

**Village of Sauk Village,
Illinois**

Annual Financial Report

Year Ended October 31, 2012

Village of Sauk Village, Illinois
ANNUAL FINANCIAL REPORT
Year Ended October 31, 2012

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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

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 (the Village), as of and for the year ended October 31, 2012, which collectively comprise the Village's basic financial statements, as listed in the table of contents, except as described in the following paragraph. These financial statements are the responsibility of the Village of Sauk Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit the financial statements of the Firefighters' Pension Fund, which is a pension trust fund, included as a fiduciary fund, whose accounts are included in the basic financial statements. Total assets of the Firefighters' Pension Fund constitute approximately 95% of the assets of the fiduciary fund types. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firefighters' Pension Fund in the Village's basic financial statements, is based solely on the report of the other auditors. In addition, those statements are as of and for the year ended April 30, 2012, which is consistent with the fiscal year of the Fund.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management has not included the Police Pension Fund, in the Village's financial statements. Accounting principles generally accepted in the United States of America require the Police Pension Fund to be presented, as a pension trust fund, in the aggregate remaining fund information financial statements. The amount by which this departure would affect the assets, liabilities, net assets, additions, and deductions of the aggregate remaining fund information is not reasonably determinable.

(Continued)

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

(Continued)

In our opinion, because of the omission of the Police Pension Fund, as discussed previously, the financial statements referred to in the first paragraph of this report do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate remaining fund information of the Village of Sauk Village, as of October 31, 2012, or the changes in financial position thereof, for the year then ended.

In addition, in our opinion, except for the effects of not including financial information of the Police Pension Fund, as described previously, based on our audit and the reports of the other auditors, the financial statements referred to in the first paragraph of this report 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 of Sauk Village, as of October 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund and Firefighters' Pension Fund historical data on pages 69 and 70, the other postemployment benefits data on page 71, and the budgetary comparison schedules and notes to required supplementary information on pages 72 and 73 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 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.

The financial statements do not include the management's discussion and analysis, which is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Our opinion on the basic financial statements is not affected by this missing information.

(Continued)

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

(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Sauk Village's basic financial statements. The other schedules, listed in the table of contents as Other Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Other Information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
April 7, 2014

BASIC FINANCIAL STATEMENTS

Village of Sauk Village, Illinois
STATEMENT OF NET ASSETS (DEFICIT)
October 31, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current			
Cash and cash equivalents	\$ 1,754,033	\$ 2,846	\$ 1,756,879
Receivables, net of allowances	918,561	286,785	1,205,346
Deposits with paying agent	9,861,516	-	9,861,516
Noncurrent			
Internal balances	(20,486)	20,486	-
Land held for resale	1,063,822	-	1,063,822
Unamortized bond issuance costs	1,110,776	-	1,110,776
Capital assets not being depreciated	574,003	7,500	581,503
Capital assets, net of accumulated depreciation	<u>11,840,219</u>	<u>2,551,802</u>	<u>14,392,021</u>
Total assets	<u>27,102,444</u>	<u>2,869,419</u>	<u>29,971,863</u>
LIABILITIES			
Current			
Accounts payable	434,584	313,952	748,536
Accrued payroll	131,528	36,673	168,201
Accrued interest	654,330	-	654,330
Deposits payable	-	167,019	167,019
Due to county government	424,937	-	424,937
Other	16,386	-	16,386
Noncurrent			
Due within one year	1,685,060	35,788	1,720,848
Due in more than one year	<u>43,114,084</u>	<u>-</u>	<u>43,114,084</u>
Total liabilities	<u>46,460,909</u>	<u>553,432</u>	<u>47,014,341</u>
NET ASSETS (DEFICIT)			
Investment in capital assets, net of related debt	6,661,310	2,559,302	9,220,612
Restricted by enabling legislation	12,801,907	-	12,801,907
Unrestricted	<u>(38,821,682)</u>	<u>(243,315)</u>	<u>(39,064,997)</u>
Total net assets (deficit)	<u>\$ (19,358,465)</u>	<u>\$ 2,315,987</u>	<u>\$ (17,042,478)</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
STATEMENT OF ACTIVITIES
Year Ended October 31, 2012

<u>Functions/Programs</u>	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities			
General government	\$ 2,031,460	\$ 521,615	\$ 805
Public safety	4,582,539	283,266	78,265
Public works	976,841	-	588,593
Interest	2,274,747	-	-
Total governmental activities	9,865,587	804,881	667,663
Business-type activities			
Waterworks	1,725,460	977,551	-
Sewerage	563,300	645,498	-
Total business-type activities	2,288,760	1,623,049	-
Total	\$ 12,154,347	\$ 2,427,930	\$ 667,663

General revenues
Taxes
Intergovernmental
Interest
Miscellaneous
Transfers

Total general revenues

Change in net assets

Net assets (deficit) - beginning

Net assets (deficit) - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,509,040)	\$ -	\$ (1,509,040)
(4,221,008)	-	(4,221,008)
(388,248)	-	(388,248)
(2,274,747)	-	(2,274,747)
<u>(8,393,043)</u>	<u>-</u>	<u>(8,393,043)</u>
-	(747,909)	(747,909)
-	82,198	82,198
-	(665,711)	(665,711)
<u>(8,393,043)</u>	<u>(665,711)</u>	<u>(9,058,754)</u>
6,286,814	-	6,286,814
2,082,666	-	2,082,666
2,216	6	2,222
54,672	70,083	124,755
209,090	(209,090)	-
<u>8,635,458</u>	<u>(139,001)</u>	<u>8,496,457</u>
242,415	(804,712)	(562,297)
<u>(19,600,880)</u>	<u>3,120,699</u>	<u>(16,480,181)</u>
<u>\$ (19,358,465)</u>	<u>\$ 2,315,987</u>	<u>\$ (17,042,478)</u>

Village of Sauk Village, Illinois

Governmental Funds

BALANCE SHEET

October 31, 2012

	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	\$ 61,352	\$ 326,308	\$ 28,614	\$ -	\$ 1,337,759	\$ 1,754,033
Receivables, net of allowances						
Property taxes	279,148	-	12,117	-	72,277	363,542
Intergovernmental	343,143	-	-	-	21,291	364,434
Other	161,363	-	-	-	29,222	190,585
Deposits with paying agent	-	9,641,725	-	156,313	63,478	9,861,516
Advances to other funds	167,328	-	12,609	215,341	1,616,902	2,012,180
Land held for resale	-	-	-	1,063,822	-	1,063,822
Total assets	<u>\$ 1,012,334</u>	<u>\$ 9,968,033</u>	<u>\$ 53,340</u>	<u>\$ 1,435,476</u>	<u>\$ 3,140,929</u>	<u>\$ 15,610,112</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 364,795	\$ -	\$ -	\$ -	\$ 69,789	\$ 434,584
Accrued payroll	125,813	-	-	-	5,715	131,528
Advances from other funds	1,481,064	-	215,341	125,790	210,471	2,032,666
Unearned revenue	461,183	-	-	-	64,706	525,889
Due to county government	424,937	-	-	-	-	424,937
Other	16,386	-	-	-	-	16,386
Total liabilities	<u>2,874,178</u>	<u>-</u>	<u>215,341</u>	<u>125,790</u>	<u>350,681</u>	<u>3,565,990</u>
 Fund balances (deficits)						
Nonspendable						
Advances to other funds	167,328	-	12,609	215,341	1,616,902	2,012,180
Land held for resale	-	-	-	1,063,822	-	1,063,822
Restricted						
Railroad noise and safety improvements	261,584	-	-	-	-	261,584
Special revenue purposes	-	-	-	-	842,120	842,120
Debt service and related purposes	-	9,968,033	-	156,313	63,478	10,187,824
Capital projects	-	-	-	-	460,747	460,747
Unassigned	<u>(2,290,756)</u>	<u>-</u>	<u>(174,610)</u>	<u>(125,790)</u>	<u>(192,999)</u>	<u>(2,784,155)</u>
Total fund balance (deficit)	<u>(1,861,844)</u>	<u>9,968,033</u>	<u>(162,001)</u>	<u>1,309,686</u>	<u>2,790,248</u>	<u>12,044,122</u>
Total liabilities and fund balance	<u>\$ 1,012,334</u>	<u>\$ 9,968,033</u>	<u>\$ 53,340</u>	<u>\$ 1,435,476</u>	<u>\$ 3,140,929</u>	<u>\$ 15,610,112</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 ASSETS (DEFICIT)
October 31, 2012

Total fund balance - governmental funds \$ 12,044,122

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

Certain revenues that are unearned in the fund financial statements because they are not considered available are recognized as revenue in the government-wide financial statements. 525,889

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. 12,414,222

Bond issuance costs that are recorded as an expenditure in the fund financial statements are an asset that is amortized over the life of the related bonds in the government-wide financial statements. 1,110,776

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. (654,330)

Certain liabilities, including bonds payable, capital leases, premiums on bonds sold, compensated absences, net pension obligations, net other postemployment benefit obligations, and judgment liability, do not require the use of current financial resources and, therefore, are not reported as liabilities in the governmental funds. (44,799,144)

Net assets (deficit) - governmental activities \$ (19,358,465)

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)

Year Ended October 31, 2012

	General Fund	Debt Service Fund	Sauk Pointe Industrial Park Fund	LogistiCenter at Sauk Village Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 2,359,081	\$ -	\$ 915,237	\$ 2,055,023	\$ 859,750	\$ 6,189,091
Licenses and permits	232,964	-	-	-	-	232,964
Charges for services	768,122	-	-	-	83,935	852,057
Utility taxes	-	-	-	-	216,698	216,698
Intergovernmental	1,502,400	-	-	-	538,560	2,040,960
Fines and forfeitures	196,563	-	-	-	-	196,563
Interest	481	403	-	866	466	2,216
Contributions and donations	805	-	-	-	-	805
Miscellaneous	50,233	-	319	-	4,120	54,672
Total revenues	<u>5,110,649</u>	<u>403</u>	<u>915,556</u>	<u>2,055,889</u>	<u>1,703,529</u>	<u>9,786,026</u>
Expenditures						
Current						
General government	1,563,219	475	-	21,995	158,057	1,743,746
Public safety	3,413,183	-	-	-	532,958	3,946,141
Public works	164,637	-	-	-	526,250	690,887
Debt service						
Principal	24,302	2,070,000	-	-	59,000	2,153,302
Interest	3,742	1,589,929	-	-	15,907	1,609,578
Capital outlay	-	-	-	-	13,500	13,500
Total expenditures	<u>5,169,083</u>	<u>3,660,404</u>	<u>-</u>	<u>21,995</u>	<u>1,305,672</u>	<u>10,157,154</u>
Excess (deficiency) of revenues over expenditures	<u>(58,434)</u>	<u>(3,660,001)</u>	<u>915,556</u>	<u>2,033,894</u>	<u>397,857</u>	<u>(371,128)</u>
Other financing sources (uses)						
Transfers in	478,382	4,970,569	-	127,751	185,000	5,761,702
Transfers (out)	<u>(601,686)</u>	<u>(127,751)</u>	<u>(1,091,529)</u>	<u>(3,063,438)</u>	<u>(668,208)</u>	<u>(5,552,612)</u>
Total other financing sources (uses)	<u>(123,304)</u>	<u>4,842,818</u>	<u>(1,091,529)</u>	<u>(2,935,687)</u>	<u>(483,208)</u>	<u>209,090</u>
Net change in fund balances (Deficit)	(181,738)	1,182,817	(175,973)	(901,793)	(85,351)	(162,038)
Fund balances (deficits)						
Beginning of year	<u>(1,680,106)</u>	<u>8,785,216</u>	<u>13,972</u>	<u>2,211,479</u>	<u>2,875,599</u>	<u>12,206,160</u>
End of year	<u>\$ (1,861,844)</u>	<u>\$ 9,968,033</u>	<u>\$ (162,001)</u>	<u>\$ 1,309,686</u>	<u>\$ 2,790,248</u>	<u>\$ 12,044,122</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
Year Ended October 31, 2012

Net change in fund balances - total governmental funds \$ (162,038)

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. 112,886

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital asset additions. (739,083)

Bond issuance costs are recorded as an expenditure in the fund financial statements, but the cost is recorded as an asset in the statement of net assets that is amortized over the life of the related bonds. (90,264)

Premiums on bonds are recorded as other financing sources in the fund financial statements, but the premium is recorded as a liability in the statement of net assets that is amortized over the life of the related bonds. 26,208

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt, consume the current financial resources of governmental funds. 1,094,706

