



**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED APRIL 30, 2012

**Village of Sugar Grove
10 South Municipal Drive
Sugar Grove, Illinois 60554**

Village of Sugar Grove, Illinois

Comprehensive Annual Financial Report
Year Ended April 30, 2012

Issued by the Finance Department

Justin E. VanVooren
Finance Director

INTRODUCTORY SECTION

Village of Sugar Grove, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2012

Table of Contents

	<u>Page(s)</u>
Introductory Section	
Table of Contents	i - iii
Letter of Transmittal	iv - xi
GFOA Certificate of Achievement	xii
Organization Chart	xiii
Principal Officials	xiv
Financial Section	
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 13
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	14 - 15
Statement of Activities	16 - 17
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	21
Statement of Net Assets - Proprietary Funds	22 - 23
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25 - 26
Statement of Fiduciary Net Assets	27
Statement of Changes in Fiduciary Net Assets - Pension Trust Fund	28
Notes to Financial Statements	29 - 61
Required Supplementary Information (Unaudited)	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	62
Analysis of Funding Progress	
Illinois Municipal Retirement Fund	63
Police Pension Fund	63
Other Post-Employment Benefit Plan	63
Employer Contributions	
Illinois Municipal Retirement Fund	64
Police Pension Fund	64
Other Post-Employment Benefit Plan	64
Note to Required Supplementary Information	65

Village of Sugar Grove, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2012

Table of Contents

	<u>Page(s)</u>
Financial Section (Continued)	
Supplemental Data	
Individual Fund Financial Statements and Schedules and Budgetary Schedules	
Governmental Funds	
Major Governmental Funds	
General Fund	
Schedule of Revenues - Budget and Actual	66 - 67
Schedule of Expenditures - Budget and Actual	68 - 74
Debt Service Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	75
General Capital Projects Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	76
Schedule of Revenues and Expenditures - Budget and Actual	77
Infrastructure Capital Projects Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	78
Nonmajor Governmental Funds	
Industrial Tax Increment Financing District #1 Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	79
Proprietary Funds	
Major Enterprise Funds	
Waterworks and Sewerage Fund	
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual (Budgetary Basis)	80
Schedule of Revenues - Budget and Actual (Budgetary Basis)	81
Schedule of Expenses - Budget and Actual (Budgetary Basis)	82 - 85
Refuse Fund	
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual	86
Fiduciary Funds	
Schedule of Changes in Fiduciary Net Assets - Police Pension Fund - Budget and Actual	87
Combining Statement of Changes in Assets and Liabilities - Agency Funds	88 - 90

Village of Sugar Grove, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2012

Table of Contents

	<u>Page(s)</u>
Financial Section (Continued)	
Supplemental Data (Continued)	
Other Supplementary Information	
Long-Term Debt Requirements	
General Obligation Water and Sewer Alternate Revenue Refunding Bonds, Series 2002	91
General Obligation Water and Sewer Alternate Revenue Refunding Bonds, Series 2006	92
General Obligation Alternate Revenue Bonds, Series 2006A	93
General Obligation Waterworks and Sewerage Alternate Revenue Bonds, Series 2008A	94
General Obligation Road Alternate Revenue Bonds, Series 2008B	95
General Obligation Alternate Revenue Refunding Bonds, Series 2009	96
Illinois Environmental Protection Agency Loan Payable, 1998	97
Illinois Environmental Protection Agency Loan Payable, 2002	98
Illinois Environmental Protection Agency Loan Payable, 2003	99
Statistical Section (Unaudited)	
Financial Trends	
Net Assets by Component - Last Eight Fiscal Years	100
Change in Net Assets - Last Eight Fiscal Years	101 - 102
Fund Balances of Governmental Funds - Last Ten Fiscal Years	103
General Governmental Revenues by Source - Last Ten Fiscal Years	104
General Governmental Expenditures by Function - Last Ten Fiscal Years	105
Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years	106 - 107
Tax Revenues by Source for Governmental Funds - Last Ten Fiscal Years	108
Revenue Capacity	
Equalized Assessed Valuation of Taxable Property - Last Ten Levy Years	109
Direct and Overlapping Property Tax Rates - Last Ten Levy Years	110
Principal Property Tax Payers - Current Levy Year and Eleven Levy Years Ago	111
Property Tax Levies and Collections - Last Ten Levy Years	112
Debt Capacity	
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	113
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	114
Schedule of Direct and Overlapping Bonded Debt	115
Legal Debt Margin Information - Last Ten Fiscal Years	116
Pledged-Revenue Coverage - Last Ten Fiscal Years	117
Demographics and Economic Information	
Demographic and Economic Statistics - Last Ten Calendar Years	118
Principal Employers - Current Fiscal Year and Ten Fiscal Years Ago	119
Operating Information	
Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years	120
Operating Indicators by Function Program - Last Ten Fiscal Years	121 - 122
Property Value and New Construction Permits - Last Ten Calendar Years	123
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	124

VILLAGE PRESIDENT

P. Sean Michels

VILLAGE ADMINISTRATOR

Brent M. Eichelberger

VILLAGE CLERK

Cynthia Galbreath



VILLAGE TRUSTEES

Robert Bohler

Kevin Geary

Mari Johnson

Rick Montalto

David Paluch

Thomas Renk

July 26, 2012

The Honorable Village President
Members of the Board of Trustees
Village Administrator
Citizens of the Village of Sugar Grove

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by an independent firm of certified public accountants. Pursuant to that requirement, the Comprehensive Annual Financial Report (CAFR) of the Village of Sugar Grove, Illinois (Village) for the fiscal year ended April 30, 2012, is hereby submitted.

This report consists of management's representations concerning the finances of the Village. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the Village's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformity with GAAP. Because the cost of the internal controls should not exceed anticipated benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of any material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

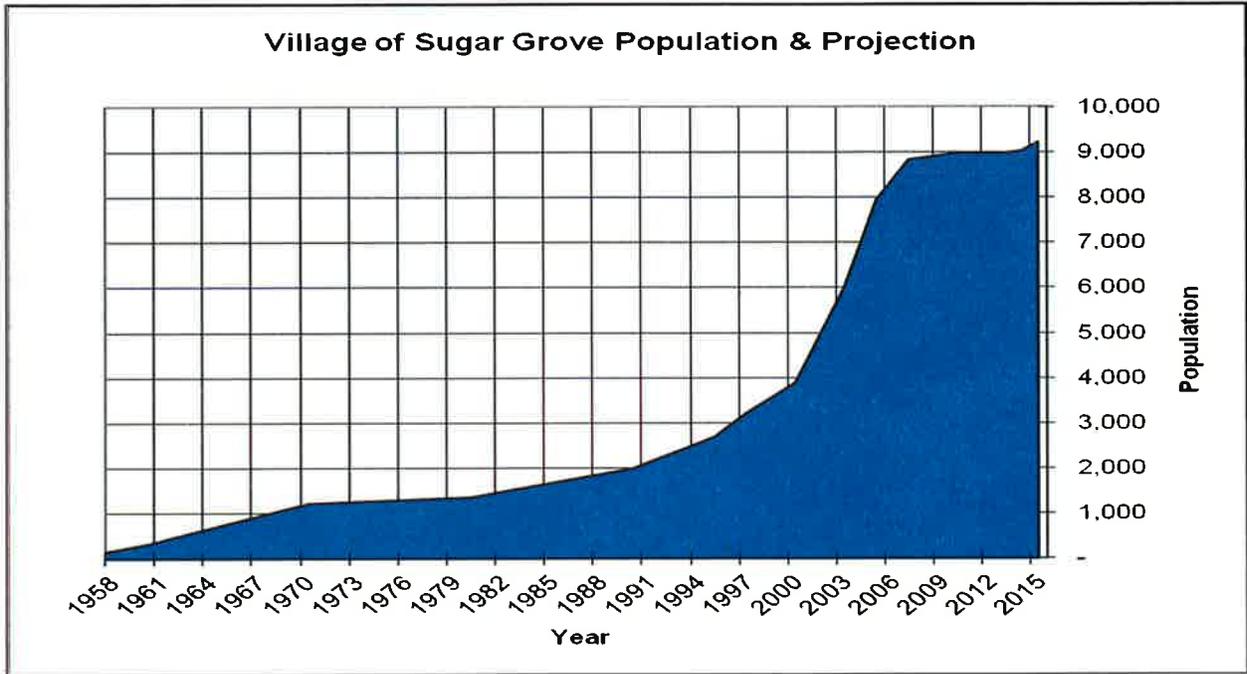
The Village's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village for the year ended April 30, 2012, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion and that the Village's financial statements for the fiscal year ended April 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors on page 3 of this report.

Profile of the Village of Sugar Grove

The Village had its beginning as home to Native Americans who called the area "Sin-Qua-Sip". In 1835, settlers arrived at what is now known as Bliss Woods Forest Preserve. The Village was incorporated in 1957 with a population of approximately 200 residents and until the 1960's, was predominantly a farming community. The Village, a non-home rule community as defined by the Illinois Constitution, is now a diverse middle and upper-middle class residential community covering approximately 9 square miles with a 2010 Census population of 8,997 residents. The Village is located 50 miles southwest of Chicago, in southern Kane County. The following graph

shows how the population has grown over the past 40 years with a majority of the growth taking place in the last 10 years.



Policy making and legislative authority are vested in the Village Board, which consists of the Village President and six Village Trustees. The President is elected at-large to a four-year term and the Trustees are elected at-large to overlapping four-year terms. The Village Board is responsible for, among other things, passing ordinances and resolutions, adopting the budget, and appointing the Village Administrator, Village Clerk, and each of the four department heads. The Village Administrator is responsible for the day-to-day operations and staffing of the Village.



The Village provides a full range of services including police protection, the construction and maintenance of highways, streets and infrastructure, water treatment and distribution, planning and zoning, and general administrative services.

The annual budget serves as the foundation for the Village’s financial planning and control. All departments of the Village are required to submit their budget requests to the Village Administrator on or before January 31st of each year. The Village Administrator and staff use these requests as the starting point for developing the annual proposed budget. The proposed budget is presented to the Village Board at budget workshops throughout February, March and April of each year. The Village Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30th of each year; the close of the Village’s previous fiscal year.

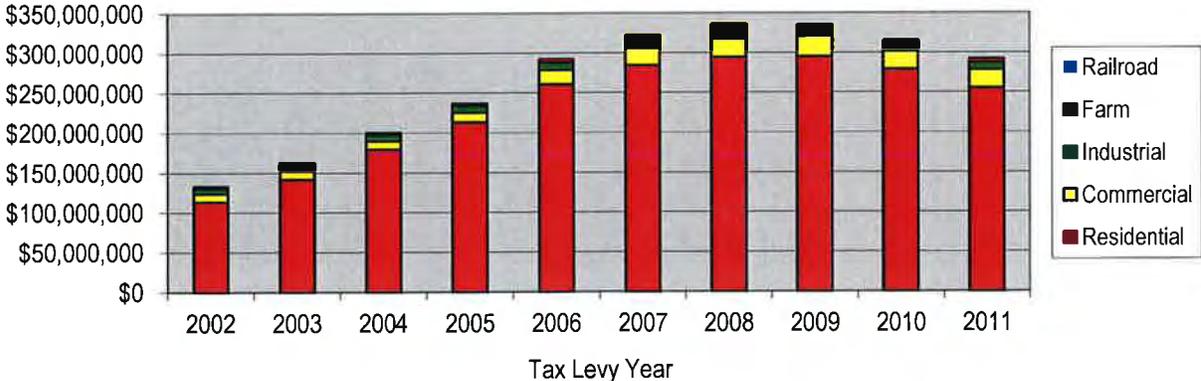
Local Economy

The Village has faced unprecedented challenges over the last couple of years under the Great Recession. Although the recession has ended, the economic recovery continues to be slow amid high unemployment and a decimated housing market with high inventories. The Village has seen the number of foreclosures drop and expects that trend to continue, while purchases of homes already foreclosed upon have been on the increase. The Village fees associated with new home sales, which used to account for over 30% of Village revenues, are minimal. The Village budgeted for no permits during fiscal year 2012 – 2013, but expects interest in new home sales to begin to take shape in the fall of 2012.

The Village expects most revenues to increase slightly after being mostly flat during fiscal year 2011 – 2012. Sales tax began to recover during the latter part of fiscal year 2010 – 2011 and continued throughout fiscal year 2011 – 2012. The Village expects this trend to continue throughout fiscal year 2012 – 2013 as consumers continue to spend more and new stores open.

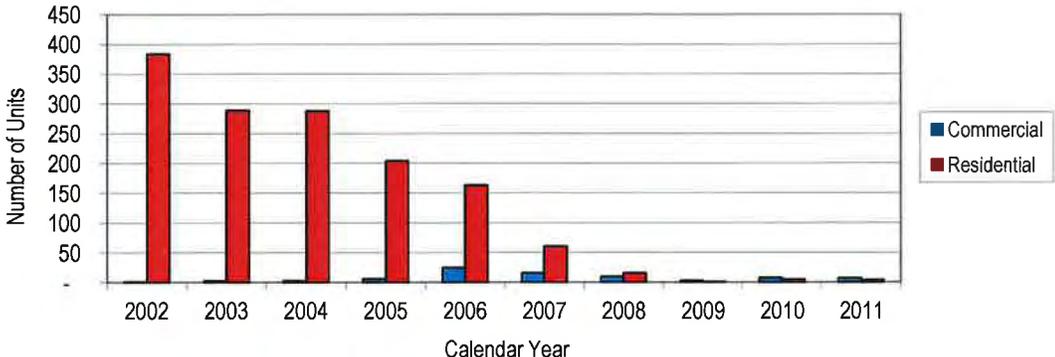
Property tax revenue is still expected to increase, albeit a smaller amount than the past, during fiscal year 2012 – 2013. The existing residential areas are among the Village’s most important assets. The Village has a diverse mix of detached and attached single family homes and a limited number of multi-family dwelling units. The current residential property tax base accounts for approximately 88% of the assessed value of the Village. Equalized assessed valuation is based on the last three years of housing data. Although the assessed value has more than doubled over the past ten years, assessed value decreased during fiscal year 2010 – 2011 for the first time since records are available and have now dropped to levels not seen since 2006.

Village of Sugar Grove Equalized Assessed Valuation



The Village has seen its once burgeoning housing market come to a standstill, issuing no new single family residential permits in fiscal year 2011 – 2012. In addition, the Village has projected only 240 additional residents between fiscal years 2012 – 2013 through 2014 – 2015 as shown in the chart above. However, the Village is working with residential developers, by offering an incentive program to encourage building on residential lots, and will continue to research other ways to position the community well when housing begins to recover. The Village budgeted for no new single family residential permits during fiscal year 2012 – 2013, but expects interest in new home sales to begin to take shape in the fall of 2012 as the Village works through the foreclosed (3) and bankrupt (1) subdivisions. The Board approved a reduction in impact fees with one developer (Meadowridge Villas) and staff continues to work with other banks/developers toward additional agreements. In addition, the Board has approved amended annexation agreements to reflect current housing preferences. The Village has seen the number of foreclosures drop and expects that trend to continue, while purchases of homes already foreclosed upon have been on the increase. The Village is working with residential developers, by offering an incentive program to encourage building on residential lots, and will continue to research other ways to position the community well when housing begins to recover.

New Construction Permits



Sugar Grove has seen an increase of inquiries regarding available parcels during fiscal year 2010 – 2011 and 2011 – 2012. There were several businesses that opened during the last fiscal year (as shown in the State of the Village) including McDonald's in August 2011 and a 90,000 sq. ft. expansion of Scot Industries. Several office parks including The Landings, Prairie Glen, and Capital Professional Center were approved in previous years and are important to increase the day time population that national chain stores and restaurants look for. To that end, the Village Board approved Prairie Grove Commons on February 3, 2009 which is intended to include "big box" stores with restaurants on the outlots. The Village completed work on the extension of Municipal Drive and Galena Boulevard, which dissects the Prairie Grove Commons property, during fiscal year 2009 – 2010. The Village utilized bond money during fiscal year 2010 – 2011 to extend Division Drive to Galena Boulevard, a key link between The Landings and Prairie Grove Commons. Walgreen's, the first business to locate in Prairie Grove Commons, just broke ground along the extension of Division Drive in April 2012 and is expected to open in October 2012.

The Village of Sugar Grove is uniquely situated to take advantage of access to multiple transportation options that benefit current and potential businesses in the area. State Highways 47, 30 and 56 run through the Village, with Interstate 88 on our northern border and the proposed Prairie Parkway on the western edge of the Village. The Burlington Northern Sante Fe Railroad runs freight service through the Village and the Aurora Municipal Airport is located along State Highway 30 adjacent to the Village. The combination of its transportation assets will make the Village an attractive and logistical choice for commercial, manufacturing, industrial, distribution, and retail interests.

However, industrial development has been very limited over the past 20 years due to the lack of necessary infrastructure within the northwest portion of the Village. Village officials have determined that, without direct municipal involvement and financial assistance, planning objectives for this area cannot be met. To encourage new investment in the industrial district area, the Village approved Tax Increment Financing (TIF) District #1 during fiscal year 2011 – 2012 as a financial tool to facilitate redevelopment. The Village expects to start receiving property tax revenue in fiscal year 2013 – 2014 from TIF District #1. In addition, the Village has proposed the formation of Tax Increment Financing (TIF) District #2 during fiscal year 2012 – 2013. The project areas are approximately 305 and 640 acres in size, respectively, and are exclusively industrial, containing some existing industrial development and a significant number of vacant parcels of land. Industrial uses include the full range of those permitted in the M1 and BP Districts, such as automotive, manufacturing, warehousing, packaging, etc.

The Village is at the cross roads of development and is working with developers to grow in a reasonable and responsible manner, one that benefits the Village, the County and the Village's neighbors. To that end, the Village adopted a Comprehensive Plan during fiscal year 2004 – 2005 that sets forth long-range recommendations for future growth and development of the community, utilizing its existing assets. Although development has slowed, the Village feels it is an important part of the future of the community and is working with developers to determine the best way to move forward.

Long-Term Financial Planning

The Village annually updates a three-year financial plan providing for all Village revenues and expenditures. Information is gathered from each department regarding major capital projects and changes in operating levels and services that may be needed over the next several years. The Village completed a Five-Year Capital Improvement Program (CIP) for fiscal year 2013 through fiscal year 2017 during fiscal year 2012. Lastly, the Village submitted its fiscal year 2013 budget to the Government Finance Officers Association (GFOA) Distinguished Budget program and received this prestigious award for the sixth time during fiscal year 2012.

Cash Management Policies and Practices

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, the Illinois Funds, the Illinois Metropolitan Investment Fund, U.S. Government Agency Securities, and Municipal Securities. The maturities of the investments range from being immediately accessible to three years. Bond proceeds have been spent down during fiscal year 2012 and short-term interest rates continued to decrease throughout fiscal year 2012 resulting in lower investment income. Accordingly, the Village examined its cash and investment policies during fiscal year 2012 and will bring the changes forward to the Village Board during fiscal year 2013. Major changes in the length of investments were made in fiscal year 2012. Rates are expected to remain low throughout fiscal year 2013 as the economy struggles to recover. An investment committee met quarterly during fiscal year 2012 and will continue to look for investment opportunities that will allow the Village to earn additional money.

Risk Management

The Village continues to participate in the Intergovernmental Risk Management Agency (IRMA) insurance risk pool. This pool is utilized to provide the Village with insurance coverage for liability, property damage, workers' compensation and other types of coverage. IRMA is an organization of municipalities and special districts in Northeastern Illinois, which have formed an association under the Illinois Intergovernmental Cooperation Statute to pool its risk management needs. In addition, various control techniques, including employee accident prevention training, are utilized to minimize accident-related losses. The Village began an in depth analysis of its risk management program and its safety manual during fiscal year 2010, continued forward during fiscal years 2011 and 2012, and will continue this task into fiscal year 2013 in order to maximize employee awareness.

