

**Village of Sauk Village,
Illinois**

Annual Financial Report

Year Ended April 30, 2016

Village of Sauk Village, Illinois

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2016

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FINANCIAL SECTION

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Sauk Village, Illinois (the Village), as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund, which is a pension trust fund, included as a fiduciary fund in the aggregate remaining fund information, whose accounts are included in the basic financial statements. Total assets, net position, and additions of the Police Pension Fund constitute 98.8% of the assets, 98.3% of the net position, and 94.6% of the additions of the fiduciary fund types reported herein, as of and for the year ended April 30, 2016, on pages 16 and 17. Those statements were audited by an other auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund in the fiduciary fund types in the Village's basic financial statements, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

(Continued)

Auditors' Responsibility (Continued)

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

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

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note R to the audited financial statements, net position (deficit), long-term liabilities, and deferred outflows as of May 1, 2015 have been restated as a result of adjustments due to the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68* (GASB 71). Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund, Firefighters' Pension Fund, and Police Pension Fund pension data on pages 84 through 92, the other postemployment benefits data on page 93, and the budgetary comparison schedules and notes to the required supplementary information on pages 94 through 95, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditor have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

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

Other Matters (Continued)

Other Supplementary Information (Continued)

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended April 30, 2016 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended April 30, 2016 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 for the year ended April 30, 2016 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended April 30, 2016.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
March 10, 2017

BASIC FINANCIAL STATEMENTS

Village of Sauk Village, Illinois
STATEMENT OF NET POSITION (DEFICIT)
April 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current			
Cash and cash equivalents	\$ 1,714,573	\$ -	\$ 1,714,573
Receivables, net of allowances			
Property taxes	1,771,617	-	1,771,617
Intergovernmental	425,024	-	425,024
Charges for services and other	176,485	288,212	464,697
Deposits with paying agent	9,352,636	-	9,352,636
Prepaid items	318,067	-	318,067
Noncurrent			
Internal balances	(971,218)	971,218	-
Land held for resale	1,063,822	-	1,063,822
Capital assets not being depreciated	574,003	13,500	587,503
Capital assets, net of accumulated depreciation	11,492,708	6,578,197	18,070,905
Total assets	<u>25,917,717</u>	<u>7,851,127</u>	<u>33,768,844</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>1,656,231</u>	<u>359,081</u>	<u>2,015,312</u>
LIABILITIES			
Current			
Accounts payable	624,384	274,340	898,724
Accrued payroll	111,130	21,479	132,609
Accrued interest	544,456	11,585	556,041
Insurance premium loan	267,706	-	267,706
Deposits payable	-	172,233	172,233
Due to county government	239,339	-	239,339
Due to Firefighters' Pension Fund	705	-	705
Due to Police Pension Fund	15,682	-	15,682
Noncurrent			
Due within one year	3,182,827	92,111	3,274,938
Due in more than one year	42,911,327	4,723,197	47,634,524
Total liabilities	<u>47,897,556</u>	<u>5,294,945</u>	<u>53,192,501</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>1,219,581</u>	<u>161,583</u>	<u>1,381,164</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	8,044,744	2,365,714	10,410,458
Restricted by enabling legislation	11,679,459	-	11,679,459
Unrestricted	<u>(41,267,392)</u>	<u>387,966</u>	<u>(40,879,426)</u>
Total net position (deficit)	<u>\$ (21,543,189)</u>	<u>\$ 2,753,680</u>	<u>\$ (18,789,509)</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2016

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 2,349,250	\$ 355,477	\$ 37,710	\$ -
Public safety	4,564,869	259,988	-	-
Public works	558,047	-	-	468,889
Interest	1,868,219	-	-	-
Total governmental activities	9,340,385	615,465	37,710	468,889
Business-type activities				
Waterworks	1,719,180	1,632,608	-	-
Sewerage	601,308	725,692	-	-
Total business-type activities	2,320,488	2,358,300	-	-
Total	\$ 11,660,873	\$ 2,973,765	\$ 37,710	\$ 468,889

General revenues

Taxes

Intergovernmental

Interest

Miscellaneous

Transfers

Total general revenues

Change in net position

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

Net position (deficit) - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,956,063)	\$ -	\$ (1,956,063)
(4,304,881)	-	(4,304,881)
(89,158)	-	(89,158)
<u>(1,868,219)</u>	<u>-</u>	<u>(1,868,219)</u>
<u>(8,218,321)</u>	<u>-</u>	<u>(8,218,321)</u>
-	(86,572)	(86,572)
<u>-</u>	<u>124,384</u>	<u>124,384</u>
-	37,812	37,812
<u>(8,218,321)</u>	<u>37,812</u>	<u>(8,180,509)</u>
6,874,057	-	6,874,057
2,325,165	-	2,325,165
1,448	-	1,448
160,255	(2,013)	158,242
<u>270,000</u>	<u>(270,000)</u>	<u>-</u>
<u>9,630,925</u>	<u>(272,013)</u>	<u>9,358,912</u>
1,412,604	(234,201)	1,178,403
<u>(22,955,793)</u>	<u>2,987,881</u>	<u>(19,967,912)</u>
<u>\$ (21,543,189)</u>	<u>\$ 2,753,680</u>	<u>\$ (18,789,509)</u>

Village of Sauk Village, Illinois

Governmental Funds

BALANCE SHEET

April 30, 2016

	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	\$ -	\$ 661,465	\$ -	\$ -	\$ 1,053,108	\$ 1,714,573
Receivables, net of allowances						
Property taxes	1,485,352	-	-	13,473	272,792	1,771,617
Intergovernmental	401,114	-	-	-	23,910	425,024
Other	157,808	-	-	-	18,677	176,485
Deposits with paying agent	-	8,110,055	-	1,169,699	72,882	9,352,636
Prepaid items	318,067	-	-	-	-	318,067
Advances to other funds	707,578	-	12,609	207,223	1,779,983	2,707,393
Land held for resale	-	-	-	1,063,822	-	1,063,822
Total assets	<u>\$ 3,069,919</u>	<u>\$ 8,771,520</u>	<u>\$ 12,609</u>	<u>\$ 2,454,217</u>	<u>\$ 3,221,352</u>	<u>\$ 17,529,617</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)						
Liabilities						
Accounts payable	\$ 447,950	\$ -	\$ -	\$ -	\$ 176,434	\$ 624,384
Accrued payroll	106,830	-	-	-	4,300	111,130
Advances from other funds	2,270,877	-	207,223	695,585	504,926	3,678,611
Due to county government	239,339	-	-	-	-	239,339
Due to Firefighters' Pension Fund	705	-	-	-	-	705
Due to Police Pension Fund	15,682	-	-	-	-	15,682
Insurance premium loan	267,706	-	-	-	-	267,706
Total liabilities	<u>3,349,089</u>	<u>-</u>	<u>207,223</u>	<u>695,585</u>	<u>685,660</u>	<u>4,937,557</u>
Deferred inflows						
Property taxes levied for a future period	1,472,185	-	-	-	270,155	1,742,340
Income taxes collected in a future period	143,301	-	-	-	-	143,301
Total deferred inflows	<u>1,615,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,155</u>	<u>1,885,641</u>
Fund balances (deficits)						
Nonspendable						
Deposits with paying agent	-	8,110,055	-	1,169,699	72,882	9,352,636
Prepaid items	318,067	-	-	-	-	318,067
Advances to other funds	707,578	-	12,609	207,223	1,779,983	2,707,393
Land held for resale	-	-	-	1,063,822	-	1,063,822
Restricted						
Railroad noise and safety improvements	231,688	-	-	-	-	231,688
Special revenue purposes	-	-	-	-	417,075	417,075
Debt service	-	661,465	-	-	-	661,465
Capital projects	-	-	-	-	274,555	274,555
Unassigned	<u>(3,151,989)</u>	<u>-</u>	<u>(207,223)</u>	<u>(682,112)</u>	<u>(278,958)</u>	<u>(4,320,282)</u>
Total fund balance (deficits)	<u>(1,894,656)</u>	<u>8,771,520</u>	<u>(194,614)</u>	<u>1,758,632</u>	<u>2,265,537</u>	<u>10,706,419</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 3,069,919</u>	<u>\$ 8,771,520</u>	<u>\$ 12,609</u>	<u>\$ 2,454,217</u>	<u>\$ 3,221,352</u>	<u>\$ 17,529,617</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
 Governmental Funds
 RECONCILIATION OF THE BALANCE SHEET
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION (DEFICIT)
April 30, 2016

Total fund balance - governmental funds	\$ 10,706,419
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Amounts reported for governmental activities in the statement of net position (deficit) differ from the governmental funds balance sheet because:

Certain revenues that are recorded as deferred inflows of resources in the fund financial statements because they are not considered available are recognized as revenue in the government-wide financial statements.	1,885,641
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	12,066,711
--	------------

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

Deferred outflows of resources related to pensions	\$ 1,634,285	
Deferred outflows of 2016 employer contributions related to pensions	<u>21,946</u>	1,656,231

Deferred outflows of resources related to pensions	(1,219,581)
--	-------------

Accrued interest reported in the statement of net position does not require the use of current financial resources and, therefore, is not reported in the governmental funds balance sheet.	(544,456)
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Long-term liabilities included in the statement of net position (deficit) are not due and payable in the current period and, accordingly, are not reported as liabilities in the governmental funds balance sheet.	<u>(46,094,154)</u>
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Net position (deficit) - governmental activities	<u><u>\$ (21,543,189)</u></u>
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The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Governmental Funds

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

For the Year Ended April 30, 2016

	General Fund	Debt Service Fund	Sauk Pointe Industrial Park Fund	LogistiCenter at Sauk Village Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 2,415,179	\$ -	\$ 1,055,225	\$ 2,761,433	\$ 558,917	\$ 6,790,754
Licenses and permits	216,087	-	-	-	-	216,087
Charges for services	650,695	-	-	-	55,867	706,562
Utility taxes	-	-	-	-	198,568	198,568
Intergovernmental	1,685,647	-	-	-	468,889	2,154,536
Fines and forfeitures	202,423	-	-	-	-	202,423
Interest	164	537	-	33	714	1,448
Contributions and donations	14,078	-	-	-	-	14,078
Miscellaneous	79,922	-	-	-	80,333	160,255
Total revenues	<u>5,264,195</u>	<u>537</u>	<u>1,055,225</u>	<u>2,761,466</u>	<u>1,363,288</u>	<u>10,444,711</u>
Expenditures						
Current						
General government	1,819,610	-	-	203,555	92,381	2,115,546
Public safety	3,233,309	-	-	-	898,728	4,132,037
Public works	184,985	-	-	-	508,808	693,793
Debt service						
Principal	101,071	2,880,000	-	-	78,989	3,060,060
Interest	9,952	1,377,794	-	-	3,625	1,391,371
Total expenditures	<u>5,348,927</u>	<u>4,257,794</u>	<u>-</u>	<u>203,555</u>	<u>1,582,531</u>	<u>11,392,807</u>
Excess (deficiency) of revenues over expenditures	<u>(84,732)</u>	<u>(4,257,257)</u>	<u>1,055,225</u>	<u>2,557,911</u>	<u>(219,243)</u>	<u>(948,096)</u>
Other financing sources (uses)						
Proceeds from loan and capital leases	76,722	-	-	-	350,000	426,722
Transfers in	674,150	3,448,874	-	-	419,980	4,543,004
Transfers (out)	<u>(685,000)</u>	<u>-</u>	<u>(1,073,385)</u>	<u>(1,801,569)</u>	<u>(713,050)</u>	<u>(4,273,004)</u>
Total other financing sources (uses)	<u>65,872</u>	<u>3,448,874</u>	<u>(1,073,385)</u>	<u>(1,801,569)</u>	<u>56,930</u>	<u>696,722</u>
Net change in fund balances	(18,860)	(808,383)	(18,160)	756,342	(162,313)	(251,374)
Fund balances (deficits)						
Beginning of year	<u>(1,875,796)</u>	<u>9,579,903</u>	<u>(176,454)</u>	<u>1,002,290</u>	<u>2,427,850</u>	<u>10,957,793</u>
End of year	<u>\$ (1,894,656)</u>	<u>\$ 8,771,520</u>	<u>\$ (194,614)</u>	<u>\$ 1,758,632</u>	<u>\$ 2,265,537</u>	<u>\$ 10,706,419</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2016

Net change in fund balances - total governmental funds	\$	(251,374)
--	----	-----------

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.		38,278
--	--	--------

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 capital asset additions exceeded depreciation expense.		285,141
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Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		30,473
---	--	--------

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

Deferred outflows and inflows of resources related to:

IMRF pension	17,329	
Police pension	351,608	
Firefighters' pension	43,358	412,295

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds.		897,791
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Change in net position - governmental activities	\$	1,412,604
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The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Proprietary Funds

STATEMENT OF NET POSITION

April 30, 2016

	<u>Waterworks Fund</u>	<u>Sewerage Fund</u>	<u>Total</u>
ASSETS			
Current			
Receivables, net of allowances	\$ 198,258	\$ 89,954	\$ 288,212
Total current assets	<u>198,258</u>	<u>89,954</u>	<u>288,212</u>
Noncurrent			
Advances to other funds	1,062,361	486,683	1,549,044
Capital assets not being depreciated	13,500	-	13,500
Capital assets, net of accumulated depreciation	<u>6,136,127</u>	<u>442,070</u>	<u>6,578,197</u>
Total noncurrent assets	<u>7,211,988</u>	<u>928,753</u>	<u>8,140,741</u>
Total assets	<u>7,410,246</u>	<u>1,018,707</u>	<u>8,428,953</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>184,247</u>	<u>174,834</u>	<u>359,081</u>
LIABILITIES			
Current			
Accounts payable	270,909	3,431	274,340
Accrued payroll	13,836	7,643	21,479
Accrued interest	11,585	-	11,585
Advances from other funds	486,683	91,143	577,826
Deposits payable	172,233	-	172,233
Noncurrent			
Due within one year	60,691	31,420	92,111
Due in more than one year	<u>4,471,252</u>	<u>251,945</u>	<u>4,723,197</u>
Total liabilities	<u>5,487,189</u>	<u>385,582</u>	<u>5,872,771</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>85,944</u>	<u>75,639</u>	<u>161,583</u>
NET POSITION			
Net investment in capital assets	1,923,644	442,070	2,365,714
Unrestricted	<u>97,716</u>	<u>290,250</u>	<u>387,966</u>
Total net position	<u>\$ 2,021,360</u>	<u>\$ 732,320</u>	<u>\$ 2,753,680</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Proprietary Funds
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended April 30, 2016

