

**Village of Sauk Village,
Illinois**

Annual Financial Report

Year Ended April 30, 2020

Village of Sauk Village, Illinois
ANNUAL FINANCIAL REPORT
Year Ended April 30, 2020

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Sauk Village, Illinois (the Village), as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund, which is a pension trust fund, included as a fiduciary fund in the aggregate remaining fund information, whose accounts are included in the basic financial statements. Total assets, net position, and additions of the Police Pension Fund constitute 99% of the assets, 99% of the net position, and 84% of the additions of the fiduciary fund types reported herein, as of and for the year ended April 30, 2020, on pages 17 and 18. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund in the fiduciary fund types in the Village's basic financial statements, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

(Continued)

Auditors' Responsibility (Continued)

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

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

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund, Firefighters' Pension Fund, and Police Pension Fund pension data on pages 87 through 96, the other postemployment benefits data on page 97, and the budgetary comparison schedules and notes to the required supplementary information on pages 98 through 99, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditor have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit for the year ended April 30, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The other schedules, listed in the table of contents in the other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended April 30, 2020 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended April 30, 2020 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the other supplementary information for the year ended April 30, 2020 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended April 30, 2020.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
September 30, 2022

BASIC FINANCIAL STATEMENTS

Village of Sauk Village, Illinois
STATEMENT OF NET POSITION (DEFICIT)
April 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current			
Cash and cash equivalents	\$ 2,314,524	\$ 1,223,342	\$ 3,537,866
Receivables, net of allowances			
Property taxes	1,225,534	-	1,225,534
Intergovernmental	336,018	-	336,018
Charges for services and other	209,744	434,713	644,457
Current portion of deposits with paying agent	5,942,574	-	5,942,574
Prepaid items	462,737	-	462,737
Noncurrent			
Deposits with paying agent, net of current portion	8,781,958	-	8,781,958
Net pension asset - IMRF	50,111	692	50,803
Internal balances, net	(1,294,974)	1,294,974	-
Land held for resale	470,606	-	470,606
Capital assets not being depreciated	574,003	13,500	587,503
Capital assets, net of accumulated depreciation	9,262,074	5,208,102	14,470,176
Total assets	<u>28,334,909</u>	<u>8,175,323</u>	<u>36,510,232</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	7,115,850	525,928	7,641,778
Deferred outflows related to other postemployment benefits	99,182	27,676	126,858
	<u>7,215,032</u>	<u>553,604</u>	<u>7,768,636</u>
LIABILITIES			
Current			
Current portion of long-term liabilities	3,401,822	172,552	3,574,374
Accounts payable	480,857	32,496	513,353
Accrued payroll	94,599	24,080	118,679
Accrued interest	346,079	1,718	347,797
Short-term debt	717,650	-	717,650
Deposits payable	-	178,992	178,992
Due to county government	64,339	-	64,339
Long-term liabilities, net of current portion			
Due in more than one year	50,104,494	1,120,451	51,224,945
Total liabilities	<u>55,209,840</u>	<u>1,530,289</u>	<u>56,740,129</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,235,982	773,818	2,009,800
NET POSITION (DEFICIT)			
Net investment in capital assets	8,132,841	4,483,606	12,616,447
Restricted by enabling legislation	15,847,174	-	15,847,174
Unrestricted	(44,875,896)	1,941,214	(42,934,682)
Total net position (deficit)	<u>\$ (20,895,881)</u>	<u>\$ 6,424,820</u>	<u>\$ (14,471,061)</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2020

<u>Functions/Programs</u>	Program Revenues			
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities				
General government	\$ 3,604,090	\$ 495,397	\$ 16,249	\$ -
Public safety	8,225,376	203,093	89,785	-
Public works	943,311	-	443,355	122,500
Interest	1,020,605	-	-	-
	<u>13,793,382</u>	<u>698,490</u>	<u>549,389</u>	<u>122,500</u>
Total governmental activities				
Business-type activities				
Waterworks	1,486,413	1,412,570	-	-
Sewerage	478,350	943,681	-	-
	<u>1,964,763</u>	<u>2,356,251</u>	<u>-</u>	<u>-</u>
Total business-type activities				
Total	<u>\$ 15,758,145</u>	<u>\$ 3,054,741</u>	<u>\$ 549,389</u>	<u>\$ 122,500</u>
		General revenues		
		Taxes		
		Intergovernmental		
		Investment income		
		Miscellaneous		
		Total general revenues		
		Change in net position (deficit)		
		Net position (deficit) - beginning of year		
		Net position (deficit) - ending		

The accompanying notes are an integral part of this statement.

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

Governmental Activities	Business-type Activities	Total
\$ (3,092,444)	\$ -	\$ (3,092,444)
(7,932,498)	-	(7,932,498)
(377,456)	-	(377,456)
(1,020,605)	-	(1,020,605)
(12,423,003)	-	(12,423,003)
-	(73,843)	(73,843)
-	465,331	465,331
-	391,488	391,488
(12,423,003)	391,488	(12,031,515)
6,516,855	-	6,516,855
2,476,682	-	2,476,682
322,314	24,376	346,690
212,337	992	213,329
9,528,188	25,368	9,553,556
(2,894,815)	416,856	(2,477,959)
(18,001,066)	6,007,964	(11,993,102)
\$ (20,895,881)	\$ 6,424,820	\$ (14,471,061)

Village of Sauk Village, Illinois
Governmental Funds
BALANCE SHEET
April 30, 2020

	General Fund	Fire Protection 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	\$ -	\$ -	\$ -	\$ 23,552	\$ -	\$ 2,290,972	\$ 2,314,524
Receivables, net of allowances							
Property taxes	970,319	249,271	-	5,707	-	237	1,225,534
Intergovernmental	304,858	-	-	-	-	31,160	336,018
Other	204,130	-	-	-	-	5,614	209,744
Deposits with paying agent	-	16	10,311,774	55	4,392,433	20,254	14,724,532
Prepaid items	462,737	-	-	-	-	-	462,737
Advances to other funds	444,751	-	230,212	-	215,341	-	890,304
Land held for resale	470,606	-	-	-	-	-	470,606
Total assets	\$ 2,857,401	\$ 249,287	\$ 10,541,986	\$ 29,314	\$ 4,607,774	\$ 2,348,237	\$ 20,633,999
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)							
Liabilities							
Accounts payable	\$ 285,610	\$ 35,999	\$ -	\$ -	\$ -	\$ 159,248	\$ 480,857
Accrued payroll and payroll withholdings	81,820	12,779	-	-	-	-	94,599
Advances from other funds	1,294,974	208,153	-	215,341	230,212	236,598	2,185,278
Due to county government	64,339	-	-	-	-	-	64,339
Short-term debt	553,650	164,000	-	-	-	-	717,650
Total liabilities	2,280,393	420,931	-	215,341	230,212	395,846	3,542,723
Deferred inflows							
Property taxes collected in a future period	949,522	244,000	-	-	-	-	1,193,522
Total deferred inflows	949,522	244,000	-	-	-	-	1,193,522
Fund balances (deficits)							
Nonspendable							
Deposits with paying agent	-	16	10,311,774	55	4,392,433	20,254	14,724,532
Prepaid items	462,737	-	-	-	-	-	462,737
Advances to other funds	444,751	-	230,212	-	215,341	-	890,304
Land held for resale	470,606	-	-	-	-	-	470,606
Restricted							
Special revenue purposes	-	-	-	-	-	383,019	383,019
Capital projects	-	-	-	-	-	1,744,362	1,744,362
Unassigned	(1,750,608)	(415,660)	-	(186,082)	(230,212)	(195,244)	(2,777,806)
Total fund balance (deficits)	(372,514)	(415,644)	10,541,986	(186,027)	4,377,562	1,952,391	15,897,754
Total liabilities, deferred inflows, and fund balances (deficits)	\$ 2,857,401	\$ 249,287	\$ 10,541,986	\$ 29,314	\$ 4,607,774	\$ 2,348,237	\$ 20,633,999

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
 Governmental Funds
 RECONCILIATION OF THE BALANCE SHEET
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION (DEFICIT)
April 30, 2020

Total fund balance - governmental funds	\$	15,897,754
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Amounts reported for governmental activities in the statement of net position (deficit) differ from the governmental funds balance sheet because:

The net pension asset resulting from the IMRF Regular and Sherriff's Law Enforcement Personnel (SLEP) plan fiduciary net position exceeding the total pension liability is not a financial resource and therefore not reported in the governmental funds.		50,111
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Certain revenues that are recorded as deferred inflows of resources in the fund financial statements because they are not considered available are recognized as revenue in the government-wide financial statements.		1,193,522
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		9,836,077
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Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions	\$ 7,115,850	
Deferred outflows related to other postemployment benefits	99,182	7,215,032

Deferred inflows of resources related to pensions		(1,235,982)
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Accrued interest reported in the statement of net position does not require the use of current financial resources and, therefore, is not reported in the governmental funds balance sheet.		(346,079)
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Long-term liabilities included in the statement of net position (deficit) are not due and payable in the current period and, accordingly, are not reported as liabilities in the governmental funds balance sheet.		(53,506,316)
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Net position (deficit) - governmental activities	\$	(20,895,881)
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The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Governmental Funds
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
For the Year Ended April 30, 2020

	General Fund	Fire Protection Fund	Debt Service Fund	Sauk Pointe Industrial Park Fund	LogistiCenter at Sauk Village Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	\$ 1,517,604	\$ 399,325	\$ -	\$ 889,921	\$ 3,416,478	\$ 63,186	\$ 6,286,514
Licenses and permits	285,139	-	-	-	-	-	285,139
Charges for services	695,824	26,844	-	-	-	-	722,668
Utility taxes	-	-	-	-	-	122,450	122,450
Intergovernmental	1,941,254	-	-	-	-	600,166	2,541,420
Fines and forfeitures	175,374	-	-	-	-	-	175,374
Investment income	46,842	-	246,651	-	27,921	14,784	336,198
Miscellaneous	194,455	2,320	-	1,688	-	-	198,463
Total revenues	4,856,492	428,489	246,651	891,609	3,444,399	800,586	10,668,226
Expenditures							
Current							
General government	2,208,292	-	702,917	-	304,065	201,026	3,416,300
Public safety	3,317,658	627,446	-	-	-	107	3,945,211
Public works	247,799	-	-	-	-	465,782	713,581
Debt service							
Principal	55,546	17,500	20,300,000	-	-	-	20,373,046
Interest	11,974	-	1,243,991	-	-	-	1,255,965
Capital outlay	15,459	-	-	-	-	-	15,459
Total expenditures	5,856,728	644,946	22,246,908	-	304,065	666,915	29,719,562
Excess (deficiency) of revenues over expenditures	(1,000,236)	(216,457)	(22,000,257)	891,609	3,140,334	133,671	(19,051,336)
Other financing sources (uses)							
Debt issuance	-	-	16,670,000	-	2,500,000	-	19,170,000
Premiums on debt issuance	-	-	1,726,810	-	226,153	-	1,952,963
Transfers in	562,876	-	4,847,677	-	9,616	334,791	5,754,960
Transfers out	(783,682)	(246,188)	(70)	(889,337)	(3,103,341)	(732,342)	(5,754,960)
Total other financing sources (uses)	(220,806)	(246,188)	23,244,417	(889,337)	(367,572)	(397,551)	21,122,963
Net change in fund balances (deficits)	(1,221,042)	(462,645)	1,244,160	2,272	2,772,762	(263,880)	2,071,627
Fund balances (deficits)							
Beginning of year	848,528	47,001	9,297,826	(188,299)	1,604,800	2,216,271	13,826,127
End of year	\$ (372,514)	\$ (415,644)	\$ 10,541,986	\$ (186,027)	\$ 4,377,562	\$ 1,952,391	\$ 15,897,754

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2020

Net change in fund balances - total governmental funds		\$ 2,071,627
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Amounts reported for governmental activities in the statement of activities are different because:

The change in the net pension asset resulting from the IMRF Regular and Sherriff's Law Enforcement Personnel (SLEP) plan fiduciary net position exceeding the total pension liability is not reported in the governmental funds.		50,111
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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.		230,341
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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.		(601,064)
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Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		104,870
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Changes in deferred outflows and inflows of resources related to pensions and other postemployment benefits are reported only in the statement of activities.

Deferred outflows and inflows of resources related to:		
IMRF pension	\$ (416,819)	
Police pension	(462,093)	
Firefighters' pension	472	
Other postemployment benefits	<u>44,148</u>	(834,292)

(Continued)

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 (Continued)
For the Year Ended April 30, 2020

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

Proceeds from long-term debt	\$ (19,170,000)	
Premiums on long-term debt	(1,952,964)	
Interest accreted - capital appreciation bonds	(279,178)	
Principal payments on alternate revenue bonds	20,230,000	
Principal payments on general obligation bonds	70,000	
Principal payments on police vehicle loan	16,720	
Principal payments on fire truck loan	17,500	
Principal payments on street light loan	38,826	
Amortization of bond premiums	409,668	
Net decrease (increases) in net pension liabilities		
IMRF	412,045	
Police	(3,370,252)	
Firefighters'	(59,005)	
Net increase in other postemployment benefits liability	(238,144)	
Net increase in compensated absences	(26,136)	
Net increase in judgment liability	(15,488)	\$ (3,916,408)
Change in net deficit - governmental activities		\$ <u>(2,894,815)</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Proprietary Funds
STATEMENT OF NET POSITION
April 30, 2020

	Waterworks Fund	Sewerage Fund	Total
ASSETS			
Current			
Cash and cash equivalents	\$ 1,221,086	\$ 2,256	\$ 1,223,342
Receivables, net of allowances	260,211	174,502	434,713
Total current assets	<u>1,481,297</u>	<u>176,758</u>	<u>1,658,055</u>
Noncurrent			
Net pension asset - IMRF	339	353	692
Advances to other funds	-	1,294,974	1,294,974
Capital assets not being depreciated	13,500	-	13,500
Capital assets, net of accumulated depreciation	<u>4,854,147</u>	<u>353,955</u>	<u>5,208,102</u>
Total noncurrent assets	<u>4,867,986</u>	<u>1,649,282</u>	<u>6,517,268</u>
Total assets	<u>6,349,283</u>	<u>1,826,040</u>	<u>8,175,323</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	257,556	268,372	525,928
Deferred outflows related to other postemployment benefits	<u>18,132</u>	<u>9,544</u>	<u>27,676</u>
Total deferred outflows of resources	<u>275,688</u>	<u>277,916</u>	<u>553,604</u>
LIABILITIES			
Current			
Current portion of long-term liabilities	114,968	57,584	172,552
Accounts payable	22,033	10,463	32,496
Accrued payroll	14,783	9,297	24,080
Accrued interest	1,718	-	1,718
Deposits payable	178,992	-	178,992
Noncurrent			
Due in more than one year	<u>973,268</u>	<u>147,183</u>	<u>1,120,451</u>
Total liabilities	<u>1,305,762</u>	<u>224,527</u>	<u>1,530,289</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>378,953</u>	<u>394,865</u>	<u>773,818</u>
NET POSITION			
Net investment in capital assets	4,129,651	353,955	4,483,606
Unrestricted	<u>810,605</u>	<u>1,130,609</u>	<u>1,941,214</u>
Total net position	<u>\$ 4,940,256</u>	<u>\$ 1,484,564</u>	<u>\$ 6,424,820</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Proprietary Funds
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended April 30, 2020

