

**Village of Sauk Village,
Illinois**

Annual Financial Report

For the Six-Month Period Ended April 30, 2013

Village of Sauk Village, Illinois
ANNUAL FINANCIAL REPORT
For the Six-Month Period Ended April 30, 2013

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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 were engaged to audit 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 six-month period ended April 30, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Firefighters' 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 and additions of the Firefighters' Pension Fund constitute all of the assets and additions of the fiduciary fund types reported herein, as of and for the period ended April 30, 2013, 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 Firefighters' Pension Fund in the Village's basic financial statements, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

(Continued)

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

Auditors' Responsibility (Continued)

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

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

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
Business-Type Activities	Unmodified
Governmental Fund - General Fund	Unmodified
Governmental Fund - Debt Service Fund	Unmodified
Governmental Fund - Sauk Pointe Industrial Park Fund	Unmodified
Governmental Fund - LogistiCenter at Sauk Village Fund	Unmodified
Enterprise Fund - Waterworks Fund	Unmodified
Enterprise Fund - Sewerage Fund	Unmodified
Aggregate Remaining Fund Information	Adverse

(Continued)

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

Basis for Adverse Opinion on Aggregate Remaining Fund Information

Management has not included the Police Pension Fund in the Village's financial statements. Accounting principles generally accepted in the United States of America require the Police Pension Fund to be presented, as a pension trust fund, in the aggregate remaining fund information financial statements. The amount by which this departure would affect the assets, liabilities, net position, additions, and deductions of the aggregate remaining fund information is not reasonably determinable, because the audit of the financial statements of the Police Pension Fund, which is being performed by other auditors, as of and for the year ended April 30, 2013, has not been completed.

Adverse Opinion

In our opinion, based on our audit and the report of the other auditors, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the Aggregate Remaining Fund Information of the Village, as of April 30, 2013, or the changes in financial position thereof for the six-month period then ended (aggregate nonmajor governmental funds) and the year then ended (fiduciary funds – pension trust funds) in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion on Governmental Activities

The Police Pension Fund has not been subject to an actuarial valuation since May 1, 2011. As a result, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Village's net pension obligation to the Police Pension Fund and the related expense (which are recorded in the Government Activities), and the adequacy of the disclosures related thereto. Consequently, we were unable to determine whether any adjustments to the related amounts and disclosures were necessary.

Qualified Opinion

In our opinion, except for the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Village, as of April 30, 2013, and the changes in financial position thereof for the six-month period then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

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

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the General Fund, the Debt Service Fund, the Sauk Pointe Industrial Park Fund, the LogistiCenter at Sauk Village Fund, the Waterworks Fund, and the Sewerage Fund, of the Village, as of April 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the six-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note A to the financial statements, beginning with the six-month period ended April 30, 2013, the Village changed its fiscal year end to April 30. Our opinion is not modified with respect to this matter.

The financial statements of the Firefighters' Pension Fund, which were audited by other auditors, are as of and for the year ended April 30, 2013, rather than for the six-month period then ended.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund and Firefighters' Pension Fund historical data on pages 68 and 69, the other postemployment benefits data on page 70, and the budgetary comparison schedules and notes to required supplementary information on pages 71 and 72, 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 auditors have applied certain limited procedures to the required supplementary information, except for those amounts related to the Police Pension Fund, as described above, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

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

Other Matters (Continued)

Required Supplementary Information (Continued)

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Sauk 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.

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

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
July 3, 2014

BASIC FINANCIAL STATEMENTS

Village of Sauk Village, Illinois
STATEMENT OF NET POSITION (DEFICIT)
April 30, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current			
Cash and cash equivalents	\$ 1,409,656	\$ -	\$ 1,409,656
Receivables, net of allowances			
Property taxes	1,676,858	-	1,676,858
Intergovernmental	424,818	-	424,818
Charges for services and other	197,439	340,522	537,961
Deposits with paying agent	8,552,311	-	8,552,311
Prepaid items	83,894	-	83,894
Noncurrent			
Internal balances	412,269	(412,269)	-
Land held for resale	1,063,822	-	1,063,822
Unamortized bond issuance costs	1,065,644	-	1,065,644
Capital assets not being depreciated	574,003	7,500	581,503
Capital assets, net of accumulated depreciation	<u>11,478,857</u>	<u>2,556,863</u>	<u>14,035,720</u>
 Total assets	 <u>26,939,571</u>	 <u>2,492,616</u>	 <u>29,432,187</u>
LIABILITIES			
Current			
Accounts payable	456,889	343,826	800,715
Accrued payroll	201,187	36,673	237,860
Accrued interest	626,201	-	626,201
Deposits payable	-	163,416	163,416
Unearned revenue	-	-	-
Due to county government	374,937	-	374,937
Other	16,386	-	16,386
Noncurrent			
Due within one year	2,798,940	30,236	2,829,176
Due in more than one year	<u>40,277,883</u>	<u>-</u>	<u>40,277,883</u>
 Total liabilities	 <u>44,752,423</u>	 <u>574,151</u>	 <u>45,326,574</u>
NET POSITION (DEFICIT)			
Investment in capital assets, net of related debt	6,958,927	2,564,363	9,523,290
Restricted by enabling legislation	11,348,066	-	11,348,066
Unrestricted	<u>(36,119,845)</u>	<u>(645,898)</u>	<u>(36,765,743)</u>
 Total net position (deficit)	 <u>\$ (17,812,852)</u>	 <u>\$ 1,918,465</u>	 <u>\$ (15,894,387)</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
STATEMENT OF ACTIVITIES
For the Six-Month Period Ended April 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities			
General government	\$ 1,544,776	\$ 318,550	\$ 1,995
Public safety	2,135,176	161,721	35,415
Public works	291,703	-	187,555
Interest	1,120,976	-	-
Total governmental activities	<u>5,092,631</u>	<u>480,271</u>	<u>224,965</u>
Business-type activities			
Waterworks	1,001,026	691,201	-
Sewerage	289,865	304,470	-
Total business-type activities	<u>1,290,891</u>	<u>995,671</u>	<u>-</u>
Total	<u>\$ 6,383,522</u>	<u>\$ 1,475,942</u>	<u>\$ 224,965</u>
		General revenues	
		Taxes	
		Intergovernmental	
		Interest	
		Miscellaneous	
		Transfers	
		Total general revenues	
		Change in net position	
		Net position (deficit) - beginning	
		Net position (deficit) - ending	

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,224,231)	\$ -	\$ (1,224,231)
(1,938,040)	-	(1,938,040)
(104,148)	-	(104,148)
<u>(1,120,976)</u>	<u>-</u>	<u>(1,120,976)</u>
<u>(4,387,395)</u>	<u>-</u>	<u>(4,387,395)</u>
-	(309,825)	(309,825)
-	14,605	14,605
<u>-</u>	<u>(295,220)</u>	<u>(295,220)</u>
<u>(4,387,395)</u>	<u>(295,220)</u>	<u>(4,682,615)</u>
4,556,007	-	4,556,007
1,192,719	-	1,192,719
1,061	-	1,061
78,675	2,244	80,919
<u>104,546</u>	<u>(104,546)</u>	<u>-</u>
<u>5,933,008</u>	<u>(102,302)</u>	<u>5,830,706</u>
1,545,613	(397,522)	1,148,091
<u>(19,358,465)</u>	<u>2,315,987</u>	<u>(17,042,478)</u>
<u>\$ (17,812,852)</u>	<u>\$ 1,918,465</u>	<u>\$ (15,894,387)</u>

Village of Sauk Village, Illinois

Governmental Funds

BALANCE SHEET

April 30, 2013

	General Fund	Debt Service Fund	Sauk Pointe Industrial Park Fund	LogistiCenter at Sauk Village Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 24,779	\$ 326,306	\$ 8,117	\$ -	\$ 1,050,454	\$ 1,409,656
Receivables, net of allowances						
Property taxes	1,358,108	-	-	-	318,750	1,676,858
Intergovernmental	406,750	-	-	-	18,068	424,818
Other	169,401	-	-	-	28,038	197,439
Deposits with paying agent	-	8,288,492	-	116,232	147,587	8,552,311
Prepaid items	83,894	-	-	-	-	83,894
Advances to other funds	484,875	-	12,609	215,341	1,540,384	2,253,209
Land held for resale	-	-	-	1,063,822	-	1,063,822
Total assets	\$ 2,527,807	\$ 8,614,798	\$ 20,726	\$ 1,395,395	\$ 3,103,281	\$ 15,662,007
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 382,095	\$ -	\$ -	\$ -	\$ 74,794	\$ 456,889
Accrued payroll	200,718	-	-	-	469	201,187
Advances from other funds	1,330,355	-	215,341	125,791	169,453	1,840,940
Unearned revenue	1,612,205	-	-	-	292,413	1,904,618
Due to county government	374,937	-	-	-	-	374,937
Other	16,386	-	-	-	-	16,386
Total liabilities	3,916,696	-	215,341	125,791	537,129	4,794,957
Fund balances (deficits)						
Nonspendable						
Deposits with paying agent	-	8,288,492	-	116,232	147,587	8,552,311
Prepaid items	83,894	-	-	-	-	83,894
Advances to other funds	484,875	-	12,609	215,341	1,540,384	2,253,209
Land held for resale	-	-	-	1,063,822	-	1,063,822
Restricted						
Railroad noise and safety improvements	249,549	-	-	-	-	249,549
Special revenue purposes	-	-	-	-	741,469	741,469
Debt service	-	326,306	-	-	-	326,306
Capital projects	-	-	-	-	283,480	283,480
Unassigned	(2,207,207)	-	(207,224)	(125,791)	(146,768)	(2,686,990)
Total fund balance (deficit)	(1,388,889)	8,614,798	(194,615)	1,269,604	2,566,152	10,867,050
Total liabilities and fund balance	\$ 2,527,807	\$ 8,614,798	\$ 20,726	\$ 1,395,395	\$ 3,103,281	\$ 15,662,007

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, 2013

Total fund balance - governmental funds \$ 10,867,050

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

Certain revenues that are unearned in the fund financial statements because they are not considered available are recognized as revenue in the government-wide financial statements. 1,904,618

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. 12,052,860

Bond issuance costs that are recorded as an expenditure in the fund financial statements are an asset that is amortized over the life of the related bonds in the government-wide financial statements. 1,065,644

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. (626,201)

Certain liabilities, including bonds payable, capital leases, premiums on bonds sold, compensated absences, net pension obligations, net other postemployment benefit obligations, and judgment liability, do not require the use of current financial resources and, therefore, are not reported as liabilities in the governmental funds. (43,076,823)

Net position (deficit) - governmental activities \$ (17,812,852)

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 Six-Month Period Ended April 30, 2013

	General Fund	Debt Service Fund	Sauk Pointe Industrial Park Fund	LogistiCenter at Sauk Village Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 1,254,597	\$ -	\$ 530,436	\$ 1,094,252	\$ 365,465	\$ 3,244,750
Licenses and permits	54,347	-	-	-	-	54,347
Charges for services	528,297	-	-	-	35,018	563,315
Utility taxes	-	-	-	-	121,598	121,598
Intergovernmental	785,191	-	-	-	178,924	964,115
Fines and forfeitures	125,113	-	-	-	-	125,113
Interest	137	240	48	3	633	1,061
Contributions and donations	1,995	-	-	-	-	1,995
Miscellaneous	75,650	3	-	-	3,022	78,675
Total revenues	2,825,327	243	530,484	1,094,255	704,660	5,154,969
Expenditures						
Current						
General government	978,040	-	-	3,500	294,433	1,275,973
Public safety	1,614,995	-	-	-	234,306	1,849,301
Public works	59,900	-	-	-	97,465	157,365
Debt service						
Principal	25,490	2,275,000	-	-	61,885	2,362,375
Interest	2,554	775,997	-	-	13,022	791,573
Total expenditures	2,680,979	3,050,997	-	3,500	701,111	6,436,587
Excess (deficiency) of revenues over expenditures	144,348	(3,050,754)	530,484	1,090,755	3,549	(1,281,618)
Other financing sources (uses)						
Transfers in	332,107	1,697,519	-	3,500	91,368	2,124,494
Transfers (out)	(3,500)	-	(563,098)	(1,134,337)	(319,013)	(2,019,948)
Total other financing sources (uses)	328,607	1,697,519	(563,098)	(1,130,837)	(227,645)	104,546
Net change in fund balances	472,955	(1,353,235)	(32,614)	(40,082)	(224,096)	(1,177,072)
Fund balances (deficits)						
Beginning of period	(1,861,844)	9,968,033	(162,001)	1,309,686	2,790,248	12,044,122
End of period	\$ (1,388,889)	\$ 8,614,798	\$ (194,615)	\$ 1,269,604	\$ 2,566,152	\$ 10,867,050