Pension Benefits

The Village provides two separate defined benefit plans for its employees. Non-public safety employees participate in the Illinois Municipal Retirement Fund (IMRF) and public safety employees are members of the Police Pension Plan. Information on each of these plans can be found in the notes to the financial statements.

Major Initiatives

It is more important than ever, in the current economic climate with such limited resources, to understand resident priorities in planning, budgeting, and managing services.

In early 2007, the Village Board discussed ways to gather input from the community and determined that the use of a survey would be the best option to evaluate the Board and staff's performance. The Village Board commissioned the National Research Center, Inc. to perform a citizen survey in August 2007 to aid in determining the needs, wants, and overall satisfaction level of Sugar Grove citizens. This first survey not only gave the Village the insight it desired, but also serves as a baseline for measurement in the future. The survey was done in the context of planning for the future, balancing priorities, setting new objectives, funding decisions, and determining which services needed improvement. The Board has discussed an update to the survey, but the budget has not allowed an updated survey to be completed through fiscal year 2012.

The results of the survey were received in January 2008 and utilized when the Village Board began its strategic planning effort on March 7, 2008. A strategic planning retreat, moderated by Greg Kuhn from the Northern Illinois University Center for Governmental Studies, was held to determine the vision and direction of the Village, as well as formally establish and prioritize Village goals. The Board approved the strategic goals in November 2008. Each strategic goal was prioritized and ranked within its particular category of Short-Term Routine (STR), Short-Term Complex (STC), Long-Term Routine (LTR), and Long-Term Complex (LTC). The strategic goals were integrated into departmental action plans during the budget process, subject to budgetary constraints.

The Village recognizes the importance to develop and manage programs, services, and their related resources as efficiently and effectively as possible. During fiscal year 2010 – 2011, the Village Board discussed the previously established strategic goals and determined no changes or reprioritization was needed at this time. During fiscal year 2012 – 2013, the Village Board will discuss the previously established strategic goals and determine whether changes or reprioritization is needed. The Village will implement specific performance measures for each department using the survey, strategic plan, and the limited outputs the Village is already tracking when time and budget permits.

The budget for fiscal year 2012 – 2013 remains conservative and does not include significant new services. However, all basic services residents have come to expect from the Village will remain stable in spite of continued tight economic times.

Over the last three and a half years, since the beginning of the recession, the Village has reduced staffing levels by 8.654 full-time equivalent positions (including the 0.154 noted above). The Finance Department laid off a full-time office assistant (1.0) and part-time office associate (0.5). The Police Department reduced the number of patrol officers through not replacing officers on disability (3.0) and a sergeant who resigned (1.0). The Community Development Department laid off a building inspector (1.0) and a permit clerk (1.0). The Public Works Department reduced the number of laborers through not replacing a full-time laborer and part-time laborer who both retired (1.5) and eliminated an open custodian position (0.5). However, the Public Works Department has increased the number of seasonal employees from one to three over the same time period.

The above decrease has resulted in a staff reduction of 18.7% (departmental reductions range from 7.1% to 33.3%) since fiscal year 2008 – 2009. The remaining staff is focused on providing the basic services residents have come to expect, while trying to find more effective and efficient ways to complete processes and tasks.

A cost of living increase of 1.75%, as well as step increases, for non-represented employees were budgeted for fiscal year 2012 – 2013. The Village negotiated a new 4-year contract with the patrol officers through April 30, 2015 which includes cost of living increases ranging from 0.0% to 2.5%, as well as step increases. The Village also negotiated its first contract with the sergeants through April 30, 2015 which includes cost of living increases of 2.0%, as well as step increases.

The Finance Department will continue to analyze the budget during fiscal year 2012 – 2013 as the economic recovery takes hold. The Village wants to ensure the recovery continues and revenue sources come in at or above expectations, while expenditures/expenses come in at or below expectations. A change either way will make it necessary for the Village to reexamine the budget during fiscal year 2012 – 2013.

The Administration Department will be working to gain support and secure funding for the Illinois Route 47 and Interstate 88 interchange completion. In addition, Administration will concentrate its efforts on the establishment and implementation of Tax Increment Financing (TIF) district #2 noted above under local economy. Lastly, Administration will develop a staff succession plan to facilitate smooth transitions during the planned departure of staff members.

The Community Development Department will continue to work with banks and developers during fiscal year 2012 – 2013 in order to complete public improvements, amend annexation agreements, and resume residential building activity. In addition, Community Development will work to complete updates to both the Zoning Ordinance and Subdivision Regulations. Lastly, Community Development will concentrate its efforts on the economic development in the Village for commercial, industrial, and retail establishments.

The Finance Department will concentrate its efforts during fiscal year 2012 – 2013 on the enactment of financial policies and procedures that assist in the efficient and effective operation of the department. This includes the review of the capital asset and investment policies, as well as the production of a comprehensive financial procedure manual. In addition, the Finance Department will work in cooperation with all departments to complete an update to the Human Resources Manual (HRM).

The Police Department will be exploring new options for obtaining dispatch services. In addition, the Police Department will be reaching out to residents by conducting a survey to evaluate citizens' impression of the department and reinstating the "citizens' e-mail notification updates". Lastly, the Police Department will be researching the replacement of its in-care video system.

The focus of the Public Works Department for fiscal year 2012 – 2013 will be maintaining our current levels of service, procedures and safety. Public Works will continue development of the Public Works Procedural Manual including a review and update of regulatory safety policies. In addition, Public Works will be coordinating several major infrastructure improvements throughout the community, including the 1) construction of the Mallard Point/Rolling Oaks drainage project; 2) Illinois Route 47 and Cross Street improvement project; 3) extension of water main from Mallard Point to Settlers Ridge neighborhoods; and 4) rehabilitation of Well 8.

Awards and Acknowledgements

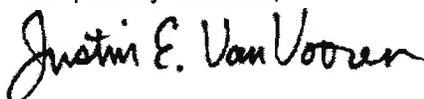
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Sugar Grove for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2011. This was the eleventh consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for a twelfth certificate.

In addition, the Village also received the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award for its fiscal year 2011 – 2012 budget document. This was the sixth consecutive year the Village has received this award. In order to qualify for the Distinguished Budget Presentation Award, the Village's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department including Terri Ferrario and Jennifer Milewski. I would like to express my sincere appreciation to all employees of the Village who assisted and contributed to the preparation of this report. In addition, I would like to thank the Village President, Board of Trustees and Village Administrator for their unfailing support for maintaining the highest standards of professionalism in the management of the Village's finances.

Respectfully submitted,



Justin E. VanVooren, CMA, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Sugar Grove
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Sandison

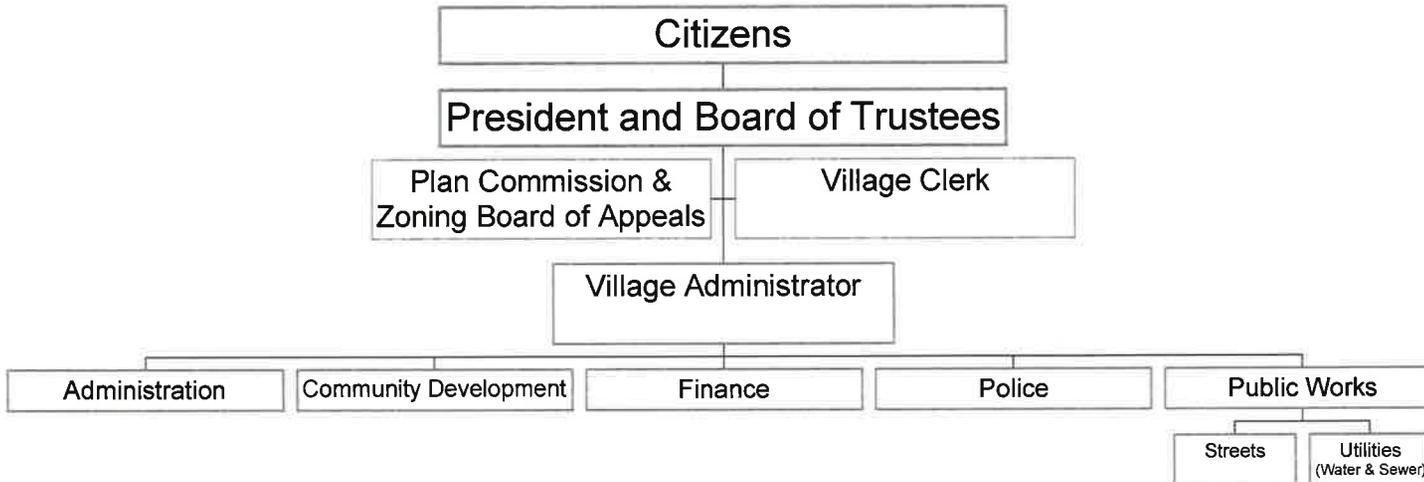
President

Jeffrey R. Egan

Executive Director



Organizational Chart



Village of Sugar Grove

Principal Officials

April 30, 2012

Village President

P. Sean Michels

Village Board of Trustees

Robert E. Bohler

Rick L. Montalto

Kevin M. Geary

David B. Paluch

Mari J. Johnson

Thomas F. Renk

Appointed

Brent M. Eichelberger

Village Administrator

Cynthia L. Galbreath

Village Clerk

Richard J. Young

Community Development Director

Justin E. VanVooren

Finance Director/Treasurer

Ronald A. Moser

Interim Police Chief

Anthony J. Speciale

Public Works Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT

July 26, 2012

The Honorable Village President
Members of the Board of Trustees
Village of Sugar Grove, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Sugar Grove, Illinois as of and for the year ended April 30, 2012, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Village of Sugar Grove, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion 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 of Sugar Grove, Illinois as of April 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village of Sugar Grove, Illinois' financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in blue ink that reads "Lauterbach & Amen, LLP". The signature is written in a cursive, flowing style.

LAUTERBACH & AMEN, LLP

Management's Discussion and Analysis

As management of the Village of Sugar Grove, Illinois (the Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2012. Management's Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the our Letter of Transmittal, which can be found on pages iv through xi of this report, and the Village's financial statements, which begin on page 14 of this report. All amounts in the MD&A, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

The assets of the Village exceeded its liabilities as of April 30, 2012 by \$42,850 (net assets). Of this amount, \$6,568 (unrestricted net assets) may be used to meet the Village's ongoing obligations to citizens and creditors. The Village's total net assets decreased by \$1,613 over the prior year. The decrease reflects approximately \$424 and \$1,189 decreases attributable to the general and waterworks/sewerage operations, respectively, of the Village. The decrease in general operations is a result of an increase in salaries, as well as an increase in general road maintenance over the last fiscal year. The decrease in waterworks/sewerage operations is a result of a payment under an intergovernmental agreement for the cost of land, as well as the installation cost for meters (replaced under warranty) and transmitters.

As of April 30, 2012, the Village's governmental funds reported combined ending fund balances of \$6,667, a decrease of \$364 over the prior year. Approximately 20.7% of this total amount, \$1,383, is available for spending at the Village's discretion (unassigned fund balance). In addition, the Village's proprietary funds reported combined ending net assets of \$16,593, a decrease of \$1,189 over the prior year. Approximately 22.0% of this total amount, \$3,648, is available for spending at the Village's discretion (unrestricted net assets) for proprietary purposes.

Overview of the Financial Statements

The focus of the financial statement is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden the basis for comparison (year to year or government to government) and enhance the Village's accountability.

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-Type Activities). The Governmental Activities reflect the Village's basic services, including general government, public safety and highways and streets. The Business-Type Activities include the waterworks, sewerage and refuse operations.

The government-wide financial statements can be found on pages 14 through 17 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the fund of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, General Capital Projects Fund, and Infrastructure Capital Projects Fund, all of which are considered to be major funds. The Industrial Tax Increment Financing District #1 Fund is considered to be a nonmajor governmental fund.

The Village adopts an annual budget for each of its governmental funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 18 through 21 of this report.

Proprietary Funds. The Village maintains two proprietary funds, both of which are enterprise funds. Enterprise funds are used to report the same functions and provide the same type of information, only in more detail, as presented in the business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its waterworks and sewerage operation and refuse operation, both of which are considered to be major funds. There are no proprietary funds considered to be nonmajor.

The Village adopts an annual budget for each of its proprietary funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with these budgets.

The basic proprietary fund financial statements can be found on pages 22 through 26 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 through 28 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 61 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget to actual comparisons for the General Fund and the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 62 through 65 of this report.

Individual fund statements and schedules are presented immediately following the required supplementary information discussed above which can be found on pages 66 through 90 of this report.

Financial Analysis of the Village as a Whole

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$42,850 as of April 30, 2012.

The largest portion of the Village's net assets (80.0%) reflects its investment in capital assets (e.g. land, infrastructure, buildings, improvements, vehicles, and equipment) less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Condensed Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 11,143	\$ 11,017	\$ 4,226	\$ 5,014	\$ 15,369	\$ 16,031
Capital assets	28,878	29,615	21,432	22,186	50,310	51,801
Total assets	40,021	40,632	25,658	27,200	65,679	67,832
Long-term liabilities	9,408	10,090	8,527	9,112	17,935	19,202
Other liabilities	4,356	3,861	538	306	4,894	4,167
Total liabilities	13,764	13,951	9,065	9,418	22,829	23,369
Net assets:						
Invested in capital assets, net of related debt	21,321	21,845	12,945	13,111	34,266	34,956
Restricted	2,016	2,453	-	-	2,016	2,453
Unrestricted	2,920	2,383	3,648	4,671	6,568	7,054
Total net assets	\$ 26,257	\$ 26,681	\$ 16,593	\$ 17,782	\$ 42,850	\$ 44,463

An additional portion of the Village's net assets (4.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (15.3%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of April 30, 2012, the Village was able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The Village's total net assets decreased by \$1,613 over the prior year. The decrease reflects approximately \$424 and \$1,189 decreases attributable to the general and waterworks/sewerage operations, respectively, of the Village. The decrease in general operations is a result of an increase in salaries, as well as an increase in general road maintenance over the last fiscal year. The decrease in waterworks/sewerage operations is a result of a payment under an intergovernmental agreement for the cost of land, as well as the installation cost for meters (replaced under warranty) and transmitters.

The Village's unrestricted net assets decreased by \$503 during the current fiscal year which reflects those items noted above. In addition, the majority of restricted net assets are legally restricted to certain capital projects.

The Village's net assets invested in capital assets, net of related debt decreased by \$690 during the current fiscal year. The Village added \$564 of new capital assets, disposed of \$158 of existing capital assets, and had depreciation of \$1,956 during the year.

Table 2
Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 434	\$ 434	\$ 3,303	\$ 3,164	\$ 3,737	\$ 3,598
Operating grants and contributions	24	34	-	-	24	34
Capital grants and contributions	189	774	6	30	195	804
General revenues:						
Property taxes	1,411	1,468	-	-	1,411	1,468
Other taxes	2,856	2,704	-	-	2,856	2,704
Other	278	294	43	50	321	344
Total revenues	5,192	5,708	3,352	3,244	8,544	8,952
Expenses:						
General government	1,286	1,161	-	-	1,286	1,161
Public safety	2,086	1,959	-	-	2,086	1,959
Highways and streets	2,176	1,874	-	-	2,176	1,874
Interest	405	438	-	-	405	438
Water and sewer	-	-	3,491	2,489	3,491	2,489
Refuse	-	-	713	699	713	699
Total expenses	5,953	5,432	4,204	3,188	10,157	8,620
Increase in net assets before transfers	(761)	276	(852)	56	(1,613)	332
Transfers	337	299	(337)	(299)	-	-
Increase in net assets	(424)	575	(1,189)	(243)	(1,613)	332
Net assets, beginning of year	26,681	26,106	17,782	18,025	44,463	44,131
Net assets, end of year	\$ 26,257	\$ 26,681	\$ 16,593	\$ 17,782	\$ 42,850	\$ 44,463

Governmental activities. Governmental activities decreased the Village's net assets by \$424. Key elements of this decrease are as follows:

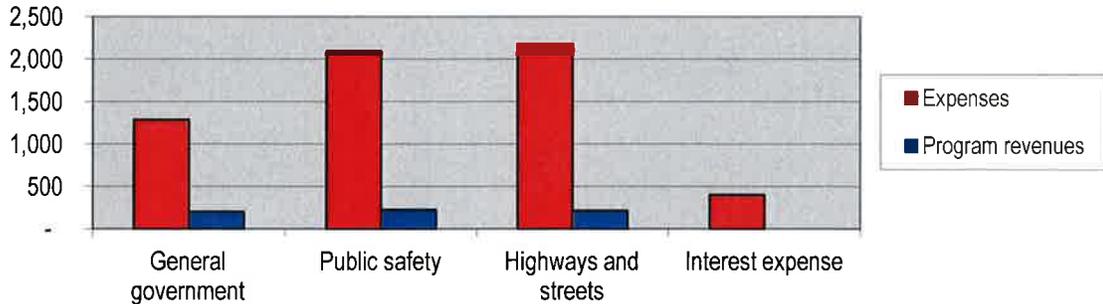
Governmental revenues decreased by \$516 (9.0%). Components of this decrease are as follows:

- Capital grants and contributions decreased by \$585 (75.6%) due to a reduction in the number and size of road projects partially funded by federal grants from fiscal year 2011 to fiscal year 2012.
- Property taxes decreased by \$57 (3.9%) which reflects the Village no longer levying for the 1991 Series bonds which were paid off during fiscal year 2011.
- Other taxes increased by \$152 (5.6%) due mostly to the recovery of the economy and resulting increase in state taxes.

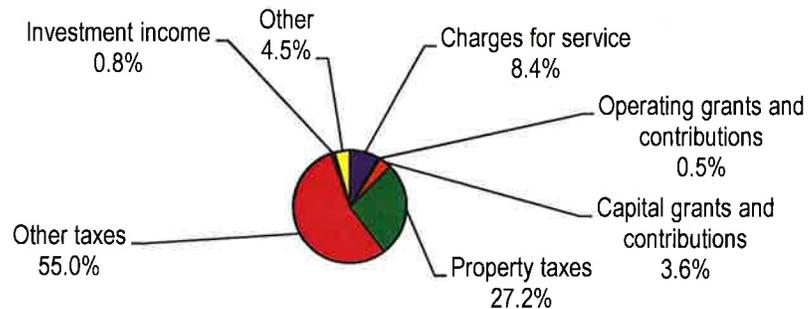
Governmental expenses increased by \$521 (9.6%). Components of this increase are as follows:

- Salaries increased approximately \$151 during fiscal year 2012 (29.0% of the total above). This increase reflects a cost of living increase for non-represented employees was (after a wage freeze in fiscal year 2010 and fiscal year 2011), as well as settlement of both the second Patrol union contract and the first Sergeant union contract.
- The Village approved its first tax increment financing (TIF) district during fiscal year 2012 and spent approximately \$30 (5.8% of the total above) on the necessary steps to form the district.
- General road maintenance paid for with motor fuel tax and local funds increased by approximately \$145 (27.8% of the total above) during fiscal year 2012 due mostly to a transfer from the General Fund.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type activities. Business-type activities decreased the Village's net assets by \$1,189. Key elements of this decrease are as follows:

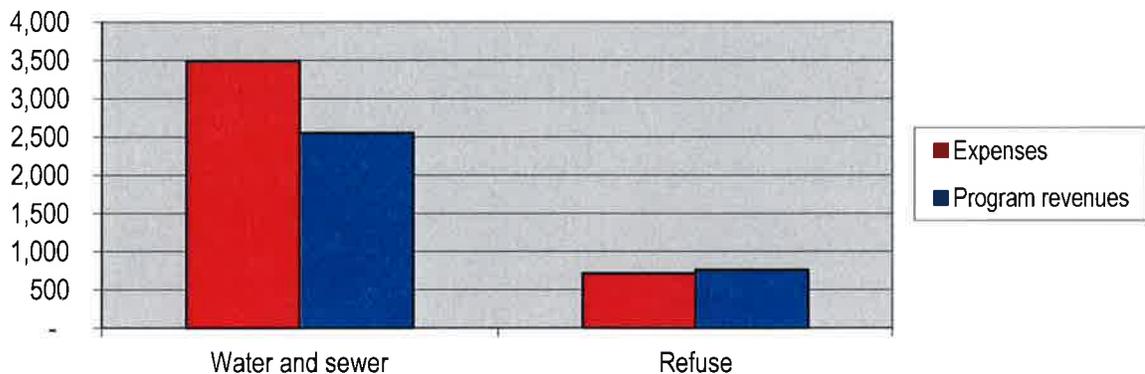
Business-type revenues increased by \$108 (3.3%). Components of this increase are as follows:

- Waterworks and sewerage charges for services increased by \$112 (4.6%) which reflects 8 months of the 7.25% service charge and usage rate increase. This rate increase is intended to cover lower usage trends and higher operating expenses including increases in electric costs for pump and lift stations, new requirements from the state and federal governments regarding drinking water, installation costs of replacement water meters, and payments on IEPA loans for wells 8 and 9.
- Refuse charges for services increased by \$27 (3.8%) which reflects the rate increase from \$19.55 to \$20.50 per month. The rate increase is intended to cover the annual escalation in the Village's contract with Waste Management.