	Waterworks Fund	Sewerage Fund	Total
Operating revenues			
Charges for services	\$ 1,398,955	\$ 943,681	\$ 2,342,636
Meter sales	13,615	-	13,615
Investment income	24,376	-	24,376
Miscellaneous	992	-	992
Total operating revenues	<u>1,437,938</u>	<u>943,681</u>	<u>2,381,619</u>
Operating expenses			
Operations	1,084,329	448,508	1,532,837
Depreciation	386,811	29,842	416,653
Total operating expenses	<u>1,471,140</u>	<u>478,350</u>	<u>1,949,490</u>
Operating income	<u>(33,202)</u>	<u>465,331</u>	<u>432,129</u>
Nonoperating expenses			
Debt service - interest	<u>(15,273)</u>	<u>-</u>	<u>(15,273)</u>
Total nonoperating expenses	<u>(15,273)</u>	<u>-</u>	<u>(15,273)</u>
Change in net position	(48,475)	465,331	416,856
Net position			
Beginning of year	<u>4,988,731</u>	<u>1,019,233</u>	<u>6,007,964</u>
End of year	<u>\$ 4,940,256</u>	<u>\$ 1,484,564</u>	<u>\$ 6,424,820</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Proprietary Funds

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2020

	<u>Waterworks Fund</u>	<u>Sewerage Fund</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 1,413,892	\$ 934,638	\$ 2,348,530
Cash paid to suppliers	(565,955)	(131,843)	(697,798)
Cash paid to employees	(624,519)	(400,212)	(1,024,731)
Net cash provided by operating activities	<u>223,418</u>	<u>402,583</u>	<u>626,001</u>
Cash flows from noncapital financing activities			
Repayment of advances to other funds	<u>-</u>	<u>(4,594)</u>	<u>(4,594)</u>
Net cash used in noncapital financing activities	<u>-</u>	<u>(4,594)</u>	<u>(4,594)</u>
Cash flows from capital financing activities			
Purchases of capital assets	(112,875)	-	(112,875)
Payments on IEPA loan	(58,864)	-	(58,864)
Net cash used in capital financing activities	<u>(171,739)</u>	<u>-</u>	<u>(171,739)</u>
Cash flows from investing activities			
Advances to other funds	-	(805,474)	(805,474)
Repayment of advances from other funds	1,026,523	-	1,026,523
Net cash provided by (used in) noncapital investing activities	<u>1,026,523</u>	<u>(805,474)</u>	<u>221,049</u>
Net change in cash and cash equivalents	1,078,202	(407,485)	670,717
Cash and cash equivalents			
Beginning of year	<u>142,884</u>	<u>409,741</u>	<u>552,625</u>
End of year	<u>\$ 1,221,086</u>	<u>\$ 2,256</u>	<u>\$ 1,223,342</u>

(Continued)

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Proprietary Funds
STATEMENT OF CASH FLOWS (Continued)
For the Year Ended April 30, 2020

	<u>Waterworks Fund</u>	<u>Sewerage Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ (33,202)	\$ 465,331	\$ 432,129
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	386,811	29,842	416,653
(Increase) decrease in assets and deferred outflows			
Receivables	(22,669)	(9,043)	(31,712)
Deferred outflows related to pensions	110,671	93,331	204,002
Deferred outflows related to OPEB	(7,970)	(2,556)	(10,526)
Increase (decrease) in liabilities and deferred inflows			
Accounts payable	(8,397)	7,304	(1,093)
Accrued payroll	1,015	1,614	2,629
Compensated absences	26,452	(12,124)	14,328
Deposits	(1,377)	-	(1,377)
Net pension liability	(262,190)	(257,566)	(519,756)
Net OPEB Liability	(98,710)	(66,805)	(165,515)
Deferred inflows related to pensions	132,984	153,255	286,239
Net cash provided by operating activities	<u>\$ 223,418</u>	<u>\$ 402,583</u>	<u>\$ 626,001</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois

Pension Trust Funds

STATEMENT OF NET POSITION

April 30, 2020

ASSETS

Cash and cash equivalents	\$	408,906
Investments		4,813,581
Accrued interest		17,591
Other receivables		<u>19,670</u>

Total assets		<u>5,259,748</u>
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LIABILITIES

Payroll liabilities		<u>300</u>
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NET POSITION

Held in trust for pension benefits	\$	<u><u>5,259,448</u></u>
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The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
Pension Trust Funds
STATEMENT OF CHANGES IN PLAN NET POSITION
For the Year Ended April 30, 2020

ADDITIONS	
Contributions	
Employer	\$ 359,340
Members and other	<u>145,794</u>
Total contributions	<u>505,134</u>
Investment income	120,257
Investment expenses	<u>(22,505)</u>
Net investment earnings	<u>97,752</u>
Total additions	<u>602,886</u>
DEDUCTIONS	
Benefit payments	682,940
Transfer of member balance	82,198
Administrative expense	<u>25,171</u>
Total deductions	<u>790,309</u>
CHANGE IN NET POSITION	(187,423)
PLAN NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Beginning of year	<u>5,446,871</u>
End of year	<u>\$ 5,259,448</u>

The accompanying notes are an integral part of this statement.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

1. **Reporting Entity**

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

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

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements as they are not available to address activities or obligations of the Village. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds, that are aggregated in the fund financial statements, are reported separately in the other supplementary information.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

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, deferred inflows, fund balance/net position, revenues, and expenditures/expenses. The Village's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into generic fund types and broad fund categories as follows:

a. Governmental Fund Types

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

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

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

The *Debt Service Fund* is used to account for the accumulation of resources for debt service payments. The primary revenue and other financing sources include property taxes and transfers from other funds.

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

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.

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

c. Fiduciary Fund Types

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

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

4. Fund Balance

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

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

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

c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority (the Village Board). The Village Board commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the Village removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. At April 30, 2020, the Village had no committed fund balances.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Fund Balance (Continued)

- d. *Assigned* - refers to amounts that are constrained by the Village's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Trustees or the individual the Village Board delegates the authority to assign amounts to be used for specific purposes. The Village Board has not delegated this authority as of April 30, 2020. At April 30, 2020, 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. The restricted fund balances at April 30, 2020 are for the purposes of the restricted funds as described in Note A-3.

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 fiscal period for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements, imposed by the provider, have been met.

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The Village reports the following major governmental funds:

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

The *Fire Protection Fund* is used to account for a dedicated property tax levy and the operations of the Village's Fire Department.

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 capital projects 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 capital projects fund which accounts for the revenue generated from the TIF district to finance the first phase development and construction of a one hundred and fifty-acre intermodal transportation facility.

The Village reports the following major proprietary funds:

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position (deficit) and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to future periods. At April 30, 2020, the Village had deferred outflows of resources related to pensions and other postemployment benefits. In addition to liabilities, the Village may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that are applicable to future periods. At April 30, 2020, the Village had deferred inflows related to pensions, and property taxes collected in a future period.

7. Cash Equivalents

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

8. Receivables

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Receivables (Continued)

The carrying amount of receivables - charges for services and other is reduced by a valuation allowance that reflects management's best estimate of the amounts that may not be collected. Management's estimate is based on receivables aged over 90 days past due for garbage services and Village utility sales (water and sewer) charged to residents. The allowances for doubtful customer receivables totaled \$73,000, \$132,000 and \$91,000 in the General Fund, Waterworks Fund, and Sewerage Fund, respectively, at April 30, 2020.

9. Investments

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

10. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased. Reported prepaid expenditures are equally offset by fund balance reserves, which indicate that they do not constitute "available spendable resources", even though they are a component of current assets.

11. Interfund Transactions

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

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

12. Land Held for Resale

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Capital Assets

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

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

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

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

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

14. Compensated Absences

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Pensions and Other Postemployment Benefits

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

16. Long-Term Obligations

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from actual proceeds, are reported as debt service expenditures.

17. Use of Estimates

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

NOTE B - DEPOSITS AND INVESTMENTS

1. Village Deposits and Investments

At April 30, 2020, the Village's cash and cash equivalents, excluding the pension trust funds, consisted of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,314,524	\$ 1,223,342	\$ 3,537,866

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

1. Village Deposits and Investments (Continued)

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

	<u>Total</u>
Cash on hand	\$ 2,292
Deposits with financial institutions	3,331,565
Illinois Funds	<u>204,009</u>
	<u>\$ 3,537,866</u>

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

Deposits with Financial Institutions

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

Custodial risk for deposits with financial institutions is the risk that, in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. At April 30, 2020, the carrying amount of the Village's deposits was \$3,331,565 with bank balances totaling \$3,579,852. At April 30, 2020, all of the Village's deposits were insured or collateralized.

Investments

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

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAAMf and are valued at share price, which is the price for which the investment can be sold.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

1. Village Deposits and Investments (Continued)

Investments (Continued)

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

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

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

2. Pension Deposits, Investments, and Concentrations

On December 18, 2019, the Governor of Illinois signed into law Public Act (P.A.) 101-0610. The law consolidates the assets of more than 650 municipalities' pension funds, including the Village's Firefighters' and Police Pension Fund, into two consolidated investments funds, one for police officers (Article 3) and one for firefighters (Article 4). The purpose of the consolidation is to improve investment returns while eliminating unnecessary administrative costs. The law became effective January 1, 2020. After one month of the effective date, the Governor appointed two separate nine-member transition boards. No later than 12 months after the effective date, the consolidated investment fund boards will hold elections for the trustees of the permanent boards and the permanent boards are seated. No later than 30 months after the effective date, all local pension fund assets must be transferred to their respective consolidated pension fund. The law stipulates that the assets and liabilities of the Village's Firefighters' Pension Fund and Police Pension Fund will remain under the ownership of the Funds' pension boards, meaning the financial condition of one participating pension fund, including funding levels and ratios, will have no effect on the financial condition of the Village's Firefighters' and Police Pension Funds. The law provides that returns on investments will be paid out to each fund in proportion to their amount invested in the consolidated funds.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

a. Firefighters' Pension Fund

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

a. Firefighters' Pension Fund (Continued)

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

Deposits and investments - At April 30, 2020, the carrying amount of the Firefighters' Pension Fund's deposits totaled \$76,191 and the bank balances totaled \$76,191. At April 30, 2020, the Firefighters' Pension Fund had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities - in Years		
		Less than 1	1-5	6-10
Money Market Mutual funds	\$ 2,967	\$ 2,967	\$ -	\$ -

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

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

Custodial credit risk - Deposits - At April 30, 2020, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Firefighters' Pension Fund's investment policy states that deposits in excess of federally insured limits in financial institutions will be required to be secured by some form of collateral. The Firefighters' Pension Fund will accept the following as collateral: U.S. Treasuries, Notes and Bonds, and U.S. agencies. The amount of collateral provided will not be less than 110 percent of the fair market value of the Firefighters' Pension Fund's uninsured deposits.

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

a. Firefighters' Pension Fund (Continued)

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Money market funds	26.0 %	0.0 %
Equities	4.0	5.5
Cash	70.0	0.0

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

The long-term expected rate of return on the Firefighters' Pension Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in August 2015 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation.

Rate of Return - For the year ended April 30, 2020, the annual time-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.23) percent. The time-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

a. Firefighters' Pension Fund (Continued)

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

The following table summarizes the investments of the Firefighters' Pension Fund, for which fair values are determined on a recurring basis as of April 30, 2020:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 2,967	\$ 2,967	\$ -	\$ -

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

b. Police Pension Fund

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

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Police Pension Fund's deposits might not be recovered. The Police Pension Fund does not have a deposit policy for custodial credit risk. As of April 30, 2020, the Police Pension Fund's bank balances were fully covered by federal depository insurance.

Investments

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

b. Police Pension Fund (Continued)

Investments (Continued)

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

As of April 30, 2020, the Police Pension Fund had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Years to Maturity (2)</u>
Corporate bonds	\$ 426,429	Aa1 - Baa2	3.45
Common stocks	576,792	N/A	N/A
Mutual funds	1,468,374	N/A	N/A
U.S. government agency obligations	228,160	Aaa	Less than 1.00
U.S. treasury notes	<u>2,110,859</u>	Aaa	3.83
Total	<u>\$ 4,810,614</u>		

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

b. Police Pension Fund (Continued)

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

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

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

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

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

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

The Police Pension Fund had the following fair value measurements as of April 30, 2020:

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

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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

b. Police Pension Fund (Continued)

The following table summarizes the investments of the Police Pension Fund, for which fair values are determined on a recurring basis as of April 30, 2020:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate bonds	\$ 426,429	\$ -	\$ 426,429	\$ -
Common stocks	576,792	576,792	-	-
Mutual funds	1,468,374	1,468,374	-	-
U.S. government agency obligations	228,160	-	228,160	-
U.S. Treasury notes	2,110,859	-	2,110,859	-
	<u>\$ 4,810,614</u>	<u>\$ 2,045,166</u>	<u>\$ 2,765,448</u>	<u>\$ -</u>

NOTE C - PROPERTY TAXES

Property taxes for the 2019 tax year attach as an enforceable lien on January 1, 2019 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal period (by passage of a tax levy ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1, 2020 and August 1, 2020. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3 percent of the tax levy to reflect actual collection experience. That portion of the 2019 levy property tax receivable which is not collected within 60 days after year-end is not considered a current financial resource and is, therefore, recorded as property tax revenue collected in a future period in the fund financial statements.

NOTE D - TAX ABATEMENTS

Village property tax revenues are impacted by certain reduced assessments granted by the County of Cook in conjunction with the Village Board for the development or redevelopment of commercial and industrial properties. The properties receive a real estate tax incentive through a reduction in the assessment from the standard rate to a reduced rate for a period of time. Although tax revenues are not reduced in the whole, those properties receive a reduced bill. The total estimated impact of these incentives to the Village is a reduction in property taxes for those properties in the amount of approximately \$1,585,000 for the 2019 property tax levy.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE E - DEPOSITS WITH PAYING AGENT

The Village maintains deposits with the paying agent for the payment of principal and interest maturities on its tax increment financing (TIF) and other bonded debt, TIF redevelopment project costs, reserve and redemption, and for certain other purposes, in accordance with the requirements set forth by the respective bond ordinances. As of April 30, 2020, deposits with paying agent totaling \$14,724,532 were invested in the Goldman Sachs Financial Square Federal Instruments Fund, a money market portfolio that comprises U.S. Government and U.S. Treasury securities. The Fund was rated AAAM by Standard & Poor's and Aaa-mf by Moody's as of April 30, 2020.