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 Six-Month Period Ended April 30, 2013

Net change in fund balances - total governmental funds \$ (1,177,072)

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. 1,378,729

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. (361,362)

Bond issuance costs are recorded as an expenditure in the fund financial statements, but the cost is recorded as an asset in the statement of net position that is amortized over the life of the related bonds. (45,132)

Premiums on bonds are recorded as other financing sources in the fund financial statements, but the premium is recorded as a liability in the statement of net position that is amortized over the life of the related bonds. 13,104

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt, consume the current financial resources of governmental funds. 1,737,346

Change in net position - governmental activities \$ 1,545,613

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Enterprise Funds

STATEMENT OF NET POSITION

April 30, 2013

	<u>Waterworks Fund</u>	<u>Sewerage Fund</u>	<u>Total</u>
ASSETS			
Current			
Receivables, net	\$ 241,721	\$ 98,801	\$ 340,522
Total current assets	<u>241,721</u>	<u>98,801</u>	<u>340,522</u>
Noncurrent			
Advances to other funds	-	437,270	437,270
Capital assets not being depreciated	7,500	-	7,500
Capital assets, net of accumulated depreciation	<u>2,051,126</u>	<u>505,737</u>	<u>2,556,863</u>
Total noncurrent assets	<u>2,058,626</u>	<u>943,007</u>	<u>3,001,633</u>
Total assets	<u>2,300,347</u>	<u>1,041,808</u>	<u>3,342,155</u>
LIABILITIES			
Current			
Accounts payable	335,735	8,091	343,826
Accrued payroll	20,141	16,532	36,673
Advances from other funds	849,539	-	849,539
Deposits	163,416	-	163,416
Noncurrent			
Due within one year	<u>14,669</u>	<u>15,567</u>	<u>30,236</u>
Total liabilities	<u>1,383,500</u>	<u>40,190</u>	<u>1,423,690</u>
NET POSITION			
Invested in capital assets, net of related debt	2,058,626	505,737	2,564,363
Unrestricted (deficit)	<u>(1,141,779)</u>	<u>495,881</u>	<u>(645,898)</u>
Total net position	<u>\$ 916,847</u>	<u>\$ 1,001,618</u>	<u>\$ 1,918,465</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
 Enterprise Funds
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION
 For the Six-Month Period Ended April 30, 2013

	Waterworks Fund	Sewerage Fund	Total
Operating revenues			
Charges for services	\$ 688,691	\$ 304,470	\$ 993,161
Meter sales	2,510	-	2,510
Miscellaneous	2,244	-	2,244
Total operating revenues	<u>693,445</u>	<u>304,470</u>	<u>997,915</u>
Operating expenses			
Operations	907,560	278,392	1,185,952
Depreciation	93,466	11,473	104,939
Total operating expenses	<u>1,001,026</u>	<u>289,865</u>	<u>1,290,891</u>
Operating income (loss)	<u>(307,581)</u>	<u>14,605</u>	<u>(292,976)</u>
Other financing sources (uses)			
Transfers in	7,500	7,500	15,000
Transfers out	(59,773)	(59,773)	(119,546)
Total other financing sources (uses)	<u>(52,273)</u>	<u>(52,273)</u>	<u>(104,546)</u>
Change in net position	(359,854)	(37,668)	(397,522)
Net position			
Beginning of period	<u>1,276,701</u>	<u>1,039,286</u>	<u>2,315,987</u>
End of period	<u>\$ 916,847</u>	<u>\$ 1,001,618</u>	<u>\$ 1,918,465</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
 Enterprise Funds
 STATEMENT OF CASH FLOWS
 For the Six-Month Period Ended April 30, 2013

	Waterworks Fund	Sewerage Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 626,241	\$ 312,090	\$ 938,331
Cash paid to suppliers	(640,561)	(19,216)	(659,777)
Cash paid to employees	(242,145)	(257,464)	(499,609)
Net cash provided by (used in) operating activities	(256,465)	35,410	(221,055)
Cash flows from noncapital financing activities			
Transfers, net	(52,273)	(52,273)	(104,546)
Changes in advances to/from other funds, net	418,738	14,017	432,755
Net cash provided by (used in) noncapital financing activities	366,465	(38,256)	328,209
Cash flows from capital financing activities			
Purchases of capital assets	(110,000)	-	(110,000)
Net change in cash and cash equivalents	-	(2,846)	(2,846)
Cash and cash equivalents			
Beginning of period	-	2,846	2,846
End of period	\$ -	\$ -	\$ -

(Continued)

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
 Enterprise Funds
 STATEMENT OF CASH FLOWS (Continued)
 For the Six-Month Period Ended April 30, 2013

	<u>Waterworks Fund</u>	<u>Sewerage Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ (307,581)	\$ 14,605	\$ (292,976)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	93,466	11,473	104,939
Decrease (increase) in assets			
Receivables	(61,357)	7,620	(53,737)
Increase (decrease) in liabilities			
Accounts payable	24,141	5,733	29,874
Compensated absences	(1,531)	(4,021)	(5,552)
Deposits	(3,603)	-	(3,603)
Net cash provided by (used in) operating activities	<u>\$ (256,465)</u>	<u>\$ 35,410</u>	<u>\$ (221,055)</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Fiduciary Fund - Firefighters' Pension Trust Fund
STATEMENT OF NET POSITION
April 30, 2013

	<u>Pension Trust Fund</u>	<u>Firefighters' Pension</u>
ASSETS		
Cash and cash equivalents	\$ 16,624	
Investments	138,781	
Accrued interest	<u>827</u>	
	<u>156,232</u>	
NET POSITION		
Held in trust for pension benefits	\$ <u>156,232</u>	

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
 Fiduciary Fund - Firefighters' Pension Trust Fund
 STATEMENT OF CHANGES IN PLAN NET POSITION
For the Twelve Months Ended April 30, 2013

	Pension Trust Fund
	Firefighters' Pension
Additions	
Contributions	
Employer	\$ 4,081
Members	5,691
Total contributions	9,772
Investment income	
Net appreciation in fair value of investments	1,393
Interest	3,667
	5,060
Less investment expenses	(656)
Net investment income	4,404
Total additions	14,176
Deductions	
Administrative expense	11,459
Total deductions	11,459
Change in net position	2,717
Net position held in trust for pension benefits	
Beginning of year	153,515
End of year	\$ 156,232

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
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April 30, 2013

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Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

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.

Beginning with the six-month period ended April 30, 2013, the Village changed its fiscal year end to April 30.

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

1. Reporting Entity

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

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

Based on the above criteria, the Village does not have any component units.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. New Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position (GASB 63), which was adopted by the Village, as of and for the six-month period ended April 30, 2013. In the government-wide financial statements, the Village is now required to report five elements on the statement of net position (formerly known as the statement of net assets), assets, deferred outflow of resources, liabilities, deferred inflows of resources, and net position (formerly known as net assets). The types of deferred outflows and inflows of resources to be reported currently consist of service concession arrangements and derivative instruments. As of April 30, 2013, the Village has no deferred outflows or deferred inflows of resources.

3. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

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

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

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

4. Basis of Presentation - Fund Accounting

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

a. Governmental Fund Types

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

- i. The *General Fund* is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.
- ii. *Special revenue funds* are used to account for the proceeds of specific revenue sources (other than debt service or capital projects) that are legally restricted to expenditures for specified purposes. The Village's special revenue funds are the Fire Protection, Motor Fuel Tax, Emergency Telephone System, Police Seizure, Working Cash, and Railroad Noise Mitigation Funds.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Presentation - Fund Accounting (Continued)

a. Governmental Fund Types (Continued)

iii. *Debt service funds* are used to account for the accumulation of resources for debt service payments. The Village's debt service funds are the Debt Service, Sauk Pointe Industrial Park, and Logisticenter at Sauk Village Funds.

iv. *Capital projects funds* are used to account for the use of resources for capital improvements. The Village's capital projects funds are the Utility Tax, Community Development Block Grant, Sauk Plaza Redevelopment Plan, SurreyBrook Plaza, and Municipal Building Funds.

b. Proprietary Fund Types

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

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

c. Fiduciary Fund Types

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

i. *Pension trust funds* are used to account for the Village's public safety employee pension funds. The Police Pension Fund (not included in this report) and the Firefighters' Pension Fund are the Village's pension trust funds.

ii. *Agency funds* are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The Flexible Benefits Fund, which had no balances at April 30, 2013, and which was closed in June 2013, was the Village's sole agency fund.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Fund Balance

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as deposits with paying agent, prepaid expenditures, advances to other funds, or land held for resale.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision making authority (the Village Board). The Village Board commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the Village removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. At April 30, 2013, 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, 2013. At April 30, 2013, 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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 property taxes as available if they are collected within 60 days of the end of the current fiscal period. A six-month availability period is used for revenue recognition, for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

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

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

The Village reports 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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Village reports the following major proprietary funds:

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village reports unearned revenue on its balance sheet. Unearned revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

7. Cash Equivalents

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Receivables

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

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

9. Investments

Investments are stated at fair value. Due to the nature of the Village's and Firefighters Pension Trust Funds' investments, fair value equals cost. Gains and losses on the sale of investments are recorded as interest income, at the date of sale or maturity.

10. 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.

11. Land Held for Resale

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Capital Assets

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

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

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

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

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

13. 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 is recorded as expenses and liabilities of that fund, as the benefits accrue to employees.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. 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. Items such as premiums, discounts, bond issuance costs and gains or losses on bond sales are capitalized and amortized over the life of the related debt.

In the governmental fund financial statements, 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 costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

15. Use of Estimates

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

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2013

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

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

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

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

Alternate revenue bonds payable	\$ 39,070,023
General obligation bonds payable	425,000
Capital leases payable	231,147
Premiums on bonds sold	423,240
Compensated absences payable	146,091
Net pension obligations	
IMRF	100,917
Police (Unaudited)	1,923,161
Firefighters'	74,135
Net other postemployment benefit obligation	512,610
Judgment liability	<u>170,499</u>
 Net total long-term liabilities not reported in governmental funds	 \$ <u>43,076,823</u>

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

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

(Continued)

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

Capital outlay	\$ -
Depreciation expense	<u>(361,362)</u>
 Net total amount by which depreciation expense exceeded capital outlay	 \$ <u><u>(361,362)</u></u>

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

Decrease in accrued interest	\$ 28,129
Interest accreted - capital appreciation bonds	(325,504)
Principal payments on alternate revenue bonds	2,225,000
Principal payments on general obligation bonds	50,000
Principal payments on capital leases	87,375
Net decrease (increases) in net pension obligations	
IMRF	(6,328)
Police (Unaudited)	(161,591)
Firefighters'	27,014
Net increase in other postemployment benefits obligation	(60,416)
Net increase in compensated absences	(16,834)
Net increase in judgment liability	<u>(109,499)</u>
 Net changes in current financial resources	 \$ <u><u>1,737,346</u></u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE C - DEPOSITS AND INVESTMENTS

1. Village Deposits and Investments

At April 30, 2013, the Village's cash and cash equivalents, excluding the pension trust funds, consisted of the following:

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 1,409,656	\$ -	\$ 1,409,656

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

	Total
Cash on hand	\$ 2,198
Deposits with financial institutions	704,636
Illinois Funds	702,822
	\$ 1,409,656

Deposits with Financial Institutions

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

Custodial risk for deposits with financial institutions is the risk that, in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. At April 30, 2013, the carrying amount of the Village's deposits was \$704,636 with bank balances totaling \$1,259,602. At April 30, 2013, all of the Village's deposits were insured or collateralized.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Village Deposits and Investments (Continued)

Investments

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

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in The Illinois Funds are valued at The Illinois Fund's share price, the price for which the investment could be sold.

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Village Deposits and Investments (Continued)

Credit risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not specifically address credit risk. As of April 30, 2013 the Illinois Funds Money Market Fund was rated AAAM by Standard & Poor's.

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

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

2. Pension Deposits, Investments, and Concentrations

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

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

a. Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits and investments - At April 30, 2013, the plan year-end of the pension fund, the carrying amount of the pension fund's deposits totaled \$16,624, and the bank balances totaled \$16,624. At April 30, 2013, the pension fund had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities - in Years		
		Less than 1	1-5	6-10
U.S. Treasury Notes	\$ 42,564	\$ 10,029	\$ 15,867	\$ 16,668
U.S. Treasury Strip	14,778	9,990	-	4,788
Federal National Mortgage Assoc.	43,571	15,127	28,444	-
Federal Home Loan Mort. Corp.	5,775	-	-	5,775
Corporate Bonds	15,434	-	15,434	-
Equity mutual funds	16,659	16,659	-	-
	<u>\$ 138,781</u>	<u>\$ 51,805</u>	<u>\$ 59,745</u>	<u>\$ 27,231</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

Custodial credit risk - deposits - At April 30, 2013, the entire amount of the bank balance of the deposits was covered by federal depository insurance. The pension fund's investment policy does not address custodial credit risk for deposits.