Change in net assets - governmental activities \$ 242,415

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Enterprise Funds

STATEMENT OF NET ASSETS

October 31, 2012

	<u>Waterworks Fund</u>	<u>Sewerage Fund</u>	<u>Total</u>
ASSETS			
Current			
Cash and cash equivalents	\$ -	\$ 2,846	\$ 2,846
Receivables, net	<u>180,364</u>	<u>106,421</u>	<u>286,785</u>
Total current assets	<u>180,364</u>	<u>109,267</u>	<u>289,631</u>
Noncurrent			
Advances to other funds	-	451,287	451,287
Capital assets not being depreciated	7,500	-	7,500
Capital assets, net of accumulated depreciation	<u>2,034,592</u>	<u>517,210</u>	<u>2,551,802</u>
Total noncurrent assets	<u>2,042,092</u>	<u>968,497</u>	<u>3,010,589</u>
Total assets	<u>2,222,456</u>	<u>1,077,764</u>	<u>3,300,220</u>
LIABILITIES			
Current			
Accounts payable	311,594	2,358	313,952
Accrued payroll	20,141	16,532	36,673
Advances from other funds	430,801	-	430,801
Deposits	167,019	-	167,019
Noncurrent			
Due within one year	<u>16,200</u>	<u>19,588</u>	<u>35,788</u>
Total liabilities	<u>945,755</u>	<u>38,478</u>	<u>984,233</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,042,092	517,210	2,559,302
Unrestricted (deficit)	<u>(765,391)</u>	<u>522,076</u>	<u>(243,315)</u>
Total net assets	<u>\$ 1,276,701</u>	<u>\$ 1,039,286</u>	<u>\$ 2,315,987</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
 Enterprise Funds
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET ASSETS
Year Ended October 31, 2012

	Waterworks Fund	Sewerage Fund	Total
Operating revenues			
Charges for services	\$ 971,461	\$ 645,198	\$ 1,616,659
Meter sales	5,890	-	5,890
Connection fees	200	300	500
Miscellaneous	70,083	-	70,083
Total operating revenues	<u>1,047,634</u>	<u>645,498</u>	<u>1,693,132</u>
Operating expenses			
Operations	1,560,465	538,922	2,099,387
Depreciation	164,995	24,378	189,373
Total operating expenses	<u>1,725,460</u>	<u>563,300</u>	<u>2,288,760</u>
Operating income (loss)	<u>(677,826)</u>	<u>82,198</u>	<u>(595,628)</u>
Nonoperating income			
Interest	<u>4</u>	<u>2</u>	<u>6</u>
Change in net assets before other financing sources (uses)	(677,822)	82,200	(595,622)
Other financing sources (uses)			
Transfers in	15,000	15,000	30,000
Transfers out	<u>(119,545)</u>	<u>(119,545)</u>	<u>(239,090)</u>
Total other financing sources (uses)	<u>(104,545)</u>	<u>(104,545)</u>	<u>(209,090)</u>
Change in net assets	(782,367)	(22,345)	(804,712)
Net assets			
Beginning of year	<u>2,059,068</u>	<u>1,061,631</u>	<u>3,120,699</u>
End of year	<u>\$ 1,276,701</u>	<u>\$ 1,039,286</u>	<u>\$ 2,315,987</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Enterprise Funds

STATEMENT OF CASH FLOWS

Year Ended October 31, 2012

	Waterworks Fund	Sewerage Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 992,869	\$ 633,008	\$ 1,625,877
Cash paid to suppliers	(747,088)	(43,615)	(790,703)
Cash paid to employees	(536,588)	(494,936)	(1,031,524)
Net cash provided by (used in) operating activities	<u>(290,807)</u>	<u>94,457</u>	<u>(196,350)</u>
Cash flows from noncapital financing activities			
Transfers, net	(104,545)	(104,545)	(209,090)
Changes in advances to/from other funds, net	395,348	(347,851)	47,497
Net cash provided by (used in) noncapital financing activities	<u>290,803</u>	<u>(452,396)</u>	<u>(161,593)</u>
Cash flows from investing activities			
Interest received	<u>4</u>	<u>2</u>	<u>6</u>
Net decrease in cash and cash equivalents	-	(357,937)	(357,937)
Cash and cash equivalents			
Beginning of year	<u>-</u>	<u>360,783</u>	<u>360,783</u>
End of year	<u>\$ -</u>	<u>\$ 2,846</u>	<u>\$ 2,846</u>

(Continued)

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
 Enterprise Funds
 STATEMENT OF CASH FLOWS (Continued)
Year Ended October 31, 2012

	<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)	\$ (677,826)	\$ 82,198	\$ (595,628)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	164,995	24,378	189,373
Increase in assets			
Receivables	(50,957)	(12,490)	(63,447)
Increase (decrease) in liabilities			
Accounts payable	264,896	(13,050)	251,846
Accrued payroll	6,842	6,700	13,542
Compensated absences	5,051	6,721	11,772
Deposits	(3,808)	-	(3,808)
Net cash provided by (used in) operating activities	<u>\$ (290,807)</u>	<u>\$ 94,457</u>	<u>\$ (196,350)</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Fiduciary Fund - Agency Fund
STATEMENT OF ASSETS AND LIABILITIES
October 31, 2012

	<u>Agency Fund</u>
	<u>Flexible Benefits</u>
ASSETS	
Cash and cash equivalents	\$ <u>8,431</u>
 LIABILITIES	
Due to employees	\$ <u>8,431</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Fiduciary Fund - Firefighters' Pension Trust Fund
STATEMENT OF NET ASSETS
April 30, 2012

	<u>Pension Trust Fund</u>	<u>Firefighters' Pension</u>
ASSETS		
Cash and cash equivalents	\$ 16,410	
Investments		<u>137,105</u>
		<u>153,515</u>
NET ASSETS		
Held in trust for pension benefits	\$	<u>153,515</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
 Fiduciary Fund - Firefighters' Pension Trust Fund
 STATEMENT OF CHANGES IN PLAN NET ASSETS
Year Ended April 30, 2012

	Pension Trust Fund
	Firefighters' Pension
<hr/>	
Additions	
Contributions	
Employer	\$ 667
Members	<u>5,664</u>
Total contributions	<u>6,331</u>
Investment income	
Net appreciation in fair value of investments	1,468
Interest	<u>990</u>
Total investment income	<u>2,458</u>
Total additions	<u>8,789</u>
Deductions	
Administrative expense	<u>705</u>
Total deductions	<u>705</u>
Change in net assets	8,084
Net assets held in trust for pension benefits	
Beginning of year	<u>145,431</u>
End of year	<u><u>\$ 153,515</u></u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
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October 31, 2012

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Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

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 six elected members that exercise all powers of the Village but are accountable to their constituents for their actions. The Village provides the following services as authorized by its charter: public safety (police, fire, civil defense and emergency), highways and streets, parks and playgrounds, sanitation, water and sewer, public improvements, planning and zoning, and general administrative services.

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

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

1. **Reporting Entity**

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

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

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

2. **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets (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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Basis of Presentation - Fund Accounting

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

a. Governmental Fund Types

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

- i. The *General Fund* is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.
- ii. *Special revenue funds* are used to account for the proceeds of specific revenue sources (other than debt service or capital projects) that are legally restricted to expenditures for specified purposes. The Village's special revenue funds are the Fire Protection, Motor Fuel Tax, Emergency Telephone System, Police Seizure, Working Cash, and Railroad Noise Mitigation Funds.
- iii. *Debt service funds* are used to account for the accumulation of resources for debt service payments. The Village has three such funds - the Debt Service, Sauk Pointe Industrial Park, and Logisticenter at Sauk Village Funds.
- iv. *Capital projects funds* are used to account for the use of resources for capital improvements. The Village's capital projects funds are the Utility Tax, Community Development Block Grant, Sauk Plaza Redevelopment Plan, SurreyBrook Plaza, and the Municipal Building Funds.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Basis of Presentation - Fund Accounting (Continued)

b. Proprietary Fund Types

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

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

c. Fiduciary Fund Types

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

- i. *Pension trust funds* are used to account for the Village's public safety employee pension funds. The Police Pension Fund (not included in this report) and the Firefighters' Pension Fund are the Village's pension trust funds, and are audited by other auditors.
- ii. *Agency funds* are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The Flexible Benefits Fund is the Village's sole agency fund.

4. Fund Balance

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Fund Balance (Continued)

- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision making authority (the Village Board). The Village Board commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the Village removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. At October 31, 2012, 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 October 31, 2012. At October 31, 2012, the Village had no assigned fund balances.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

5. 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 year 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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The Village reports the following major governmental funds:

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

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

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

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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major proprietary funds:

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

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

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

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

6. Cash Equivalents

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. 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.

8. Investments

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

9. 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 fund balance reserve, in applicable governmental funds, to indicate that they are not available for appropriation and are not expendable, available financial resources.

10. Land Held for Resale

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. 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 four years with an initial individual cost of more than \$5,000 for machinery and equipment, \$25,000 for property and buildings, and \$50,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value, at the date of donation.

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

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

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

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

12. 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 assets. Accumulated vacation and sick leave of the proprietary funds is recorded as expenses and liabilities of that fund, as the benefits accrue to employees.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

14. Use of Estimates

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

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 Assets (Deficit)

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

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

Alternate revenue bonds payable	\$ 40,969,519
General obligation bonds payable	475,000
Capital leases payable	318,522
Premiums on bonds sold	436,344
Compensated absences payable	129,257
Net pension obligations	
IMRF	94,589
Police	1,761,570
Firefighters'	101,149
Net other postemployment benefit obligation	452,194
Judgment liability	<u>61,000</u>
Net total long-term liabilities not reported in governmental funds	<u>\$ 44,799,144</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 assets - governmental activities as reported in the government-wide statement of activities.

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

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

(Continued)

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

Capital outlay	\$ 13,500
Depreciation expense	<u>(752,583)</u>
Net total amount by which depreciation expense exceeded capital outlay	<u><u>\$ (739,083)</u></u>

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

Decrease in accrued interest	\$ 37,131
Interest accreted - capital appreciation bonds	(638,244)
Principal payments on alternate revenue bonds	2,020,000
Principal payments on general obligation bonds	50,000
Principal payments on capital leases	83,302
Net increases in net pension obligations	
IMRF	(33,183)
Police	(289,830)
Firefighters'	(31,395)
Net increase in other postemployment benefits obligation	(151,053)
Net increase in compensated absences	(55,010)
Net decrease in judgment liability	<u>102,988</u>
Net changes in current financial resources	<u><u>\$ 1,094,706</u></u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE C - DEPOSITS AND INVESTMENTS

1. Village Deposits and Investments

At October 31, 2012, the Village's cash and cash equivalents, excluding the pension trust funds, consisted of the following:

	Governmental Activities	Business-type Activities	Fiduciary (Agency)	Total
Cash and cash equivalents	\$ 1,754,033	\$ 2,846	\$ 8,431	\$ 1,765,310

For disclosure purposes, this amount is segregated into three components: 1) cash on hand; 2) deposits with financial institutions, which include amounts held in demand accounts; and 3) investments, as follows:

	Total
Cash on hand	\$ 1,298
Deposits with financial institutions	1,286,330
Investments	477,682
	\$ 1,765,310

Deposits with Financial Institutions

The Village maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is included in cash and cash equivalents on the governmental funds balance sheet or the enterprise funds statement of net assets. 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 October 31, 2012, the carrying amount of the Village's deposits was \$1,286,330 with bank balances totaling \$1,133,583. At October 31, 2012, all of the Village's deposits were insured or collateralized.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Village Deposits and Investments (Continued)

Investments

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

The following table presents the Village's investments and maturities, as of October 31, 2012:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years) Less than 1</u>
The Illinois Funds Money Market Fund	\$ <u>477,682</u>	\$ <u>477,682</u>

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Village Deposits and Investments (Continued)

Credit risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not specifically address credit risk. As of October 31, 2012, the Illinois Funds Money Market Fund was rated AAAM by Standard & Poor's.

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

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

2. Pension Deposits, Investments, and Concentrations

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

Also authorized are deposits or investments in money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; separate accounts of life insurance companies and mutual funds - the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the pension fund's plan net assets; 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 assets of \$2.5 million or more may invest up to forty-five percent of plan net assets in separate accounts of life insurance companies and mutual funds. Pension funds with net assets 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 assets in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net assets of at least \$10 million that have appointed an investment advisor may invest up to fifty percent of their plan net assets in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent, effective July 1, 2012.

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

Deposits and investments - At April 30, 2012, the plan year-end of the pension fund, the carrying amount of the pension fund's deposits totaled \$16,410, and the bank balances totaled \$16,410. At April 30, 2012, the pension fund had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities - in Years		
		Less than 1	1-5	6-10
U.S. Treasury Notes	\$ 52,641	\$ 10,209	\$ 26,030	\$ 16,402
U.S. Treasury Strip	9,953	-	9,953	-
Federal National Mortgage Assoc.	54,930	10,305	44,625	-
Federal Home Loan Mort. Corp.	5,708	-	-	5,708
Money market mutual funds	13,873	13,873	-	-
	<u>\$ 137,105</u>	<u>\$ 34,387</u>	<u>\$ 80,608</u>	<u>\$ 22,110</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

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

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

Credit risk - The pension fund limits its exposure to credit risk by primarily investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the United States government. The pension fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. Government agencies were rated AAA by Standard and Poor's or by Moody's.