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2020 was as follows:

1. Governmental Activities

	Balance May 1, 2019	Additions	Disposals	Balance April 30, 2020
Capital assets not being depreciated				
Land	\$ 574,003	\$ -	\$ -	\$ 574,003
Capital assets being depreciated				
Buildings and improvements	7,505,200	-	-	7,505,200
Machinery and equipment	2,258,495	-	-	2,258,495
Vehicles	3,614,147	-	-	3,614,147
Infrastructure	36,676,704	-	-	36,676,704
Total capital assets being depreciated	50,054,546	-	-	50,054,546
Less accumulated depreciation for				
Buildings and improvements	3,049,960	182,955	-	3,232,915
Machinery and equipment	2,170,679	46,575	-	2,217,254
Vehicles	2,827,493	163,707	-	2,991,200
Infrastructure	32,143,276	207,827	-	32,351,103
Total accumulated depreciation	40,191,408	601,064	-	40,792,472
Total capital assets, being depreciated, net	9,863,138	(601,064)	-	9,262,074
Governmental activities capital assets, net	\$ 10,437,141	\$ (601,064)	\$ -	\$ 9,836,077

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE F - CAPITAL ASSETS (Continued)

2. Business-Type Activities

	Balance May 1, 2019	Additions	Disposals	Balance April 30, 2020
Capital assets not being depreciated				
Land	\$ 13,500	\$ -	\$ -	\$ 13,500
	<u>13,500</u>	<u>-</u>	<u>-</u>	<u>13,500</u>
Capital assets, being depreciated				
Buildings and improvements	51,117	2,050	-	53,167
Waterworks and sewerage system	11,669,565	-	-	11,669,565
Machinery and equipment	617,762	71,659	-	689,421
Vehicles	495,266	39,166	-	534,432
Water meters	644,961	-	-	644,961
	<u>13,478,671</u>	<u>112,875</u>	<u>-</u>	<u>13,591,546</u>
Less accumulated depreciation for				
Buildings and improvements	51,117	205	-	51,322
Waterworks and sewerage system	6,257,211	371,210	-	6,628,421
Machinery and equipment	583,899	15,535	-	599,434
Vehicles	429,603	29,703	-	459,306
Water meters	644,961	-	-	644,961
	<u>7,966,791</u>	<u>416,653</u>	<u>-</u>	<u>8,383,444</u>
Total capital assets, being depreciated, net	<u>5,511,880</u>	<u>(303,778)</u>	<u>-</u>	<u>5,208,102</u>
Business-type activities, capital assets, net	<u>\$ 5,525,380</u>	<u>\$ (303,778)</u>	<u>\$ -</u>	<u>\$ 5,221,602</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE F - CAPITAL ASSETS (Continued)

3. Depreciation Expense

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

Governmental activities:

General government	\$ 179,298
Public safety	205,469
Public works	<u>216,297</u>
Total depreciation expense - governmental activities	<u><u>\$ 601,064</u></u>

Business – type activities:

Waterworks	\$ 386,811
Sewerage	<u>29,842</u>
Total depreciation expense - business-type activities	<u><u>\$ 416,653</u></u>

NOTE G - INTERFUND TRANSACTIONS

1. Interfund Advances

	<u>Advances to</u>	<u>Advances from</u>
General		
Fire Protection	\$ 208,153	\$ -
Nonmajor governmental	236,598	-
Sewerage	<u>-</u>	<u>1,294,974</u>
Total General	<u>444,751</u>	<u>1,294,974</u>
Fire Protection		
General	<u>-</u>	<u>208,153</u>
Total Fire Protection	<u>-</u>	<u>208,153</u>
Debt Service		
LogistiCenter at Sauk Village	<u>230,212</u>	<u>-</u>
Total Debt Service	<u>230,212</u>	<u>-</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE G - INTERFUND TRANSACTIONS (Continued)

1. Interfund Advances (Continued)

	Advances to	Advances from
Sauk Pointe Industrial Park		
LogistiCenter at Sauk Village	\$ -	\$ 215,341
Total Sauk Pointe Industrial Park	-	215,341
LogistiCenter at Sauk Village		
Debt Service	-	230,212
Sauk Pointe Industrial Park	215,341	-
Total LogistiCenter at Sauk Village	215,341	230,212
Nonmajor governmental		
General	-	236,598
Total nonmajor governmental	-	236,598
Total governmental funds	890,304	2,185,278
Sewerage		
General	1,294,974	-
Total Sewerage	1,294,974	-
Total enterprise funds	1,294,974	-
Total all funds	2,185,278	2,185,278
Less amounts eliminated during GASB 34 conversion	(890,304)	(890,304)
Total government-wide internal balances	\$ 1,294,974	\$ 1,294,974

Some of the advances may be unallowed due to terms and conditions related to enabling legislation (Note A-4b), grant agreements (Note Q-1), bond ordinances, or other contractual arrangements. The Village will need to remedy such advances in the future.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE G - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers

	Transfers in	Transfers out
General		
Debt Service	\$ 70	\$ 448,891
Nonmajor Governmental	562,806	334,791
Total General	562,876	783,682
Fire Protection		
Debt Service	-	246,188
Total General	-	246,188
Debt Service		
General	448,891	70
Fire Protection	246,188	-
Sauk Pointe Industrial Park	889,337	-
LogistiCenter at Sauk Village	3,103,341	-
Nonmajor Governmental	159,920	-
Total Debt Service	4,847,677	70
Sauk Pointe Industrial Park		
Debt Service	-	889,337
Total Sauk Pointe Industrial Park	-	889,337
LogistiCenter at Sauk Village		
Nonmajor Governmental	9,616	-
Debt Service	-	3,103,341
Total LogistiCenter at Sauk Village	9,616	3,103,341
Nonmajor Governmental		
General	334,791	562,806
Debt Service	-	159,920
LogistiCenter at Sauk Village	-	9,616
Total nonmajor governmental	334,791	732,342
Total governmental funds	5,754,960	5,754,960

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE G - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers (Continued)

	Transfers in	Transfers out
Total all funds	\$ 5,754,960	\$ 5,754,960
Less amounts eliminated during GASB 34 conversion	(5,754,960)	(5,754,960)
Total government-wide transfers	\$ -	\$ -

The transfers to the Debt Service fund were made for purposes of servicing the principal and interest on the Village's bonded debt. The remaining transfers were made to provide funding for operations, or to record the forgiveness of interfund advances which the borrowing fund was determined to lack the ability to repay.

NOTE H - RISK MANAGEMENT

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

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

NOTE I - SHORT-TERM DEBT

The following is a summary of the Village's short-term debt obligations, recorded in the General Fund, as of and for the year ended April 30, 2020:

	Balance May 1, 2019	Additions	Retirements	Balance April 30, 2020
Insurance premium loans	\$ 274,021	\$ 353,650	\$ 274,021	\$ 353,650
Line of credit - bank	-	364,000	-	364,000
Total general fund / governmental activities	\$ 274,021	\$ 717,650	\$ 274,021	\$ 717,650

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE I - SHORT-TERM DEBT (Continued)

1. *Insurance Premium Loans*

In March 2019, the Village entered into a loan agreement with a finance company to finance premium payments on certain insurance policies. The agreement required monthly payments of \$31,277, including interest at 6.50 percent, through January 2020.

In March 2020, the Village entered into another loan agreement with the same finance company, to finance premium payments on certain insurance policies. The agreement requires monthly payments of \$36,304, including interest at 5.75 percent, through January 2021.

2. *Line of Credit - Bank*

The Village has a revolving line of credit agreement with a bank that provides for maximum borrowings of \$500,000 and bears interest at 2.20%. The agreement expired in May 2020 and was renewed under substantially similar terms. The agreement expires in August, 2022, and is expected to be renewed under substantially similar terms. Outstanding borrowings of \$200,000 and \$164,000 were recorded in the General Fund and the Fire Protection Fund, respectively, as of April 30, 2020. The purpose of the loan was to provide short-term cash flow.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE J - LONG-TERM LIABILITIES

1. Changes in Long-Term Liabilities

The following is a summary of the Village's long-term liability balances and transactions associated with governmental activities, for the year ended April 30, 2020:

	Balance May 1, 2019	Additions/ Accretion	Retirements	Balance April 30, 2020	Due Within One Year
Alternate revenue bonds	\$ 25,048,974	\$ 19,449,178	\$ 20,230,000	\$ 24,268,152	\$ 2,726,347
General obligation bonds	70,000	-	70,000	-	-
Unamortized bond premium	265,992	1,952,964	409,668	1,809,288	236,280
Street light loan	38,826	-	38,826	-	-
Fire truck loan	297,500	-	17,500	280,000	17,500
Police vehicle loan	66,880	-	16,720	50,160	16,720
Compensated absences	175,932	175,523	149,387	202,068	202,068
Judgment liability	187,419	94,060	78,572	202,907	202,907
Net OPEB liability	1,291,463	323,224	85,080	1,529,607	-
Net pension liabilities					
IMRF *	412,045	401,060	813,105	-	-
Police	20,215,686	3,954,574	584,322	23,585,938	-
Firefighters'	1,519,191	161,189	102,184	1,578,196	-
 Total governmental activities	 \$ 49,589,908	 \$ 26,511,772	 \$ 22,595,364	 \$ 53,506,316	 \$ 3,401,822

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE J - LONG-TERM LIABILITIES (Continued)

1. Changes in Long-Term Liabilities (Continued)

The following is a summary of the Village's long-term liability balances and transactions associated with business-type activities, for the year ended April 30, 2020:

	Balance May 1, 2019	Additions	Retirements	Balance April 30, 2020	Due Within One Year
Illinois EPA loan	\$ 781,486	\$ -	\$ 43,491	\$ 737,995	\$ 44,360
Compensated absences	113,863	32,433	18,104	128,192	128,192
Net OPEB liability	592,331	39,585	205,100	426,816	-
IMRF net pension liability *	519,064	532,729	1,051,793	-	-
 Total business-type activities	 \$ 2,006,744	 \$ 604,747	 \$ 1,318,488	 \$ 1,293,003	 \$ 172,552

* At April 30, 2020, the IMRF plan fiduciary net position exceeded the total pension liability, resulting in a net pension asset of \$50,111 and \$692 for the governmental and business-type activities, respectively.

2. Long-Term Debt - Terms and Maturities

During the fiscal year ended April 30, 2020, the Village issued \$3,170,000 in general obligation refunding bonds (alternate revenue source) series 2019B to refund \$3,200,000 of outstanding general obligation tax increment refunding bonds (alternate revenue source) series 2002A, and \$13,500,000 in general obligation refunding bonds (alternate revenue source) series 2019C to refund \$8,025,000 of outstanding general obligation bonds (alternate revenue source) series 2008 and \$6,405,000 of outstanding general obligation bonds (alternate revenue source) series 2009. The economic gain (present value of the difference in cash flows of the debt service on the old and new debt) was \$2,450,282.

Alternate revenue bonds payable at April 30, 2020 are comprised of the following individual issues:

\$4,999,356 general obligation capital appreciation bonds (tax increment alternate revenue source) series 2002B, with a face value of \$4,180,000 payable in annual installments ranging from \$1,315,000 to \$1,405,000 through December 1, 2021, and a final installment of \$1,460,000 due on June 1, 2022. Interest rates range from 5.85% to 5.95%. Interest accreted at April 30, 2020 totaled \$2,390,861.	\$ 3,753,152
\$1,405,000 general obligation (alternate revenue) bonds series 2007B, payable in annual installments ranging from \$80,000 to \$140,000 through December 1, 2027; interest is payable on June 1 and December 1 at interest rates ranging from 4.15% to 5.00%.	855,000

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE J - LONG-TERM LIABILITIES (Continued)

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

\$810,000 general obligation (alternate revenue) bonds series 2007C, payable in annual installments ranging from \$45,000 to \$80,000 through December 1, 2027; interest is payable June 1 and December 1 at interest rates ranging from 4.00% to 5.00%.	\$ 495,000
\$2,500,000 general obligation bonds (alternate revenue source) series 2019A, payable in annual installments ranging from \$10,000 to \$400,000 through December 1, 2030; interest is payable semiannually through December 1, 2030 at 4.00%.	2,500,000
\$3,170,000 general obligation refunding bonds (alternate revenue source) series 2019B, payable in annual installments ranging from \$1,000,000 to \$1,120,000 through June 1, 2022; interest is payable semiannually through June 1, 2022 at 4.00%.	3,170,000
\$13,500,000 general obligation refunding bonds (alternate revenue source) series 2019C, payable in annual installments ranging from \$215,000 to \$2,285,000 through December 1, 2028, with a final installment of \$905,000 due on April 1, 2029; interest is payable semiannually through April 1, 2029 at 4.00%.	<u>13,495,000</u>
	<u>\$ 24,268,152</u>

The future requirements to retire the alternate revenue and general obligation bonds outstanding, as of April 30, 2020 are as follows:

Years Ending April 30,	Principal	Interest	Total
2021	\$ 2,726,347	\$ 854,243	\$ 3,580,590
2022	2,725,812	925,258	3,651,070
2023	2,780,993	888,049	3,669,042
2024	2,610,000	649,950	3,259,950
2025	2,740,000	544,800	3,284,800
2026 - 2030	10,285,000	1,234,517	11,519,517
2031	<u>400,000</u>	<u>16,000</u>	<u>416,000</u>
	<u>\$ 24,268,152</u>	<u>\$ 5,112,817</u>	<u>\$ 29,380,969</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE J - LONG-TERM LIABILITIES (Continued)

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

The details of the Illinois EPA loan payable as of April 30, 2020 are as follows:

Illinois Environmental Protection Agency Public Water Supply Loan, payable in semiannual installments of \$29,432 through September 18, 2034, including interest at 1.995%. \$ 737,995

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

Year Ending April 30,	Principal	Interest	Total
2021	\$ 44,360	\$ 14,503	\$ 58,863
2022	45,250	13,613	58,863
2023	46,158	12,706	58,864
2024	47,083	11,781	58,864
2025	48,027	10,837	58,864
2026-2030	254,971	39,348	294,319
2031-2035	<u>252,146</u>	<u>12,742</u>	<u>264,888</u>
	<u>\$ 737,995</u>	<u>\$ 115,530</u>	<u>\$ 853,525</u>

3. Bond Ordinance Compliance

In accordance with the applicable bond ordinances, the Village is required to maintain certain minimum balances in deposits with the paying agent (see Note E), for debt service and other purposes. For the year ended April 30, 2020, 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.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE J - LONG-TERM LIABILITIES (Continued)

4. Revenues Pledged for Debt Service

The Village has issued alternate revenue bonded debt over several years to be paid by pledged revenue sources. These pledges will remain until all of the associated bonds are retired. The amounts of the pledges remaining, as of April 30, 2020, are as follows:

<u>Debt Issue</u>	<u>Pledged Revenue Source</u>	<u>Pledge Remaining</u>	<u>Commitment End Date</u>
2002B	TIF revenue - LogistiCenter TIF	\$ 4,180,000	6/1/22
2007B	911 and wireless surcharges - ETS Fund	1,057,053	12/1/27
2007C	Property taxes - Fire Protection Fund	616,050	12/1/27
2019A	TIF revenue - LogistiCenter TIF	3,230,400	12/1/30

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

A comparison of the pledged revenues collected and the related principal and interest expenditure for the year ended April 30, 2020 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>
2002B and 2019A	TIF revenue - LogistiCenter TIF	\$ 3,416,478	\$ 1,259,444	36.86%
2007B	911/wireless surcharges - ETS Fund	-	117,690	N/A
2007C	Property taxes - Fire Protection Fund	326,778	65,900	20.17%

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

5. Judgment Liability

There are several pending lawsuits in which the Village is involved. The Village has accrued \$202,907, at April 30, 2020, in the governmental activities statement of net position (deficit), related to settlement payments that occurred subsequent to April 30, 2020.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE J - LONG-TERM LIABILITIES (Continued)

5. Judgment Liability (Continued)

From time to time, the Village is involved in legal and administrative proceedings with respect to employment, civil rights, property taxes appeals and other matters. Although the Village is unable to predict the outcome of these matters, the Village believes that any appropriate liabilities have been established and that the final outcome of these actions will not have a material adverse effect on the results of operations or the financial position of the Village.

