

**Village of Sauk Village,  
Illinois**

**Annual Financial Report**

**Year Ended April 30, 2019**

**Village of Sauk Village, Illinois**  
**ANNUAL FINANCIAL REPORT**  
Year Ended April 30, 2019

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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, 2019, 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 99.4% of the assets, 99.4% of the net position, and 98.4% of the additions of the fiduciary fund types reported herein, as of and for the year ended April 30, 2019, on pages 17 and 18. Those statements were audited by other auditors, 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.

***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, 2019, 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 a Matter***

As discussed in Note R to the financial statements long-term liabilities and net position of the Governmental Activities, Business-Type Activities, the Water Fund, and the Sewer Fund as of May 1, 2018 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund, Firefighters' Pension Fund, and Police Pension Fund pension data on pages 90 through 99, the other postemployment benefits data on page 100, and the budgetary comparison schedules and notes to the required supplementary information on pages 101 through 102, 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.

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

### ***Other Information***

Our audit for the year ended April 30, 2019 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 in the other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.



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**Other Matters** (Continued)

***Other Information*** (Continued)

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, 2019 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended April 30, 2019 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, 2019 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended April 30, 2019.

MILLER, COOPER & CO., LTD.



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Certified Public Accountants

Deerfield, Illinois  
September 15, 2021

## **BASIC FINANCIAL STATEMENTS**

**Village of Sauk Village, Illinois**  
**STATEMENT OF NET POSITION (DEFICIT)**  
April 30, 2019

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current			
Cash and cash equivalents	\$ 3,057,123	\$ 552,625	\$ 3,609,748
Receivables, net of allowances			
Property taxes	1,048,476	-	1,048,476
Intergovernmental	398,961	-	398,961
Charges for services and other	220,357	403,001	623,358
Current portion of deposits with paying agent	3,529,410	-	3,529,410
Prepaid items	347,936	-	347,936
Noncurrent			
Deposits with paying agent, net of current portion	7,937,131	-	7,937,131
Internal balances, net	(1,511,429)	1,511,429	-
Land held for resale	470,606	-	470,606
Capital assets not being depreciated	574,003	13,500	587,503
Capital assets, net of accumulated depreciation	9,863,138	5,511,880	15,375,018
Total assets	<u>25,935,712</u>	<u>7,992,435</u>	<u>33,928,147</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	7,999,944	729,930	8,729,874
Deferred outflows related to other postemployment benefits	55,034	17,150	72,184
	<u>8,054,978</u>	<u>747,080</u>	<u>8,802,058</u>
<b>LIABILITIES</b>			
Current			
Current portion of long-term liabilities	3,060,390	157,352	3,217,742
Accounts payable	259,965	33,589	293,554
Accrued payroll	60,938	21,451	82,389
Accrued interest	450,949	1,819	452,768
Short-term debt	274,021	-	274,021
Deposits payable	-	180,369	180,369
Due to county government	114,339	-	114,339
Long-term liabilities, net of current portion			
Due in more than one year	46,529,518	1,849,392	48,378,910
Total liabilities	<u>50,750,120</u>	<u>2,243,972</u>	<u>52,994,092</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	1,241,636	487,579	1,729,215
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	8,303,643	4,743,894	13,047,537
Restricted by enabling legislation	13,437,737	-	13,437,737
Unrestricted	<u>(39,742,446)</u>	<u>1,264,070</u>	<u>(38,478,376)</u>
Total net position (deficit)	<u>\$ (18,001,066)</u>	<u>\$ 6,007,964</u>	<u>\$ (11,993,102)</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, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities				
General government	\$ 3,425,080	\$ 425,039	\$ 5,028	\$ -
Public safety	7,331,938	226,371	121,678	-
Public works	498,690	-	42,479	307,759
Interest	1,474,228	-	-	-
Total governmental activities	<u>12,729,936</u>	<u>651,410</u>	<u>169,185</u>	<u>307,759</u>
Business-type activities				
Waterworks	1,429,774	1,542,173	-	-
Sewerage	575,650	947,325	-	-
Total business-type activities	<u>2,005,424</u>	<u>2,489,498</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,735,360</u>	<u>\$ 3,140,908</u>	<u>\$ 169,185</u>	<u>\$ 307,759</u>

General revenues

Taxes

Intergovernmental

Investment income

Miscellaneous

Transfers

Total general revenues

Change in net position

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

Net position (deficit) - ending

The accompanying notes are an integral part of this statement.

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

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Governmental Activities	Business-type Activities	Total
\$ (2,995,013)	\$ -	\$ (2,995,013)
(6,983,889)	-	(6,983,889)
(148,452)	-	(148,452)
(1,474,228)	-	(1,474,228)
(11,601,582)	-	(11,601,582)
-	112,399	112,399
-	371,675	371,675
-	484,074	484,074
(11,601,582)	484,074	(11,117,508)
7,540,473	-	7,540,473
2,469,525	-	2,469,525
201,705	-	201,705
1,009,792	17,648	1,027,440
437,441	(437,441)	-
11,658,936	(419,793)	11,239,143
57,354	64,281	121,635
(18,058,420)	5,943,683	(12,114,737)
\$ (18,001,066)	\$ 6,007,964	\$ (11,993,102)

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**Village of Sauk Village, Illinois**

Governmental Funds

BALANCE SHEET

April 30, 2019

	General Fund	Debt Service Fund	Sauk Pointe Industrial Park Fund	LogistiCenter at Sauk Village Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,161,477	\$ -	\$ 21,556	\$ -	\$ 874,090	\$ 3,057,123
Receivables, net of allowances						
Property taxes	832,653	-	5,486	6	210,331	1,048,476
Intergovernmental	375,706	-	-	-	23,255	398,961
Other	204,744	-	-	-	15,613	220,357
Deposits with paying agent	-	10,033,514	-	1,399,069	33,958	11,466,541
Prepaid items	347,936	-	-	-	-	347,936
Advances to other funds	1,003,694	-	-	215,341	1,858,884	3,077,919
Land held for resale	470,606	-	-	-	-	470,606
<b>Total assets</b>	<u>\$ 5,396,816</u>	<u>\$ 10,033,514</u>	<u>\$ 27,042</u>	<u>\$ 1,614,416</u>	<u>\$ 3,016,131</u>	<u>\$ 20,087,919</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)</b>						
<b>Liabilities</b>						
Accounts payable	\$ 222,677	\$ -	\$ -	\$ -	\$ 37,288	\$ 259,965
Accrued payroll	54,724	-	-	-	6,214	60,938
Advances from other funds	3,112,220	735,688	215,341	9,616	516,483	4,589,348
Due to county government	114,339	-	-	-	-	114,339
Short-term debt	274,021	-	-	-	-	274,021
<b>Total liabilities</b>	<u>3,777,981</u>	<u>735,688</u>	<u>215,341</u>	<u>9,616</u>	<u>559,985</u>	<u>5,298,611</u>
<b>Deferred inflows</b>						
Property taxes collected in a future period	770,307	-	-	-	192,874	963,181
<b>Total deferred inflows</b>	<u>770,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,874</u>	<u>963,181</u>
<b>Fund balances (deficits)</b>						
<b>Nonspendable</b>						
Deposits with paying agent	-	10,033,514	-	1,399,069	33,958	11,466,541
Prepaid items	347,936	-	-	-	-	347,936
Advances to other funds	1,003,694	-	-	215,341	1,858,884	3,077,919
Land held for resale	470,606	-	-	-	-	470,606
<b>Restricted</b>						
Special revenue purposes	-	-	-	-	130,296	130,296
Capital projects	-	-	-	-	740,993	740,993
Unassigned	(973,708)	(735,688)	(188,299)	(9,610)	(500,859)	(2,408,164)
<b>Total fund balance (deficits)</b>	<u>848,528</u>	<u>9,297,826</u>	<u>(188,299)</u>	<u>1,604,800</u>	<u>2,263,272</u>	<u>13,826,127</u>
<b>Total liabilities, deferred inflows, and fund balance</b>	<u>\$ 5,396,816</u>	<u>\$ 10,033,514</u>	<u>\$ 27,042</u>	<u>\$ 1,614,416</u>	<u>\$ 3,016,131</u>	<u>\$ 20,087,919</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, 2019

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Total fund balance - governmental funds \$ 13,826,127

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. 963,181

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. 10,437,141

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

Deferred outflows of resources related to pensions	\$ 7,999,944	
Deferred outflows related to other postemployment benefits	<u>55,034</u>	8,054,978

Deferred inflows of resources related to pensions (1,241,636)

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. (450,949)

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. (49,589,908)

Net position (deficit) - governmental activities \$ (18,001,066)

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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, 2019

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Sauk Pointe Industrial Park Fund</u>	<u>LogistiCenter at Sauk Village Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>						
Property taxes	\$ 2,285,577	\$ -	\$ 999,406	\$ 4,343,788	\$ 644,491	\$ 8,273,262
Licenses and permits	283,264	-	-	-	-	283,264
Charges for services	734,616	-	-	-	37,143	771,759
Utility taxes	-	-	-	-	157,540	157,540
Intergovernmental	1,792,092	-	-	-	295,352	2,087,444
Fines and forfeitures	205,499	-	-	-	-	205,499
Investment income	546,192	163,316	-	22,862	7,890	740,260
Impact fees	250,000	-	-	-	-	250,000
Miscellaneous	210,164	-	-	-	103,446	313,610
Total revenues	<u>6,307,404</u>	<u>163,316</u>	<u>999,406</u>	<u>4,366,650</u>	<u>1,245,862</u>	<u>13,082,638</u>
<b>Expenditures</b>						
<b>Current</b>						
General government	1,970,929	-	820	1,235,090	83,201	3,290,040
Public safety	3,308,869	-	-	-	487,469	3,796,338
Public works	129,030	-	-	-	139,069	268,099
<b>Debt service</b>						
Principal	71,503	3,230,000	-	-	17,500	3,319,003
Interest	6,695	1,157,303	-	-	-	1,163,998
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>5,487,026</u>	<u>4,387,303</u>	<u>820</u>	<u>1,235,090</u>	<u>727,239</u>	<u>11,837,478</u>
Excess (deficiency) of revenues over expenditures	<u>820,378</u>	<u>(4,223,987)</u>	<u>998,586</u>	<u>3,131,560</u>	<u>518,623</u>	<u>1,245,160</u>
<b>Other financing sources (uses)</b>						
Transfers in	2,046,937	3,905,028	-	-	3,789	5,955,754
Transfers (out)	(3,789)	-	(1,005,827)	(4,154,155)	(354,542)	(5,518,313)
Total other financing sources (uses)	<u>2,043,148</u>	<u>3,905,028</u>	<u>(1,005,827)</u>	<u>(4,154,155)</u>	<u>(350,753)</u>	<u>437,441</u>
Net change in fund balances	2,863,526	(318,959)	(7,241)	(1,022,595)	167,870	1,682,601
<b>Fund balances (deficits)</b>						
Beginning of year	<u>(2,014,998)</u>	<u>9,616,785</u>	<u>(181,058)</u>	<u>2,627,395</u>	<u>2,095,402</u>	<u>12,143,526</u>
End of year	<u>\$ 848,528</u>	<u>\$ 9,297,826</u>	<u>\$ (188,299)</u>	<u>\$ 1,604,800</u>	<u>\$ 2,263,272</u>	<u>\$ 13,826,127</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, 2019

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Net change in fund balances - total governmental funds \$ 1,682,601

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. (732,789)

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. (620,120)

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. 34,621

Changes in deferred outflows and inflows of resources related to pensions and other postemployment benefits are reported only in the statement of activities.

Deferred outflows and inflows of resources related to:

IMRF pension	559,308	
Police pension	6,885,162	
Firefighters' pension	769	
Other postemployment benefits	<u>(2,398)</u>	7,442,841

**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, 2019

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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds.

Interest accreted - capital appreciation bonds	\$ (353,534)	
Principal payments on alternate revenue bonds	3,165,000	
Principal payments on general obligation bonds	65,000	
Principal payments on police vehicle loan	16,720	
Principal payments on fire truck loan	17,500	
Principal payments on street light loan	37,258	
Amortization of bond premiums	26,208	
Net increases in net pension liabilities		
IMRF	(499,498)	
Police	(9,856,521)	
Firefighters'	(344,295)	
Net increase in other postemployment benefits liability	(15,181)	
Net decrease in compensated absences	20,402	
Net increase in judgment liability	(28,859)	<u>(7,749,800)</u>
Change in net deficit - governmental activities		<u>\$ 57,354</u>

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The accompanying notes are an integral part of this statement.

**Village of Sauk Village, Illinois**  
Proprietary Funds  
STATEMENT OF NET POSITION  
April 30, 2019

	Waterworks Fund	Sewerage Fund	Total
<b>ASSETS</b>			
Current			
Cash and cash equivalents	\$ 142,884	\$ 409,741	\$ 552,625
Receivables, net of allowances	237,542	165,459	403,001
Total current assets	<u>380,426</u>	<u>575,200</u>	<u>955,626</u>
Noncurrent			
Advances to other funds	1,026,523	489,500	1,516,023
Capital assets not being depreciated	13,500	-	13,500
Capital assets, net of accumulated depreciation	<u>5,128,083</u>	<u>383,797</u>	<u>5,511,880</u>
Total noncurrent assets	<u>6,168,106</u>	<u>873,297</u>	<u>7,041,403</u>
Total assets	<u>6,548,532</u>	<u>1,448,497</u>	<u>7,997,029</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	368,227	361,703	729,930
Deferred outflows related to other postemployment benefits	<u>10,162</u>	<u>6,988</u>	<u>17,150</u>
Total deferred outflows of resources	<u>378,389</u>	<u>368,691</u>	<u>747,080</u>
<b>LIABILITIES</b>			
Current			
Current portion of long-term liabilities	87,644	69,708	157,352
Accounts payable	30,430	3,159	33,589
Accrued payroll	13,768	7,683	21,451
Accrued interest	1,819	-	1,819
Advances from other funds	-	4,594	4,594
Deposits payable	180,369	-	180,369
Noncurrent			
Due in more than one year	<u>1,378,191</u>	<u>471,201</u>	<u>1,849,392</u>
Total liabilities	<u>1,692,221</u>	<u>556,345</u>	<u>2,248,566</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>245,969</u>	<u>241,610</u>	<u>487,579</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,360,097	383,797	4,743,894
Unrestricted	<u>628,634</u>	<u>635,436</u>	<u>1,264,070</u>
Total net position	<u>\$ 4,988,731</u>	<u>\$ 1,019,233</u>	<u>\$ 6,007,964</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, 2019

	Waterworks Fund	Sewerage Fund	Total
Operating revenues			
Charges for services	\$ 1,525,251	\$ 947,325	\$ 2,472,576
Meter sales	16,922	-	16,922
Miscellaneous	17,648	-	17,648
Total operating revenues	<u>1,559,821</u>	<u>947,325</u>	<u>2,507,146</u>
Operating expenses			
Operations	1,041,484	545,808	1,587,292
Depreciation	372,159	29,842	402,001
Total operating expenses	<u>1,413,643</u>	<u>575,650</u>	<u>1,989,293</u>
Operating income	<u>146,178</u>	<u>371,675</u>	<u>517,853</u>
Nonoperating income (expenses)			
Debt service - interest	<u>(16,131)</u>	<u>-</u>	<u>(16,131)</u>
Total nonoperating (expenses)	<u>(16,131)</u>	<u>-</u>	<u>(16,131)</u>
Other financing uses			
Transfers out	<u>(426,495)</u>	<u>(10,946)</u>	<u>(437,441)</u>
Total other financing uses	<u>(426,495)</u>	<u>(10,946)</u>	<u>(437,441)</u>
Change in net position	(296,448)	360,729	64,281
Net position			
Beginning of year, as restated (Note R)	<u>5,285,179</u>	<u>658,504</u>	<u>5,943,683</u>
End of year	<u>\$ 4,988,731</u>	<u>\$ 1,019,233</u>	<u>\$ 6,007,964</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, 2019