Custodial credit risk - Investments Money market mutual funds, and equity mutual funds are not subject to custodial credit risk. At April 30, 2013, the U.S. Government agency securities are held by the counterparty in the trust department. The pension fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the pension fund, to act as custodian for its securities and collateral.

Concentration of credit risk - This is the risk of loss attributed to the magnitude of the pension fund's investment in a single issuer. The pension fund's investment policy requires diversification of the total fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. Diversification is to be interpreted to include diversification by asset type, by characteristic, and by number of investments. Asset allocation guidelines are addressed by the pension fund's investment policy upon the Plan reaching \$2.5 million in total assets. At April 30, 2013, the Pension Fund had over 5% of plan net position invested in various agency securities. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and are backed by the issuing organization. Although agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have an implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE D - PROPERTY TAXES

Property taxes for the 2012 tax year attach, as an enforceable lien, on January 1, 2012 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, 2013 and September 1, 2013. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3% of the tax levy to reflect actual collection experience. That portion of the 2012 levy property tax receivable which is not collected within 60 days after period-end is not considered a current financial resource and is, therefore, recorded as unearned revenue.

NOTE E - DEPOSITS WITH PAYING AGENT

The Village maintains deposits with the paying agent for the payment of principal and interest maturities and premiums 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, 2013, deposits with paying agent totaling \$8,552,311 were invested in the Goldman Sachs Financial Square Federal Fund, a money market portfolio that comprises U.S. Government and U.S. Treasury securities. The Fund was rated AAAM by Standard & Poor's and Aaa-mf by Moody's as of April 30, 2013.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE F - CAPITAL ASSETS

Capital asset activity for the six-month period ended April 30, 2013 was as follows:

1. Governmental Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 574,003	\$ -	\$ -	\$ 574,003
Capital assets being depreciated				
Buildings	7,505,200	-	-	7,505,200
Machinery and equipment	2,041,823	-	-	2,041,823
Vehicles	3,585,251	-	-	3,585,251
Infrastructure	35,539,497	-	-	35,539,497
Total capital assets being depreciated	<u>48,671,771</u>	<u>-</u>	<u>-</u>	<u>48,671,771</u>
Less accumulated depreciation for				
Buildings	1,822,433	96,949	-	1,919,382
Machinery and equipment	1,864,578	83,453	-	1,948,031
Vehicles	2,407,857	83,047	-	2,490,904
Infrastructure	30,736,684	97,913	-	30,834,597
Total accumulated depreciation	<u>36,831,552</u>	<u>361,362</u>	<u>-</u>	<u>37,192,914</u>
Total capital assets, being depreciated, net	<u>11,840,219</u>	<u>(361,362)</u>	<u>-</u>	<u>11,478,857</u>
Governmental activities capital assets, net	<u>\$ 12,414,222</u>	<u>\$ (361,362)</u>	<u>\$ -</u>	<u>\$ 12,052,860</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE F - CAPITAL ASSETS (Continued)

2. Business-Type Activities

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Capital assets, being depreciated				
Buildings	51,117	-	-	51,117
Waterworks and sewerage system	6,820,994	-	-	6,820,994
Machinery and equipment	596,503	110,000	-	706,503
Vehicles	469,211	-	-	469,211
Water meters	644,961	-	-	644,961
Total capital assets, being depreciated	8,582,786	110,000	-	8,692,786
Less accumulated depreciation for				
Buildings	49,377	158	-	49,535
Waterworks and sewerage system	4,376,133	80,517	-	4,456,650
Machinery and equipment	508,721	15,822	-	524,543
Vehicles	469,211	-	-	469,211
Water meters	627,542	8,442	-	635,984
Total accumulated depreciation	6,030,984	104,939	-	6,135,923
Total capital assets, being depreciated, net	2,551,802	5,061	-	2,556,863
Business-type activities, capital assets, net	\$ 2,559,302	\$ 5,061	\$ -	\$ 2,564,363

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

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	\$ 75,726
Public safety	151,298
Public works	<u>134,338</u>

Total depreciation expense - governmental activities	\$ <u>361,362</u>
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Business – type activities:

Waterworks	\$ 93,466
Sewerage	<u>11,473</u>

Total depreciation expense - business-type activities	\$ <u>104,939</u>
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NOTE G - INTERFUND TRANSACTIONS

1. Interfund Advances

	<u>Advances to</u>	<u>Advances from</u>
General		
Sauk Pointe Industrial Park	\$ -	\$ 12,609
Nonmajor governmental	122,067	1,269,495
Waterworks	362,808	-
Sewerage	<u>-</u>	<u>48,251</u>
Total General	<u>484,875</u>	<u>1,330,355</u>
Sauk Pointe Industrial Park		
General	12,609	-
Logisticcenter at Sauk Village	<u>-</u>	<u>215,341</u>
Total Sauk Pointe Industrial Park	<u>12,609</u>	<u>215,341</u>

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE G - INTERFUND TRANSACTIONS (Continued)

1. Interfund Advances (Continued)

	<u>Advances to</u>	<u>Advances from</u>
Logisticenter at Sauk Village		
Sauk Pointe Industrial Park	\$ 215,341	\$ -
Nonmajor governmental	<u>-</u>	<u>125,791</u>
Total Logisticenter at Sauk Village	<u>215,341</u>	<u>125,791</u>
Nonmajor governmental		
General	1,269,495	122,067
Logisticenter at Sauk Village	125,791	-
Nonmajor governmental	47,386	47,386
Waterworks	<u>97,712</u>	<u>-</u>
Total nonmajor governmental	<u>1,540,384</u>	<u>169,453</u>
Total governmental funds	<u>2,253,209</u>	<u>1,840,940</u>
Waterworks		
General	-	362,808
Nonmajor governmental	-	97,712
Sewerage	<u>-</u>	<u>389,019</u>
Total Waterworks	<u>-</u>	<u>849,539</u>
Sewerage		
General	48,251	-
Waterworks	<u>389,019</u>	<u>-</u>
Total Sewerage	<u>437,270</u>	<u>-</u>
Total enterprise funds	<u>437,270</u>	<u>849,539</u>
Total all funds	2,690,479	2,690,479
Less amounts eliminated during GASB 34 conversion	<u>(2,278,210)</u>	<u>(2,278,210)</u>
Total government-wide internal balances	<u>\$ 412,269</u>	<u>\$ 412,269</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE G - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers

	<u>Transfers in</u>	<u>Transfers out</u>
General		
Sauk Pointe Industrial Park	\$ 20,548	\$ -
Logisticcenter at Sauk Village	40,086	3,500
Nonmajor Governmental	151,927	-
Waterworks	59,773	-
Sewerage	59,773	-
	<u>332,107</u>	<u>3,500</u>
Debt Service		
Sauk Pointe Industrial Park	542,550	-
Logisticcenter at Sauk Village	1,094,251	-
Working Cash	60,718	-
	<u>1,697,519</u>	<u>-</u>
Sauk Pointe Industrial Park		
General	-	20,548
Debt Service	-	542,550
	<u>-</u>	<u>563,098</u>
Logisticcenter at Sauk Village		
General	3,500	40,086
Debt Service	-	1,094,251
	<u>3,500</u>	<u>1,134,337</u>

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE G - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers (Continued)

	<u>Transfers in</u>	<u>Transfers out</u>
Nonmajor governmental		
General	\$ -	\$ 151,927
Debt Service	-	60,718
Nonmajor governmental	91,368	91,368
Waterworks	-	7,500
Sewerage	-	7,500
	<u>91,368</u>	<u>319,013</u>
Total nonmajor governmental		
	<u>2,124,494</u>	<u>2,019,948</u>
Waterworks		
General	-	59,773
Nonmajor governmental	7,500	-
	<u>7,500</u>	<u>59,773</u>
Total Waterworks		
	<u>7,500</u>	<u>59,773</u>
Sewerage		
General	-	59,773
Nonmajor governmental	7,500	-
	<u>7,500</u>	<u>59,773</u>
Total Sewerage		
	<u>7,500</u>	<u>59,773</u>
Total enterprise funds	<u>15,000</u>	<u>119,546</u>
Total all funds	2,139,494	2,139,494
Less amounts eliminated during GASB 34 conversion	<u>(2,034,948)</u>	<u>(2,034,948)</u>
Total government-wide transfers	<u>\$ 104,546</u>	<u>\$ 104,546</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE H - RISK MANAGEMENT

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

NOTE I - 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 six-month period ended April 30, 2013:

	Beginning Balance	Additions/ Accretion	Retirements	Ending Balance	Due Within One Year
Alternate revenue bonds	\$ 40,969,519	\$ 325,504	\$ 2,225,000	\$ 39,070,023	\$ 2,412,495
General obligation bonds	475,000	-	50,000	425,000	55,000
Unamortized bond premium	436,344	-	13,104	423,240	26,208
Capital leases	318,522	-	87,375	231,147	91,647
Compensated absences	129,257	146,091	129,257	146,091	146,091
Judgment liability	61,000	124,100	14,601	170,499	67,499
Net OPEB obligation	452,194	122,743	62,327	512,610	-
Net pension obligations					
IMRF	94,589	93,817	87,489	100,917	-
Police	1,761,570	240,346	78,755	1,923,161	-
Firefighters'	101,149	23,777	50,791	74,135	-
 Total governmental activities	 <u>\$ 44,799,144</u>	 <u>\$ 1,076,378</u>	 <u>\$ 2,798,699</u>	 <u>\$ 43,076,823</u>	 <u>\$ 2,798,940</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE I - LONG-TERM LIABILITIES (Continued)

1. Changes in Long-Term Liabilities (Continued)

The following is a summary of the Village's long-term liability balances and transactions associated with business-type activities, for the six-month period ended April 30, 2013:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Compensated absences	\$ 35,788	\$ 30,236	\$ 35,788	\$ 30,236	\$ 30,236

2. Long-Term Debt - Terms and Maturities

Alternate revenue bonds payable at April 30, 2013 are comprised of the following individual issues:

<p>\$9,755,000 general obligation tax increment refunding bonds (alternate revenue source) series 2002A, payable in annual installments ranging from \$530,000 to \$1,055,000 through December 1, 2021, with a final installment of \$1,145,000 due on June 1, 2022; interest is payable on June 1 and December 1 at rates ranging from 5.00% to 5.35%.</p>	\$ 8,380,000
<p>\$4,999,356 general obligation capital appreciation bonds (tax increment alternate revenue source) series 2002B, payable in annual installments ranging from \$815,000 to \$1,405,000 through December 1, 2021, with a final installment of \$1,460,000 due on June 1, 2022. Interest rates ranging from 5.00% to 5.95%. Interest accreted through April 30, 2013 totaled \$3,530,985.</p>	8,076,233
<p>\$5,201,610 general obligation capital appreciation (alternate revenue) bonds series 2007A, payable in annual installments ranging from \$685,000 to \$690,000 through December 1, 2018. Interest rates ranging from 3.95% to 4.30%. Interest accreted through April 30, 2013 totaled \$724,888.</p>	3,578,790
<p>\$1,405,000 general obligation (alternate revenue) bonds series 2007B, payable in annual installments ranging from \$40,000 to \$140,000 through December 1, 2027; interest is payable on June 1 and December 1 at rates ranging from 3.95% to 5.00%.</p>	1,245,000
<p>\$810,000 general obligation (alternate revenue) bonds series 2007C, payable in annual installments ranging from \$25,000 to \$80,000 through December 1, 2027; interest is payable June 1 and December 1 at rates ranging from 3.90% to 5.00%.</p>	720,000

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 1 - LONG-TERM LIABILITIES (Continued)

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

\$9,500,000 general obligation bonds (alternate revenue source) series 2008, payable in annual installments ranging from \$185,000 to \$1,470,000 through December 1, 2028; interest is payable June 1 and December 1 at rates ranging from 5.40% to 7.25%. \$ 9,365,000

\$8,000,000 general obligation tax increment bonds (alternate revenue source) series 2009, payable in annual installments ranging from \$60,000 to \$1,105,000 through December 1, 2028, with a final installment of \$985,000 due on April 1, 2029; interest is payable semiannually through December 1, 2028 at rates ranging from 4.30% to 7.50%, with a final payment due on April 1, 2029 at 4.75%. 7,705,000

Total alternate revenue bonds \$ 39,070,023

General obligation bonds payable at April 30, 2013 are comprised of the following individual issue:

\$574,000 general obligation working cash bonds series 2010, payable in annual installments ranging from \$55,000 to \$70,000 through February 1, 2020; interest is payable on February 1 and August 1 at rates ranging from 4.10% to 5.00%. \$ 425,000

\$ 39,495,023

The future requirements to retire the alternate revenue and general obligation bonds outstanding, as of April 30, 2013 are as follows:

Period Ending April 30,	Principal	Interest	Total
2014	\$ 2,467,495	\$ 1,572,497	\$ 4,039,992
2015	2,546,073	1,582,717	4,128,790
2016	2,665,134	1,592,660	4,257,794
2017	2,668,742	1,600,182	4,268,924
2018	2,650,402	1,614,668	4,265,070
2019-2023	11,972,177	7,560,506	19,532,683
2024-2028	11,360,000	2,670,398	14,030,398
2029	<u>3,165,000</u>	<u>182,900</u>	<u>3,347,900</u>
	<u>\$ 39,495,023</u>	<u>\$ 18,376,528</u>	<u>\$ 57,871,551</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE I - LONG-TERM LIABILITIES (Continued)

3. Bond Ordinance Compliance

The Village is required to maintain certain minimum balances, in deposits with the paying agent, for debt service and other purposes, in accordance with the applicable bond ordinances. For the six-month period ended April 30, 2013, 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, 2013, are as follows:

<u>Debt Issue</u>	<u>Pledged Revenue Source</u>	<u>Pledge Remaining</u>	<u>Commitment End Date</u>
2002A & 2002B	TIF revenue - LogistiCenter TIF	\$ 22,124,040	6/1/2022
2007A	Impact fees/property taxes	4,130,000	12/1/2018
2007B	911 and wireless surcharges - ETS Fund	1,793,233	12/1/2027
2007C	Property taxes - Fire Protection Fund	1,050,185	12/1/2027
2008	TIF revenue - LogistiCenter TIF	16,132,355	12/1/2028
2009	TIF revenue - LogistiCenter TIF	12,131,498	4/1/2029

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE I - LONG-TERM LIABILITIES (Continued)

4. Revenues Pledged for Debt Service (Continued)

A comparison of the pledged revenues collected and the related principal and interest expenditure for the six-month period ended April 30, 2013 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	\$ 1,094,242	\$ 2,199,910	201.04%
2007A	Impact fees	-	685,000	N/A
2007B	911/wireless surcharge	23,009	68,368	297.14%
2007C	Property taxes	260,782	37,000	14.19%

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

5. Capital Lease Obligations

The Village leases vehicles under capital leases, which expire in February 2016. The annual lease payments, including interest at 4.89%, are \$28,044 and \$74,907. The original cost of the leased assets, of \$597,785, and accumulated depreciation, of \$267,052, as of April 30, 2013, are included under vehicles in the governmental activities capital assets. Minimum future lease payments are as follows:

<u>Years Ending April 30,</u>	
2014	\$ 102,951
2015	74,907
2016	74,907
Total minimum lease payments	<u>252,765</u>
Less amount representing interest	<u>21,618</u>
Present value of minimum lease payments	231,147
Less current portion	91,647
Long-term portion	<u><u>\$ 139,500</u></u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE I - LONG-TERM LIABILITIES (Continued)

6. Judgment Liability

There are several pending lawsuits in which the Village is involved. The Village has accrued \$170,499, at April 30, 2013, in the governmental activities statement of net position, related to settlement payments that occurred subsequent to period-end. Management believes that all other potential claims against the Village that are not accrued at April 30, 2013 and are not covered by insurance would not have a materially adverse effect on the Village's financial position.

NOTE J - RESTRICTIONS OF NET POSITION

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

<u>Net position restricted for:</u>	<u>Amount</u>
Road improvements	\$ 233,493
Public safety	1,047,594
Emergency 911 services	36,813
Debt service	
Tax incremental financing	9,703,843
Other	<u>326,323</u>
Total net position restricted by enabling legislation	<u>\$ 11,348,066</u>

NOTE K - FUND BALANCES RESTRICTED FOR SPECIAL REVENUE PURPOSES

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

<u>Fund balance restricted for:</u>	<u>Amount</u>
Fire protection	\$ 710,926
Police seizure	19,146
Working cash	<u>11,397</u>
Total fund balance restricted for special revenue purposes	<u>\$ 741,469</u>

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE L - NONSPENDABLE FUND BALANCES - DEPOSITS WITH PAYING AGENT

The governmental funds balance sheet reports nonspendable fund balances for deposits with paying agent. 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, are remitted directly by the County Treasurer 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, 2013, \$2,150,811 was held for the 2002A and 2002B bonds, \$1,426,853 was held for the 2008 bonds, and \$1,013,711 was held for the 2009 bonds. \$ 4,591,375

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. 3,697,100

General Account - may be distributed upon the request of the Village for the following purposes; 1) to purchase, redeem or defease the Parity Bonds, 2) to pay, reimburse or provide for payment of redevelopment costs or any expenditure permitted under the Tax Increment Financing Act or 3) to distribute surplus funds to taxing districts as defined by the Tax Increment Financing Act. 91,651

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. 24,581

Total amounts restricted in relation to tax incremental financing districts 8,404,707

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2013

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

Restricted in relation to other long-term obligations:

Deposits with paying agent for debt service

Series 2007A bonds	\$	11
Series 2007B bonds		68,372
Series 2007C bonds		37,002
Series 2010 bonds		<u>42,219</u>
	\$	<u><u>8,552,311</u></u>

NOTE M - DEFICIT FUND BALANCES

At April 30, 2013, the following funds have deficit fund balances:

Fund	Deficit
General	\$ 1,388,889
Sauk Point Industrial Park Fund	194,615
Nonmajor	
Railroad Noise Mitigation	25,201
Municipal Building	13,043

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE N - DEFINED BENEFIT PENSION PLANS

1. Illinois Municipal Retirement Fund

a. Plan Description

The Village's defined benefit pension plan for regular and Sheriff's Law Enforcement Personnel (SLEP) employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The Village plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent, multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

b. Funding Policy

As set by state statute, the Village's regular and SLEP plan members are required to contribute 4.5 and 7.5 percent, respectively, of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rates for calendar year 2012 used by the Village were 11.14 percent and 0.00 percent of annual covered payroll for regular and SLEP employees, respectively. The Village's annual required contribution rates for calendar year 2012 were 13.41 percent and 12.96 percent, for regular and SLEP employees, respectively. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

c. Fiscal IMRF Pension Cost and Net IMRF Pension Obligation

The Village's annual IMRF pension cost is calculated based on the annual required contribution (ARC) of the Village. The following table shows the components of the Village's annual IMRF pension cost, the amount actually contributed to the plan, and changes in the Village's net IMRF pension obligation, for the six-month period ended April 30, 2013.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

1. Illinois Municipal Retirement Fund (Continued)

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

	Regular Employees	SLEP Employees
Annual required contribution	\$ 86,724	\$ -
Interest on net IMRF pension obligation	7,094	-
Adjustment to annual required contribution	(5,072)	-
	88,746	-
Annual IMRF cost	88,746	-
Contributions made	82,418	-
	6,328	-
Increase in IMRF pension obligation	6,328	-
Net IMRF pension obligation, at November 1, 2012	94,589	-
	\$ 100,917	\$ -
Net IMRF pension obligation, at April 30, 2013	\$ 100,917	\$ -

d. Annual Pension Cost

For the six-month period ended April 30, 2013, the Village's actual contributions for pension cost were \$82,418 and \$0 for regular and SLEP employees, respectively. Its required contributions were \$86,724 and \$0, respectively.

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the Village's regular and SLEP plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30-year basis.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

1. Illinois Municipal Retirement Fund (Continued)

d. Annual Pension Cost (Continued)

Trend Information				
<u>Regular Employees</u>				
Period Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
4/30/13	\$ 88,746	93%	\$	100,917
10/31/12	182,819	82%		94,589
10/31/11	146,379	79%		61,406
<u>SLEP Employees</u>				
Period Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
4/30/13	\$ -	0%	\$	-
10/31/12	-	0%		-
10/31/11	-	0%		-

e. Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the regular and SLEP plans were 50.68 percent and 105.63 percent funded, respectively. The actuarial accrued liabilities for benefits were \$2,586,143 and \$97,257, and the actuarial values of assets were \$1,310,732 and \$102,737 for the regular and SLEP plans, respectively, resulting in an underfunded actuarial accrued liability (UAAL) for the regular plan of \$1,275,411 and an overfunded actuarial accrued liability (OAAL) for the SLEP plan of \$5,480. The covered payrolls for calendar year 2012 (annual payroll of active employees covered by the plans) were \$1,318,986 and \$0 for the regular and SLEP plans, respectively, and the ratio of the UAAL to the covered payroll was 97 percent for the regular plan. There is no ratio of the OAAL to the covered payroll for the SLEP plan.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan

a. Plan Description

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

At April 30, 2013, the Firefighters' Pension Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	-
Deferred plan members	1
Active plan members	<u>1</u>
Total plan membership	<u><u>2</u></u>

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

a. Plan Description (Continued)

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

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

b. Summary of Significant Accounting Policies and Plan Asset Matters

i. Reporting Entity

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

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

i. Reporting Entity (Continued)

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

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

ii. Basis of Presentation

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

iii. Measurement Focus and Basis of Accounting

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

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

iii. Measurement Focus and Basis of Accounting (Continued)

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

iv. Investments

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

v. Short-term Interfund Receivables and Payables

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

c. Funding Policy and Annual Pension Cost

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

For the year ended April 30, 2013, the Village's annual pension cost was \$23,777. Actual contributions made by the Village were \$4,081. The information presented was determined as part of the actuarial valuation as of April 30, 2013, the most recent actuarial information available.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

c. Funding Policy and Annual Pension Cost (Continued)

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

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

Annual required contribution	\$	22,270
Interest on net pension obligation		3,811
Adjustment to annual required contribution		<u>(2,304)</u>
Annual pension cost		23,777
Contributions made		<u>4,081</u>
Increase in net pension obligation		19,696
Net pension obligation as of November 1, 2012		101,149
Adjustment to net pension obligation		<u>(46,710)</u>
Net pension obligation as of April 30, 2013	\$	<u><u>74,135</u></u>

d. Three-Year Trend Information

Period Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
4/30/13	\$ 23,777	17.2%	\$ 74,135
10/31/12	33,790	7.1%	101,149
10/31/11	33,790	30.2%	69,754

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

3. Police Pension Plan (Unaudited)

a. Net Pension Obligation

The Village's net pension obligation as of April 30, 2013, and its annual pension cost for the six-month period then ended, for the Police Pension Fund, were estimated based on the fund's most recent actuarial valuation (May 1, 2011) and are as follows:

Annual required contribution	\$	232,704
Interest on net pension obligation		28,577
Adjustment to annual required contribution		<u>(20,935)</u>
Annual pension cost		240,346
Contributions made		<u>78,755</u>
Increase in net pension obligation		161,591
Net pension obligation as of November 1, 2012		<u>1,761,570</u>
Net pension obligation as of April 30, 2013	\$	<u><u>1,923,161</u></u>

b. Three-Year Trend Information

<u>Period Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
4/30/13	\$ 240,346	32.8%	\$ 1,923,161
10/31/12	480,691	39.7%	1,761,570
10/31/11	480,691	34.6%	1,471,740

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE O - OTHER POSTEMPLOYMENT BENEFITS

1. Plan Description

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

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

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

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

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

2. Funding Policy

The contribution requirements of the plan members and the Village are established and may be amended by the Village Board and are detailed in the "Plan Document". The required contribution is based on projected pay-as-you-go financing requirements. For the six-month period ended April 30, 2013, the Village contributed \$62,327 to the Plan. Plan members receiving benefits were not required to make any contributions during the same period.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE O - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Annual OPEB Cost and Net OPEB Obligation

The Village's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's estimated annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's estimated net OPEB obligation to the retiree health plan:

Annual required contribution	\$	119,490
Interest on net OPEB obligation		11,167
Adjustment to annual required contribution		<u>(7,914)</u>
Annual OPEB cost		122,743
Contributions made		<u>62,327</u>
Increase in net OPEB obligation		60,416
Net OPEB obligation beginning of period		<u>452,194</u>
Net OPEB obligation end of period	\$	<u><u>512,610</u></u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the six-month period ended April 30, 2013 and the two preceding fiscal years were as follows:

<u>Period</u> <u>Ended</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Percentage</u> <u>Annual OPEB</u> <u>Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
4/30/13	\$ 122,743	50.8%	\$ 512,610
10/31/12	299,407	49.6%	452,194
10/31/11	302,252	49.1%	301,141

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE O - OTHER POSTEMPLOYMENT BENEFITS (Continued)

4. Funding Status and Funding Progress

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

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

5. Methods and Assumptions

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

The following simplifying assumptions were made:

Contribution rates:	
Village	N/A
Plan members	0.00%
Actuarial valuation date	November 1, 2012
Actuarial cost method	Entry age normal
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE O - OTHER POSTEMPLOYMENT BENEFITS (Continued)

5. Methods and Assumptions (Continued)

Actuarial assumptions:

Investment rate of return*	5.00%
Projected salary increases	5.00%
Healthcare inflation rate	8.00% initial 6.00% ultimate

Mortality, Turnover, Disability, Retirement Ages	Same rate utilized for IMRF, Police and Firefighter Pension Funds
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Percentage of active employees assumed to elect benefit	100%
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Employer provided benefit	Explicit: 100% of single premium to age 65
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	Implicit: 40% of premium to age 65
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*Includes inflation at 3.00%

NOTE P - CONTINGENCIES AND COMMITMENTS

1. Water Supply Contamination

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

2. Grants

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE Q - SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 3, 2014, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than the following, have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

1. Capital Lease

On October 4, 2013, the Village entered into a capital lease agreement for the purchase of six police vehicles. The lease agreement requires four annual lease payments of \$44,649, including interest at 5.7%, beginning on October 4, 2013.