Custodial credit risk - deposits - At April 30, 2012, the entire amount of the bank balance of the deposits was covered by federal depository insurance. The Pension Fund's investment policy does not address custodial credit risk for deposits.

Custodial credit risk - Investments Money market mutual funds, and equity mutual funds are not subject to custodial credit risk. At April 30, 2012, the U.S. Government agency securities are held by the counterparty in the trust department. The pension fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the pension fund, to act as custodian for its securities and collateral.

Concentration of credit risk - This is the risk of loss attributed to the magnitude of the pension fund's investment in a single issuer. The pension fund's investment policy requires diversification of the total fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. Asset allocation guidelines are addressed by the Pension Fund's investment policy upon the Plan reaching \$2.5 million in total assets. At April 30, 2012, the Pension Fund had over 5% of net plan assets 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
October 31, 2012

NOTE D - PROPERTY TAXES

Property taxes for the 2011 tax year attach, as an enforceable lien, on January 1, 2011 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (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, 2012 and September 1, 2012. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3% of the tax levy to reflect actual collection experience. That portion of the 2011 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 unearned revenue.

NOTE E - DEPOSITS WITH PAYING AGENT

The Village maintains deposits with the paying agent for the payment of principal and interest maturities and premiums on its tax increment financing (TIF) and other bonded debt, TIF redevelopment project costs, reserve and redemption, and for certain other purposes, in accordance with the requirements set forth by the respective bond ordinances. A summary of those deposits is as follows:

<u>Investment Type</u>	<u>Debt Service Fund</u>	<u>LogistiCenter at Sauk Village Fund</u>	<u>Working Cash Fund</u>	<u>Total</u>
Goldman Sachs Financial Square Federal Fund	\$ 9,641,725	\$ 156,313	\$ 63,478	\$ 9,861,516

The Goldman Sachs Financial Square Federal Fund (the Fund) is 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 October 31, 2012.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2012 was as follows:

1. Governmental Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 574,003	\$ -	\$ -	\$ 574,003
Capital assets being depreciated				
Buildings	7,505,200	-	-	7,505,200
Machinery and equipment	2,041,823	-	-	2,041,823
Vehicles	3,600,157	13,500	28,406	3,585,251
Infrastructure	35,539,497	-	-	35,539,497
Total capital assets being depreciated	<u>48,686,677</u>	<u>13,500</u>	<u>28,406</u>	<u>48,671,771</u>
Less accumulated depreciation for				
Buildings	1,628,535	193,898	-	1,822,433
Machinery and equipment	1,695,643	168,935	-	1,864,578
Vehicles	2,258,037	178,226	28,406	2,407,857
Infrastructure	30,525,160	211,524	-	30,736,684
Total accumulated depreciation	<u>36,107,375</u>	<u>752,583</u>	<u>28,406</u>	<u>36,831,552</u>
Total capital assets, being depreciated, net	<u>12,579,302</u>	<u>(739,083)</u>	<u>-</u>	<u>11,840,219</u>
Governmental activities capital assets, net	<u>\$ 13,153,305</u>	<u>\$ (739,083)</u>	<u>\$ -</u>	<u>\$ 12,414,222</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE F - CAPITAL ASSETS (Continued)

2. Business-Type Activities

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Capital assets, being depreciated				
Buildings	51,117	-	-	51,117
Waterworks and sewerage system	6,820,994	-	-	6,820,994
Machinery and equipment	596,503	-	-	596,503
Vehicles	469,211	-	-	469,211
Water meters	644,961	-	-	644,961
Total capital assets, being depreciated	8,582,786	-	-	8,582,786
Less accumulated depreciation for				
Buildings	48,509	868	-	49,377
Waterworks and sewerage system	4,238,414	137,719	-	4,376,133
Machinery and equipment	487,902	20,819	-	508,721
Vehicles	460,818	8,393	-	469,211
Water meters	605,968	21,574	-	627,542
Total accumulated depreciation	5,841,611	189,373	-	6,030,984
Total capital assets, being depreciated, net	2,741,175	(189,373)	-	2,551,802
Business-type activities, capital assets, net	\$ 2,748,675	\$ (189,373)	\$ -	\$ 2,559,302

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

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	\$ 151,456
Public safety	315,173
Public works	<u>285,954</u>
Total depreciation expense - governmental activities	<u>\$ 752,583</u>

Business – type activities:

Waterworks	\$ 164,995
Sewerage	<u>24,378</u>
Total depreciation expense - business-type activities	<u>\$ 189,373</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE G - INTERFUND TRANSACTIONS

1. Interfund Advances

	<u>Advances to</u>	<u>Advances from</u>
General		
Sauk Pointe Industrial Park	\$ -	\$ 12,609
Nonmajor Governmental	79,790	1,360,431
Waterworks	87,538	-
Sewerage	-	108,024
Total General	167,328	1,481,064
Sauk Pointe Industrial Park		
General	12,609	-
Logisticcenter at Sauk Village	-	215,341
Total Sauk Pointe Industrial Park	12,609	215,341
Logisticcenter at Sauk Village		
Sauk Pointe Industrial Park	215,341	-
Nonmajor Governmental	-	125,790
Total Logisticcenter at Sauk Village	215,341	125,790
Nonmajor governmental		
General	1,360,431	79,790
Logisticcenter at Sauk Village	125,790	-
Nonmajor governmental	130,681	130,681
Total nonmajor governmental	1,616,902	210,471
Total governmental funds	2,012,180	2,032,666

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE G - INTERFUND TRANSACTIONS (Continued)

1. Interfund Advances (Continued)

	<u>Advances to</u>	<u>Advances from</u>
Waterworks		
General	\$ -	\$ 87,538
Sewerage	-	343,263
Total Waterworks	-	430,801
Sewerage		
General	108,024	-
Waterworks	343,263	-
Total Sewerage	451,287	-
Total enterprise funds	451,287	430,801
Total all funds	2,463,467	2,463,467
Less amounts eliminated during GASB 34 conversion	(2,442,981)	(2,442,981)
Total government-wide internal balances	\$ 20,486	\$ 20,486

2. Interfund Transfers

	<u>Transfers in</u>	<u>Transfers out</u>
General		
Logisticcenter at Sauk Village	\$ 90,087	\$ -
Debt Service	-	601,686
Nonmajor Governmental	149,205	-
Waterworks	119,545	-
Sewerage	119,545	-
Total General	478,382	601,686

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE G - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers (Continued)

	<u>Transfers in</u>	<u>Transfers out</u>
Debt Service		
General	\$ 601,686	\$ -
Sauk Pointe Industrial Park	1,091,529	-
Logisticcenter at Sauk Village	2,973,351	127,751
Nonmajor Governmental	304,003	-
	<u>4,970,569</u>	<u>127,751</u>
Sauk Pointe Industrial Park		
Debt Service	<u>-</u>	<u>1,091,529</u>
Logisticcenter at Sauk Village		
General	-	90,087
Debt Service	<u>127,751</u>	<u>2,973,351</u>
	<u>127,751</u>	<u>3,063,438</u>
Nonmajor governmental		
General	-	149,205
Debt Service	-	304,003
Nonmajor governmental	185,000	185,000
Waterworks	-	15,000
Sewerage	<u>-</u>	<u>15,000</u>
	<u>185,000</u>	<u>668,208</u>
Total nonmajor governmental	<u>185,000</u>	<u>668,208</u>
Total governmental funds	<u>5,761,702</u>	<u>5,552,612</u>
Waterworks		
General	-	119,545
Nonmajor governmental	<u>15,000</u>	<u>-</u>
	<u>15,000</u>	<u>119,545</u>

(Continued)

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE G - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers (Continued)

	<u>Transfers in</u>	<u>Transfers out</u>
Sewerage		
General	\$ -	\$ 119,545
Nonmajor governmental	15,000	-
	15,000	119,545
Total enterprise funds	30,000	239,090
Total all funds	5,791,702	5,791,702
Less amounts eliminated during GASB 34 conversion	(5,582,612)	(5,582,612)
Total government-wide transfers	\$ 209,090	\$ 209,090

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 years.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE I - LONG-TERM LIABILITIES

1. Changes in Long-Term Liabilities

The following is a summary of the Village's long-term liability balances and transactions associated with governmental activities, for the year ended October 31, 2012:

	Beginning Balance	Additions/ Accretion	Retirements	Ending Balance	Due Within One Year
Alternate revenue bonds	\$ 42,351,275	\$ 638,244	\$ 2,020,000	\$ 40,969,519	\$ 1,331,220
General obligation bonds	525,000	-	50,000	475,000	50,000
Unamortized bond premium	462,552	-	26,208	436,344	26,208
Capital leases	401,824	-	83,302	318,522	87,375
Compensated absences	74,247	129,257	74,247	129,257	129,257
Judgment liability	163,988	61,000	163,988	61,000	61,000
Net OPEB obligation	301,141	299,407	148,354	452,194	-
Net pension obligations					
IMRF	61,406	186,111	152,928	94,589	-
Police	1,471,740	480,691	190,861	1,761,570	-
Firefighters'	69,754	33,790	2,395	101,149	-
 Total governmental activities	 \$ 45,882,927	 \$ 1,828,500	 \$ 2,912,283	 \$ 44,799,144	 \$ 1,685,060

The following is a summary of the Village's long-term liability balances and transactions associated with business-type activities, for the year ended October 31, 2012:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Compensated absences	\$ 24,016	\$ 35,788	\$ 24,016	\$ 35,788	\$ 35,788

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE I - LONG-TERM LIABILITIES (Continued)

2. Long-Term Debt - Terms and Maturities

Alternate revenue bonds payable at October 31, 2012 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 \$505,000 to \$1,055,000 through December 1, 2021, with a final installment of \$1,145,000 due on June 1, 2022; interest is payable on June 1 and December 1 at rates ranging from 5.00% to 5.35%.	\$ 8,885,000
\$4,999,356 general obligation capital appreciation bonds (tax increment alternate revenue source) series 2002B, payable in annual installments ranging from \$760,000 to \$1,405,000 from December 1, 2012 through December 1, 2021, with a final installment of \$1,460,000 due on June 1, 2022. Interest rates ranging from 5.00% to 5.95%. Interest accreted through October 31, 2012 totaled \$3,597,874.	8,597,230
\$5,201,610 general obligation capital appreciation (alternate revenue) bonds series 2007A, payable in annual installments ranging from \$685,000 to \$690,000 through December 1, 2018. Interest rates ranging from 3.95% to 4.30%. Interest accreted through October 31, 2012 totaled \$772,167.	4,177,289
\$1,405,000 general obligation (alternate revenue) bonds series 2007B, payable in annual installments ranging from \$40,000 to \$140,000 through December 1, 2027; interest is payable on June 1 and December 1 at rates ranging from 3.85% to 5.00%.	1,285,000
\$810,000 general obligation (alternate revenue) bonds series 2007C, payable in annual installments ranging from \$20,000 to \$80,000 through December 1, 2027; interest is payable June 1 and December 1 at rates ranging from 3.90% to 5.00%.	740,000
\$9,500,000 general obligation bonds (alternate revenue source) series 2008, payable in annual installments ranging from \$85,000 to \$1,470,000 through December 1, 2028; interest is payable June 1 and December 1 at rates ranging from 5.40% to 7.25%.	9,450,000

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE I - 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 December 1, 2028 at rates ranging from 4.30% to 7.50%, with a final payment due on April 1, 2029 at 4.75%. \$ 7,835,000

Total alternate revenue bonds \$ 40,969,519

General obligation bonds payable at October 31, 2012 are comprised of the following individual issue:

\$574,000 general obligation working cash bonds series 2010, payable in annual installments ranging from \$50,000 to \$70,000 through February 1, 2020; interest is payable on February 1 and August 1 at rates ranging from 3.50% to 5.00%. \$ 475,000

\$ 41,444,519

The future requirements to retire the alternate revenue and general obligation bonds outstanding, as of October 31, 2012 are as follows:

Period Ending April 30,	Principal	Interest	Total
2013	\$ 2,243,035	\$ 807,961	\$ 3,050,996
2014	2,434,875	1,605,117	4,039,992
2015	2,513,308	1,615,482	4,128,790
2016	2,632,201	1,625,593	4,257,794
2017	2,635,587	1,633,337	4,268,924
2018-2022	12,068,216	7,858,822	19,927,038
2023-2027	11,317,297	3,850,310	15,167,607
2028-2029	<u>5,600,000</u>	<u>481,406</u>	<u>6,081,406</u>
	<u>\$ 41,444,519</u>	<u>\$ 19,478,028</u>	<u>\$ 60,922,547</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE I - LONG-TERM LIABILITIES (Continued)

3. Legal Debt Margin

The Village's legal debt limitation of \$7,403,590 at October 31, 2012 is based on 8.625% of the 2011 equalized assessed valuation of \$85,838,720, less outstanding debt of \$475,000, resulting in a legal debt margin of \$6,928,590 at October 31, 2012. Alternate revenue bonds are not included for purposes of the legal debt margin calculation.