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	<u>Waterworks Fund</u>	<u>Sewerage Fund</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 1,563,808	\$ 923,697	\$ 2,487,505
Cash paid to suppliers	(339,946)	(36,082)	(376,028)
Cash paid to employees	(672,326)	(466,928)	(1,139,254)
Net cash provided by operating activities	<u>551,536</u>	<u>420,687</u>	<u>972,223</u>
Cash flows from noncapital financing activities			
Transfers to other funds	(426,495)	(10,946)	(437,441)
Changes in advances to/from other funds, net	32,735	-	32,735
Net cash used in noncapital financing activities	<u>(393,760)</u>	<u>(10,946)</u>	<u>(404,706)</u>
Cash flows from capital financing activities			
Purchases of capital assets	(76,305)	-	(76,305)
Payments on IEPA loan	(58,864)	-	(58,864)
Net cash used in capital financing activities	<u>(135,169)</u>	<u>-</u>	<u>(135,169)</u>
Net change in cash and cash equivalents	22,607	409,741	432,348
Cash and cash equivalents			
Beginning of year	<u>120,277</u>	<u>-</u>	<u>120,277</u>
End of year	<u>\$ 142,884</u>	<u>\$ 409,741</u>	<u>\$ 552,625</u>

(Continued)

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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, 2019

	<u>Waterworks Fund</u>	<u>Sewerage Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 146,178	\$ 371,675	\$ 517,853
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	372,159	29,842	402,001
(Increase) decrease in assets and deferred outflows			
Receivables	5,777	(23,628)	(17,851)
Deferred outflows related to pensions	(251,753)	(243,080)	(494,833)
Deferred outflows related to OPEB	5,342	2,056	7,398
Increase (decrease) in liabilities and deferred inflows			
Accounts payable	4,519	(3,123)	1,396
Accrued payroll	2,145	574	2,719
Compensated absences	(118)	17,566	17,448
Deposits	(1,790)	-	(1,790)
Net pension liability	328,751	316,867	645,618
Net OPEB Liability	33,815	13,015	46,830
Deferred inflows related to pensions	(93,489)	(61,077)	(154,566)
Net cash provided by operating activities	<u>\$ 551,536</u>	<u>\$ 420,687</u>	<u>\$ 972,223</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, 2019

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	<u>Pension Trust Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 256,243
Investments	5,158,038
Accrued interest	15,093
Other receivable	<u>17,497</u>
Total assets	<u>5,446,871</u>
<b>NET POSITION</b>	
Held in trust for pension benefits	<u>\$ 5,446,871</u>

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The accompanying notes are an integral part of this statement.

**Village of Sauk Village, Illinois**  
Fiduciary Funds  
STATEMENT OF CHANGES IN PLAN NET POSITION  
For the Year Ended April 30, 2019

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ADDITIONS

Contributions	
Employer	\$ 197,404
Members and other	143,362
	<hr/>
Total contributions	340,766
	<hr/>
Investment earnings	346,913
Investment expenses	(20,364)
	<hr/>
Net investment earnings (losses)	326,549
	<hr/>
Total additions	667,315

DEDUCTIONS

Pension benefits	608,819
Refunds of contributions	120,062
Administrative expense	33,843
	<hr/>
Total deductions	762,724

CHANGE IN NET POSITION (95,409)

PLAN NET POSITION HELD IN TRUST  
FOR PENSION BENEFITS

Beginning of year	5,542,280
	<hr/>
End of year	\$ 5,446,871
	<hr/> <hr/>

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The accompanying notes are an integral part of this statement.



**Village of Sauk Village, Illinois**  
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April 30, 2019

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**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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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.

2. New Accounting Pronouncement

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which was implemented by the Village during the fiscal year ended April 30, 2019. This Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses on the government-wide financial statements.

Specific changes to the Village's financial statements relate to the recognition of an other postemployment benefit (OPEB) liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense. See Note P and Note R for the effects of this restatement.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

*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* arises 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.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

---

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

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, Railroad Noise Mitigation Funds, and Sauk Village Housing Commission Fund. 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.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

---

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Presentation - Fund Accounting (Continued)

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.

*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.

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, 2019

---

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, 2019, 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, 2019. At April 30, 2019, 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, 2019

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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 governmental fund 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, 2019

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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, 2019, the Village had deferred outflows of resources related to pensions and other postemployment benefits. 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, 2019, the Village had deferred inflows related to pensions, and property 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, 2019

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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, \$91,987 and \$43,177 in the General Fund, Waterworks Fund, and Sewerage Fund, respectively, at April 30, 2019.

10. Investments

Investments are stated at fair value. Changes in fair value are included in investment income.

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. Reported prepaid expenditures are equally offset by fund balance reserves, which indicate that they do not constitute "available spendable resources", even though they are a component of current assets.

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. During the year ended April 30, 2019, the land held for resale was transferred from the LogistiCenter at Sauk Village Fund to the General Fund (see Note G-2). Additionally, a portion of the land held for resale was sold during the current year for proceeds of approximately \$1,350,000, resulting in a gain of approximately \$538,000.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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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 their acquisition 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, 2019

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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 and Other Postemployment Benefits

For purposes of measuring the net pension liability and other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from the pension/OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan, for the plans that issue separate reports. 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.

**Village of Sauk Village, Illinois**  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

18. Use of Estimates

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

NOTE B - DEPOSITS AND INVESTMENTS

1. Village Deposits and Investments

At April 30, 2019, the Village's cash and cash equivalents, excluding the pension trust funds, consisted of the following:

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 3,057,123	\$ 552,625	\$ 3,609,748

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

	Total
Cash on hand	\$ 2,292
Deposits with financial institutions	2,801,064
Illinois Funds	806,392
	\$ 3,609,748

The Illinois Funds have a redemption frequency of daily and a redemption notice period of one day. There is no unfunded commitment.

*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.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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NOTE B - DEPOSITS AND INVESTMENTS (Continued)

1. Village Deposits and Investments (Continued)

*Deposits with Financial Institutions* (Continued)

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, 2019, the carrying amount of the Village's deposits was \$2,801,064 with bank balances totaling \$2,800,314. At April 30, 2019, all of the Village's deposits were insured or collateralized.

*Investments*

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

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 share price, which is the price for which the investment can 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.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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NOTE B - DEPOSITS AND INVESTMENTS (Continued)

2. Pension Deposits, Investments, and Concentrations

a. Firefighters' Pension Fund

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

Statutes and the Firefighters' Pension Fund's investment policy authorize the Firefighters' 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 Firefighters' 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, 2019

NOTE B - 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, 2019, the carrying amount of the Firefighters' Pension Fund's deposits totaled \$12,950 and the bank balances totaled \$12,950. At April 30, 2019, the Firefighters' Pension Fund had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities - in Years</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Money Market Mutual funds	\$ 8,972	\$ 8,972	\$ -	\$ -
U.S. Treasury Bills	4,979	4,979	-	-
	<u>\$ 13,951</u>	<u>\$ 13,951</u>	<u>\$ -</u>	<u>\$ -</u>

*Interest rate risk* - In accordance with the Firefighters' Pension Fund's investment policy, the Firefighters' 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 Firefighters' 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 Firefighters' Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. Besides investing in securities issued by agencies of the United States government, the Firefighters' Pension Fund has no other formal policy for reducing credit risk.

*Custodial credit risk - Deposits* - At April 30, 2019, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Firefighters' 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 Firefighters' 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 Firefighters' Pension Fund's uninsured deposits.

*Custodial credit risk - Investments* - Money market mutual funds are not subject to custodial credit risk. The Firefighters' Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Firefighters' Pension Fund, to act as custodian for its securities and collateral.

**Village of Sauk Village, Illinois**  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

NOTE B - 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)

*Concentration of credit risk* - This is the risk of loss attributed to the magnitude of the Firefighters' Pension Fund's investment in a single issuer. The Firefighters' Pension Fund does not have a formal written policy with regards to concentration credit risk for investments.

The Firefighters' Pension 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	0.5	0.0

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

The long-term expected rate of return on the Firefighters' Pension 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.

*Rate of Return* - For the year ended April 30, 2019, the annual time-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.68 percent. The time-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE B - 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)

*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 following table summarizes the investments of the Firefighters' Pension Fund, for which fair values are determined on a recurring basis as of April 30, 2019:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ <u>17,159</u>	\$ <u>17,159</u>	\$ <u>-</u>	\$ <u>-</u>
	\$ <u><u>17,159</u></u>	\$ <u><u>17,159</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

The mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Firefighters' Pension Fund are open-ended 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 Firefighters' Pension Fund are deemed to be actively traded.

b. Police Pension Fund

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

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

b. Police Pension Fund (Continued)

*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, 2019, the Police Pension Fund's bank balances were fully covered by federal depository insurance.

*Investments*

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.

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.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

b. Police Pension Fund (Continued)

As of April 30, 2019, 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	\$ 214,647	Aa1 - A3	3.38
Equities	662,627	N/A	N/A
Mutual funds	1,748,250	N/A	N/A
U.S. government agency obligations	223,819	Aaa	1.66
U.S. treasury notes	<u>2,291,536</u>	Aaa	3.65
Total	<u>\$ 5,140,879</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:

*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.

*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.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

b. Police Pension Fund (Continued)

*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.

*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, 2019:

*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, 2019:

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE B - 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	\$ 214,647	\$ -	\$ 214,647	\$ -
Equities	662,627	662,627	-	-
Mutual funds	1,748,250	1,748,250	-	-
U.S. government agency obligations	223,819	-	223,819	-
U.S. Treasury notes	2,291,536	-	2,291,536	-
	<u>\$ 5,140,879</u>	<u>\$ 2,410,877</u>	<u>\$ 2,730,002</u>	<u>\$ -</u>

NOTE C - PROPERTY TAXES

Property taxes for the 2018 tax year attach as an enforceable lien on January 1, 2018 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, 2019 and August 1, 2019. 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 2018 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 collected in a future period in the fund financial statements.

NOTE D - 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 \$1,470,000 for the 2018 property tax levy.

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

**NOTE E - DEPOSITS WITH PAYING AGENT**

The Village maintains deposits with the paying agent for the payment of principal and interest maturities on its tax increment financing (TIF) and other bonded debt, TIF redevelopment project costs, reserve and redemption, and for certain other purposes, in accordance with the requirements set forth by the respective bond ordinances. As of April 30, 2019, deposits with paying agent totaling \$11,466,541 were invested in the Goldman Sachs Financial Square Federal Instruments 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, 2019.

**NOTE F - CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2019 was as follows:

1. Governmental Activities

	<u>Balance</u> <u>May 1, 2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>April 30, 2019</u>
Capital assets not being depreciated				
Land	\$ 574,003	\$ -	\$ -	\$ 574,003
Capital assets being depreciated				
Buildings and improvements	7,505,200	-	-	7,505,200
Machinery and equipment	2,258,495	-	-	2,258,495
Vehicles	3,583,522	30,625	-	3,614,147
Infrastructure	36,676,704	-	-	36,676,704
Total capital assets being depreciated	<u>50,023,921</u>	<u>30,625</u>	<u>-</u>	<u>50,054,546</u>
Less accumulated depreciation for				
Buildings and improvements	2,867,005	182,955	-	3,049,960
Machinery and equipment	2,122,557	48,122	-	2,170,679
Vehicles	2,628,401	199,092	-	2,827,493
Infrastructure	31,922,700	220,576	-	32,143,276
Total accumulated depreciation	<u>39,540,663</u>	<u>650,745</u>	<u>-</u>	<u>40,191,408</u>
Total capital assets, being depreciated, net	<u>10,483,258</u>	<u>(620,120)</u>	<u>-</u>	<u>9,863,138</u>
Governmental activities capital assets, net	<u>\$ 11,057,261</u>	<u>\$ (620,120)</u>	<u>\$ -</u>	<u>\$ 10,437,141</u>



**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE F - CAPITAL ASSETS (Continued)

2. Business-Type Activities

	Balance May 1, 2018	Additions/ Transfers	Disposals/ Transfers	Balance April 30, 2019
Capital assets not being depreciated				
Land	\$ 13,500	\$ -	\$ -	\$ 13,500
Capital assets, being depreciated				
Buildings and improvements	51,117	-	-	51,117
Waterworks and sewerage system	11,664,070	5,495	-	11,669,565
Machinery and equipment	601,761	16,001	-	617,762
Vehicles	440,457	54,809	-	495,266
Water meters	644,961	-	-	644,961
Total capital assets, being depreciated	<u>13,402,366</u>	<u>76,305</u>	<u>-</u>	<u>13,478,671</u>
Less accumulated depreciation for				
Buildings and improvements	51,115	2	-	51,117
Waterworks and sewerage system	5,885,460	371,751	-	6,257,211
Machinery and equipment	575,519	8,380	-	583,899
Vehicles	407,735	21,868	-	429,603
Water meters	644,961	-	-	644,961
Total accumulated depreciation	<u>7,564,790</u>	<u>402,001</u>	<u>-</u>	<u>7,966,791</u>
Total capital assets, being depreciated, net	<u>5,837,576</u>	<u>(325,696)</u>	<u>-</u>	<u>5,511,880</u>
Business-type activities, capital assets, net	<u>\$ 5,851,076</u>	<u>\$ (325,696)</u>	<u>\$ -</u>	<u>\$ 5,525,380</u>

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE F - CAPITAL ASSETS (Continued)

3. Depreciation Expense

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

Governmental activities:

General government	\$ 179,298
Public safety	240,856
Public works	<u>230,591</u>

Total depreciation expense - governmental activities	\$ <u>650,745</u>
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Business – type activities:

Waterworks	\$ 372,159
Sewerage	<u>29,842</u>

Total depreciation expense - business-type activities	\$ <u>402,001</u>
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NOTE G - INTERFUND TRANSACTIONS

1. Interfund Advances

	Advances to	Advances from
General		
Debt service	\$ 487,211	\$ -
Nonmajor governmental	516,483	1,600,791
Waterworks	-	1,021,929
Sewerage	<u>-</u>	<u>489,500</u>
Total General	<u>1,003,694</u>	<u>3,112,220</u>
Debt service		
General	-	487,211
Nonmajor governmental	<u>-</u>	<u>248,477</u>
	<u>-</u>	<u>735,688</u>

(Continued)

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE G - INTERFUND TRANSACTIONS (Continued)

1. Interfund Advances (Continued)

	<u>Advances to</u>	<u>Advances from</u>
Sauk Pointe Industrial Park		
LogistiCenter at Sauk Village	\$ -	\$ 215,341
Total Sauk Pointe Industrial Park	<u>-</u>	<u>215,341</u>
LogistiCenter at Sauk Village		
Sauk Pointe Industrial Park	215,341	-
Nonmajor governmental	<u>-</u>	<u>9,616</u>
Total LogistiCenter at Sauk Village	<u>215,341</u>	<u>9,616</u>
Nonmajor governmental		
General	1,600,791	516,483
Debt service	248,477	-
LogistiCenter at Sauk Village	<u>9,616</u>	<u>-</u>
Total nonmajor governmental	<u>1,858,884</u>	<u>516,483</u>
Total governmental funds	<u>3,077,919</u>	<u>4,589,348</u>
Waterworks		
General	1,021,929	-
Sewerage	<u>4,594</u>	<u>-</u>
Total Waterworks	<u>1,026,523</u>	<u>-</u>
Sewerage		
General	489,500	-
Waterworks	<u>-</u>	<u>4,594</u>
Total Sewerage	<u>489,500</u>	<u>4,594</u>
Total enterprise funds	<u>1,516,023</u>	<u>4,594</u>
Total all funds	4,593,942	4,593,942
Less amounts eliminated during GASB 34 conversion	<u>(3,082,513)</u>	<u>(3,082,513)</u>
Total government-wide internal balances	<u>\$ 1,511,429</u>	<u>\$ 1,511,429</u>

Some of the advances are not allowed due to terms and conditions related to enabling legislation (Note A-5b), grant agreements (Note Q-1), or other contractual arrangements. The Village will need to remedy such advances in the future.