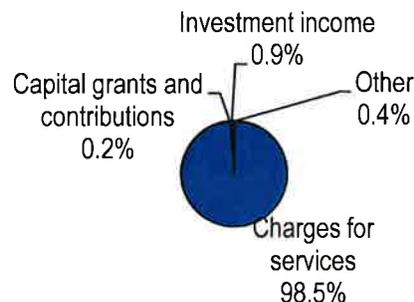
Business-type expenses increased by \$1,016 (31.9%). Components of this increase are as follows:

- The Village entered into an intergovernmental agreement with Fox Metro Water Reclamation District (Fox Metro) on June 16, 1998. The agreement included the purchase of land by the Village for a new Fox Metro wastewater treatment facility. Fox Metro expanded their current facility rather than build a new plant. The Village and Fox Metro negotiated a payment of cash in lieu of land of \$832 (81.9% of the total above) which is reflected in fiscal year 2012.
- The Village replaced nearly one-third of its water meters (under warranty) during fiscal year 2012. However, installation and transmitter costs of \$150 (14.8% of the total above) were incurred.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$6,667, a decrease of \$364 in comparison with the prior year. Approximately 20.7% of this total amount, \$1,383, is available for spending at the Village's discretion (unassigned fund balance). The remainder of fund balance is either nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$105), 2) restricted for particular purposes (\$2,147), or 3) assigned for particular purposes (\$3,032).

The General Fund is the chief operating fund of the Village. As of April 30, 2012, unassigned fund balance of the General Fund was \$1,412. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 36.9% (4.4 months) of the total General Fund expenditures, while total fund balance represents 39.7% (4.8 months) of total General Fund expenditures.

The fund balance of the General Fund increased by \$11 to a total of \$1,517 of fund balance at the end of the current fiscal year. The key factors in this increase are 1) increases in salary, 2) decreases in dispatch services and road salt purchases, and 3) a transfer of resources to the Infrastructure Capital Projects Fund for additional street maintenance.

The fund balance of the Debt Service Fund decreased by \$11 to a total of \$359 of fund balance at the end of the current fiscal year. The timing of receipts versus payment of debt principal and interest accounted for the decrease.

The fund balance of the General Capital Projects Fund decreased by \$318 to a total of \$4,737 of fund balance at the end of the current fiscal year. The transfer of a portion of the \$8,500 in 2006A general obligation alternate revenue source bonds for payment of principal and interest on the 2006A bonds accounted for nearly all of the decrease.

The fund balance of the Infrastructure Capital Projects Fund decreased by \$16 to a total of \$83 of fund balance at the end of the current fiscal year. The decrease is attributable to spending down motor fuel tax and resources transferred from the General Fund in fiscal year 2011 for additional street maintenance.

Proprietary Funds. The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Waterworks and Sewerage Fund had a decrease in net assets of \$1,202 to a total of \$16,542 of net assets at the end of the current fiscal year. Approximately 21.7% of that total is unrestricted net assets. Other factors concerning the finances of the Waterworks and Sewerage Fund have already been addressed in the discussion of the Village's business-type activities.

The Refuse Fund had an increase in net assets of \$12 to a total of \$50 of net assets at the end of the current fiscal year. The Village had begun to rebuild the reserve as approved by the Village Board.

General Fund Budgetary Highlights

It has been a policy of the Village to not adopt budget amendments during or after the fiscal year. This year was no exception and no General Fund budget amendments occurred during the current fiscal year.

The General Fund revenues were more than the budget by \$56 or 1.4%. The most significant differences between budgeted and actual revenues included 1) natural gas tax was \$46 lower than budget due to low natural gas prices, 2) state income tax was \$105 higher than budget due to the recovery in the economy, 3) sales tax was \$32 lower than budget due to the slow recovery of the economy, 4) towing fees were \$20 lower than budget due to less violations during the current year, and 5) reimbursements by developers for consultants and snowplowing were \$56 higher than budget due to several projects moving forward.

The General Fund expenditures were less than the budget by \$184 or 4.6%. The most significant differences between budgeted and actual expenditures included 1) non-reimbursable legal and engineering in community development was \$51 lower than budget due to a lower number of projects, 2) salaries were \$74 higher than budget due to a cost of living increase for non-represented employees was given (after a wage freeze in fiscal year 2010 and fiscal year 2011), as well as settlement of both the second Patrol union contract and the first Sergeant union contract, 3) health insurance was \$48 lower than budget due to a lower renewal than anticipated, 4) dispatch services were \$62 lower than budget due to a reduction in the number of calls, and 5) road salt was \$66 lower than budget due to the mild winter.

Capital Asset and Debt Administration

Capital assets. The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2012, amounts to \$50,310 (net of accumulated depreciation). This investment in capital assets includes land (including rights-of-way), buildings, improvements other than buildings, vehicles and equipment, and infrastructure (including streets, storm sewers, water mains, water pumping and storage facilities, and sanitary sewers).

Major capital asset events during the current fiscal year included the following:

- The Mallard Point and Rolling Oaks drainage project started to move more quickly toward the end of fiscal year 2012 with an additional \$78 spent, for total project costs of \$308. This cost has been included in construction in progress for governmental activities.
- The Village received a federal Local Area Pavement Preservation (LAPP) grant for 1 street maintenance project (Granart Road). Granart Road was completed during fiscal year 2012. Granart Road added \$253 during fiscal year 2012, for total projects costs of \$282.
- Sugar Grove has also received a federal Surface Transportation Program (STP) grant for intersection improvements at Cross/Joy and Illinois Route 47. This project began in earnest during fiscal year 2012 with an additional \$125 spent, for total project costs of \$218. This cost has also been included in construction in progress for governmental activities.

The following schedule summarizes the Village's capital assets.

Table 3
Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 9,834	\$ 9,932	\$ 332	\$ 332	\$ 10,166	\$ 10,264
Construction in progress	526	352	2	2	528	354
Infrastructure	20,138	19,837	25,656	25,656	45,794	45,493
Buildings	2,218	2,218	1,510	1,510	3,728	3,728
Improvements other than buildings	257	257	467	467	724	724
Vehicles and equipment	1,649	1,620	1,409	1,409	3,058	3,029
Less:						
Accumulated depreciation	(5,744)	(4,601)	(7,944)	(7,190)	(13,688)	(11,791)
Total capital assets	\$ 28,878	\$ 29,615	\$ 21,432	\$ 22,186	\$ 50,310	\$ 51,801

Additional information regarding the capital assets can be found in note 4 on pages 43 through 45 of this report.

Long-term debt. At the end of the current fiscal year, the Village had total debt outstanding of \$17,789 (excluding compensated absences). This amount is partially comprised of six general obligation alternate revenue bonds which pledge income, sales, use, property and utility taxes, capital improvement and road impact fees, and net revenues of the waterworks and sewerage system. These bonds further pledge the full faith and credit of the Village should the alternate revenue source be insufficient. The Village abates the property taxes on the Series 2002, Series 2006, Series 2006A, Series 2008A, Series 2008B, and Series 2009 bonds. The remaining amount of debt outstanding is comprised of three Illinois Environmental Protection Agency (IEPA) loans backed by the net revenues of the waterworks and sewerage system. The Village's debt decreased by \$1,282 (6.7%) during fiscal year 2012.

Major long-term debt events during the current fiscal year included the following:

- The Village made its regularly scheduled payments of principal and interest on the existing outstanding debt.

The following schedule summarizes the Village's indebtedness.

Table 4
Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 9,302	\$ 9,997	\$ 4,949	\$ 5,208	\$ 14,251	\$ 15,205
IEPA loans	-	-	3,538	3,866	3,538	3,866
Total long-term debt	\$ 9,302	\$ 9,997	\$ 8,487	\$ 9,074	\$ 17,789	\$ 19,071

Additional information regarding the Village's long-term debt can be found in note 6 on pages 46 through 51 of this report.

Economic Factors and Next Year's Budgets and Rates

Property taxes imposed on property within the Village's corporate limits provide a stable revenue source. Property tax revenue is still expected to increase, albeit a smaller amount than the past, during fiscal year 2012 – 2013. The existing residential areas are among the Village's most important assets. The Village has a diverse mix of detached and attached single family homes and a limited number of multi-family dwelling units. The current residential property tax base accounts for approximately 88% of the assessed value of the Village. Equalized assessed valuation is based on the last three years of housing data. Although the assessed value has more than doubled over the past ten years, assessed value decreased during fiscal year 2010 – 2011 for the first time since records are available and have now dropped to levels not seen since 2006. The property tax rate itself will increase slightly as the equalized assessed value of homes stagnates or decreases. The Village expects most revenues to increase slightly after being mostly flat during fiscal year 2011 – 2012. Sales tax began to recover during the latter part of fiscal year 2010 – 2011 and continued throughout fiscal year 2011 – 2012. The Village expects this trend to continue throughout fiscal year 2012 – 2013 as consumers continue to spend more and new stores open.

The Village will raise resident and non-resident water and sewer service charges and usage rates by an additional 7.25% to cover lower usage trends and higher operating expenses including increases in electric costs for pump and lift stations, new requirements from the state and federal governments regarding drinking water, installation costs of replacement water meters, and payments on IEPA loans for wells 8 and 9.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Justin E. VanVooren, Finance Director, Village of Sugar Grove, 10 South Municipal Drive, Sugar Grove, IL 60554.

Village of Sugar Grove, Illinois

Statement of Net Assets

April 30, 2012

See Following Page

Village of Sugar Grove, Illinois

Statement of Net Assets

April 30, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 3,039,253	\$ 3,250,268	\$ 6,289,521
Investments	5,356,290	505,949	5,862,239
Receivables			
Property taxes	1,438,057	-	1,438,057
Other taxes	820,128	-	820,128
Intergovernmental	171,295	-	171,295
Accounts	-	280,959	280,959
Interest	12,228	12,211	24,439
Other	75,223	1,592	76,815
Prepays	105,370	98,020	203,390
Total current assets	11,017,844	4,148,999	15,166,843
Noncurrent			
Net pension asset	8,965	-	8,965
Deferred charges	115,968	76,398	192,366
Capital assets (net of accumulated depreciation)			
Land	9,834,264	331,723	10,165,987
Construction in progress	525,914	1,826	527,740
Infrastructure	16,318,525	19,136,075	35,454,600
Buildings	1,607,268	1,202,575	2,809,843
Improvements other than buildings	161,188	248,333	409,521
Vehicles and equipment	430,929	511,814	942,743
Total noncurrent assets	29,003,021	21,508,744	50,511,765
Total assets	\$ 40,020,865	\$ 25,657,743	\$ 65,678,608

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Net Assets - Continued
April 30, 2012

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
Accounts payable	\$ 2,299,109	\$ 368,293	\$ 2,667,402
Wages payable	98,804	24,175	122,979
Deposits payable	269,224	-	269,224
Sales tax rebate payable	111,054	-	111,054
Accrued interest	130,710	123,959	254,669
Unearned revenue - property tax	1,438,057	-	1,438,057
Unearned revenue - other	-	21,000	21,000
Other liabilities	9,293	659	9,952
Current portion of long-term liabilities	795,343	661,701	1,457,044
Total current liabilities	5,151,594	1,199,787	6,351,381
Noncurrent			
Long-term liabilities	8,612,393	7,865,454	16,477,847
Total noncurrent liabilities	8,612,393	7,865,454	16,477,847
Total liabilities	13,763,987	9,065,241	22,829,228
Net Assets			
Invested in capital assets, net of related debt	21,320,541	12,944,997	34,265,538
Restricted for			
Capital projects	1,744,459	-	1,744,459
Debt service	228,208	-	228,208
Highways and streets	43,391	-	43,391
Unrestricted	2,920,279	3,647,505	6,567,784
Total net assets	\$ 26,256,878	\$ 16,592,502	\$ 42,849,380

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Activities
Year Ended April 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 1,285,564	\$ 193,025	\$ 10,000	\$ -
Public safety	2,086,000	224,308	3,575	200
Highways and streets	2,175,944	16,700	9,850	188,825
Interest expense	405,001	-	-	-
Total governmental activities	<u>5,952,509</u>	<u>434,033</u>	<u>23,425</u>	<u>189,025</u>
Business-type activities				
Water and sewer	3,490,549	2,545,084	-	5,748
Refuse	713,351	757,905	-	-
Total business-type activities	<u>4,203,900</u>	<u>3,302,989</u>	<u>-</u>	<u>5,748</u>
Total	<u>\$ 10,156,409</u>	<u>\$ 3,737,022</u>	<u>\$ 23,425</u>	<u>\$ 194,773</u>

General revenues:

Taxes

Property

Income

Sales

Electric

Natural gas

Telecommunications

Motor fuel

Other

Investment income

Miscellaneous

Transfers

Total general revenues
and transfers

Change in net assets

Net assets - beginning, as restated

Net assets - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (1,082,539)	\$ -	\$ (1,082,539)
(1,857,917)	-	(1,857,917)
(1,960,569)	-	(1,960,569)
(405,001)	-	(405,001)
(5,306,026)	-	(5,306,026)
-	(939,717)	(939,717)
-	44,554	44,554
-	(895,163)	(895,163)
(5,306,026)	(895,163)	(6,201,189)
1,410,730	-	1,410,730
762,281	-	762,281
954,698	-	954,698
275,528	-	275,528
106,785	-	106,785
343,178	-	343,178
278,901	-	278,901
133,978	-	133,978
45,770	30,559	76,329
232,179	12,771	244,950
337,492	(337,492)	-
4,881,520	(294,162)	4,587,358
(424,506)	(1,189,325)	(1,613,831)
26,681,384	17,781,827	44,463,211
\$ 26,256,878	\$ 16,592,502	\$ 42,849,380

Village of Sugar Grove, Illinois

Balance Sheet - Governmental Funds
April 30, 2012

	General Fund	Debt Service Fund	General Capital Projects Fund	Infrastructure Capital Projects Fund	Nonmajor Industrial Tax Increment Financing District #1 Fund	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 1,130,761	\$ 10,191	\$ 1,874,727	\$ 23,574	\$ -	\$ 3,039,253
Investments	582,270	348,727	3,803,955	621,338	-	5,356,290
Receivables						
Property taxes	1,438,057	-	-	-	-	1,438,057
Other taxes	691,293	-	-	128,835	-	820,128
Intergovernmental	17,589	-	-	153,706	-	171,295
Interest	4,769	-	7,459	-	-	12,228
Other	75,223	-	-	-	-	75,223
Due from other funds	29,107	-	797,756	1,979,684	-	2,806,547
Prepaid items	105,370	-	-	-	-	105,370
Total assets	\$ 4,074,439	\$ 358,918	\$ 6,483,897	\$ 2,907,137	\$ -	\$ 13,824,391
Liabilities						
Accounts payable	\$ 300,128	\$ -	\$ 7,053	\$ 1,991,559	\$ 369	\$ 2,299,109
Wages payable	98,804	-	-	-	-	98,804
Deposits payable	269,224	-	-	-	-	269,224
Sales tax rebate payable	111,054	-	-	-	-	111,054
Due to other funds	240,000	-	1,739,684	797,756	29,107	2,806,547
Unearned revenues - property tax	1,438,057	-	-	-	-	1,438,057
Unearned revenues - other	90,502	-	-	35,091	-	125,593
Other liabilities	9,293	-	-	-	-	9,293
Total liabilities	2,557,062	-	1,746,737	2,824,406	29,476	7,157,681
Fund Balances						
Nonspendable						
Prepaid items	105,370	-	-	-	-	105,370
Restricted						
Capital projects	-	-	1,744,459	-	-	1,744,459
Debt service	-	358,918	-	-	-	358,918
Motor fuel tax	-	-	-	43,391	-	43,391
Assigned						
Capital projects	-	-	2,264,854	39,340	-	2,304,194
Equipment replacement	-	-	727,847	-	-	727,847
Unassigned	1,412,007	-	-	-	(29,476)	1,382,531
Total fund balances	1,517,377	358,918	4,737,160	82,731	(29,476)	6,666,710
Total liabilities and fund balances	\$ 4,074,439	\$ 358,918	\$ 6,483,897	\$ 2,907,137	\$ -	\$ 13,824,391

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
April 30, 2012

Total fund balances-governmental funds	\$ 6,666,710
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	28,878,088
A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds.	8,965
Issuance costs of debt are capitalized in the Statement of Net Assets and are amortized over the life of the related debt.	115,968
Revenues in the Statement of Activities that do not provide current financial resources are unearned in the funds.	125,593
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of:	
Accrued interest	(130,710)
Compensated absences	(90,343)
Net other post-employment benefit obligation	(15,387)
General obligation bonds payable	(9,302,006)
Net assets of governmental activities	<u>\$ 26,256,878</u>

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –
 Governmental Funds
 Year Ended April 30, 2012

	General Fund	Debt Service Fund	General Capital Projects Fund	Infrastructure Capital Projects Fund	Nonmajor Industrial Tax Increment Financing District #1 Fund	Total Governmental Funds
Revenues						
Property taxes	\$ 1,410,730	\$ -	\$ -	\$ -	\$ -	\$ 1,410,730
Other taxes	2,139,588	-	-	709,818	-	2,849,406
Charges for services	103,984	-	-	-	-	103,984
Intergovernmental, grants, and contributions	23,425	-	400	188,625	-	212,450
Licenses and permits	101,864	-	-	-	-	101,864
Fines, fees and forfeitures	275,634	-	-	-	-	275,634
Interest	14,804	1,329	28,984	653	-	45,770
Miscellaneous	110,305	-	129,098	-	-	239,403
Total revenues	4,180,334	1,329	158,482	899,096	-	5,239,241
Expenditures						
Current						
General government	1,182,339	-	-	-	29,476	1,211,815
Public safety	2,038,487	-	-	-	-	2,038,487
Highways and streets	603,307	-	78,241	277,935	-	959,483
Debt service						
Principal	-	705,000	-	-	-	705,000
Interest and fiscal charges	-	383,703	-	-	-	383,703
Capital outlay	-	-	73,453	569,254	-	642,707
Total expenditures	3,824,133	1,088,703	151,694	847,189	29,476	5,941,195
Excess (deficiency) of revenues over expenditures	356,201	(1,087,374)	6,788	51,907	(29,476)	(701,954)
Other financing sources (uses)						
Transfers in	32,500	1,076,097	138,120	268,051	-	1,514,768
Transfers out	(378,120)	-	(463,319)	(335,837)	-	(1,177,276)
Total other financing sources (uses)	(345,620)	1,076,097	(325,199)	(67,786)	-	337,492
Net change in fund balances	10,581	(11,277)	(318,411)	(15,879)	(29,476)	(364,462)
Fund balances - beginning, as restated	1,506,796	370,195	5,055,571	98,610	-	7,031,172
Fund balances - ending	\$ 1,517,377	\$ 358,918	\$ 4,737,160	\$ 82,731	\$ (29,476)	\$ 6,666,710

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2012

Net change in fund balances-total governmental funds	\$	(364,462)
--	----	-----------

Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period. (\$563,672 current additions less \$1,202,793 depreciation.)