	Waterworks Fund	Sewerage Fund	Total
Operating revenues			
Charges for services	\$ 1,612,558	\$ 725,692	\$ 2,338,250
Meter sales	20,050	-	20,050
Miscellaneous	(1,544)	(469)	(2,013)
Total operating revenues	<u>1,631,064</u>	<u>725,223</u>	<u>2,356,287</u>
Operating expenses			
Operations	1,341,015	577,717	1,918,732
Depreciation	311,888	23,591	335,479
Total operating expenses	<u>1,652,903</u>	<u>601,308</u>	<u>2,254,211</u>
Operating income (loss)	<u>(21,839)</u>	<u>123,915</u>	<u>102,076</u>
Nonoperating (expenses)			
Debt service - interest	(13,572)	-	(13,572)
Loss on disposal of capital assets	(52,705)	-	(52,705)
Total nonoperating (expenses)	<u>(66,277)</u>	<u>-</u>	<u>(66,277)</u>
Other financing sources (uses)			
Transfers in	15,000	15,000	30,000
Transfers out	(150,000)	(150,000)	(300,000)
Total other financing sources (uses)	<u>(135,000)</u>	<u>(135,000)</u>	<u>(270,000)</u>
Change in net position	(223,116)	(11,085)	(234,201)
Net position			
Beginning of year, as restated (Note R)	<u>2,244,476</u>	<u>743,405</u>	<u>2,987,881</u>
End of year	<u>\$ 2,021,360</u>	<u>\$ 732,320</u>	<u>\$ 2,753,680</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Proprietary Funds

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2016

	Waterworks Fund	Sewerage Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 1,647,692	\$ 726,778	\$ 2,374,470
Cash paid to suppliers	(877,576)	(84,278)	(961,854)
Cash paid to employees	(766,278)	(477,450)	(1,243,728)
Net cash provided by operating activities	<u>3,838</u>	<u>165,050</u>	<u>168,888</u>
Cash flows from noncapital financing activities			
Transfers from other funds	15,000	15,000	30,000
Transfers to other funds	(150,000)	(150,000)	(300,000)
Changes in advances to/from other funds, net	(389,165)	(30,050)	(419,215)
Net cash used in noncapital financing activities	<u>(524,165)</u>	<u>(165,050)</u>	<u>(689,215)</u>
Cash flows from capital financing activities			
Purchases of capital assets	(83,465)	-	(83,465)
Proceeds from sale of capital assets	25,000	-	25,000
Proceeds from IEPA loan	605,053	-	605,053
Payments on IEPA loan	(26,261)	-	(26,261)
Net cash provided by capital financing activities	<u>520,327</u>	<u>-</u>	<u>520,327</u>
Net change in cash and cash equivalents	-	-	-
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Proprietary Funds
STATEMENT OF CASH FLOWS (Continued)
For the Year Ended April 30, 2016

	<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)	\$ (21,839)	\$ 123,915	\$ 102,076
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	311,888	23,591	335,479
(Increase) decrease in assets and deferred outflows			
Receivables	8,481	1,556	10,037
Deferred outflows related to pensions	(164,960)	(157,859)	(322,819)
Increase (decrease) in liabilities and deferred inflows			
Accounts payable	(317,470)	(370)	(317,840)
Accrued payroll	5,599	3,408	9,007
Compensated absences	3,723	8,279	12,002
Deposits	8,147	-	8,147
Net pension liability	84,325	86,891	171,216
Deferred inflows related to pensions	85,944	75,639	161,583
Net cash provided by operating activities	<u>\$ 3,838</u>	<u>\$ 165,050</u>	<u>\$ 168,888</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Fiduciary Funds

STATEMENT OF NET POSITION

April 30, 2016

	Pension Trust Funds	Agency Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 1,290,334	\$ 384	\$ 1,290,718
Investments	4,131,568	-	4,131,568
Accrued interest	14,396	-	14,396
Other receivable	25,737	-	25,737
Due from Village	16,387	-	16,387
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>5,478,422</u>	<u>384</u>	<u>5,478,806</u>
LIABILITIES			
Due to Sauk Village Housing Commission	-	384	384
	<u> </u>	<u> </u>	<u> </u>
NET POSITION			
Held in trust for pension benefits	<u>\$ 5,478,422</u>	<u>\$ -</u>	<u>\$ 5,478,422</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Pension Trust Funds
STATEMENT OF CHANGES IN PLAN NET POSITION
For the Year Ended April 30, 2016

ADDITIONS

Contributions	
Employer	\$ 204,046
Members and other	<u>145,485</u>
Total contributions	<u>349,531</u>
Investment earnings (losses)	(7,375)
Investment expenses	<u>(10,527)</u>
Net investment earnings (losses)	<u>(17,902)</u>
Total additions	<u>331,629</u>

DEDUCTIONS

Pension benefits	570,279
Administrative expense	<u>62,835</u>
Total deductions	<u>633,114</u>

CHANGE IN NET POSITION (301,485)

PLAN NET POSITION HELD IN TRUST
FOR PENSION BENEFITS

Beginning of year	<u>5,779,907</u>
End of year	<u>\$ 5,478,422</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
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April 30, 2016

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Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

1. Reporting Entity

As defined by GAAP, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. New Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which was implemented by the Village during the fiscal year ended April 30, 2016. This Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses on the government-wide financial statements. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute the present value to periods of employee service.

The GASB has issued Statement No. 71, *Pension Transition For Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68, which was implemented by the Village during the fiscal year ended April 30, 2016. This Statement established standards for measuring amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Specific changes to the Village's financial statements relate to the recognition of net pension liability, and deferred outflows and inflows of resources associated with the Illinois Municipal Fund, the Firefighters' Pension Fund, and the Police Pension Fund. See Note R for the effects of this restatement.

3. Government-wide and Fund Financial Statements

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

The statement of net position presents the Village's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position in three categories:

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

4. Basis of Presentation - Fund Accounting

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

a. Governmental Fund Types

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

The *General Fund* is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. Its primary revenue sources include property taxes and intergovernmental revenues.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Presentation - Fund Accounting (Continued)

a. Governmental Fund Types (Continued)

Special revenue funds are used to account for the proceeds of specific revenue sources (other than debt service or capital projects) that are legally restricted to expenditures for specified purposes. The Village's special revenue funds are the Fire Protection, Motor Fuel Tax, Emergency Telephone System, Police Seizure, Working Cash, and Railroad Noise Mitigation Funds. The primary revenue sources include property taxes and intergovernmental revenues.

Debt service funds are used to account for the accumulation of resources for debt service payments. The Village's debt service funds are the Debt Service, Sauk Pointe Industrial Park, and LogistiCenter at Sauk Village Funds. The primary revenue and other financing sources include property taxes and transfers from other funds.

Capital projects funds are used to account for the use of resources for capital improvements. The Village's capital projects funds are the Utility Tax, Community Development Block Grant, Sauk Plaza Redevelopment Plan, SurreyBrook Plaza, and Municipal Building Funds. The primary revenue and financing sources include property taxes, utility taxes, intergovernmental revenues, bond proceeds, and transfers from other funds.

b. Proprietary Fund Types

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Presentation - Fund Accounting (Continued)

c. Fiduciary Fund Types

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

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

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

5. Fund Balance

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

a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as deposits with paying agent, prepaid expenditures, advances to other funds, or land held for resale.

b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds as well as debt service and capital projects funds are by definition restricted for those specified purposes.

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, 2016, 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, 2016. At April 30, 2016, the Village had no assigned fund balances.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Fund Balance (Continued)

e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

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

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

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

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

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major governmental funds:

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

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

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

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

The Village reports the following major proprietary funds:

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to future periods. At April 30, 2016, the Village had deferred outflows of resources related to pensions. In addition to liabilities, the Village may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to future periods. At April 30, 2016, the Village had deferred inflows related to pensions, property taxes levied for a future period, and income taxes collected in a future period.

8. Cash Equivalents

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

9. Receivables

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

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

The carrying amount of receivables - charges for services and other is reduced by a valuation allowance that reflects management's best estimate of the amounts that may not be collected. Management's estimate is based on receivables aged over 90 days past due for garbage services and Village utility sales (water and sewer) charged to residents. The allowances for doubtful customer receivables totaled \$55,036, \$187,291 and \$78,443 in the General Fund, Waterworks Fund, and Sewerage Fund, respectively, at April 30, 2016.

10. Investments

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Prepaid Items

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

12. Interfund Transactions

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

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

13. Land Held for Resale

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

14. Capital Assets

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Capital Assets (Continued)

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

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

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

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

15. Compensated Absences

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

16. Pensions

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. Long-Term Obligations

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

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

18. Use of Estimates

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

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

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

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

(Continued)

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

Alternate revenue bonds	\$ 32,840,077
General obligation bonds	260,000
Street light loan	111,836
Fire truck loan	350,000
Capital leases	91,768
Premiums on bonds sold	344,616
Compensated absences	163,535
Net pension liabilities	
IMRF	361,490
Police	9,406,955
Firefighters'	1,232,763
Net other postemployment benefit obligation	906,968
Judgment liability	<u>24,146</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 46,094,154</u>

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

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

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

Capital outlay	\$ 919,057
Depreciation expense	<u>(633,916)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ 285,141</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

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

(Continued)

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

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

Interest accreted - capital appreciation bonds	\$ (526,351)
Principal payments on alternate revenue bonds	2,825,000
Principal payments on general obligation bonds	55,000
Proceeds from fire truck loan	(350,000)
Principal payments on street light loan	34,308
Proceeds from capital leases	(76,722)
Principal payments on capital leases	138,574
Unamortized bond premium	26,208
Net increases in net pension liabilities	
IMRF	(24,034)
Police	(1,023,162)
Firefighters'	(98,364)
Net increase in other postemployment benefits obligation	(107,447)
Net increase in compensated absences	(10,379)
Net decrease in judgment liability	<u>35,160</u>
 Net changes in current financial resources	 <u><u>\$ 897,791</u></u>

NOTE C - DEPOSITS AND INVESTMENTS

1. Village Deposits and Investments

At April 30, 2016, the Village's cash and cash equivalents, excluding the pension trust funds, consisted of the following:

	Governmental Activities	Business-type Activities	Agency Fund	Total
Cash and cash equivalents	\$ <u>1,714,573</u>	\$ <u>-</u>	\$ <u>384</u>	\$ <u>1,714,957</u>

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Village Deposits and Investments (Continued)

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

	Total
Cash on hand	\$ 2,292
Deposits with financial institutions	1,110,046
Illinois Funds	602,619
	\$ 1,714,957

Deposits with Financial Institutions

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

Custodial risk for deposits with financial institutions is the risk that, in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. At April 30, 2016, the carrying amount of the Village's deposits was \$1,110,046 with bank balances totaling \$1,285,182. At April 30, 2016, all of the Village's deposits were insured or collateralized.

Investments

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Village Deposits and Investments (Continued)

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

Credit risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not specifically address credit risk. As of April 30, 2016 the Illinois Funds Money Market Fund was rated AAAM by Standard & Poor's.

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

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

2. Pension Deposits, Investments, and Concentrations

a. Firefighters' Pension Fund

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

a. Firefighters' Pension Fund (Continued)

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

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

Deposits and investments - At April 30, 2016, the carrying amount of the Firefighters' Pension Fund's deposits totaled \$4,222 and the bank balances totaled \$4,222. At April 30, 2016, the pension fund had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities - in Years		
		Less than 1	1-5	6-10
U.S. Treasuries	\$ 40,791	\$ -	\$ 20,368	\$ 20,423
U.S. Agencies	20,529	-	20,529	-
Corporate Bonds	15,114	5,028	10,086	-
Money Market	2,508	2,508	-	-
Equity Mutual Funds	7,925	7,925	-	-
	<u>\$ 86,867</u>	<u>\$ 15,461</u>	<u>\$ 50,983</u>	<u>\$ 20,423</u>

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

a. Firefighters' Pension Fund (Continued)

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

Credit risk - The pension fund limits its exposure to credit risk by primarily investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the United States government. The pension fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. government agencies were rated AAA by Standard and Poor's or by Moody's. 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, 2016, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The pension fund's investment policy states that deposits in excess of federally insured limits in financial institutions will be required to be secured by some form of collateral. The pension fund will accept the following as collateral: U.S. Treasuries, Notes and Bonds, and U.S. agencies. The amount of collateral provided will not be less than 110 percent of the fair market value of the pension fund's uninsured deposits.

Custodial credit risk - Investments Money market mutual funds, and equity mutual funds are not subject to custodial credit risk. At April 30, 2016, the U.S. Government agency securities and the corporate bonds are held by the counterparty in the trust department. The pension fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the pension fund, to act as custodian for its securities and collateral.

Concentration of credit risk - This is the risk of loss attributed to the magnitude of the pension fund's investment in a single issuer. The pension fund does not have a formal written policy with regards to concentration credit risk for investments. At April 30, 2016, the pension fund had over 5 percent of plan net position invested in various agency securities. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and are backed by the issuing organization. Although agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have an implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

a. Firefighters' Pension Fund (Continued)

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

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

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

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in August 2015 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2016 are listed in the table above.

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

Equity Mutual Funds	Fair Value
Cohen & Sterrs Realty	\$ 329
Oakmark International	1,326
Vanguard	6,270
Total	\$ 7,925

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

a. Firefighters' Pension Fund (Continued)

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

Rate of Return - For the year ended April 30, 2016, the annual time-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.22 percent. The time-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

b. Police Pension Fund

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

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

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

The following was the asset allocation policy adopted by the Board of Trustees as of April 30, 2016:

Asset Class	Allocation
Fixed income, government	49.50 %
Domestic equities	31.50
International developed	11.25
Corporate investment grade	5.50
Real estate	2.25
	100.00 %

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

b. Police Pension Fund (Continued)

Rate of Return - For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.17)% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Police Pension Fund's deposits might not be recovered. The Police Pension Fund does not have a deposit policy for custodial credit risk. As of April 30, 2016, the Police Pension Fund's bank balances were fully covered by federal depository insurance.

Investments As of April 30, 2016, the Police Pension Fund had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighed Average Years to Maturity (2)</u>
Corporate bonds	\$ 357,400	Aa1 - Baa1	1.83
Equities	483,598	N/A	N/A
Mutual funds	1,430,853	N/A	N/A
U.S. government agency securities	446,223	Aaa/AA+	2.27
U.S. Treasury notes	<u>1,326,627</u>	Aaa/AA+	3.60
Total	<u>\$ 4,044,701</u>		

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

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

b. Police Pension Fund (Continued)

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

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

NOTE D - PROPERTY TAXES

Property taxes for the 2015 tax year attach as an enforceable lien on January 1, 2015 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, 2016 and August 1, 2016. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3 percent of the tax levy to reflect actual collection experience. That portion of the 2015 levy property tax receivable which is not collected within 60 days after year-end is not considered a current financial resource and is, therefore, recorded as property tax revenue levied for a future period in the fund financial statements.