6. Fire Truck Loan

During 2015, the Village entered into a loan agreement with the Illinois State Fire Marshall, to finance the purchase of a new fire truck. The loan is interest-free, and requires annual payments of \$17,500 on November 1 of each year, through November 1, 2035. The future principal maturities at April 30, 2020 are as follows:

Year Ending April 30,	Principal
2021	\$ 17,500
2022	17,500
2023	17,500
2024	17,500
2025	17,500
2026-2030	87,500
2031-2035	87,500
2036	17,500
	\$ 280,000

7. Police Vehicle Loan

During 2018, the Village entered into a loan agreement with a bank, to finance the purchase of three police vehicles. The loan is due in annual principal installments of \$16,720 through December 21, 2022, plus interest at 4.20%. The future principal and interest maturities at April 30, 2020 are as follows:

Year Ending April 30,	Principal	Interest	Total
2021	\$ 16,720	\$ 2,148	\$ 18,868
2022	16,720	1,432	18,152
2023	16,720	711	17,431
	\$ 50,160	\$ 4,291	\$ 54,451

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE K - RESTRICTIONS OF NET POSITION

The government-wide statement of net position reports net position restricted by enabling legislation, which consists of the following at April 30, 2020:

<u>Net position restricted for:</u>	<u>Amount</u>
Road improvements	\$ 347,500
Public safety	88,515
Capital projects	4,869,173
Debt service	
Tax incremental financing	10,529,822
Other	<u>12,164</u>
Total net position restricted by enabling legislation	\$ <u>15,847,174</u>

NOTE L - FUND BALANCES RESTRICTED FOR SPECIAL REVENUE PURPOSES

The governmental funds balance sheet reports fund balances restricted for special revenue purposes, which consist of the following at April 30, 2020:

<u>Fund balance restricted for:</u>	<u>Amount</u>
Emergency Telephone System	\$ 2,700
Police Seizure	237,614
Working Cash	237
Railroad Noise Mitigation	<u>142,468</u>
Total fund balance restricted for special revenue purposes	\$ <u>383,019</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE M - NONSPENDABLE FUND BALANCES - DEPOSITS WITH PAYING AGENT

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

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

Bond Funds - used to accumulate amounts sufficient for payment of principal, interest and premium, if any, on the Parity Bonds and other additional bonds, if any. Amounts deposited into the Bond Funds should be used solely and only for such purposes until the bonds have been paid in full. If the amount in the Bond Funds at a specified date are less than the debt service requirements, as defined, the Trustee/Paying Agent shall replenish any deficiency by immediately withdrawing funds first from the Reserve and Redemption Fund and then the General Account. As of April 30, 2020, \$4,477,992 was held for the 2002B bonds, \$379,316 was held for the 2019A bonds, \$2,186,023 was held for the 2019B bonds, and \$1,501,804 was held for the 2019C bonds. \$ 8,545,135

Project Fund - used to make payments for certain eligible redevelopment project costs. 2,505,919

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. 3,628,373

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. 12,671

Total amounts nonspendable in relation to tax incremental financing districts 14,692,098

Nonspendable in relation to other long-term obligations:

Deposits with paying agent for debt service

Series 2007B bonds	19,825
Series 2007C bonds	12,200
Series 2010 bonds	<u>409</u>

Total nonspendable deposits with paying agent \$ 14,724,532

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE N - DEFICIT FUND BALANCES

At April 30, 2020, the following funds have deficit fund balances:

Fund	Deficit
General	\$ (372,514)
Fire Protection	(415,644)
Sauk Pointe Industrial Park	(186,027)
Nonmajor	
Motor Fuel Tax	(133,449)
Sauk Village Housing Commission	(48,752)
Municipal Building	(13,043)

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

NOTE O - PENSION LIABILITIES

1. **Illinois Municipal Retirement Fund**

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

Plan Description

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

Benefits Provided

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

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

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

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

	Regular	SLEP
Retirees and beneficiaries currently receiving benefits	30	-
Inactive plan members entitled to but not yet receiving benefits	11	1
Active plan members	16	1
	57	2

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

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

Contributions

As set by statute, the Village's Plan Members are required to contribute 4.5% and 7.5% of their annual covered salary for the Regular Plan and the SLEP Plan, respectively. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2019 was 9.56% and 9.75% for the Regular Plan and the SLEP Plan, respectively. For the fiscal year ended April 30, 2020 the Village contributed \$154,648 and \$12,752 to the Regular Plan and the SLEP Plan, respectively. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability (Asset)

The Village's IMRF net pension liability (asset) was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Other Information:

There were no other benefit changes during the year.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	37%	5.75%
International equity	18%	6.50%
Fixed income	28%	3.25%
Real estate	9%	5.20%
Alternative investments	7%	3.60% - 7.60%
Cash equivalents	1%	1.85%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.25% for the Regular Plan and the SLEP Plan, was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75% based on the daily rate closest to but not later than the measurement date of the "20-year Municipal GO AA Index.", and the resulting single discount rate is 7.25% for the Regular Plan and the SLEP Plan.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability (Asset)

The following tables show the components of the change in the Village's net pension liability (asset), for the calendar year ended December 31, 2019:

<i>Regular Plan</i>	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at December 31, 2018	\$ 8,900,643	\$ 7,998,592	\$ 902,051
Changes for the year:			
Service cost	111,008	-	111,008
Interest on the total pension liability	630,451	-	630,451
Difference between expected and actual experience of the total pension liability	3,912	-	3,912
Contributions - Employer	-	140,325	(140,325)
Contributions - Employees	-	43,564	(43,564)
Net Investment Income	-	1,551,613	(1,551,613)
Benefit payments, including refunds of employee contributions	(520,534)	(520,534)	-
Other (net transfer)	-	(86,939)	86,939
Net changes	<u>224,837</u>	<u>1,128,029</u>	<u>(903,192)</u>
Balances at December 31, 2019	<u>\$ 9,125,480</u>	<u>\$ 9,126,621</u>	<u>\$ (1,141)</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability (Asset) (Continued)

<i>SLEP</i>	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension Liability (Asset) <u>(A) - (B) *</u>
Balances at December 31, 2018	\$ 251,179	\$ 222,121	\$ 29,058
Changes for the year:			
Service cost	32,547	-	32,547
Interest on the total pension liability	18,348	-	18,348
Difference between expected and actual experience of the total pension liability	(79,108)	-	(79,108)
Contributions - Employer	-	14,558	(14,558)
Contributions - Employees	-	10,439	(10,439)
Net investment income	-	30,492	(30,492)
Benefit payments, including refunds of employee contributions	(28,748)	(28,748)	-
Other (net transfer)	-	(4,982)	4,982
Net changes	<u>(56,961)</u>	<u>21,759</u>	<u>(78,720)</u>
Balances at December 31, 2019	<u>\$ 194,218</u>	<u>\$ 243,880</u>	<u>\$ (49,662)</u>

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

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25% for the Regular Plan and the SLEP Plan, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Higher <u>(8.25%)</u>
Regular Plan net pension liability (asset) \$	<u>1,020,697</u>	<u>(1,141)</u>	<u>(854,208)</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
SLEP Plan net pension asset \$	(26,799)	\$ (49,662)	\$ (68,816)

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

For the year ended April 30, 2020, the Village recognized pension expense of \$77,941 and \$14,608 for the Regular Plan and the SLEP Plan, respectively. At April 30, 2020, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	Regular Plan		SLEP	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods				
Differences between expected and actual experience	\$ 2,569	\$ 104,074	\$ 506	\$ 65,836
Change of assumptions	88,958	21,591	2,936	1,447
Net difference between projected and actual earnings on pension plan investments	729,045	1,150,327	11,122	15,740
Total amounts to be recognized in pension expense in the future periods	820,572	1,275,992	14,564	83,023
Pension contributions made subsequent to the measurement date	46,660	-	4,892	-
Total deferred amounts related to pensions	\$ 867,232	\$ 1,275,992	\$ 19,456	\$ 83,023

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

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

The Village reported \$51,552 as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability (increase in the net pension asset) in the reporting year ending April 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended April, 30	Net Deferred Outflows (Inflows)	
	Regular Plan	SLEP
2021	\$ (163,640)	\$ (17,944)
2022	(137,591)	(17,294)
2023	43,225	(15,364)
2024	(197,414)	(17,857)
2025	-	-
Thereafter	-	-
Total	\$ (455,420)	\$ (68,459)

2. Firefighters' Pension Plan

Plan Description

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

The Plan is not included in the report of a public retirement system or another entity. Separate reports are issued for the Firefighters' Pension Plan and may be obtained by writing to Sauk Village at 21801 Torrence Avenue, Sauk Village, Illinois 60411.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Basis of Accounting

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

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

Benefits Provided

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

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

Employees Covered by Benefit Terms

At April 30, 2020, the Firefighters' Pension Plan membership consisted of the following:

Inactive plan members and beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	-
	<hr/>
Total plan membership	<u>3</u>

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90 percent of the past service cost by the year 2040. For the year ended April 30, 2020, the Village has no active members, resulting in \$0 of covered payroll.

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Net Pension Liability

The Village's firefighters' fund net pension liability was measured as of April 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same date.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of April 30, 2020, using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2020
Measurement date	April 30, 2020
Asset valuation method	Market Value of Assets
Assumptions	
Discount rate	2.92%
Expected long term rate of return	3.00%
Municipal bond rate	2.92%
Salary increases	0.00% (no active members)
Inflation	2.50%
Ad-hoc cost-of-living increases	3.00% (1.25% for those hired on or after January 1, 2010)
Mortality	Healthy - RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2019 applied from 2013.
	Disabled - 115% of RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2019 applied from 2013.
Marital Status	80% of participants are assumed married with female spouses 3 years younger.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Single Discount Rate

A Single Discount Rate of 2.92% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

Funding Policy

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

Administrative Costs

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

Changes in Net Pension Liability

The following table shows the components of the change in the Village's net pension liability for the year ended April 30, 2020.

	Total Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at April 30, 2019	\$ 1,549,301	\$ 30,110	\$ 1,519,191
Changes for the year:			
Interest on the total pension liability	51,159	-	51,159
Difference between expected and actual experience of the total pension liability	(4,637)	-	(4,637)
Changes of assumptions	105,874	-	105,874
Contributions - employer	-	97,547	(97,547)
Contributions - employees	-	-	-
Net investment income (loss)	-	(56)	56
Benefit payment, including refunds of member contributions	(44,343)	(44,343)	-
Administrative expense and other	-	(4,100)	4,100
Net changes	<u>108,053</u>	<u>49,048</u>	<u>59,005</u>
Balances at April 30, 2020	<u>\$ 1,657,354</u>	<u>\$ 79,158</u>	<u>\$ 1,578,196</u>

The discount rate changed from 3.35% as of April 30, 2019 to 2.92% as of April 30, 2020 measurement date.

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 2.92%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (1.92%)	Current Discount Rate (2.92%)	1% Increase (3.92%)
	<u> </u>	<u> </u>	<u> </u>
Net pension liability	\$ 1,932,720	\$ 1,578,196	\$ 1,309,519

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

2. Firefighters' Pension Plan (Continued)

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

For the year ended April 30, 2020 the Village recognized pension expense of \$156,080. At April 30, 2020, the Village reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Net difference between projected and actual earnings on pension plan investments	\$ <u>4,457</u>	\$ <u>-</u>
Total deferred amounts related to Firefighters' Pension	\$ <u><u>4,457</u></u>	\$ <u><u>-</u></u>

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

<u>Year Ended April 30,</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ 1,980
2022	1,359
2023	739
2024	379
2025	<u>-</u>
	<u>\$ 4,457</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan

Plan Description

The Police Pension Plan is a single-employer defined pension plan that is administered by the Police Pension Fund's Board of Trustees. The Police Pension Plan provides pensions for the qualified police employees of the Village of Sauk Village, Illinois. The Police Pension Fund Board of Trustees consists of five members. Two members of the Board shall be appointed by the mayor; one member of the Board shall be elected by and from among the beneficiaries of the fund, if any; and two members of the Board shall be elected from the regular police force by the full time members thereof, provided that neither of the members so elected need be residents of the Village.

The defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (Chapter 40ILCS 5 Article 3) and may be amended only by the Illinois legislature.

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

Basis of Accounting

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

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

Benefits Provided

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

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

Tier II employees (those hired on or after January 1, 2011), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. In 2020, a police officer's salary for the pension purposes is capped at \$124,630. The cap is adjusted annually by the lesser of one-half of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., one-half percent for each month under 55). The monthly benefit of a Tier II police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

Employees Covered by Benefit Terms

As of April 30, 2020, the Police Pension Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	14
Inactive plan members entitled to but not yet receiving benefits	15
Active employees	<u>19</u>
	<u><u>48</u></u>

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

Contributions

Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91 percent of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amount necessary to finance the Police Pension Plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90 percent of the past service cost for the Police Pension Plan. For the year ended April 30, 2020, the Village's contribution was 17.69 percent of covered payroll.

Net Pension Liability

The Village's net pension liability was measured as of April 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of April 30, 2020, using the following actuarial methods and assumptions.

Actuarial cost method	Entry age normal cost method
Asset valuation method	Market value
Amortization method	Level percentage of payroll
Assumptions	
Discount rate	3.26%
Investment rate of return	6.75%
Salary increases	3.50% to 11.50%
Inflation	2.50%
Mortality	RP 2014 Mortality Table with a blue collar adjustment, with improvement scale MP-2019 applied generationally from 2013. 10% of deaths are assumed to be in the line of duty.
Retirement age	50 - 70

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Allocation	Long-Term Expected Real Rate of Return
State, local, and corporate obligations	8.00 %	2.50 %
U.S. government and federal agency obligations	45.00	2.50
Common stocks	11.00	5.50
Mutual funds	30.00	5.50
Cash	6.00	N/A
	100.00 %	

Single Discount Rate

A Single Discount Rate of 3.26% was used to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. The Single Discount Rate reflects:

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

Single Discount Rate (Continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.75%, the municipal bond rate is 2.92%, and the resulting Single Discount Rate is 3.26%.

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Changes in Net Pension Liability

The following table shows the components of the change in the Village's net pension liability for the year ended April 30, 2020.

	Total Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
Balances at April 30, 2019	\$ 25,632,447	\$ 5,416,762	\$ 20,215,685
Changes for the year:			
Service cost	735,137	-	735,137
Interest on the total pension liability	964,867	-	964,867
Changes in benefit terms	78,120	-	78,120
Difference between expected and actual experience of the total pension liability	(79,100)	-	(79,100)
Changes of assumptions	2,155,553	-	2,155,553
Contributions - employer	-	261,793	(261,793)
Contributions - employees	-	145,444	(145,444)
Net investment income	-	97,984	(97,984)
Benefit payment, including refunds of employee contributions	(720,795)	(720,795)	-
Administrative expense	-	(20,897)	20,897
Net changes	<u>3,133,782</u>	<u>(236,471)</u>	<u>3,370,253</u>
Balances at April 30, 2020	<u>\$ 28,766,229</u>	<u>\$ 5,180,291</u>	<u>\$ 23,585,938</u>

The discount rate changed from 3.71% as of April 30, 2019 to 3.26% as of April 30, 2020 measurement date. The effects of this change are reflected in the table above as "changes in assumptions".

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 3.26%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	(2.26%)	Discount Rate (3.26%)	(4.26%)
Net pension liability \$	\$ 29,738,630	\$ 23,585,938	\$ 18,864,148

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

For the year ended April 30, 2020 the Village recognized pension expense of \$4,094,138. At April 30, 2020, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred</u>	<u>Deferred</u>
	Outflows of Resources	Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Difference between expected and actual experience	\$ 64,205	\$ 460,105
Change in assumptions	6,545,653	190,680
Net difference between projected and actual earnings on pension plan investments	<u>140,775</u>	<u>-</u>
Total deferred amounts related to Police Pension	<u>\$ 6,750,633</u>	<u>\$ 650,785</u>

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

3. Police Pension Plan (Continued)

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

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

Year Ended April 30,	Net Deferred Outflows of Resources
2021	\$ 2,635,317
2022	2,625,325
2023	404,565
2024	434,641
2025	-
Total	\$ 6,099,848

4. Summary of Pension Items

Below is a summary of the various pension items:

	IMRF	Firefighters'	Police	Total
Deferred outflows of resources:				
Employer contributions	\$ 51,552	\$ -	\$ -	\$ 51,552
Experience	3,075	-	64,205	67,280
Assumptions	91,894	-	6,545,653	6,637,547
Investments	740,167	4,457	140,775	885,399
	\$ 886,688	\$ 4,457	\$ 6,750,633	\$ 7,641,778
Net pension liability	\$ -	\$ 1,578,196	\$ 23,585,938	\$ 25,164,134
Net pension asset	\$ 50,803	\$ -	\$ -	\$ 50,803
Deferred inflows of resources:				
Experience	\$ 169,910	\$ -	\$ 460,105	\$ 630,015
Assumptions	23,038	-	190,680	213,718
Investments	1,166,067	-	-	1,166,067
	\$ 1,359,015	\$ -	\$ 650,785	\$ 2,009,800

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE O - PENSION LIABILITIES (Continued)

4. Summary of Pension Items (Continued)

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

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources	\$ 7,115,850	\$ 525,928	\$ 7,641,778
Net pension liability	25,164,134	-	25,164,134
Deferred inflows of resources	1,235,982	773,818	2,009,800

NOTE P - OTHER POSTEMPLOYMENT BENEFITS

1. Plan Description

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

2. Benefits Provided

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

For police patrol and sergeants union employees who began full-time employment prior to October 15, 1999, and public works employees union and office and technical employees union employees hired prior to May 14, 1991 the Village pays the following percentage of the monthly premium, based on the number of years of service, until the retiree becomes eligible for Medicare:

Length of Service	Premiums Paid by Village
10 to 14 years	50%
15 to 19 years	75%
20 years or more	100%

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Benefits Provided (Continued)

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

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

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

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

3. Employees Covered by Benefit Terms

As of April 30, 2019 (most recent information available) the following employees were covered by the benefit terms:

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

4. Contributions

Premiums for the plan are set by the Village Board. Currently, the Village contributes 0 percent to 100 percent to postemployment benefits, which varies for different employee groups. For fiscal year 2020, the Village contributed \$108,821 toward the cost of the postemployment benefits for retirees, which was 5.42% of covered payroll (most recent information available).