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE G - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers

	Transfers in	Transfers out
General		
LogistiCenter at Sauk Village	\$ 1,449,887	\$ -
Nonmajor Governmental	159,609	3,789
Waterworks	426,495	-
Sewerage	10,946	-
	2,046,937	3,789
Total General		
Debt Service		
Sauk Pointe Industrial Park	1,005,827	-
LogistiCenter at Sauk Village	2,704,268	-
Nonmajor Governmental	194,933	-
	3,905,028	-
Total Debt Service		
Sauk Pointe Industrial Park		
Debt Service	-	1,005,827
	-	1,005,827
Total Sauk Pointe Industrial Park		
LogistiCenter at Sauk Village		
General	-	1,449,887
Debt Service	-	2,704,268
	-	4,154,155
Total LogistiCenter at Sauk Village		
Nonmajor governmental		
General	3,789	159,609
Debt Service	-	194,933
	3,789	354,542
Total nonmajor governmental		
Total governmental funds	5,955,754	5,518,313

(Continued)

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE G - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers (Continued)

	<u>Transfers in</u>	<u>Transfers out</u>
Waterworks		
General	\$ -	\$ 426,495
Total Waterworks	-	426,495
Sewerage		
General	-	10,946
Total Sewerage	-	10,946
Total enterprise funds	-	437,441
Total all funds	5,955,754	5,955,754
Less amounts eliminated during GASB 34 conversion	(5,518,313)	(5,518,313)
Total government-wide transfers	\$ 437,441	\$ 437,441

A portion of the transfer from the LogistiCenter at Sauk Village Fund to the General Fund includes a transfer of land held for resale (\$1,063,822), which was Village-owned land acquired with unrestricted Village resources. The land was initially recorded within the LogistiCenter at Sauk Village Fund (related TIF) a number of years ago based on the intent of the Village, at that time, to use the land as part of the related TIF. However the ownership of the land never transferred to the related TIF. In the current year, the Village changed its intentions and decided that the proceeds from the sale of the land should be utilized in the General Fund. Given that the activity of the related TIF is governed by the TIF agreement and related state laws, the Village Board passed a resolution to transfer the land, under the advice of the Village's TIF consultant and legal counsel, who deemed that transfer allowable in accordance with the TIF agreement and applicable state laws. The transfers to the Debt Service fund were made for purposes of servicing the principal and interest on the Village's bonded debt. The LogistiCenter at Sauk Village Fund transferred \$250,000 and \$136,065 to the General Fund for TIF administration purposes and the 90%/10% annual residual increment split, as defined in the applicable TIF agreements, respectively. The remaining transfers were made to provide funding for operations.

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

**NOTE H - RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; natural disasters; employee health; and injuries to the Village's employees. The Village has purchased private commercial liability and health insurance coverage to manage these risks. The Village also participates in the Illinois Public Risk Fund (IPRF), 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.

Complete financial statements for IPRF can be obtained from its business office at 7851 W 185th St, Suite 101, Tinley Park IL 60477.

**NOTE I - SHORT-TERM DEBT**

The following is a summary of the Village's short-term debt obligations, recorded in the General Fund, as of and for the year ended April 30, 2019:

	Balance May 1, 2018	Additions	Retirements	Balance April 30, 2019
Insurance premium loans	\$ 239,503	\$ 303,653	\$ 269,135	\$ 274,021
Tax anticipation warrants	535,000	-	535,000	-
Total general fund / governmental activities	\$ 774,503	\$ 303,653	\$ 804,135	\$ 274,021

1. *Insurance Premium Loans*

In March 2018, the Village entered into a loan agreement with a finance company to finance premium payments on certain insurance policies. The agreement required monthly payments of \$27,366, including interest at 6.75 percent, through January 2019.

In March 2019, 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 \$31,277, including interest at 6.50 percent, through January 2020.

2. *Tax Anticipation Warrants*

In April 2018, the Village sold \$535,000 General Fund Purposes Tax Anticipation Warrants to a financial institution, in order to provide short-term cash flow. The warrants were repaid in installments of \$265,000 and \$270,000, including interest at 2.50%, through March 15, 2019, upon the collection of the taxes levied for general fund purposes for the tax years 2017 and 2018.

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

**NOTE J - LONG-TERM LIABILITIES**

**1. Changes in Long-Term Liabilities**

The following is a summary of the Village's long-term liability balances and transactions associated with governmental activities, for the year ended April 30, 2019:

	<u>Balance</u> <u>May 1, 2018</u>	<u>Additions/</u> <u>Accretion</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2019</u>	<u>Due Within</u> <u>One Year</u>
Alternate revenue bonds	\$ 27,860,440	\$ 353,534	\$ 3,165,000	\$ 25,048,974	\$ 2,527,785
General obligation bonds	135,000	-	65,000	70,000	70,000
Unamortized bond premium	292,200	-	26,208	265,992	26,208
Street light loan	76,084	-	37,258	38,826	38,826
Fire truck loan	315,000	-	17,500	297,500	17,500
Police vehicle loan	83,600	-	16,720	66,880	16,720
Compensated absences	196,334	200,541	220,943	175,932	175,932
Judgment liability	158,560	202,176	173,317	187,419	187,419
Net OPEB liability**	1,276,282	107,993	92,812	1,291,463	-
Net pension liabilities					
IMRF *	-	723,599	311,554	412,045	-
Police	10,359,165	11,041,169	1,184,648	20,215,686	-
Firefighters'	1,174,896	354,498	10,203	1,519,191	-
 Total governmental activities	 \$ 41,927,561	 \$ 12,983,510	 \$ 5,321,163	 \$ 49,589,908	 \$ 3,060,390

\* In 2018 the IMRF plan fiduciary net position exceeded the total pension liability, resulting in a net pension asset of \$87,353 and \$126,554 for the governmental and business-type activities, respectively.

\*\*The beginning balance as of July 1, 2019 is restated due to the implementation of GASB 75 (Note R)

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, 2019:

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE J - LONG-TERM LIABILITIES (Continued)

	Balance May 1, 2018	Additions/ Interest	Retirements	Balance April 30, 2019	Due Within One Year
Illinois EPA loan	\$ 824,120	\$ -	\$ 42,634	\$ 781,486	\$ 43,489
Compensated absences	96,415	70,868	53,420	113,863	113,863
Net OPEB liability**	545,501	80,538	33,708	592,331	-
IMRF net pension liability *	-	918,790	399,726	519,064	-
 Total business-type activities	 <u>\$ 1,466,036</u>	 <u>\$ 1,070,196</u>	 <u>\$ 529,488</u>	 <u>\$ 2,006,744</u>	 <u>\$ 157,352</u>

\*\*The beginning balance as of July 1, 2019 is restated due to the implementation of GASB 75 (Note R)

2. Long-Term Debt - Terms and Maturities

Alternate revenue bonds payable at April 30, 2019 are comprised of the following individual issues:

\$9,755,000 general obligation tax increment refunding bonds (alternate revenue source) series 2002A, payable in annual installments ranging from \$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 5.00%.	\$ 4,145,000
\$4,999,356 general obligation capital appreciation bonds (tax increment alternate revenue source) series 2002B, payable in annual installments ranging from \$1,135,000 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 5.65% to 5.95%. Interest accreted at April 30, 2019 totaled \$2,877,440.	4,693,974
\$1,405,000 general obligation (alternate revenue) bonds series 2007B, payable in annual installments ranging from \$65,000 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%.	930,000
\$810,000 general obligation (alternate revenue) bonds series 2007C, payable in annual installments ranging from \$40,000 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%.	535,000
\$9,500,000 general obligation bonds (alternate revenue source) series 2008, payable in annual installments ranging from \$150,000 to \$1,470,000 through December 1, 2028; interest is payable June 1 and December 1 at interest rates ranging from 5.40% to 7.25%.	8,235,000



**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE J - 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%. \$ 6,510,000

Total alternate revenue bonds 25,048,974

General obligation bonds payable at April 30, 2019 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%. 70,000

\$ 25,118,974

The future requirements to retire the alternate revenue and general obligation bonds outstanding, as of April 30, 2019 are as follows:

Years Ending April 30,	Principal	Interest	Total
2020	\$ 2,597,785	\$ 1,146,967	\$ 3,744,752
2021	2,541,812	1,144,490	3,686,302
2022	2,685,175	1,158,437	3,843,612
2023	2,769,202	1,101,513	3,870,715
2024	2,270,000	779,952	3,049,952
2025-2029	<u>12,255,000</u>	<u>2,073,346</u>	<u>14,328,346</u>
	<u>\$ 25,118,974</u>	<u>\$ 7,404,705</u>	<u>\$ 32,523,679</u>

The details of the Illinois EPA loan payable as of April 30, 2019 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%. \$ 781,486

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE J - LONG-TERM LIABILITIES (Continued)

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

During fiscal year 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
2020	\$ 43,489	\$ 15,375	\$ 58,864
2021	44,361	14,503	58,864
2022	45,250	13,613	58,863
2023	46,158	12,706	58,864
2023	47,083	11,781	58,864
2025-2029	249,960	44,360	294,320
2030-2034	276,043	18,277	294,320
2035	29,142	290	29,432
	<u>\$ 781,486</u>	<u>\$ 130,905</u>	<u>\$ 912,391</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 (see Note E), for debt service and other purposes. For the year ended April 30, 2019, due to a shortfall in pledged revenues for debt service on the 2007A, 2007B, and 2007C bonds, deposits held for the purpose of making the scheduled principal and interest payments on those bonds were insufficient to meet the applicable bond ordinance coverage requirements. Accordingly, supplemental transfers were made from other revenue sources of the Village. All principal and interest maturities were paid as scheduled.

4. Revenues Pledged for Debt Service

The Village has issued alternate revenue bonded debt over several years to be paid by pledged revenue sources. These pledges will remain until all of the associated bonds are retired. The amounts of the pledges remaining, as of April 30, 2019, are as follows:

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE J - LONG-TERM LIABILITIES (Continued)

4. Revenues Pledged for Debt Service (Continued)

<u>Debt Issue</u>	<u>Pledged Revenue Source</u>	<u>Pledge Remaining</u>	<u>Commitment End Date</u>
2002A & 2002B	TIF revenue - LogistiCenter TIF	\$ 10,050,875	6/1/22
2007B	911 and wireless surcharges - ETS Fund	1,174,743	12/1/27
2007C	Property taxes - Fire Protection Fund	681,950	12/1/27
2008	TIF revenue - LogistiCenter TIF	11,708,983	12/1/28
2009	TIF revenue - LogistiCenter TIF	8,833,633	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, 2019 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	\$ 4,343,788	\$ 3,452,762	79.49%
2007A	Impact fees/property taxes	-	685,000	N/A
2007B	911/wireless surcharges - ETS Fund	-	110,290	N/A
2007C	Property taxes - Fire Protection Fund	450,287	67,500	14.99%

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.

5. Judgment Liability

There are several pending lawsuits in which the Village is involved. The Village has accrued \$187,419, at April 30, 2019, in the governmental activities statement of net position (deficit), related to settlement payments that occurred subsequent to April 30, 2019. Management believes that all other potential claims against the Village that are not accrued at April 30, 2019 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, 2019

NOTE J - LONG-TERM LIABILITIES (Continued)

6. 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%. The future principal and interest maturities at April 30, 2019 are as follows:

Year Ending April 30,	Principal	Interest	Total
2020	\$ 38,826	\$ 1,635	\$ 40,461
	\$ 38,826	\$ 1,635	\$ 40,461

7. 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, 2019 are as follows:

Year Ending April 30,	Principal
2020	\$ 17,500
2021	17,500
2022	17,500
2023	17,500
2024	17,500
2025-2036	210,000
	\$ 297,500

8. Police Vehicle Loan

During 2018, the Village entered into a loan agreement with a bank, to finance the purchase of three police vehicles. The loan is due in annual principal installments of \$16,720 through December 21, 2022, plus interest at 4.20%. The future principal and interest maturities at April 30, 2019 are as follows:

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE J - LONG-TERM LIABILITIES (Continued)

8. Police Vehicle Loan (Continued)

Year Ending April 30,	Principal	Interest	Total
2020	\$ 16,720	\$ 2,864	\$ 19,584
2021	16,720	2,148	18,868
2022	16,720	1,432	18,152
2023	16,720	711	17,431
	<u>\$ 66,880</u>	<u>\$ 7,155</u>	<u>\$ 74,035</u>

NOTE K - 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, 2019:

<u>Net position restricted for:</u>	<u>Amount</u>
Road improvements	\$ 225,000
Public safety	361,336
Debt service	
Tax incremental financing	12,381,584
Other	<u>469,817</u>
Total net position restricted by enabling legislation	<u>\$ 13,437,737</u>

**Village of Sauk Village, Illinois**  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

NOTE L - FUND BALANCES RESTRICTED FOR SPECIAL REVENUE PURPOSES

The governmental funds balance sheet reports fund balances restricted for special revenue purposes, which consist of the following at April 30, 2019:

<u>Fund balance restricted for:</u>	<u>Amount</u>
Housing	\$ 6,823
Police Seizure	121,461
Working Cash	<u>2,012</u>
Total fund balance restricted for special revenue purposes	<u><u>\$ 130,296</u></u>

NOTE M - NONSPENDABLE FUND BALANCES - DEPOSITS WITH PAYING AGENT

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

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

*Bond Funds* - used to accumulate amounts sufficient for payment of principal, interest and premium, if any, on the Parity Bonds and other additional bonds, if any. Amounts deposited into the Bond Funds should be used solely and only for such purposes until the bonds have been paid in full. If the amount in the Bond Funds at a specified date are less than the debt service requirements, as defined, the Trustee/Paying Agent shall replenish any deficiency by immediately withdrawing funds first from the Reserve and Redemption Fund and then the General Account. As of April 30, 2019, \$5,757,848 was held for the 2002A and 2002B bonds, \$1,251,118 was held for the 2008 bonds, and \$688,971 was held for the 2009 bonds. \$ 7,697,937

*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. 3,726,856

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

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

*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. \$ 7,790

Total amounts nonspendable in relation to tax incremental financing districts 11,432,583

Nonspendable in relation to other long-term obligations:

Deposits with paying agent for debt service	
Series 2007B bonds	16
Series 2007C bonds	27
Series 2010 bonds	<u>33,915</u>

Total nonspendable deposits with paying agent \$ 11,466,541

**NOTE N - DEFICIT FUND BALANCES**

At April 30, 2019, the following funds have deficit fund balances:

Fund	Deficit
Sauk Pointe Industrial Park	\$ (188,299)
Nonmajor	
Motor Fuel Tax	(57,023)
Emergency Telephone System	(25,500)
Railroad Noise Mitigation	(102,060)
Municipal Building	(13,043)

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

**NOTE O - 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, 2019

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NOTE O - 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](http://www.imrf.org).

