
April 30, 2017

Dated: June 6, 2007
Original Issue: \$810,000
Due: December 1, 2027
Interest Payment Dates: June 1 and December 1
Interest Rates: 4.00% - 5.00%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 610,000</u>	<u>\$ 203,350</u>	<u>\$ 813,350</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Bonds (Alternate Revenue Source) Series 2008
April 30, 2017

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>
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>\$ 8,610,000</u>	<u>\$ 4,514,016</u>	<u>\$ 13,124,016</u>

Village of Sauk Village, Illinois

SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS

General Obligation Tax Increment Bonds (Alternate Revenue Source) Series 2009

April 30, 2017

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 April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 6,845,000</u>	<u>\$ 2,961,832</u>	<u>\$ 9,806,832</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Working Cash Bonds Series 2010
April 30, 2017

Dated: February 1, 2010
Original Issue: \$574,000
Due: February 1, 2020
Interest Payment Dates: February 1 and August 1
Interest Rates: 4.50% - 5.00%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 65,000	\$ 10,000	\$ 75,000
2019	65,000	6,750	71,750
2020	70,000	3,500	73,500
	<u>\$ 200,000</u>	<u>\$ 20,250</u>	<u>\$ 220,250</u>

Village of Sauk Village, Illinois

LEGAL DEBT MARGIN

April 30, 2017

2016 Equalized Assessed Valuation (EAV)	\$ <u>70,630,455</u>	
Voted and Unvoted Debt Limit - 8.625% of EAV		\$ 6,091,877
Total Debt Outstanding	32,169,139	
Less Exempted Debt	<u>30,411,367</u>	
Net Subject to 8.625% Limit		<u>1,757,772</u>
Total Legal Voted and Unvoted Debt Margin		\$ <u><u>4,334,105</u></u>