Village of Sauk Village, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

5. Total OPEB Liability

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

Actuarial valuation date	May 1, 2018
Measurement date	April 30, 2020
Actuarial cost method	Entry Age Normal (AMM)
Actuarial assumptions:	
Inflation	3.00%
Discount rate	2.85%
Salary rate increase	4.00%
Healthcare trend rate	6.80% initial - PPO Medical Plan 6.30% initial - HMO Medical Plan 4.50% ultimate - All Medical Plans 4.10% initial - Dental Plan 0% initial - Life Insurance Plan Dental and Life Insurance are constant all years Ultimate rate reached fiscal year 2034
Mortality rates	Police: PubS.H-2010 Mortality Table – Safety All Others: PubG.H-2010 Mortality Table – General
Election at Retirement	100% of active employees with a Village subsidy and 0% of active employees without a Village subsidy are assumed to elect coverage at retirement.
Marital Status	20% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females. Actual spouse data was used for current retirees.

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

6. Discount Rate

The Village does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.85% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of April 30, 2020.

7. Changes in the Total OPEB Liability

The following table shows the components of the change in the Village's net OPEB liability for the fiscal year ended April 30, 2020 based upon a roll-forward actuarial valuation from the actuarial valuation performed May 1, 2018 to the fiscal year end:

	<u>Total OPEB Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net OPEB Liability (A) - (B)</u>
Balances at May 1, 2019	\$ 1,883,794	\$ -	\$ 1,883,794
Changes for the year:			
Service cost	49,125	-	49,125
Interest on the total OPEB liability	58,723	-	58,723
Changes of assumptions and other inputs	73,602	-	73,602
Benefit payments, including the implicit rate subsidy	(108,821)	-	(108,821)
Other changes	-	-	-
Net changes	<u>72,629</u>	<u>-</u>	<u>72,629</u>
Balances at April 30, 2020	<u>\$ 1,956,423</u>	<u>\$ -</u>	<u>\$ 1,956,423</u>

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 2.85%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	<u>1% Lower (1.85%)</u>	<u>Current Discount Rate (2.85%)</u>	<u>1% Higher (3.85%)</u>
Total OPEB liability	\$ 2,123,595	\$ 1,956,423	\$ 1,803,276

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

	Current Healthcare Rate (4.50-6.80%)	1% Higher (5.50-7.80%)
1% Lower (3.50-5.80%)	1% Higher (5.50-7.80%)	1% Lower (3.50-5.80%)
\$ 1,761,148	\$ 1,956,423	\$ 2,181,471

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

For the year ended April 30, 2020, the Village recognized OPEB expense of \$126,777. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Change of assumptions	\$ 126,858	\$ -
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ 126,858	\$ -

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE P - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Year Ended April 30,	Net Deferred Outflows of Resources
2021	\$ 18,929
2022	18,929
2023	18,929
2024	18,929
2025	18,929
Thereafter	32,213
Total	\$ 126,858

11. Summary of OPEB Items

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

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources	\$ 99,182	\$ 27,676	\$ 126,858
Net OPEB liability	1,529,607	426,816	1,956,423

NOTE Q - COMMITMENTS AND CONTINGENCIES

1. Grants

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

Village of Sauk Village, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2020

NOTE Q - COMMITMENTS AND CONTINGENCIES (Continued)

2. Contractual Commitments

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

During fiscal year 2017, the Village entered into a service contract, expiring in March 2030, with a refuse disposal company. The contract provides for an early termination fee should the Village terminate the contract prior to March 2030. The early termination fee amount is dependent upon the length of time remaining on the original contract term. The fee was approximately \$390,000 as of October 2016, at inception of the contract, and is reduced monthly on a straight-line basis through March 2030. Subsequent to April 30, 2020, the Board of Trustees approved a renewal of the agreement from May 1, 2021 through April 30, 2026.

3. COVID-19

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

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

NOTE R - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 30, 2022, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Village of Sauk Village, Illinois
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
 Illinois Municipal Retirement Fund - Regular Plan
April 30, 2020

Calendar year ended December 31,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 111,008	\$ 123,026	\$ 124,851	\$ 118,994	\$ 154,860
Interest on the total pension liability	630,451	635,270	642,935	630,513	644,127
Difference between expected and actual experience of the total pension liability	3,912	(247,483)	(96,086)	(64,531)	(373,572)
Assumption changes	-	227,654	(281,637)	(10,158)	-
Benefit payments and refunds	<u>(520,534)</u>	<u>(493,163)</u>	<u>(489,501)</u>	<u>(557,263)</u>	<u>(621,188)</u>
Net change in total pension liability	224,837	245,304	(99,438)	117,555	(195,773)
Total pension liability, beginning	8,900,643	8,655,339	8,754,777	8,637,222	8,832,995
Total pension liability, ending	<u>\$ 9,125,480</u>	<u>\$ 8,900,643</u>	<u>\$ 8,655,339</u>	<u>\$ 8,754,777</u>	<u>\$ 8,637,222</u>
Plan fiduciary net position					
Contributions, employer	\$ 140,325	\$ 155,520	\$ 157,943	\$ 151,489	\$ 160,519
Contributions, employees	43,564	56,661	58,127	49,651	53,546
Net investment income	1,551,613	(549,484)	1,477,299	533,284	39,597
Benefit payments, including refunds of employee contributions	(520,534)	(493,163)	(489,501)	(557,263)	(621,188)
Other (net transfer)	<u>(86,939)</u>	<u>(55,374)</u>	<u>(262,182)</u>	<u>4,066</u>	<u>6,110</u>
Net change in plan fiduciary net position	1,128,029	(885,840)	941,686	181,227	(361,416)
Plan fiduciary net position, beginning	7,998,592	8,884,432	7,942,746	7,761,519	8,122,935
Plan fiduciary net position, ending	<u>\$ 9,126,621</u>	<u>\$ 7,998,592</u>	<u>\$ 8,884,432</u>	<u>\$ 7,942,746</u>	<u>\$ 7,761,519</u>
Net pension liability (asset)	<u>\$ (1,141)</u>	<u>\$ 902,051</u>	<u>\$ (229,093)</u>	<u>\$ 812,031</u>	<u>\$ 875,703</u>
Plan fiduciary net position as a percentage of the total pension liability	100.01 %	89.87 %	102.65 %	90.72 %	89.86 %
Covered Valuation Payroll	\$ 970,290	\$ 1,171,080	\$ 1,156,248	\$ 1,103,342	\$ 1,189,912
Net pension liability (asset) as a percentage of covered valuation payroll	(0.12) %	77.03 %	(19.81) %	73.60 %	73.59 %

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

Village of Sauk Village, Illinois
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
 Illinois Municipal Retirement Fund - SLEP
April 30, 2020

Calendar year ended December 31,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 32,547	\$ 16,647	\$ 17,555	\$ 17,165	\$ 15,085
Interest on the total pension liability	18,348	16,918	14,841	12,130	9,825
Difference between expected and actual experience of the total pension liability	(79,108)	(6,350)	2,279	6,689	4,939
Assumption changes	-	6,716	(6,532)	(1,334)	1,155
Benefit payments and refunds	(28,748)	-	-	-	-
Net change in total pension liability	(56,961)	33,931	28,143	34,650	31,004
Total pension liability, beginning	251,179	217,248	189,105	154,455	123,451
Total pension liability, ending	<u>\$ 194,218</u>	<u>\$ 251,179</u>	<u>\$ 217,248</u>	<u>\$ 189,105</u>	<u>\$ 154,455</u>
Plan fiduciary net position					
Contributions, employer	\$ 14,558	\$ 14,674	\$ 12,871	\$ 14,018	\$ 3,870
Contributions, employees	10,439	9,334	8,431	7,875	2,120
Net investment income	30,492	(2,138)	22,709	9,364	660
Benefit payments, including refunds of employee contributions	(28,748)	-	-	-	-
Other (net transfer)	(4,983)	(1,910)	(2,910)	(647)	(5,254)
Net change in plan fiduciary net position	21,758	19,960	41,101	30,610	1,396
Plan fiduciary net position, beginning	222,122	202,162	161,061	130,451	129,055
Plan fiduciary net position, ending	<u>\$ 243,880</u>	<u>\$ 222,122</u>	<u>\$ 202,162</u>	<u>\$ 161,061</u>	<u>\$ 130,451</u>
Net pension liability (asset)	<u>\$ (49,662)</u>	<u>\$ 29,057</u>	<u>\$ 15,086</u>	<u>\$ 28,044</u>	<u>\$ 24,004</u>
Plan fiduciary net position as a percentage of the total pension liability	125.57 %	88.43 %	93.06 %	85.17 %	84.46 %
Covered Valuation Payroll	\$ 139,183	\$ 124,458	\$ 112,408	\$ 105,000	\$ 28,269
Net pension liability (asset) as a percentage of covered valuation payroll	(35.68) %	23.35 %	13.42 %	26.71 %	84.91 %

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

Village of Sauk Village, Illinois
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
April 30, 2020

Regular Plan

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2019	\$ 92,760 *	\$ 140,325	\$ (47,565)	\$ 970,290	14.46 %
2018	155,519	155,520	(1)	1,171,080	13.28
2017	157,943	157,943	-	1,156,248	13.66
2016	151,489	151,489	-	1,103,342	13.73
2015	160,519	160,519	-	1,189,912	13.49

Sheriff's Law Enforcement Personnel (SLEP)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2019	\$ 14,559 **	\$ 14,558	\$ 1	\$ 139,183	10.46 %
2018	14,674	14,674	-	124,458	11.79
2017	12,871	12,871	-	112,408	11.45
2016	14,018	14,018	-	105,000	13.35
2015	3,870	3,870	-	28,269	13.69

* Estimated based on contribution rate of 9.56% and covered payroll of \$970,290.

** Estimated based on contribution rate of 10.46% and covered payroll of \$139,183.

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

(Continued)

Village of Sauk Village, Illinois
MULTIYEAR SCHEDULE OF CONTRIBUTIONS (Continued)
Illinois Municipal Retirement Fund
April 30, 2020

Valuation Date:

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

Methods and Assumptions Used to Determine the 2019 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 24-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 calculation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information: There were no benefit changes during the year.

Village of Sauk Village, Illinois
 Firefighters' Pension Fund
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
April 30, 2020

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2020	\$ 66,615	\$ 97,547	\$ 30,932	\$ -	N/A %
2019	49,221	9,885	(39,336)	-	N/A
2018	87,352	60,779	(26,573)	-	N/A
2017	78,378	10,508	(67,870)	-	N/A
2016	9,636	10,875	1,239	-	N/A

Notes to the Schedule:

Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Closed level percentage of payroll amortization of 90% of the Unfunded Actuarial Accrued Liability using a 0.00% payroll growth assumption over the period ending on April 30, 2040 (20-year amortization in 2020).
Asset valuation method	5 year smoothing of assets gains and losses
Inflation	2.50%
Salary increases	0.00% (no active members)
Investment rate of return	3.00%
Retirement rates	Recommended rates from 2017 ID01 experience study.
Ad-hoc Cost of living increases	3.0% (1.25% for those hired on or after January 1, 2011)
Mortality	Healthy - RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2019 applied from 2013. Disabled - 115% of RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2019 applied from 2013.
	20% of service deaths are assumed to be service related
Changes of assumptions	The discount rate changed from 3.35% as of April 30, 2019 to 2.92% as of April 30, 2020 measurement date.

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

Village of Sauk Village, Illinois

Firefighters' Pension Fund

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

April 30, 2020

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the total pension liability	51,159	48,693	63,891	65,052	61,760
Benefit changes	-	-	-	-	-
Difference between expected and actual experience of the total pension liability	(4,637)	14,485	(257,284)	(15,002)	(17,484)
Assumption changes	105,874	280,081	182,771	(34,480)	63,671
Benefit payments and refunds	(44,343)	(40,941)	(40,441)	(40,441)	(40,441)
Net change in total pension liability	108,053	302,318	(51,063)	(24,871)	67,506
Total pension liability, beginning	1,549,301	1,246,983	1,298,046	1,322,917	1,255,411
Total pension liability, ending	\$ <u>1,657,354</u>	\$ <u>1,549,301</u>	\$ <u>1,246,983</u>	\$ <u>1,298,046</u>	\$ <u>1,322,917</u>
Plan fiduciary net position					
Contributions, employer	\$ 97,547	\$ 9,885	\$ 60,779	\$ 10,508	\$ 10,875
Contributions, employees	-	-	-	-	-
Net investment income	(56)	318	175	2,709	7,911
Benefit payments, including refunds of employee contributions	(44,343)	(40,941)	(40,441)	(43,759)	(40,441)
Administrative expense	(4,100)	(11,239)	(8,038)	-	(9,203)
Net change in plan fiduciary net position	49,048	(41,977)	12,475	(30,542)	(30,858)
Plan fiduciary net position, beginning	30,110	72,087	59,612	90,154	121,012
Plan fiduciary net position, ending	\$ <u>79,158</u>	\$ <u>30,110</u>	\$ <u>72,087</u>	\$ <u>59,612</u>	\$ <u>90,154</u>
Net pension liability	\$ <u>1,578,196</u>	\$ <u>1,519,191</u>	\$ <u>1,174,896</u>	\$ <u>1,238,434</u>	\$ <u>1,232,763</u>
Plan fiduciary net position as a percentage of the total pension liability	4.78 %	1.94 %	5.78 %	4.59 %	6.81 %
Covered Valuation Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered valuation payroll	N/A	N/A	N/A	N/A %	N/A %

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

Village of Sauk Village, Illinois
Firefighters' Pension Fund
MULTIYEAR SCHEDULE OF INVESTMENT RETURNS
April 30, 2020

<u>Fiscal Year</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
2020	-0.11%
2019	1.68%
2018	(0.14%)
2017	0.90%
2016	7.78%
2015	1.58%

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

Village of Sauk Village, Illinois
 Police Pension Fund
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
April 30, 2020

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2020	\$ 807,565	\$ 261,793	\$ (545,772)	\$ 1,479,625	17.69 %
2019	762,491	187,519	(574,972)	1,253,265	14.96
2018	717,440	242,182	(475,258)	1,517,495	15.96
2017	658,646	196,548	(462,098)	1,472,212	13.35
2016	645,657	193,171	(452,486)	1,413,545	13.67
2015	645,657	186,532	(459,125)	1,458,307	12.79

Notes to the Schedule:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	21 years
Asset valuation method	Market Value
Inflation	2.50%
Salary increases	3.50% to 11.50%
Investment rate of return	6.75%, net of administrative expenses
Retirement age	50-70
Mortality	RP-2014 Mortality Table with a blue collar adjustment, with improvement Scale MP-2019 applied generationally from 2013. 10% of deaths are assumed to be in the line of duty.
Marital status	80% of participants are assumed to be married.
Changes of assumptions	The discount rate changed from 3.71% as of April 30, 2019 to 3.26% as of April 30, 2020 measurement date.