**Benefits Provided**

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

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least 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, 2019

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

**Employees Covered by Benefit Terms**

As of December 31, 2018, the following employees were covered by the benefit terms:

	Regular	SLEP
Retirees and beneficiaries currently receiving benefits	29	-
Inactive plan members entitled to but not yet receiving benefits	12	1
Active plan members	17	2
	58	3

**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 2018 was 13.28% and 11.79% for the Regular Plan and the SLEP Plan, respectively. For the fiscal year ended April 30, 2019 the Village contributed \$155,520 and \$14,674 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, 2018. 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, 2019

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NOTE O - 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, 2018:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
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, 2019

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

**Actuarial Assumptions** (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	37%	(6.08%)
International equities	18%	(14.16%)
Fixed income	28%	(0.28%)
Real estate	9%	8.36%
Alternative investments	7%	4.75% - 12.40%
Cash equivalents	1%	2.50%
Total	100%	

**Single Discount Rate**

A Single Discount Rate of 7.25% 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 7.25%, the municipal bond rate is 3.71% based on the daily rate closest to but not later than the measurement date of the "20-year Municipal GO AA Index.", and the resulting single discount rate is 7.25% for the Regular Plan and the SLEP Plan.

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

**Changes in Net Pension Liability (Asset)**

The following tables show the components of the change in the Village's net pension liability (asset), for the calendar year ended December 31, 2018:

<i>Regular Plan</i>	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension Liability (Asset) <u>(A) - (B) *</u>
Balances at December 31, 2017	\$ 8,655,339	\$ 8,884,432	\$ (229,093)
Changes for the year:			
Service cost	123,026	-	123,026
Interest on the total pension liability	635,270	-	635,270
Difference between expected and actual experience of the total pension liability	(247,483)	-	(247,483)
Changes of assumptions	227,654	-	227,654
Contributions - Employer	-	155,520	(155,520)
Contributions - Employees	-	56,661	(56,661)
Net Investment Income	-	(549,484)	549,484
Benefit payments, including refunds of employee contributions	(493,163)	(493,163)	-
Other (net transfer)	-	(55,374)	55,374
Net changes	<u>245,304</u>	<u>(885,840)</u>	<u>1,131,144</u>
Balances at December 31, 2018	<u>\$ 8,900,643</u>	<u>\$ 7,998,592</u>	<u>\$ 902,051</u>

\* The net pension liability (asset) 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, 2019

**NOTE O - 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, 2017	\$ 217,248	\$ 202,162	\$ 15,086
Changes for the year:			
Service cost	16,647	-	16,647
Interest on the total pension liability	16,918	-	16,918
Difference between expected and actual experience of the total pension liability	(6,350)	-	(6,350)
Changes of assumptions	6,716	-	6,716
Contributions - Employer	-	14,674	(14,674)
Contributions - Employees	-	9,334	(9,334)
Net investment income	-	(2,138)	2,138
Benefit payments, including refunds of employee contributions	-	-	-
Other (net transfer)	-	(1,911)	1,911
Net changes	<u>33,931</u>	<u>19,959</u>	<u>13,972</u>
Balances at December 31, 2018	<u>\$ 251,179</u>	<u>\$ 222,121</u>	<u>\$ 29,058</u>

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

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25% 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:

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
	<u>          </u>	<u>          </u>	<u>          </u>
Regular Plan net pension liability \$	<u>1,925,985</u>	<u>902,051</u>	<u>48,931</u>

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
SLEP Plan net pension liability \$	58,992	\$ 29,057	\$ 3,803

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

For the year ended April 30, 2019, the Village recognized pension expense of \$72,038 and \$14,206 for the Regular Plan and the SLEP Plan, respectively. At April 30, 2019, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	Regular Plan		SLEP	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods				
Differences between expected and actual experience	\$ -	\$ (211,049)	\$ 2,665	\$ (4,563)
Change of assumptions	158,306	(108,591)	4,826	(3,456)
Net difference between projected and actual earnings on pension plan investments	1,087,729	(541,007)	16,802	(5,964)
Total amounts to be recognized in pension expense in the future periods	1,246,035	(860,647)	24,293	(13,983)
Pension contributions made subsequent to the measurement date	32,337	-	6,698	-
Total deferred amounts related to pensions	\$ 1,278,372	\$ (860,647)	\$ 30,991	\$ (13,983)

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE O - 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 \$39,035 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 (increase in the net pension asset) in the reporting year ending April 30, 2020. 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	Net Deferred Outflows (Inflows)	
	Regular Plan	SLEP
2020	\$ 53,721	\$ 3,945
2021	32,431	1,045
2022	58,597	1,695
2023	240,639	3,625
Thereafter	-	-
Total	\$ 385,388	\$ 10,310

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 21801 Torrence Avenue, Sauk Village, Illinois 60411.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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NOTE O - 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, 2019

NOTE O - 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.

**Employees Covered by Benefit Terms**

At April 30, 2019, 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, 2019, the Village has no active members, resulting in \$0 of covered payroll.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

**Net Pension Liability**

The Village's firefighters' fund net pension liability was measured as of April 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of May 1, 2018.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed as of May 1, 2018, using the following actuarial methods and assumptions.

Actuarial valuation date	May 1, 2018
Asset valuation method	Market Value
Assumptions	
Investment rate of return	3.00%
Salary increases	0.00%
Inflation	2.50%
Mortality	Healthy - RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2018 applied from 2013
	Disabled - 115% of RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2018 applied from 2013
Marital Status	80% of participants are assumed married with female spouses 3 years younger.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

**Single Discount Rate**

A Single Discount Rate of 3.35% 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).

**Funding Policy**

The Village funds its contributions to the Firefighters' Pension Plan through an annual tax levy. The levy amount is actuarially determined as the annual contribution necessary to fund the normal costs, plus the amount to amortize the unfunded accrued liability.

**Administrative Costs**

The Firefighters' Pension Plan's administrative costs are part of the budget prepared annually and the actual costs are paid out of the revenues received.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' 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, 2019.

	Total Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u>          </u>	<u>          </u>	<u>          </u>
Balances at April 30, 2018	\$ 1,246,983	\$ 72,087	\$ 1,174,896
Changes for the year:			
Interest on the total pension liability	48,693	-	48,693
Difference between expected and actual experience of the total pension liability	14,485	-	14,485
Changes of assumptions	280,081	-	280,081
Contributions - employer	-	9,885	(9,885)
Contributions - employees	-	-	-
Net investment income (loss)	-	318	(318)
Benefit payment, including refunds of member contributions	(40,941)	(40,941)	-
Administrative expense and other	-	(11,239)	11,239
Net changes	<u>302,318</u>	<u>(41,977)</u>	<u>344,295</u>
Balances at April 30, 2019	<u>\$ 1,549,301</u>	<u>\$ 30,110</u>	<u>\$ 1,519,191</u>

The discount rate changed from 3.97% as of April 30, 2018 to 3.35% as of April 30, 2019 measurement date.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

NOTE O - 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 3.35%, 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 (2.35%)	Current Discount Rate (3.35%)	1% Increase (4.35%)
Net pension liability	\$ 1,846,176	\$ 1,519,191	\$ 1,271,617

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

For the year ended April 30, 2019 the Village recognized pension expense (income) of \$348,275. At April 30, 2019, the Village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 4,550	\$ (565)
Total deferred amounts related to Firefighters' Pension	<u>\$ 4,550</u>	<u>\$ (565)</u>

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

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

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

Year Ended April 30,	Net Deferred Outflows of Resources
2020	\$ 1,038
2021	1,603
2022	982
2023	362
2024	-
	\$ 3,985

3. Police Pension Plan

**Plan Description**

The Police Pension Plan is a single-employer defined pension plan that is administered by the Police Pension Fund's Board of Trustees. The Police Pension Plan provides pensions for the qualified police employees of the Village of Sauk Village, Illinois. 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.

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.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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NOTE O - 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.

Police 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 Police Pension Fund are classified as "Due from Village" on the statement of net position.

**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 as well as death and disability benefits. Tier I employees (those hired as a police officer prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The 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 pension 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.

**Village of Sauk Village, Illinois**  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

**Benefits Provided (Continued)**

Tier II employees (those hired on or after January 1, 2011), 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. In 2018, a police officer's salary for the pension purposes is capped at \$122,547. The cap is adjusted annually by 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., one-half percent for each month under 55). The monthly benefit of a Tier II 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 one-half of the change in the Consumer Price Index for the proceeding calendar year.

**Employees Covered by Benefit Terms**

As of April 30, 2019, the Police Pension Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	15
Inactive plan members entitled to but not yet receiving benefits	16
Active employees	16
	47

**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, 2019, the Village's contribution was 14.96 percent of covered payroll.



**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

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NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

**Net Pension Liability**

The Village's net pension liability was measured as of April 30, 2019. 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, 2019, using the following actuarial methods and assumptions.

Actuarial cost method	Entry age normal cost method
Asset valuation method	Market value
Amortization method	Closed level percentage of payroll amortization of 100% of the unfunded actuarial accrued liability using a 3.50% payroll growth assumption over the period ending on April 30, 2041 (22-year amortization in 2019).
Assumptions	
Discount rate	3.71%
Investment rate of return	6.75%
Salary increases	3.50% to 11.50%
Inflation	2.50%
Ad-hoc cost-of-living increases	3.00% (1.25% for those hired on or after January 1, 2011)
Mortality	RP 2014 Mortality Table with a blue collar adjustment, with improvement scale MP-2018 applied generationally from 2013. 115% of the Healthy Mortality Table, with improvement scale MP-2018 applied generationally from 2013. 10% of deaths are assumed to be in the line of duty.
Retirement rates	Recommended rates from the 2017 Illinois Division of Insurance (IDOI) experience study.

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

**Actuarial Assumptions** (Continued)

Disability rates	Recommended rates from the 2017 IDOI experience study. 60% of disabilities are assumed to be in the line of duty.
Termination rates	Recommended rates from the 2017 IDOI experience study.
Marital status and ages	80% of participants are assumed to be married with female spouses 3 years younger.
Expense load	Equal to the administrative expenses paid in the prior year

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 by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Allocation	Long-Term Expected Real Rate of Return
State, local, and corporate obligations	5.00 %	2.50 %
U.S. government and federal agency obligations	47.00	2.50
Common stocks	12.00	5.50
Mutual funds	32.00	5.50
Cash	4.00	-
	100.00 %	

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

**Single Discount Rate**

A Single Discount Rate of 3.71% was used to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the Police Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.19%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

NOTE O - 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, 2019.

	Total Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balances at April 30, 2018	\$ 15,829,358	\$ 5,470,193	\$ 10,359,165
Changes for the year:			
Service cost	366,204	-	366,204
Interest on the total pension liability	1,069,958	-	1,069,958
Difference between expected and actual experience of the total pension liability	(527,719)	-	(527,719)
Changes of assumptions	9,583,307	-	9,583,307
Contributions - employer	-	187,519	(187,519)
Contributions - employees	-	143,231	(143,231)
Net investment income	-	326,048	(326,048)
Other	-	131	(131)
Benefit payment, including refunds of employee contributions	(688,661)	(688,661)	-
Administrative expense	-	(21,700)	21,700
Net changes	<u>9,803,089</u>	<u>(53,432)</u>	<u>9,856,521</u>
Balances at April 30, 2019	<u>\$ 25,632,447</u>	<u>\$ 5,416,761</u>	<u>\$ 20,215,686</u>

The discount rate changed from 6.75% as of April 30, 2018 to 3.71% as of April 30, 2019 measurement date. The effects of this change are reflected in the table above as "changes in assumptions".

**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 3.71%, 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, 2019

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

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

	<u>1% Decrease</u> <u>(2.71%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(3.71%)</u>	<u>1% Increase</u> <u>(4.71%)</u>
Net pension liability	\$ 25,495,337	\$ 20,215,686	\$ 16,148,598

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

For the year ended April 30, 2019 the Village recognized pension expense of \$3,158,878. At April 30, 2019, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Difference between expected and actual experience	\$ 87,135	\$ (595,239)
Change in assumptions	7,231,817	(258,781)
Net difference between projected and actual earnings on pension plan investments	<u>97,009</u>	<u>-</u>
Total deferred amounts related to Police Pension	<u>\$ 7,415,961</u>	<u>\$ (854,020)</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:

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

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

Year Ended April 30,	Net Deferred Outflows (Inflows) of Resources
2020	\$ 2,200,673
2021	2,200,671
2022	2,190,679
2023	(30,082)
2024	-
Total	<u>\$ 6,561,941</u>

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	\$ 39,035	\$ -	\$ -	\$ 39,035
Experience	2,665	-	87,135	89,800
Assumptions	163,132	-	7,231,817	7,394,949
Investments	1,104,531	4,550	97,009	1,206,090
	<u>\$ 1,309,363</u>	<u>\$ 4,550</u>	<u>\$ 7,415,961</u>	<u>\$ 8,729,874</u>
Net pension liability	<u>\$ 931,109</u>	<u>\$ 1,519,191</u>	<u>\$ 20,215,686</u>	<u>\$ 22,665,986</u>
Deferred inflows of resources:				
Experience	\$ 215,612	\$ -	\$ 595,239	\$ 810,851
Assumptions	112,047	-	258,781	370,828
Investments	546,971	565	-	547,536
	<u>\$ 874,630</u>	<u>\$ 565</u>	<u>\$ 854,020</u>	<u>\$ 1,729,215</u>

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

NOTE O - PENSION LIABILITIES (Continued)

4. Summary of Pension Items (Continued)

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

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources	\$ 7,999,944	\$ 729,930	\$ 8,729,874
Net pension liability	22,146,922	519,064	22,665,986
Deferred inflows of resources	1,241,636	487,579	1,729,215

NOTE P - OTHER POSTEMPLOYMENT BENEFITS

1. Plan Description

The Village Board provides postretirement health insurance benefits, as per the requirements of a local ordinance, for all employees who retire from the Village on or after attaining age 55 (age 50 for police officers) with at least 10 years of service, until the retiree reaches the age of 65.

2. Benefits Provided

Non-Union IMRF employees and union IMRF employees not eligible for a Village subsidy may continue coverage into retirement on the Village plans on a pay-all basis. Coverage is also available for eligible dependents on a pay-all basis. Coverage can continue upon the participant reaching Medicare eligibility. Coverage for dependents can continue upon the death of the retiree given that contributions continue.

For police patrol and sergeants union employees who began full-time employment prior to October 15, 1999, and public works employees union and office and technical employees union employees hired prior to May 14, 1991 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:

10 to 14 years	50%
15 to 19 years	75%
20 years or more	100%

**Village of Sauk Village, Illinois**  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Benefits Provided (Continued)

For police patrol and sergeants union employees who began full-time employment after October 15, 1999, and public works employees union and office and technical employees union employees hired after May 14, 1991, the Village pays the single premium for retiree coverage as follows, until the retiree becomes eligible for Medicare:

Length of Service	Premiums Paid by Village
10 to 20 years	0%
20 to 24 years	50%
25 to 29 years	75%
30 years or more	100%

Coverage for dependents is available of a pay-all basis. The Village subsidy end upon attainment Medicare eligibility by the retiree.

Full-time Police Officers that suffer a catastrophic injury or are killed in the line of duty receive free lifetime coverage for the employee, their spouse, and each eligible dependent under the Public Safety Employee Benefits Act (“PSEBA”).

3. Employees Covered by Benefit Terms

As of June 30, 2019 the following employees were covered by the benefit terms:

Actives	34
Inactives entitled to but not yet receiving benefits	-
Inactives currently receiving benefits	9
Total	43

4. Contributions

Premiums for the plan are set by the Village Board. Currently, the Village contributes 0 percent to 100 percent to postemployment benefits, which varies for different employee groups. For fiscal year 2019, the Village contributed \$126,520 toward the cost of the postemployment benefits for retirees, which was 5.42% of covered payroll.



**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

5. Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation performed as of May 1, 2018 using the following actuarial methods and assumptions:

Actuarial valuation date	May 1, 2018
Measurement date	April 30, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation	3.00%
Discount rate	3.21%
Salary rate increase	4.00%
Healthcare trend rate	6.80% initial - PPO Medical Plan 6.30% initial - HMO Medical Plan 4.50% ultimate - All Medical Plans 4.10% initial - Dental Plan 0% initial - Life Insurance Plan Dental and Life Insurance are constant all years
Mortality rates	Police: PubS.H-2010 Mortality Table – Safety All Others: PubG.H-2010 Mortality Table – General
Election at Retirement	100% of active employees with a Village subsidy and 0% of active employees without a Village subsidy are assumed to elect coverage at retirement.
Marital Status	20% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females. Actual spouse data was used for current retirees.