NOTE E - DEPOSITS WITH PAYING AGENT

The Village maintains deposits with the paying agent for the payment of principal and interest maturities on its tax increment financing (TIF) and other bonded debt, TIF redevelopment project costs, reserve and redemption, and for certain other purposes, in accordance with the requirements set forth by the respective bond ordinances. As of April 30, 2016, deposits with paying agent totaling \$9,352,636 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, 2016.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2016 was as follows:

1. Governmental Activities

	<u>Balance</u> <u>May 1, 2015</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>April 30, 2016</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	2,077,183	175,779	-	2,252,962
Vehicles	3,800,331	350,000	-	4,150,331
Infrastructure	36,283,426	393,278	-	36,676,704
Total capital assets being depreciated	<u>49,666,140</u>	<u>919,057</u>	<u>-</u>	<u>50,585,197</u>
Less accumulated depreciation for				
Buildings	2,307,178	193,898	-	2,501,076
Machinery and equipment	2,022,956	45,188	-	2,068,144
Vehicles	2,876,705	170,573	-	3,047,278
Infrastructure	31,251,734	224,257	-	31,475,991
Total accumulated depreciation	<u>38,458,573</u>	<u>633,916</u>	<u>-</u>	<u>39,092,489</u>
Total capital assets, being depreciated, net	<u>11,207,567</u>	<u>285,141</u>	<u>-</u>	<u>11,492,708</u>
Governmental activities capital assets, net	<u>\$ 11,781,570</u>	<u>\$ 285,141</u>	<u>\$ -</u>	<u>\$ 12,066,711</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE F - CAPITAL ASSETS (Continued)

2. Business-Type Activities

	<u>Balance</u> <u>May 1, 2015</u>	<u>Additions/</u> <u>Transfers</u>	<u>Disposals/</u> <u>Transfers</u>	<u>Balance</u> <u>April 30, 2016</u>
Capital assets not being depreciated				
Land	\$ 13,500	\$ -	\$ -	\$ 13,500
Construction in progress	2,703,705	77,940	2,781,645	-
	<u>2,717,205</u>	<u>77,940</u>	<u>2,781,645</u>	<u>13,500</u>
Capital assets, being depreciated				
Buildings	51,117	-	-	51,117
Waterworks and sewerage system	8,882,425	2,781,645	-	11,664,070
Machinery and equipment	726,023	5,525	110,000	621,548
Vehicles	469,211	-	-	469,211
Water meters	644,961	-	-	644,961
	<u>10,773,737</u>	<u>2,787,170</u>	<u>110,000</u>	<u>13,450,907</u>
Less accumulated depreciation for				
Buildings	50,167	316	-	50,483
Waterworks and sewerage system	4,824,973	316,128	-	5,141,101
Machinery and equipment	580,214	19,035	32,295	566,954
Vehicles	469,211	-	-	469,211
Water meters	644,961	-	-	644,961
	<u>6,569,526</u>	<u>335,479</u>	<u>32,295</u>	<u>6,872,710</u>
Total capital assets, being depreciated, net	<u>4,204,211</u>	<u>2,451,691</u>	<u>77,705</u>	<u>6,578,197</u>
Business-type activities, capital assets, net	<u>\$ 6,921,416</u>	<u>\$ 2,529,631</u>	<u>\$ 2,859,350</u>	<u>\$ 6,591,697</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE F - CAPITAL ASSETS (Continued)

3. Depreciation Expense

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

Governmental activities:	
General government	\$ 146,694
Public safety	229,690
Public works	<u>257,532</u>
Total depreciation expense - governmental activities	<u>\$ 633,916</u>
Business – type activities:	
Waterworks	\$ 311,888
Sewerage	<u>23,591</u>
Total depreciation expense - business-type activities	<u>\$ 335,479</u>

NOTE G - INTERFUND TRANSACTIONS

1. Interfund Advances

	<u>Advances to</u>	<u>Advances from</u>
General		
Sauk Pointe Industrial Park	\$ -	\$ 12,609
LogistiCenter at Sauk Village	111,509	-
Nonmajor governmental	504,926	1,195,907
Waterworks	-	1,062,361
Sewerage	<u>91,143</u>	<u>-</u>
Total General	<u>707,578</u>	<u>2,270,877</u>
Sauk Pointe Industrial Park		
General	12,609	-
LogistiCenter at Sauk Village	<u>-</u>	<u>207,223</u>
Total Sauk Pointe Industrial Park	<u>12,609</u>	<u>207,223</u>

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE G - INTERFUND TRANSACTIONS (Continued)

1. Interfund Advances (Continued)

	<u>Advances to</u>	<u>Advances from</u>
LogistiCenter at Sauk Village		
General	\$ -	\$ 111,509
Sauk Pointe Industrial Park	207,223	-
Nonmajor governmental	-	584,076
Total LogistiCenter at Sauk Village	207,223	695,585
Nonmajor governmental		
General	1,195,907	504,926
LogistiCenter at Sauk Village	584,076	-
Total nonmajor governmental	1,779,983	504,926
Total governmental funds	2,707,393	3,678,611
Waterworks		
General	1,062,361	-
Sewerage	-	486,683
Total Waterworks	1,062,361	486,683
Sewerage		
General	-	91,143
Waterworks	486,683	-
Total Sewerage	486,683	91,143
Total enterprise funds	1,549,044	577,826
Total all funds	4,256,437	4,256,437
Less amounts eliminated during GASB 34 conversion	(3,285,219)	(3,285,219)
Total government-wide internal balances	\$ 971,218	\$ 971,218

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE G - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers

	Transfers in	Transfers out
General		
LogistiCenter at Sauk Village	\$ 215,222	\$ -
Debt Service	-	685,000
Nonmajor Governmental	158,928	-
Waterworks	150,000	-
Sewerage	150,000	-
Total General	674,150	685,000
Debt Service		
General	685,000	-
Sauk Pointe Industrial Park	1,073,385	-
LogistiCenter at Sauk Village	1,586,347	-
Nonmajor Governmental	104,142	-
Total Debt Service	3,448,874	-
Sauk Pointe Industrial Park		
Debt Service	-	1,073,385
Total Sauk Pointe Industrial Park	-	1,073,385
LogistiCenter at Sauk Village		
General	-	215,222
Debt Service	-	1,586,347
Total LogistiCenter at Sauk Village	-	1,801,569

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE G - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers (Continued)

	<u>Transfers in</u>	<u>Transfers out</u>
Nonmajor governmental		
General	\$ -	\$ 158,928
Debt Service	-	104,142
Nonmajor governmental	419,980	419,980
Waterworks	-	15,000
Sewerage	-	15,000
	<u>419,980</u>	<u>713,050</u>
Total nonmajor governmental		
	<u>419,980</u>	<u>713,050</u>
Total governmental funds	<u>4,543,004</u>	<u>4,273,004</u>
Waterworks		
General	-	150,000
Nonmajor governmental	<u>15,000</u>	<u>-</u>
Total Waterworks	<u>15,000</u>	<u>150,000</u>
Sewerage		
General	-	150,000
Nonmajor governmental	<u>15,000</u>	<u>-</u>
Total Sewerage	<u>15,000</u>	<u>150,000</u>
Total enterprise funds	<u>30,000</u>	<u>300,000</u>
Total all funds	4,573,004	4,573,004
Less amounts eliminated during GASB 34 conversion	<u>(4,303,004)</u>	<u>(4,303,004)</u>
Total government-wide transfers	<u>\$ 270,000</u>	<u>\$ 270,000</u>

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2016

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 - INSURANCE PREMIUM LOANS

In March 2015, the Village entered into a loan agreement with a third party finance company, to finance premium payments on certain insurance policies. The agreement required monthly payments of \$24,578, including interest at 5.15 percent, through January 2016.

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

The following is a summary of the Village's insurance premium loan activity, recorded in the General Fund, for the year ended April 30, 2016:

	<u>Balance</u>			<u>Balance</u>
	<u>May 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>April 30, 2016</u>
Insurance premium loans	\$ 216,526	\$ 296,007	\$ 244,827	\$ 267,706

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE J - LONG-TERM LIABILITIES

1. Changes in Long-Term Liabilities

The following is a summary of the Village's long-term liability balances and transactions associated with governmental activities, for the year ended April 30, 2016:

	Balance May 1, 2015	Additions/ Accretion	Retirements	Balance April 30, 2016	Due Within One Year
Alternate revenue bonds	\$ 35,138,726	\$ 526,351	\$ 2,825,000	\$ 32,840,077	\$ 2,825,356
General obligation bonds	315,000	-	55,000	260,000	60,000
Unamortized bond premium	370,824	-	26,208	344,616	26,208
Street light loan	184,320	-	72,484	111,836	-
Fire truck loan	-	350,000	-	350,000	17,500
Capital leases	153,620	76,722	138,574	91,768	66,082
Compensated absences	153,156	198,850	188,471	163,535	163,535
Judgment liability	59,306	130,840	166,000	24,146	24,146
Net OPEB obligation	799,521	255,193	147,746	906,968	-
Net pension liabilities *					
IMRF	337,456	331,495	307,461	361,490	-
Police	8,383,793	2,846,511	1,823,349	9,406,955	-
Firefighters'	1,134,399	165,872	67,508	1,232,763	-
 Total governmental activities	 \$ 47,030,121	 \$ 4,881,834	 \$ 5,817,801	 \$ 46,094,154	 \$ 3,182,827

The following is a summary of the Village's long-term liability balances and transactions associated with business-type activities, for the year ended April 30, 2016:

	Balance May 1, 2015	Additions/ Interest	Retirements	Balance April 30, 2016	Due Within One Year
Illinois EPA loan	\$ 3,635,723	\$ 608,271	\$ 18,011	\$ 4,225,983	\$ 41,003
Compensated absences	39,106	57,124	45,122	51,108	51,108
IMRF net pension liability *	367,000	547,973	376,756	538,217	-
 Total business-type activities	 \$ 4,041,829	 \$ 1,213,368	 \$ 439,889	 \$ 4,815,308	 \$ 92,111

* The beginning balances as of May 1, 2015 are restated due to the implementation of GASB Statements 68 and 71 (Note R). The IMRF net pension liability is allocated between the Governmental and Business-Type activities based upon payroll amounts within the respective activities.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE J - LONG-TERM LIABILITIES (Continued)

2. Long-Term Debt - Terms and Maturities

Alternate revenue bonds payable at April 30, 2016 are comprised of the following individual issues:

\$9,755,000 general obligation tax increment refunding bonds (alternate revenue source) series 2002A, payable in annual installments ranging from \$715,000 to \$1,055,000 through December 1, 2021, with a final installment of \$1,145,000 due on June 1, 2022; interest is payable on June 1 and December 1 at interest rates ranging from 5.00% to 5.10%.	\$ 6,515,000
\$4,999,356 general obligation capital appreciation bonds (tax increment alternate revenue source) series 2002B, payable in annual installments ranging from \$985,000 to \$1,405,000 through December 1, 2021, with a final installment of \$1,460,000 due on June 1, 2022. Interest rates range from 5.45% to 5.95%. Interest accreted at April 30, 2016 totaled \$3,611,000.	6,790,916
\$5,201,610 general obligation capital appreciation (alternate revenue) bonds series 2007A, payable in annual installments ranging from \$685,000 to \$690,000 through December 1, 2018. Interest rates range from 4.20% to 4.30%. Interest accreted at April 30, 2016 totaled \$569,853.	1,899,161
\$1,405,000 general obligation (alternate revenue) bonds series 2007B, payable in annual installments ranging from \$55,000 to \$140,000 through December 1, 2027; interest is payable on June 1 and December 1 at interest rates ranging from 3.95% to 5.00%.	1,110,000
\$810,000 general obligation (alternate revenue) bonds series 2007C, payable in annual installments ranging from \$30,000 to \$80,000 through December 1, 2027; interest is payable June 1 and December 1 at interest rates ranging from 4.00% to 5.00%.	640,000
\$9,500,000 general obligation bonds (alternate revenue source) series 2008, payable in annual installments ranging from \$150,000 to \$1,470,000 through December 1, 2028; interest is payable June 1 and December 1 at interest rates ranging from 5.40% to 7.25%.	8,840,000

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE J - LONG-TERM LIABILITIES (Continued)

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

\$8,000,000 general obligation tax increment bonds (alternate revenue source) series 2009, payable in annual installments ranging from \$60,000 to \$1,105,000 through December 1, 2028, with a final installment of \$985,000 due on April 1, 2029; interest is payable semiannually through April 1, 2029 at interest rates ranging from 4.30% to 7.50%. \$ 7,045,000

Total alternate revenue bonds 32,840,077

General obligation bonds payable at April 30, 2016 are comprised of the following individual issue:

\$574,000 general obligation working cash bonds series 2010, payable in annual installments ranging from \$60,000 to \$70,000 through February 1, 2020; interest is payable on February 1 and August 1 at rates ranging from 4.50% to 5.00%. 260,000

\$ 33,100,077

The future requirements to retire the alternate revenue and general obligation bonds outstanding, as of April 30, 2016 are as follows:

Years Ending April 30,	Principal	Interest	Total
2017	\$ 2,885,356	\$ 1,383,568	\$ 4,268,924
2018	2,869,446	1,395,624	4,265,070
2019	2,973,255	1,414,047	4,387,302
2020	2,417,550	1,327,202	3,744,752
2021	2,355,724	1,330,578	3,686,302
2022-2026	12,088,746	4,608,643	16,697,389
2027-2029	<u>7,510,000</u>	<u>885,236</u>	<u>8,395,236</u>
	<u>\$ 33,100,077</u>	<u>\$ 12,344,898</u>	<u>\$ 45,444,975</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE J - LONG-TERM LIABILITIES (Continued)

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

The details of the Illinois EPA loan payable as of April 30, 2016 are as follows:

Illinois Environmental Protection Agency Public Water Supply Loan, payable in semiannual installments of \$29,414 through September 18, 2034, including interest at 1.995%. \$ 4,225,983