4. Bond Ordinance Compliance

The Village is required to maintain certain minimum balances, in deposits with the paying agent, for debt service and other purposes, in accordance with the applicable bond ordinances. For the year ended October 31, 2012, due to a shortfall in pledged revenues for debt service on the 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.

5. Revenues Pledged for Debt Service

The Village has issued 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 October 31, 2012, 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	\$ 23,615,013	6/1/2022
2007A	Impact fees/property taxes	4,815,000	12/1/2018
2007B	911 and wireless surcharges - ETS Fund	1,861,600	12/1/2027
2007C	Property taxes - Fire Protection Fund	1,087,185	12/1/2027
2008	TIF revenue - LogistiCenter TIF	16,511,710	12/1/2028
2009	TIF revenue - LogistiCenter TIF	12,461,081	4/1/2029

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE I - LONG-TERM LIABILITIES (Continued)

5. Revenues Pledged for Debt Service (Continued)

A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2012 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>
2000	TIF revenue	\$ 915,237	\$ 693,563	75.78%
2002A&B, 2008, and 2009	TIF revenue	2,055,023	2,062,257	100.35%
2007A	Impact fees	-	685,000	N/A
2007B	911/wireless surcharge	70,991	92,409	130.17%
2007C	Property taxes	572,219	54,390	9.51%

6. Capital Lease Obligations

The Village leases vehicles under capital leases, which expire in January 2014 and February 2016. The annual lease payments, including interest at 4.89%, are \$28,044 and \$74,907. The original cost of the leased assets totaled \$597,785 and accumulated depreciation totaled \$237,340 as of October 31, 2012, and are included under vehicles in the governmental activities capital assets. Minimum future lease payments are as follows:

<u>Period Ending April 30,</u>	
2013	\$ 102,951
2014	102,951
2015	74,907
2016	74,907
Total minimum lease payments	<u>355,716</u>
Less amount representing interest	<u>37,194</u>
Present value of minimum lease payments	318,522
Less current portion	87,375
Long-term portion	<u><u>\$ 231,147</u></u>

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE I - LONG-TERM LIABILITIES (Continued)

7. Judgment Liability

There are several pending lawsuits in which the Village is involved. The Village has accrued \$61,000 at October 31, 2012 in the governmental activities statement of net assets related to settlement payments that occurred subsequent to year end. Management believes that all other potential claims against the Village that are not accrued at October 31, 2012 and are not covered by insurance would not have a materially adverse effect on the Village's financial position.

NOTE J - RESTRICTIONS OF NET ASSETS

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

<u>Net assets restricted for:</u>	<u>Amount</u>
Road improvements	\$ 167,103
Public safety	895,838
Debt service	
Tax incremental financing	10,622,281
Other	<u>1,116,685</u>
Total net assets restricted by enabling legislation	<u>\$ 12,801,907</u>

NOTE K - FUND BALANCES RESTRICTED FOR SPECIAL REVENUE PURPOSES

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

<u>Fund balance restricted for:</u>	<u>Amount</u>
Fire protection	\$ 814,538
Police seizure	16,594
Working cash	<u>10,988</u>
Total fund balance restricted for special revenue purposes	<u>\$ 842,120</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE L - FUND BALANCES RESTRICTED FOR DEBT SERVICE AND RELATED PURPOSES

The governmental funds balance sheet reports fund balances restricted for debt service. The details of those restrictions are as follows:

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

Bond Funds - used to accumulate amounts sufficient for payment of principal, interest and premium, if any, on the Parity Bonds and other additional bonds, if any. Amounts deposited into the Bond Funds should be used solely and only for such purposes until the bonds have been paid in full. If the amount in the Bond Funds at a specified date are less than the debt service requirements, as defined, the Trustee/Paying Agent shall replenish any deficiency by immediately withdrawing funds first from the Reserve and Redemption Fund and then the General Account. As of October 31, 2012, \$3,153,282 was held for the 2002A and 2002B bonds, \$1,114,003 was held for the 2008 bonds, and \$887,076 was held for the 2009 bonds. \$ 5,154,361

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. 3,696,987

General Account - may be distributed upon the request of the Village for the following purposes; 1) to purchase, redeem or defease the Parity Bonds, 2) to pay, reimburse or provide for payment of redevelopment costs or any expenditure permitted under the Tax Increment Financing Act or 3) to distribute surplus funds to taxing districts as defined by the Tax Increment Financing Act. 91,648

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. 64,665

Total amounts restricted in relation to tax incremental financing districts 9,007,661

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE L - FUND BALANCES RESTRICTED FOR DEBT SERVICE AND RELATED PURPOSES

(Continued)

Restricted in relation to other long-term obligations:

Deposits with paying agent for debt service

Series 2007A bonds	\$	685,005
Series 2007B bonds		68,370
Series 2007C bonds		37,002
Series 2010 bonds		63,478
Debt service fund - cash and cash equivalents		<u>326,308</u>
	\$	<u><u>10,187,824</u></u>

NOTE M - DEFICIT FUND BALANCES

At October 31, 2012, the following funds have deficit fund balances:

Fund	Deficit
General	\$ 1,861,844
Sauk Point Industrial Park Fund	162,001
Nonmajor	
Motor Fuel Tax	57,897
Emergency Telephone System	25,646
Railroad Noise Mitigation	10,951
Municipal Building	13,043

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE N - DEFINED BENEFIT PENSION PLANS

1. Illinois Municipal Retirement Fund

a. Plan Description

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

b. Funding Policy

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

c. Fiscal IMRF Pension Cost and Net IMRF Pension Obligation

The Village's annual IMRF pension cost is calculated based on the annual required contribution (ARC) of the Village. The following table shows the components of the Village's annual IMRF pension cost, the amount actually contributed to the plan, and changes in the Village's net IMRF pension obligation, for the year ended October 31, 2012.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

1. Illinois Municipal Retirement Fund (Continued)

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

Annual required contribution	\$	181,506
Interest on net IMRF pension obligation		4,605
Adjustment to annual required contribution		<u>(3,292)</u>
Annual IMRF cost		182,819
Contributions made		<u>149,636</u>
Increase in IMRF pension obligation		33,183
Net IMRF pension obligation, at November 1, 2011		<u>61,406</u>
Net IMRF pension obligation, at October 31, 2012	\$	<u><u>94,589</u></u>

d. Annual Pension Cost

For the year ended October 31, 2012, the Village's actual contributions for pension cost were \$149,636. Its required contribution was \$182,819.

Trend Information			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
10/31/12	\$ 182,819	82%	\$ 94,589
10/31/11	146,379	79%	61,406
10/31/10	143,882	79%	30,427

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

1. Illinois Municipal Retirement Fund (Continued)

d. Annual Pension Cost (Continued)

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

e. Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the regular plan was 50.68 percent funded. The actuarial accrued liability for benefits was \$2,586,143 and the actuarial value of assets was \$1,310,732, resulting in underfunded actuarial accrued liability (UAAL) of \$1,275,411. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$1,318,986 and the ratio of the UAAL to the covered payroll was 97 percent.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan

a. Plan Description

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

At April 30, 2012, the Firefighters' Pension Plan membership consisted of the following:

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

a. Plan Description (Continued)

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

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

b. Summary of Significant Accounting Policies and Plan Asset Matters

i. Reporting Entity

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

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

i. Reporting Entity (Continued)

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

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

ii. Basis of Presentation

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

iii. Measurement Focus and Basis of Accounting

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

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

iii. Measurement Focus and Basis of Accounting (Continued)

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

iv. Investments

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

v. Short-term Interfund Receivables and Payables

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

c. Funding Policy and Annual Pension Cost

The Village's payroll for employees covered by the Firefighters' Pension Plan for the year ended April 30, 2011 (most recent actuarial valuation date) was \$60,498.

For the year ended April 30, 2011, the Village's annual pension cost was \$33,790. Actual contributions made by the Village were \$9,978. The information presented was determined as part of the actuarial valuation as of April 30, 2011, the most recent actuarial information available.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

c. Funding Policy and Annual Pension Cost (Continued)

Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry age normal; the amortization method was level percent of pay, closed, and the amortization period was 30 years; the asset valuation method was a market value method; and the significant actuarial assumptions were an investment rate of return at 7.0%, compounded annually which includes a 3.0% inflation factor, a projected salary increase assumption range of 5.5% compounded annually, which includes a 3.0% inflation factor, and cost-of-living adjustments of 3.0%, compounded annually.

The Village's net pension obligation as of October 31, 2012, and its annual pension cost for the year then ended, for the Firefighters' Pension Fund, were estimated based on the fund's most recent actuarial valuation (April 30, 2011) and are as follows:

Annual required contribution	\$	32,739
Interest on net pension obligation		2,144
Adjustment to annual required contribution		<u>(1,093)</u>
Annual pension cost		33,790
Contributions made		<u>2,395</u>
Increase in net pension obligation		31,395
Net pension obligation as of November 1, 2011		<u>69,754</u>
Net pension obligation as of October 31, 2012	\$	<u><u>101,149</u></u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

2. Firefighters' Pension Plan (Continued)

d. Three-Year Trend Information

<u>Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
10/31/12	\$ 33,790	7.1%	\$ 101,149
10/31/11	33,790	30.2%	69,754
10/31/10	N/A	N/A	46,161

N/A - Not Available

3. Police Pension Plan

a. Net Pension Obligation

The Village's net pension obligation as of October 31, 2012, and its annual pension cost for the year then ended, for the Police Pension Fund, were estimated based on the fund's most recent actuarial valuation (April 30, 2011) and are as follows:

Annual required contribution	\$ 465,407
Interest on net pension obligation	57,153
Adjustment to annual required contribution	<u>(41,869)</u>
Annual pension cost	480,691
Contributions made	<u>190,861</u>
Increase in net pension obligation	289,830
Net pension obligation as of November 1, 2011	<u>1,471,740</u>
Net pension obligation as of October 31, 2012	<u><u>\$ 1,761,570</u></u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE N - DEFINED BENEFIT PENSION PLANS (Continued)

3. Police Pension Plan (Continued)

b. Three-Year Trend Information

<u>Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
10/31/12	\$ 480,691	39.70%	\$ 1,761,570
10/31/11	480,691	34.60%	1,471,740
10/31/10	N/A	N/A	1,157,326

N/A - Not Available

NOTE O - OTHER POSTEMPLOYMENT BENEFITS

1. Plan Description

The Village Board provides postretirement health insurance benefits, as per the requirements of a local ordinance, for all employees who retire from the Village on or after attaining age 55 (age 50 for police officers) with at least 10 years of service, until the retiree reaches the age of 65. As of October 31, 2012, nine retirees have met those eligibility requirements.

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE O - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Plan Description (Continued)

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 October 31, 2012, the Village contributed \$148,354 to the Plan. Plan members receiving benefits were not required to make any contributions during the same period.

3. Annual OPEB Cost and Net OPEB Obligation

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE O - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Annual OPEB Cost and Net OPEB Obligation (Continued)

	<u>October 31, 2012</u>
Annual required contribution	\$ 280,574
Interest on net OPEB obligation	18,833
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	299,407
Contributions made	<u>148,354</u>
Increase in net OPEB obligation	151,053
Net OPEB obligation beginning of year	<u>301,141</u>
Net OPEB obligation end of year	<u>\$ 452,194</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012 and the two preceding fiscal years were as follows:

	<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
	10/31/12	\$ 299,407	49.6%	\$ 452,194
	10/31/11	302,252	49.1%	301,141
	10/31/10	295,597	50.2%	147,243

4. Funding Status and Funding Progress

As of October 31, 2012, the Plan was 0% funded. The actuarial accrued liability for benefits was \$2,445,957, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,445,957.

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE O - 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	October 31, 2012
Actuarial cost method	Entry age normal
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases	5.00%
Healthcare inflation rate	8.00% initial 6.00% ultimate

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE O - OTHER POSTEMPLOYMENT BENEFITS (Continued)

5. Methods and Assumptions (Continued)

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

*Includes inflation at 3.00%

NOTE P - CONTINGENCIES AND COMMITMENTS

1. Water Supply Contamination

In 2009, chemical contamination was detected in groundwater affecting one of the Village's three supply wells. The well was taken out of service in 2009 and has remained out of service since that time. Under state legislation that became effective in 2010, the Village was required to develop a plan to remedy the contamination issue, at the closed well site. Temporary treatment units have been installed at the Village's two operational well sites, and the Village has secured financing to construct permanent improvements to its treatment facilities (see Note Q-3, below).