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

6. Discount Rate

The Village does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 3.21% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of April 30, 2018.

7. Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at May 1, 2018	\$ 1,821,784	\$ -	\$ 1,821,784
Changes for the year:			
Service cost	42,716	-	42,716
Interest on the total OPEB liability	63,834	-	63,834
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions and other inputs	81,980	-	81,980
Contributions - employer	-	-	-
Contributions - active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(126,520)	-	(126,520)
Other changes	-	-	-
Net changes	62,010	-	62,010
Balances at April 30, 2019	\$ 1,883,794	\$ -	\$ 1,883,794

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

8. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.21%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (2.21%)	Current Discount Rate (3.21%)	1% Higher (4.21%)
Total OPEB liability	\$ 2,048,463	\$ 1,883,794	\$ 1,734,406

9. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 4.50%-6.80%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	1% Lower (3.50-5.80%)	Current Healthcare Rate (4.50-6.80%)	1% Higher (5.50-7.80%)
	\$ 1,699,670	\$ 1,883,794	\$ 2,096,632

10. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021 the Village recognized OPEB expense of \$116,347. At June 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

10. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Change of assumptions	\$ 72,184	\$ -
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ 72,184	\$ -

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

Year Ended April 30,	Net Deferred Outflows of Resources
2020	\$ 9,796
2021	9,796
2022	9,796
2023	9,796
2024	9,796
Thereafter	23,204
Total	\$ 72,184

11. Summary of OPEB Items

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

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources	\$ 55,034	\$ 17,150	\$ 72,184
Net OPEB liability	1,291,463	592,331	1,883,794

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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NOTE Q - 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. On June 30, 2018 the agreement was automatically renewed for an additional one year term. 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 straight-line basis through March 2030. Subsequent to April 30, 2019, the Board of Trustees approved a renewal of the agreement from May 1, 2021 through April 30, 2026.

**Village of Sauk Village, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2019

**NOTE R - RESTATEMENT OF NET POSITION**

The implementation of GASB 75 (Note A-2) required the Village to report its total other postemployment benefit liability related to its unfunded retiree health plan. As a result of this implementation as of May 1, 2018, changes in deferred outflows of resources related to OPEB, OPEB liabilities (included in long-term liabilities), and net position, of the governmental activities, the business-type activities, the Water Fund, and the Sewer Fund, were as follows:

	Increase (Decrease) as of May 1, 2018			
	Governmental Activities	Enterprise Funds / Business-Type Activities		
		Water Fund	Sewer Fund	Total
Deferred outflows of resources related to OPEB	\$ 57,432	\$ 15,504	\$ 9,044	\$ 24,548
Total OPEB liabilities	121,990	344,528	200,973	545,501
Net position	(64,558)	(329,024)	(191,929)	(520,953)

**NOTE S - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 15, 2021, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than as described below, and in Note Q-2 have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

1. **Bond Issuances**

In July 2019, the Village issued \$2,500,000 General Obligation Bonds (Alternate Revenue Source), Series 2019A (the 2019A bonds); and \$3,170,000 General Obligation Refunding Bonds (Alternate Revenue Source) Series 2019B (the 2019B bonds). In September 2019, the Village issued a further \$13,500,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2019C (the 2019C bonds). The purpose of the 2019A bond issuance was to finance certain capital projects. The purpose of the 2019B and 2019C bond issuances was to achieve interest cost savings by refunding certain maturities of the Village's outstanding 2002A, 2008, and 2009 bonds.

**Village of Sauk Village, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2019

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NOTE 5 - SUBSEQUENT EVENTS (Continued)

2. Line of Credit

In May 2020, the Village entered into a revolving line of credit agreement with a bank to provide short-term working cash. The agreement provides for maximum borrowings of \$500,000 and all outstanding principal and interest is due on August 23, 2021. Management expects that the agreement will be renewed upon maturity, under substantially similar terms. The available line of credit has been substantially utilized, as of the report date.

3. COVID-19

The direct and indirect impacts of the COVID-19 pandemic on the Village's vendors, operations, financing arrangements, tax revenues, and future property tax collections are currently unknown (except as noted below), as is the duration and severity of any impacts that the Village may experience.

Tax payors in Cook County have been granted an extension on the second installment payment for property tax (due August 1, 2020). Tax payors were given until October 1, 2020 to remit property tax payments without penalty, which will affect the timing of the Village receiving those property taxes, and overall cash flows. Also, the values of the Police and Fire Pension Funds' investments may have changed by material amounts since year end. The Village is monitoring the situation.

While the Village's evaluation is ongoing, management is currently unable to quantify the effects that this situation will have on its operations, cash flows, and financial position; however, they may be significant. No adjustments have been made to these financial statements as a result of this uncertainty.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**



**Village of Sauk Village, Illinois**

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

Illinois Municipal Retirement Fund - Regular Plan

April 30, 2019

Calendar year ended December 31,

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability				
Service cost	\$ 123,026	\$ 124,851	\$ 118,994	\$ 154,860
Interest on the total pension liability	635,270	642,935	630,513	644,127
Difference between expected and actual experience of the total pension liability	(247,483)	(96,086)	(64,531)	(373,572)
Assumption changes	227,654	(281,637)	(10,158)	-
Benefit payments and refunds	<u>(493,163)</u>	<u>(489,501)</u>	<u>(557,263)</u>	<u>(621,188)</u>
Net change in total pension liability	245,304	(99,438)	117,555	(195,773)
Total pension liability, beginning	8,655,339	8,754,777	8,637,222	8,832,995
Total pension liability, ending	<u>\$ 8,900,643</u>	<u>\$ 8,655,339</u>	<u>\$ 8,754,777</u>	<u>\$ 8,637,222</u>
Plan fiduciary net position				
Contributions, employer	\$ 155,520	\$ 157,943	\$ 151,489	\$ 160,519
Contributions, employees	56,661	58,127	49,651	53,546
Net investment income	(549,484)	1,477,299	533,284	39,597
Benefit payments, including refunds of employee contributions	(493,163)	(489,501)	(557,263)	(621,188)
Other (net transfer)	<u>(55,374)</u>	<u>(262,182)</u>	<u>4,066</u>	<u>6,110</u>
Net change in plan fiduciary net position	(885,840)	941,686	181,227	(361,416)
Plan fiduciary net position, beginning	8,884,432	7,942,746	7,761,519	8,122,935
Plan fiduciary net position, ending	<u>\$ 7,998,592</u>	<u>\$ 8,884,432</u>	<u>\$ 7,942,746</u>	<u>\$ 7,761,519</u>
Net pension liability (asset)	<u>\$ 902,051</u>	<u>\$ (229,093)</u>	<u>\$ 812,031</u>	<u>\$ 875,703</u>
Plan fiduciary net position as a percentage of the total pension liability	89.87 %	102.65 %	90.72 %	89.86 %
Covered Valuation Payroll	\$ 1,171,080	\$ 1,156,248	\$ 1,103,342	\$ 1,189,912
Net pension liability (asset) as a percentage of covered valuation payroll	77.03 %	(19.81) %	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, 2019

Calendar year ended December 31,

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 16,647	\$ 17,555	\$ 17,165	\$ 15,085
Interest on the total pension liability	16,918	14,841	12,130	9,825
Difference between expected and actual experience of the total pension liability	(6,350)	2,279	6,689	4,939
Assumption changes	6,716	(6,532)	(1,334)	1,155
Benefit payments and refunds	-	-	-	-
Net change in total pension liability	33,931	28,143	34,650	31,004
Total pension liability, beginning	217,248	189,105	154,455	123,451
Total pension liability, ending	\$ 251,179	\$ 217,248	\$ 189,105	\$ 154,455
 Plan fiduciary net position				
Contributions, employer	\$ 14,674	\$ 12,871	\$ 14,018	\$ 3,870
Contributions, employees	9,334	8,431	7,875	2,120
Net investment income	(2,138)	22,709	9,364	660
Benefit payments, including refunds of employee contributions	-	-	-	-
Other (net transfer)	(1,910)	(2,910)	(647)	(5,254)
Net change in plan fiduciary net position	19,960	41,101	30,610	1,396
Plan fiduciary net position, beginning	202,162	161,061	130,451	129,055
Plan fiduciary net position, ending	\$ 222,122	\$ 202,162	\$ 161,061	\$ 130,451
 Net pension liability	\$ 29,057	\$ 15,086	\$ 28,044	\$ 24,004
 Plan fiduciary net position as a percentage of the total pension liability	88.43 %	93.06 %	85.17 %	84.46 %
 Covered Valuation Payroll	\$ 124,458	\$ 112,408	\$ 105,000	\$ 28,269
 Net pension liability as a percentage of covered valuation payroll	23.35 %	13.42 %	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**  
**MULTIYEAR SCHEDULE OF CONTRIBUTIONS**  
 Illinois Municipal Retirement Fund  
April 30, 2019

**Regular Plan**

<u>Calendar Year</u> Ending <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution as</u> <u>a % of Covered</u> <u>Valuation Payroll</u>
2018	\$ 155,519	\$ 155,520	\$ (1)	\$ 1,171,080	13.28 %
2017	157,943	157,943	-	1,156,248	13.66
2016	151,489	151,489	-	1,103,342	13.73
2015	160,519	160,519	-	1,189,912	13.49

**Sheriff's Law Enforcement Personnel (SLEP)**

<u>Calendar Year</u> Ending <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution as</u> <u>a % of Covered</u> <u>Valuation Payroll</u>
2018	\$ 14,674	\$ 14,674	-	\$ 124,458	11.79 %
2017	12,871	12,871	-	112,408	11.45
2016	14,018	14,018	-	105,000	13.35
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**  
MULTIYEAR SCHEDULE OF CONTRIBUTIONS  
Illinois Municipal Retirement Fund  
April 30, 2019

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**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 2018 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): 25-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 29 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75%
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 adjustments 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, 2019

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2019	\$ 49,221	\$ 9,885	\$ (39,336)	-	N/A %
2018	87,352	60,779	(26,573)	-	N/A
2017	78,378	10,508	(67,870)	-	N/A
2016	9,636	10,875	1,239	-	N/A

Notes to the Schedule:

Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Closed level percentage of payroll amortization of 90% of the Unfunded Actuarial Accrued Liability using a 3.50% payroll growth assumption over the period ending on April 30, 2040 (21-year amortization in 2019)
Asset valuation method	5 year smoothing of assets gains and losses
Inflation	2.5%
Salary increases	0% (no active members)
Investment rate of return	3.0%
Retirement age	Capped at 70
Mortality	Healthy - RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2018 applied from 2013 Disabled - 115% of RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2018 applied from 2013. 20% of service deaths are assumed to be service related
Changes of assumptions	The discount rate changed from 3.97% as of April 30, 2018 to 3.35% as of April 30, 2019 measurement date

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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest on the total pension liability	48,693	63,891	65,052	61,760
Benefit changes	-	-	-	-
Difference between expected and actual experience of the total pension liability	14,485	(257,284)	(15,002)	(17,484)
Assumption changes	280,081	182,771	(34,480)	63,671
Benefit payments and refunds	(40,941)	(40,441)	(40,441)	(40,441)
Net change in total pension liability	<u>302,318</u>	<u>(51,063)</u>	<u>(24,871)</u>	<u>67,506</u>
Total pension liability, beginning	1,246,983	1,298,046	1,322,917	1,255,411
Total pension liability, ending	<u>\$ 1,549,301</u>	<u>\$ 1,246,983</u>	<u>\$ 1,298,046</u>	<u>\$ 1,322,917</u>
Plan fiduciary net position				
Contributions, employer	\$ 9,885	\$ 60,779	\$ 10,508	\$ 10,875
Contributions, employees	-	-	-	-
Net investment income	318	175	2,709	7,911
Benefit payments, including refunds of employee contributions	(40,941)	(40,441)	(43,759)	(40,441)
Administrative expense	(11,239)	(8,038)	-	(9,203)
Net change in plan fiduciary net position	<u>(41,977)</u>	<u>12,475</u>	<u>(30,542)</u>	<u>(30,858)</u>
Plan fiduciary net position, beginning	72,087	59,612	90,154	121,012
Plan fiduciary net position, ending	<u>\$ 30,110</u>	<u>\$ 72,087</u>	<u>\$ 59,612</u>	<u>\$ 90,154</u>
Net pension liability	<u>\$ 1,519,191</u>	<u>\$ 1,174,896</u>	<u>\$ 1,238,434</u>	<u>\$ 1,232,763</u>
Plan fiduciary net position as a percentage of the total pension liability	1.94 %	5.78 %	4.59 %	6.81 %
Covered Valuation Payroll	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered valuation payroll	N/A	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, 2019

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<u>Fiscal Year</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
2019	1.68%
2018	(0.14%)
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, 2019

<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>
2019	\$ 762,491	\$ 187,519	\$ (574,972)	\$ 1,253,265	14.96 %
2018	717,440	242,182	(475,258)	1,517,495	15.96
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	Closed level percentage of payroll amortization of 100% of the Unfunded Actuarial Accrued Liability using a 3.50% payroll growth assumption over the period ending on April 30, 2041 (22-year amortization in 2019)
Remaining amortization period	22 years
Asset valuation method	5-year smoothing of asset gains and losses
Inflation	2.50%
Salary increases	3.50% to 11.50%, varying by service
Investment rate of return	6.75% net of administrative expenses
Retirement age	50-70
Mortality	Healthy - RP-2014 Mortality Table with a blue collar adjustment, with improvement Scale MP-2018 applied generationally from 2013 Disabled - 115% of the Healthy Mortality Table, with improvement Scale MP-2018 applied generationally from 2013
Marital status	80% of participants are assumed to be married.
Changes of assumptions	The discount rate changed from 6.75% as of April 30, 2018 to 3.71% as of April 30, 2019 measurement date

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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 366,204	\$ 355,225	\$ 401,564	\$ 398,595	\$ 484,011
Interest on the total pension liability	1,069,958	1,036,048	979,099	929,999	850,727
Difference between expected and actual experience of the total pension liability	(527,719)	(332,418)	155,925	(1,036,326)	447,822
Assumption changes	9,583,307	73,895	(463,084)	988,079	-
Benefit payments and refunds	<u>(688,661)</u>	<u>(594,039)</u>	<u>(576,054)</u>	<u>(529,838)</u>	<u>(686,461)</u>
Net change in total pension liability	9,803,089	538,711	497,450	750,509	1,096,099
Total pension liability, beginning	<u>15,829,358</u>	<u>15,290,647</u>	<u>14,793,197</u>	<u>14,042,688</u>	<u>12,946,589</u>
Total pension liability, ending	<u>\$ 25,632,447</u>	<u>\$ 15,829,358</u>	<u>\$ 15,290,647</u>	<u>\$ 14,793,197</u>	<u>\$ 14,042,688</u>
Plan fiduciary net position					
Contributions, employer	\$ 187,519	\$ 242,182	\$ 196,548	\$ 193,171	\$ 186,532
Contributions, employee and other	143,231	137,393	154,763	141,687	154,297
Net investment income	326,048	255,797	304,862	(26,198)	235,980
Benefit payments, including refunds of employee contributions	(688,661)	(594,039)	(576,054)	(529,838)	(686,461)
Administrative expense	(21,700)	(18,679)	(33,822)	(51,475)	-
Other (net transfer)	<u>131</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>(36,180)</u>
Net change in plan fiduciary net position	(53,432)	37,654	46,297	(272,653)	(145,832)
Plan fiduciary net position, beginning	<u>5,470,193</u>	<u>5,432,539</u>	<u>5,386,242</u>	<u>5,658,895</u>	<u>5,804,727</u>
Plan fiduciary net position, ending	<u>\$ 5,416,761</u>	<u>\$ 5,470,193</u>	<u>\$ 5,432,539</u>	<u>\$ 5,386,242</u>	<u>\$ 5,658,895</u>
Net pension liability	<u>\$ 20,215,686</u>	<u>\$ 10,359,165</u>	<u>\$ 9,858,108</u>	<u>\$ 9,406,955</u>	<u>\$ 8,383,793</u>
Plan fiduciary net position as a percentage of the total pension liability	21.13 %	34.56 %	35.53 %	36.41 %	40.30 %
Covered Valuation Payroll	\$ 1,253,265	\$ 1,517,495	\$ 1,472,212	\$ 1,413,545	\$ 1,458,307
Net pension liability as a percentage of covered valuation payroll	1,613.04	682.65 %	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.