	(639,121)
--	-----------

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.

	(98,322)
--	----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unearned revenues	5,943
-----------------------------	-------

A change in the net pension asset is not considered to be a change in a financial asset in the governmental funds.

Change in net pension asset	227
-----------------------------	-----

An change in the net other post-employment benefit obligation is not considered to be a change in a financial asset in the governmental funds.

Change in net other post-employment benefit obligation	(6,560)
--	---------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These activities consist of:

Amortization of bond premium, issuance costs, and deferred loss on refunding	(29,946)
--	----------

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

	705,000
--	---------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Compensated absences	(5,913)
Accrued interest	8,648

Change in net assets of governmental activities	\$	<u>(424,506)</u>
---	----	------------------

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Net Assets - Proprietary Funds
April 30, 2012

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
Assets			
Current			
Cash and cash equivalents	\$ 3,209,175	\$ 41,093	\$ 3,250,268
Investments	505,949	-	505,949
Receivables			
Accounts	212,927	68,032	280,959
Interest	12,211	-	12,211
Other	1,592	-	1,592
Due from other funds	-	1,060	1,060
Prepays	98,020	-	98,020
Total current assets	<u>4,039,874</u>	<u>110,185</u>	<u>4,150,059</u>
Noncurrent			
Deferred charges	76,398	-	76,398
Capital assets (net of accumulated depreciation)			
Land	331,723	-	331,723
Construction in progress	1,826	-	1,826
Infrastructure	19,136,075	-	19,136,075
Buildings	1,202,575	-	1,202,575
Improvements other than buildings	248,333	-	248,333
Vehicles and equipment	511,814	-	511,814
Total noncurrent assets	<u>21,508,744</u>	<u>-</u>	<u>21,508,744</u>
Total assets	<u>\$ 25,548,618</u>	<u>\$ 110,185</u>	<u>\$ 25,658,803</u>

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Net Assets - Proprietary Funds - Continued
 April 30, 2012

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
Liabilities			
Current			
Accounts payable	\$ 308,525	\$ 59,768	\$ 368,293
Wages payable	24,175	-	24,175
Accrued interest	123,959	-	123,959
Due to other funds	1,060	-	1,060
Unearned revenue - other	21,000	-	21,000
Other liabilities	659	-	659
Compensated absences - current	29,793	-	29,793
General obligation bonds payable - current	295,000	-	295,000
Loans payable - current	336,908	-	336,908
Total current liabilities	1,141,079	59,768	1,200,847
Noncurrent			
Compensated absences	10,013	-	10,013
General obligation bonds payable (net of unamortized premiums and deferred amount on refunding)	4,654,263	-	4,654,263
Loans payable	3,201,178	-	3,201,178
Total noncurrent liabilities	7,865,454	-	7,865,454
Total liabilities	9,006,533	59,768	9,066,301
Net Assets			
Invested in capital assets, net of related debt			
	12,944,997	-	12,944,997
Unrestricted	3,597,088	50,417	3,647,505
Total net assets	\$ 16,542,085	\$ 50,417	\$ 16,592,502

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
Year Ended April 30, 2012

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
Operating revenues			
Charges for services			
Water revenue	\$ 1,285,182	\$ -	\$ 1,285,182
Sewer revenue	1,217,471	-	1,217,471
Other revenue	55,202	-	55,202
Refuse revenue	-	757,905	757,905
Total operating revenues	2,557,855	757,905	3,315,760
Operating expenses excluding amortization and depreciation	2,385,679	713,351	3,099,030
Operating income before amortization and depreciation	172,176	44,554	216,730
Amortization	10,298	-	10,298
Depreciation	753,212	-	753,212
Total amortization and depreciation	763,510	-	763,510
Operating income (loss)	(591,334)	44,554	(546,780)
Nonoperating revenues (expenses)			
Connection fees	5,748	-	5,748
Interest income	30,520	39	30,559
Interest expense	(341,360)	-	(341,360)
Total nonoperating revenues (expenses)	(305,092)	39	(305,053)
Income (loss) before transfers	(896,426)	44,593	(851,833)
Transfer in	9,468	-	9,468
Transfer out	(314,460)	(32,500)	(346,960)
Change in net assets	(1,201,418)	12,093	(1,189,325)
Net assets - beginning	17,743,503	38,324	17,781,827
Net assets - ending	\$ 16,542,085	\$ 50,417	\$ 16,592,502

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Cash Flows – Proprietary Funds
Year Ended April 30, 2012

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
Cash flows from operating activities			
Cash received from customers	\$ 2,549,047	\$ 757,817	\$ 3,306,864
Cash paid to suppliers	(1,656,255)	(711,952)	(2,368,207)
Cash paid to employees	(494,976)	-	(494,976)
Net cash provided (used) by operating activities	397,816	45,865	443,681
Cash flows from noncapital financing activities			
Transfers from other funds	9,468	-	9,468
Transfers to other funds	(314,460)	(32,500)	(346,960)
Connection fees	5,748	-	5,748
Net cash provided (used) by noncapital financing activities	(299,244)	(32,500)	(331,744)
Cash flows from capital and related financing activities			
Interest and fees paid on general obligation bonds	(227,500)	-	(227,500)
Interest paid on IEPA loans	(99,380)	-	(99,380)
Principal paid on general obligation bonds	(280,000)	-	(280,000)
Principal paid on IEPA loans	(328,230)	-	(328,230)
Net cash flows provided (used) by capital and related financing activities	(935,110)	-	(935,110)
Cash flows from investing activities			
Purchase of investments	(490,081)	-	(490,081)
Sale of investments	1,159,617	-	1,159,617
Interest on investments	27,526	39	27,565
Net cash flows provided (used) by investing activities	697,062	39	697,101
Net increase (decrease) in cash and equivalents	(139,476)	13,404	(126,072)
Cash and cash equivalents - beginning	3,348,651	27,689	3,376,340
Cash and cash equivalents - ending	\$ 3,209,175	\$ 41,093	\$ 3,250,268

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Cash Flows – Proprietary Funds - Continued
Year Ended April 30, 2012

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ (591,334)	\$ 44,554	\$ (546,780)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities			
Amortization	10,298	-	10,298
Depreciation	753,212	-	753,212
Changes in assets and liabilities			
Accounts receivable	(8,758)	972	(7,786)
Other receivable	(50)	-	(50)
Due from other funds	-	(1,060)	(1,060)
Prepaid items	(6,255)	-	(6,255)
Accounts payable	232,385	1,399	233,784
Wages payable	5,420	-	5,420
Due to other funds	1,060	-	1,060
Other liabilities	(525)	-	(525)
Compensated absences	2,363	-	2,363
Total adjustments	989,150	1,311	990,461
Net cash provided (used) by operating activities	\$ 397,816	\$ 45,865	\$ 443,681

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Fiduciary Net Assets

April 30, 2012

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 701	\$ -
Investments		
U.S. government and agency obligations	1,729,353	-
State and local obligations	134,296	-
Equity mutual funds	211,251	-
Money market mutual funds	49,035	-
Interest receivable	15,825	-
Prepays	2,423	-
Total assets	<u>2,142,884</u>	<u>-</u>
Liabilities		
Accounts payable	<u>675</u>	<u>-</u>
Total liabilities	<u>675</u>	<u>-</u>
Net Assets		
Held in trust for pension benefits	<u>\$ 2,142,209</u>	<u>\$ -</u>

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Changes in Fiduciary Net Assets - Pension Trust Fund
Year Ended April 30, 2012

Additions	
Contributions	
Employer	\$ 222,543
Participants	88,839
Total contributions	<u>311,382</u>
Investment income	
Interest income	61,821
Net appreciation in fair value of investments	59,990
Total investment income	<u>121,811</u>
Less investment expenses	<u>(7,833)</u>
Net investment income	<u>113,978</u>
Total additions	<u>425,360</u>
Deductions	
Administration	31,089
Pension benefits and refunds	110,627
Total deductions	<u>141,716</u>
Change in net assets	283,644
Net assets - beginning	<u>1,858,565</u>
Net assets - ending	<u>\$ 2,142,209</u>

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 1. Summary of significant accounting policies

The Village of Sugar Grove, Illinois (Village) was incorporated July 2, 1957 and operates under a Trustee-Village form of government. The Village provides a full range of services including police protection, the construction and maintenance of highways, streets and infrastructure, water treatment and distribution, planning and zoning, and general administrative services.

A. Reporting Entity

The Village of Sugar Grove (Village) is a municipal corporation governed by an elected Village president and six-trustee Village Board. As required by accounting principles generally accepted in the United States of America, these financial statements present the Village (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the significance of their operational or financial relationships with the primary government. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose the will of 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
- 2) Fiscal dependency on the primary government.

The accompanying financial statements present the Village of Sugar Grove. The Village has determined based upon the criteria set forth in GASB Statement No. 39, "Determining Whether Organizations are Component Units – and Amendment of GASB Statement No. 14," that no other entity meets the above criteria and, therefore, no other entity has been included as a component unit in the Village's financial statements.

B. Government-wide and fund financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds.

Government-wide Financial Statements

The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is charges between the Village's waterworks and sewerage function and various other functions of the Village. Elimination of these charges would distort the direct costs and programs revenues reported for the various functions concerned. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 1. Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements (continued)

Government-wide Financial Statements (continued)

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

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

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

The Statement of Activities, which presents the Village's non-fiduciary revenues and expenses, demonstrates the degree to which the direct expenses of a given function (i.e. general government, public safety etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Amounts reported as program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided, (b) operating grants and contributions, and (c) capital grants and contributions. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each displayed in a separate column in the fund financial statements. All remaining governmental and enterprise funds are aggregated by fund category (governmental and proprietary) and reported as nonmajor funds.

The Village administers the following major governmental funds:

General Fund – This 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 services which are administered by the Village and accounted for in the general fund include general government, public safety and highways and streets.

Debt Service Fund – This fund is used to accumulate monies for the Village's general obligation alternate revenue source bonds. Activities are financed from property taxes and transfers from other funds.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 1. Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements (continued)

Fund Financial Statements (continued)

General Capital Projects Fund – This fund accounts for the acquisition, construction and improvement of governmental capital assets other than infrastructure. Activities are financed from developer contributions and transfers from other funds.

Infrastructure Capital Projects Fund – This fund accounts for the acquisition, construction and improvement of governmental infrastructure assets. Activities are financed from developer contributions and motor fuel taxes.

The Village administers the following major proprietary funds:

Waterworks and Sewerage Fund – This fund accounts for the provision of water and sewer 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.

Refuse Fund – This fund is used to account for refuse services contracted by the Village for the benefit of its citizens, but performed by a private entity. This fund is financed by fees charged to residents on their monthly utility bill.

Additionally, the Village administers fiduciary (pension trust and agency) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees, bondholders and other governments.

C. 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 and fiduciary trust fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Property taxes are recognized as revenues in the year for which they are levied. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Fiduciary agency funds are unlike all other types of funds, reporting only assets and liabilities. They do use the accrual basis of accounting to recognize receivables and payables, however, they cannot be said to have a measurement focus since they do not report equity or changes in equity.

Governmental funds 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 revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 1. Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting and financial statement presentation (continued)

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due (e.g. upon employee retirement or termination or debt payment). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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 the proprietary fund's principal ongoing operations. The principal operating revenue of the Waterworks and Sewerage Fund is 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.

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

D. Assets, liabilities and net assets or equity

1. Cash and Cash Equivalents

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments are stated 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 any established market, if any, are reported at estimated fair value. The Illinois Funds and Illinois Metropolitan Investment Fund operate in accordance with appropriate state laws and regulations. The reported value of the Illinois Funds and Illinois Metropolitan Investment Fund investment pools are the same as the fair value of the pool shares.

3. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by the County and issued on or about May and August, and are payable in two installments which are due on or about June 15 and September 1.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 1. Summary of significant accounting policies (continued)

D. Assets, liabilities and net assets or equity (continued)

3. Property Taxes (continued)

Property taxes are billed, collected and remitted periodically by the County Treasurer of Kane County, Illinois. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amount to be collected. That portion of the property taxes receivable which is not expected to be collected within sixty (60) days after year end is not considered to pay current liabilities and is, therefore, shown as deferred revenue.

4. Prepaid Items

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

5. Interfund Receivables/Payables

The Village has the following types of transactions between funds:

Loans and Advances — amounts provided with a requirement for repayment. In the fund financial statements, interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds. Any residual balances outstanding between the governmental activities and business-type activities are reported as internal balances in the government-wide statement of net assets.

Services provided and used — sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net assets.

Reimbursements — repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers — flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after nonoperating revenues and expenses.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 1. Summary of significant accounting policies (continued)

D. Assets, liabilities and net assets or equity (continued)

6. Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, vehicles, equipment, and infrastructure assets (e.g. water and sewer system), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Village defines capital assets as assets with an initial, individual cost in at or above of the following, and an estimated useful life of greater than one year.

<u>Asset Class</u>	<u>Capitalization Threshold</u>
Land	\$ 1
Land improvements	25,000
Buildings	50,000
Building improvements	50,000
Vehicles	10,000
Equipment	25,000
Computers	10,000
Furniture and fixtures	15,000
Infrastructure	250,000

As the Village constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed. In the case of donations the Village values these capital assets at the estimated fair value of the item 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. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds. The cost of normal maintenance and repairs that do not add to the value of the asset, significantly extend the useful life of an asset, or significantly increase the capacity of an asset, are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Land improvements	15 - 20
Buildings	45
Building improvements	10 - 30
Vehicles	3 - 10
Equipment	5 - 30
Computers	4
Furniture and fixtures	5 - 20
Infrastructure	20 - 50

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 1. Summary of significant accounting policies (continued)

D. Assets, liabilities and net assets or equity (continued)

7. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Village does not have a policy to pay any amounts when employees separate from service within the Village. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

8. Unearned Revenue

The Village defers revenue recognition in connection with resources that have been received, but not yet earned.

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

9. 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 or business-type activities and proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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 costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Fund Equity

In the government-wide and proprietary fund financial statements, equity is classified as net assets and displayed in three classifications:

Invested in capital asset, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 1. Summary of significant accounting policies (continued)

D. Assets, liabilities and net assets or equity (continued)

10. Fund Equity (continued)

Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the governmental fund financial statements, equity is classified as fund balance and displayed in five classifications:

Nonspendable – amounts that are not in spendable form (such as prepaids) or are required to be maintained intact.

Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned – amounts a government intends to use for a specific purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates this authority.

Unassigned – amounts that are available for any purpose.

Fund balance is displayed in the order of the relative strength of the spending constraints placed on the purposes for which resources can be used. The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first.

11. Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

Note 2. Stewardship, compliance and accountability

A. Budgetary information

Annual budgets are adopted for all funds on a basis consistent with accounting principles generally accepted in the United States of America except for the Waterworks and Sewerage Fund, in that gains/losses on the sales of capital assets and depreciation are not budgeted, and capital outlay and debt principal retirements are budgeted. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at the fiscal year end.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 2. Stewardship, compliance and accountability (continued)

A. Budgetary information (continued)

All departments of the Village submit requests for appropriations so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past two years, current year estimates and requested budget for the next fiscal year.

The proposed budget is then presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Management may transfer budget amounts between functions and activities. However, transfers between funds and increases in total funds must be approved by the governing board. Expenditures may not legally exceed appropriations at the fund level. There was one supplemental budget amendment approved during the year.

B. Excess of expenditures over appropriations

For the year ended April 30, 2012, expenditures/deductions exceeded appropriations in the Infrastructure Capital Projects Fund and Police Pension Fund by \$243,324 and \$22,696, respectively. The excess of expenditures in the Infrastructure Capital Projects Fund were funded by transfers of additional monies from other funds as well as existing fund balance. The excess of deductions in the Police Pension Fund were funded by existing net assets.

C. Deficit fund equity

The Industrial Tax Increment Financing District #1 Fund had a deficit fund balance of \$29,476 as of April 30, 2012. The fund incurred costs to establish the district in advance of the expected revenue.

Note 3. Deposits and investments

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust fund. Each fund type's portion of this pool is displayed on the financial statements as "cash and cash equivalents" and "investments". In addition, cash and cash equivalents and investments are separately held by several of the Village's funds. The deposits and investments of the pension trust fund is held separately from those of other funds.

Illinois statutes and the Village's investment policy authorize the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, obligations of the State of Illinois, any other state, or of any political subdivision or agency of the State of Illinois or any other state rated within the four highest classifications by a standard rating service, Illinois Funds, and Illinois Metropolitan Investment Fund. Pension funds may also invest in Illinois insurance company general and separate accounts, and certain equities, subject to limitations.

Illinois Funds is an external investment pool implemented by the State of Illinois General Assembly and 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, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price the investment could be sold for.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 3. Deposits and investments (continued)

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold for.

A. Village credit risk, custodial credit risk, and concentration risk

Deposits. At year-end, the carrying amount of Village's deposits totaled \$6,289,521 and the bank balances totaled \$6,328,736.

Investments. At year-end, the carrying amount and fair value of the Village's investments totaled \$5,862,239. The following table presents the debt securities and investments, as well as their maturities, of the Village. Categorized investments are insured or registered for which the securities are held by the Village or its agent in the Village's name. Uncategorized investments are not subject to categorization because they are not securities. As such, investments in the Illinois Funds and Illinois Metropolitan Investment Fund are not subject to categorization.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
<i>Uncategorized investments:</i>					
Illinois Funds	2,410	2,410	-	-	-
Illinois Metropolitan Investment Fund	5,859,829	2,527,379	3,332,450	-	-
	<u>\$ 5,862,239</u>	<u>\$ 2,529,789</u>	<u>\$ 3,332,450</u>	<u>\$ -</u>	<u>\$ -</u>

Reconciliation. Total Village deposits and investments at year-end are as follows:

Carrying amount of deposits	\$ 6,289,521
Carrying amount of investments	5,862,239
Total pooled deposits and investments	<u>\$ 12,151,760</u>
Cash and cash equivalents - governmental and business-type activities	\$ 6,289,521
Investments - governmental and business-type activities	5,862,239
Cash and cash equivalents - agency funds	-
Total pooled deposits and investments	<u>\$ 12,151,760</u>

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 3. Deposits and investments (continued)

A. Village credit risk, custodial credit risk, and concentration risk (continued)

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one year period. The investment policy limits the maximum maturity length of investments to three years from the date of purchase. Investment of reserve funds may exceed three years if the maturity is made to coincide with the expected use of the funds. The portion of the portfolio that is invested with Illinois Metropolitan Investment (IMET) 1 – 3 Year Fund has an average maturity of 1.55 years and a duration of 1.49 years and is subject to interest rate risk. With a current duration of 1.55 years, if the interest rates were to increase by 1%, the value of the fund would decrease by approximately 1.55% and vice versa if the interest rates were to decrease by 1%.

Credit risk. Credit risk is the risk that an issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk by primarily investing in obligations guaranteed by the U.S. Government or securities issued by agencies of the U.S. Government that are explicitly or implicitly guaranteed by the U.S. Government. At April 30, 2012, the Village's investments in the Illinois Funds is rated AAAM by Standard & Poor's and the Village's investment in IMET's Convenience Fund is rated AA Af by Standard & Poor's and IMET's 1 – 3 Year Fund is rated AA Af by Standard and Poor's.

In addition, the Village's investment policy prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as possible income to be derived."