2. IEPA Loan

In January 2014, the Village entered into a \$4,868,923 loan agreement with the Illinois Environmental Protection Agency, to finance water treatment plant improvements. The agreement requires semiannual payments of principal, plus interest at 1.995%, over a twenty-year term, commencing on August 1, 2015.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Village of Sauk Village, Illinois
 Illinois Municipal Retirement Fund
 SCHEDULES OF FUNDING PROGRESS
April 30, 2013

Regular Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 1,310,732	\$ 2,586,143	\$ 1,275,411	50.68 %	\$ 1,318,986	96.70 %
12/31/11	1,348,475	2,842,679	1,494,204	47.44	1,165,547	128.20
12/31/10	1,682,513	2,721,637	1,039,124	61.82	1,461,639	71.09

On a market value basis, the actuarial value of assets as of December 31, 2012 was \$1,438,048. On a market basis, the funded ratio would be 55.61%

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

SLEP Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Overfunded AAL (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	OAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 102,737	\$ 97,257	\$ (5,480)	105.63 %	-	N/A %
12/31/11	96,967	87,833	(9,134)	110.40	-	N/A
12/31/10	93,338	89,671	(3,667)	104.09	-	N/A

On a market value basis, the actuarial value of assets as of December 31, 2012 was \$104,826. On a market basis, the funded ratio would be 107.78%

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

Village of Sauk Village, Illinois
 Firefighters' Pension Fund
 SCHEDULE OF FUNDING PROGRESS
April 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/13	\$ 160,715	\$ 480,147	\$ 319,432	33.47%	% \$ 60,570	527.38 %
4/30/12	N/A	N/A	N/A	N/A	N/A	N/A
4/30/11	146,209	324,628	178,419	45.04%	60,498	294.92
4/30/10	N/A	N/A	N/A	N/A	N/A	N/A
4/30/09	108,511	208,209	99,698	52.12%	137,297	72.61
4/30/08	N/A	N/A	N/A	N/A	N/A	N/A

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

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

The information presented above is the most recent available.

Village of Sauk Village, Illinois
 Other Postemployment Benefits
 SCHEDULE OF FUNDING PROGRESS
April 30, 2013

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

N/A - Not Available

* Estimated

The Village implemented GASB 45 in its fiscal period ended October 31, 2010. Actuarial valuations are required to be performed biennially. No valuation was performed as of October 31, 2011; Accordingly, funding progress information as of that date has been estimated.

The information presented above is the most recent available.

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND DEFICIT - BUDGET AND ACTUAL

For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 1,239,425	\$ 1,254,597	\$ 15,172
Licenses and permits	68,520	54,347	(14,173)
Charges for services	336,331	528,297	191,966
Intergovernmental	734,827	785,191	50,364
Fines and forfeitures	120,000	125,113	5,113
Interest	250	137	(113)
Contributions and donations	-	1,995	1,995
Miscellaneous	22,500	75,650	53,150
Total revenues	<u>2,521,853</u>	<u>2,825,327</u>	<u>303,474</u>
Expenditures			
Current			
General government	1,167,505	978,040	(189,465)
Public safety	1,684,400	1,614,995	(69,405)
Public works	64,342	59,900	(4,442)
Debt service			
Principal	25,490	25,490	-
Interest	2,560	2,554	(6)
Total expenditures	<u>2,944,297</u>	<u>2,680,979</u>	<u>(263,318)</u>
Deficiency of revenues over expenditures	<u>(422,444)</u>	<u>144,348</u>	<u>566,792</u>
Other financing sources (uses)			
Transfers in	328,750	332,107	3,357
Transfers (out)	-	(3,500)	(3,500)
Total other financing sources (uses)	<u>328,750</u>	<u>328,607</u>	<u>(143)</u>
Net change in fund balance	<u>\$ (93,694)</u>	472,955	<u>\$ 566,649</u>
Fund deficit			
Beginning of period		<u>(1,861,844)</u>	
End of period		<u>\$ (1,388,889)</u>	

Village of Sauk Village, Illinois
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2013

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, Sauk Pointe Industrial Park Fund, LogistiCenter at Sauk Village Fund, Waterworks Fund, Sewerage Fund, Fire Protection Fund, Motor Fuel Tax Fund, Emergency Telephone System Fund, Police Seizure Fund, Working Cash Fund, Utility Tax Fund, Community Development Block Grant Fund, Railroad Noise Mitigation Fund, Sauk Plaza Redevelopment Plan Fund, and the SurreyBrook Plaza Fund. The Village also adopted appropriations for the Parks Improvement Fund, which is not reported because it has no assets, liabilities, fund balances, revenues, expenditures, or other financing sources or uses. Annual appropriations lapse at period-end. The Village did not prepare an appropriation for fiscal period 2013 for 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 six-month period ended April 30, 2013, was taken by the Village Board on October 23, 2012.
5. The Board may subsequently transfer appropriated amounts to other appropriations, but may not increase overall appropriation of an individual fund without the passage of a supplemental appropriation.
6. The legal level of budgetary control is at the fund level.

NOTE B - EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds had an excess of expenditures over appropriations, for the six month period ended April 30, 2013:

<u>Fund</u>	<u>Variance</u>
Fire Protection Fund	\$ 21,528
Emergency Telephone System Fund	1,918
Sauk Plaza Redevelopment Plan Fund	128,577

OTHER SUPPLEMENTARY INFORMATION

Village of Sauk Village, Illinois
 General Fund
 SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
 For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 1,239,425	\$ 1,254,597	\$ 15,172
Licenses and permits			
Business licenses	50,000	26,236	(23,764)
Liquor licenses	6,320	3,000	(3,320)
Vending machine licenses	700	30	(670)
Vehicle licenses	5,000	8,583	3,583
Animal licenses	500	630	130
Building permits	5,000	6,903	1,903
Other permits and licenses	-	615	615
Building occupation and inspection	1,000	8,350	7,350
Total licenses and permits	68,520	54,347	(14,173)
Charges for services			
Utility tax	265,000	262,504	(2,496)
Cable TV franchise fees	41,781	44,168	2,387
Police reports	1,300	1,590	290
Garbage collection fee	11,250	65,489	54,239
Rental income	13,000	153,546	140,546
Other	4,000	1,000	(3,000)
Total charges for services	336,331	528,297	191,966

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)

For the Six-Month Period Ended April 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues (Continued)			
Intergovernmental			
Replacement taxes	\$ 17,200	\$ 19,020	\$ 1,820
State income taxes	459,250	503,291	44,041
Municipal sales taxes	222,500	218,834	(3,666)
Welch Park donations	500	-	(500)
COPS grant	26,000	34,183	8,183
Other state grants	-	10,600	10,600
Bullet proof vest grant	750	-	(750)
Youth access to tobacco	1,000	(737)	(1,737)
IDOT step grant	7,627	-	(7,627)
	<u>734,827</u>	<u>785,191</u>	<u>50,364</u>
Fines and forfeitures			
Police fines	45,000	51,245	6,245
Administrative court	-	(2,822)	(2,822)
Tow release fines	75,000	76,670	1,670
Other fees	-	20	20
	<u>120,000</u>	<u>125,113</u>	<u>5,113</u>
Total fines and forfeitures	<u>120,000</u>	<u>125,113</u>	<u>5,113</u>
Interest	<u>250</u>	<u>137</u>	<u>(113)</u>
Contributions and donations	<u>-</u>	<u>1,995</u>	<u>1,995</u>
Miscellaneous	<u>22,500</u>	<u>75,650</u>	<u>53,150</u>
Total revenues	<u>\$ 2,521,853</u>	<u>\$ 2,825,327</u>	<u>\$ 303,474</u>

(Concluded)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures			
General government			
Finance and administration			
Regular employee wages	\$ 66,317	\$ 67,171	\$ 854
Fringe benefits	33,995	28,529	(5,466)
Office supplies	5,000	2,841	(2,159)
Vehicle expense	700	1,536	836
Computer software supplies	7,500	4,100	(3,400)
Telephone	3,500	2,647	(853)
Postage	2,500	2,192	(308)
Insurance	327,808	273,458	(54,350)
Printing	1,500	1,678	178
Equipment repair and maintenance	2,000	1,954	(46)
Publications and memberships	500	442	(58)
Professional services	373,870	396,919	23,049
Computer contractual services	5,000	4,952	(48)
Public information	750	77	(673)
Other rents and leases	-	498	498
Other contractual services	8,500	49,211	40,711
Refunds	50,250	520	(49,730)
Property tax objections	140,000	-	(140,000)
Contingency	40,000	-	(40,000)
Total finance and administration	<u>1,069,690</u>	<u>838,725</u>	<u>(230,965)</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
General government (Continued)			
Elected officials			
Public official wages	\$ 44,000	\$ 33,125	\$ (10,875)
Fringe benefits	3,366	2,534	(832)
Telephone	1,250	1,533	283
Printing	1,000	3,321	2,321
Publications and memberships	2,500	8,006	5,506
Public information	-	715	715
Public relations committee	500	1,957	1,457
Beautification/improvement commission	500	250	(250)
Fire and police commission	2,500	2,850	350
Senior citizens committee	750	589	(161)
Other contractual services	1,000	33,270	32,270
	<u>57,366</u>	<u>88,150</u>	<u>30,784</u>
Total elected officials			
Community development			
Regular employee wages	25,272	35,696	10,424
Fringe benefits	15,177	15,469	292
	<u>40,449</u>	<u>51,165</u>	<u>10,716</u>
Total community development			
	<u>1,167,505</u>	<u>978,040</u>	<u>(189,465)</u>
Total general government			

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Six-Month Period Ended April 30, 2013