**Village of Sauk Village, Illinois**  
Police Pension Fund  
MULTIYEAR SCHEDULE OF INVESTMENT RETURNS  
April 30, 2019

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<u>Fiscal Year</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
2019	6.19%
2018	5.56%
2017	6.11%
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

### SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

Retiree Health Plan

April 30, 2019

Fiscal year ended April 30,	<u>2019</u>
Total OPEB liability	
Service cost	\$ 42,716
Interest on the total OPEB liability	63,834
Change in benefit terms	-
Difference between expected and actual experience of the total OPEB liability	-
Assumption changes	81,980
Benefit payments and refunds	(126,520)
Other changes	-
Net change in total OPEB liability	<u>62,010</u>
Total OPEB liability, beginning	1,821,784
Total OPEB liability, ending	<u><u>\$ 1,883,794</u></u>
Plan fiduciary net position	
Contributions, employer	\$ -
Contributions, employee	-
Net investment income	-
Benefit payments, including refunds of employee contributions	-
Other (net transfer)	-
Net change in plan fiduciary net position	<u>-</u>
Plan fiduciary net position, beginning	-
Plan fiduciary net position, ending	<u><u>\$ -</u></u>
Net OPEB liability	<u><u>\$ 1,883,794</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %
Covered Valuation Payroll	\$ 2,335,901
Net OPEB liability as a percentage of covered valuation payroll	80.65 %

Note: The District implemented GASB 75 beginning with its fiscal year ended April 30, 2019 therefore 10 years of information is not 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, 2019

	Original and Final Appropriation	Actual	Variance Over / (Under)
<b>Revenues</b>			
Property taxes	\$ 2,322,414	\$ 2,285,577	\$ (36,837)
Licenses and permits	308,915	283,264	(25,651)
Charges for services	763,500	734,616	(28,884)
Intergovernmental	1,607,755	1,792,092	184,337
Fines and forfeitures	270,000	205,499	(64,501)
Investment income	7,000	546,192	539,192
Impact fees	250,000	250,000	-
Miscellaneous	55,500	210,164	154,664
Total revenues	<u>5,585,084</u>	<u>6,307,404</u>	<u>722,320</u>
<b>Expenditures</b>			
Current			
General government	1,913,891	1,970,929	57,038
Public safety	3,170,481	3,308,869	138,388
Public works	266,412	129,030	(137,382)
Debt service			
Principal	-	71,503	71,503
Interest	-	6,695	6,695
Capital outlay	5,600	-	(5,600)
Total expenditures	<u>5,356,384</u>	<u>5,487,026</u>	<u>130,642</u>
Excess (deficiency) of revenues over expenditures	<u>228,700</u>	<u>820,378</u>	<u>591,678</u>
<b>Other financing sources (uses)</b>			
Proceeds from debt issuance	-	-	-
Transfers in	1,004,674	2,046,937	1,042,263
Transfers out	(1,233,375)	(3,789)	1,229,586
Total other financing sources (uses)	<u>(228,701)</u>	<u>2,043,148</u>	<u>2,271,849</u>
Net change in fund balance	<u>\$ (1)</u>	<u>2,863,526</u>	<u>\$ 2,863,527</u>
<b>Fund balance (deficit)</b>			
Beginning of year		<u>(2,014,998)</u>	
End of year		<u>\$ 848,528</u>	

**Village of Sauk Village, Illinois**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
April 30, 2019

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**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, Police Seizure Fund, Working Cash Fund, Utility Tax Fund, Community Development Block Grant Fund, Sauk Pointe Industrial Park Fund, Sauk Village Housing Commission Fund, and the SurreyBrook Plaza Fund. Annual appropriations lapse at year-end. The Village did not prepare an appropriation for fiscal year 2019 for the Sauk Plaza Redevelopment Plan Fund, the Emergency Telephone System Fund, the Railroad Noise Mitigation Fund, and the Municipal Building 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, 2019, was taken by the Village Board on June 13, 2018.
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/expenses over appropriations for the year ended April 30, 2019:

<u>Fund</u>	<u>Variance</u>
General	\$ 130,642
LogistiCenter at Sauk Village	27,198
SurreyBrook Plaza	35,968
Waterworks	191,923

**OTHER SUPPLEMENTARY INFORMATION**

**Village of Sauk Village, Illinois**  
 General Fund  
 SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL  
 For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over / (Under)
<b>Revenues</b>			
Property taxes	\$ 2,322,414	\$ 2,285,577	\$ (36,837)
<b>Licenses and permits</b>			
Business licenses	94,000	80,841	(13,159)
Liquor licenses	12,600	12,230	(370)
Vending machine licenses	6,540	6,697	157
Video gaming licenses	43,875	8,608	(35,267)
Vehicle licenses	83,000	82,050	(950)
Animal licenses	900	970	70
Building permits	46,000	63,688	17,688
Other permits and licenses	2,000	3,840	1,840
Building occupation and inspection	20,000	24,340	4,340
Total licenses and permits	308,915	283,264	(25,651)
<b>Charges for services</b>			
Utility tax	595,000	589,964	(5,036)
Cable TV franchise fees	110,000	94,980	(15,020)
Police reports	2,500	1,030	(1,470)
Garbage collection fee	30,000	25,282	(4,718)
Rental income	10,000	19,521	9,521
Pull tabs and jar games tax	12,000	1,847	(10,153)
Other	4,000	1,992	(2,008)
Total charges for services	763,500	734,616	(28,884)

(Continued)

## Village of Sauk Village, Illinois

General Fund

### SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2019

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	Original and Final Budget	Actual	Variance Over / (Under)
Revenues (Continued)			
Intergovernmental			
Replacement taxes	\$ 26,000	\$ 29,058	\$ 3,058
State income taxes	996,319	1,086,224	89,905
Sales and use taxes	511,308	589,438	78,130
Other state grants	-	3,191	3,191
COPS hire grant	60,128	14,474	(45,654)
Other	14,000	69,707	55,707
Total intergovernmental	<u>1,607,755</u>	<u>1,792,092</u>	<u>184,337</u>
Fines and forfeitures			
Police fines	127,500	110,823	(16,677)
Tow release fines	125,000	77,305	(47,695)
State Comptroller - Debt Recovery	15,000	17,301	2,301
Other fees	2,500	70	(2,430)
Total fines and forfeitures	<u>270,000</u>	<u>205,499</u>	<u>(64,501)</u>
Investment income	<u>7,000</u>	<u>546,192</u>	<u>539,192</u>
Impact fees	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Miscellaneous	<u>55,500</u>	<u>210,164</u>	<u>154,664</u>
Total revenues	<u>\$ 5,585,084</u>	<u>\$ 6,307,404</u>	<u>\$ 722,320</u>

(Concluded)



**Village of Sauk Village, Illinois**  
 General Fund  
 SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL  
 For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures			
General government			
Finance and administration			
Regular employee wages	\$ 340,718	\$ 259,530	\$ (81,188)
Part time employee wages	-	43,017	43,017
Fringe benefits	111,566	158,675	47,109
Office supplies	5,000	16,450	11,450
Vehicle expense	4,000	3,109	(891)
Computer software supplies	7,500	10,593	3,093
Telephone	16,000	37,355	21,355
Postage	12,000	5,254	(6,746)
Insurance	5,000	21,095	16,095
Printing	15,000	5,067	(9,933)
Equipment repair and maintenance	1,000	1,405	405
Vehicle repair and maintenance	2,500	855	(1,645)
Facility maintenance	-	141	141
Publications and memberships	80	-	(80)
Professional services	72,000	151,085	79,085
Computer contractual services	15,000	56,409	41,409
Other contractual services	16,000	137,688	121,688
Banking Fees	-	7,884	7,884
Refunds	100,000	100	(99,900)
Capital outlay	5,600	-	(5,600)
Total finance and administration	<u>728,964</u>	<u>915,712</u>	<u>186,748</u>
Municipal audit			
Professional services	<u>60,000</u>	<u>103,399</u>	<u>43,399</u>
Liability insurance			
Insurance	<u>620,000</u>	<u>629,743</u>	<u>9,743</u>

(Continued)

## Village of Sauk Village, Illinois

### General Fund

#### SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
General government (Continued)			
Legal			
Professional services	\$ 220,000	\$ 178,178	\$ (41,822)
Other contractual services	149,345	-	(149,345)
Total legal	<u>369,345</u>	<u>178,178</u>	<u>(191,167)</u>
Elected officials			
Public official wages	82,000	83,868	1,868
Fringe benefits	6,732	6,888	156
Printing	10,000	2,705	(7,295)
Publications and memberships	12,000	17,999	5,999
Professional services	14,450	9,626	(4,824)
Public information	2,500	1,723	(777)
Fire and police commission	8,000	1,759	(6,241)
Committees	-	(1,764)	(1,764)
Other contractual services	5,500	882	(4,618)
Total elected officials	<u>141,182</u>	<u>123,686</u>	<u>(17,496)</u>
Community development			
Regular employee wages	-	9,761	9,761
Fringe benefits	-	10,450	10,450
Total community development	<u>-</u>	<u>20,211</u>	<u>20,211</u>
Total general government	<u>1,919,491</u>	<u>1,970,929</u>	<u>51,438</u>

(Continued)

## Village of Sauk Village, Illinois

### General Fund

#### SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2019

Expenditures (Continued)	Original and Final Budget	Actual	Variance Over / (Under)
Public safety			
Police department			
Employee wages	\$ 1,547,892	\$ 1,692,196	\$ 144,304
Part-time wages	-	1,220	1,220
Overtime	200,000	346,590	146,590
Fringe benefits	533,005	542,229	9,224
Pension contributions	272,254	187,519	(84,735)
Office supplies	1,000	1,028	28
Vehicle expense	40,000	46,313	6,313
Uniforms and clothing	17,850	15,706	(2,144)
Facility maintenance supplies	500	-	(500)
Operating supplies	2,000	2,717	717
Computer software supplies	1,500	8,726	7,226
Tools and equipment	15,500	2,204	(13,296)
Telephone	89,000	75,818	(13,182)
Utilities	-	139	139
Postage	1,000	2,817	1,817
Insurance	-	975	975
K-9	8,000	8,169	169
Printing	500	2,623	2,123
Equipment repair and maintenance	19,500	6,855	(12,645)
Vehicle repair and maintenance	17,000	26,562	9,562
Facility maintenance	3,000	3,264	264
Organization business expense	3,000	2,950	(50)
Professional development	2,500	5,130	2,630
Publications and memberships	4,000	6,429	2,429
Professional services	30,000	20,209	(9,791)
Computer contractual services	8,000	10,783	2,783
Public information	750	298	(452)
General fund Services	-	10	10
Other rents and leases	30,000	14,289	(15,711)
Other contractual services	290,000	251,860	(38,140)
Total police department	3,137,751	3,285,628	147,877

(Continued)

## Village of Sauk Village, Illinois

General Fund

### SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2019

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	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
Public safety (Continued)			
Emergency Service and Disaster Agency			
Part-time wages	\$ 15,000	\$ 13,075	\$ (1,925)
Fringe benefits	1,000	2,221	1,221
Vehicle expense	3,300	4,182	882
Uniforms and clothing	100	-	(100)
Operating supplies	500	-	(500)
Telephone	1,830	1,372	(458)
Equipment repair and maintenance	1,000	364	(636)
Vehicle repair and maintenance	7,700	1,828	(5,872)
Organization business expense	200	199	(1)
Professional development	100	-	(100)
Other rents and leases	2,000	-	(2,000)
Total Emergency Service and Disaster Agency	<u>32,730</u>	<u>23,241</u>	<u>(9,489)</u>
Total public safety	<u>3,170,481</u>	<u>3,308,869</u>	<u>138,388</u>

(Continued)

# Village of Sauk Village, Illinois

## General Fund

### SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2019

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	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
Public works			
Public grounds and buildings			
Vehicle expense	\$ 17,000	\$ 17,441	\$ 441
Facility maintenance supplies	7,000	7,883	883
Operating supplies	500	42	(458)
Tools and equipment	6,000	228	(5,772)
Construction supplies	3,000	4,856	1,856
Telephone	1,025	1,059	34
Utilities	3,000	12,305	9,305
Equipment repair and maintenance	7,000	1,899	(5,101)
Vehicle repair and maintenance	1,000	1,599	599
Facility maintenance	27,000	35,917	8,917
Professional services	15,000	27,521	12,521
Other rents and leases	200	-	(200)
Other contractual services	4,000	3,738	(262)
	<u>91,725</u>	<u>114,488</u>	<u>22,763</u>
Total public grounds and buildings			
Streets			
Vehicle expense	6,000	10,769	4,769
Other rents and leases	40,461	-	(40,461)
	<u>46,461</u>	<u>10,769</u>	<u>(35,692)</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, 2019

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	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
Public works (Continued)			
Parks and playgrounds			
Part-time wages	\$ 20,000	\$ -	\$ (20,000)
Fringe benefits	796	-	(796)
Office supplies	-	95	95
Operating supplies	2,000	1,732	(268)
Other materials and supplies	-	466	466
Telephone	330	1,414	1,084
Utilities	100	-	(100)
Other contractual services	-	66	66
OSLAD grant expenditures	105,000	-	(105,000)
	<u>128,226</u>	<u>3,773</u>	<u>(124,453)</u>
Total parks and playgrounds			
	<u>128,226</u>	<u>3,773</u>	<u>(124,453)</u>
Total public works	<u>266,412</u>	<u>129,030</u>	<u>(137,382)</u>
Debt service			
Principal	-	71,503	71,503
Interest	-	6,695	6,695
	<u>-</u>	<u>78,198</u>	<u>78,198</u>
Total debt service			
	<u>-</u>	<u>78,198</u>	<u>78,198</u>
Total expenditures	<u>\$ 5,356,384</u>	<u>\$ 5,487,026</u>	<u>\$ 130,642</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, 2019

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	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Investment income	\$ 55,500	\$ 163,316	\$ 107,816
Total revenues	<u>55,500</u>	<u>163,316</u>	<u>107,816</u>
Expenditures			
Debt service			
Principal	3,230,000	3,230,000	-
Interest and fiscal charges	<u>1,717,678</u>	<u>1,157,303</u>	<u>(560,375)</u>
Total expenditures	<u>4,947,678</u>	<u>4,387,303</u>	<u>(560,375)</u>
Deficiency of revenues over expenditures	<u>(4,892,178)</u>	<u>(4,223,987)</u>	<u>668,191</u>
Other financing sources			
Transfers in	<u>4,935,678</u>	<u>3,905,028</u>	<u>(1,030,650)</u>
Total other financing sources	<u>4,935,678</u>	<u>3,905,028</u>	<u>(1,030,650)</u>
Net change in fund balance	\$ <u>43,500</u>	(318,959)	\$ <u>(362,459)</u>
Fund balance			
Beginning of year		<u>9,616,785</u>	
End of year		\$ <u>9,297,826</u>	