Custodial credit risk – deposits. This is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 102% of all bank balances in excess of federal depository insurance with the collateral held by the Village or a third party in the Village's name. At April 30, 2012, none of the Village's bank balance of \$6,328,736 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments. This 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 the possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third-party acting as the Village's agent separate from where the investment was purchased in the Village's name. The Illinois Funds and Illinois Metropolitan Investment Fund investment pools are not subject to custodial credit risk.

Concentration of credit risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. With the exception of U.S. Treasury and U.S. Agency securities and authorized investment pools, no more than 90% of the Village's total investment portfolio will be invested in a single security type and no more than 50% of the Village of Sugar Grove's total investment portfolio will be invested with a single financial institution. At April 30, 2012, the Village had greater than 5% of its overall portfolio (cash and cash equivalents and investments) invested in the Illinois Metropolitan Investment Fund Convenience Fund (20.81%) and Illinois Metropolitan Investment Fund 1 – 3 Year Fund (27.43%).

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 3. Deposits and investments (continued)

B. Police pension credit risk, custodial credit risk, and concentration risk

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

Statutes authorize the Police Pension Fund to make deposits/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 State of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Public Treasurer, interest bearing funds or pooled accounts of the Illinois Metropolitan Investment Funds, and interest bearing funds or pooled accounts managed 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; direct obligations of the State of Israel; 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; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the pension fund's plan net assets; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension funds with plan net assets of \$2,500,000 or more may invest up to forty-five percent of plan net assets in separate accounts of life insurance companies and mutual funds. Pension funds with plan net assets of at least \$5,000,000 that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net assets in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net assets of at least \$10,000,000 that have appointed an investment advisor, may invest up to fifty percent of its plan net assets in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

Deposits. At year-end, the carrying amount of Police Pension Fund's deposits totaled \$701 and the bank balances totaled \$4,026.

Investments. At year-end, the carrying amount and fair value of the Police Pension Fund's investments totaled \$2,123,935. The following table presents the debt securities and investments, as well as their maturities, of the Police Pension Fund. Categorized investments are insured or registered for which the securities are held by the Police Pension Fund or its agent in the fund's name. Uncategorized investments are not subject to categorization because they are not securities. As such, investments in equity mutual and money market mutual funds are not subject to categorization.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 3. Deposits and investments (continued)

B. Police pension credit risk, custodial credit risk, and concentration risk (continued)

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Categorized investments:					
U.S. Treasury obligations:					
U.S. Treasury notes	\$ 653,089	\$ 56,409	\$ 250,650	\$ 346,030	\$ -
U.S. government agencies:					
FFCB	374,315	-	211,270	163,045	-
FHLMC	116,298	-	47,612	68,686	-
FHLB	563,020	122,891	162,010	248,465	29,654
FNMA	22,631	-	22,631	-	-
Municipal bonds	134,296	-	11,157	5,355	117,784
Uncategorized investments:					
Equity mutual funds	211,251	211,251	-	-	-
Money market mutual funds	49,035	49,035	-	-	-
	<u>\$ 2,123,935</u>	<u>\$ 439,586</u>	<u>\$ 705,330</u>	<u>\$ 831,581</u>	<u>\$ 147,438</u>

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

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected liabilities. The investment policy does not limit the maximum maturity length of investments.

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The 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 investments in securities of the U.S. government, agency obligations, and municipal bonds were rated AAA by Standard & Poor's and/or Aaa by Moody's Investors Service.

The fund's investment policy also prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as possible income to be derived."

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the pension fund's deposits may not be returned to it. At April 30, 2012, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The fund's investment policy does not limit custodial credit risk for deposits.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. The Police Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Police Pension Board, to act as custodian for its securities and collateral.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 3. Deposits and investments (continued)

B. Police pension credit risk, custodial credit risk, and concentration risk (continued)

Concentration of credit risk. This is the risk of loss attributed to the magnitude of the Police Pension Fund's investment in a single issuer.

The fund's investment policy defines the strategy in which the Police Pension Board adheres to for investments as follows:

The Police Pension Board allocates its fixed income investments as follows:

- Cash/money market – a range of 0% to 40% with a target of 0%.
- U.S. Treasury obligations – a range of 20 to 40% with a target of 30%.
- U.S. government agencies (non-mortgage backed securities) – a range of 30 to 80% with a target of 55%.
- U.S. government agencies (mortgage backed securities) – a range of 0 to 10% with a target of 5%.
- Taxable municipal securities – a range of 0 to 20% with a target of 10%.
- Certificates of deposit – a range of 0 to 20% with a target of 0%.

The Police Pension Board allocates its equity investments in mutual funds as follows:

- U.S. large company stocks – a range of 40 to 100% with a target of 70%.
- U.S. small company stocks – a range of 0 to 40% with a target of 20%.
- International stocks – a range of 0 to 20% with a target of 10%.

At April 30, 2012, the fund has no investments (other than U.S. Government guaranteed obligations) in any single issuer over 5% of total cash and cash equivalents and investments.

The Police Pension Board has diversified its equity mutual fund holdings as follows:

T. Rowe Price Growth	\$	38,179
Vanguard 500		37,526
Pioneer Equity Income		27,498
LSV Value Equity		27,282
Barron Small Cap		14,854
Royce Total Return		14,694
Cohen & Steers		10,814
RS Global Natural		10,678
Scout International		6,776
Bridgeway Ultra		6,744
FBR Focus		6,612
First Eagle Overseas		3,348
Oppenheimer Developing		3,292
Vanguard International		2,954
	\$	<u>211,251</u>

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 4. Capital assets

A. Governmental activities

A summary of changes in capital assets for governmental activities of the Village is as follows:

	Balance May 1, as restated	Additions	Deletions	Balance April 30
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,932,586	\$ -	\$ 98,322	\$ 9,834,264
Construction in progress	352,247	202,647	28,980	525,914
Total capital assets not being depreciated	<u>10,284,833</u>	<u>202,647</u>	<u>127,302</u>	<u>10,360,178</u>
Capital assets being depreciated:				
Infrastructure	19,836,937	301,553	-	20,138,490
Buildings	2,217,441	-	-	2,217,441
Improvements other than buildings	256,743	-	-	256,743
Vehicles and equipment	1,619,970	88,452	59,599	1,648,823
	<u>23,931,091</u>	<u>390,005</u>	<u>59,599</u>	<u>24,261,497</u>
Less accumulated depreciation for:				
Infrastructure	2,813,955	1,006,010	-	3,819,965
Buildings	560,896	49,277	-	610,173
Improvements other than buildings	82,718	12,837	-	95,555
Vehicles and equipment	1,142,824	134,669	59,599	1,217,894
	<u>4,600,393</u>	<u>1,202,793</u>	<u>59,599</u>	<u>5,743,587</u>
Total capital assets being depreciated, net	<u>19,330,698</u>	<u>(812,788)</u>	<u>-</u>	<u>18,517,910</u>
Governmental activities capital assets, net	<u>\$ 29,615,531</u>	<u>\$ (610,141)</u>	<u>\$ 127,302</u>	<u>\$ 28,878,088</u>

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 4. Capital assets (continued)

B. Business-type activities

A summary of changes in capital assets for business-type activities of the Village is as follows:

	Balance May 1	Additions	Deletions	Balance April 30
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 331,723	\$ -	\$ -	\$ 331,723
Construction in progress	1,826	-	-	1,826
Total capital assets not being depreciated	<u>333,549</u>	-	-	<u>333,549</u>
Capital assets being depreciated:				
Infrastructure	25,655,919	-	-	25,655,919
Buildings	1,510,211	-	-	1,510,211
Improvements other than buildings	467,274	-	-	467,274
Vehicles and equipment	1,408,650	-	-	1,408,650
	<u>29,042,054</u>	-	-	<u>29,042,054</u>
Less accumulated depreciation for:				
Infrastructure	5,944,749	575,095	-	6,519,844
Buildings	274,075	33,561	-	307,636
Improvements other than buildings	192,128	26,813	-	218,941
Vehicles and equipment	779,093	117,743	-	896,836
	<u>7,190,045</u>	<u>753,212</u>	-	<u>7,943,257</u>
Total capital assets being depreciated, net	<u>21,852,009</u>	<u>(753,212)</u>	-	<u>21,098,797</u>
Business-type activities capital assets, net	<u>\$ 22,185,558</u>	<u>\$ (753,212)</u>	<u>\$ -</u>	<u>\$ 21,432,346</u>

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 4. Capital assets (continued)

C. Depreciation charged to functions/activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 41,629	\$ -
Public safety	38,998	-
Highways and streets	1,122,166	-
Water and sewer	-	753,212
	<u>\$ 1,202,793</u>	<u>\$ 753,212</u>

Note 5. Risk management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to employees. These risks are provided for through participation in the Intergovernmental Risk Management Agency and private insurance coverage. The Village has purchase insurance from private insurance companies for its medical, dental and life insurance coverages. The Village has not had significant reductions in insurance coverage during the year nor did settlements exceed insurance coverage in any of the last three years.

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois, which have formed an association under the Illinois Intergovernmental Cooperation Statute to pool its risk management needs. The agency administers a mix of coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; risk management/loss control consulting; training and education programs; and a risk information system and financial reporting service for its members.

The Intergovernmental Risk Management Agency was formed on January 1, 1979, with fourteen charter municipal members. As of December 31, 2011, IRMA had seventy-one members. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the agency beyond its representation on the Board of Directors.

The IRMA bylaws provide that all contributions to fund IRMA's operations are based on the individual member's revenue base, which serves as a measure of exposure. The revenue base is computed from the members' most current annual audited financial reports. Revenue base is defined as all total income with some specific exclusions and deductions. This amount is then multiplied by an experience modification factor based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 6. Long-term obligations

A. General obligation bonds

The Village has issued general obligation alternate revenue source bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The alternate revenue source bonds pledge income derived from income, property and utility taxes and net water and sewer revenues. In addition, these bonds further pledge the full faith and credit of the Village should the alternate revenue source be insufficient. General obligation bonds currently outstanding are as follows:

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
Governmental activities:					
\$ 8,500,000 General Obligation Alternate Revenue Source Bonds dated June 15, 2006 due in annual installments of \$215,000 to \$650,000 plus interest of 4.000% to 4.125% through Dec. 15, 2025	Debt Service	\$ 7,010,000	\$ -	\$ 355,000	\$ 6,655,000
\$ 590,000 General Obligation Alternate Revenue Source Bonds dated July 15, 2008 due in annual installments of \$100,000 to \$130,000 plus interest of 3.00% to 3.60% through Jan. 1, 2014	Debt Service	375,000	-	120,000	255,000
\$ 2,930,000 General Obligation Alternate Revenue Source Bonds dated April 1, 2009 due in annual installments of \$50,000 to \$310,000 plus interest of 2.50% to 3.90% through Jan. 1, 2021	Debt Service	2,665,000	-	230,000	2,435,000
Total general obligation bonds - governmental activities		10,050,000	-	705,000	9,345,000

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 6. Long-term obligations (continued)

A. General obligation bonds (continued)

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
Business-type activities:					
\$ 1,415,000 General Obligation Alternate Revenue Refunding Bonds dated May 29, 2002 due in annual installments of \$125,000 to \$165,000 plus interest of 3.00% to 4.00% through May 1, 2012	Waterworks and Sewerage	\$ 290,000	\$ -	\$ 165,000	\$ 125,000
\$ 2,640,000 General Obligation Alternate Revenue Refunding Bonds dated May 17, 2006 due in annual installments of \$30,000 to \$325,000 plus interest of 4.00% to 4.50% through May 1, 2021	Waterworks and Sewerage	2,515,000	-	35,000	2,480,000
\$ 2,585,000 General Obligation Alternate Revenue Source Bonds dated July 15, 2008 due in annual installments of \$45,000 to \$250,000 plus interest of 4.00% to 4.50% through May 1, 2028	Waterworks and Sewerage	2,505,000	-	80,000	2,425,000
Total general obligation bonds - business-type activities		5,310,000	-	280,000	5,030,000
Total general obligation bonds		\$ 15,360,000	\$ -	\$ 985,000	\$ 14,375,000

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 6. Long-term obligations (continued)

B. Illinois Environmental Protection Agency (IEPA) loans

The Village has entered into three loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. IEPA loans have been issued for business-type activities only. The IEPA loans pledge net water and sewer revenues. IEPA loans currently outstanding are as follows:

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
Business-type activities:					
\$ 3,697,283 IEPA Loan Payble dated Sept. 29, 1998 due in semi-annual installments of \$119,812 with interest of 2.625% through September 28, 2019	Waterworks and Sewerage	\$ 1,814,969	\$ -	\$ 193,242	\$ 1,621,727
\$ 1,565,676 IEPA Loan Payble dated May 21, 2002 due in semi-annual installments of \$52,237 with interest of 2.675% through October 8, 2023	Waterworks and Sewerage	1,103,827	-	75,449	1,028,378
\$ 1,272,108 IEPA Loan Payble dated March 28, 2003 due in semi-annual installments of \$41,755 with interest of 2.570% through June 18, 2024	Waterworks and Sewerage	947,520	-	59,539	887,981
Total IEPA loans		\$ 3,866,316	\$ -	\$ 328,230	\$ 3,538,086

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 6. Long-term obligations (continued)

C. Changes in long-term liabilities

	Balances			Balances	Due Within
	May 1	Additions	Reductions	April 30	One Year
Governmental activities:					
Bonds payable:					
General obligation alternate revenue bonds	\$ 10,050,000	\$ -	\$ 705,000	\$ 9,345,000	\$ 705,000
Plus deferred amounts:					
For issuance premiums	36,944	-	4,543	32,401	-
Less deferred amounts:					
On refunding	(89,800)	-	(14,405)	(75,395)	-
Total bonds payable	9,997,144	-	695,138	9,302,006	705,000
Net other post-employment benefit obligation	8,827	19,189	12,629	15,387	-
Compensated absences	84,430	99,897	93,984	90,343	90,343
Total governmental activities long-term liabilities	\$ 10,090,401	\$ 119,086	\$ 801,751	\$ 9,407,736	\$ 795,343

For the governmental activities, compensated absences and net other post-employment benefit obligation are generally liquidated by the General Fund.

Business-type activities:

Bonds payable:					
General obligation alternate revenue bonds	\$ 5,310,000	\$ -	\$ 280,000	\$ 5,030,000	\$ 295,000
Plus deferred amounts:					
For issuance premiums	60,113	-	8,520	51,593	-
Less deferred amounts:					
On refunding	(162,039)	-	(29,709)	(132,330)	-
Total bonds payable	5,208,074	-	258,811	4,949,263	295,000
Loans payable	3,866,316	-	328,230	3,538,086	336,908
Compensated absences	37,443	32,374	30,011	39,806	29,793
Total business-type activities long-term liabilities	\$ 9,111,833	\$ 32,374	\$ 617,052	\$ 8,527,155	\$ 661,701

For the business-type activities, compensated absences are generally liquidated by the Waterworks and Sewerage Fund.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 6. Long-term obligations (continued)

D. Debt service requirements to maturity

As of April 30, 2012, debt service requirements to maturity on the outstanding general obligation bonds, including interest are as follows:

Fiscal Year Ending April 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 705,000	\$ 358,304	\$ 1,063,304	\$ 295,000	\$ 214,750	\$ 509,750
2014	735,000	334,145	1,069,145	315,000	201,913	516,913
2015	625,000	308,515	933,515	330,000	187,662	517,662
2016	650,000	286,452	936,452	350,000	172,600	522,600
2017	685,000	262,806	947,806	365,000	156,763	521,763
2018 - 2022	3,570,000	898,321	4,468,321	1,925,000	533,018	2,458,018
2023 - 2027	2,375,000	250,474	2,625,474	990,000	214,626	1,204,626
2028 - 2032	-	-	-	460,000	21,600	481,600
	<u>\$ 9,345,000</u>	<u>\$ 2,699,017</u>	<u>\$ 12,044,017</u>	<u>\$ 5,030,000</u>	<u>\$ 1,702,932</u>	<u>\$ 6,732,932</u>

As of April 30, 2012, debt service requirements to maturity on the outstanding IEPA loans, including interest are as follows:

Fiscal Year Ending April 30	Business-Type Activities		
	Principal	Interest	Total
2013	\$ 336,908	\$ 90,703	\$ 427,611
2014	345,814	81,797	427,611
2015	354,958	72,653	427,611
2016	364,341	63,270	427,611
2017	373,976	53,635	427,611
2018 - 2022	1,408,514	130,475	1,538,989
2023 - 2027	353,575	11,914	365,489
	<u>\$ 3,538,086</u>	<u>\$ 504,447</u>	<u>\$ 4,042,533</u>

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 6. Long-term obligations (continued)

E. Legal debt margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979".

Assessed valuation - 2011 levy		\$ 292,112,557
Legal debt limit - 8.625% of assessed value		<u>\$ 25,194,708</u>
Amount of debt applicable to limit		
Series 2002	\$ 125,000	
Series 2006	2,480,000	
Series 2006A	6,655,000	
Series 2008A	2,425,000	
Series 2008B	255,000	
Series 2009	<u>2,435,000</u>	
Total general obligation debt	14,375,000	
Less: self-supported debt	<u>(14,375,000)</u>	
Total applicable debt		<u>-</u>
Legal debt margin		<u>\$ 25,194,708</u>

Note 7. Net assets classification

Invested in capital assets, net of related debt, was comprised of the following as of April 30, 2012:

	Governmental Activities	Business-Type Activities
Capital assets (net of accumulated depreciation)	\$ 28,878,088	\$ 21,432,346
General obligation alternate revenue bonds	(9,345,000)	(5,030,000)
Unamortized issuance premiums	(32,401)	(51,593)
Deferred loss on refunding	75,395	132,330
Loans payable	-	(3,538,086)
Unspent proceeds	<u>1,744,459</u>	<u>-</u>
	<u>\$ 21,320,541</u>	<u>\$ 12,944,997</u>

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 8. Interfund receivables, payables and transfers

The composition of interfund balances as of April 30, 2012 is as follows:

Receivable Fund	Payable Fund	Amount
General	Tax Increment Financing District #1	\$ 29,107
General Capital Projects	Infrastructure Capital Projects	797,756
Infrastructure Capital Projects	General	240,000
Infrastructure Capital Projects	General Capital Projects	1,739,684
Refuse	Waterworks and Sewerage	1,060
		<u>\$ 2,807,607</u>

The outstanding balance between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Individual interfund transfers for the Village at April 30, 2012 are shown as follows:

Transfers in	Transfers out	Amount	Reason
General	Refuse	\$ 32,500	Overhead reimbursement
Debt Service	General Capital Projects	425,800	G.O. bonds debt service
Debt Service	Infrastructure Capital Projects	335,837	G.O. bonds debt service
Debt Service	Waterworks and Sewerage	314,460	G.O. bonds debt service
General Capital Projects	General	138,120	Equipment replacement
Infrastructure Capital Projects	General	240,000	Street maintenance
Infrastructure Capital Projects	General Capital Projects	28,051	Municipal Drive costs
Waterworks and Sewerage	General Capital Projects	9,468	Municipal Drive costs
		<u>\$ 1,524,236</u>	

Note 9. Contingent liabilities

A. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 10. Employee retirement systems and plans

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; and the Police Pension Plan, a single-employer public employee retirement plan. Publicly available financial reports that include financial statements and required supplementary information (RSI) for the Police Pension Plan may be obtained by writing to the Sugar Grove Police Pension at 10 South Municipal Drive, Sugar Grove, Illinois 60554. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or on-line at www.imrf.org.

A. Plan descriptions and provisions

Illinois Municipal Retirement Fund

IMRF is a defined benefit agent multiple-employer public employee retirement system which acts as a common investment and administrative agent for local governments and school districts in Illinois. All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

IMRF provides retirement (including early retirement), disability and death benefits to plan members and beneficiaries. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of creditable service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of creditable service up to 15 years, and 2.00% for each year thereafter.

Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and contribution requirements of the plan members and the Village are governed by Illinois State Statutes and may only be amended by the Illinois Legislature. Administrative costs are financed through investment earnings.