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

Village of Sauk Village, Illinois
 Police Pension Fund
 MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 April 30, 2020

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 735,137	\$ 366,204	\$ 355,225	\$ 401,564	\$ 398,595	\$ 484,011
Interest on the total pension liability	964,867	1,069,958	1,036,048	979,099	929,999	850,727
Change in benefit terms	78,120	-	-	-	-	-
Difference between expected and actual experience of the total pension liability	(79,100)	(527,719)	(332,418)	155,925	(1,036,326)	447,822
Assumption changes	2,155,553	9,583,307	73,895	(463,084)	988,079	-
Benefit payments and refunds	(720,795)	(688,661)	(594,039)	(576,054)	(529,838)	(686,461)
Net change in total pension liability	3,133,782	9,803,089	538,711	497,450	750,509	1,096,099
Total pension liability, beginning	25,632,447	15,829,358	15,290,647	14,793,197	14,042,688	12,946,589
Total pension liability, ending	<u>\$ 28,766,229</u>	<u>\$ 25,632,447</u>	<u>\$ 15,829,358</u>	<u>\$ 15,290,647</u>	<u>\$ 14,793,197</u>	<u>\$ 14,042,688</u>
Plan fiduciary net position						
Contributions, employer	\$ 261,793	\$ 187,519	\$ 242,182	\$ 196,548	\$ 193,171	\$ 186,532
Contributions, employee and other	145,444	143,231	137,393	154,763	141,687	154,297
Net investment income	97,984	326,048	255,797	304,862	(26,198)	235,980
Benefit payments, including refunds of employee contributions	(720,795)	(688,661)	(594,039)	(576,054)	(529,838)	(686,461)
Administrative expense	(20,897)	(21,700)	(18,679)	(33,822)	(51,475)	-
Other (net transfer)	-	132	15,000	-	-	(36,180)
Net change in plan fiduciary net position	(236,471)	(53,431)	37,654	46,297	(272,653)	(145,832)
Plan fiduciary net position, beginning	5,416,762	5,470,193	5,432,539	5,386,242	5,658,895	5,804,727
Plan fiduciary net position, ending	<u>\$ 5,180,291</u>	<u>\$ 5,416,762</u>	<u>\$ 5,470,193</u>	<u>\$ 5,432,539</u>	<u>\$ 5,386,242</u>	<u>\$ 5,658,895</u>
Net pension liability	<u>\$ 23,585,938</u>	<u>\$ 20,215,685</u>	<u>\$ 10,359,165</u>	<u>\$ 9,858,108</u>	<u>\$ 9,406,955</u>	<u>\$ 8,383,793</u>
Plan fiduciary net position as a percentage of the total pension liability	18.01 %	21.13 %	34.56 %	35.53 %	36.41 %	40.30 %
Covered Valuation Payroll	\$ 1,479,625	\$ 1,253,265	\$ 1,517,495	\$ 1,472,212	\$ 1,413,545	\$ 1,458,307
Net pension liability as a percentage of covered valuation payroll	1,594.05 %	1,613.04 %	682.65 %	669.61 %	665.49 %	574.90 %

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

Village of Sauk Village, Illinois
Police Pension Fund
MULTIYEAR SCHEDULE OF INVESTMENT RETURNS
April 30, 2020

<u>Fiscal Year</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
2020	1.87%
2019	6.19%
2018	5.56%
2017	6.11%
2016	-0.17%
2015	4.66%

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

Village of Sauk Village, Illinois

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

Retiree Health Plan

April 30, 2020

Fiscal year ended April 30,	<u>2020</u>	<u>2019</u>
Total OPEB liability		
Service cost	\$ 49,125	\$ 42,716
Interest on the total OPEB liability	58,723	63,834
Change in benefit terms	-	-
Difference between expected and actual experience of the total OPEB liability	-	-
Assumption changes	73,602	81,980
Benefit payments and refunds	(108,821)	(126,520)
Other changes	-	-
Net change in total OPEB liability	<u>72,629</u>	<u>62,010</u>
Total OPEB liability, beginning	1,883,794	1,821,784
Total OPEB liability, ending	<u>\$ 1,956,423</u>	<u>\$ 1,883,794</u>
Plan fiduciary net position		
Contributions, employer	\$ -	\$ -
Contributions, employee	-	-
Net investment income	-	-
Benefit payments, including refunds of employee contributions	-	-
Other (net transfer)	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>
Plan fiduciary net position, beginning	-	-
Plan fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	<u>\$ 1,956,423</u>	<u>\$ 1,883,794</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %
Covered Valuation Payroll	\$ 2,335,901 *	\$ 2,335,901
Net OPEB liability as a percentage of covered valuation payroll	83.75 %	80.65 %

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

* Most recent information available.

Village of Sauk Village, Illinois
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
 For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 2,493,606	\$ 1,517,604	\$ (976,002)
Licenses and permits	286,734	285,139	(1,595)
Charges for services	762,439	695,824	(66,615)
Intergovernmental	1,793,498	1,941,254	147,756
Fines and forfeitures	202,352	175,374	(26,978)
Investment income	22,900	46,842	23,942
Miscellaneous	157,000	194,455	37,455
Total revenues	5,718,529	4,856,492	(862,037)
Expenditures			
Current			
General government	2,178,714	2,208,292	29,578
Public safety	3,233,028	3,317,658	84,630
Public works	311,599	247,799	(63,800)
Debt service			
Principal	-	55,546	55,546
Interest	-	11,974	11,974
Capital outlay	5,053	15,459	10,406
Total expenditures	5,728,394	5,856,728	128,334
Deficiency of revenues over expenditures	(9,865)	(1,000,236)	(990,371)
Other financing sources (uses)			
Transfers in	805,778	562,876	(242,902)
Transfers out	(257,090)	(783,682)	(526,592)
Total other financing sources (uses)	548,688	(220,806)	(769,494)
Net change in fund balance (deficit)	\$ 538,823	(1,221,042)	\$ (1,759,865)
Fund balance (deficit)			
Beginning of year		848,528	
End of year		\$ (372,514)	

Village of Sauk Village, Illinois

Fire Protection Fund

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ -	\$ 399,325	\$ 399,325
Charges for services	-	26,844	26,844
Miscellaneous	-	2,320	2,320
Total revenues	-	428,489	428,489
Expenditures			
Current			
Public safety			
Regular wages	184,000	80,201	(103,799)
Part-time wages	-	200,335	200,335
Overtime	-	668	668
Fringe benefits	4,514	13,587	9,073
Pension contributions	75,000	97,547	22,547
Office supplies	8,500	3,439	(5,061)
Vehicle expense	25,059	13,027	(12,032)
Uniforms and clothing	-	7,659	7,659
Facility maintenance supplies	6,500	3,953	(2,547)
Operating supplies	700	2,088	1,388
Computer software supplies	-	2,373	2,373
Tools and equipment	60,000	39,288	(20,712)
Other materials and supplies	1,200	847	(353)
Telephone	5,000	543	(4,457)
Utilities	2,000	3,563	1,563
Postage	50	-	(50)
Equipment repair and maintenance	10,000	36,595	26,595
Vehicle repair and maintenance	12,000	22,205	10,205
Facility maintenance	55,000	4,687	(50,313)
Organization business expense	-	750	750
Professional development	-	2,823	2,823
Publications and memberships	800	540	(260)
Professional services	3,000	8,316	5,316

(Continued)

Village of Sauk Village, Illinois

Fire Protection Fund

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

For the Year Ended April 30, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (continued)			
Current (continued)			
Public safety (continued)			
Computer contractual services	\$ -	\$ 371	\$ 371
Intergovernmental services	-	3,000	3,000
Public information	-	634	634
Other rents and leases	-	59	59
Vehicles	-	3,854	3,854
Trust fees	3,000	-	(3,000)
Other contractual services	65,000	69,994	4,994
Professional services	-	4,500	4,500
Total public safety	<u>521,323</u>	<u>627,446</u>	<u>106,123</u>
Debt service			
Principal	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Total debt service	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Total expenditures	<u>538,823</u>	<u>644,946</u>	<u>106,123</u>
Deficiency of revenues over expenditures	<u>(538,823)</u>	<u>(216,457)</u>	<u>322,366</u>
Other financing uses			
Transfer out	<u>-</u>	<u>(246,188)</u>	<u>(246,188)</u>
Total other financing uses	<u>-</u>	<u>(246,188)</u>	<u>(246,188)</u>
Net change in fund balance (deficit)	<u>\$ (538,823)</u>	<u>(462,645)</u>	<u>\$ 76,178</u>
Fund balance (deficit)			
Beginning of year		<u>47,001</u>	
End of year		<u>\$ (415,644)</u>	

(Concluded)

Village of Sauk Village, Illinois
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2020

NOTE A - BUDGETARY DATA

The Village prepares its budget ordinance in accordance with generally accepted accounting principles. Budgets were adopted for the General Fund, Fire Protection Fund, Debt Service Fund, Sauk Pointe Industrial Park Fund, LogistiCenter at Sauk Village Fund, Waterworks Fund, Sewerage Fund, Motor Fuel Tax Fund, Police Seizure Fund, Working Cash Fund, Sauk Village Housing Commission Fund, Utility Tax Fund, Community Development Block Grant Fund, and the SurreyBrook Plaza Fund. Annual budgets lapse at year-end. The Village did not prepare a budget for fiscal year 2020 for the Sauk Plaza Redevelopment Plan Fund, the Emergency Telephone System Fund, the Railroad Noise Mitigation Fund, and the Municipal Building Fund.

1. Within ninety days of the start of the fiscal period, the annual budget ordinance is presented for adoption by the Village Board. This ordinance budgets 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 budgets are made and the amount budgeted for each.
2. Prior to the adoption of the budget 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 budget ordinance, the Village Board may revise, alter, increase, or decrease the items contained therein.
4. Final action to adopt the budget, for the year ended April 30, 2020, was taken by the Village Board on November 12, 2019.
5. The Board may subsequently transfer budgeted amounts to other appropriations, but may not increase overall budget of an individual fund without the passage of a supplemental budget.
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/expenses over budgets for the year ended April 30, 2020:

<u>Funds</u>	<u>Variance</u>
General	\$ 128,334
Fire Protection	105,415
Debt Service	18,759,246
LogistiCenter at Sauk Village	207,324
Motor Fuel Tax	165,782
SurreyBrook Plaza	145,326
Waterworks	175,092

OTHER SUPPLEMENTARY INFORMATION

Village of Sauk Village, Illinois
 General Fund
 SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 2,493,606	\$ 1,517,604	\$ (976,002)
Licenses and permits			
Business licenses	56,848	48,076	(8,772)
Liquor licenses	12,597	13,875	1,278
Vending machine licenses	1,910	48,307	46,397
Video gaming licenses	40,000	4,941	(35,059)
Vehicle licenses	82,087	70,174	(11,913)
Animal licenses	948	685	(263)
Building permits	63,618	64,531	913
Other permits and licenses	3,888	3,725	(163)
Building occupation and inspection	24,838	30,825	5,987
Total licenses and permits	286,734	285,139	(1,595)
Charges for services			
Utility tax	595,000	478,085	(116,915)
Cable TV franchise fees	98,948	92,594	(6,354)
Police reports	1,051	875	(176)
Garbage collection fee	26,654	22,219	(4,435)
Rental income	37,149	37,920	771
Pull tabs and jar games tax	1,500	6,606	5,106
Other	2,137	57,525	55,388
Total charges for services	762,439	695,824	(66,615)

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues (Continued)			
Intergovernmental			
Replacement taxes	\$ 31,930	\$ 39,833	\$ 7,903
State income taxes	1,355,915	1,033,356	(322,559)
Sales and use taxes	287,653	700,728	413,075
Cannabis tax	-	1,719	1,719
Excise tax	110,000	99,662	(10,338)
Other state grants	-	4,893	4,893
Parks and playground grant	-	4,750	4,750
Other	8,000	56,313	48,313
Total intergovernmental	<u>1,793,498</u>	<u>1,941,254</u>	<u>147,756</u>
Fines and forfeitures			
Police fines	98,171	121,764	23,593
Tow release fines	79,109	52,700	(26,409)
State Comptroller - Debt Recovery	25,000	-	(25,000)
Other fees	72	910	838
Total fines and forfeitures	<u>202,352</u>	<u>175,374</u>	<u>(26,978)</u>
Investment income	<u>22,900</u>	<u>46,842</u>	<u>23,942</u>
Miscellaneous	<u>157,000</u>	<u>194,455</u>	<u>37,455</u>
Total revenues	<u>\$ 5,718,529</u>	<u>\$ 4,856,492</u>	<u>\$ (862,037)</u>

(Concluded)

Village of Sauk Village, Illinois
 General Fund
 SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
 For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures			
General government			
Finance and administration			
Regular employee wages	\$ 330,555	\$ 366,409	\$ 35,854
Part time employee wages	115,870	61,819	(54,051)
Fringe benefits	170,538	138,702	(31,836)
Office supplies	9,600	42,907	33,307
Vehicle expense	2,990	2,829	(161)
Uniforms and clothing	-	431	431
Computer software supplies	11,016	-	(11,016)
Telephone	17,400	82,162	64,762
Postage	3,008	2,059	(949)
Insurance	27,300	13,326	(13,974)
Printing	5,067	2,186	(2,881)
Equipment repair and maintenance	1,405	5,281	3,876
Vehicle repair and maintenance	855	-	(855)
Facility maintenance	20,000	61,003	41,003
Professional development	-	956	956
Professional services	-	110,963	110,963
Computer contractual services	95,000	34,398	(60,602)
Senior Citizens committee	-	150	150
Other contractual services	130,926	154,431	23,505
Banking Fees	-	15,974	15,974
Refunds	53,750	1,103	(52,647)
Capital outlay	5,053	2,026	(3,027)
Total finance and administration	<u>1,000,333</u>	<u>1,099,115</u>	<u>98,782</u>
Municipal audit			
Professional services	<u>115,000</u>	<u>33,130</u>	<u>(81,870)</u>
Liability insurance			
Insurance	<u>648,000</u>	<u>665,857</u>	<u>17,857</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (Continued)			
General government (Continued)			
Legal			
Professional services	\$ 275,000	\$ 262,639	\$ (12,361)
Other contractual services	-	500	500
	<u>275,000</u>	<u>263,139</u>	<u>(11,861)</u>
Total legal			
	<u>275,000</u>	<u>263,139</u>	<u>(11,861)</u>
Elected officials			
Public official wages	88,000	91,878	3,878
Fringe benefits	6,732	6,748	16
Other materials and supplies	-	656	656
Printing	3,000	2,166	(834)
Publications and memberships	18,300	22,072	3,772
Professional services	21,302	246	(21,056)
Public information	4,000	1,031	(2,969)
Fire and police commission	1,600	5,455	3,855
Committees	1,500	1,811	311
Other contractual services	1,000	-	(1,000)
	<u>145,434</u>	<u>132,063</u>	<u>(13,371)</u>
Total elected officials			
	<u>145,434</u>	<u>132,063</u>	<u>(13,371)</u>
Community development			
Fringe benefits	-	8,778	8,778
Vehicles	-	2,692	2,692
Professional services	-	1,204	1,204
Postage	-	4,340	4,340
	<u>-</u>	<u>17,014</u>	<u>17,014</u>
Total community development			
	<u>-</u>	<u>17,014</u>	<u>17,014</u>
Total general government			
	<u>2,183,767</u>	<u>2,210,318</u>	<u>26,551</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2020