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**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, 2019

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Property taxes	\$ 1,100,000	\$ 999,406	\$ (100,594)
Total revenues	<u>1,100,000</u>	<u>999,406</u>	<u>(100,594)</u>
Expenditures			
Current			
General government	<u>-</u>	<u>820</u>	<u>820</u>
Total expenditures	<u>-</u>	<u>820</u>	<u>820</u>
Excess of revenues over expenditures	<u>1,100,000</u>	<u>998,586</u>	<u>(101,414)</u>
Other financing uses			
Transfers out	<u>(1,100,000)</u>	<u>(1,005,827)</u>	<u>94,173</u>
Total other financing uses	<u>(1,100,000)</u>	<u>(1,005,827)</u>	<u>94,173</u>
Net change in fund deficit	<u>\$ -</u>	<u>(7,241)</u>	<u>\$ (7,241)</u>
Fund deficit			
Beginning of year		<u>(181,058)</u>	
End of year		<u>\$ (188,299)</u>	

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## 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, 2019

---

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 3,520,395	\$ 4,343,788	\$ 823,393
Investment income	<u>2,600</u>	<u>22,862</u>	<u>20,262</u>
Total revenues	<u>3,522,995</u>	<u>4,366,650</u>	<u>843,655</u>
Expenditures			
Current			
General government	<u>1,207,892</u>	<u>1,235,090</u>	<u>27,198</u>
Total expenditures	<u>1,207,892</u>	<u>1,235,090</u>	<u>27,198</u>
Excess of revenues over expenditures	<u>2,315,103</u>	<u>3,131,560</u>	<u>816,457</u>
Other financing sources (uses)			
Transfers in	1,100,000	-	(1,100,000)
Transfers out	<u>(3,835,806)</u>	<u>(4,154,155)</u>	<u>(318,349)</u>
Total other financing sources (uses)	<u>(2,735,806)</u>	<u>(4,154,155)</u>	<u>(1,418,349)</u>
Net change in fund balance	<u>\$ (420,703)</u>	<u>(1,022,595)</u>	<u>\$ (601,892)</u>
Fund balance			
Beginning of year		<u>2,627,395</u>	
End of year		<u>\$ 1,604,800</u>	

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**Village of Sauk Village, Illinois**

Nonmajor Governmental Funds  
COMBINING BALANCE SHEET  
April 30, 2019

	Special Revenue Funds				
	Fire Protection	Motor Fuel Tax	Emergency Telephone System	Police Seizure	Working Cash
<b>ASSETS</b>					
Cash and cash equivalents	\$ (291,915)	\$ 108,452	\$ 2,780	\$ 177,919	\$ -
Receivables, net of allowances					
Property taxes	208,319	-	-	-	2,012
Intergovernmental	-	23,255	-	-	-
Other	-	-	-	-	-
Deposits with paying agent	16	-	27	-	33,915
Advances to other funds	350,191	-	-	-	548,244
<b>Total assets</b>	<b>\$ 266,611</b>	<b>\$ 131,707</b>	<b>\$ 2,807</b>	<b>\$ 177,919</b>	<b>\$ 584,171</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)</b>					
<b>Liabilities</b>					
Accounts payable	\$ 20,522	\$ 13,927	\$ -	\$ -	\$ -
Accrued payroll	6,214	-	-	-	-
Advances from other funds	-	174,803	28,307	56,458	-
<b>Total liabilities</b>	<b>26,736</b>	<b>188,730</b>	<b>28,307</b>	<b>56,458</b>	<b>-</b>
<b>Deferred inflows</b>					
Property taxes levied for a future period	192,874	-	-	-	-
<b>Fund balance (deficit)</b>					
<b>Nonspendable</b>					
Deposits with paying agent	16	-	27	-	33,915
Advances to other funds	350,191	-	-	-	548,244
<b>Restricted</b>					
Special revenue	-	-	-	121,461	2,012
Capital projects	-	-	-	-	-
Unassigned	(303,206)	(57,023)	(25,527)	-	-
<b>Total fund balance (deficit)</b>	<b>47,001</b>	<b>(57,023)</b>	<b>(25,500)</b>	<b>121,461</b>	<b>584,171</b>
<b>Total liabilities, deferred inflows, and fund balances (deficit)</b>	<b>\$ 266,611</b>	<b>\$ 131,707</b>	<b>\$ 2,807</b>	<b>\$ 177,919</b>	<b>\$ 584,171</b>

Special Revenue Funds			Capital Projects Funds			
Railroad Noise Mitigation	Sauk Village Housing Commission	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan	
\$ 141,812	\$ 6,823	\$ 145,871	\$ 128,183	\$ -	\$ 31,419	
-	-	-	-	-	-	
-	-	210,331	-	-	-	
-	-	23,255	-	-	-	
-	-	-	15,613	-	-	
-	-	33,958	-	-	-	
-	-	898,435	725,833	225,000	-	
<u>\$ 141,812</u>	<u>\$ 6,823</u>	<u>\$ 1,311,850</u>	<u>\$ 869,629</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>	
\$ -	\$ -	\$ 34,449	\$ 408	\$ -	\$ -	
-	-	6,214	-	-	-	
243,872	-	503,440	-	-	-	
<u>243,872</u>	<u>-</u>	<u>544,103</u>	<u>408</u>	<u>-</u>	<u>-</u>	
-	-	192,874	-	-	-	
-	-	33,958	-	-	-	
-	-	898,435	725,833	225,000	-	
-	6,823	-	-	-	-	
-	-	130,296	-	-	-	
-	-	-	143,388	-	31,419	
<u>(102,060)</u>	<u>-</u>	<u>(487,816)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>(102,060)</u>	<u>6,823</u>	<u>574,873</u>	<u>869,221</u>	<u>225,000</u>	<u>31,419</u>	
<u>\$ 141,812</u>	<u>\$ 6,823</u>	<u>\$ 1,311,850</u>	<u>\$ 869,629</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>	

(Continued)

**Village of Sauk Village, Illinois**  
 Nonmajor Governmental Funds  
 COMBINING BALANCE SHEET (Continued)  
April 30, 2019

	Capital Projects Funds			Total Nonmajor Governmental Funds
	SurreyBrook Plaza	Municipal Building	Total Capital Projects	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 568,617	\$ -	\$ 728,219	\$ 874,090
Receivables, net of allowances				
Property taxes	-	-	-	210,331
Intergovernmental	-	-	-	23,255
Other	-	-	15,613	15,613
Deposits with paying agent	-	-	-	33,958
Advances to other funds	9,616	-	960,449	1,858,884
Total assets	<u>\$ 578,233</u>	<u>\$ -</u>	<u>\$ 1,704,281</u>	<u>\$ 3,016,131</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)</b>				
Liabilities				
Accounts payable	\$ 2,431	\$ -	\$ 2,839	\$ 37,288
Accrued payroll	-	-	-	6,214
Advances from other funds	-	13,043	13,043	516,483
Total liabilities	<u>2,431</u>	<u>13,043</u>	<u>15,882</u>	<u>559,985</u>
Deferred inflows				
Property taxes levied for a future period	-	-	-	192,874
Fund balance (deficit)				
Nonspendable				
Deposits with paying agent	-	-	-	33,958
Advances to other funds	9,616	-	960,449	1,858,884
Restricted				
Special revenue	-	-	-	130,296
Capital projects	566,186	-	740,993	740,993
Unassigned	-	(13,043)	(13,043)	(500,859)
Total fund balance (deficit)	<u>575,802</u>	<u>(13,043)</u>	<u>1,688,399</u>	<u>2,263,272</u>
Total liabilities, deferred inflows, and fund balances (deficit)	<u>\$ 578,233</u>	<u>\$ -</u>	<u>\$ 1,704,281</u>	<u>\$ 3,016,131</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, 2019

	Special Revenue Funds				
	Fire Protection	Motor Fuel Tax	Emergency Telephone System	Police Seizure	Working Cash
<b>Revenues</b>					
Property taxes	\$ 460,172	\$ -	\$ -	\$ -	\$ 64,662
Charges for services	37,143	-	-	-	-
Licenses and permits	-	-	-	-	-
Utility taxes	-	-	-	-	-
Intergovernmental	8,896	266,691	-	-	-
Sale of property	-	-	-	-	-
Investment income	6	4,352	44	284	795
Miscellaneous	6,200	-	-	93,023	-
Total revenues	512,417	271,043	44	93,307	65,457
<b>Expenditures</b>					
<b>Current</b>					
General government	-	-	-	-	-
Public safety	479,983	-	90	7,396	-
Public works	-	139,001	-	-	-
<b>Debt service</b>					
Principal	17,500	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	497,483	139,001	90	7,396	-
Excess (deficiency) of revenues over expenditures	14,934	132,042	(46)	85,911	65,457
<b>Other financing uses</b>					
Transfers in	-	-	-	-	3,789
Transfers out	(40,018)	(105,640)	(87,645)	(16,064)	(71,750)
Total other financing uses	(40,018)	(105,640)	(87,645)	(16,064)	(67,961)
Net change in fund balance (deficit)	(25,084)	26,402	(87,691)	69,847	(2,504)
<b>Fund balance (deficit)</b>					
Beginning of year	72,085	(83,425)	62,191	51,614	586,675
End of year	\$ 47,001	\$ (57,023)	\$ (25,500)	\$ 121,461	\$ 584,171

(Continued)

Special Revenue Funds			Capital Projects Funds		
Railroad Noise Mitigation	Sauk Village Housing Commission	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ -	\$ -	\$ 524,834	\$ -	\$ -	\$ -
-	-	37,143	-	-	-
-	-	-	-	-	-
-	-	-	157,540	-	-
50	19,715	295,352	-	-	-
-	-	-	-	-	-
-	23	5,504	-	-	-
-	-	99,223	4,223	-	-
<u>50</u>	<u>19,738</u>	<u>962,056</u>	<u>161,763</u>	<u>-</u>	<u>-</u>
-	12,565	12,565	3,407	-	-
-	-	487,469	-	-	-
68	-	139,069	-	-	-
-	-	-	-	-	-
-	-	17,500	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>68</u>	<u>12,565</u>	<u>656,603</u>	<u>3,407</u>	<u>-</u>	<u>-</u>
<u>(18)</u>	<u>7,173</u>	<u>305,453</u>	<u>158,356</u>	<u>-</u>	<u>-</u>
-	-	3,789	-	-	-
-	(350)	(321,467)	(21,790)	-	-
-	(350)	(317,678)	(21,790)	-	-
(18)	6,823	(12,225)	136,566	-	-
(102,042)	-	587,098	732,655	225,000	31,419
<u>\$ (102,060)</u>	<u>\$ 6,823</u>	<u>\$ 574,873</u>	<u>\$ 869,221</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 BALANCES (DEFICITS) (Continued)

For the Year Ended April 30, 2019

	Capital Projects Funds			Total Nonmajor Governmental Funds
	SurreyBrook Plaza	Municipal Building	Total Capital Projects	
Revenues				
Property taxes	\$ 119,657	\$ -	\$ 119,657	\$ 644,491
Charges for services	-	-	-	37,143
Licenses and permits	-	-	-	-
Utility taxes	-	-	157,540	157,540
Intergovernmental	-	-	-	295,352
Sale of property	-	-	-	-
Investment income	2,386	-	2,386	7,890
Miscellaneous	-	-	4,223	103,446
Total revenues	122,043	-	283,806	1,245,862
Expenditures				
Current				
General government	67,229	-	70,636	83,201
Public safety	-	-	-	487,469
Public works	-	-	-	139,069
Debt service				
Principal	-	-	-	17,500
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	67,229	-	70,636	727,239
Excess (deficiency) of revenues over expenditures	54,814	-	213,170	518,623
Other financing uses				
Transfers in	-	-	-	3,789
Transfers out	(11,285)	-	(33,075)	(354,542)
Total other financing uses	(11,285)	-	(33,075)	(350,753)
Net change in fund balance (deficit)	43,529	-	180,095	167,870
Fund balance (deficit)				
Beginning of year	532,273	(13,043)	1,508,304	2,095,402
End of year	\$ 575,802	\$ (13,043)	\$ 1,688,399	\$ 2,263,272

(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, 2019

	Original and Final Budget	Actual	Variance Over / (Under)
<b>Revenues</b>			
Property taxes	\$ 383,662	\$ 460,172	\$ 76,510
Charges for services	25,128	37,143	12,015
Intergovernmental	15,000	8,896	(6,104)
Investment income	-	6	6
Miscellaneous	-	6,200	6,200
Total revenues	<u>423,790</u>	<u>512,417</u>	<u>88,627</u>
<b>Expenditures</b>			
<b>Current</b>			
<b>Public safety</b>			
Regular wages	204,948	107,475	(97,473)
Part-time wages	-	101,302	101,302
Fringe benefits	15,981	13,920	(2,061)
Pension contributions	61,970	9,885	(52,085)
Office supplies	7,750	4,413	(3,337)
Vehicle expense	25,750	18,376	(7,374)
Uniforms and clothing	-	400	400
Facility maintenance supplies	6,500	1,289	(5,211)
Operating supplies	700	10,019	9,319
Computer software supplies	-	948	948
Tools and equipment	25,000	28,811	3,811
Other materials and supplies	1,000	2,696	1,696
Telephone	8,568	5,206	(3,362)
Utilities	2,125	3,290	1,165
Postage	60	98	38
Printing	100	-	(100)
Equipment repair and maintenance	10,000	15,890	5,890
Vehicle repair and maintenance	12,300	23,696	11,396
Facility maintenance	62	4,542	4,480
Professional development	954	4,053	3,099
Publications and memberships	1,027	3,692	2,665
Professional services	2,500	2,099	(401)

(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, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (continued)			
Current (continued)			
Public safety (continued)			
Computer contractual services	\$ 2,000	\$ 6,143	\$ 4,143
Intergovernmental services	3,000	-	(3,000)
Other rents and leases	10,889	-	(10,889)
Public information	500	-	(500)
Vehicles	-	30,625	30,625
Grant	15,000	2,515	(12,485)
Trust fees	3,000	3,000	-
Other contractual services	75,156	75,600	444
Total public safety	<u>496,840</u>	<u>479,983</u>	<u>(16,857)</u>
Debt service			
Principal	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Total debt service	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Total expenditures	<u>514,340</u>	<u>497,483</u>	<u>(16,857)</u>
Excess (deficiency) of revenues over expenditures	<u>(90,550)</u>	<u>14,934</u>	<u>105,484</u>
Other financing sources (uses)			
Proceeds from debt issuance	158,050	-	(158,050)
Transfer out	<u>(67,500)</u>	<u>(40,018)</u>	<u>27,482</u>
Total other financing sources (uses)	<u>90,550</u>	<u>(40,018)</u>	<u>(130,568)</u>
Net change in fund balance	<u>\$ -</u>	<u>(25,084)</u>	<u>\$ (25,084)</u>
Fund balance			
Beginning of year		<u>72,085</u>	
End of year		<u>\$ 47,001</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, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
<b>Revenues</b>			
Intergovernmental	\$ 270,530	\$ 266,691	\$ (3,839)
Investment income	500	4,352	3,852
	<u>271,030</u>	<u>271,043</u>	<u>13</u>
<b>Expenditures</b>			
<b>Current</b>			
<b>Public works</b>			
Operating supplies	22,000	13,478	(8,522)
Construction supplies	55,000	34,285	(20,715)
Utilities	20,000	26,882	6,882
Equipment repair and maintenance	5,000	9,353	4,353
Professional services	60,000	51,538	(8,462)
Contractual services	5,000	3,465	(1,535)
Construction	259,030	-	(259,030)
	<u>426,030</u>	<u>139,001</u>	<u>(287,029)</u>
Total public works	<u>426,030</u>	<u>139,001</u>	<u>(287,029)</u>
Total expenditures	<u>426,030</u>	<u>139,001</u>	<u>(287,029)</u>
Excess (deficiency) of revenues over expenditures	<u>(155,000)</u>	<u>132,042</u>	<u>287,042</u>
<b>Other financing sources (uses)</b>			
Transfer in	200,000	-	(200,000)
Transfer out	(45,000)	(105,640)	(60,640)
	<u>155,000</u>	<u>(105,640)</u>	<u>(260,640)</u>
Total other financing sources (uses)	<u>155,000</u>	<u>(105,640)</u>	<u>(260,640)</u>
Net change in fund deficit	<u>\$ -</u>	26,402	<u>\$ 26,402</u>
<b>Fund deficit</b>			
Beginning of year		<u>(83,425)</u>	
End of year		<u>\$ (57,023)</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, 2019