At April 30, 2012, the Police Pension Plan membership consisted of:

Retirees, disabled participants and beneficiaries of deceased retirees currently receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	-
Current employees:	
Vested	5
Nonvested	8
Total	<u>16</u>

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 10. Employee retirement systems and plans (continued)

A. Plan descriptions and provisions (continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to 1/2 of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or 1/2 of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

B. Funding policies

Illinois Municipal Retirement Fund

As set by statute, the Village's IMRF plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for fiscal year 2012 was 9.22% of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Police Pension Plan

Covered employees are required to contribute 9.91% 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 amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded. For the year ended April 30, 2012, the Village's contribution was 24.04% of annual covered payroll.

C. Summary of significant accounting policies and plan asset matters

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 10. Employee retirement systems and plans (continued)

C. Summary of significant accounting policies and plan asset matters (continued)

Method used to value investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a 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.

Significant investments

There are no investments (other than U.S. Government and U.S. Government – guaranteed obligations) in any one organization that represent 5% or more of net assets for the Police Pension Plan. Information for IMRF is not available.

Related party transactions

There are no securities of the employer or any other related parties in plan assets.

D. Annual pension cost and net pension obligation (asset)

For fiscal year 2012, the Village's annual pension cost for the Illinois Municipal Retirement Fund of \$120,179 was equal to the Village's required and actual contributions.

For fiscal year 2012, the Village's annual pension cost for the Police Pension Plan was \$222,316. The Village's actual contribution was \$222,543.

The net pension obligation (asset) at April 30, 2012, was \$(8,965). It was comprised of the following:

Net pension obligation (asset):	
Annual required contribution	\$ 222,543
Interest on net pension obligation	(612)
Adjustment to annual required contribution	385
	<hr/>
Annual pension cost	222,316
Contributions made	222,543
	<hr/>
Increase (decrease) in net pension obligation (asset)	(227)
Net pension obligation (asset) at beginning of year	(8,738)
	<hr/>
Net pension obligation (asset) at end of year	<u>\$ (8,965)</u>

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 10. Employee Retirement Systems and Plans (Continued)

E. Actuarial assumptions

The following actuarial assumptions were used in determining the pension contributions:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	12/31/2011	4/30/ 2012
Actuarial cost method	Entry-age normal	Entry-age normal
Asset valuation method	5 year smoothed market	5 year smoothed market
Amortization method	Level percentage of payroll	Level percentage of payroll
Amortization period	30 years, open	29 years, closed
Significant actuarial assumptions		
a) Investment rate of return	7.5% compounded annually	7.0% compounded annually
b) Projected salary increase	0.4 to 10.0%	5.0%
c) Inflation rate included	4.0%	3.0%
d) Post-retirement increases	3.0%	3.0%

F. Trend Information

	For Fiscal Year	Illinois Municipal Retirement	For Fiscal Year	Police Pension
Annual Pension Cost	2012	\$ 120,179	2012	\$ 222,316
	2011	123,751	2011	217,223
	2010	114,838	2010	209,528
Percent Contributed	2012	100.00 %	2012	100.10 %
	2011	100.00	2011	100.12
	2010	100.00	2010	95.65
Net Pension Obligation (Asset)	2012	\$ -	2012	\$ (8,965)
	2011	-	2011	(8,738)
	2010	-	2010	(8,472)

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 10. Employee Retirement Systems and Plans (Continued)

G. Funded status and funding progress

The Village's funded status for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial Valuation Date	12/31/2011	4/30/2012
Actuarial Value of Assets	\$ 2,477,279	\$ 2,140,474
Actuarial Accrued Liability (AAL)	\$ 2,688,399	\$ 4,787,381
(Overfunded) Unfunded Actuarial Accrued Liability (UAAL)	\$ 211,120	\$ 2,646,907
Funded Ratio	92.15%	44.71%
Covered Payroll	\$ 1,303,460	\$ 925,732
UAAL as a Percentage of Covered Payroll	16.20%	285.93%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 11. Other Post-Employment Benefits

A. Plan description and provisions

The Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees and their beneficiaries through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 11. Other Post-Employment Benefits (Continued)

A. Plan description and provisions (Continued)

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2012, retirees contributed \$14,582. Active employees do not contribute to the plan until retirement.

At April 30, 2012, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	3
Active Employees	<u>35</u>
Total	<u><u>38</u></u>

B. Funding policy

The Village does not currently have a funding policy, but rather contributes on a pay-as-you-go basis.

C. Annual OPEB Cost and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2012, was calculated as follows:

Annual Required Contribution	\$ 18,748
Interest on the NOPEBO	441
Adjustment to the ARC	<u>-</u>
Annual OPEB Cost	19,189
Actual Contribution	<u>12,629</u>
Increase in the NOPEBO	6,560
NOPEBO - Beginning of Year	<u>8,827</u>
NOPEBO - End of Year	<u><u>\$ 15,387</u></u>

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 11. Other Post-Employment Benefits (Continued)

D. Actuarial methods and assumptions

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

In the April 30, 2010 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses, and including a 3.0% inflation assumption) and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2012 was 30 years.

E. Trend Information

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

For Fiscal Year	Annual OPEB Cost	Percent Contributed	Net OPEB Obligation
2012	\$ 19,189	65.81%	\$ 15,387
2011	17,966	81.90%	8,827
2010	18,013	69.05%	5,575

F. Funded status and funding progress

The Village's funded status of the plan as of April 30, 2010 (the latest information available) was as follows:

Actuarial Value of Assets	\$	-
Actuarial Accrued Liability (AAL)	\$	313,119
(Overfunded) Unfunded Actuarial Accrued Liability (UAAL)	\$	313,119
Funded Ratio		0.00%
Covered Payroll	\$	2,406,603
UAAL as a Percentage of Covered Payroll		13.01%

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 11. Other Post-Employment Benefits (Continued)

F. Funded status and funding progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 12. Adjustments to equity

The following table reflects the correction of errors in the Governmental Activities and General Fund:

	Governmental Activities	General Fund
April 30, 2011 balance as previously reported	\$ 26,468,092	\$ 1,523,753
Correction of a prior year error in accounts receivable	(16,957)	(16,957)
Correction of a prior year error in capital assets	230,249	-
Net assets/fund balance as restated	<u>\$ 26,681,384</u>	<u>\$ 1,506,796</u>

Note 13. Subsequent event

The Village obtained a special assessment of \$1,048,000 upon the property owners in Mallard Point and Rolling Oaks subdivisions on May 29, 2012. The Village subsequently signed an intergovernmental agreement on June 11, 2012 for Kane County, Illinois to provide a loan to the Village in the amount of \$1,100,000 to fund the Mallard Point and Rolling Oaks drainage project. The Village Board authorized contracts for construction and construction oversight of the Mallard Point and Rolling Oaks drainage project on July 17, 2012 in the amounts of \$1,142,184 and \$116,840, respectively.

Note 14. New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements:

Statement No. 57 – “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.” This Statement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The Village is required to implement this Statement for the year ending April 30, 2013.

Statement No. 60 – “Accounting and Financial Reporting for Service Concession Arrangements.” This Statement establishes recognition, measurement, and disclosure requirements for Service Concession Arrangements (SCAs) for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. The Village is required to implement this Statement for the year ending April 30, 2013.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 14. New Governmental Accounting Standards (Continued)

Statement No. 61 – “The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34.” This Statement updates and improves guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The Village is required to implement this Statement for the year ending April 30, 2014.

Statement No. 62 – “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.” This Statement incorporates into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: 1) Financial Accounting Standards Board (FASB) Statements and Interpretations; 2) Accounting Principles Board Opinions; and 3) Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure. The Village is required to implement this Statement for the year ending April 30, 2013.

Statement No. 63 – “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” This Statement standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. The Village is required to implement this Statement for the year ending April 30, 2013.

Statement No. 64 – “Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53.” This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The Village is required to implement this Statement for the year ending April 30, 2013.

Statement No. 65 – “Items Previously Reported as Assets and Liabilities.” This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Village is required to implement this Statement for the year ending April 30, 2014.

Statement No. 66 – “Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62.” This Statement improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, and No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”. The Village is required to implement this Statement for the year ending April 30, 2014.

Statement No. 67 – “Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25.” This Statement improves financial reporting by state and local governmental pension plans. The Village is required to implement this Statement for the year ending April 30, 2015.

Statement No. 68 – “Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.” This Statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. The Village is required to implement this Statement for the year ending April 30, 2016.

Management has not currently determined what impact, if any, these Statements may have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Village of Sugar Grove, Illinois

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Property taxes	\$ 1,406,816	\$ 1,406,816	\$ 1,410,730	\$ 3,914
Other taxes	2,100,024	2,100,024	2,139,588	39,564
Charges for services	126,232	126,232	103,984	(22,248)
Intergovernmental, grants and contributions	2,925	2,925	23,425	20,500
Licenses and permits	92,503	92,503	101,864	9,361
Fines, fees and forfeitures	318,659	318,659	275,634	(43,025)
Interest	23,153	23,153	14,804	(8,349)
Miscellaneous	54,000	54,000	110,305	56,305
Total revenues	4,124,312	4,124,312	4,180,334	56,022
Expenditures				
Current				
General government	1,274,546	1,274,546	1,182,339	(92,207)
Public safety	2,033,803	2,033,803	2,038,487	4,684
Highways and streets	699,544	699,544	603,307	(96,237)
Total expenditures	4,007,893	4,007,893	3,824,133	(183,760)
Excess of revenues over expenditures	116,419	116,419	356,201	239,782
Other financing sources (uses)				
Transfers in	32,500	32,500	32,500	-
Transfers out	(138,120)	(138,120)	(378,120)	(240,000)
Total other financing sources (uses)	(105,620)	(105,620)	(345,620)	(240,000)
Net change in fund balance	\$ 10,799	\$ 10,799	10,581	\$ (218)
Fund balance - beginning, as restated			1,506,796	
Fund balance - ending			\$ 1,517,377	

See Notes to Required Supplementary Information.

Village of Sugar Grove, Illinois

Required Supplementary Information
Analysis of Funding Progress

April 30, 2012

Illinois Municipal Retirement Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) (Overfunded) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	(Overfunded) Underfunded AAL as a Percentage of Annual Covered Payroll ((2-1)/3)
12/31/2011	\$ 2,477,279	\$ 2,688,399	\$ 211,120	92.15 %	\$ 1,303,460	16.20 %
12/31/2010	2,389,541	2,487,087	97,546	96.08	1,277,105	7.64
12/31/2009	2,228,341	2,395,079	166,738	93.04	1,468,513	11.35
12/31/2008	2,076,006	2,177,378	101,372	95.34	1,497,720	6.77
12/31/2007	2,251,354	1,960,267	(291,087)	114.85	1,422,241	(20.47)
12/31/2006	1,960,206	1,697,824	(262,382)	115.45	1,190,933	(22.03)

Police Pension Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
4/30/2012	\$ 2,140,474	\$ 4,787,381	\$ 2,646,907	44.71 %	\$ 925,732	285.93 %
4/30/2011	1,858,564	3,618,099	1,759,535	51.37	868,116	202.68
4/30/2010	1,561,857	3,336,978	1,775,121	46.80	885,613	200.44
4/30/2009	1,345,242	2,407,260	1,062,018	55.88	1,002,435	105.94
4/30/2008	1,029,586	1,932,821	903,235	53.27	915,429	98.67
4/30/2007	717,292	1,934,090	1,216,798	37.09	730,101	166.66

Other Post-Employment Benefit Plan

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
4/30/2012	\$ -	\$ -	\$ -	- %	\$ -	- %
4/30/2011	-	-	-	-	-	-
4/30/2010	-	313,119	313,119	-	2,406,603	13.01
4/30/2009	-	-	-	-	-	-
4/30/2008	-	-	-	-	-	-
4/30/2007	-	-	-	-	-	-

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010, the most recent data available. In addition, information for years prior to implementation is not available.

The Village is only required to have an actuarial valuation performed triennially on the other post-employment benefit plan.

Village of Sugar Grove, Illinois

Required Supplementary Information
Employer Contributions

April 30, 2012

Illinois Municipal Retirement Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
4/30/2012	\$ 120,179	100.00 %	\$ -
4/30/2011	123,751	100.00	-
4/30/2010	114,838	100.00	-
4/30/2009	118,769	100.00	-
4/30/2008	113,495	100.00	-
4/30/2007	92,059	100.00	-

Police Pension Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	Net Pension Obligation (Asset)
4/30/2012	\$ 222,543	100.00 %	\$ (8,965)
4/30/2011	217,489	100.00	(8,738)
4/30/2010	210,092	95.39	(8,472)
4/30/2009	195,458	100.00	(17,587)
4/30/2008	176,843	109.76	(17,253)
4/30/2007	157,750	100.00	-

Other Post-Employment Benefit Plan

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
4/30/2012	\$ 18,748	67.36 %	\$ 15,387
4/30/2011	17,687	83.19	8,827
4/30/2010	18,013	69.05	5,575
4/30/2009	-	-	-
4/30/2008	-	-	-
4/30/2007	-	-	-

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010. Information for prior years is not available.

Village of Sugar Grove, Illinois

Note to Required Supplementary Information

Note 1. Budgetary basis of accounting

The General Fund budget is adopted on a basis consistent with generally accepted accounting principles.

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

General Fund – This 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 services which are administered by the Village and accounted for in the general fund include general government, public safety and highways and streets.

Debt Service Fund – This fund is used to accumulate monies for the Village's general obligation alternate revenue source bonds. Activities are financed from transfers from other funds.

General Capital Projects Fund – This fund accounts for the acquisition, construction and improvement of governmental capital assets other than infrastructure. Activities are financed from developer contributions and transfers from other funds.

Infrastructure Capital Projects Fund – This fund accounts for the acquisition, construction and improvement of governmental infrastructure assets. Activities are financed from developer contributions, motor fuel taxes, and transfers from other funds.

NONMAJOR GOVERNMENTAL FUNDS

Industrial Tax Increment Financing District #1 Fund – This fund accounts for the development and redevelopment within the boundaries of the industrial project area (approximately 305 acres surrounding the intersection of U.S. Route 30 and Dugan Road). Activities are financed through the tax increment on properties within the boundaries of the area.

Village of Sugar Grove, Illinois

General Fund

Schedule of Revenues - Budget and Actual
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Property taxes				
Corporate	\$ 719,318	\$ 719,318	\$ 721,371	\$ 2,053
Audit	11,735	11,735	11,769	34
Insurance	76,491	76,491	76,708	217
IMRF	71,397	71,397	71,600	203
Social security	163,437	163,437	163,904	467
Street lighting	46,454	46,454	46,587	133
Police protection	114,228	114,228	114,554	326
Police pension	168,371	168,371	168,851	480
Road and bridge	35,385	35,385	35,386	1
Total property taxes	1,406,816	1,406,816	1,410,730	3,914
Other taxes				
Electric tax	275,604	275,604	275,528	(76)
Natural gas tax	153,317	153,317	106,785	(46,532)
Telecommunication tax	337,906	337,906	342,957	5,051
State income tax	656,781	656,781	762,281	105,500
Personal property replacement tax	1,251	1,251	1,820	569
State sales tax	651,786	651,786	629,364	(22,422)
State sales tax rebate	(100,780)	(100,780)	(110,459)	(9,679)
State use tax	124,159	124,159	131,312	7,153
Total other taxes	2,100,024	2,100,024	2,139,588	39,564
Charges for services				
Zoning and filing fees	5,500	5,500	4,900	(600)
Review and development fees	106,600	106,600	88,386	(18,214)
Charges for police services	10,500	10,500	10,050	(450)
Other charges for services	3,632	3,632	648	(2,984)
Total charges for services	126,232	126,232	103,984	(22,248)
Intergovernmental, grants and contributions				
Grants - operating, general government	-	-	10,000	10,000
Grants - operating, public safety	2,925	2,925	3,575	650
Grants - operating, highways and streets	-	-	9,850	9,850
Total intergovernmental, grants and contributions	2,925	2,925	23,425	20,500
Licenses and permits				
Liquor licenses	16,700	16,700	17,185	485
Games licenses	1,600	1,600	1,077	(523)
Contractors licenses	24,750	24,750	31,680	6,930
Building permits	38,100	38,100	44,469	6,369
Certificate of occupancy fees	600	600	1,410	810
Plan review fees	1,920	1,920	1,598	(322)
Reinspection fees	2,873	2,873	1,280	(1,593)
Other licenses and permits	5,960	5,960	3,165	(2,795)
Total licenses and permits	92,503	92,503	101,864	9,361

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)
 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Fines, fees and forfeitures				
County court and drug fines	\$ 102,896	\$ 102,896	\$ 95,580	\$ (7,316)
Towing Fees	60,000	60,000	40,000	(20,000)
Other fines	84,367	84,367	78,678	(5,689)
Cable franchise fees	71,096	71,096	61,372	(9,724)
Map, plan and code charges	300	300	4	(296)
Total fines, fees and forfeitures	<u>318,659</u>	<u>318,659</u>	<u>275,634</u>	<u>(43,025)</u>
Interest	23,153	23,153	14,804	(8,349)
Miscellaneous				
Reimbursement	53,500	53,500	109,142	55,642
Rental	-	-	800	800
Other	500	500	363	(137)
Total miscellaneous	<u>54,000</u>	<u>54,000</u>	<u>110,305</u>	<u>56,305</u>
Total revenues	<u>\$ 4,124,312</u>	<u>\$ 4,124,312</u>	<u>\$ 4,180,334</u>	<u>\$ 56,022</u>

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current				
General government				
Administration				
Personnel				
Regular salaries	\$ 174,988	\$ 174,988	\$ 177,089	\$ 2,101
Health insurance	34,851	34,851	30,775	(4,076)
Life insurance	158	158	158	-
Unemployment compensation	175	175	-	(175)
Social security contribution	10,818	10,818	10,943	125
IMRF contribution	16,134	16,134	16,081	(53)
Training and memberships	4,134	4,134	1,595	(2,539)
Mileage reimbursement	1,805	1,805	1,802	(3)
	<u>243,063</u>	<u>243,063</u>	<u>238,443</u>	<u>(4,620)</u>
Contractual services				
Legal services	12,290	12,290	9,808	(2,482)
Medical services	9	9	55	46
Other professional services	300	300	14	(286)
Rental	2,883	2,883	2,882	(1)
Repair and maintenance services	99	99	230	131
Telecommunications	1,509	1,509	1,272	(237)
Printing	125	125	47	(78)
General insurance	108,073	108,073	79,292	(28,781)
	<u>125,288</u>	<u>125,288</u>	<u>93,600</u>	<u>(31,688)</u>
Commodities				
Postage and delivery	25	25	27	2
Books and publications	605	605	691	86
Office supplies	400	400	109	(291)
	<u>1,030</u>	<u>1,030</u>	<u>827</u>	<u>(203)</u>
Total administration	<u>369,381</u>	<u>369,381</u>	<u>332,870</u>	<u>(36,511)</u>
Board and commissions				
Personnel				
Part-time salaries	41,889	41,889	42,177	288
Social security contribution	3,205	3,205	3,194	(11)
IMRF contribution	461	461	481	20
Training and memberships	9,892	9,892	9,533	(359)
Uniform allowance	200	200	-	(200)
Mileage reimbursement	120	120	-	(120)
	<u>55,767</u>	<u>55,767</u>	<u>55,385</u>	<u>(382)</u>
Contractual services				
Legal services	-	-	3,893	3,893
Information system services	1,700	1,700	1,577	(123)