Subsequent to year-end, the State of Illinois awarded \$3,354,767 under a Build Illinois Bond Funds grant, to reduce the balance owed by the Village on the loan. Of this amount, \$3,319,105 was applied to the outstanding principal balance, and \$35,662 to interest. The future requirements to retire the outstanding loan balance, following the application of the Build Illinois Bond Funds grant, are as follows:

Year Ending April 30,	Principal	Interest	Total
2017	\$ 41,003	\$ 17,825	\$ 58,828
2018	41,825	17,002	58,827
2019	42,663	16,164	58,827
2020	43,519	15,309	58,828
2021	44,391	14,436	58,827
2022-2026	235,669	58,467	294,136
2027-2031	260,261	33,876	294,137
2032-2035	<u>197,547</u>	<u>7,717</u>	<u>205,264</u>
	<u>\$ 906,878</u>	<u>\$ 180,796</u>	<u>\$ 1,087,674</u>

3. Bond Ordinance Compliance

In accordance with the applicable bond ordinances, the Village is required to maintain certain minimum balances in deposits with the paying agent, for debt service and other purposes. For the year ended April 30, 2016, due to a shortfall in pledged revenues for debt service on the 2007A, 2007B, and 2007C bonds, deposits held for the purpose of making the scheduled principal and interest payments on those bonds were insufficient to meet the applicable bond ordinance coverage requirements. Accordingly, supplemental transfers were made from other revenue sources of the Village. All principal and interest maturities were paid as scheduled.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE J - LONG-TERM LIABILITIES (Continued)

4. Revenues Pledged for Debt Service

The Village has issued alternate revenue bonded debt over several years to be paid by pledged revenue sources. These pledges will remain until all of the associated bonds are retired. The amounts of the pledges remaining, as of April 30, 2016, 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	\$ 16,470,743	6/1/22
2007A	Impact fees/property taxes	2,065,000	12/1/18
2007B	911 and wireless surcharges - ETS Fund	1,497,585	12/1/27
2007C	Property taxes - Fire Protection Fund	873,450	12/1/27
2008	TIF revenue - LogistiCenter TIF	13,898,500	12/1/28
2009	TIF revenue - LogistiCenter TIF	10,346,753	4/1/29

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

A comparison of the pledged revenues collected and the related principal and interest expenditure for the year ended April 30, 2016 is as follows:

<u>Debt Issue</u>	<u>Pledged Revenue Source</u>	<u>Pledged Revenues</u>	<u>Principal and Interest Retired</u>	<u>Percentage of Pledged Revenue Used</u>
2002A&B, 2008, and 2009	TIF revenue	\$ 2,761,433	\$ 3,339,511	120.93%
2007A	Impact fees	-	685,000	N/A
2007B	911/wireless surcharge	43,599	101,838	233.58%
2007C	Property taxes	419,184	61,270	14.62%

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE J - LONG-TERM LIABILITIES (Continued)

5. Capital Lease Obligations

The Village leased a fire pumper under a capital lease, which expired in February 2016. The annual lease payments, including interest at 4.89%, were \$74,907. The original cost of the leased asset, \$451,000, and accumulated depreciation, \$210,466, as of April 30, 2016 are included under vehicles in the governmental activities capital assets.

The Village also leases six police vehicles under a capital lease, which will expire in October 2016. The annual lease payments, including interest at 5.70%, were \$44,649. The original cost of the leased assets, \$164,663, and accumulated depreciation, \$123,498, as of April 30, 2016 are included under vehicles in the governmental activities capital assets.

The Village also leases various computer equipment under a capital lease, which expires in November 2017. The annual lease payments, including interest at 7.475% are \$27,673. The original cost of the leased assets, \$76,722 and accumulated depreciation, \$15,344, as of April 30, 2016 are included under machinery and equipment in the governmental activities capital assets.

Minimum future lease payments are as follows:

Years Ending April 30,	
2017	\$ 72,322
2018	27,673
Total minimum lease payments	99,995
Less amount representing interest	8,227
Present value of minimum lease payments	91,768
Less current portion	66,082
Long-term portion	\$ 25,686

6. Judgment Liability

There are several pending lawsuits in which the Village is involved. The Village has accrued \$24,146, at April 30, 2016, in the governmental activities statement of net position (deficit), related to settlement payments that occurred subsequent to April 30, 2016. Management believes that all other potential claims against the Village that are not accrued at April 30, 2016 and are not covered by insurance would not have a materially adverse effect on the Village's financial position.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE J - LONG-TERM LIABILITIES (Continued)

7. Street Light Loan

On January 15, 2015, the Village entered into a loan agreement with a bank, to finance the installation of energy-efficient street lighting in the Village. The loan is due in annual installments of \$40,461 through May 1, 2019, including interest at 4.21%. No payments are due for the year ending April 30, 2017, as the May 1, 2016 installment was paid prior to April 30, 2016. The future principal and interest maturities at April 30, 2016 are as follows:

Year Ending April 30,	Principal	Interest	Total
2017	\$ -	\$ -	-
2018	35,752	4,708	40,460
2019	37,258	3,203	40,461
2020	<u>38,826</u>	<u>1,635</u>	<u>40,461</u>
	<u>\$ 111,836</u>	<u>\$ 9,546</u>	<u>\$ 121,382</u>

8. Fire Truck Loan

On October 1, 2015, the Village entered into loan agreement with the Illinois State Fire Marshall, to finance the purchase of a new fire truck. The loan is interest-free, and requires annual payments of \$17,500 on November 1 of each year, through November 1, 2035. The future principal maturities at April 30, 2016 are as follows:

Year Ending April 30,	Principal
2017	\$ 17,500
2018	17,500
2019	17,500
2020	17,500
2021	17,500
2022-2026	87,500
2027-2031	87,500
2032-2036	<u>87,500</u>
	<u>\$ 350,000</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE K - RESTRICTIONS OF NET POSITION

The government-wide statement of net position reports net position restricted by enabling legislation, which consists of the following at April 30, 2016:

<u>Net position restricted for:</u>	<u>Amount</u>
Public safety	\$ 667,113
Emergency 911 services	83,436
Debt service	
Tax incremental financing	10,844,671
Other	<u>84,239</u>
 Total net position restricted by enabling legislation	 \$ <u><u>11,679,459</u></u>

NOTE L - FUND BALANCES RESTRICTED FOR SPECIAL REVENUE PURPOSES

The governmental funds balance sheet reports fund balances restricted for special revenue purposes, which consist of the following at April 30, 2016:

<u>Fund balance restricted for:</u>	<u>Amount</u>
Fire protection	\$ 299,959
Emergency telephone system	17,113
Police seizure	81,948
Working cash	<u>18,055</u>
 Total fund balance restricted for special revenue purposes	 \$ <u><u>417,075</u></u>

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE M - NONSPENDABLE FUND BALANCES - DEPOSITS WITH PAYING AGENT

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

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

Bond Funds - used to accumulate amounts sufficient for payment of principal, interest and premium, if any, on the Parity Bonds and other additional bonds, if any. Amounts deposited into the Bond Funds should be used solely and only for such purposes until the bonds have been paid in full. If the amount in the Bond Funds at a specified date are less than the debt service requirements, as defined, the Trustee/Paying Agent shall replenish any deficiency by immediately withdrawing funds first from the Reserve and Redemption Fund and then the General Account. As of April 30, 2016, \$2,717,793 was held for the 2002A and 2002B bonds, \$1,036,595 was held for the 2008 bonds, and \$658,736 was held for the 2009 bonds. \$ 4,413,352

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

Administrative Expense and Prior Note Fund - used to make payments for certain eligible redevelopment project costs. If, as of a specified date, the amount in the Bond Fund equals or exceeds debt service requirements, as defined, the Trustee/Paying Agent, within 10 days thereafter, shall deposit into this account annually an amount not to exceed \$250,000. 7,001

Special Tax Allocation Fund - TIF 3 1,162,470

Total amounts nonspendable in relation to tax incremental financing districts 9,279,735

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

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

Nonspendable in relation to other long-term obligations:

Deposits with paying agent for debt service

Series 2007A bonds	\$	19
Series 2007B bonds		24,945
Series 2007C bonds		15,051
Series 2010 bonds		<u>32,886</u>
Total nonspendable	\$	<u><u>9,352,636</u></u>

NOTE N - DEFICIT FUND BALANCES

At April 30, 2016, the following funds have deficit fund balances:

Fund	Deficit
General	\$ (1,894,656)
Sauk Pointe Industrial Park Fund	(194,614)
Nonmajor	
Motor Fuel Tax	(231,407)
Railroad Noise Mitigation	(12,385)
Municipal Building	(13,043)

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

NOTE O - PENSION LIABILITIES

1. Illinois Municipal Retirement Fund

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Plan Description

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

Benefits Provided

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

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

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

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Plan Membership

As of December 31, 2015, the following employees were covered by the benefit terms:

	Regular	SLEP
Retirees and beneficiaries currently receiving benefits	31	-
Inactive plan members entitled to but not yet receiving benefits	14	1
Active plan members	17	1
	62	2

Contributions

As set by statute, the Village's Plan Members are required to contribute 4.5% and 7.5% of their annual covered salary for the Regular Plan and the SLEP Plan, respectively. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2015 was 13.49% and 13.69% for the Regular Plan and the SLEP Plan, respectively. For the fiscal year ended April 30, 2016 the Village contributed \$99,902 and \$3,870 to the Regular Plan and the SLEP Plan, respectively. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Village's IMRF net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.75
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.49% for the Regular plan and 7.44% for the SLEP plan
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Long-term Expected Rate of Return	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	38%	7.39%
International equity	17%	7.59%
Fixed income	27%	3%
Real estate	8%	6%
Alternative investments	9%	2.75-8.15%
Cash equivalents	1%	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.49% and 7.44% for the Regular Plan and the SLEP Plan, respectively, was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.49% and 7.44% for the Regular Plan and the SLEP Plan, respectively.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability

The following tables shows the components of the change in the Village's net pension liability, for the calendar year ended December 31, 2015:

<i>Regular Plan</i>	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability* (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at December 31, 2014	\$ 8,832,995	\$ 8,122,935	\$ 710,060
Changes for the year:			
Service cost	154,860	-	154,860
Interest on the total pension liability	644,127	-	644,127
Difference between expected and actual experience of the total pension liability	(373,572)	-	(373,572)
Changes of assumptions	-	-	-
Contributions - Employer	-	160,519	(160,519)
Contributions - Employees	-	53,546	(53,546)
Net Investment Income	-	39,597	(39,597)
Benefit payments, including refunds of employee contributions	(621,188)	(621,188)	-
Other (net transfer)	-	6,110	(6,110)
Net changes	<u>(195,773)</u>	<u>(361,416)</u>	<u>165,643</u>
Balances at December 31, 2015	<u>\$ 8,637,222</u>	<u>\$ 7,761,519</u>	<u>\$ 875,703</u>

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

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

Changes in Net Pension Liability (Continued)

<i>SLEP</i>	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability* (A) - (B)
Balances at December 31, 2014	\$ 123,451	\$ 129,055	\$ (5,604)
Changes for the year:			
Service cost	15,085	-	15,085
Interest on the total pension liability	9,825	-	9,825
Difference between expected and actual experience of the total pension liability	4,939	-	4,939
Changes of assumptions	1,155	-	1,155
Contributions - Employer	-	3,870	(3,870)
Contributions - Employees	-	2,120	(2,120)
Net Investment Income	-	660	(660)
Benefit payments, including refunds of employee contributions	-	-	-
Other (net transfer)	-	(5,254)	5,254
Net changes	<u>31,004</u>	<u>1,396</u>	<u>29,608</u>
Balances at December 31, 2015	<u>\$ 154,455</u>	<u>\$ 130,451</u>	<u>\$ 24,004</u>

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

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

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.49% and 7.44% for the Regular Plan and the SLEP Plan, respectively, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

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

	<u>1% Lower</u> (6.49%)	<u>Current</u> <u>Discount Rate</u> (7.49%)	<u>1% Lower</u> (8.49%)
Regular Plan net pension liability (asset) \$	1,942,475	\$ 875,702	\$ (5,704)
	<u>1% Lower</u> (6.44%)	<u>Current</u> <u>Discount</u> <u>Rate</u> (7.44%)	<u>1% Lower</u> (8.44%)
SLEP Plan net pension liability \$	44,929	\$ 24,005	\$ 6,669

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

For the year ended April 30, 2016, the Village recognized pension expense of \$152,603 and \$22,479 for the Regular Plan and the SLEP Plan, respectively. At April 30, 2016, the Village reported deferred inflows of resources related to pensions from the following sources:

	<u>Regular Plan</u>	<u>SLEP</u>
	<u>Deferred</u> <u>Outflows</u> (Inflows) of <u>Resources</u>	<u>Deferred</u> <u>Outflows</u> (Inflows) of <u>Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ (270,110)	\$ 3,048
Change of assumptions	-	716
Net difference between projected and actual earnings on pension plan investments	443,668	7,238
Total deferred amounts to be recognized in pension expense in the future periods	173,558	11,002
Pension contributions made subsequent to the measurement date	49,771	4,851
Total deferred amounts related to pensions	\$ 223,329	\$ 15,853

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

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

The Village reported \$54,622 as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended April, 30</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ 11,597
2018	10,692
2019	49,540
2020	112,731
2021	-
Thereafter	<u>-</u>
Total	<u>\$ 184,560</u>

2. Firefighters' Pension Plan

Plan Description

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Basis of Accounting

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

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

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

Benefits Provided

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3% compounded annually thereafter.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

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

Plan Membership

At April 30, 2016, the Firefighters' Pension Plan membership consisted of the following:

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

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90 percent of the past service cost by the year 2040. For the year ended April 30, 2016, the Village has no active members so covered payroll is \$0.

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Net Pension Liability

The Village's police fund net pension liability was measured as of April 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Actuarial valuation date	May 1, 2016
Asset valuation method	Market Value
Assumptions	
Investment rate of return	5.00%
Salary increases	0.00%
Inflation	2.50%
Mortality	RP 2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015
Withdrawal, Disability and Retirement	Based on studies of the Fund and the Department of Insurance, Sample Rates below (100% by age 70)
Marital Status	80% Married, Female spouses 3 years younger

Single Discount Rate

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Single Discount Rate (Continued)

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

Changes in Net Pension Liability

The following table shows the components of the change in the Village's net pension liability for the year ended April 30, 2016.