2. Grants

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
October 31, 2012

NOTE Q - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 7, 2014, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than the following, have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

1. Change in Fiscal Year

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

2. Capital Lease

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

3. IEPA Loan

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

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Village of Sauk Village, Illinois
 Illinois Municipal Retirement Fund
 SCHEDULE OF FUNDING PROGRESS
October 31, 2012

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

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

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

Village of Sauk Village, Illinois
 Firefighters' Pension Fund
 SCHEDULE OF FUNDING PROGRESS
October 31, 2012

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

Source: Actuarial valuations and the required supplementary information presented in the separate Firefighters' Pension Fund financial statements as of and for the year ended April 30, 2012.

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

The information presented above is the most recent available.

Village of Sauk Village, Illinois
 Other Postemployment Benefits
 SCHEDULE OF FUNDING PROGRESS
October 31, 2012

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

N/A - Not Available

* Estimated

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

Village of Sauk Village, Illinois

General Fund

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

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 1,598,620	\$ 2,359,081	\$ 760,461
Licenses and permits	230,100	232,964	2,864
Charges for services	628,000	768,122	140,122
Intergovernmental	1,453,480	1,502,400	48,920
Fines and forfeitures	201,500	196,563	(4,937)
Interest	250	481	231
Contributions and donations	-	805	805
Miscellaneous	25,000	50,233	25,233
Total revenues	<u>4,136,950</u>	<u>5,110,649</u>	<u>973,699</u>
Expenditures			
Current			
General government	1,380,895	1,563,219	182,324
Public safety	3,197,300	3,413,183	215,883
Public works	179,000	164,637	(14,363)
Debt service			
Principal	24,302	24,302	-
Interest	3,748	3,742	(6)
Total expenditures	<u>4,785,245</u>	<u>5,169,083</u>	<u>383,838</u>
Deficiency of revenues over expenditures	<u>(648,295)</u>	<u>(58,434)</u>	<u>589,861</u>
Other financing sources (uses)			
Transfers in	538,295	478,382	(59,913)
Transfers (out)	-	(601,686)	(601,686)
Total other financing sources (uses)	<u>538,295</u>	<u>(123,304)</u>	<u>(661,599)</u>
Net change in fund deficit	<u>\$ (110,000)</u>	<u>(181,738)</u>	<u>\$ (71,738)</u>
Fund deficit			
Beginning of year		<u>(1,680,106)</u>	
End of year		<u>\$ (1,861,844)</u>	

Village of Sauk Village, Illinois
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
October 31, 2012

NOTE A - BUDGETARY DATA

The Village prepares its appropriation ordinance in accordance with generally accepted accounting principles. Annual appropriations were adopted for the General Fund, Debt Service Fund, Sauk Pointe Industrial Park Fund, LogistiCenter at Sauk Village Fund, Waterworks Fund, Sewerage Fund, Fire Protection Fund, Motor Fuel Tax Fund, Emergency Telephone System Fund, Police Seizure Fund, Working Cash Fund, Utility Tax Fund, Community Development Block Grant Fund, Sauk Plaza Redevelopment Plan Fund, and the SurreyBrook Plaza Fund. The Village also adopted appropriations for the Parks Improvement Fund and the Infrastructure Improvement Fund, which are not reported because they have no assets, liabilities, fund balances, revenues, expenditures, or other financing sources or uses. Annual appropriations lapse at year end. Annual appropriations are 120 percent of budgeted amounts. The Village did not prepare a budget for fiscal year 2012 for the Municipal Building Fund. The Village amended its budget for the General Fund during fiscal year 2012.

1. Within ninety days of the start of the fiscal year, 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 October 31, 2012, was taken by the Village Board before January 31, 2012.
5. The Board may subsequently transfer appropriated amounts to other appropriations, but may not increase overall appropriation of an individual fund without the passage of a supplemental appropriation.
6. The legal level of budgetary control is at the fund level.

NOTE B - EXPENDITURES IN EXCESS OF BUDGETS

The following funds had an excess of expenditures over budget, at October 31, 2012:

<u>Fund</u>	<u>Variance</u>
General	\$ 383,838
Debt Service	676,909
Emergency Telephone System	8,361
Waterworks	849,914

OTHER SUPPLEMENTARY INFORMATION

Village of Sauk Village, Illinois
 General Fund
 SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 1,598,620	\$ 2,359,081	\$ 760,461
Licenses and permits			
Business licenses	50,000	57,796	7,796
Liquor licenses	5,800	6,330	530
Vending machine licenses	500	535	35
Vehicle licenses	132,000	108,802	(23,198)
Animal licenses	2,000	1,732	(268)
Building permits	25,000	39,829	14,829
Other permits and licenses	1,300	1,990	690
Building occupation and inspection	13,500	15,950	2,450
Total licenses and permits	230,100	232,964	2,864
Charges for services			
Utility tax	480,000	476,703	(3,297)
Cable TV franchise fees	77,500	85,068	7,568
Police reports	2,500	2,768	268
Garbage collection fee	22,500	37,597	15,097
Rental income	42,000	161,170	119,170
Other	3,500	4,816	1,316
Total charges for services	628,000	768,122	140,122

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues (Continued)			
Intergovernmental			
Replacement taxes	\$ 34,400	\$ 28,682	\$ (5,718)
State income taxes	870,000	904,741	34,741
Municipal sales taxes	445,000	440,679	(4,321)
Welch Park donations	1,250	1,077	(173)
School District #168 grant	3,000	-	(3,000)
COPS grant	81,675	71,020	(10,655)
Other state grants	-	46,036	46,036
Bullet proof vest grant	-	3,137	3,137
IDOT step grant	18,155	7,028	(11,127)
	<u>1,453,480</u>	<u>1,502,400</u>	<u>48,920</u>
Fines and forfeitures			
Police fines	50,000	89,003	39,003
Administrative court	1,500	875	(625)
Tow release fines	150,000	106,195	(43,805)
Other fees	-	490	490
	<u>201,500</u>	<u>196,563</u>	<u>(4,937)</u>
Interest	<u>250</u>	<u>481</u>	<u>231</u>
Contributions and donations	<u>-</u>	<u>805</u>	<u>805</u>
Miscellaneous	<u>25,000</u>	<u>50,233</u>	<u>25,233</u>
Total revenues	<u>\$ 4,136,950</u>	<u>\$ 5,110,649</u>	<u>\$ 973,699</u>

(Concluded)

Village of Sauk Village, Illinois
 General Fund
 SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
Year Ended October 31, 2012

	Original Budget	Final Budget	Actual	Variance Over / (Under)
Expenditures				
General government				
Finance and administration				
Regular employee wages	\$ 215,135	\$ 215,135	\$ 234,108	\$ 18,973
Part-time employee wages	16,000	16,000	21,900	5,900
Fringe benefits	100,020	100,020	109,442	9,422
Office supplies	5,000	5,000	5,704	704
Vehicle expense	1,000	1,000	1,731	731
Computer software supplies	1,500	1,500	6,412	4,912
Tools and equipment	600	600	-	(600)
Other materials and supplies	3,750	3,750	2,093	(1,657)
Telephone	6,275	6,275	4,189	(2,086)
Postage	5,500	5,500	2,250	(3,250)
Insurance	650,000	650,000	592,978	(57,022)
Printing	2,250	2,250	2,620	370
Equipment repair and maintenance	3,500	3,500	1,667	(1,833)
Organizational business expense	1,000	1,000	-	(1,000)
Professional development	500	500	636	136
Publications and memberships	1,500	1,500	430	(1,070)
Professional services	212,500	212,500	358,084	145,584
Computer contractual services	13,000	13,000	13,651	651
Public information	1,500	1,500	573	(927)
Other rents and leases	265	265	-	(265)
Other contractual services	17,000	17,000	14,932	(2,068)
Refunds	250	250	(6,324)	(6,574)
Contingency	4,445	4,445	900	(3,545)
Total finance and administration	<u>1,262,490</u>	<u>1,262,490</u>	<u>1,367,976</u>	<u>105,486</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

Year Ended October 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (Continued)				
General government (Continued)				
Elected officials				
Public official wages	\$ 87,000	\$ 87,000	\$ 91,435	\$ 4,435
Fringe benefits	6,655	6,655	6,776	121
Telephone	2,500	2,500	2,644	144
Printing	500	500	994	494
Professional development	-	-	3,825	3,825
Publications and memberships	5,000	5,000	11,005	6,005
Public information	1,000	1,000	3,862	2,862
Public relations committee	-	-	1,738	1,738
Special events	-	-	500	500
Beautification/improvement commission	250	250	500	250
Fire and police commission	15,000	15,000	2,211	(12,789)
Senior citizens committee	-	-	1,054	1,054
Other contractual services	500	500	2,895	2,395
	<u>118,405</u>	<u>118,405</u>	<u>129,439</u>	<u>11,034</u>
Total elected officials				
Community development				
Regular employee wages	-	-	48,182	48,182
Fringe benefits	-	-	17,573	17,573
Publications and memberships	-	-	49	49
	<u>-</u>	<u>-</u>	<u>65,804</u>	<u>65,804</u>
Total community development				
	<u>-</u>	<u>-</u>	<u>65,804</u>	<u>65,804</u>
Total general government	<u>1,380,895</u>	<u>1,380,895</u>	<u>1,563,219</u>	<u>182,324</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

Year Ended October 31, 2012

Expenditures (Continued)	Original Budget	Final Budget	Actual	Variance Over / (Under)
Public safety				
Police department				
Employee wages	\$ 1,555,990	\$ 1,555,990	\$ 1,547,086	\$ (8,904)
Part-time wages	10,800	10,800	6,088	(4,712)
Overtime	180,000	180,000	185,749	5,749
Fringe benefits	540,325	540,325	589,825	49,500
Pension contributions	-	-	190,861	190,861
Office supplies	8,000	8,000	3,653	(4,347)
Vehicle expense	75,000	75,000	97,942	22,942
Uniforms and clothing	40,000	40,000	47,973	7,973
Facility maintenance supplies	1,000	1,000	103	(897)
Operating supplies	12,500	12,500	3,804	(8,696)
Computer software supplies	5,000	5,000	3,721	(1,279)
Tools and equipment	3,000	3,000	791	(2,209)
Construction supplies	1,500	1,500	-	(1,500)
Other materials and supplies	1,000	1,000	210	(790)
Telephone	27,000	27,000	43,977	16,977
Postage	4,500	4,500	3,253	(1,247)
K-9	1,000	1,000	85	(915)
Printing	4,000	4,000	857	(3,143)
Equipment repair and maintenance	25,000	25,000	14,196	(10,804)
Vehicle repair and maintenance	40,000	40,000	14,236	(25,764)
Facility maintenance	1,000	1,000	-	(1,000)
Organization business expense	500	500	114	(386)
Professional development	7,000	7,000	1,875	(5,125)
Publications and memberships	4,250	4,250	1,744	(2,506)
Professional services	12,000	12,000	32,310	20,310
Computer contractual services	13,000	13,000	12,158	(842)
Intergovernmental services	4,000	4,000	-	(4,000)
Public information	500	500	-	(500)
Other rents and leases	1,000	1,000	1,204	204
Other contractual services	86,250	86,250	38,064	(48,186)
Refunds	1,000	1,000	730	(270)
Vehicles	-	-	284	284
Total police department	<u>2,666,115</u>	<u>2,666,115</u>	<u>2,842,893</u>	<u>176,778</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

Year Ended October 31, 2012

	Original Budget	Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)				
Public safety (Continued)				
Emergency Service and Disaster Agency				
Part-time wages	\$ 26,300	\$ 26,300	\$ 33,308	\$ 7,008
Fringe benefits	2,015	2,015	2,504	489
Office supplies	400	400	129	(271)
Vehicle expense	7,000	7,000	7,922	922
Uniforms and clothing	700	700	247	(453)
Facility maintenance supplies	100	100	35	(65)
Operating supplies	500	500	418	(82)
Computer software supplies	-	-	(40)	(40)
Tools and equipment	200	200	-	(200)
Telephone	2,800	2,800	2,539	(261)
Equipment repair and maintenance	7,000	7,000	6,387	(613)
Vehicle repair and maintenance	2,500	2,500	430	(2,070)
Organization business expense	100	100	-	(100)
Professional development	1,000	1,000	950	(50)
Publications and memberships	100	100	100	-
Computer contractual services	150	150	-	(150)
	50,865	50,865	54,929	4,064
Total Emergency Service and Disaster Agency				
Dispatch				
Regular wages	249,260	249,260	285,164	35,904
Overtime	45,000	45,000	43,197	(1,803)
Fringe benefits	155,810	155,810	171,472	15,662
Office supplies	500	500	-	(500)
Computer software supplies	250	250	1,074	824
Telephone	12,500	12,500	10,506	(1,994)
Equipment repair and maintenance	10,000	10,000	-	(10,000)
Computer contractual services	7,000	7,000	3,948	(3,052)
	480,320	480,320	515,361	35,041
Total dispatch				
	3,197,300	3,197,300	3,413,183	215,883
Total public safety				