Expenditures (Continued)	Original and Final Budget	Actual	Variance Over / (Under)
Public safety			
Police department			
Employee wages	\$ 1,584,565	\$ 1,764,466	\$ 179,901
Part-time wages	-	19,853	19,853
Overtime	240,000	258,423	18,423
Fringe benefits	591,236	464,528	(126,708)
Commission	-	766	766
Pension contributions	235,000	261,793	26,793
Office supplies	1,000	4,230	3,230
Vehicle expense	55,000	66,784	11,784
Uniforms and clothing	22,100	22,876	776
Facility maintenance supplies	-	32,422	32,422
Operating supplies	17,500	1,225	(16,275)
Computer software supplies	11,000	-	(11,000)
Tools and equipment	5,000	890	(4,110)
Telephone	55,000	62,761	7,761
Utilities	-	59	59
Postage	1,000	-	(1,000)
Insurance	1,000	-	(1,000)
K-9	8,200	1,690	(6,510)
Printing	2,700	2,071	(629)
Equipment repair and maintenance	8,000	1,081	(6,919)
Vehicle repair and maintenance	22,500	25,308	2,808
Facility maintenance	3,000	1,936	(1,064)
Organization business expense	3,000	6,217	3,217
Professional development	6,800	9,607	2,807
Academy training	5,000	2,238	(2,762)
Publications and memberships	6,300	8,361	2,061
Professional services	35,000	27,917	(7,083)
Computer contractual services	-	12	12
Public information	300	-	(300)
Other rents and leases	30,000	19,128	(10,872)
Other contractual services	252,000	243,452	(8,548)
Total police department	3,202,201	3,310,094	107,893

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
	<u> </u>	<u> </u>	<u> </u>
Expenditures (Continued)			
Public safety (Continued)			
Emergency Service and Disaster Agency			
Part-time wages	\$ 18,000	\$ 2,574	\$ (15,426)
Fringe benefits	1,377	2,176	799
Vehicle expense	4,000	1,210	(2,790)
Uniforms and clothing	500	-	(500)
Operating supplies	250	-	(250)
Telephone	500	285	(215)
Equipment repair and maintenance	500	-	(500)
Vehicle repair and maintenance	1,500	1,119	(381)
Organization business expense	200	200	-
Professional development	1,000	-	(1,000)
Professional services	3,000	-	(3,000)
	<u> </u>	<u> </u>	<u> </u>
Total Emergency Service and Disaster Agency	<u>30,827</u>	<u>7,564</u>	<u>(23,263)</u>
Total public safety	<u>3,233,028</u>	<u>3,317,658</u>	<u>84,630</u>

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
Public works			
Public grounds and buildings			
Vehicle expense	\$ 17,000	\$ 11,731	\$ (5,269)
Facility maintenance supplies	7,600	16,566	8,966
Operating supplies	100	6	(94)
Computer software supplies	-	816	816
Tools and equipment	500	4,550	4,050
Construction supplies	3,000	3,245	245
Telephone	1,000	-	(1,000)
Utilities	11,800	9,209	(2,591)
Postage	-	1,000	1,000
Equipment repair and maintenance	3,301	14,626	11,325
Vehicle repair and maintenance	2,000	30	(1,970)
Facility maintenance	45,000	26,428	(18,572)
Professional services	27,522	24,654	(2,868)
Other contractual services	3,500	4,496	996
Major tools and work equipment	-	13,433	13,433
	<u>122,323</u>	<u>130,790</u>	<u>8,467</u>
Total public grounds and buildings			
Streets			
Vehicle expense	10,200	13,826	3,626
Vehicle repair and maintenance	-	18	18
Other rents and leases	40,461	-	(40,461)
	<u>50,661</u>	<u>13,844</u>	<u>(36,817)</u>
Total streets			

(Continued)

Village of Sauk Village, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)			
Public works (Continued)			
Parks and playgrounds			
Employee wages	\$ 10,000	\$ -	\$ (10,000)
Fringe benefits	765	-	(765)
Operating supplies	2,500	5,826	3,326
Other materials and supplies	-	705	705
Telephone	350	949	599
Community events	-	2,809	2,809
Other contractual services	20,000	-	(20,000)
OSLAD grant expenditures	105,000	106,309	1,309
Total parks and playgrounds	138,615	116,598	(22,017)
Total public works	311,599	261,232	(50,367)
Debt service			
Principal	-	55,546	55,546
Interest	-	11,974	11,974
Total debt service	-	67,520	67,520
Total expenditures	\$ 5,728,394	\$ 5,856,728	\$ 128,334

(Concluded)

Village of Sauk Village, Illinois

Debt Service Fund

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Investment income	\$ -	\$ 246,651	\$ 246,651
Total revenues	<u>-</u>	<u>246,651</u>	<u>246,651</u>
Expenditures			
Current			
General government	-	702,917	702,917
Debt service			
Principal	2,318,607	20,300,000	17,981,393
Interest and fiscal charges	<u>1,169,055</u>	<u>1,243,991</u>	<u>74,936</u>
Total expenditures	<u>3,487,662</u>	<u>22,246,908</u>	<u>18,759,246</u>
Deficiency of revenues over expenditures	<u>(3,487,662)</u>	<u>(22,000,257)</u>	<u>(18,512,595)</u>
Other financing sources (uses)			
Debt issuance	-	16,670,000	16,670,000
Premiums on debt issuance	-	1,726,810	1,726,810
Transfers in	-	4,847,677	4,847,677
Transfers out	<u>-</u>	<u>(70)</u>	<u>(70)</u>
Total other financing sources (uses)	<u>-</u>	<u>23,244,417</u>	<u>23,244,417</u>
Net change in fund balance	\$ <u>(3,487,662)</u>	1,244,160	\$ <u>4,731,822</u>
Fund balance			
Beginning of year		<u>9,297,826</u>	
End of year		\$ <u>10,541,986</u>	

Village of Sauk Village, Illinois
 Sauk Pointe Industrial Park Fund
 SCHEDULE OF REVENUES AND CHANGES IN
 FUND DEFICIT - BUDGET AND ACTUAL
For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 1,095,000	\$ 889,921	\$ (205,079)
Investment income	-	1,688	1,688
Total revenues	<u>1,095,000</u>	<u>891,609</u>	<u>(203,391)</u>
Other financing uses			
Transfers out	-	(889,337)	(889,337)
Total other financing uses	<u>-</u>	<u>(889,337)</u>	<u>(889,337)</u>
Net change in fund deficit	<u>\$ 1,095,000</u>	2,272	<u>\$ (1,092,728)</u>
Fund deficit			
Beginning of year		<u>(188,299)</u>	
End of year		<u>\$ (186,027)</u>	

Village of Sauk Village, Illinois

LogistiCenter at Sauk Village Fund

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 3,300,000	\$ 3,416,478	\$ 116,478
Investment income	2,600	27,921	25,321
Total revenues	<u>3,302,600</u>	<u>3,444,399</u>	<u>141,799</u>
Expenditures			
Current			
General government	<u>96,741</u>	<u>304,065</u>	<u>207,324</u>
Total expenditures	<u>96,741</u>	<u>304,065</u>	<u>207,324</u>
Excess of revenues over expenditures	<u>3,205,859</u>	<u>3,140,334</u>	<u>(65,525)</u>
Other financing sources (uses)			
Debt issuance	-	2,500,000	2,500,000
Premiums on debt issuance	-	226,153	226,153
Transfers in	-	9,616	9,616
Transfers out	<u>(250,000)</u>	<u>(3,103,341)</u>	<u>(2,853,341)</u>
Total other financing sources (uses)	<u>(250,000)</u>	<u>(367,572)</u>	<u>(117,572)</u>
Net change in fund balance	\$ <u>2,955,859</u>	2,772,762	\$ <u>(183,097)</u>
Fund balance			
Beginning of year		<u>1,604,800</u>	
End of year		\$ <u>4,377,562</u>	

Village of Sauk Village, Illinois

Nonmajor Governmental Funds
COMBINING BALANCE SHEET
April 30, 2020

	Special Revenue Funds			
	Motor Fuel Tax	Emergency Telephone System	Police Seizure	Working Cash
ASSETS				
Cash and cash equivalents	\$ 71,965	\$ 2,700	\$ 237,614	\$ -
Receivables, net of allowances				
Property taxes	-	-	-	237
Intergovernmental	31,160	-	-	-
Other	-	-	-	-
Deposits with paying agent	-	19,845	-	409
 Total assets	 \$ 103,125	 \$ 22,545	 \$ 237,614	 \$ 646
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 61,771	\$ -	\$ -	\$ -
Advances from other funds	174,803	-	-	-
 Total liabilities	 236,574	 -	 -	 -
Fund balance (deficit)				
Nonspendable				
Deposits with paying agent	-	19,845	-	409
Restricted				
Special revenue	-	2,700	237,614	237
Capital projects	-	-	-	-
Unassigned	(133,449)	-	-	-
 Total fund balance (deficit)	 (133,449)	 22,545	 237,614	 646
 Total liabilities, deferred inflows, and fund balances (deficit)	 \$ 103,125	 \$ 22,545	 \$ 237,614	 \$ 646

(Continued)

Special Revenue Funds			Capital Projects Funds		
Railroad Noise Mitigation	Sauk Village Housing Commission	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ 142,468	\$ -	\$ 454,747	\$ 899,637	\$ 347,500	\$ 31,419
-	-	-	-	-	-
-	-	237	-	-	-
-	-	31,160	-	-	-
-	-	-	5,614	-	-
-	-	20,254	-	-	-
<u>\$ 142,468</u>	<u>\$ -</u>	<u>\$ 506,398</u>	<u>\$ 905,251</u>	<u>\$ 347,500</u>	<u>\$ 31,419</u>
\$ -	\$ -	\$ 61,771	\$ -	\$ -	\$ -
-	48,752	223,555	-	-	-
-	48,752	285,326	-	-	-
-	-	20,254	-	-	-
142,468	-	383,019	-	-	-
-	-	-	905,251	347,500	31,419
-	(48,752)	(182,201)	-	-	-
<u>142,468</u>	<u>(48,752)</u>	<u>221,072</u>	<u>905,251</u>	<u>347,500</u>	<u>31,419</u>
<u>\$ 142,468</u>	<u>\$ -</u>	<u>\$ 506,398</u>	<u>\$ 905,251</u>	<u>\$ 347,500</u>	<u>\$ 31,419</u>

(Continued)

Village of Sauk Village, Illinois
 Nonmajor Governmental Funds
 COMBINING BALANCE SHEET (Continued)
April 30, 2020

	<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	\$ 557,669	\$ -	\$ 1,836,225	\$ 2,290,972
Receivables, net of allowances				
Property taxes	-	-	-	237
Intergovernmental	-	-	-	31,160
Other	-	-	5,614	5,614
Deposits with paying agent	-	-	-	20,254
 Total assets	 <u>\$ 557,669</u>	 <u>\$ -</u>	 <u>\$ 1,841,839</u>	 <u>\$ 2,348,237</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 97,477	\$ -	\$ 97,477	\$ 159,248
Advances from other funds	-	13,043	13,043	236,598
 Total liabilities	 <u>97,477</u>	 <u>13,043</u>	 <u>110,520</u>	 <u>395,846</u>
 Fund balance (deficit)				
Nonspendable				
Deposits with paying agent	-	-	-	20,254
Restricted				
Special revenue	-	-	-	383,019
Capital projects	460,192	-	1,744,362	1,744,362
Unassigned	-	(13,043)	(13,043)	(195,244)
 Total fund balance (deficit)	 <u>460,192</u>	 <u>(13,043)</u>	 <u>1,731,319</u>	 <u>1,952,391</u>
 Total liabilities, deferred inflows, and fund balances (deficit)	 <u>\$ 557,669</u>	 <u>\$ -</u>	 <u>\$ 1,841,839</u>	 <u>\$ 2,348,237</u>

(Concluded)

Village of Sauk Village, Illinois

Nonmajor Governmental Funds

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

For the Year Ended April 30, 2020

	Special Revenue Funds			
	Motor Fuel Tax	Emergency Telephone System	Police Seizure	Working Cash
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 33,194
Utility taxes	-	-	-	-
Intergovernmental	387,689	-	89,775	-
Investment income	1,667	-	2,459	739
	389,356	-	92,234	33,933
Total revenues				
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	107	-	-
Public works	465,782	-	-	-
	465,782	107	-	-
Total expenditures				
Excess (deficiency) of revenues over expenditures	(76,426)	(107)	92,234	33,933
Other financing sources (uses)				
Transfers in	-	48,152	38,326	4,441
Transfers out	-	-	(14,407)	(621,899)
	-	48,152	23,919	(617,458)
Total other financing sources (uses)				
Net change in fund balance (deficit)	(76,426)	48,045	116,153	(583,525)
Fund balance (deficit)				
Beginning of year	(57,023)	(25,500)	121,461	584,171
End of year	\$ (133,449)	\$ 22,545	\$ 237,614	\$ 646

(Continued)

Special Revenue Funds			Capital Projects Funds		
Railroad Noise Mitigation	Sauk Village Housing Commission	Total Special Revenue	Utility Tax	Community Development Block Grant	Sauk Plaza Redevelopment Plan
\$ -	\$ -	\$ 33,194	\$ -	\$ -	\$ -
-	-	-	122,450	-	-
202	-	477,666	-	122,500	-
454	125	5,444	-	-	-
<u>656</u>	<u>125</u>	<u>516,304</u>	<u>122,450</u>	<u>122,500</u>	<u>-</u>
-	55,700	55,700	-	-	-
-	-	107	-	-	-
-	-	465,782	-	-	-
<u>-</u>	<u>55,700</u>	<u>521,589</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>656</u>	<u>(55,575)</u>	<u>(5,285)</u>	<u>122,450</u>	<u>122,500</u>	<u>-</u>
243,872	-	334,791	-	-	-
-	-	(636,306)	(86,420)	-	-
<u>243,872</u>	<u>-</u>	<u>(301,515)</u>	<u>(86,420)</u>	<u>-</u>	<u>-</u>
244,528	(55,575)	(306,800)	36,030	122,500	-
<u>(102,060)</u>	<u>6,823</u>	<u>527,872</u>	<u>869,221</u>	<u>225,000</u>	<u>31,419</u>
<u>\$ 142,468</u>	<u>\$ (48,752)</u>	<u>\$ 221,072</u>	<u>\$ 905,251</u>	<u>\$ 347,500</u>	<u>\$ 31,419</u>

(Continued)

Village of Sauk Village, Illinois

Nonmajor Governmental Funds

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

For the Year Ended April 30, 2020

	Capital Projects Funds			Total Nonmajor Governmental Funds
	SurreyBrook Plaza	Municipal Building	Total Capital Projects	
Revenues				
Property taxes	\$ 29,992	\$ -	\$ 29,992	\$ 63,186
Utility taxes	-	-	122,450	122,450
Intergovernmental	-	-	122,500	600,166
Investment income	9,340	-	9,340	14,784
	39,332	-	284,282	800,586
Total revenues				
Expenditures				
Current				
General government	145,326	-	145,326	201,026
Public safety	-	-	-	107
Public works	-	-	-	465,782
	145,326	-	145,326	666,915
Total expenditures				
Excess (deficiency) of revenues over expenditures	(105,994)	-	138,956	133,671
Other financing sources (uses)				
Transfers in	-	-	-	334,791
Transfers out	(9,616)	-	(96,036)	(732,342)
	(9,616)	-	(96,036)	(397,551)
Total other financing sources (uses)				
Net change in fund balance (deficit)	(115,610)	-	42,920	(263,880)
Fund balance (deficit)				
Beginning of year	575,802	(13,043)	1,688,399	2,216,271
End of year	\$ 460,192	\$ (13,043)	\$ 1,731,319	\$ 1,952,391

(Concluded)