	Total Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at April 30, 2015	\$ 1,255,411	\$ 121,012	\$ 1,134,399
Changes for the year:			
Interest on the total pension liability	61,760	-	61,760
Difference between expected and actual experience of the total pension liability	(17,484)	-	(17,484)
Changes of assumptions	63,671	-	63,671
Contributions - employer	-	10,875	(10,875)
Contributions - employees	-	-	-
Net investment income (loss)	-	7,911	(7,911)
Benefit payment, including refunds of member contributions	(40,441)	(40,441)	-
Administrative expense	-	(9,203)	9,203
Net changes	<u>67,506</u>	<u>(30,858)</u>	<u>98,364</u>
Balances at April 30, 2016	<u>\$ 1,322,917</u>	<u>\$ 90,154</u>	<u>\$ 1,232,763</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

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

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

	<u>1% Decrease (4.00%)</u>	<u>Current Discount (5.00%)</u>	<u>1% Increase (6.00%)</u>
Net pension liability	\$ 1,467,930	\$ 1,232,763	\$ 1,048,482

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

For the year ended April 30, 2016 the Village recognized pension expense of \$1,316,866. At April 30, 2016, the Village reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Difference between expected and actual experience	\$ -	\$ 17,484
Change in assumptions	63,671	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>2,829</u>
Total deferred amounts related to Firefighters' Pension	<u>\$ 63,671</u>	<u>\$ 20,313</u>

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

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

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

Year Ended April 30,	Net Deferred Outflows / (Inflows) of Resources
2017	\$ 45,621
2018	(566)
2019	(566)
2020	(566)
2021	(565)
Thereafter	-
	\$ 43,358

3. Police Pension Plan

Plan Description

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

Basis of Accounting

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

Benefits Provided

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

Plan Membership

As of April 30, 2016, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	13
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>20</u>
	<u><u>35</u></u>

Contributions

Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91 percent of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amount necessary to finance the Police Pension Plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90 percent of the past service cost for the Police Pension Plan. For the year ended April 30, 2016, the Village's contribution was 13.67 percent of covered payroll.

Net Pension Liability

The Village's police fund net pension liability was measured as of April 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Actuarial valuation date	May 1, 2016
Asset valuation method	Market Value

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

Actuarial Assumptions (Continued)

Assumptions	
Interest rate	6.75%
Salary increases	5.00%
Inflation	2.50%
Retirement age	50-70
Mortality	RP 2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015.
Withdrawal, Disability and Retirement	Based on studies of the Fund and the Department of Insurance, Sample Rates below (100% by age 70)

Single Discount Rate

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

Changes in Net Pension Liability

The following table shows the components of the change in the Village's net pension liability for the year ended April 30, 2016.

	Total Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
Balances at April 30, 2015	\$ 14,042,688	\$ 5,658,895	\$ 8,383,793
Changes for the year:			
Service cost	398,595	-	398,595
Interest on the total pension liability	929,999	-	929,999
Difference between expected and actual experience of the total pension liability	(1,036,326)	-	(1,036,326)
Changes of assumptions	988,079	-	988,079
Contributions - employer	-	193,171	(193,171)
Contributions - employees	-	141,687	(141,687)
Net investment income (loss)	-	(26,198)	26,198
Benefit payment, including refunds of employee contributions	(529,838)	(529,838)	-
Administrative expense	-	(51,475)	51,475
Net changes	<u>750,509</u>	<u>(272,653)</u>	<u>1,023,162</u>
Balances at April 30, 2016	<u>\$ 14,793,197</u>	<u>\$ 5,386,242</u>	<u>\$ 9,406,955</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
Net pension liability	\$ 11,702,477	\$ 9,406,955	\$ 7,552,850

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

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

For the year ended April 30, 2016 the Village recognized pension expense of \$1,316,866. At April 30, 2016, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Difference between expected and actual experience	\$ -	\$ 1,036,326
Change in assumptions	988,079	-
Net difference between projected and actual earnings on pension plan investments	<u>399,855</u>	<u>-</u>
Total deferred amounts related to Police Pension	<u>\$ 1,387,934</u>	<u>\$ 1,036,326</u>

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

<u>Year Ended April 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2017	\$ 72,979
2018	72,979
2019	72,979
2020	72,979
2021	72,979
Thereafter	<u>(13,287)</u>
Total	<u>\$ 351,608</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE O - PENSION LIABILITIES (Continued)

4. Summary of Pension Items

Below is a summary of the various pension items:

	<u>IMRF</u>	<u>Firefighters'</u>	<u>Police</u>	<u>Total</u>
Deferred outflows of resources:				
Employer contributions	\$ 54,622	\$ -	\$ -	\$ 54,622
Experience	3,048	-	-	3,048
Assumptions	716	63,671	988,079	1,052,466
Proportionate share	54,415	-	-	54,415
Investments	450,906	-	399,855	850,761
	<u>\$ 563,707</u>	<u>\$ 63,671</u>	<u>\$ 1,387,934</u>	<u>\$ 2,015,312</u>
Net pension liability	<u>\$ 899,707</u>	<u>\$ 1,232,763</u>	<u>\$ 9,406,955</u>	<u>\$ 11,539,425</u>
Deferred inflows of resources:				
Experience	\$ 270,110	\$ 17,484	\$ 1,036,326	\$ 1,323,920
Proportionate share	54,415	-	-	54,415
Investments	-	2,829	-	2,829
	<u>\$ 324,525</u>	<u>\$ 20,313</u>	<u>\$ 1,036,326</u>	<u>\$ 1,381,164</u>

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

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Deferred outflows of resources:	\$ 1,656,231	\$ 359,081	\$ 2,015,312
Net pension liability	11,001,208	538,217	11,539,425
Deferred inflows of resources:	1,219,581	161,583	1,381,164

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE P - OTHER POSTEMPLOYMENT BENEFITS

1. Plan Description

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

As of May 1, 2015, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Actives	38
Retirees	10
	48

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

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

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

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

2. Funding Policy

The contribution requirements of the plan members and the Village are established and may be amended by the Village Board and are detailed in the "Plan Document". The required contribution is based on projected pay-as-you-go financing requirements. For the year ended April 30, 2016, the Village contributed \$147,746 to the Plan. Plan members receiving benefits were not required to make any contributions during the same period.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$	249,863
Interest on net OPEB obligation		31,981
Adjustment to annual required contribution		<u>(26,651)</u>
Annual OPEB cost		255,193
Contributions made		<u>147,746</u>
Increase in net OPEB obligation		107,447
Net OPEB obligation, May 1, 2015		<u>799,521</u>
Net OPEB obligation, April 30, 2016	\$	<u><u>906,968</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 year ended April 30, 2016 and the two preceding fiscal years were as follows:

		Annual OPEB Cost	Percentage Annual OPEB Cost Contributed		Net OPEB Obligation
<u>Period Ended</u>		<u>Cost</u>	<u>Contributed</u>		<u>Obligation</u>
4/30/2016	\$	255,193	57.9%	\$	906,968
4/30/2015		271,608	45.9%		799,521
4/30/2014		264,611	47.1%		652,567

4. Funding Status and Funding Progress

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

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

4. Funding Status and Funding Progress (Continued)

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

5. Methods and Assumptions

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

The following simplifying assumptions were made:

Contribution rates:	
Village	N/A
Plan members	0.00%
Actuarial valuation date	May 1, 2015
Actuarial cost method	Projected unit credit normal cost
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases	4.00%
Healthcare inflation rate	7.00% initial 4.00% ultimate
Mortality, Turnover, Disability, Retirement Ages	Same rate utilized for IMRF, Police and Firefighter Pension Funds

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

5. Methods and Assumptions (Continued)

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

*Includes inflation at 2.50%

NOTE Q - COMMITMENTS AND CONTINGENCIES

1. Grants

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

2. Contractual Commitments

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2016

NOTE R - PRIOR PERIOD ADJUSTMENT

The implementation of GASB 68 and 71 (Note A-2) required the Village to report the net pension liability for the IMRF, Police, and Firefighters' pension funds. For the governmental activities, as a result of this implementation, net deficit increased by \$7,046,890, net pension liability (included in long-term liabilities) increased by \$7,071,245, and deferred outflows increased by \$24,355, as of May 1, 2015. For the business-type activities, which include the Waterworks Fund and the Sewerage Fund, net position decreased by \$330,738, net pension liability increased by \$367,000, and deferred outflows increased by \$36,262. For the Waterworks Fund, net position decreased by \$182,659, net pension liability increased by \$201,946, and deferred outflows increased by \$19,287. For the Sewerage Fund, net position decreased by \$148,079, net pension liability increased by \$165,054, and deferred outflows increased by \$16,975.

NOTE S - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 10, 2017, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than as disclosed in Notes J-2 and Q-2, have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Village of Sauk Village, Illinois
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MOST RECENT CALENDAR YEAR
Illinois Municipal Retirement Fund - Regular Plan
April 30, 2016

Calendar year ended December 31,

	2015
Total pension liability	
Service cost	\$ 154,860
Interest on the total pension liability	644,127
Difference between expected and actual experience of the total pension liability	(373,572)
Assumption changes	-
Benefit payments and refunds	(621,188)
Net change in total pension liability	(195,773)
Total pension liability, beginning	8,832,995
Total pension liability, ending	\$ 8,637,222
 Plan fiduciary net position	
Contributions, employer	\$ 160,519
Contributions, employee	53,546
Net investment income	39,597
Benefit payments, including refunds of employee contributions	(621,188)
Other (net transfer)	6,110
Net change in plan fiduciary net position	(361,416)
Plan fiduciary net position, beginning	8,122,935
Plan fiduciary net position, ending	\$ 7,761,519
 Net pension liability	\$ 875,703
 Plan fiduciary net position as a percentage of the total pension liability	89.86 %
 Covered Valuation Payroll	\$ 1,189,912
 Net pension liability as a percentage of covered valuation payroll	73.59 %

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

Village of Sauk Village, Illinois
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MOST RECENT CALENDAR YEAR
Illinois Municipal Retirement Fund - SLEP
April 30, 2016

Calendar year ended December 31,

	2015
Total pension liability	
Service cost	\$ 15,085
Interest on the total pension liability	9,825
Difference between expected and actual experience of the total pension liability	4,939
Assumption changes	1,155
Benefit payments and refunds	-
Net change in total pension liability	31,004
Total pension liability, beginning	123,451
Total pension liability, ending	\$ 154,455
 Plan fiduciary net position	
Contributions, employer	\$ 3,870
Contributions, employee	2,120
Net investment income	660
Benefit payments, including refunds of employee contributions	-
Other (net transfer)	(5,254)
Net change in plan fiduciary net position	1,396
Plan fiduciary net position, beginning	129,055
Plan fiduciary net position, ending	\$ 130,451
 Net pension liability	\$ 24,004
 Plan fiduciary net position as a percentage of the total pension liability	84.46 %
 Covered Valuation Payroll	\$ 28,269
 Net pension liability as a percentage of covered valuation payroll	84.91 %

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

Village of Sauk Village, Illinois
SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund - Regular Plan
April 30, 2016

	Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
Regular	2015	\$ 164,389	\$ 164,389	\$ -	\$ 1,189,912	13.49 %
SLEP	2015	3,870	3,870	-	28,269	13.69

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

Valuation Date:

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

Methods and Assumptions Used to Determine the 2015 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 calculation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes There were no benefit changes during the year.

Village of Sauk Village, Illinois
 Firefighters' Pension Fund
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
April 30, 2016

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

Notes to the Schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Remaining amortization period	25 years
Asset valuation method	Market Value
Inflation	2.5%
Salary increases	0.0%
Investment rate of return	5.0%
Retirement age	50-70
Mortality	RP 2014 projected to 2016

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

Village of Sauk Village, Illinois

Firefighters' Pension Fund

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

April 30, 2016

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

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

Village of Sauk Village, Illinois
Firefighters' Pension Fund
MULTIYEAR SCHEDULE OF INVESTMENT RETURNS
April 30, 2016

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

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

Village of Sauk Village, Illinois
 Police Pension Fund
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
April 30, 2016

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 645,657	\$ 193,171	\$ (452,486)	\$ 1,413,545	13.67
2015	645,657	186,532	(459,125)	1,458,307	12.79

Notes to the Schedule:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Remaining amortization period	25 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	6.75%
Retirement age	50-70
Mortality	RP 2014 projected to 2016

Note: The Police Pension Fund implemented GASB 67 beginning with its fiscal year ended April 30, 2014; therefore, 10 years of information is not available.

Village of Sauk Village, Illinois

Police Pension Fund

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

April 30, 2016

	2016	2015
Total pension liability		
Service cost	\$ 398,595	\$ 484,011
Interest on the total pension liability	929,999	850,727
Difference between expected and actual experience of the total pension liability	(1,036,326)	447,822
Assumption changes	988,079	-
Benefit payments and refunds	(529,838)	(686,461)
Net change in total pension liability	750,509	1,096,099
Total pension liability, beginning	14,042,688	12,946,589
Total pension liability, ending	\$ 14,793,197	\$ 14,042,688
 Plan fiduciary net position		
Contributions, employer	\$ 193,171	\$ 186,532
Contributions, employee	141,687	154,297
Net investment income	(26,198)	235,980
Benefit payments, including refunds of employee contributions	(529,838)	(686,461)
Administrative expense	(51,475)	-
Other (net transfer)	-	(36,180)
Net change in plan fiduciary net position	(272,653)	(145,832)
Plan fiduciary net position, beginning	5,658,895	5,804,727
Plan fiduciary net position, ending	\$ 5,386,242	\$ 5,658,895
 Net pension liability	\$ 9,406,955	\$ 8,383,793
 Plan fiduciary net position as a percentage of the total pension liability	36.41 %	40.30 %
 Covered Valuation Payroll	\$ 1,413,545	\$ 1,458,307
 Net pension liability as a percentage of covered valuation payroll	665.49 %	574.90 %

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

Change in assumptions The change in assumptions amount of \$988,079 in 2016 was primarily the result of revised expectations with respect to mortality rates. The mortality rates have been changed to the RP 2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015.

Village of Sauk Village, Illinois
Police Pension Fund
MULTIYEAR SCHEDULE OF INVESTMENT RETURNS
April 30, 2016

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

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

Village of Sauk Village, Illinois
 Other Postemployment Benefits
 SCHEDULE OF FUNDING PROGRESS
April 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
5/1/15	\$ N/A	\$ 2,694,273	\$ 2,694,273	0.0 %	\$ N/A	N/A %
10/31/12	N/A	2,445,957	2,445,957	0.0	N/A	N/A
10/31/10	N/A	2,823,887	2,823,887	0.0	N/A	N/A

N/A - Not Available

Actuarial valuations are required to be performed triennially. The information presented above is the most recent available.