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

Year Ended October 31, 2012

	Original Budget	Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)				
Public works				
Public grounds and buildings				
Vehicle expense	\$ 9,000	\$ 9,000	\$ 7,122	\$ (1,878)
Uniforms and clothing	100	100	-	(100)
Facility maintenance supplies	11,000	11,000	13,029	2,029
Operating supplies	300	300	-	(300)
Computer software supplies	300	300	-	(300)
Tools and equipment	1,000	1,000	200	(800)
Construction supplies	4,000	4,000	-	(4,000)
Telephone	10,000	10,000	7,224	(2,776)
Utilities	18,000	18,000	10,775	(7,225)
Equipment repair and maintenance	3,500	3,500	2,552	(948)
Vehicle repair and maintenance	1,200	1,200	-	(1,200)
Facility maintenance	38,000	38,000	45,047	7,047
Other rents and leases	750	750	-	(750)
Other contractual services	750	750	1,862	1,112
Construction	-	-	49,188	49,188
	<hr/>	<hr/>	<hr/>	<hr/>
Total public grounds and buildings	97,900	97,900	136,999	39,099
	<hr/>	<hr/>	<hr/>	<hr/>
Streets				
Vehicle expense	11,000	11,000	8,718	(2,282)
	<hr/>	<hr/>	<hr/>	<hr/>
Total streets	11,000	11,000	8,718	(2,282)

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

Year Ended October 31, 2012

	Original Budget	Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)				
Public works (Continued)				
Parks and playgrounds				
Part-time wages	\$ -	\$ 22,000	\$ 3,253	\$ (18,747)
Fringe benefits	-	1,685	237	(1,448)
Office supplies	450	450	-	(450)
Operating supplies	2,000	2,000	6,542	4,542
Other materials and supplies	500	500	-	(500)
Telephone	400	400	272	(128)
Utilities	750	750	278	(472)
Postage	500	500	-	(500)
Printing	500	500	-	(500)
Other contractual services	30,000	6,315	8,338	2,023
Construction	35,000	35,000	-	(35,000)
	70,100	70,100	18,920	(51,180)
Total parks and playgrounds	70,100	70,100	18,920	(51,180)
	179,000	179,000	164,637	(14,363)
Total public works	179,000	179,000	164,637	(14,363)
Debt service				
Principal	24,302	24,302	24,302	-
Interest	3,748	3,748	3,742	(6)
	28,050	28,050	28,044	(6)
Total debt service	28,050	28,050	28,044	(6)
	\$ 4,785,245	\$ 4,785,245	\$ 5,169,083	\$ 383,838
Total expenditures	\$ 4,785,245	\$ 4,785,245	\$ 5,169,083	\$ 383,838

(Concluded)

Village of Sauk Village, Illinois

Debt Service Fund

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

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Interest	\$ -	\$ 403	\$ 403
Total revenues	-	403	403
Expenditures			
Current			
General government	-	475	475
Debt service			
Principal	1,989,000	2,070,000	81,000
Interest	994,495	1,589,929	595,434
Total expenditures	2,983,495	3,660,404	676,909
Deficiency of revenues over expenditures	(2,983,495)	(3,660,001)	(676,506)
Other financing sources (uses)			
Transfers in	2,983,495	4,970,569	1,987,074
Transfers (out)	-	(127,751)	(127,751)
Total other financing sources (uses)	2,983,495	4,842,818	1,859,323
Net change in fund balance	\$ -	1,182,817	\$ 1,182,817
Fund balance			
Beginning of year		8,785,216	
End of year		\$ 9,968,033	

Village of Sauk Village, Illinois
 Sauk Pointe Industrial Park Fund
 SCHEDULE OF REVENUES AND CHANGES IN
 FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 1,000,000	\$ 915,237	\$ (84,763)
Miscellaneous	-	319	319
Total revenues	1,000,000	915,556	(84,444)
Other financing uses			
Transfers out	(1,000,000)	(1,091,529)	(91,529)
Total other financing uses	(1,000,000)	(1,091,529)	(91,529)
Net change in fund balance	\$ -	(175,973)	\$ (175,973)
Fund balance (deficit)			
Beginning of year		13,972	
End of year		\$ (162,001)	

Village of Sauk Village, Illinois

LogistiCenter at Sauk Village Fund

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

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 2,100,000	\$ 2,055,023	\$ (44,977)
Interest	-	866	866
Total revenues	<u>2,100,000</u>	<u>2,055,889</u>	<u>(44,111)</u>
Expenditures			
Current			
General government	<u>202,740</u>	<u>21,995</u>	<u>(180,745)</u>
Total expenditures	<u>202,740</u>	<u>21,995</u>	<u>(180,745)</u>
Excess of revenues over expenditures	<u>1,897,260</u>	<u>2,033,894</u>	<u>136,634</u>
Other financing sources (uses)			
Transfers in	-	127,751	127,751
Transfers (out)	<u>(1,897,260)</u>	<u>(3,063,438)</u>	<u>(1,166,178)</u>
Total other financing sources (uses)	<u>(1,897,260)</u>	<u>(2,935,687)</u>	<u>(1,038,427)</u>
Net change in fund balance	\$ <u>-</u>	(901,793)	\$ <u>(901,793)</u>
Fund balance			
Beginning of year		<u>2,211,479</u>	
End of year		\$ <u>1,309,686</u>	

Village of Sauk Village, Illinois

Nonmajor Governmental Funds
COMBINING BALANCE SHEET
Year Ended October 31, 2012

	Special Revenue Funds			
	Fire Protection	Motor Fuel Tax	Emergency Telephone System	Police Seizure
ASSETS				
Cash and cash equivalents	\$ 850,376	\$ -	\$ -	\$ 16,594
Receivables				
Property taxes	71,535	-	-	-
Intergovernmental	-	21,291	-	-
Other	-	-	7,115	-
Deposit with paying agent	-	-	-	-
Advances to other funds	-	85,462	-	-
	-	85,462	-	-
Total assets	\$ 921,911	\$ 106,753	\$ 7,115	\$ 16,594
LIABILITIES				
Accounts payable	\$ 11,382	\$ 33,969	\$ -	\$ -
Accrued payroll	5,715	-	-	-
Advances from other funds	25,570	130,681	32,761	-
Unearned revenue	64,706	-	-	-
	64,706	-	-	-
Total liabilities	107,373	164,650	32,761	-
FUND BALANCE (DEFICIT)				
Nonspendable				
Advances	-	85,462	-	-
Restricted				
Deposit with paying agent	-	-	-	-
Special revenue	814,538	-	-	16,594
Capital projects	-	-	-	-
Unassigned	-	(143,359)	(25,646)	-
	-	(143,359)	(25,646)	-
Total fund balance (deficit)	814,538	(57,897)	(25,646)	16,594
Total liabilities and fund balances	\$ 921,911	\$ 106,753	\$ 7,115	\$ 16,594

Special Revenue Funds			Capital Projects Funds		
Working Cash	Railroad Noise Mitigation	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ 10,246	\$ -	\$ 877,216	\$ -	\$ 94,319	\$ 234,646
742	-	72,277	-	-	-
-	-	21,291	-	-	-
-	-	7,115	22,107	-	-
63,478	-	63,478	-	-	-
530,596	-	616,058	604,736	130,681	100,589
<u>\$ 605,062</u>	<u>\$ -</u>	<u>\$ 1,657,435</u>	<u>\$ 626,843</u>	<u>\$ 225,000</u>	<u>\$ 335,235</u>
\$ -	\$ 2,535	\$ 47,886	\$ 13,500	\$ -	\$ 175
-	-	5,715	-	-	-
-	8,416	197,428	-	-	-
-	-	64,706	-	-	-
<u>-</u>	<u>10,951</u>	<u>315,735</u>	<u>13,500</u>	<u>-</u>	<u>175</u>
530,596	-	616,058	604,736	130,681	100,589
63,478	-	63,478	-	-	-
10,988	-	842,120	-	-	-
-	-	-	8,607	94,319	234,471
<u>-</u>	<u>(10,951)</u>	<u>(179,956)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>605,062</u>	<u>(10,951)</u>	<u>1,341,700</u>	<u>613,343</u>	<u>225,000</u>	<u>335,060</u>
<u>\$ 605,062</u>	<u>\$ -</u>	<u>\$ 1,657,435</u>	<u>\$ 626,843</u>	<u>\$ 225,000</u>	<u>\$ 335,235</u>

(Continued)

Village of Sauk Village, Illinois
 Nonmajor Governmental Funds
 COMBINING BALANCE SHEET (Continued)
Year Ended October 31, 2012

	<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	\$ 131,578	\$ -	\$ 460,543	\$ 1,337,759
Receivables				
Property taxes	-	-	-	72,277
Intergovernmental	-	-	-	21,291
Other	-	-	22,107	29,222
Deposit with paying agent	-	-	-	63,478
Advances to other funds	164,838	-	1,000,844	1,616,902
	<u>164,838</u>	<u>-</u>	<u>1,000,844</u>	<u>1,616,902</u>
Total assets	\$ <u>296,416</u>	\$ <u>-</u>	\$ <u>1,483,494</u>	\$ <u>3,140,929</u>
LIABILITIES				
Accounts payable	\$ 8,228	\$ -	\$ 21,903	\$ 69,789
Accrued payroll	-	-	-	5,715
Advances from other funds	-	13,043	13,043	210,471
Unearned revenue	-	-	-	64,706
	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,706</u>
Total liabilities	<u>8,228</u>	<u>13,043</u>	<u>34,946</u>	<u>350,681</u>
FUND BALANCE (DEFICIT)				
Nonspendable				
Advances	164,838	-	1,000,844	1,616,902
Restricted				
Deposit with paying agent	-	-	-	63,478
Special revenue	-	-	-	842,120
Capital projects	123,350	-	460,747	460,747
Unassigned	-	(13,043)	(13,043)	(192,999)
	<u>-</u>	<u>(13,043)</u>	<u>(13,043)</u>	<u>(192,999)</u>
Total fund balance (deficit)	<u>288,188</u>	<u>(13,043)</u>	<u>1,448,548</u>	<u>2,790,248</u>
	<u>288,188</u>	<u>(13,043)</u>	<u>1,448,548</u>	<u>2,790,248</u>
Total liabilities and fund balances	\$ <u>296,416</u>	\$ <u>-</u>	\$ <u>1,483,494</u>	\$ <u>3,140,929</u>

(Concluded)

Village of Sauk Village, Illinois

Nonmajor Governmental Funds

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

Year Ended October 31, 2012

	Special Revenue Funds			
	Fire Protection	Motor Fuel Tax	Emergency Telephone System	Police Seizure
Revenues				
Property taxes	\$ 573,708	\$ -	\$ -	\$ -
Charges for services	19,555	-	64,380	-
Utility taxes	-	-	-	-
Intergovernmental	4,108	484,452	-	-
Interest	-	94	-	-
Miscellaneous	4,120	-	-	-
Total revenues	601,491	484,546	64,380	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	468,100	-	64,361	497
Public works	-	520,610	-	-
Debt service				
Principal	59,000	-	-	-
Interest	15,907	-	-	-
Capital outlay	-	-	-	-
Total expenditures	543,007	520,610	64,361	497
Excess (deficiency) of revenues over expenditures	58,484	(36,064)	19	(497)
Other financing sources (uses)				
Transfers in	-	185,000	-	-
Transfers out	(94,653)	(55,000)	(48,368)	-
Total other financing sources (uses)	(94,653)	130,000	(48,368)	-
Net change in fund balance	(36,169)	93,936	(48,349)	(497)
Fund balance (deficit)				
Beginning of year	850,707	(151,833)	22,703	17,091
End of year	\$ 814,538	\$ (57,897)	\$ (25,646)	\$ 16,594