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
General government (continued)				
Board and commissions (continued)				
Contractual services (continued)				
Other professional services	\$ 3,500	\$ 3,500	\$ 3,233	\$ (267)
Repair and maintenance services	1,600	1,600	2,468	868
Telecommunications	1,050	1,050	462	(588)
Publishing	135	135	192	57
Printing	300	300	9	(291)
Receptions and entertainment	500	500	438	(62)
Public relations	4,955	4,955	12,631	7,676
Employee activities	275	275	130	(145)
Plan commission	1,200	1,200	114	(1,086)
Police commission	1,850	1,850	92	(1,758)
	<u>17,065</u>	<u>17,065</u>	<u>25,239</u>	<u>8,174</u>
Commodities				
Postage and delivery	250	250	47	(203)
Office supplies	750	750	495	(255)
	<u>1,000</u>	<u>1,000</u>	<u>542</u>	<u>(458)</u>
Total board and commissions	<u>73,832</u>	<u>73,832</u>	<u>81,166</u>	<u>7,334</u>
Building maintenance				
Personnel				
Regular salaries	52,179	52,179	53,440	1,261
Overtime salaries	3,180	3,180	1,990	(1,190)
Part-time salaries	10,921	10,921	6,716	(4,205)
Seasonal salaries	3,002	3,002	4,590	1,588
Health insurance	11,749	11,749	10,273	(1,476)
Life insurance	106	106	106	-
Unemployment compensation	66	66	-	(66)
Social security contribution	5,300	5,300	4,801	(499)
IMRF contribution	6,111	6,111	5,649	(462)
Training and memberships	200	200	65	(135)
Uniform allowance	500	500	487	(13)
	<u>93,314</u>	<u>93,314</u>	<u>88,117</u>	<u>(5,197)</u>
Contractual services				
Medical services	65	65	120	55
Rental	79	79	529	450
Repair and maintenance services	16,830	16,830	16,665	(165)
Telecommunications	2,085	2,085	1,732	(353)
Utilities	1,625	1,625	1,330	(295)
	<u>20,684</u>	<u>20,684</u>	<u>20,376</u>	<u>(308)</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
General government (continued)				
Building maintenance (continued)				
Commodities				
General equipment	\$ 500	\$ 500	\$ 158	\$ (342)
Fuels and lubricants	3,500	3,500	3,488	(12)
Custodial supplies	3,600	3,600	2,486	(1,114)
Specialized supplies	1,300	1,300	1,092	(208)
Safety supplies	600	600	434	(166)
Landscaping supplies	1,250	1,250	1,307	57
Books and publications	100	100	-	(100)
Building maintenance supplies	1,450	1,450	1,649	199
Office supplies	200	200	180	(20)
Vehicle maintenance supplies	1,000	1,000	1,154	154
	<u>13,500</u>	<u>13,500</u>	<u>11,948</u>	<u>(1,552)</u>
Total building maintenance	127,498	127,498	120,441	(7,057)
Community development				
Personnel				
Regular salaries	237,978	237,978	243,462	5,484
Overtime salaries	200	200	313	113
Part-time salaries	5,073	5,073	5,301	228
Health insurance	45,529	45,529	38,645	(6,884)
Life insurance	384	384	384	-
Unemployment compensation	243	243	-	(243)
Social security contribution	18,609	18,609	18,214	(395)
IMRF contribution	21,960	21,960	22,197	237
Training and memberships	3,275	3,275	928	(2,347)
Uniform allowance	200	200	-	(200)
Mileage reimbursement	25	25	17	(8)
	<u>333,476</u>	<u>333,476</u>	<u>329,461</u>	<u>(4,015)</u>
Contractual services				
Legal services	64,000	64,000	43,961	(20,039)
Engineering services	112,600	112,600	81,985	(30,615)
Medical services	18	18	108	90
Information system services	350	350	350	-
Other professional services	14,800	14,800	17,818	3,018
Rental	2,571	2,571	2,451	(120)
Repair and maintenance services	1,500	1,500	1,560	60
Telecommunications	2,387	2,387	2,367	(20)
Publishing	1,500	1,500	307	(1,193)
Printing	1,200	1,200	680	(520)

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
General government (continued)				
Community development (continued)				
Contractual services (continued)				
Receptions and entertainment	\$ 300	\$ 300	\$ 247	\$ (53)
	201,226	201,226	151,834	(49,392)
Commodities				
General equipment	400	400	-	(400)
Postage and delivery	1,000	1,000	281	(719)
Fuels and lubricants	1,875	1,875	1,821	(54)
Specialized supplies	100	100	28	(72)
Safety supplies	100	100	-	(100)
Books and publications	600	600	503	(97)
Office supplies	750	750	1,264	514
	4,825	4,825	3,897	(928)
Total community development	539,527	539,527	485,192	(54,335)
Finance				
Personnel				
Regular salaries	78,235	78,235	80,296	2,061
Overtime salaries	50	50	-	(50)
Health insurance	24,606	24,606	21,099	(3,507)
Life insurance	120	120	120	-
Unemployment compensation	78	78	-	(78)
Social security contribution	5,989	5,989	5,721	(268)
IMRF contribution	7,218	7,218	7,290	72
Training and memberships	1,875	1,875	1,938	63
Mileage reimbursement	25	25	18	(7)
	118,196	118,196	116,482	(1,714)
Contractual services				
Legal services	1,000	1,000	-	(1,000)
Audit services	11,350	11,350	11,261	(89)
Medical services	14	14	83	69
Information system services	4,864	4,864	4,866	2
Other professional services	3,580	3,580	3,299	(281)
Rental	19	19	19	-
Repair and maintenance services	250	250	229	(21)
Telecommunications	1,589	1,589	1,530	(59)
Publishing	612	612	633	21
Printing	650	650	607	(43)
	23,928	23,928	22,527	(1,401)

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
General government (continued)				
Finance (continued)				
Commodities				
Postage and delivery	\$ 900	\$ 900	\$ 744	\$ (156)
Fuels and lubricants	200	200	108	(92)
Specialized supplies	200	200	-	(200)
Books and publications	202	202	212	10
Office supplies	700	700	826	126
	<u>2,202</u>	<u>2,202</u>	<u>1,890</u>	<u>(312)</u>
Total finance	<u>144,326</u>	<u>144,326</u>	<u>140,899</u>	<u>(3,427)</u>
Information technology				
Contractual services				
Information system services	19,537	19,537	21,550	2,013
Telecommunications	420	420	203	(217)
	<u>19,957</u>	<u>19,957</u>	<u>21,753</u>	<u>1,796</u>
Commodities				
Office supplies	25	25	18	(7)
	<u>25</u>	<u>25</u>	<u>18</u>	<u>(7)</u>
Total information technology	<u>19,982</u>	<u>19,982</u>	<u>21,771</u>	<u>1,789</u>
Total general government	<u>1,274,546</u>	<u>1,274,546</u>	<u>1,182,339</u>	<u>(92,207)</u>
Public safety				
Police				
Personnel				
Regular salaries	918,633	918,633	977,195	58,562
Overtime salaries	54,195	54,195	72,815	18,620
Part-time salaries	50,384	50,384	47,922	(2,462)
Seasonal salaries	-	-	30	30
Police pension contribution	224,989	224,989	222,543	(2,446)
Health insurance	210,388	210,388	185,587	(24,801)
Life insurance	1,344	1,344	1,334	(10)
Unemployment compensation	1,023	1,023	-	(1,023)
Social security contribution	78,276	78,276	82,124	3,848
IMRF contribution	4,484	4,484	4,473	(11)
Training and memberships	5,995	5,995	4,357	(1,638)
Uniform allowance	10,400	10,400	10,400	-
	<u>1,560,111</u>	<u>1,560,111</u>	<u>1,608,780</u>	<u>48,669</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
Public safety (continued)				
Police (continued)				
Contractual services				
Legal services	\$ 64,800	\$ 64,800	\$ 92,907	\$ 28,107
Medical services	568	568	462	(106)
Information system services	372	372	150	(222)
Other professional services	14,200	14,200	7,454	(6,746)
Rental	2,191	2,191	2,191	-
Repair and maintenance services	48,353	48,353	50,818	2,465
Telecommunications	268,933	268,933	207,406	(61,527)
Printing	1,275	1,275	1,210	(65)
Receptions and entertainment	50	50	-	(50)
	<u>400,742</u>	<u>400,742</u>	<u>362,598</u>	<u>(38,144)</u>
Commodities				
General equipment	2,425	2,425	502	(1,923)
Postage and delivery	950	950	892	(58)
Fuels and lubricants	60,600	60,600	57,394	(3,206)
Specialized supplies	4,975	4,975	5,912	937
Safety supplies	200	200	-	(200)
Books and publications	300	300	403	103
Office supplies	3,500	3,500	2,006	(1,494)
	<u>72,950</u>	<u>72,950</u>	<u>67,109</u>	<u>(5,841)</u>
Total public safety	<u>2,033,803</u>	<u>2,033,803</u>	<u>2,038,487</u>	<u>4,684</u>
Highways and streets				
Public works				
Personnel				
Regular salaries	191,915	191,915	196,841	4,926
Overtime salaries	9,180	9,180	5,788	(3,392)
Part-time salaries	10,921	10,921	6,716	(4,205)
Seasonal salaries	7,005	7,005	11,799	4,794
Health insurance	38,057	38,057	31,102	(6,955)
Life insurance	374	374	374	-
Unemployment compensation	212	212	-	(212)
Social security contribution	16,755	16,755	16,472	(283)
IMRF contribution	19,548	19,548	19,007	(541)
Training and memberships	4,400	4,400	3,958	(442)
Uniform allowance	1,000	1,000	989	(11)
Mileage reimbursement	25	25	45	20
	<u>299,392</u>	<u>299,392</u>	<u>293,091</u>	<u>(6,301)</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
Highways and streets (continued)				
Public works (continued)				
Contractual services				
Legal services	\$ 500	\$ 500	\$ 681	\$ 181
Engineering services	17,400	17,400	5,817	(11,583)
Medical services	504	504	619	115
Other professional services	3,200	3,200	6,075	2,875
Rental	3,540	3,540	541	(2,999)
Repair and maintenance services	55,221	55,221	47,066	(8,155)
Telecommunications	3,249	3,249	2,788	(461)
Publishing	50	50	-	(50)
Printing	200	200	139	(61)
Receptions and entertainment	200	200	111	(89)
Recruitment	300	300	-	(300)
Utilities	56,421	56,421	37,730	(18,691)
Employee activities	500	500	53	(447)
	<u>141,285</u>	<u>141,285</u>	<u>101,620</u>	<u>(39,665)</u>
Commodities				
General equipment	16,000	16,000	14,493	(1,507)
Postage and delivery	175	175	156	(19)
Fuels and lubricants	21,000	21,000	21,368	368
Specialized supplies	5,500	5,500	5,288	(212)
Safety supplies	550	550	788	238
Landscaping supplies	11,850	11,850	29,530	17,680
Books and publications	250	250	-	(250)
Roadway maintenance supplies	11,000	11,000	11,726	726
Traffic control supplies	13,500	13,500	14,572	1,072
Equipment parts	3,000	3,000	4,237	1,237
Office supplies	500	500	436	(64)
Snow and ice control supplies	163,542	163,542	97,788	(65,754)
Vehicle maintenance supplies	12,000	12,000	8,214	(3,786)
	<u>258,867</u>	<u>258,867</u>	<u>208,596</u>	<u>(50,271)</u>
Total highways and streets	<u>699,544</u>	<u>699,544</u>	<u>603,307</u>	<u>(96,237)</u>
Total expenditures	<u>\$ 4,007,893</u>	<u>\$ 4,007,893</u>	<u>\$ 3,824,133</u>	<u>\$ (183,760)</u>

Village of Sugar Grove, Illinois

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Interest	\$ 3,655	\$ 3,655	\$ 1,329	\$ (2,326)
Total revenues	<u>3,655</u>	<u>3,655</u>	<u>1,329</u>	<u>(2,326)</u>
Expenditures				
Debt service				
Principal	705,000	705,000	705,000	-
Interest and fiscal charges	383,753	383,753	383,703	(50)
Total expenditures	<u>1,088,753</u>	<u>1,088,753</u>	<u>1,088,703</u>	<u>(50)</u>
Deficiency of revenues over expenditures	<u>(1,085,098)</u>	<u>(1,085,098)</u>	<u>(1,087,374)</u>	<u>(2,276)</u>
Other financing sources				
Transfers in	1,076,097	1,076,097	1,076,097	-
Total other financing sources	<u>1,076,097</u>	<u>1,076,097</u>	<u>1,076,097</u>	<u>-</u>
Net change in fund balance	<u>\$ (9,001)</u>	<u>\$ (9,001)</u>	<u>(11,277)</u>	<u>\$ (2,276)</u>
Fund balance - beginning			<u>370,195</u>	
Fund balance - ending			<u>\$ 358,918</u>	

Village of Sugar Grove, Illinois

General Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental, grants and contributions	\$ -	\$ -	\$ 400	\$ 400
Interest	71,160	71,160	28,984	(42,176)
Miscellaneous	129,538	129,538	129,098	(440)
Total revenues	<u>200,698</u>	<u>200,698</u>	<u>158,482</u>	<u>(42,216)</u>
Expenditures				
Current				
Highways and streets	-	-	78,241	78,241
Capital outlay	571,308	571,308	73,453	(497,855)
Total expenditures	<u>571,308</u>	<u>571,308</u>	<u>151,694</u>	<u>(419,614)</u>
Excess (deficiency) of revenues over expenditures	<u>(370,610)</u>	<u>(370,610)</u>	<u>6,788</u>	<u>377,398</u>
Other financing sources (uses)				
Transfers in	138,120	138,120	138,120	-
Transfers out	(425,800)	(425,800)	(463,319)	(37,519)
Total other financing sources (uses)	<u>(287,680)</u>	<u>(287,680)</u>	<u>(325,199)</u>	<u>(37,519)</u>
Net change in fund balance	<u>\$ (658,290)</u>	<u>\$ (658,290)</u>	<u>(318,411)</u>	<u>\$ 339,879</u>
Fund balance - beginning			<u>5,055,571</u>	
Fund balance - ending			<u>\$ 4,737,160</u>	

Village of Sugar Grove, Illinois

General Capital Projects Fund

Schedule of Revenues and Expenditures -
Budget and Actual
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental, grants and contributions				
Contributions - capital, public safety	\$ -	\$ -	\$ 200	\$ 200
Contributions - capital, highways and streets	-	-	200	200
Interest	71,160	71,160	28,984	(42,176)
Miscellaneous				
Rental	59,308	59,308	59,425	117
Sale of capital assets	70,230	70,230	69,673	(557)
Total revenues	\$ 200,698	\$ 200,698	\$ 158,482	\$ (42,216)
Expenditures				
Current				
Highways and streets				
Public works				
Contractual services				
Legal services	\$ -	\$ -	\$ 27,359	\$ 27,359
Engineering services	-	-	45,847	45,847
Other professional services	-	-	4,791	4,791
	-	-	77,997	77,997
Commodities				
Postage and delivery	-	-	244	244
	-	-	244	244
Total highways and streets	-	-	78,241	78,241
Capital outlay				
Highways and streets				
Public works				
Automotive equipment	89,308	89,308	73,453	(15,855)
Capital improvements	482,000	482,000	-	(482,000)
	571,308	571,308	73,453	(497,855)
Total expenditures	\$ 571,308	\$ 571,308	\$ 151,694	\$ (419,614)

Village of Sugar Grove, Illinois

Infrastructure Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Other taxes				
Motor fuel tax allotments	\$ 223,679	\$ 223,679	\$ 278,901	\$ 55,222
Local sales tax	416,070	416,070	430,917	14,847
Intergovernmental, grants and contributions				
Grants - capital, highways and streets	146,780	146,780	141,725	(5,055)
Contributions - capital, highways and streets	-	-	46,900	46,900
Contributions - operating, highways and streets	9,330	9,330	-	(9,330)
Interest	-	-	653	653
Total revenues	795,859	795,859	899,096	103,237
Expenditures				
Current				
Highways and streets				
Public works				
Contractual services				
Legal services	-	-	53,900	53,900
Engineering services	163,183	163,183	223,992	60,809
Other professional services	-	-	43	43
Capital outlay				
Highways and streets				
Public works				
Streets and right of way improvements	440,682	440,682	569,254	128,572
Total expenditures	603,865	603,865	847,189	243,324
Excess (deficiency) of revenues over expenditures	191,994	191,994	51,907	(140,087)
Other financing sources (uses)				
Transfers in	-	-	268,051	268,051
Transfers out	(335,837)	(335,837)	(335,837)	-
Total other financing sources (uses)	(335,837)	(335,837)	(67,786)	268,051
Net change in fund balance	\$ (143,843)	\$ (143,843)	(15,879)	\$ 127,964
Fund balance - beginning			98,610	
Fund balance - ending			\$ 82,731	

Village of Sugar Grove, Illinois

Industrial Tax Increment Financing District #1 Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current				
General government				
Community development				
Contractual services				
Legal services	-	-	3,456	3,456
Engineering services	1,500	1,500	6,447	4,947
Other professional services	15,000	15,000	14,941	(59)
Repair and maintenance services	-	-	51	51
Publishing	1,000	1,000	3,040	2,040
Contractual services				
Postage and delivery	500	500	1,541	1,041
Total expenditures	18,000	18,000	29,476	11,476
Net change in fund balance	\$ (18,000)	\$ (18,000)	(29,476)	\$ (11,476)
Fund balance - beginning			-	
Fund balance - ending			\$ (29,476)	

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUNDS

Waterworks and Sewerage Fund – This fund accounts for the provision of water and sewer 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.

Refuse Fund – This fund is used to account for refuse services contracted by the Village for the benefit of its citizens, but performed by a private entity. This fund is financed by fees charged to residents on their monthly utility bill.