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	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Investment income	\$ -	\$ 284	\$ 284
Miscellaneous	<u>50,000</u>	<u>93,023</u>	<u>43,023</u>
Total revenues	<u>50,000</u>	<u>93,307</u>	<u>43,307</u>
Expenditures			
Current			
Public safety			
Major tools and equipment	-	5,580	5,580
Other contractual	-	1,816	1,816
Refunds	-	-	-
Capital outlay	<u>11,200</u>	<u>-</u>	<u>(11,200)</u>
Total expenditures	<u>11,200</u>	<u>7,396</u>	<u>(3,804)</u>
Deficiency of revenues over expenditures	<u>38,800</u>	<u>85,911</u>	<u>47,111</u>
Other financing uses			
Transfer out	<u>-</u>	<u>(16,064)</u>	<u>(16,064)</u>
Net change in fund balance	<u>\$ 38,800</u>	69,847	<u>\$ 31,047</u>
Fund balance			
Beginning of year		<u>51,614</u>	
End of year		<u>\$ 121,461</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, 2019

---

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 73,363	\$ 64,662	\$ (8,701)
Investment income	250	795	545
Total revenues	<u>73,613</u>	<u>65,457</u>	<u>(8,156)</u>
Other financing sources (uses)			
Transfer in	-	3,789	3,789
Transfer out	<u>(71,750)</u>	<u>(71,750)</u>	<u>-</u>
Total other financing sources (uses)	<u>(71,750)</u>	<u>(67,961)</u>	<u>3,789</u>
Net change in fund balance	\$ <u>1,863</u>	(2,504)	\$ <u>(4,367)</u>
Fund balance			
Beginning of year		<u>586,675</u>	
End of year		\$ <u>584,171</u>	

**Village of Sauk Village, Illinois**  
 Sauk Village Housing Commission Fund  
 SCHEDULE OF DETAILED EXPENDITURES AND CHANGES IN  
 FUND DEFICIT - BUDGET AND ACTUAL  
 For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over / (Under)
<b>Revenues</b>			
Intergovernmental	\$ 75,000	\$ 19,715	\$ (55,285)
Investment income	-	23	23
<b>Total revenues</b>	<u>75,000</u>	<u>19,738</u>	<u>(55,262)</u>
<b>Expenditures</b>			
<b>Current</b>			
<b>General government</b>			
Professional services	<u>75,000</u>	\$ <u>12,565</u>	<u>(62,435)</u>
<b>Total general government</b>	<u>75,000</u>	<u>12,565</u>	<u>(62,435)</u>
<b>Total expenditures</b>	<u>75,000</u>	<u>12,565</u>	<u>(62,435)</u>
Excess of revenues over expenditures	<u>-</u>	<u>7,173</u>	<u>7,173</u>
<b>Other financing uses</b>			
Transfer out	<u>-</u>	<u>(350)</u>	<u>(350)</u>
<b>Total other financing uses</b>	<u>-</u>	<u>(350)</u>	<u>(350)</u>
Net change in fund balance	<u>\$ -</u>	6,823	<u>\$ 6,823</u>
<b>Fund balance</b>			
Beginning of year		<u>-</u>	
End of year		<u>\$ 6,823</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, 2019

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	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Utility taxes	\$ 170,000	\$ 157,540	\$ (12,460)
Miscellaneous	<u>-</u>	<u>4,223</u>	<u>4,223</u>
Total revenues	<u>170,000</u>	<u>161,763</u>	<u>(8,237)</u>
Expenditures			
Current			
General government			
Amalgamated trust fees	3,000	3,000	-
Refunds	<u>1,710</u>	<u>407</u>	<u>(1,303)</u>
Total general government	<u>4,710</u>	<u>3,407</u>	<u>(1,303)</u>
Total expenditures	<u>4,710</u>	<u>3,407</u>	<u>(1,303)</u>
Excess of revenues over expenditures	<u>165,290</u>	<u>158,356</u>	<u>(6,934)</u>
Other financing uses			
Transfer out	<u>(165,290)</u>	<u>(21,790)</u>	<u>143,500</u>
Net change in fund balance	\$ <u><u>-</u></u>	136,566	\$ <u><u>136,566</u></u>
Fund balance			
Beginning of year		<u>732,655</u>	
End of year		\$ <u><u>869,221</u></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, 2019

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

## Village of Sauk Village, Illinois

SurreyBrook Plaza Fund

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

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 80,261	\$ 119,657	\$ 39,396
Investment income	-	2,386	2,386
Total revenues	<u>80,261</u>	<u>122,043</u>	<u>41,782</u>
Expenditures			
General government			
Professional services	<u>31,261</u>	<u>67,229</u>	<u>35,968</u>
Total expenditures	<u>31,261</u>	<u>67,229</u>	<u>35,968</u>
Excess of revenues over expenditures	49,000	54,814	5,814
Other financing uses			
Transfer out	<u>(49,000)</u>	<u>(11,285)</u>	<u>37,715</u>
Total other financing uses	<u>(49,000)</u>	<u>(11,285)</u>	<u>37,715</u>
Net change in fund balance	\$ <u>-</u>	43,529	\$ <u>43,529</u>
Fund balance			
Beginning of year		<u>532,273</u>	
End of year		\$ <u><u>575,802</u></u>	



# Village of Sauk Village, Illinois

## Waterworks Fund

### SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2019

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	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ 1,591,396	\$ 1,525,251	\$ (66,145)
Meter sales	18,800	16,922	(1,878)
Miscellaneous	<u>2</u>	<u>17,648</u>	<u>17,646</u>
Total revenues	\$ <u>1,610,198</u>	\$ <u>1,559,821</u>	\$ <u>(50,377)</u>

# Village of Sauk Village, Illinois

## Waterworks Fund

### SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses			
Salaries			
Regular wages	\$ 479,437	\$ 441,318	\$ (38,119)
Part time wages	-	14,014	14,014
Overtime	62,059	37,415	(24,644)
Total salaries	541,496	492,747	(48,749)
Fringe benefits	230,190	218,286	(11,904)
Supplies, fees and services			
Office supplies	500	59	(441)
Vehicle expense	20,000	15,817	(4,183)
Uniforms and clothing	4,000	3,998	(2)
Operating supplies	35,000	42,221	7,221
Computer software supplies	250	5,810	5,560
Tools and equipment	5,000	1,096	(3,904)
Construction supplies	70,000	77,885	7,885
Telephone	4,650	6,183	1,533
Utilities	65,000	68,092	3,092
Postage	3,500	3,267	(233)
Printing	1,200	441	(759)
Professional development	2,000	827	(1,173)
Publications and memberships	400	100	(300)
Professional services	50,000	32,676	(17,324)
Computer contractual services	2,500	5,804	3,304
Intergovernmental services	8,000	2,085	(5,915)
Public information	200	-	(200)
Other rents and leases	2,400	417	(1,983)
Other contractual services	5,000	8,894	3,894
Major tools and work equipment	-	267	267
Vehicles	25,000	-	(25,000)
Total supplies, fees and services	304,600	275,939	(28,661)

(Continued)

# Village of Sauk Village, Illinois

## Waterworks Fund

### SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2019

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	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 28,000	\$ 32,968	\$ 4,968
Vehicle repair and maintenance	15,000	16,997	1,997
Facility repair and maintenance	5,000	4,547	(453)
Total repairs and maintenance	<u>48,000</u>	<u>54,512</u>	<u>6,512</u>
Capital outlay			
Construction	<u>97,434</u>	<u>-</u>	<u>(97,434)</u>
Total capital outlay	<u>97,434</u>	<u>-</u>	<u>(97,434)</u>
Total operating expenses before depreciation	<u>1,221,720</u>	<u>1,041,484</u>	<u>(180,236)</u>
Depreciation	<u>-</u>	<u>372,159</u>	<u>372,159</u>
Total operating expenses	<u>\$ 1,221,720</u>	<u>\$ 1,413,643</u>	<u>\$ 191,923</u>

(Concluded)

# Village of Sauk Village, Illinois

## Sewerage Fund

### SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2019

---

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ 961,017	\$ 947,325	\$ (13,692)
Miscellaneous	<u>1,209</u>	<u>-</u>	<u>(1,209)</u>
Total revenues	<u>\$ 962,226</u>	<u>\$ 947,325</u>	<u>\$ (14,901)</u>

# Village of Sauk Village, Illinois

## Sewerage Fund

### SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2019

---

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses			
Salaries			
Regular wages	\$ 367,414	\$ 295,185	\$ (72,229)
Part-time wages	-	4,470	4,470
Overtime	16,160	20,497	4,337
Total salaries	383,574	320,152	(63,422)
Fringe benefits	159,422	197,167	37,745
Supplies, fees and services			
Office supplies	500	-	(500)
Vehicle expense	5,000	5,176	176
Uniforms and clothing	3,000	3,868	868
Operating supplies	500	501	1
Computer software supplies	500	-	(500)
Tools and equipment	2,000	-	(2,000)
Construction supplies	2,000	1,399	(601)
Telephone	2,200	1,929	(271)
Postage	1,500	1,333	(167)
Printing	500	79	(421)
Professional development	500	-	(500)
Publications and memberships	-	-	-
Professional services	90,000	6,495	(83,505)
Computer contractual services	2,500	2,234	(266)
Other contractual services	1,500	2,101	601
Total supplies, fees and services	112,200	25,115	(87,085)

(Continued)

# Village of Sauk Village, Illinois

## Sewerage Fund

### SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2019

---

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 3,000	\$ 1,951	\$ (1,049)
Vehicle repair and maintenance	<u>3,000</u>	<u>1,423</u>	<u>(1,577)</u>
Total repairs and maintenance	<u>6,000</u>	<u>3,374</u>	<u>(2,626)</u>
Total operating expenses before depreciation	<u>661,196</u>	<u>545,808</u>	<u>(115,388)</u>
Depreciation	<u>-</u>	<u>29,842</u>	<u>29,842</u>
Total operating expenses	<u>\$ 661,196</u>	<u>\$ 575,650</u>	<u>\$ (85,546)</u>

(Concluded)

**Village of Sauk Village, Illinois**  
Pension Trust Funds  
COMBINING STATEMENT OF PLAN NET POSITION  
April 30, 2019

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	Police Pension Fund	Firefighters' Pension Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 243,293	\$ 12,950	\$ 256,243
Investments	5,140,879	17,159	5,158,038
Accrued interest	15,093	-	15,093
Other receivable	17,497	-	17,497
	5,416,762	30,109	5,446,871
<b>NET POSITION</b>			
Held in trust for pension benefits	\$ 5,416,762	\$ 30,109	\$ 5,446,871

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**Village of Sauk Village, Illinois**  
Pension Trust Funds  
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION  
For the Year Ended April 30, 2019

	<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 187,519	\$ 9,885	\$ 197,404
Members and other	<u>143,362</u>	<u>-</u>	<u>143,362</u>
Total contributions	<u>330,881</u>	<u>9,885</u>	<u>340,766</u>
Investment earnings	346,412	501	346,913
Investment expenses	<u>(20,364)</u>	<u>-</u>	<u>(20,364)</u>
Net investment earnings (losses)	<u>326,048</u>	<u>501</u>	<u>326,549</u>
Total additions	<u>656,929</u>	<u>10,386</u>	<u>667,315</u>
<b>DEDUCTIONS</b>			
Pension benefits	568,599	40,220	608,819
Refunds of contributions	120,062	-	120,062
Administrative expense	<u>21,699</u>	<u>12,144</u>	<u>33,843</u>
Total deductions	<u>710,360</u>	<u>52,364</u>	<u>762,724</u>
CHANGE IN NET POSITION	(53,431)	(41,978)	(95,409)
<b>PLAN NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
Beginning of year	<u>5,470,193</u>	<u>72,087</u>	<u>5,542,280</u>
End of year	<u>\$ 5,416,762</u>	<u>\$ 30,109</u>	<u>\$ 5,446,871</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, 2019

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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%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>1,145,000</u>	<u>28,625</u>	<u>1,173,625</u>
	<u>\$ 4,145,000</u>	<u>\$ 505,875</u>	<u>\$ 4,650,875</u>

## Village of Sauk Village, Illinois

General Obligation Capital Appreciation Bonds (Tax Increment Alternate Revenue Source) Series 2002B  
April 30, 2019

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Dated:	June 27, 2002
Original Issue:	\$4,999,356
Due:	June 1, 2022
Interest Rates:	5.65% - 5.95%

<u>Year Ending April 30,</u>	<u>Principal</u>
2020	\$ 1,220,000
2021	1,315,000
2022	1,405,000
2023	<u>1,460,000</u>
	<u>\$ 5,400,000 *</u>

\* Includes interest accretion through the bond maturity date

**Village of Sauk Village, Illinois**  
**SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS**  
**General Obligation (Alternate Revenue) Bonds Series 2007B**  
April 30, 2019

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Dated: June 6, 2007  
Original Issue: \$1,405,000  
Due: December 1, 2027  
Interest Payment Dates: June 1 and December 1  
Interest Rates: 4.00% - 5.00%

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 930,000</u>	<u>\$ 244,742</u>	<u>\$ 1,174,742</u>

**Village of Sauk Village, Illinois**  
**SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS**  
**General Obligation (Alternate Revenue) Bonds Series 2007C**  
April 30, 2019

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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 April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 535,000</u>	<u>\$ 146,950</u>	<u>\$ 681,950</u>

**Village of Sauk Village, Illinois**  
**SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS**  
**General Obligation Bonds (Alternate Revenue Source) Series 2008**  
April 30, 2019

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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 April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 8,235,000</u>	<u>\$ 3,473,984</u>	<u>\$ 11,708,984</u>

**Village of Sauk Village, Illinois**  
**SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS**  
**General Obligation Tax Increment Bonds (Alternate Revenue Source) Series 2009**  
April 30, 2019

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

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 6,510,000</u>	<u>\$ 2,323,628</u>	<u>\$ 8,833,628</u>

**Village of Sauk Village, Illinois**  
**SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS**  
**General Obligation Working Cash Bonds Series 2010**  
April 30, 2019

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

Year Ending April 30,	Principal	Interest	Total
2020	\$ <u>70,000</u>	\$ <u>3,500</u>	\$ <u>73,500</u>
	\$ <u><u>70,000</u></u>	\$ <u><u>3,500</u></u>	\$ <u><u>73,500</u></u>

**Village of Sauk Village, Illinois**

LEGAL DEBT MARGIN

April 30, 2019

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2018 Equalized Assessed Valuation (EAV)	\$ <u>78,535,990</u>	
Voted and Unvoted Debt Limit - 8.625% of EAV		\$ 6,773,729
Total Debt Outstanding	26,577,686	
Less Exempted Debt	<u>25,048,974</u>	
Net Subject to 8.625% Limit		<u>1,528,712</u>
Total Legal Voted and Unvoted Debt Margin		\$ <u><u>5,245,017</u></u>