Special Revenue Funds			Capital Projects Funds		
Working Cash	Railroad Noise Mitigation	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ 74,624	\$ -	\$ 648,332	\$ -	\$ -	\$ 27,760
-	-	83,935	-	-	-
-	-	-	216,698	-	-
-	-	488,560	-	50,000	-
3	-	97	-	-	126
-	-	4,120	-	-	-
<u>74,627</u>	<u>-</u>	<u>1,225,044</u>	<u>216,698</u>	<u>50,000</u>	<u>27,886</u>
-	-	-	93,643	-	4,698
-	-	532,958	-	-	-
-	5,640	526,250	-	-	-
-	-	59,000	-	-	-
-	-	15,907	-	-	-
-	-	-	13,500	-	-
<u>-</u>	<u>5,640</u>	<u>1,134,115</u>	<u>107,143</u>	<u>-</u>	<u>4,698</u>
<u>74,627</u>	<u>(5,640)</u>	<u>90,929</u>	<u>109,555</u>	<u>50,000</u>	<u>23,188</u>
-	-	185,000	-	-	-
<u>(72,785)</u>	<u>-</u>	<u>(270,806)</u>	<u>(212,402)</u>	<u>(185,000)</u>	<u>-</u>
<u>(72,785)</u>	<u>-</u>	<u>(85,806)</u>	<u>(212,402)</u>	<u>(185,000)</u>	<u>-</u>
1,842	(5,640)	5,123	(102,847)	(135,000)	23,188
<u>603,220</u>	<u>(5,311)</u>	<u>1,336,577</u>	<u>716,190</u>	<u>360,000</u>	<u>311,872</u>
<u>\$ 605,062</u>	<u>\$ (10,951)</u>	<u>\$ 1,341,700</u>	<u>\$ 613,343</u>	<u>\$ 225,000</u>	<u>\$ 335,060</u>

(Continued)

Village of Sauk Village, Illinois

Nonmajor Governmental Funds

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

Year Ended October 31, 2012

	Capital Projects Funds			Total Nonmajor Governmental Funds
	SurreyBrook Plaza	Municipal Building	Total Capital Projects	
Revenues				
Property taxes	\$ 183,658	\$ -	\$ 211,418	\$ 859,750
Charges for services	-	-	-	83,935
Utility taxes	-	-	216,698	216,698
Intergovernmental	-	-	50,000	538,560
Interest	243	-	369	466
Miscellaneous	-	-	-	4,120
Total revenues	183,901	-	478,485	1,703,529
Expenditures				
Current				
General government	59,716	-	158,057	158,057
Public safety	-	-	-	532,958
Public works	-	-	-	526,250
Debt service				
Principal	-	-	-	59,000
Interest	-	-	-	15,907
Capital outlay	-	-	13,500	13,500
Total expenditures	59,716	-	171,557	1,305,672
Excess (deficiency) of revenues over expenditures	124,185	-	306,928	397,857
Other financing sources (uses)				
Transfers in	-	-	-	185,000
Transfers out	-	-	(397,402)	(668,208)
Total other financing sources (uses)	-	-	(397,402)	(483,208)
Net change in fund balance	124,185	-	(90,474)	(85,351)
Fund balance (deficit)				
Beginning of year	164,003	(13,043)	1,539,022	2,875,599
End of year	\$ 288,188	\$ (13,043)	\$ 1,448,548	\$ 2,790,248

(Concluded)

Village of Sauk Village, Illinois

Fire Protection Fund

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

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 685,570	\$ 573,708	\$ (111,862)
Charges for services	13,000	19,555	6,555
Intergovernmental	-	4,108	4,108
Interest	100	-	(100)
Miscellaneous	-	4,120	4,120
Total revenues	698,670	601,491	(97,179)
Expenditures			
Current			
Public safety			
Regular wages	123,930	127,401	3,471
Part-time wages	107,500	123,688	16,188
Fringe benefits	41,720	45,404	3,684
Pension contributions	-	2,395	2,395
Office supplies	750	5,587	4,837
Vehicle expense	12,500	12,711	211
Uniforms and clothing	5,000	1,695	(3,305)
Facility maintenance supplies	1,500	1,077	(423)
Operating supplies	1,000	513	(487)
Computer software supplies	250	131	(119)
Tools and equipment	10,000	8,110	(1,890)
Other materials and supplies	1,500	2,362	862
Telephone	8,000	5,845	(2,155)
Utilities	2,500	1,525	(975)
Postage	250	40	(210)
Printing	500	326	(174)
Equipment repair and maintenance	8,000	13,618	5,618
Vehicle repair and maintenance	10,000	12,864	2,864
Facility maintenance	1,000	41	(959)
Organization business expense	250	-	(250)
Professional development	10,000	7,090	(2,910)
Publications and memberships	1,500	1,072	(428)
Professional services	4,000	1,530	(2,470)

(Continued)

Village of Sauk Village, Illinois

Fire Protection Fund

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

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (continued)			
Current (continued)			
Public safety (continued)			
Computer contractual services	\$ 1,500	\$ 2,245	\$ 745
Intergovernmental services	3,000	3,000	-
Public information	3,000	1,425	(1,575)
Other contractual services	71,510	85,987	14,477
Major tools and work equipment	-	418	418
Construction	25,000	-	(25,000)
Reserve for future expenditures	89,805	-	(89,805)
Total public safety	<u>545,465</u>	<u>468,100</u>	<u>(77,365)</u>
Debt service			
Principal	59,000	59,000	-
Interest	16,000	15,907	(93)
Total debt service	<u>75,000</u>	<u>74,907</u>	<u>(93)</u>
Total expenditures	<u>620,465</u>	<u>543,007</u>	<u>(77,458)</u>
Excess of revenues over expenditures	<u>78,205</u>	<u>58,484</u>	<u>(19,721)</u>
Other financing uses			
Transfer (out)	<u>(78,205)</u>	<u>(94,653)</u>	<u>(16,448)</u>
Net change in fund balance	\$ <u><u>-</u></u>	(36,169)	\$ <u><u>(36,169)</u></u>
Fund balance			
Beginning of year		<u>850,707</u>	
End of year		\$ <u><u>814,538</u></u>	

(Concluded)

Village of Sauk Village, Illinois

Motor Fuel Tax Fund

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

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Intergovernmental	\$ 225,000	\$ 484,452	\$ 259,452
Interest	250	94	(156)
Total revenues	<u>225,250</u>	<u>484,546</u>	<u>259,296</u>
Expenditures			
Current			
Public works			
Operating supplies	45,000	31,727	(13,273)
Construction supplies	36,000	14,542	(21,458)
Utilities	35,000	20,658	(14,342)
Equipment repair and maintenance	7,500	11,288	3,788
Professional services	20,000	44,253	24,253
Contractual services	7,000	10,978	3,978
Construction	-	387,164	387,164
Contingency	34,750	-	(34,750)
Total public works	<u>185,250</u>	<u>520,610</u>	<u>335,360</u>
Capital outlay	<u>350,000</u>	<u>-</u>	<u>(350,000)</u>
Total expenditures	<u>535,250</u>	<u>520,610</u>	<u>(14,640)</u>
Deficiency of revenues over expenditures	<u>(310,000)</u>	<u>(36,064)</u>	<u>273,936</u>
Other financing sources (uses)			
Transfer in	100,000	185,000	85,000
Transfer out	<u>(55,000)</u>	<u>(55,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>45,000</u>	<u>130,000</u>	<u>85,000</u>
Net change in fund balance	\$ <u>(265,000)</u>	93,936	\$ <u>358,936</u>
Fund deficit			
Beginning of year		<u>(151,833)</u>	
End of year		\$ <u>(57,897)</u>	

Village of Sauk Village, Illinois

Emergency Telephone System Fund

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

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
	<u>Budget</u>	<u>Actual</u>	<u>(Under)</u>
Revenues			
Charges for services			
911 surcharge	\$ 100,000	\$ 14,837	\$ (85,163)
Wireless surcharge	10,000	49,543	39,543
	<u>110,000</u>	<u>64,380</u>	<u>(45,620)</u>
Total revenues			
Expenditures			
Current			
Public safety			
Equipment repair and maintenance	56,000	58,800	2,800
Computer hardware purchases	-	5,561	5,561
	<u>56,000</u>	<u>64,361</u>	<u>8,361</u>
Total expenditures			
Excess of revenues over expenditures	<u>54,000</u>	<u>19</u>	<u>(53,981)</u>
Other financing uses			
Transfer out	<u>(54,000)</u>	<u>(48,368)</u>	<u>5,632</u>
Net change in fund balance	\$ <u>-</u>	(48,349)	\$ <u>(48,349)</u>
Fund balance (deficit)			
Beginning of year		<u>22,703</u>	
End of year		\$ <u>(25,646)</u>	

Village of Sauk Village, Illinois

Police Seizure Fund

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

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Interest	\$ <u>100</u>	\$ <u>-</u>	\$ <u>(100)</u>
Total revenues	<u>100</u>	<u>-</u>	<u>(100)</u>
Expenditures			
Current			
Public safety			
Other contractual services	-	497	497
Major tools and work equipment	3,000	-	(3,000)
Contingency	<u>19,100</u>	<u>-</u>	<u>(19,100)</u>
Total expenditures	<u>22,100</u>	<u>497</u>	<u>(21,603)</u>
Net change in fund balance	\$ <u><u>(22,000)</u></u>	(497)	\$ <u><u>21,503</u></u>
Fund balance			
Beginning of year		<u>17,091</u>	
End of year		\$ <u><u>16,594</u></u>	

Village of Sauk Village, Illinois

Working Cash Fund

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

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 85,500	\$ 74,624	\$ (10,876)
Interest	<u>-</u>	<u>3</u>	<u>3</u>
Total revenues	<u>85,500</u>	<u>74,627</u>	<u>(10,873)</u>
Other financing uses			
Transfer out	<u>(85,500)</u>	<u>(72,785)</u>	<u>12,715</u>
Total other financing uses	<u>(85,500)</u>	<u>(72,785)</u>	<u>12,715</u>
Net change in fund balance	\$ <u><u>-</u></u>	1,842	\$ <u><u>1,842</u></u>
Fund balance			
Beginning of year		<u>603,220</u>	
End of year		\$ <u><u>605,062</u></u>	

Village of Sauk Village, Illinois
Railroad Noise Mitigation Fund
SCHEDULE OF DETAILED EXPENDITURES AND CHANGES IN
FUND DEFICIT - BUDGET AND ACTUAL
Year Ended October 31, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures			
Current			
Public works			
Professional services	\$ -	\$ 1,411	\$ 1,411
Construction	<u>270,000</u>	<u>4,229</u>	<u>(265,771)</u>
Total public works	<u>270,000</u>	<u>5,640</u>	<u>(264,360)</u>
Change in fund balance	<u>\$ (270,000)</u>	(5,640)	<u>\$ (264,360)</u>
Fund deficit			
Beginning of year		<u>(5,311)</u>	
End of year		<u>\$ (10,951)</u>	

Village of Sauk Village, Illinois

Utility Tax Fund

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

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Utility taxes	\$ 250,000	\$ 216,698	\$ (33,302)
Total revenues	<u>250,000</u>	<u>216,698</u>	<u>(33,302)</u>
Expenditures			
Current			
General government			
Regular employee wages	-	52,000	52,000
Fringe benefits	-	7,893	7,893
Other contractual services	81,250	32,250	(49,000)
Other materials and supplies	1,000	-	(1,000)
Refunds	400	395	(5)
Reserve for future expenditures	-	1,105	1,105
Total general government	<u>82,650</u>	<u>93,643</u>	<u>10,993</u>
Capital outlay	<u>24,615</u>	<u>13,500</u>	<u>(11,115)</u>
Total expenditures	<u>107,265</u>	<u>107,143</u>	<u>(122)</u>
Excess of revenues over expenditures	<u>142,735</u>	<u>109,555</u>	<u>(33,180)</u>
Other financing uses			
Transfer out	<u>(142,735)</u>	<u>(212,402)</u>	<u>(69,667)</u>
Net change in fund balance	\$ <u><u>-</u></u>	(102,847)	\$ <u><u>(102,847)</u></u>
Fund balance			
Beginning of year		<u>716,190</u>	
End of year		\$ <u><u>613,343</u></u>	

Village of Sauk Village, Illinois
Community Development Block Grant Fund
SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Intergovernmental	\$ <u>100,000</u>	\$ <u>50,000</u>	\$ <u>(50,000)</u>
Other financing uses			
Transfer out	<u>(100,000)</u>	<u>(185,000)</u>	<u>(85,000)</u>
Net change in fund balance	\$ <u><u>-</u></u>	(135,000)	\$ <u><u>(135,000)</u></u>
Fund balance			
Beginning of year		<u>360,000</u>	
End of year		\$ <u><u>225,000</u></u>	

Village of Sauk Village, Illinois

Sauk Plaza Redevelopment Plan Fund

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

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 45,000	\$ 27,760	\$ (17,240)
Interest	<u>-</u>	<u>126</u>	<u>126</u>
Total revenues	<u>45,000</u>	<u>27,886</u>	<u>(17,114)</u>
Expenditures			
General government			
Professional services	25,000	953	(24,047)
Other contractual services	110,000	3,745	(106,255)
Contingency	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>
Total expenditures	<u>215,000</u>	<u>4,698</u>	<u>(210,302)</u>
Net change in fund balance	\$ <u>(170,000)</u>	23,188	\$ <u>193,188</u>
Fund balance			
Beginning of year		<u>311,872</u>	
End of year		\$ <u>335,060</u>	