Expenditures (Continued)	Original and Final Budget	Actual	Variance Over / (Under)
Public safety			
Police department			
Employee wages	\$ 783,095	\$ 688,620	\$ (94,475)
Part-time wages	-	4,070	4,070
Overtime	80,000	125,442	45,442
Fringe benefits	303,156	223,177	(79,979)
Pension contributions	-	78,755	78,755
Office supplies	4,000	2,654	(1,346)
Vehicle expense	35,000	29,444	(5,556)
Uniforms and clothing	34,000	34,305	305
Facility maintenance supplies	500	247	(253)
Operating supplies	6,000	6,213	213
Computer software supplies	2,500	5,478	2,978
Tools and equipment	1,500	1,234	(266)
Construction supplies	500	-	(500)
Other materials and supplies	500	147	(353)
Telephone	20,000	30,199	10,199
Postage	3,000	4,058	1,058
K-9	-	11,500	11,500
Printing	2,000	1,299	(701)
Equipment repair and maintenance	15,000	12,381	(2,619)
Vehicle repair and maintenance	15,000	38,222	23,222
Facility maintenance	-	827	827
Organization business expense	250	971	721
Professional development	3,500	1,654	(1,846)
Publications and memberships	2,000	521	(1,479)
Professional services	20,000	31,591	11,591
Computer contractual services	3,500	8,536	5,036
Intergovernmental services	-	45	45
Other rents and leases	-	831	831
Other contractual services	35,000	1,600	(33,400)
Refunds	2,500	-	(2,500)
Total police department	<u>1,372,501</u>	<u>1,344,021</u>	<u>(28,480)</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Six-Month Period Ended April 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (Continued)			
Public safety (Continued)			
Emergency Service and Disaster Agency			
Part-time wages	\$ 15,000	\$ 15,664	\$ 664
Fringe benefits	1,148	1,198	50
Office supplies	200	-	(200)
Vehicle expense	3,500	5,083	1,583
Uniforms and clothing	350	1,256	906
Facility maintenance supplies	50	108	58
Operating supplies	250	515	265
Tools and equipment	100	-	(100)
Telephone	1,400	1,421	21
Equipment repair and maintenance	1,000	680	(320)
Vehicle repair and maintenance	2,000	250	(1,750)
Organization business expense	100	80	(20)
Professional development	500	-	(500)
Publications and memberships	100	-	(100)
Computer contractual services	100	-	(100)
	<u>25,798</u>	<u>26,255</u>	<u>457</u>
Dispatch			
Regular wages	163,058	138,886	(24,172)
Overtime	12,000	22,053	10,053
Fringe benefits	92,343	69,552	(22,791)
Office supplies	500	-	(500)
Uniforms	7,100	7,088	(12)
Computer software supplies	600	1,178	578
Telephone	7,000	5,771	(1,229)
Computer contractual services	3,500	191	(3,309)
	<u>286,101</u>	<u>244,719</u>	<u>(41,382)</u>
Total public safety	<u>1,684,400</u>	<u>1,614,995</u>	<u>(69,405)</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
Public works			
Public grounds and buildings			
Vehicle expense	\$ 5,000	\$ 11,468	\$ 6,468
Uniforms and clothing	100	-	(100)
Facility maintenance supplies	3,500	3,721	221
Operating supplies	300	-	(300)
Computer software supplies	300	596	296
Tools and equipment	1,000	9	(991)
Construction supplies	2,000	-	(2,000)
Telephone	6,000	523	(5,477)
Utilities	9,000	7,015	(1,985)
Equipment repair and maintenance	1,800	6,773	4,973
Vehicle repair and maintenance	700	-	(700)
Facility maintenance	10,000	15,440	5,440
Publications and memberships	-	253	253
Other rents and leases	500	-	(500)
Other contractual services	1,000	1,804	804
	<hr/>	<hr/>	<hr/>
Total public grounds and buildings	41,200	47,602	6,402
	<hr/>	<hr/>	<hr/>
Streets			
Vehicle expense	6,000	5,945	(55)
	<hr/>	<hr/>	<hr/>
Total streets	6,000	5,945	(55)
	<hr/>	<hr/>	<hr/>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
	<u>Budget</u>	<u>Actual</u>	<u>(Under)</u>
Expenditures (Continued)			
Public works (Continued)			
Parks and playgrounds			
Part-time wages	\$ 5,720	\$ 3,856	\$ (1,864)
Fringe benefits	438	295	(143)
Office supplies	200	-	(200)
Operating supplies	1,000	809	(191)
Other materials and supplies	500	157	(343)
Telephone	200	168	(32)
Utilities	300	224	(76)
Postage	100	-	(100)
Printing	100	-	(100)
Other contractual services	-	844	844
Construction	8,584	-	(8,584)
	<u>17,142</u>	<u>6,353</u>	<u>(10,789)</u>
Total parks and playgrounds			
	<u>17,142</u>	<u>6,353</u>	<u>(10,789)</u>
Total public works	<u>64,342</u>	<u>59,900</u>	<u>(4,442)</u>
Debt service			
Principal	25,490	25,490	-
Interest	2,560	2,554	(6)
	<u>28,050</u>	<u>28,044</u>	<u>(6)</u>
Total debt service			
	<u>28,050</u>	<u>28,044</u>	<u>(6)</u>
Total expenditures	<u>\$ 2,944,297</u>	<u>\$ 2,680,979</u>	<u>\$ (263,318)</u>

(Concluded)

Village of Sauk Village, Illinois

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL

For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Interest	\$ -	\$ 240	\$ 240
Miscellaneous	-	3	3
Total revenues	<u>-</u>	<u>243</u>	<u>243</u>
Expenditures			
Debt service			
Principal	2,275,000	2,275,000	-
Interest	975,577	775,997	(199,580)
Total expenditures	<u>3,250,577</u>	<u>3,050,997</u>	<u>(199,580)</u>
Deficiency of revenues over expenditures	<u>(3,250,577)</u>	<u>(3,050,754)</u>	<u>199,823</u>
Other financing sources			
Transfers in	<u>1,788,585</u>	<u>1,697,519</u>	<u>(91,066)</u>
Total other financing sources	<u>1,788,585</u>	<u>1,697,519</u>	<u>(91,066)</u>
Net change in fund balance	<u>\$ (1,461,992)</u>	<u>(1,353,235)</u>	<u>\$ 108,757</u>
Fund balance			
Beginning of period		<u>9,968,033</u>	
End of period		<u>\$ 8,614,798</u>	

Village of Sauk Village, Illinois
 Sauk Pointe Industrial Park Fund
 SCHEDULE OF REVENUES AND CHANGES IN
 FUND DEFICIT - BUDGET AND ACTUAL
 For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 450,000	\$ 530,436	\$ 80,436
Interest	-	48	48
Total revenues	<u>450,000</u>	<u>530,484</u>	<u>80,484</u>
Other financing uses			
Transfers out	<u>(450,000)</u>	<u>(563,098)</u>	<u>(113,098)</u>
Total other financing uses	<u>(450,000)</u>	<u>(563,098)</u>	<u>(113,098)</u>
Net change in fund balance	<u>\$ -</u>	(32,614)	<u>\$ (32,614)</u>
Fund deficit			
Beginning of period		<u>(162,001)</u>	
End of period		<u>\$ (194,615)</u>	

Village of Sauk Village, Illinois

LogistiCenter at Sauk Village Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL

For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 945,000	\$ 1,094,252	\$ 149,252
Interest	-	3	3
Total revenues	<u>945,000</u>	<u>1,094,255</u>	<u>149,255</u>
Expenditures			
Current			
General government	<u>50,000</u>	<u>3,500</u>	<u>(46,500)</u>
Total expenditures	<u>50,000</u>	<u>3,500</u>	<u>(46,500)</u>
Excess of revenues over expenditures	<u>895,000</u>	<u>1,090,755</u>	<u>195,755</u>
Other financing sources (uses)			
Transfers in	-	3,500	3,500
Transfers (out)	<u>(895,000)</u>	<u>(1,134,337)</u>	<u>(239,337)</u>
Total other financing sources (uses)	<u>(895,000)</u>	<u>(1,130,837)</u>	<u>(235,837)</u>
Net change in fund balance	<u>\$ -</u>	<u>(40,082)</u>	<u>\$ (40,082)</u>
Fund balance			
Beginning of period		<u>1,309,686</u>	
End of period		<u>\$ 1,269,604</u>	

Village of Sauk Village, Illinois
 Nonmajor Governmental Funds
 COMBINING BALANCE SHEET
 For the Six-Month Period Ended April 30, 2013

	Special Revenue Funds			
	Fire Protection	Motor Fuel Tax	Emergency Telephone System	Police Seizure
ASSETS				
Cash and cash equivalents	\$ 783,051	\$ -	\$ -	\$ 19,146
Receivables				
Property taxes	297,199	-	-	-
Intergovernmental	-	18,068	-	-
Other	-	-	-	-
Deposit with paying agent	37,000	-	68,368	-
Advances to other funds	-	85,462	-	-
	<u>-</u>	<u>85,462</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,117,250</u>	<u>\$ 103,530</u>	<u>\$ 68,368</u>	<u>\$ 19,146</u>
LIABILITIES				
Accounts payable	\$ 19,424	\$ 47,651	\$ -	\$ -
Accrued payroll	469	-	-	-
Advances from other funds	57,018	47,386	31,555	-
Unearned revenue	292,413	-	-	-
	<u>369,324</u>	<u>95,037</u>	<u>31,555</u>	<u>-</u>
Total liabilities	<u>369,324</u>	<u>95,037</u>	<u>31,555</u>	<u>-</u>
FUND BALANCE (DEFICIT)				
Nonspendable				
Advances	-	85,462	-	-
Deposits with paying agent	37,000	-	68,368	-
Restricted				
Special revenue	710,926	-	-	19,146
Capital projects	-	-	-	-
Unassigned	-	(76,969)	(31,555)	-
	<u>-</u>	<u>(76,969)</u>	<u>(31,555)</u>	<u>-</u>
Total fund balance (deficit)	<u>747,926</u>	<u>8,493</u>	<u>36,813</u>	<u>19,146</u>
Total liabilities and fund balances	<u>\$ 1,117,250</u>	<u>\$ 103,530</u>	<u>\$ 68,368</u>	<u>\$ 19,146</u>

Special Revenue Funds			Capital Projects Funds		
Working Cash	Railroad Noise Mitigation	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ 10,246	\$ -	\$ 812,443	\$ -	\$ 79,902	\$ 31,419
1,151	-	298,350	-	-	-
-	-	18,068	-	-	-
-	-	-	28,038	-	-
42,219	-	147,587	-	-	-
530,596	-	616,058	614,389	145,098	-
<u>\$ 584,212</u>	<u>\$ -</u>	<u>\$ 1,892,506</u>	<u>\$ 642,427</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>
\$ -	\$ 4,750	\$ 71,825	\$ -	\$ -	\$ -
-	-	469	-	-	-
-	20,451	156,410	-	-	-
-	-	292,413	-	-	-
-	25,201	521,117	-	-	-
530,596	-	616,058	614,389	145,098	-
42,219	-	147,587	-	-	-
11,397	-	741,469	-	-	-
-	-	-	28,038	79,902	31,419
-	(25,201)	(133,725)	-	-	-
584,212	(25,201)	1,371,389	642,427	225,000	31,419
<u>\$ 584,212</u>	<u>\$ -</u>	<u>\$ 1,892,506</u>	<u>\$ 642,427</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>

(Continued)

Village of Sauk Village, Illinois
 Nonmajor Governmental Funds
 COMBINING BALANCE SHEET (Continued)
 For the Six-Month Period Ended April 30, 2013

	Capital Projects Funds			Total Nonmajor Governmental Funds
	SurreyBrook Plaza	Municipal Building	Total Capital Projects	
ASSETS				
Cash and cash equivalents	\$ 126,690	\$ -	\$ 238,011	\$ 1,050,454
Receivables				
Property taxes	20,400	-	20,400	318,750
Intergovernmental	-	-	-	18,068
Other	-	-	28,038	28,038
Deposit with paying agent	-	-	-	147,587
Advances to other funds	164,839	-	924,326	1,540,384
Total assets	\$ 311,929	\$ -	\$ 1,210,775	\$ 3,103,281
LIABILITIES				
Accounts payable	\$ 2,969	\$ -	\$ 2,969	\$ 74,794
Accrued payroll	-	-	-	469
Advances from other funds	-	13,043	13,043	169,453
Unearned revenue	-	-	-	292,413
Total liabilities	2,969	13,043	16,012	537,129
FUND BALANCE (DEFICIT)				
Nonspendable				
Advances	164,839	-	924,326	1,540,384
Deposits with paying agent	-	-	-	147,587
Restricted				
Special revenue	-	-	-	741,469
Capital projects	144,121	-	283,480	283,480
Unassigned	-	(13,043)	(13,043)	(146,768)
Total fund balance (deficit)	308,960	(13,043)	1,194,763	2,566,152
Total liabilities and fund balances	\$ 311,929	\$ -	\$ 1,210,775	\$ 3,103,281

(Concluded)

Village of Sauk Village, Illinois

Nonmajor Governmental Funds

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

For the Six-Month Period Ended April 30, 2013

	Special Revenue Funds			
	Fire Protection	Motor Fuel Tax	Emergency Telephone System	Police Seizure
Revenues				
Property taxes	\$ 260,782	\$ -	\$ -	\$ -
Charges for services	12,009	-	23,009	-
Utility taxes	-	-	-	-
Intergovernmental	1,969	126,955	-	-
Interest	-	30	-	-
Miscellaneous	90	120	-	2,812
Total revenues	274,850	127,105	23,009	2,812
Expenditures				
Current				
General government	-	-	-	-
Public safety	232,128	-	1,918	260
Public works	-	83,215	-	-
Debt service				
Principal	61,885	-	-	-
Interest	13,022	-	-	-
Total expenditures	307,035	83,215	1,918	260
Excess (deficiency) of revenues over expenditures	(32,185)	43,890	21,091	2,552
Other financing sources (uses)				
Transfers in	-	50,000	41,368	-
Transfers out	(34,427)	(27,500)	-	-
Total other financing sources (uses)	(34,427)	22,500	41,368	-
Net change in fund balance	(66,612)	66,390	62,459	2,552
Fund balance (deficit)				
Beginning of period	814,538	(57,897)	(25,646)	16,594
End of period	\$ 747,926	\$ 8,493	\$ 36,813	\$ 19,146