Village of Sauk Village, Illinois

General Fund

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

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 2,721,172	\$ 2,415,179	\$ (305,993)
Licenses and permits	198,000	216,087	18,087
Charges for services	609,500	650,695	41,195
Intergovernmental	1,734,806	1,685,647	(49,159)
Fines and forfeitures	289,000	202,423	(86,577)
Interest	-	164	164
Contributions and donations	5,000	14,078	9,078
Miscellaneous	190,000	79,922	(110,078)
Total revenues	5,747,478	5,264,195	(483,283)
Expenditures			
Current			
General government	1,934,724	1,819,610	(115,114)
Public safety	3,292,118	3,233,309	(58,809)
Public works	501,636	184,985	(316,651)
Debt service			
Principal	-	101,071	101,071
Interest	-	9,952	9,952
Total expenditures	5,728,478	5,348,927	(379,551)
Excess (deficiency) of revenues over expenditures	19,000	(84,732)	(103,732)
Other financing sources (uses)			
Proceeds from debt issuance	-	76,722	76,722
Transfers in	671,000	674,150	3,150
Transfers out	(690,000)	(685,000)	5,000
Total other financing sources (uses)	(19,000)	65,872	84,872
Net change in fund balance	\$ -	(18,860)	\$ (18,860)
Fund deficit			
Beginning of year		(1,875,796)	
End of year		\$ (1,894,656)	

Village of Sauk Village, Illinois
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2016

NOTE A - BUDGETARY DATA

The Village prepares its appropriation ordinance in accordance with generally accepted accounting principles. Appropriations were adopted for the General Fund, Debt Service Fund, LogistiCenter at Sauk Village Fund, Waterworks Fund, Sewerage Fund, Fire Protection Fund, Motor Fuel Tax Fund, Emergency Telephone System Fund, Police Seizure Fund, Working Cash Fund, Utility Tax Fund, Community Development Block Grant Fund, Railroad Noise Mitigation Fund, and the SurreyBrook Plaza Fund. Annual appropriations lapse at year-end. The Village did not prepare an appropriation for fiscal year 2016 for the Sauk Pointe Industrial Park Fund, Municipal Building Fund or the Sauk Plaza Redevelopment Plan Fund.

1. Within ninety days of the start of the fiscal period, the annual appropriation ordinance is presented for adoption by the Village Board. This ordinance appropriates such sums of money as are deemed necessary to defray all necessary expenses and liabilities of the Village. The ordinance also specifies the objects and purposes for which these appropriations are made and the amount appropriated for each.
2. Prior to the adoption of the appropriation ordinance, the Village makes the proposed ordinance conveniently available to public inspection and holds at least one public hearing subsequent to published notice.
3. Subsequent to the public hearing and before final action is taken on the appropriation ordinance, the Village Board may revise, alter, increase, or decrease the items contained therein.
4. Final action to adopt the appropriation, for the year ended April 30, 2016, was taken by the Village Board on May 16, 2015.
5. The Board may subsequently transfer appropriated amounts to other appropriations, but may not increase overall appropriation of an individual fund without the passage of a supplemental appropriation.
6. The legal level of budgetary control is at the fund level.

NOTE B - EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds had an excess of expenditures over appropriations for the year ended April 30, 2015:

<u>Fund</u>	<u>Variance</u>
Fire Protection	\$ 439,674
Police Seizure	5,864
SurreyBrook Plaza	10,925
Emergency Telephone System	30,000
Utility Tax	1,656
Waterworks	23,694
Sewerage	19,250

OTHER SUPPLEMENTARY INFORMATION

Village of Sauk Village, Illinois
 General Fund
 SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
 For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 2,721,172	\$ 2,415,179	\$ (305,993)
Licenses and permits			
Business licenses	62,000	74,968	12,968
Liquor licenses	10,000	7,600	(2,400)
Vending machine licenses	1,000	2,765	1,765
Vehicle licenses	95,000	96,482	1,482
Animal licenses	1,000	1,465	465
Building permits	10,000	9,332	(668)
Other permits and licenses	2,000	2,050	50
Building occupation and inspection	17,000	21,425	4,425
Total licenses and permits	198,000	216,087	18,087
Charges for services			
Utility tax	470,000	509,607	39,607
Cable TV franchise fees	85,000	94,105	9,105
Police reports	2,500	1,698	(802)
Garbage collection fee	25,000	20,281	(4,719)
Rental income	12,500	23,108	10,608
Other	14,500	1,896	(12,604)
Total charges for services	609,500	650,695	41,195

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues (Continued)			
Intergovernmental			
Replacement taxes	\$ 20,000	\$ 32,883	\$ 12,883
State income taxes	800,223	1,119,650	319,427
Municipal sales taxes	473,816	509,482	35,666
Other state grants	53,000	23,632	(29,368)
Parks and playground grant	335,000	-	(335,000)
COPS hire grant	41,667	-	(41,667)
Other	11,100	-	(11,100)
	<u>1,734,806</u>	<u>1,685,647</u>	<u>(49,159)</u>
Fines and forfeitures			
Police fines	105,000	107,473	2,473
Administrative court	2,500	2,000	(500)
Tow release fines	180,000	92,250	(87,750)
Other fees	1,500	700	(800)
	<u>289,000</u>	<u>202,423</u>	<u>(86,577)</u>
Total fines and forfeitures			
	<u>289,000</u>	<u>202,423</u>	<u>(86,577)</u>
Interest	-	164	164
Contributions and donations			
Welch Park donations	-	11,418	11,418
Miscellaneous donations	5,000	2,660	(2,340)
	<u>5,000</u>	<u>14,078</u>	<u>9,078</u>
Total contributions and donations			
	<u>5,000</u>	<u>14,078</u>	<u>9,078</u>
Miscellaneous	190,000	79,922	(110,078)
Total revenues	<u>\$ 5,747,478</u>	<u>\$ 5,264,195</u>	<u>\$ (483,283)</u>

(Concluded)

Village of Sauk Village, Illinois
 General Fund
 SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
 For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures			
General government			
Finance and administration			
Regular employee wages	\$ 172,996	\$ 129,293	\$ (43,703)
Fringe benefits	79,312	56,581	(22,731)
Office supplies	7,500	6,567	(933)
Vehicle expense	7,500	11,344	3,844
Operating supplies	-	75	75
Computer software supplies	7,500	13,653	6,153
Telephone	8,200	14,207	6,007
Postage	5,000	3,561	(1,439)
Insurance	654,998	560,359	(94,639)
Printing	5,000	4,723	(277)
Equipment repair and maintenance	4,000	6,475	2,475
Publications and memberships	-	235	235
Professional services	522,500	470,337	(52,163)
Computer contractual services	10,000	2,792	(7,208)
Public information	1,000	1,711	711
Other contractual services	153,000	363,882	210,882
Refunds	100,000	(24,812)	(124,812)
Total finance and administration	<u>1,738,506</u>	<u>1,620,983</u>	<u>(117,523)</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (Continued)			
General government (Continued)			
Elected officials			
Public official wages	\$ 88,000	\$ 77,712	\$ (10,288)
Fringe benefits	6,732	5,924	(808)
Telephone	500	-	(500)
Printing	1,500	3,011	1,511
Publications and memberships	15,000	21,854	6,854
Public information	500	222	(278)
Beautification/improvement commission	-	(185)	(185)
Fire and police commission	5,000	6,008	1,008
Public relations committee	-	2,154	2,154
Neighborhood watch committee	-	55	55
Senior citizens committee	-	1,277	1,277
Other contractual services	500	893	393
	<u>117,732</u>	<u>118,925</u>	<u>1,193</u>
Total elected officials			
Community development			
Regular employee wages	55,786	57,907	2,121
Fringe benefits	22,700	21,795	(905)
	<u>78,486</u>	<u>79,702</u>	<u>1,216</u>
Total community development			
	<u>1,934,724</u>	<u>1,819,610</u>	<u>(115,114)</u>
Total general government			

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2016

Expenditures (Continued)	Original and Final Budget	Actual	Variance Over / (Under)
Public safety			
Police department			
Employee wages	\$ 1,633,507	\$ 1,475,873	\$ (157,634)
Part-time wages	6,000	7,215	1,215
Overtime	160,000	275,263	115,263
Fringe benefits	545,277	512,100	(33,177)
Pension contributions	194,313	193,169	(1,144)
Office supplies	3,000	4,429	1,429
Vehicle expense	80,000	50,800	(29,200)
Uniforms and clothing	55,000	20,471	(34,529)
Facility maintenance supplies	500	(107)	(607)
Operating supplies	10,000	2,667	(7,333)
Computer software supplies	5,000	32,003	27,003
Tools and equipment	5,000	25,045	20,045
Other materials and supplies	-	71	71
Telephone	40,000	82,340	42,340
Postage	5,000	2,360	(2,640)
K-9	6,000	8,734	2,734
Printing	1,500	1,641	141
Equipment repair and maintenance	30,000	21,011	(8,989)
Vehicle repair and maintenance	45,000	15,274	(29,726)
Facility maintenance	500	898	398
Organization business expense	1,500	2,231	731
Professional development	5,000	2,274	(2,726)
Academy training	-	1,988	1,988
Publications and memberships	3,000	11,442	8,442
Professional services	32,000	53,750	21,750
Computer contractual services	5,000	23,145	18,145
Public information	1,000	-	(1,000)
Other rents and leases	50,000	4,775	(45,225)
Other contractual services	263,800	195,231	(68,569)
Refunds	-	25,004	25,004
Vehicles	44,649	(1)	(44,650)
Construction supplies	-	5,137	5,137
Total police department	<u>3,231,546</u>	<u>3,056,233</u>	<u>(175,313)</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
Public safety (Continued)			
Emergency Service and Disaster Agency			
Part-time wages	\$ 31,000	\$ 22,041	\$ (8,959)
Fringe benefits	2,372	1,686	(686)
Vehicle expense	9,600	4,095	(5,505)
Uniforms and clothing	1,000	251	(749)
Facility maintenance supplies	300	102	(198)
Operating supplies	900	189	(711)
Computer software supplies	-	63	63
Tools and equipment	200	1,690	1,490
Other materials and supplies	200	13	(187)
Telephone	4,800	5,685	885
Equipment repair and maintenance	4,200	290	(3,910)
Vehicle repair and maintenance	4,400	4,614	214
Organization business expense	200	480	280
Professional development	1,300	832	(468)
Publications and memberships	100	200	100
Total Emergency Service and Disaster Agency	<u>60,572</u>	<u>42,231</u>	<u>(18,341)</u>
Dispatch			
Regular wages	-	104,577	104,577
Overtime	-	276	276
Fringe benefits	-	16,505	16,505
Telephone	-	13,487	13,487
Total dispatch	<u>-</u>	<u>134,845</u>	<u>134,845</u>
Total public safety	<u>3,292,118</u>	<u>3,233,309</u>	<u>(58,809)</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
Public works			
Public grounds and buildings			
Fringe benefits	\$ -	\$ 1,296	\$ 1,296
Office supplies	-	84	84
Vehicle expense	20,000	12,485	(7,515)
Facility maintenance supplies	7,000	11,538	4,538
Operating supplies	500	541	41
Computer software supplies	500	-	(500)
Tools and equipment	1,000	1,062	62
Construction supplies	2,500	1,600	(900)
Telephone	1,000	885	(115)
Utilities	14,000	6,645	(7,355)
Equipment repair and maintenance	4,000	8,932	4,932
Vehicle repair and maintenance	-	277	277
Facility maintenance	30,000	34,902	4,902
Professional services	-	325	325
Other contractual services	3,000	2,010	(990)
	<u>83,500</u>	<u>82,582</u>	<u>(918)</u>
Streets			
Vehicle expense	12,000	6,209	(5,791)
Equipment repair and maintenance	-	74	74
Other rents and leases	45,000	-	(45,000)
Capital outlay - street lighting improvements	-	76,722	76,722
	<u>57,000</u>	<u>83,005</u>	<u>26,005</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
Public works (Continued)			
Parks and playgrounds			
Part-time wages	\$ 9,880	\$ 11,334	\$ 1,454
Fringe benefits	756	867	111
Operating supplies	7,000	(65)	(7,065)
Other materials and supplies	-	894	894
Telephone	500	334	(166)
Utilities	2,000	75	(1,925)
Other contractual services	6,000	5,959	(41)
Construction	335,000	-	(335,000)
Total parks and playgrounds	361,136	19,398	(341,738)
Total public works	501,636	184,985	(316,651)
Debt service			
Principal	-	101,071	101,071
Interest	-	9,952	9,952
Total debt service	-	111,023	111,023
Total expenditures	\$ 5,728,478	\$ 5,348,927	\$ (379,551)

(Concluded)

Village of Sauk Village, Illinois

Debt Service Fund

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

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Interest	\$ 500	\$ 537	\$ 37
Total revenues	<u>500</u>	<u>537</u>	<u>37</u>
Expenditures			
Debt service			
Principal	2,880,000	2,880,000	-
Interest	<u>1,391,794</u>	<u>1,377,794</u>	<u>(14,000)</u>
Total expenditures	<u>4,271,794</u>	<u>4,257,794</u>	<u>(14,000)</u>
Deficiency of revenues over expenditures	<u>(4,271,294)</u>	<u>(4,257,257)</u>	<u>14,037</u>
Other financing sources			
Transfers in	<u>923,283</u>	<u>3,448,874</u>	<u>2,525,591</u>
Total other financing sources	<u>923,283</u>	<u>3,448,874</u>	<u>2,525,591</u>
Net change in fund balance	\$ <u>(3,348,011)</u>	(808,383)	\$ <u>2,539,628</u>
Fund balance			
Beginning of year		<u>9,579,903</u>	
End of year		\$ <u>8,771,520</u>	

Village of Sauk Village, Illinois

LogistiCenter at Sauk Village Fund

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

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 563,000	\$ 2,761,433	\$ 2,198,433
Interest	10	33	23
Total revenues	<u>563,010</u>	<u>2,761,466</u>	<u>2,198,456</u>
Expenditures			
Current			
General government	<u>563,010</u>	<u>203,555</u>	<u>(359,455)</u>
Total expenditures	<u>563,010</u>	<u>203,555</u>	<u>(359,455)</u>
Excess of revenues over expenditures	<u>-</u>	<u>2,557,911</u>	<u>2,557,911</u>
Other financing uses			
Transfers out	<u>-</u>	<u>(1,801,569)</u>	<u>(1,801,569)</u>
Total other financing uses	<u>-</u>	<u>(1,801,569)</u>	<u>(1,801,569)</u>
Net change in fund balance	<u>\$ -</u>	<u>756,342</u>	<u>\$ 756,342</u>
Fund balance			
Beginning of period		<u>1,002,290</u>	
End of period		<u>\$ 1,758,632</u>	