Village of Sauk Village, Illinois

Motor Fuel Tax Fund

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Intergovernmental	\$ 300,000	\$ 387,689	\$ 87,689
Investment income	2,500	1,667	(833)
Total revenues	<u>302,500</u>	<u>389,356</u>	<u>86,856</u>
Expenditures			
Current			
Public works			
Operating supplies	-	29,334	29,334
Construction supplies	-	15,795	15,795
Utilities	-	33,489	33,489
Equipment repair and maintenance	-	15,761	15,761
Professional services	300,000	143,189	(156,811)
Contractual services	-	50	50
Construction	-	228,164	228,164
Total public works	<u>300,000</u>	<u>465,782</u>	<u>165,782</u>
Total expenditures	<u>300,000</u>	<u>465,782</u>	<u>165,782</u>
Excess (deficiency) of revenues over expenditures	\$ <u>2,500</u>	(76,426)	\$ <u>(78,926)</u>
Fund deficit			
Beginning of year		<u>(57,023)</u>	
End of year		\$ <u>(133,449)</u>	

Village of Sauk Village, Illinois

Police Seizure Fund

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Seizures	\$ 50,000	\$ 89,775	\$ 39,775
Investment income	-	2,459	2,459
Total revenues	<u>50,000</u>	<u>92,234</u>	<u>42,234</u>
Expenditures			
Current			
Public safety			
Contingency	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
Total expenditures	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
Excess of revenues over expenditures	<u>15,000</u>	<u>92,234</u>	<u>77,234</u>
Other financing sources (uses)			
Transfer in	-	38,326	38,326
Transfer out	<u>-</u>	<u>(14,407)</u>	<u>(14,407)</u>
Total other financing sources (uses)	<u>-</u>	<u>23,919</u>	<u>23,919</u>
Net change in fund balance	\$ <u><u>15,000</u></u>	116,153	\$ <u><u>101,153</u></u>
Fund balance			
Beginning of year		<u>121,461</u>	
End of year		\$ <u><u>237,614</u></u>	

Village of Sauk Village, Illinois

Working Cash Fund

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 73,363	\$ 33,194	\$ (40,169)
Investment income	250	739	489
Total revenues	<u>73,613</u>	<u>33,933</u>	<u>(39,680)</u>
Other financing sources (uses)			
Transfer in	-	4,441	4,441
Transfer out	-	(621,899)	(621,899)
Total other financing sources (uses)	<u>-</u>	<u>(617,458)</u>	<u>(617,458)</u>
Net change in fund balance	\$ <u><u>73,613</u></u>	(583,525)	\$ <u><u>(657,138)</u></u>
Fund balance			
Beginning of year		<u>584,171</u>	
End of year		\$ <u><u>646</u></u>	

Village of Sauk Village, Illinois

Sauk Village Housing Commission Fund

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Intergovernmental	\$ 75,000	\$ -	\$ (75,000)
Investment income	<u>-</u>	<u>125</u>	<u>125</u>
Total revenues	<u>75,000</u>	<u>125</u>	<u>(74,875)</u>
Expenditures			
Current			
General government			
Professional services	<u>75,000</u>	<u>55,700</u>	<u>(19,300)</u>
Total expenditures	<u>75,000</u>	<u>55,700</u>	<u>(19,300)</u>
Deficiency of revenues over expenditures	<u>\$ -</u>	<u>(55,575)</u>	<u>\$ (55,575)</u>
Fund balance (deficit)			
Beginning of year		<u>6,823</u>	
End of year		<u>\$ (48,752)</u>	

Village of Sauk Village, Illinois

Utility Tax Fund

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Utility taxes	\$ 115,084	\$ 122,450	\$ 7,366
Total revenues	<u>115,084</u>	<u>122,450</u>	<u>7,366</u>
Expenditures			
Current			
General government			
Trust fees	<u>4,500</u>	<u>-</u>	<u>(4,500)</u>
Total expenditures	<u>4,500</u>	<u>-</u>	<u>(4,500)</u>
Excess of revenues over expenditures	<u>110,584</u>	<u>122,450</u>	<u>11,866</u>
Other financing uses			
Transfer out	<u>(35,000)</u>	<u>(86,420)</u>	<u>(51,420)</u>
Net change in fund balance	<u>\$ 75,584</u>	36,030	<u>\$ (39,554)</u>
Fund balance			
Beginning of year		<u>869,221</u>	
End of year		<u>\$ 905,251</u>	

Village of Sauk Village, Illinois
Community Development Block Grant Fund
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Intergovernmental	\$ 225,000	\$ 122,500	\$ (102,500)
Expenditures			
General government	225,000	-	(225,000)
Excess of revenues over expenditures	\$ -	122,500	\$ 122,500
Fund balance			
Beginning of year		225,000	
End of year		\$ 347,500	

Village of Sauk Village, Illinois
 SurreyBrook Plaza Fund
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Revenues			
Property taxes	\$ 105,000	\$ 29,992	\$ (75,008)
Investment income	-	9,340	9,340
Total revenues	105,000	39,332	(65,668)
Expenditures			
General government			
Professional services	-	145,326	145,326
Total expenditures	-	145,326	145,326
Excess (deficiency) of revenues over expenditures	105,000	(105,994)	(210,994)
Other financing uses			
Transfer out	(15,000)	(9,616)	5,384
Total other financing uses	(15,000)	(9,616)	5,384
Net change in fund balance	\$ <u>90,000</u>	(115,610)	\$ <u>(205,610)</u>
Fund balance			
Beginning of year		<u>575,802</u>	
End of year		\$ <u>460,192</u>	

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED OPERATING REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ 1,423,380	\$ 1,398,955	\$ (24,425)
Meter sales	16,000	13,615	(2,385)
Investment income	2	24,376	24,374
Miscellaneous	-	992	992
	<u> </u>	<u> </u>	<u> </u>
Total operating revenues	\$ <u>1,439,382</u>	\$ <u>1,437,938</u>	\$ <u>(1,444)</u>

Village of Sauk Village, Illinois

Waterworks Fund

SCHEDULE OF DETAILED OPERATING EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Operating expenses			
Salaries			
Regular wages	\$ 348,944	\$ 434,492	\$ 85,548
Part time wages	-	21,860	21,860
Overtime	30,000	27,088	(2,912)
Total salaries	<u>378,944</u>	<u>483,440</u>	<u>104,496</u>
Fringe benefits	<u>169,314</u>	<u>65,191</u>	<u>(104,123)</u>
Supplies, fees and services			
Office supplies	500	571	71
Vehicle expense	15,000	22,915	7,915
Uniforms and clothing	4,000	1,123	(2,877)
Facility maintenance supplies	-	287	287
Operating supplies	40,000	111,997	71,997
Computer software supplies	5,939	312	(5,627)
Tools and equipment	5,000	3,394	(1,606)
Construction supplies	63,405	60,054	(3,351)
Telephone	5,000	3,134	(1,866)
Utilities	65,000	85,353	20,353
Postage	3,000	7,370	4,370
Printing	441	445	4
Professional development	1,000	-	(1,000)
Publications and memberships	100	235	135
Professional services	46,426	33,374	(13,052)
Computer contractual services	10,000	3,139	(6,861)
Intergovernmental services	1,035	3,663	2,628
Other rents and leases	417	261	(156)
Other contractual services	5,000	3,675	(1,325)
Major tools and work equipment	70,684	3,825	(66,859)
Vehicles	54,801	-	(54,801)
Total supplies, fees and services	<u>396,748</u>	<u>345,127</u>	<u>(51,621)</u>

(Continued)

Village of Sauk Village, Illinois

Waterworks Fund

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 58,000	\$ 27,999	\$ (30,001)
Vehicle repair and maintenance	18,000	13,578	(4,422)
Facility repair and maintenance	<u>4,547</u>	<u>9,464</u>	<u>4,917</u>
Total repairs and maintenance	<u>80,547</u>	<u>51,041</u>	<u>(29,506)</u>
Capital outlay			
Construction	<u>270,495</u>	<u>139,530</u>	<u>(130,965)</u>
Total capital outlay	<u>270,495</u>	<u>139,530</u>	<u>(130,965)</u>
Total operating expenses before depreciation	<u>1,296,048</u>	<u>1,084,329</u>	<u>(211,719)</u>
Depreciation	<u>-</u>	<u>386,811</u>	<u>386,811</u>
Total operating expenses	<u>\$ 1,296,048</u>	<u>\$ 1,471,140</u>	<u>\$ 175,092</u>

(Concluded)

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED OPERATING REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Operating revenues			
Charges for services	\$ 929,869	\$ 943,681	\$ 13,812
Miscellaneous	<u>2</u>	<u>-</u>	<u>(2)</u>
Total operating revenues	<u>\$ 929,871</u>	<u>\$ 943,681</u>	<u>\$ 13,810</u>

Village of Sauk Village, Illinois

Sewerage Fund

SCHEDULE OF DETAILED OPERATING EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses			
Salaries			
Regular wages	\$ 294,125	\$ 203,725	\$ (90,400)
Part-time wages	25,644	19,989	(5,655)
Overtime	30,000	14,031	(15,969)
Total salaries	349,769	237,745	(112,024)
Fringe benefits	123,802	91,605	(32,197)
Supplies, fees and services			
Office supplies	500	-	(500)
Vehicle expense	5,000	5,191	191
Uniforms and clothing	4,000	1,028	(2,972)
Operating supplies	500	558	58
Computer software supplies	500	-	(500)
Tools and equipment	1,500	-	(1,500)
Construction supplies	2,000	2,638	638
Telephone	2,200	634	(1,566)
Postage	4,000	-	(4,000)
Printing	3,000	-	(3,000)
Professional services	84,000	72,394	(11,606)
Computer contractual services	2,500	1,725	(775)
Other contractual services	65,000	1,191	(63,809)
Construction	-	7,618	7,618
Total supplies, fees and services	174,700	92,977	(81,723)

(Continued)

Village of Sauk Village, Illinois

Sewerage Fund

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over / (Under)
Operating expenses (continued)			
Repairs and maintenance			
Equipment repair and maintenance	\$ 13,000	\$ 16,260	\$ 3,260
Vehicle repair and maintenance	<u>3,000</u>	<u>9,921</u>	<u>6,921</u>
Total repairs and maintenance	<u>16,000</u>	<u>26,181</u>	<u>10,181</u>
Total operating expenses before depreciation	<u>664,271</u>	<u>448,508</u>	<u>(215,763)</u>
Depreciation	<u>-</u>	<u>29,842</u>	<u>29,842</u>
Total operating expenses	<u>\$ 664,271</u>	<u>\$ 478,350</u>	<u>\$ (185,921)</u>

(Concluded)

Village of Sauk Village, Illinois
Pension Trust Funds
COMBINING STATEMENT OF NET POSITION
April 30, 2020

	Police Pension Fund	Firefighters' Pension Fund	Total
ASSETS			
Cash and cash equivalents	\$ 332,715	\$ 76,191	\$ 408,906
Investments	4,810,614	2,967	4,813,581
Accrued interest	17,591	-	17,591
Other receivable	19,670	-	19,670
	5,180,590	79,158	5,259,748
LIABILITIES			
Payroll liabilities	300	-	300
NET POSITION			
Held in trust for pension benefits	\$ 5,180,290	\$ 79,158	\$ 5,259,448

Village of Sauk Village, Illinois
Pension Trust Funds
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
For the Year Ended April 30, 2020

	Police Pension Fund	Firefighters' Pension Fund	Total
ADDITIONS			
Contributions			
Employer	\$ 261,793	\$ 97,547	\$ 359,340
Members and other	145,794	-	145,794
Total contributions	<u>407,587</u>	<u>97,547</u>	<u>505,134</u>
Investment income	120,139	118	120,257
Investment expenses	<u>(22,505)</u>	<u>-</u>	<u>(22,505)</u>
Net investment earnings	<u>97,634</u>	<u>118</u>	<u>97,752</u>
Total additions	<u>505,221</u>	<u>97,665</u>	<u>602,886</u>
DEDUCTIONS			
Benefit payments	638,597	44,343	682,940
Transfer of member balance	82,198	-	82,198
Administrative expense	<u>20,898</u>	<u>4,273</u>	<u>25,171</u>
Total deductions	<u>741,693</u>	<u>48,616</u>	<u>790,309</u>
CHANGE IN NET POSITION	(236,472)	49,049	(187,423)
PLAN NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Beginning of year	<u>5,416,762</u>	<u>30,109</u>	<u>5,446,871</u>
End of year	<u>\$ 5,180,290</u>	<u>\$ 79,158</u>	<u>\$ 5,259,448</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 General Obligation Capital Appreciation Bonds (Tax Increment Alternate Revenue Source) Series 2002B
April 30, 2020

Dated:	June 27, 2002
Original Issue:	\$4,999,356
Due:	June 1, 2022
Interest Rates:	5.85% - 5.95%

Year Ending April 30,	Principal
2021	\$ 1,315,000
2022	1,405,000
2023	1,460,000
	\$ 4,180,000 *

* Includes interest accretion through the bond maturity date

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation (Alternate Revenue) Bonds Series 2007B
April 30, 2020

Dated:	June 6, 2007
Original Issue:	\$1,405,000
Due:	December 1, 2027
Interest Payment Dates:	June 1 and December 1
Interest Rates:	4.15% - 5.00%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 855,000</u>	<u>\$ 202,052</u>	<u>\$ 1,057,052</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation (Alternate Revenue) Bonds Series 2007C
April 30, 2020

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

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 495,000</u>	<u>\$ 121,050</u>	<u>\$ 616,050</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Bonds (Alternate Revenue Source) Series 2019A
April 30, 2020

Dated: July 9, 2019
Original Issue: \$2,500,000
Due: December 1, 2030
Interest Payment Dates: June 1 and December 1
Interest Rates: 4.00%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 145,000	\$ 50,000	\$ 195,000
2022	10,000	94,200	104,200
2023	-	93,800	93,800
2024	385,000	93,800	478,800
2025	280,000	78,400	358,400
2026	75,000	67,200	142,200
2027	400,000	64,200	464,200
2028	140,000	48,200	188,200
2029	265,000	42,600	307,600
2030	400,000	32,000	432,000
2031	400,000	16,000	416,000
	<u>\$ 2,500,000</u>	<u>\$ 680,400</u>	<u>\$ 3,180,400</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Refunding Bonds (Alternate Revenue Source) Series 2019B
April 30, 2020

Dated:	July 9, 2019
Original Issue:	\$3,170,000
Due:	June 1, 2022
Interest Payment Dates:	June 1 and December 1
Interest Rates:	4.00%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,000,000	\$ 126,800	\$ 1,126,800
2022	1,050,000	86,800	1,136,800
2023	<u>1,120,000</u>	<u>22,400</u>	<u>1,142,400</u>
	<u>\$ 3,170,000</u>	<u>\$ 236,000</u>	<u>\$ 3,406,000</u>

Village of Sauk Village, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
General Obligation Refunding Bonds (Alternate Revenue Source) Series 2019C
April 30, 2020

Dated: September 5, 2019
Original Issue: \$13,500,000
Due: April 1, 2029
Interest Payment Dates: June 1 and December 1 through
2028, then April 1, 2029
Interest Rates: 4.00%

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 215,000	\$ 539,800	\$ 754,800
2022	280,000	531,200	811,200
2023	250,000	520,000	770,000
2024	2,065,000	510,000	2,575,000
2025	2,285,000	427,400	2,712,400
2026	1,925,000	336,000	2,261,000
2027	1,570,000	259,000	1,829,000
2028	2,035,000	196,200	2,231,200
2029	2,870,000	126,867	2,996,867
	<u>\$ 13,495,000</u>	<u>\$ 3,446,467</u>	<u>\$ 16,941,467</u>

Village of Sauk Village, Illinois

LEGAL DEBT MARGIN

April 30, 2020

2019 Equalized Assessed Valuation (EAV)	\$ <u>78,563,914</u>	
Voted and Unvoted Debt Limit - 8.625% of EAV		\$ 6,776,138
Total Debt Outstanding	26,053,958	
Less Exempted Debt*	<u>24,268,152</u>	
Net Subject to 8.625% Limit		<u>1,785,806</u>
Total Legal Voted and Unvoted Debt Margin		\$ <u><u>4,990,332</u></u>

* Alternate revenue bonds are payable from sources other than general property tax revenues.