Special Revenue Funds			Capital Projects Funds		
Working Cash	Railroad Noise Mitigation	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ 39,391	\$ -	\$ 300,173	\$ -	\$ -	\$ -
-	-	35,018	-	-	-
-	-	-	121,598	-	-
-	-	128,924	-	50,000	-
477	-	507	-	-	36
-	-	3,022	-	-	-
<u>39,868</u>	<u>-</u>	<u>467,644</u>	<u>121,598</u>	<u>50,000</u>	<u>36</u>
-	-	-	1,146	-	278,677
-	-	234,306	-	-	-
-	14,250	97,465	-	-	-
-	-	61,885	-	-	-
-	-	13,022	-	-	-
<u>-</u>	<u>14,250</u>	<u>406,678</u>	<u>1,146</u>	<u>-</u>	<u>278,677</u>
<u>39,868</u>	<u>(14,250)</u>	<u>60,966</u>	<u>120,452</u>	<u>50,000</u>	<u>(278,641)</u>
-	-	91,368	-	-	-
<u>(60,718)</u>	<u>-</u>	<u>(122,645)</u>	<u>(91,368)</u>	<u>(50,000)</u>	<u>(25,000)</u>
<u>(60,718)</u>	<u>-</u>	<u>(31,277)</u>	<u>(91,368)</u>	<u>(50,000)</u>	<u>(25,000)</u>
<u>(20,850)</u>	<u>(14,250)</u>	<u>29,689</u>	<u>29,084</u>	<u>-</u>	<u>(303,641)</u>
<u>605,062</u>	<u>(10,951)</u>	<u>1,341,700</u>	<u>613,343</u>	<u>225,000</u>	<u>335,060</u>
<u>\$ 584,212</u>	<u>\$ (25,201)</u>	<u>\$ 1,371,389</u>	<u>\$ 642,427</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>

(Continued)

Village of Sauk Village, Illinois

Nonmajor Governmental Funds

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

For the Six-Month Period Ended April 30, 2013

	Capital Projects Funds			Total Nonmajor Governmental Funds
	SurreyBrook Plaza	Municipal Building	Total Capital Projects	
Revenues				
Property taxes	\$ 65,292	\$ -	\$ 65,292	\$ 365,465
Charges for services	-	-	-	35,018
Utility taxes	-	-	121,598	121,598
Intergovernmental	-	-	50,000	178,924
Interest	90	-	126	633
Miscellaneous	-	-	-	3,022
Total revenues	65,382	-	237,016	704,660
Expenditures				
Current				
General government	14,610	-	294,433	294,433
Public safety	-	-	-	234,306
Public works	-	-	-	97,465
Debt service				
Principal	-	-	-	61,885
Interest	-	-	-	13,022
Total expenditures	14,610	-	294,433	701,111
Excess (deficiency) of revenues over expenditures	50,772	-	(57,417)	3,549
Other financing sources (uses)				
Transfers in	-	-	-	91,368
Transfers out	(30,000)	-	(196,368)	(319,013)
Total other financing sources (uses)	(30,000)	-	(196,368)	(227,645)
Net change in fund balance	20,772	-	(253,785)	(224,096)
Fund balance (deficit)				
Beginning of period	288,188	(13,043)	1,448,548	2,790,248
End of period	\$ 308,960	\$ (13,043)	\$ 1,194,763	\$ 2,566,152

(Concluded)

Village of Sauk Village, Illinois

Fire Protection Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL

For the Six-Month Period Ended April 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Property taxes	\$ 299,720	\$ 260,782	\$ (38,938)
Charges for services	11,000	12,009	1,009
Intergovernmental	35,000	1,969	(33,031)
Miscellaneous	1,000	90	(910)
	<u>346,720</u>	<u>274,850</u>	<u>(71,870)</u>
Expenditures			
Current			
Public safety			
Regular wages	61,965	65,484	3,519
Part-time wages	53,750	62,094	8,344
Fringe benefits	21,153	20,977	(176)
Pension contributions	-	2,566	2,566
Office supplies	4,050	8,373	4,323
Vehicle expense	6,200	6,732	532
Uniforms and clothing	3,000	2,576	(424)
Facility maintenance supplies	1,000	1,155	155
Operating supplies	500	159	(341)
Computer software supplies	150	866	716
Tools and equipment	6,000	2,415	(3,585)
Other materials and supplies	700	895	195
Telephone	4,000	1,095	(2,905)
Utilities	1,250	1,841	591
Postage	125	115	(10)
Printing	250	55	(195)
Equipment repair and maintenance	4,000	3,424	(576)
Vehicle repair and maintenance	5,000	12,035	7,035
Facility maintenance	500	577	77
Organization business expense	300	129	(171)
Professional development	5,000	6,584	1,584
Publications and memberships	750	960	210
Professional services	2,000	795	(1,205)

(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 Six-Month Period Ended April 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (continued)			
Current (continued)			
Public safety (continued)			
Computer contractual services	\$ 1,500	\$ -	\$ (1,500)
Intergovernmental services	3,000	3,000	-
Public information	500	1,564	1,064
Other contractual services	<u>35,755</u>	<u>25,662</u>	<u>(10,093)</u>
Total public safety	<u>222,398</u>	<u>232,128</u>	<u>9,730</u>
Debt service			
Principal	61,885	61,885	-
Interest	<u>13,115</u>	<u>13,022</u>	<u>(93)</u>
Total debt service	<u>75,000</u>	<u>74,907</u>	<u>(93)</u>
Total expenditures	<u>297,398</u>	<u>307,035</u>	<u>9,637</u>
Excess of revenues over expenditures	49,322	(32,185)	(81,507)
Other financing uses			
Transfer (out)	<u>(49,000)</u>	<u>(34,427)</u>	<u>14,573</u>
Net change in fund balance	<u>\$ 322</u>	(66,612)	<u>\$ (66,934)</u>
Fund balance			
Beginning of period		<u>814,538</u>	
End of period		<u>\$ 747,926</u>	

(Concluded)

Village of Sauk Village, Illinois

Motor Fuel Tax Fund

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

For the Six-Month Period Ended April 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Intergovernmental	\$ 132,550	\$ 126,955	\$ (5,595)
Interest	100	30	(70)
Miscellaneous	-	120	120
Total revenues	<u>132,650</u>	<u>127,105</u>	<u>(5,545)</u>
Expenditures			
Current			
Public works			
Operating supplies	22,500	21,616	(884)
Construction supplies	18,000	9,571	(8,429)
Utilities	17,000	15,769	(1,231)
Equipment repair and maintenance	3,700	1,769	(1,931)
Professional services	25,000	19,708	(5,292)
Contractual services	3,500	2,560	(940)
Construction	-	12,222	12,222
Contingency	35,450	-	(35,450)
Total public works	<u>125,150</u>	<u>83,215</u>	<u>(41,935)</u>
Capital outlay	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total expenditures	<u>325,150</u>	<u>83,215</u>	<u>(241,935)</u>
Deficiency of revenues over expenditures	<u>(192,500)</u>	<u>43,890</u>	<u>236,390</u>
Other financing sources (uses)			
Transfer in	200,000	50,000	(150,000)
Transfer out	<u>(27,500)</u>	<u>(27,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>172,500</u>	<u>22,500</u>	<u>(150,000)</u>
Net change in fund balance	<u>\$ (20,000)</u>	66,390	<u>\$ 86,390</u>
Fund balance (deficit)			
Beginning of period		<u>(57,897)</u>	
End of period		<u>\$ 8,493</u>	

Village of Sauk Village, Illinois

Emergency Telephone System Fund

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

For the Six-Month Period Ended April 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Charges for services			
911 surcharge	\$ 40,000	\$ 23,009	\$ (16,991)
Total revenues	<u>40,000</u>	<u>23,009</u>	<u>(16,991)</u>
Expenditures			
Current			
Public safety			
Equipment repair and maintenance	-	1,918	1,918
Total expenditures	<u>-</u>	<u>1,918</u>	<u>1,918</u>
Excess of revenues over expenditures	<u>40,000</u>	<u>21,091</u>	<u>(18,909)</u>
Other financing sources (uses)			
Transfer in	-	41,368	41,368
Transfer (out)	<u>(27,000)</u>	<u>-</u>	<u>27,000</u>
Net change in fund balance	<u>\$ 13,000</u>	62,459	<u>\$ 49,459</u>
Fund balance (deficit)			
Beginning of period		<u>(25,646)</u>	
End of period		<u>\$ 36,813</u>	

Village of Sauk Village, Illinois

Police Seizure Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Miscellaneous	\$ 10,000	\$ 2,812	\$ (7,188)
Total revenues	<u>10,000</u>	<u>2,812</u>	<u>(7,188)</u>
Expenditures			
Current			
Public safety			
Contingency	<u>29,101</u>	<u>260</u>	<u>(28,841)</u>
Total expenditures	<u>29,101</u>	<u>260</u>	<u>(28,841)</u>
Deficiency of revenues over expenditures	<u>(19,101)</u>	<u>2,552</u>	<u>21,653</u>
Net change in fund balance	\$ <u>(19,101)</u>	2,552	\$ <u>21,653</u>
Fund balance			
Beginning of period		<u>16,594</u>	
End of period		\$ <u>19,146</u>	

Village of Sauk Village, Illinois

Working Cash Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 42,750	\$ 39,391	\$ (3,359)
Interest	-	477	477
Total revenues	<u>42,750</u>	<u>39,868</u>	<u>(2,882)</u>
Other financing uses			
Transfer out	<u>(42,750)</u>	<u>(60,718)</u>	<u>(17,968)</u>
Total other financing uses	<u>(42,750)</u>	<u>(60,718)</u>	<u>(17,968)</u>
Net change in fund balance	\$ <u>-</u>	(20,850)	\$ <u>(20,850)</u>
Fund balance			
Beginning of period		<u>605,062</u>	
End of period		\$ <u>584,212</u>	

Village of Sauk Village, Illinois
Railroad Noise Mitigation Fund
SCHEDULE OF DETAILED EXPENDITURES AND CHANGES IN
FUND DEFICIT - BUDGET AND ACTUAL
For the Six-Month Period Ended April 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures			
Current			
Public works			
Professional services	\$ 259,000	\$ 11,715	\$ (247,285)
Construction	<u>-</u>	<u>2,535</u>	<u>2,535</u>
Total public works	<u>259,000</u>	<u>14,250</u>	<u>(244,750)</u>
Change in fund balance	<u>\$ (259,000)</u>	(14,250)	<u>\$ (244,750)</u>
Fund deficit			
Beginning of period		<u>(10,951)</u>	
End of period		<u>\$ (25,201)</u>	

Village of Sauk Village, Illinois

Utility Tax Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For the Six-Month Period Ended April 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Utility taxes	\$ 150,000	\$ 121,598	\$ (28,402)
Total revenues	<u>150,000</u>	<u>121,598</u>	<u>(28,402)</u>
Expenditures			
Current			
General government			
Contingency	<u>-</u>	<u>1,146</u>	<u>1,146</u>
Total general government	<u>-</u>	<u>1,146</u>	<u>1,146</u>
Capital outlay	<u>22,000</u>	<u>-</u>	<u>(22,000)</u>
Total expenditures	<u>22,000</u>	<u>1,146</u>	<u>(20,854)</u>
Excess of revenues over expenditures	128,000	120,452	(7,548)
Other financing uses			
Transfer out	<u>(91,368)</u>	<u>(91,368)</u>	<u>-</u>
Net change in fund balance	<u>\$ 36,632</u>	29,084	<u>\$ (7,548)</u>
Fund balance			
Beginning of period		<u>613,343</u>	
End of period		<u>\$ 642,427</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 Six-Month Period Ended April 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Intergovernmental	\$ 200,000	\$ 50,000	\$ (150,000)
Other financing uses			
Transfer out	<u>(200,000)</u>	<u>(50,000)</u>	<u>150,000</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance			
Beginning of period		<u>225,000</u>	
End of period		<u>\$ 225,000</u>	

Village of Sauk Village, Illinois

Sauk Plaza Redevelopment Plan Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL

For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Interest	\$ 100	\$ 36	\$ (64)
Total revenues	<u>100</u>	<u>36</u>	<u>(64)</u>
Expenditures			
General government			
Professional services	-	2,652	2,652
Other contractual services	150,100	-	(150,100)
Return of TIF surplus	-	276,025	276,025
Total expenditures	<u>150,100</u>	<u>278,677</u>	<u>128,577</u>
Other financing uses			
Transfer out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	\$ <u><u>(175,000)</u></u>	(303,641)	\$ <u><u>(128,641)</u></u>
Fund balance			
Beginning of period		<u>335,060</u>	
End of period		\$ <u><u>31,419</u></u>	