Village of Sauk Village, Illinois

Nonmajor Governmental Funds
COMBINING BALANCE SHEET
April 30, 2016

	Special Revenue Funds			
	Fire Protection	Motor Fuel Tax	Emergency Telephone System	Police Seizure
ASSETS				
Cash and cash equivalents	\$ 651,963	\$ -	\$ 44,945	\$ 81,948
Receivables				
Property taxes	272,552	-	-	-
Intergovernmental	-	23,910	-	-
Other	-	-	-	-
Deposits with paying agent	15,051	-	24,945	-
Advances to other funds	-	-	41,378	-
Total assets	\$ 939,566	\$ 23,910	\$ 111,268	\$ 81,948
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 49,419	\$ 76,501	\$ 27,832	\$ -
Accrued payroll	4,300	-	-	-
Advances from other funds	300,682	178,816	-	-
Total liabilities	354,401	255,317	27,832	-
Deferred inflows				
Property taxes levied for a future period	270,155	-	-	-
Fund balance (deficit)				
Nonspendable				
Deposits with paying agent	15,051	-	24,945	-
Advances to other funds	-	-	41,378	-
Restricted				
Special revenue	299,959	-	17,113	81,948
Capital projects	-	-	-	-
Unassigned	-	(231,407)	-	-
Total fund balance (deficit)	315,010	(231,407)	83,436	81,948
Total liabilities, deferred inflows, and fund balances (deficit)	\$ 939,566	\$ 23,910	\$ 111,268	\$ 81,948

Special Revenue Funds			Capital Projects Funds		
Working Cash	Railroad Noise Mitigation	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ 17,833	\$ -	\$ 796,689	\$ -	\$ 225,000	\$ 31,419
222	-	272,774	-	-	-
-	-	23,910	-	-	-
-	-	-	18,677	-	-
32,886	-	72,882	-	-	-
<u>530,596</u>	<u>-</u>	<u>571,974</u>	<u>623,933</u>	<u>-</u>	<u>-</u>
<u>\$ 581,537</u>	<u>\$ -</u>	<u>\$ 1,738,229</u>	<u>\$ 642,610</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>
\$ -	\$ -	\$ 153,752	\$ 541	\$ -	\$ -
-	-	4,300	-	-	-
-	12,385	491,883	-	-	-
<u>-</u>	<u>12,385</u>	<u>649,935</u>	<u>541</u>	<u>-</u>	<u>-</u>
-	-	270,155	-	-	-
32,886	-	72,882	-	-	-
530,596	-	571,974	623,933	-	-
18,055	-	417,075	-	-	-
-	-	-	18,136	225,000	31,419
-	(12,385)	(243,792)	-	-	-
<u>581,537</u>	<u>(12,385)</u>	<u>818,139</u>	<u>642,069</u>	<u>225,000</u>	<u>31,419</u>
<u>\$ 581,537</u>	<u>\$ -</u>	<u>\$ 1,738,229</u>	<u>\$ 642,610</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>

(Continued)

Village of Sauk Village, Illinois
 Nonmajor Governmental Funds
 COMBINING BALANCE SHEET (Continued)
April 30, 2016

	<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	<u>SurreyBrook Plaza</u>	<u>Municipal Building</u>	<u>Total Capital Projects</u>	
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 256,419	\$ 1,053,108
Receivables				
Property taxes	18	-	18	272,792
Intergovernmental	-	-	-	23,910
Other	-	-	18,677	18,677
Deposits with paying agent	-	-	-	72,882
Advances to other funds	<u>584,076</u>	<u>-</u>	<u>1,208,009</u>	<u>1,779,983</u>
Total assets	<u>\$ 584,094</u>	<u>\$ -</u>	<u>\$ 1,483,123</u>	<u>\$ 3,221,352</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 22,141	\$ -	\$ 22,682	\$ 176,434
Accrued payroll	-	-	-	4,300
Advances from other funds	<u>-</u>	<u>13,043</u>	<u>13,043</u>	<u>504,926</u>
Total liabilities	<u>22,141</u>	<u>13,043</u>	<u>35,725</u>	<u>685,660</u>
Deferred inflows				
Property taxes levied for a future period	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,155</u>
Fund balance (deficit)				
Nonspendable				
Deposits with paying agent	-	-	-	72,882
Advances to other funds	584,076	-	1,208,009	1,779,983
Restricted				
Special revenue	-	-	-	417,075
Capital projects	-	-	274,555	274,555
Unassigned	<u>(22,123)</u>	<u>(13,043)</u>	<u>(35,166)</u>	<u>(278,958)</u>
Total fund balance (deficit)	<u>561,953</u>	<u>(13,043)</u>	<u>1,447,398</u>	<u>2,265,537</u>
Total liabilities, deferred inflows, and fund balances (deficit)	<u>\$ 584,094</u>	<u>\$ -</u>	<u>\$ 1,483,123</u>	<u>\$ 3,221,352</u>

(Concluded)

Village of Sauk Village, Illinois

Nonmajor Governmental Funds

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

For the Year Ended April 30, 2016

	Special Revenue Funds			
	Fire Protection	Motor Fuel Tax	Emergency Telephone System	Police Seizure
Revenues				
Property taxes	\$ 430,009	\$ -	\$ -	\$ -
Charges for services	12,268	-	43,599	-
Utility taxes	-	-	-	-
Intergovernmental	-	268,732	-	-
Interest	-	82	13	-
Miscellaneous	350	-	-	79,849
Total revenues	442,627	268,814	43,612	79,849
Expenditures				
Current				
General government	-	-	-	-
Public safety	857,864	-	30,000	10,864
Public works	-	500,478	-	-
Debt service				
Principal	78,989	-	-	-
Interest	3,625	-	-	-
Total expenditures	940,478	500,478	30,000	10,864
Excess (deficiency) of revenues over expenditures	(497,851)	(231,664)	13,612	68,985
Other financing sources (uses)				
Proceeds from debt issuance	350,000	-	-	-
Transfers in	-	200,000	75,919	-
Transfers out	(15,635)	(189,061)	(37,928)	-
Total other financing sources (uses)	334,365	10,939	37,991	-
Net change in fund balance	(163,486)	(220,725)	51,603	68,985
Fund balance (deficit)				
Beginning of year	478,496	(10,682)	31,833	12,963
End of year	\$ 315,010	\$ (231,407)	\$ 83,436	\$ 81,948

Special Revenue Funds			Capital Projects Funds		
Working Cash	Railroad Noise Mitigation	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ 65,241	\$ -	\$ 495,250	\$ -	\$ -	\$ -
-	-	55,867	-	-	-
-	-	-	198,568	-	-
-	-	268,732	-	200,000	-
3	-	98	-	-	-
-	-	80,199	134	-	-
<u>65,244</u>	<u>-</u>	<u>900,146</u>	<u>198,702</u>	<u>200,000</u>	<u>-</u>
-	-	-	6,456	-	-
-	-	898,728	-	-	-
-	8,330	508,808	-	-	-
-	-	78,989	-	-	-
-	-	3,625	-	-	-
<u>-</u>	<u>8,330</u>	<u>1,490,150</u>	<u>6,456</u>	<u>-</u>	<u>-</u>
<u>65,244</u>	<u>(8,330)</u>	<u>(590,004)</u>	<u>192,246</u>	<u>200,000</u>	<u>-</u>
-	-	350,000	-	-	-
-	-	275,919	-	-	-
<u>(62,588)</u>	<u>-</u>	<u>(305,212)</u>	<u>(201,838)</u>	<u>(200,000)</u>	<u>-</u>
<u>(62,588)</u>	<u>-</u>	<u>320,707</u>	<u>(201,838)</u>	<u>(200,000)</u>	<u>-</u>
2,656	(8,330)	(269,297)	(9,592)	-	-
<u>578,881</u>	<u>(4,055)</u>	<u>1,087,436</u>	<u>651,661</u>	<u>225,000</u>	<u>31,419</u>
<u>\$ 581,537</u>	<u>\$ (12,385)</u>	<u>\$ 818,139</u>	<u>\$ 642,069</u>	<u>\$ 225,000</u>	<u>\$ 31,419</u>

(Continued)

Village of Sauk Village, Illinois

Nonmajor Governmental Funds

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

For the Year Ended April 30, 2016

	Capital Projects Funds			Total Nonmajor Governmental Funds
	SurreyBrook Plaza	Municipal Building	Total Capital Projects	
Revenues				
Property taxes	\$ 63,667	\$ -	\$ 63,667	\$ 558,917
Charges for services	-	-	-	55,867
Utility taxes	-	-	198,568	198,568
Intergovernmental	157	-	200,157	468,889
Interest	616	-	616	714
Miscellaneous	-	-	134	80,333
Total revenues	64,440	-	463,142	1,363,288
Expenditures				
Current				
General government	85,925	-	92,381	92,381
Public safety	-	-	-	898,728
Public works	-	-	-	508,808
Debt service				
Principal	-	-	-	78,989
Interest	-	-	-	3,625
Total expenditures	85,925	-	92,381	1,582,531
Excess (deficiency) of revenues over expenditures	(21,485)	-	370,761	(219,243)
Other financing sources (uses)				
Proceeds from debt issuance	-	-	-	350,000
Transfers in	144,061	-	144,061	419,980
Transfers out	(6,000)	-	(407,838)	(713,050)
Total other financing sources (uses)	138,061	-	(263,777)	56,930
Net change in fund balance	116,576	-	106,984	(162,313)
Fund balance (deficit)				
Beginning of year	445,377	(13,043)	1,340,414	2,427,850
End of year	\$ 561,953	\$ (13,043)	\$ 1,447,398	\$ 2,265,537

(Concluded)

Village of Sauk Village, Illinois

Fire Protection Fund

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

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 520,074	\$ 430,009	\$ (90,065)
Charges for services	11,500	12,268	768
Intergovernmental	30,000	-	(30,000)
Miscellaneous	500	350	(150)
Total revenues	<u>562,074</u>	<u>442,627</u>	<u>(119,447)</u>
Expenditures			
Current			
Public safety			
Regular wages	82,267	73,647	(8,620)
Part-time wages	100,000	136,813	36,813
Fringe benefits	15,562	20,254	4,692
Pension contributions	10,475	10,825	350
Office supplies	8,546	1,528	(7,018)
Vehicle expense	18,000	7,266	(10,734)
Uniforms and clothing	26,000	435	(25,565)
Facility maintenance supplies	1,000	743	(257)
Operating supplies	1,000	-	(1,000)
Computer software supplies	1,000	11,250	10,250
Tools and equipment	6,000	11,064	5,064
Other materials and supplies	1,000	762	(238)
Telephone	4,000	3,370	(630)
Utilities	5,000	2,714	(2,286)
Postage	100	81	(19)
Printing	500	207	(293)
Equipment repair and maintenance	10,000	11,058	1,058
Vehicle repair and maintenance	12,000	28,394	16,394
Facility maintenance	-	36	36
Organization business expense	200	2,020	1,820
Professional development	6,000	2,383	(3,617)
Publications and memberships	1,200	1,194	(6)
Professional services	15,856	16,620	764

(Continued)

Village of Sauk Village, Illinois

Fire Protection Fund

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

For the Year Ended April 30, 2016

	<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	\$ (56)	\$ (1,556)
Intergovernmental services	3,000	3,000	-
Public information	2,000	1,980	(20)
Vehicles	75,000	353,745	278,745
Trust fees	3,000	3,000	-
Other contractual services	<u>90,598</u>	<u>153,531</u>	<u>62,933</u>
Total public safety	<u>500,804</u>	<u>857,864</u>	<u>357,060</u>
Debt service			
Principal	-	78,989	78,989
Interest	<u>-</u>	<u>3,625</u>	<u>3,625</u>
Total debt service	<u>-</u>	<u>82,614</u>	<u>82,614</u>
Total expenditures	<u>500,804</u>	<u>940,478</u>	<u>439,674</u>
Excess (deficiency) of revenues over expenditures	<u>61,270</u>	<u>(497,851)</u>	<u>(559,121)</u>
Other financing sources (uses)			
Proceeds from debt issuance	-	350,000	350,000
Transfer out	<u>(61,270)</u>	<u>(15,635)</u>	<u>45,635</u>
Total other financing sources (uses)	<u>(61,270)</u>	<u>334,365</u>	<u>395,635</u>
Net change in fund balance	<u>\$ -</u>	<u>(163,486)</u>	<u>\$ (163,486)</u>
Fund balance			
Beginning of year		<u>478,496</u>	
End of year		<u>\$ 315,010</u>	

(Concluded)

Village of Sauk Village, Illinois

Motor Fuel Tax Fund

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

For the Year Ended April 30, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Intergovernmental	\$ 264,296	\$ 268,732	\$ 4,436
Interest	35	82	47
Total revenues	<u>264,331</u>	<u>268,814</u>	<u>4,483</u>
Expenditures			
Current			
Public works			
Operating supplies	35,400	28,416	(6,984)
Construction supplies	68,431	12,713	(55,718)
Utilities	30,000	39,175	9,175
Equipment repair and maintenance	8,000	10,005	2,005
Professional services	70,000	14,858	(55,142)
Contractual services	7,500	2,033	(5,467)
Construction	400,000	393,278	(6,722)
Total public works	<u>619,331</u>	<u>500,478</u>	<u>(118,853)</u>
Total expenditures	<u>619,331</u>	<u>500,478</u>	<u>(118,853)</u>
Deficiency of revenues over expenditures	<u>(355,000)</u>	<u>(231,664)</u>	<u>123,336</u>
Other financing sources (uses)			
Transfer in	400,000	200,000	(200,000)
Transfer out	(45,000)	(189,061)	(144,061)
Total other financing sources (uses)	<u>355,000</u>	<u>10,939</u>	<u>(344,061)</u>
Net change in fund balance	<u>\$ -</u>	<u>(220,725)</u>	<u>\$ (220,725)</u>
Fund balance (deficit)			
Beginning of year		<u>(10,682)</u>	
End of year		<u>\$ (231,407)</u>	