Village of Sauk Village, Illinois

SurreyBrook Plaza Fund

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

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 145,000	\$ 183,658	\$ 38,658
Interest	<u>-</u>	<u>243</u>	<u>243</u>
Total revenues	<u>145,000</u>	<u>183,901</u>	<u>38,901</u>
Expenditures			
General government			
Professional services	<u>125,000</u>	<u>59,716</u>	<u>(65,284)</u>
Total expenditures	<u>125,000</u>	<u>59,716</u>	<u>(65,284)</u>
Net change in fund balance	\$ <u>20,000</u>	124,185	\$ <u>104,185</u>
Fund balance			
Beginning of year		<u>164,003</u>	
End of year		\$ <u>288,188</u>	

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ 860,000	\$ 971,461	\$ 111,461
Meter sales	2,500	5,890	3,390
Connection fees	-	200	200
Miscellaneous	500	70,083	69,583
	<u>863,000</u>	<u>1,047,634</u>	<u>184,634</u>
Total operating revenues			
Nonoperating revenues			
Interest	250	4	(246)
	<u>250</u>	<u>4</u>	<u>(246)</u>
Total revenues	\$ <u>863,250</u>	\$ <u>1,047,638</u>	\$ <u>184,388</u>

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses			
Salaries			
Regular wages	\$ 311,420	\$ 329,747	\$ 18,327
Overtime	50,000	27,901	(22,099)
Total salaries	361,420	357,648	(3,772)
Fringe benefits	199,015	190,833	(8,182)
Supplies, fees and services			
Office supplies	500	-	(500)
Vehicle expense	22,000	47,212	25,212
Uniforms and clothing	3,000	3,296	296
Facility maintenance supplies	3,000	775	(2,225)
Operating supplies	50,000	44,527	(5,473)
Computer software supplies	200	204	4
Tools and equipment	5,000	651	(4,349)
Construction supplies	47,000	30,713	(16,287)
Other materials and supplies	500	-	(500)
Telephone	9,000	9,424	424
Utilities	80,000	46,929	(33,071)
Postage	6,000	4,428	(1,572)
Printing	1,000	160	(840)
Professional development	2,000	1,788	(212)
Publications and memberships	400	-	(400)
Professional services	35,000	311,499	276,499
Computer contractual services	4,500	6,453	1,953
Intergovernmental services	5,000	3,425	(1,575)
Public information	1,000	450	(550)
Other rents and leases	2,000	350	(1,650)
Other contractual services	5,000	372,620	367,620
Refunds	500	41,807	41,307
Total supplies, fees and services	282,600	926,711	644,111

(Continued)

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL (Continued)

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 10,000	\$ 2,037	\$ (7,963)
Vehicle repair and maintenance	7,000	3,907	(3,093)
Facility repair and maintenance	<u>2,500</u>	<u>79,329</u>	<u>76,829</u>
Total repairs and maintenance	<u>19,500</u>	<u>85,273</u>	<u>65,773</u>
Capital outlay			
Vehicles	15,000	-	(15,000)
Construction	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
Total capital outlay	<u>23,000</u>	<u>-</u>	<u>(23,000)</u>
Total operating expenses before depreciation	<u>885,535</u>	<u>1,560,465</u>	<u>674,930</u>
Depreciation	<u>-</u>	<u>164,995</u>	<u>164,995</u>
Total operating expenses	<u>\$ 885,535</u>	<u>\$ 1,725,460</u>	<u>\$ 839,925</u>

(Concluded)

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ 655,000	\$ 645,198	\$ (9,802)
Connection fees	<u>-</u>	<u>300</u>	<u>300</u>
Total operating revenues	<u>655,000</u>	<u>645,498</u>	<u>(9,502)</u>
Nonoperating revenues			
Interest	<u>250</u>	<u>2</u>	<u>(248)</u>
Total revenues	<u>\$ 655,250</u>	<u>\$ 645,500</u>	<u>\$ (9,750)</u>

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL

Year Ended October 31, 2012

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses			
Salaries			
Regular wages	\$ 303,135	\$ 321,975	\$ 18,840
Overtime	22,000	22,176	176
Total salaries	325,135	344,151	19,016
Fringe benefits	151,640	164,206	12,566
Supplies, fees and services			
Office supplies	500	-	(500)
Vehicle expense	7,000	6,524	(476)
Uniforms and clothing	2,500	3,323	823
Facility maintenance supplies	-	40	40
Operating supplies	1,000	800	(200)
Computer software supplies	300	-	(300)
Tools and equipment	1,000	119	(881)
Construction supplies	6,000	621	(5,379)
Telephone	750	1,547	797
Postage	2,000	2,000	-
Printing	1,000	-	(1,000)
Professional development	1,000	1,494	494
Publications and memberships	200	15	(185)
Professional services	2,500	3,159	659
Computer contractual services	3,500	2,649	(851)
Intergovernmental services	500	-	(500)
Other rents and leases	3,000	-	(3,000)
Other contractual services	2,500	2,764	264
Refunds	-	4,735	4,735
Total supplies, fees and services	35,250	29,790	(5,460)

(Continued)

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL (Continued)

Year Ended October 31, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 4,500	\$ 108	\$ (4,392)
Vehicle repair and maintenance	<u>2,000</u>	<u>667</u>	<u>(1,333)</u>
Total repairs and maintenance	<u>6,500</u>	<u>775</u>	<u>(5,725)</u>
Capital outlay			
Major tools and work equipment	42,000	-	(42,000)
Vehicles	15,000	-	(15,000)
Construction	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Total capital outlay	<u>82,000</u>	<u>-</u>	<u>(82,000)</u>
Total operating expenses before depreciation	<u>600,525</u>	<u>538,922</u>	<u>(61,603)</u>
Depreciation	<u>-</u>	<u>24,378</u>	<u>24,378</u>
Total operating expenses	<u>\$ 600,525</u>	<u>\$ 563,300</u>	<u>\$ (37,225)</u>

(Concluded)

Village of Sauk Village, Illinois
 Fiduciary Fund
 Agency Fund - Flexible Benefits Fund
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
Year Ended October 31, 2012

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balances</u>
ASSETS				
Cash	\$ <u>6,758</u>	\$ <u>5,381</u>	\$ <u>3,708</u>	\$ <u>8,431</u>
LIABILITIES				
Due to employees	\$ <u>6,758</u>	\$ <u>5,381</u>	\$ <u>3,708</u>	\$ <u>8,431</u>

OTHER INFORMATION
(Unaudited)

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Tax Increment Refunding Bonds Series 2002A
October 31, 2012

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

<u>Period Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 505,000	\$ 225,973	\$ 730,973
2014	530,000	424,928	954,928
2015	650,000	396,572	1,046,572
2016	685,000	361,798	1,046,798
2017	715,000	326,862	1,041,862
2018	755,000	290,756	1,045,756
2019	900,000	252,250	1,152,250
2020	945,000	207,250	1,152,250
2021	1,000,000	160,000	1,160,000
2022	1,055,000	110,000	1,165,000
2023	1,145,000	28,625	1,173,625
	<u>\$ 8,885,000</u>	<u>\$ 2,785,014</u>	<u>\$ 11,670,014</u>

Village of Sauk Village, Illinois

SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS

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

October 31, 2012

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

<u>Period Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 741,464	\$ 18,536	\$ 760,000
2014	755,150	59,850	815,000
2015	759,887	105,113	865,000
2016	768,932	156,068	925,000
2017	773,300	211,700	985,000
2018	784,404	275,596	1,060,000
2019	790,151	344,849	1,135,000
2020	797,463	422,537	1,220,000
2021	805,509	509,491	1,315,000
2022	808,673	596,327	1,405,000
2023	812,297	647,703	1,460,000
	<u>\$ 8,597,230</u>	<u>\$ 3,347,770</u>	<u>\$ 11,945,000</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Capital Appreciation (Alternate Revenue) Bonds Series 2007A
October 31, 2012

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

<u>Period Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 671,571	\$ 13,429	\$ 685,000
2014	649,725	40,275	690,000
2015	623,421	66,579	690,000
2016	593,269	91,731	685,000
2017	572,287	117,713	690,000
2018	547,512	142,488	690,000
2019	<u>519,504</u>	<u>165,496</u>	<u>685,000</u>
	<u>\$ 4,177,289</u>	<u>\$ 637,711</u>	<u>\$ 4,815,000</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation (Alternate Revenue) Bonds Series 2007B
October 31, 2012

Dated: June 6, 2007
 Original Issue: \$1,405,000
 Due: December 1, 2027
 Interest Payment Dates: June 1 and December 1
 Interest Rates: 3.85% - 5.00%

<u>Period Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 40,000	\$ 28,368	\$ 68,368
2014	40,000	55,196	95,196
2015	45,000	53,616	98,616
2016	50,000	51,838	101,838
2017	55,000	49,862	104,862
2018	60,000	47,690	107,690
2019	65,000	45,290	110,290
2020	75,000	42,690	117,690
2021	80,000	39,690	119,690
2022	85,000	36,370	121,370
2023	95,000	32,842	127,842
2024	100,000	28,900	128,900
2025	110,000	24,750	134,750
2026	120,000	19,250	139,250
2027	125,000	13,250	138,250
2028	140,000	7,000	147,000
	<u>\$ 1,285,000</u>	<u>\$ 576,602</u>	<u>\$ 1,861,602</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation (Alternate Revenue) Bonds Series 2007C
October 31, 2012

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

<u>Period Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 20,000	\$ 17,000	\$ 37,000
2014	25,000	33,220	58,220
2015	25,000	32,246	57,246
2016	30,000	31,270	61,270
2017	30,000	30,100	60,100
2018	35,000	28,900	63,900
2019	40,000	27,500	67,500
2020	40,000	25,900	65,900
2021	45,000	24,300	69,300
2022	50,000	22,500	72,500
2023	55,000	20,000	75,000
2024	60,000	17,250	77,250
2025	65,000	14,250	79,250
2026	65,000	11,000	76,000
2027	75,000	7,750	82,750
2028	80,000	4,000	84,000
	<u>\$ 740,000</u>	<u>\$ 347,186</u>	<u>\$ 1,087,186</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Bonds (Alternate Revenue Source) Series 2008
October 31, 2012

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>Period Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 85,000	\$ 294,355	\$ 379,355
2014	185,000	582,548	767,548
2015	165,000	569,136	734,136
2016	175,000	557,172	732,172
2017	230,000	544,486	774,486
2018	215,000	527,810	742,810
2019	160,000	512,222	672,222
2020	210,000	500,622	710,622
2021	185,000	485,398	670,398
2022	150,000	475,408	625,408
2023	220,000	467,008	687,008
2024	1,295,000	454,358	1,749,358
2025	1,470,000	378,600	1,848,600
2026	1,355,000	290,400	1,645,400
2027	1,075,000	207,746	1,282,746
2028	1,110,000	141,632	1,251,632
2029	1,165,000	72,812	1,237,812
	<u>\$ 9,450,000</u>	<u>\$ 7,061,713</u>	<u>\$ 16,511,713</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Tax Increment Bonds (Alternate Revenue Source) Series 2009
October 31, 2012

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>Period Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 130,000	\$ 199,582	\$ 329,582
2014	195,000	389,414	584,414
2015	190,000	374,790	564,790
2016	275,000	360,540	635,540
2017	200,000	339,914	539,914
2018	155,000	324,914	479,914
2019	180,000	313,290	493,290
2020	105,000	299,790	404,790
2021	60,000	291,914	351,914
2022	165,000	289,334	454,334
2023	65,000	282,240	347,240
2024	815,000	279,444	1,094,444
2025	885,000	244,400	1,129,400
2026	675,000	205,460	880,460
2027	635,000	175,084	810,084
2028	1,105,000	145,874	1,250,874
2029	2,000,000	110,088	2,110,088
	<u>\$ 7,835,000</u>	<u>\$ 4,626,072</u>	<u>\$ 12,461,072</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Working Cash Bonds Series 2010
October 31, 2012

Dated: February 1, 2010
 Original Issue: \$574,000
 Due: February 1, 2020
 Interest Payment Dates: February 1 and August 1
 Interest Rates: 3.50% - 5.00%

<u>Period Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 50,000	\$ 10,718	\$ 60,718
2014	55,000	19,686	74,686
2015	55,000	17,430	72,430
2016	55,000	15,176	70,176
2017	60,000	12,700	72,700
2018	65,000	10,000	75,000
2019	65,000	6,750	71,750
2020	70,000	3,500	73,500
	<u>\$ 475,000</u>	<u>\$ 95,960</u>	<u>\$ 570,960</u>