Village of Sauk Village, Illinois

SurreyBrook Plaza Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL

For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 65,250	\$ 65,292	\$ 42
Interest	-	90	90
Total revenues	<u>65,250</u>	<u>65,382</u>	<u>132</u>
Expenditures			
General government			
Professional services	<u>70,000</u>	<u>14,610</u>	<u>(55,390)</u>
Total expenditures	<u>70,000</u>	<u>14,610</u>	<u>(55,390)</u>
Other financing uses			
Transfer out	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (34,750)</u>	20,772	<u>\$ 55,522</u>
Fund balance			
Beginning of period		<u>288,188</u>	
End of period		<u>\$ 308,960</u>	

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ 725,000	\$ 688,691	\$ (36,309)
Meter sales	2,500	2,510	10
Miscellaneous	<u>2,071</u>	<u>2,244</u>	<u>173</u>
Total revenues	<u>\$ 729,571</u>	<u>\$ 693,445</u>	<u>\$ (36,126)</u>

Village of Sauk Village, Illinois
Waterworks Fund
SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL
For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses			
Salaries			
Regular wages	\$ 170,211	\$ 150,419	\$ (19,792)
Overtime	25,000	11,206	(13,794)
Total salaries	<u>195,211</u>	<u>161,625</u>	<u>(33,586)</u>
Fringe benefits	<u>92,938</u>	<u>78,989</u>	<u>(13,949)</u>
Supplies, fees and services			
Office supplies	250	-	(250)
Vehicle expense	11,000	10,624	(376)
Uniforms and clothing	2,000	230	(1,770)
Facility maintenance supplies	1,500	317	(1,183)
Operating supplies	30,000	29,919	(81)
Computer software supplies	200	-	(200)
Tools and equipment	3,000	4,568	1,568
Construction supplies	25,000	35,066	10,066
Other materials and supplies	250	24	(226)
Telephone	4,500	5,526	1,026
Utilities	40,000	24,082	(15,918)
Postage	4,000	4,584	584
Printing	2,000	588	(1,412)
Professional development	1,300	98	(1,202)
Publications and memberships	200	155	(45)
Professional services	35,000	205,909	170,909
Computer contractual services	3,000	2,457	(543)
Intergovernmental services	2,500	1,195	(1,305)
Public information	1,500	-	(1,500)
Other rents and leases	1,000	-	(1,000)
Other contractual services	689,500	306,270	(383,230)
Refunds	-	16,179	16,179
Total supplies, fees and services	<u>857,700</u>	<u>647,791</u>	<u>(209,909)</u>

(Continued)

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL (Continued)

For the Six-Month Period Ended April 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 6,000	\$ 13,752	\$ 7,752
Vehicle repair and maintenance	3,500	2,971	(529)
Facility repair and maintenance	<u>2,000</u>	<u>2,432</u>	<u>432</u>
Total repairs and maintenance	<u>11,500</u>	<u>19,155</u>	<u>7,655</u>
Capital outlay			
Construction	<u>65,000</u>	<u>-</u>	<u>(65,000)</u>
Total capital outlay	<u>65,000</u>	<u>-</u>	<u>(65,000)</u>
Total operating expenses before depreciation	<u>1,222,349</u>	<u>907,560</u>	<u>(314,789)</u>
Depreciation	<u>-</u>	<u>93,466</u>	<u>93,466</u>
Total operating expenses	<u>\$ 1,222,349</u>	<u>\$ 1,001,026</u>	<u>\$ (221,323)</u>

(Concluded)

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ <u>327,500</u>	\$ <u>304,470</u>	\$ <u>(23,030)</u>
Total revenues	\$ <u><u>327,500</u></u>	\$ <u><u>304,470</u></u>	\$ <u><u>(23,030)</u></u>

Village of Sauk Village, Illinois
Sewerage Fund
SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL
For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses			
Salaries			
Regular wages	\$ 213,411	\$ 159,739	\$ (53,672)
Overtime	15,000	11,270	(3,730)
Total salaries	<u>228,411</u>	<u>171,009</u>	<u>(57,402)</u>
Fringe benefits	<u>101,738</u>	<u>82,434</u>	<u>(19,304)</u>
Supplies, fees and services			
Office supplies	250	154	(96)
Vehicle expense	4,000	3,278	(722)
Uniforms and clothing	1,800	96	(1,704)
Operating supplies	500	99	(401)
Computer software supplies	300	-	(300)
Tools and equipment	600	1,116	516
Construction supplies	6,000	1,859	(4,141)
Telephone	750	745	(5)
Postage	2,000	500	(1,500)
Printing	1,000	1,168	168
Professional development	1,000	-	(1,000)
Publications and memberships	100	-	(100)
Professional services	1,250	7,257	6,007
Computer contractual services	1,300	2,172	872
Intergovernmental services	250	-	(250)
Other rents and leases	1,500	-	(1,500)
Other contractual services	<u>1,300</u>	<u>668</u>	<u>(632)</u>
Total supplies, fees and services	<u>23,900</u>	<u>19,112</u>	<u>(4,788)</u>

(Continued)

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL (Continued)

For the Six-Month Period Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 2,000	\$ 51	\$ (1,949)
Vehicle repair and maintenance	<u>2,000</u>	<u>5,786</u>	<u>3,786</u>
Total repairs and maintenance	<u>4,000</u>	<u>5,837</u>	<u>1,837</u>
Capital outlay			
Major tools and work equipment	42,000	-	(42,000)
Construction	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Total capital outlay	<u>67,000</u>	<u>-</u>	<u>(67,000)</u>
Total operating expenses before depreciation	<u>425,049</u>	<u>278,392</u>	<u>(146,657)</u>
Depreciation	<u>-</u>	<u>11,473</u>	<u>11,473</u>
Total operating expenses	<u>\$ 425,049</u>	<u>\$ 289,865</u>	<u>\$ (135,184)</u>

(Concluded)

Village of Sauk Village, Illinois
 Fiduciary Fund
 Agency Fund - Flexible Benefits Fund
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 For the Six-Month Period Ended April 30, 2013

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balances</u>
ASSETS				
Cash	\$ <u>8,431</u>	\$ <u>1,183</u>	\$ <u>9,614</u>	\$ <u>-</u>
LIABILITIES				
Due to employees	\$ <u>8,431</u>	\$ <u>1,183</u>	\$ <u>9,614</u>	\$ <u>-</u>

Village of Sauk Village, Illinois
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Tax Increment Refunding Bonds Series 2002A
April 30, 2013

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

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 530,000	\$ 424,928	\$ 954,928
2015	650,000	396,572	1,046,572
2016	685,000	361,798	1,046,798
2017	715,000	326,862	1,041,862
2018	755,000	290,756	1,045,756
2019	900,000	252,250	1,152,250
2020	945,000	207,250	1,152,250
2021	1,000,000	160,000	1,160,000
2022	1,055,000	110,000	1,165,000
2023	1,145,000	28,625	1,173,625
	<u>\$ 8,380,000</u>	<u>\$ 2,559,041</u>	<u>\$ 10,939,041</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Capital Appreciation Bonds (Tax Increment Alternate Revenue Source) Series 2002B
April 30, 2013

Dated: June 27, 2002
 Original Issue: \$4,999,356
 Due: June 1, 2022
 Interest Rates: 5.00% - 5.95%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 774,613	\$ 40,387	\$ 815,000
2015	779,872	85,128	865,000
2016	789,554	135,446	925,000
2017	794,436	190,564	985,000
2018	806,255	253,745	1,060,000
2019	812,560	322,440	1,135,000
2020	820,494	399,506	1,220,000
2021	829,186	485,814	1,315,000
2022	832,668	572,332	1,405,000
2023	836,595	623,405	1,460,000
	<u>\$ 8,076,233</u>	<u>\$ 3,108,767</u>	<u>\$ 11,185,000</u>

Village of Sauk Village, Illinois
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Capital Appreciation (Alternate Revenue) Bonds Series 2007A
April 30, 2013

Dated: June 6, 2007
 Original Issue: \$5,201,610
 Due: December 1, 2018
 Interest Rates: 3.95% - 4.30%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 662,882	\$ 27,118	\$ 690,000
2015	636,201	53,799	690,000
2016	605,580	79,420	685,000
2017	584,306	105,694	690,000
2018	559,147	130,853	690,000
2019	<u>530,674</u>	<u>154,326</u>	<u>685,000</u>
	<u>\$ 3,578,790</u>	<u>\$ 551,210</u>	<u>\$ 4,130,000</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation (Alternate Revenue) Bonds Series 2007B
April 30, 2013

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

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 40,000	\$ 55,196	\$ 95,196
2015	45,000	53,616	98,616
2016	50,000	51,838	101,838
2017	55,000	49,862	104,862
2018	60,000	47,690	107,690
2019	65,000	45,290	110,290
2020	75,000	42,690	117,690
2021	80,000	39,690	119,690
2022	85,000	36,370	121,370
2023	95,000	32,842	127,842
2024	100,000	28,900	128,900
2025	110,000	24,750	134,750
2026	120,000	19,250	139,250
2027	125,000	13,250	138,250
2028	140,000	7,000	147,000
	<u>\$ 1,245,000</u>	<u>\$ 548,234</u>	<u>\$ 1,793,234</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation (Alternate Revenue) Bonds Series 2007C
April 30, 2013

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

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 25,000	\$ 33,220	\$ 58,220
2015	25,000	32,246	57,246
2016	30,000	31,270	61,270
2017	30,000	30,100	60,100
2018	35,000	28,900	63,900
2019	40,000	27,500	67,500
2020	40,000	25,900	65,900
2021	45,000	24,300	69,300
2022	50,000	22,500	72,500
2023	55,000	20,000	75,000
2024	60,000	17,250	77,250
2025	65,000	14,250	79,250
2026	65,000	11,000	76,000
2027	75,000	7,750	82,750
2028	80,000	4,000	84,000
	<u>\$ 720,000</u>	<u>\$ 330,186</u>	<u>\$ 1,050,186</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Bonds (Alternate Revenue Source) Series 2008
April 30, 2013

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%

Year Ending April 30,	Principal	Interest	Total
2014	\$ 185,000	\$ 582,548	\$ 767,548
2015	165,000	569,136	734,136
2016	175,000	557,172	732,172
2017	230,000	544,486	774,486
2018	215,000	527,810	742,810
2019	160,000	512,222	672,222
2020	210,000	500,622	710,622
2021	185,000	485,398	670,398
2022	150,000	475,408	625,408
2023	220,000	467,008	687,008
2024	1,295,000	454,358	1,749,358
2025	1,470,000	378,600	1,848,600
2026	1,355,000	290,400	1,645,400
2027	1,075,000	207,746	1,282,746
2028	1,110,000	141,632	1,251,632
2029	1,165,000	72,812	1,237,812
	<u>\$ 9,365,000</u>	<u>\$ 6,767,358</u>	<u>\$ 16,132,358</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Tax Increment Bonds (Alternate Revenue Source) Series 2009
April 30, 2013

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>
2014	\$ 195,000	\$ 389,414	\$ 584,414
2015	190,000	374,790	564,790
2016	275,000	360,540	635,540
2017	200,000	339,914	539,914
2018	155,000	324,914	479,914
2019	180,000	313,290	493,290
2020	105,000	299,790	404,790
2021	60,000	291,914	351,914
2022	165,000	289,334	454,334
2023	65,000	282,240	347,240
2024	815,000	279,444	1,094,444
2025	885,000	244,400	1,129,400
2026	675,000	205,460	880,460
2027	635,000	175,084	810,084
2028	1,105,000	145,874	1,250,874
2029	2,000,000	110,088	2,110,088
	<u>\$ 7,705,000</u>	<u>\$ 4,426,490</u>	<u>\$ 12,131,490</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Working Cash Bonds Series 2010
April 30, 2013

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

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 55,000	\$ 19,686	\$ 74,686
2015	55,000	17,430	72,430
2016	55,000	15,176	70,176
2017	60,000	12,700	72,700
2018	65,000	10,000	75,000
2019	65,000	6,750	71,750
2020	70,000	3,500	73,500
	<u>\$ 425,000</u>	<u>\$ 85,242</u>	<u>\$ 510,242</u>

Village of Sauk Village, Illinois

LEGAL DEBT MARGIN

April 30, 2013

2012 Equalized Assessed Valuation (EAV)	\$ <u>77,640,585</u>	
Voted and Unvoted Debt Limit - 8.625% of EAV		\$ 6,696,500
Total Debt Outstanding	39,726,170	
Less Exempted Debt	<u>39,301,170</u>	
Net Subject to 8.625% Limit		<u>425,000</u>
Total Legal Voted and Unvoted Debt Margin		\$ <u><u>6,271,500</u></u>