Village of Sauk Village, Illinois

Emergency Telephone System Fund

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

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Charges for services			
911 surcharge	\$ 61,000	\$ 43,599	\$ (17,401)
Interest income	<u>-</u>	<u>13</u>	<u>13</u>
Total revenues	<u>61,000</u>	<u>43,612</u>	<u>(17,388)</u>
Expenditures			
Current			
Public safety			
Computer software	<u>-</u>	<u>30,000</u>	<u>30,000</u>
Total expenditures	<u>-</u>	<u>30,000</u>	<u>30,000</u>
Excess of revenues over expenditures	<u>61,000</u>	<u>13,612</u>	<u>(47,388)</u>
Other financing sources (uses)			
Transfer in	-	75,919	75,919
Transfer (out)	<u>-</u>	<u>(37,928)</u>	<u>(37,928)</u>
Total other financing sources (uses)	<u>-</u>	<u>37,991</u>	<u>37,991</u>
Net change in fund balance	\$ <u>61,000</u>	51,603	\$ <u>(9,397)</u>
Fund balance			
Beginning of year		<u>31,833</u>	
End of year		\$ <u>83,436</u>	

Village of Sauk Village, Illinois

Police Seizure Fund

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

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Drug enforcement program receipts	\$ 5,000	\$ 79,849	\$ 74,849
Total revenues	<u>5,000</u>	<u>79,849</u>	<u>74,849</u>
Expenditures			
Current			
Public safety			
Major tools and equipment	5,000	2,084	(2,916)
Other contractual	<u>-</u>	<u>8,780</u>	<u>8,780</u>
Total expenditures	<u>5,000</u>	<u>10,864</u>	<u>5,864</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	68,985	\$ <u><u>68,985</u></u>
Fund balance			
Beginning of year		<u>12,963</u>	
End of year		\$ <u><u>81,948</u></u>	

Village of Sauk Village, Illinois

Working Cash Fund

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

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 85,500	\$ 65,241	\$ (20,259)
Interest	<u>-</u>	<u>3</u>	<u>3</u>
Total revenues	<u>85,500</u>	<u>65,244</u>	<u>(20,256)</u>
Other financing uses			
Transfer out	<u>(70,175)</u>	<u>(62,588)</u>	<u>7,587</u>
Total other financing uses	<u>(70,175)</u>	<u>(62,588)</u>	<u>7,587</u>
Excess of revenues over expenditures	\$ <u><u>15,325</u></u>	2,656	\$ <u><u>(12,669)</u></u>
Fund balance			
Beginning of year		<u>578,881</u>	
End of year		\$ <u><u>581,537</u></u>	

Village of Sauk Village, Illinois
 Railroad Noise Mitigation Fund
 SCHEDULE OF DETAILED EXPENDITURES AND CHANGES IN
 FUND DEFICIT - BUDGET AND ACTUAL
For the Year Ended April 30, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures			
Current			
Public works			
Professional services	\$ <u>240,000</u>	\$ <u>8,330</u>	\$ <u>(231,670)</u>
Total public works	<u>240,000</u>	<u>8,330</u>	<u>(231,670)</u>
Deficiency of revenues over expenditures	\$ <u><u>(240,000)</u></u>	(8,330)	\$ <u><u>231,670</u></u>
Fund deficit			
Beginning of year		<u>(4,055)</u>	
End of year		\$ <u><u>(12,385)</u></u>	

Village of Sauk Village, Illinois

Utility Tax Fund

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

For the Year Ended April 30, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues			
Utility taxes	\$ 210,000	\$ 198,568	\$ (11,432)
Miscellaneous	<u>-</u>	<u>134</u>	<u>134</u>
Total revenues	<u>210,000</u>	<u>198,702</u>	<u>(11,298)</u>
Expenditures			
Current			
General government			
Amalgamated trust fees	3,000	3,000	-
Refunds	<u>1,800</u>	<u>3,456</u>	<u>1,656</u>
Total general government	<u>4,800</u>	<u>6,456</u>	<u>1,656</u>
Total expenditures	<u>4,800</u>	<u>6,456</u>	<u>1,656</u>
Excess of revenues over expenditures	<u>205,200</u>	<u>192,246</u>	<u>(12,954)</u>
Other financing uses			
Transfer out	<u>(201,838)</u>	<u>(201,838)</u>	<u>-</u>
Net change in fund balance	\$ <u><u>3,362</u></u>	(9,592)	\$ <u><u>(12,954)</u></u>
Fund balance			
Beginning of year		<u>651,661</u>	
End of year		\$ <u><u>642,069</u></u>	

Village of Sauk Village, Illinois
Community Development Block Grant Fund
SCHEDULE OF DETAILED REVENUES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Intergovernmental	\$ 400,000	\$ 200,000	\$ (200,000)
Excess of revenues over expenditures	400,000	200,000	(200,000)
Other financing uses			
Transfer out	(400,000)	(200,000)	200,000
Net change in fund balance	\$ -	-	\$ -
Fund balance			
Beginning of year		225,000	
End of year		\$ 225,000	

Village of Sauk Village, Illinois

SurreyBrook Plaza Fund

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

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 119,048	\$ 63,667	\$ (55,381)
Intergovernmental	-	157	157
Interest	50	616	566
Total revenues	<u>119,098</u>	<u>64,440</u>	<u>(54,658)</u>
Expenditures			
General government			
Professional services	<u>75,000</u>	<u>85,925</u>	<u>10,925</u>
Total expenditures	<u>75,000</u>	<u>85,925</u>	<u>10,925</u>
Excess of revenues over expenditures	44,098	(21,485)	(65,583)
Other financing sources (uses)			
Transfer in	-	144,061	144,061
Transfer out	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,000)</u>	<u>138,061</u>	<u>144,061</u>
Net change in fund balance	<u>\$ 38,098</u>	116,576	<u>\$ 78,478</u>
Fund balance			
Beginning of year		<u>445,377</u>	
End of year		<u>\$ 561,953</u>	

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ 1,575,000	\$ 1,612,558	\$ 37,558
Meter sales	5,000	20,050	15,050
Grants	726,250	-	(726,250)
Miscellaneous	<u>1,500</u>	<u>(1,544)</u>	<u>(3,044)</u>
Total revenues	<u>\$ 2,307,750</u>	<u>\$ 1,631,064</u>	<u>\$ (676,686)</u>

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses			
Salaries			
Regular wages	\$ 406,320	\$ 504,891	\$ 98,571
Overtime	55,000	50,112	(4,888)
Total salaries	461,320	555,003	93,683
Fringe benefits	229,189	225,906	(3,283)
Supplies, fees and services			
Office supplies	500	564	64
Vehicle expense	20,000	25,246	5,246
Uniforms and clothing	7,500	5,706	(1,794)
Facility maintenance supplies	1,000	310	(690)
Operating supplies	40,000	45,354	5,354
Computer software supplies	300	349	49
Tools and equipment	4,000	6,280	2,280
Construction supplies	50,000	57,218	7,218
Telephone	12,000	7,132	(4,868)
Utilities	70,000	96,957	26,957
Postage	7,000	5,762	(1,238)
Printing	1,000	1,210	210
Professional development	-	2,196	2,196
Publications and memberships	400	334	(66)
Professional services	27,000	26,329	(671)
Computer contractual services	2,000	1,536	(464)
Intergovernmental services	6,000	2,638	(3,362)
Public information	1,500	2,500	1,000
Other rents and leases	500	750	250
Other contractual services	670,000	219,718	(450,282)
Refunds	-	22,132	22,132
Total supplies, fees and services	920,700	530,221	(390,479)

(Continued)

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 8,000	\$ 20,798	\$ 12,798
Vehicle repair and maintenance	8,000	4,897	(3,103)
Facility repair and maintenance	<u>2,000</u>	<u>4,190</u>	<u>2,190</u>
Total repairs and maintenance	<u>18,000</u>	<u>29,885</u>	<u>11,885</u>
Total operating expenses before depreciation and contingency	<u>1,629,209</u>	<u>1,341,015</u>	<u>(288,194)</u>
Depreciation	<u>-</u>	<u>311,888</u>	<u>311,888</u>
Total operating expenses	<u>\$ 1,629,209</u>	<u>\$ 1,652,903</u>	<u>\$ 23,694</u>

(Concluded)

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ 768,600	\$ 725,692	\$ (42,908)
Miscellaneous	<u>-</u>	<u>(469)</u>	<u>(469)</u>
Total revenues	\$ <u>768,600</u>	\$ <u>725,223</u>	\$ <u>(43,377)</u>

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses			
Salaries			
Regular wages	\$ 326,568	\$ 283,539	\$ (43,029)
Overtime	15,000	16,070	1,070
Total salaries	341,568	299,609	(41,959)
Fringe benefits	171,490	194,199	22,709
Supplies, fees and services			
Office supplies	500	385	(115)
Vehicle expense	6,000	3,824	(2,176)
Uniforms and clothing	2,500	4,820	2,320
Operating supplies	1,000	491	(509)
Computer software supplies	500	349	(151)
Tools and equipment	1,000	249	(751)
Construction supplies	5,000	770	(4,230)
Telephone	4,000	3,827	(173)
Postage	2,500	3,113	613
Printing	500	277	(223)
Publications and memberships	500	184	(316)
Professional services	27,500	39,962	12,462
Computer contractual services	2,000	1,536	(464)
Other contractual services	2,500	4,131	1,631
Refunds	-	11,798	11,798
Total supplies, fees and services	56,000	75,716	19,716

(Continued)

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 8,000	\$ 3,514	\$ (4,486)
Vehicle repair and maintenance	<u>5,000</u>	<u>4,679</u>	<u>(321)</u>
Total repairs and maintenance	<u>13,000</u>	<u>8,193</u>	<u>(4,807)</u>
Total operating expenses before depreciation and contingency	<u>582,058</u>	<u>577,717</u>	<u>(4,341)</u>
Depreciation	<u>-</u>	<u>23,591</u>	<u>23,591</u>
Total operating expenses	<u>\$ 582,058</u>	<u>\$ 601,308</u>	<u>\$ 19,250</u>

(Concluded)

Village of Sauk Village, Illinois
Pension Trust Funds
COMBINING STATEMENT OF PLAN NET POSITION
April 30, 2016

	<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,286,112	\$ 4,222	\$ 1,290,334
Investments	4,044,701	86,867	4,131,568
Accrued interest	14,010	386	14,396
Other receivable	25,737	-	25,737
Due from Village	<u>15,682</u>	<u>705</u>	<u>16,387</u>
	<u>5,386,242</u>	<u>92,180</u>	<u>5,478,422</u>
NET POSITION			
Held in trust for pension benefits	<u>\$ 5,386,242</u>	<u>\$ 92,180</u>	<u>\$ 5,478,422</u>

Village of Sauk Village, Illinois
Pension Trust Funds
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
For the Year Ended April 30, 2016

	Police Pension Fund	Firefighters' Pension Fund	Total
ADDITIONS			
Contributions			
Employer	\$ 193,171	\$ 10,875	\$ 204,046
Members and other	145,485	-	145,485
Total contributions	338,656	10,875	349,531
Investment earnings (losses)	(15,671)	8,296	(7,375)
Investment expenses	(10,527)	-	(10,527)
Net investment earnings (losses)	(26,198)	8,296	(17,902)
Total additions	312,458	19,171	331,629
DEDUCTIONS			
Pension benefits	529,838	40,441	570,279
Administrative expense	55,273	7,562	62,835
Total deductions	585,111	48,003	633,114
CHANGE IN NET POSITION	(272,653)	(28,832)	(301,485)
PLAN NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Beginning of year	5,658,895	121,012	5,779,907
End of year	\$ 5,386,242	\$ 92,180	\$ 5,478,422

Village of Sauk Village, Illinois
 Agency Fund - Sauk Village Housing Commission
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended April 30, 2016

	<u>Balance</u> <u>May 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2016</u>
Assets				
Cash	\$ <u>2,659</u>	\$ <u>75,053</u>	\$ <u>77,328</u>	\$ <u>384</u>
Liabilities				
Due to Sauk Village Housing Commission	\$ <u>2,659</u>	\$ <u>75,053</u>	\$ <u>77,328</u>	\$ <u>384</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Tax Increment Refunding Bonds (Alternative Revenue Source) Series 2002A
April 30, 2016

Dated:	June 15, 2002
Original Issue:	\$9,755,000
Due:	June 1, 2022
Interest Payment Dates:	June 1 and December 1
Interest Rates:	5.00% - 5.10%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>1,145,000</u>	<u>28,625</u>	<u>1,173,625</u>
	<u>\$ 6,515,000</u>	<u>\$ 1,375,743</u>	<u>\$ 7,890,743</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, 2016

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

<u>Year Ending April 30,</u>	<u>Principal</u>
2017	\$ 985,000
2018	1,060,000
2019	1,135,000
2020	1,220,000
2021	1,315,000
2022	1,405,000
2023	<u>1,460,000</u>
	<u>\$ 8,580,000</u>

Village of Sauk Village, Illinois
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Capital Appreciation (Alternate Revenue) Bonds Series 2007A
April 30, 2016

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

<u>Year Ending April 30,</u>	<u>Principal</u>
2017	\$ 690,000
2018	690,000
2019	<u>685,000</u>
	<u>\$ 2,065,000</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation (Alternate Revenue) Bonds Series 2007B
April 30, 2016

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>
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>\$ 1,110,000</u>	<u>\$ 387,584</u>	<u>\$ 1,497,584</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation (Alternate Revenue) Bonds Series 2007C
April 30, 2016

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

Year Ending April 30,	Principal	Interest	Total
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
	\$ 640,000	\$ 233,450	\$ 873,450

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Bonds (Alternate Revenue Source) Series 2008
April 30, 2016

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

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 8,840,000</u>	<u>\$ 5,058,502</u>	<u>\$ 13,898,502</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Tax Increment Bonds (Alternate Revenue Source) Series 2009
April 30, 2016

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

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 7,045,000</u>	<u>\$ 3,301,746</u>	<u>\$ 10,346,746</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Working Cash Bonds Series 2010
April 30, 2016

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

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 60,000	\$ 12,700	\$ 72,700
2018	65,000	10,000	75,000
2019	65,000	6,750	71,750
2020	<u>70,000</u>	<u>3,500</u>	<u>73,500</u>
	<u>\$ 260,000</u>	<u>\$ 32,950</u>	<u>\$ 292,950</u>

Village of Sauk Village, Illinois

LEGAL DEBT MARGIN

April 30, 2016

2015 Equalized Assessed Valuation (EAV)	\$ <u>67,760,324</u>	
Voted and Unvoted Debt Limit - 8.625% of EAV		\$ 5,844,328
Total Debt Outstanding	38,147,370	
Less Exempted Debt	<u>32,840,077</u>	
Net Subject to 8.625% Limit		<u>5,307,293</u>
Total Legal Voted and Unvoted Debt Margin		\$ <u><u>537,035</u></u>