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Revenues, Expenses and Changes in Net Assets
 - Budget and Actual (Budgetary Basis)
 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating revenues				
Charges for services				
Water revenue	\$ 1,222,517	\$ 1,360,220	\$ 1,285,182	\$ (75,038)
Sewer revenue	1,191,767	1,276,716	1,217,471	(59,245)
Other revenue	61,435	61,435	55,202	(6,233)
Total operating revenues	<u>2,475,719</u>	<u>2,698,371</u>	<u>2,557,855</u>	<u>(140,516)</u>
Operating expenses excluding amortization and depreciation	<u>2,468,756</u>	<u>2,468,799</u>	<u>2,385,679</u>	<u>(83,120)</u>
Operating income before amortization and depreciation	<u>6,963</u>	<u>229,572</u>	<u>172,176</u>	<u>(57,396)</u>
Amortization	-	-	10,298	10,298
Depreciation	-	-	753,212	753,212
Total amortization and depreciation	<u>-</u>	<u>-</u>	<u>763,510</u>	<u>763,510</u>
Operating income (loss)	<u>6,963</u>	<u>229,572</u>	<u>(591,334)</u>	<u>(820,906)</u>
Nonoperating revenues (expenses)				
Connection fees	34,806	34,806	5,748	(29,058)
Interest income	56,453	57,758	30,520	(27,238)
Interest expense	(326,881)	(387,079)	(341,360)	45,719
Total nonoperating revenues (expenses)	<u>(235,622)</u>	<u>(294,515)</u>	<u>(305,092)</u>	<u>(10,577)</u>
Income (loss) before transfers	<u>(228,659)</u>	<u>(64,943)</u>	<u>(896,426)</u>	<u>(831,483)</u>
Transfer in	145,082	145,082	154,550	9,468
Transfer out	<u>(459,542)</u>	<u>(459,542)</u>	<u>(459,542)</u>	<u>-</u>
Change in net assets	<u>\$ (543,119)</u>	<u>\$ (379,403)</u>	<u>(1,201,418)</u>	<u>\$ (822,015)</u>
Net assets - beginning			<u>17,743,503</u>	
Net assets - ending			<u>\$ 16,542,085</u>	

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating revenues				
Charges for services				
Water revenue				
Water sales	\$ 1,200,311	\$ 1,335,513	\$ 1,264,820	\$ (70,693)
Water penalties	22,206	24,707	20,362	(4,345)
	<u>1,222,517</u>	<u>1,360,220</u>	<u>1,285,182</u>	<u>(75,038)</u>
Sewer revenue				
Sewer sales	1,158,947	1,242,353	1,185,783	(56,570)
Sewer penalties	21,441	22,984	20,301	(2,683)
Sewer other	11,379	11,379	11,387	8
	<u>1,191,767</u>	<u>1,276,716</u>	<u>1,217,471</u>	<u>(59,245)</u>
Other revenue				
Meter reinspections	175	175	-	(175)
Administrative fee	37,620	37,620	38,077	457
Meter sales	11,565	11,565	2,828	(8,737)
Reimbursement	390	390	1,526	1,136
Rental	5,685	5,685	5,737	52
Miscellaneous	6,000	6,000	7,034	1,034
	<u>61,435</u>	<u>61,435</u>	<u>55,202</u>	<u>(6,233)</u>
Total operating revenues	\$ 2,475,719	\$ 2,698,371	\$ 2,557,855	\$ (140,516)
Nonoperating revenues				
Connection fees				
Water tap-on fees	\$ 34,806	\$ 34,806	\$ 5,597	\$ (29,209)
Sewer tap-on fees	-	-	151	151
	<u>34,806</u>	<u>34,806</u>	<u>5,748</u>	<u>(29,058)</u>
Bond proceeds	-	1,235,000	-	(1,235,000)
Less: increase in liability	-	(1,235,000)	-	1,235,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interest income	56,453	57,758	30,520	(27,238)
Total nonoperating revenues	\$ 91,259	\$ 92,564	\$ 36,268	\$ (56,296)

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Expenses - Budget and Actual (Budgetary Basis)

Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating expenses				
Information technology				
Contractual services				
Information system services	\$ 19,538	\$ 19,538	\$ 20,789	\$ 1,251
Telecommunications	420	420	203	(217)
	<u>19,958</u>	<u>19,958</u>	<u>20,992</u>	<u>1,034</u>
Commodities				
Office supplies	25	25	6	(19)
	<u>25</u>	<u>25</u>	<u>6</u>	<u>(19)</u>
Total information technology	<u>19,983</u>	<u>19,983</u>	<u>20,998</u>	<u>1,015</u>
General administration				
Personnel				
Regular salaries	126,936	126,936	130,840	3,904
Overtime salaries	150	150	-	(150)
Health insurance	42,560	42,560	35,792	(6,768)
Life insurance	202	202	202	-
Unemployment compensation	127	127	-	(127)
Social security contribution	9,437	9,437	9,022	(415)
IMRF contribution	11,717	11,717	11,793	76
Training and memberships	1,875	1,875	1,938	63
Mileage reimbursement	210	210	218	8
	<u>193,214</u>	<u>193,214</u>	<u>189,805</u>	<u>(3,409)</u>
Contractual services				
Legal services	2,000	2,000	486	(1,514)
Audit services	11,350	11,350	11,261	(89)
Financial services	-	-	1,320	1,320
Information system services	4,864	4,864	8,234	3,370
Other professional services	3,030	3,030	10,292	7,262
Rental	1,005	1,005	1,005	-
Repair and maintenance services	1,962	1,962	1,002	(960)
Telecommunications	1,400	1,400	1,305	(95)
Publishing	403	403	775	372
Printing	4,904	4,904	2,429	(2,475)
General insurance	108,073	108,073	79,292	(28,781)
	<u>138,991</u>	<u>138,991</u>	<u>117,401</u>	<u>(21,590)</u>
Commodities				
Postage and delivery	21,648	21,648	18,322	(3,326)
Fuel and lubricants	-	-	133	133
Books and publications	203	203	212	9
Office supplies	1,050	1,050	1,017	(33)
	<u>22,901</u>	<u>22,901</u>	<u>19,684</u>	<u>(3,217)</u>
Total general administration	<u>355,106</u>	<u>355,106</u>	<u>326,890</u>	<u>(28,216)</u>

(Continued)

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Expenses - Budget and Actual (Budgetary Basis) (Continued)
 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating expenses (continued)				
Public works administration				
Personnel				
Regular salaries	\$ 349,608	\$ 349,608	\$ 358,070	\$ 8,462
Overtime salaries	37,057	37,057	13,849	(23,208)
Health insurance	89,019	89,019	77,614	(11,405)
Life insurance	672	672	672	-
Unemployment compensation	387	387	-	(387)
Social security contribution	29,580	29,580	27,019	(2,561)
IMRF contribution	35,651	35,651	33,649	(2,002)
Training and memberships	7,600	7,600	6,579	(1,021)
Uniform allowance	1,950	1,950	1,916	(34)
Mileage reimbursement	50	50	41	(9)
	<u>551,574</u>	<u>551,574</u>	<u>519,409</u>	<u>(32,165)</u>
Contractual services				
Legal services	750	750	-	(750)
Engineering services	1,500	1,500	8,997	7,497
Medical services	736	736	727	(9)
Information system services	350	350	397	47
Other professional services	1,860	1,860	65	(1,795)
Julie services	2,813	2,813	1,785	(1,028)
Scada services	6,000	6,000	12,573	6,573
Rental	725	725	785	60
Repair and maintenance services	15,762	15,762	20,141	4,379
Telecommunications	9,368	9,368	6,175	(3,193)
Printing	3,000	3,000	2,650	(350)
Receptions and entertainment	100	100	111	11
Utilities	575	575	659	84
Employee activities	250	250	-	(250)
	<u>43,789</u>	<u>43,789</u>	<u>55,065</u>	<u>11,276</u>
Commodities				
General equipment	14,000	14,000	7,003	(6,997)
Postage and delivery	5,000	5,000	3,298	(1,702)
Fuels and lubricants	34,125	34,125	33,030	(1,095)
Custodial supplies	3,500	3,500	2,486	(1,014)
Specialized supplies	4,000	4,000	5,073	1,073
Safety supplies	2,500	2,500	2,554	54
Books and publications	500	500	-	(500)
Equipment parts	3,000	3,000	3,023	23
Office supplies	900	900	889	(11)
Vehicle maintenance supplies	16,000	16,000	12,395	(3,605)
	<u>83,525</u>	<u>83,525</u>	<u>69,751</u>	<u>(13,774)</u>
Total public works administration	<u>678,888</u>	<u>678,888</u>	<u>644,225</u>	<u>(34,663)</u>

(Continued)

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Expenses - Budget and Actual (Budgetary Basis) (Continued)

Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating expenses (continued)				
Water operations				
Contractual services				
Other professional services	\$ 17,370	\$ 17,370	\$ 61,038	\$ 43,668
IEPA water sampling	10,000	10,000	10,171	171
Rental	1,500	1,500	550	(950)
Repair and maintenance services	16,100	16,100	21,697	5,597
Utilities	216,950	216,950	193,352	(23,598)
Bad debt	240	267	472	205
	<u>262,160</u>	<u>262,187</u>	<u>287,280</u>	<u>25,093</u>
Commodities				
Specialized supplies	73,385	73,385	137,923	64,538
Landscaping supplies	3,000	3,000	779	(2,221)
Chemicals and lab supplies	92,882	92,882	94,177	1,295
Traffic control supplies	1,500	1,500	-	(1,500)
Building maintenance supplies	2,750	2,750	647	(2,103)
Equipment parts	800	800	773	(27)
	<u>174,317</u>	<u>174,317</u>	<u>234,299</u>	<u>59,982</u>
Total water operations	<u>436,477</u>	<u>436,504</u>	<u>521,579</u>	<u>85,075</u>
Sewer operations				
Contractual services				
Other professional services	32,000	32,000	3,633	(28,367)
Rental	1,045	1,045	546	(499)
Repair and maintenance services	16,500	16,500	10,138	(6,362)
Utilities	17,025	17,025	14,056	(2,969)
Bad debt	232	248	175	(73)
	<u>66,802</u>	<u>66,818</u>	<u>28,548</u>	<u>(38,270)</u>
Commodities				
Specialized supplies	10,000	10,000	5,808	(4,192)
Chemicals and lab supplies	3,000	3,000	845	(2,155)
Building maintenance supplies	500	500	69	(431)
Equipment parts	3,000	3,000	3,234	234
	<u>16,500</u>	<u>16,500</u>	<u>9,956</u>	<u>(6,544)</u>
Total sewer operations	<u>83,302</u>	<u>83,318</u>	<u>38,504</u>	<u>(44,814)</u>
Water capital				
Contractual services				
Engineering services	42,200	42,200	1,233	(40,967)
Financial services	-	35,000	-	(35,000)
Less: capital assets capitalized	(42,200)	(77,200)	-	77,200
	<u>-</u>	<u>-</u>	<u>1,233</u>	<u>1,233</u>

(Continued)

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Expenses - Budget and Actual (Budgetary Basis) (Continued)
 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating expenses (continued)				
Water capital (continued)				
Commodities				
Land acquisition	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Water system improvements	285,085	1,485,085	-	(1,485,085)
Less: capital assets capitalized	(285,085)	(1,485,085)	-	1,485,085
	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total water capital	<u>20,000</u>	<u>20,000</u>	<u>1,233</u>	<u>(18,767)</u>
Sewer capital				
Contractual services				
Other professional services	875,000	875,000	832,250	(42,750)
Less: capital assets capitalized	-	-	-	-
	<u>875,000</u>	<u>875,000</u>	<u>832,250</u>	<u>(42,750)</u>
Total sewer capital	<u>875,000</u>	<u>875,000</u>	<u>832,250</u>	<u>(42,750)</u>
Total operating expenses excluding depreciation	<u>\$ 2,468,756</u>	<u>\$ 2,468,799</u>	<u>\$ 2,385,679</u>	<u>\$ (83,120)</u>
Nonoperating expenses				
Principal retirements				
Bonds payable	\$ 280,000	\$ 280,000	\$ 280,000	\$ -
Loans payable	328,231	328,231	328,230	(1)
Less: decrease in liability	(608,231)	(608,231)	(608,230)	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interest expense				
Bonds payable	226,250	286,448	241,838	(44,610)
Loans payable	99,381	99,381	98,272	(1,109)
Fiscal agent fees	1,250	1,250	1,250	-
	<u>326,881</u>	<u>387,079</u>	<u>341,360</u>	<u>(45,719)</u>
Total nonoperating expenses	<u>\$ 326,881</u>	<u>\$ 387,079</u>	<u>\$ 341,360</u>	<u>\$ (45,719)</u>

Village of Sugar Grove, Illinois

Refuse Fund

Schedule of Revenues, Expenses and Changes in Net Assets
 - Budget and Actual
 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating revenues				
Charges for services				
Refuse revenue	\$ 766,560	\$ 766,560	\$ 757,905	\$ (8,655)
Operating expenses				
Contractual services				
Refuse services	723,941	723,941	711,567	(12,374)
Bad debt	75	75	1,784	1,709
Total operating expenses	724,016	724,016	713,351	(10,665)
Operating income	42,544	42,544	44,554	2,010
Nonoperating revenues				
Interest income	100	100	39	(61)
Income before transfers	42,644	42,644	44,593	1,949
Transfer out	(32,500)	(32,500)	(32,500)	-
Change in net assets	\$ 10,144	\$ 10,144	12,093	\$ 1,949
Net assets - beginning			38,324	
Net assets - ending			\$ 50,417	

FIDUCIARY FUNDS

Pension Trust Fund

Police Pension Fund – This fund is used for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by sworn police officers at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

Agency Funds

School District Development Transition Fee Fund – This fund is used to account for donations made by developers on behalf of the School District for operating purposes.

Fire District Development Transition Fee Fund – This fund is used to account for donations made by developers on behalf of the Fire District for operating purposes.

Park District Development Transition Fee Fund – This fund is used to account for donations made by developers on behalf of the Park District for operating purposes.

Library District Development Transition Fee Fund – This fund is used to account for donations made by developers on behalf of the Library District for operating purposes.

Township Development Transition Fee Fund – This fund is used to account for donations made by developers on behalf of the Township for operating purposes.

School District Development Impact Fee Fund – This fund is used to account for donations made by developers on behalf of the School District for the acquisition of property and construction of facilities.

Library District Development Impact Fee Fund – This fund is used to account for donations made by developers on behalf of the Library District for the acquisition of property and construction of facilities.

Fire District Development Impact Fee Fund – This fund is used to account for donations made by developers on behalf of the Fire District for the acquisition of property and construction of facilities.

Park District Development Land Cash Fund – This fund is used to account for donations made by developers on behalf of the Park District for the acquisition of property and construction of facilities.

Park District Development Impact Fee Fund – This fund is used to account for donations made by developers on behalf of the Park District for the acquisition of property and construction of facilities.

School District Development Land Cash Fund – This fund is used to account for donations made by developers on behalf of the School District for the acquisition of property and construction of facilities.

Village of Sugar Grove, Illinois

Pension Trust Fund - Police Pension Fund

Schedule of Changes in Fiduciary Net Assets -
Budget and Actual
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
Additions				
Contributions				
Employer	\$ 224,989	\$ 224,989	\$ 222,543	\$ (2,446)
Participants	86,217	86,217	88,839	2,622
Total contributions	<u>311,206</u>	<u>311,206</u>	<u>311,382</u>	<u>176</u>
Investment income				
Interest income	98,775	98,775	61,821	(36,954)
Net appreciation in fair value of investments	-	-	59,990	59,990
Total investment income	<u>98,775</u>	<u>98,775</u>	<u>121,811</u>	<u>23,036</u>
Less investment expenses	<u>(7,906)</u>	<u>(7,906)</u>	<u>(7,833)</u>	<u>73</u>
Net investment income	<u>90,869</u>	<u>90,869</u>	<u>113,978</u>	<u>23,109</u>
Total additions	<u>402,075</u>	<u>402,075</u>	<u>425,360</u>	<u>23,285</u>
Deductions				
Administration	21,892	21,892	31,089	(9,197)
Pension benefits and refunds	97,128	97,128	110,627	(13,499)
Total deductions	<u>119,020</u>	<u>119,020</u>	<u>141,716</u>	<u>(22,696)</u>
Change in net assets	<u>\$ 283,055</u>	<u>\$ 283,055</u>	283,644	<u>\$ 589</u>
Net assets - beginning			<u>1,858,565</u>	
Net assets - ending			<u>\$ 2,142,209</u>	

Village of Sugar Grove, Illinois

Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended April 30, 2012

	Balance, May 1	Additions	Deductions	Balance, April 30
All Agency Funds				
Assets				
Cash and cash equivalents	\$ 4,802	\$ 10,334	\$ 15,136	\$ -
Liabilities				
Due to other governments	\$ 4,802	\$ 15,136	\$ 10,334	\$ -
School District Development Transition Fee Fund				
Assets				
Cash and cash equivalents	\$ 3,517	\$ 1	\$ 3,518	\$ -
Liabilities				
Due to other governments	\$ 3,517	\$ 3,518	\$ 1	\$ -
Fire District Development Transition Fee Fund				
Assets				
Cash and cash equivalents	\$ 696	\$ -	\$ 696	\$ -
Liabilities				
Due to other governments	\$ 696	\$ 696	\$ -	\$ -
Park District Development Transition Fee Fund				
Assets				
Cash and cash equivalents	\$ 198	\$ -	\$ 198	\$ -
Liabilities				
Due to other governments	\$ 198	\$ 198	\$ -	\$ -

(Continued)

Village of Sugar Grove, Illinois

Agency Funds

Combining Statement of Changes in Assets and Liabilities (Continued)
Year Ended April 30, 2012

	Balance, May 1	Additions	Deductions	Balance, April 30
Library District Development Transition Fee Fund				
Assets				
Cash and cash equivalents	\$ 275	\$ -	\$ 275	\$ -
Liabilities				
Due to other governments	\$ 275	\$ 275	\$ -	\$ -
Township Development Transition Fee Fund				
Assets				
Cash and cash equivalents	\$ 111	\$ -	\$ 111	\$ -
Liabilities				
Due to other governments	\$ 111	\$ 111	\$ -	\$ -
School District Development Impact Fee Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 4,623	\$ 4,623	\$ -
Liabilities				
Due to other governments	\$ -	\$ 4,623	\$ 4,623	\$ -
Library District Development Impact Fee Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 150	\$ 150	\$ -
Liabilities				
Due to other governments	\$ -	\$ 150	\$ 150	\$ -

(Continued)

Village of Sugar Grove, Illinois

Agency Funds

Combining Statement of Changes in Assets and Liabilities (Continued)
Year Ended April 30, 2012

	Balance, May 1	Additions	Deductions	Balance, April 30
Fire District Development Impact Fee Fund				
Assets				
Cash and cash equivalents	\$ 1	\$ 486	\$ 487	\$ -
Liabilities				
Due to other governments	\$ 1	\$ 487	\$ 486	\$ -
Park District Development Land Cash Fund				
Assets				
Cash and cash equivalents	\$ 4	\$ 1,550	\$ 1,554	\$ -
Liabilities				
Due to other governments	\$ 4	\$ 1,554	\$ 1,550	\$ -
Park District Development Impact Fee Fund				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Liabilities				
Due to other governments	\$ -	\$ -	\$ -	\$ -
School District Development Land Cash Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 3,524	\$ 3,524	\$ -
Liabilities				
Due to other governments	\$ -	\$ 3,524	\$ 3,524	\$ -

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Water and Sewer Alternate Revenue Refunding Bonds, Series 2002
 April 30, 2012

Date of Issue May 1, 2002
 Date of Maturity May 1, 2012
 Authorized Issue \$1,415,000
 Denomination of Bonds \$ 5,000
 Interest Rates 3.00% - 4.00%
 Interest Dates May 1 and November 1
 Principal Maturity Date May 1
 Payable at Cole Taylor Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2013	\$ 125,000	\$ 2,500	\$ 127,500	2012	\$ 2,500	2012	\$ -
	<u>\$ 125,000</u>	<u>\$ 2,500</u>	<u>\$ 127,500</u>		<u>\$ 2,500</u>		<u>\$ -</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Water and Sewer Alternate Revenue Refunding Bonds, Series 2006
 April 30, 2012

Date of Issue	May 17, 2006
Date of Maturity	May 1, 2021
Authorized Issue	\$2,640,000
Denomination of Bonds	\$ 5,000
Interest Rates	4.00% - 4.50%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	Cole Taylor Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2013	\$ 35,000	\$ 110,725	\$ 145,725	2012	\$ 55,713	2012	\$ 55,012
2014	255,000	104,288	359,288	2013	55,013	2013	49,275
2015	285,000	92,137	377,137	2014	49,275	2014	42,862
2016	300,000	78,975	378,975	2015	42,863	2015	36,112
2017	315,000	65,138	380,138	2016	36,113	2016	29,025
2018	325,000	50,737	375,737	2017	29,025	2017	21,712
2019	290,000	36,900	326,900	2018	21,713	2018	15,187
2020	230,000	25,200	255,200	2019	15,188	2019	10,012
2021	225,000	14,963	239,963	2020	10,013	2020	4,950
2022	220,000	4,950	224,950	2021	4,950	2021	-
	<u>\$ 2,480,000</u>	<u>\$ 584,013</u>	<u>\$ 3,064,013</u>		<u>\$ 319,866</u>		<u>\$ 264,147</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Bonds, Series 2006A
 April 30, 2012

Date of Issue June 28, 2006
 Date of Maturity December 15, 2025
 Authorized Issue \$8,500,000
 Denomination of Bonds \$ 5,000
 Interest Rates 4.000% - 4.125%
 Interest Dates June 15 and December 15
 Principal Maturity Date December 15
 Payable at Cole Taylor Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2013	\$ 345,000	\$ 270,602	\$ 615,602	2012	\$ 135,301	2012	\$ 135,301
2014	360,000	256,630	616,630	2013	128,315	2013	128,315
2015	375,000	242,050	617,050	2014	121,025	2014	121,025
2016	395,000	226,862	621,862	2015	113,431	2015	113,431
2017	415,000	210,866	625,866	2016	105,433	2016	105,433
2018	435,000	194,058	629,058	2017	97,029	2017	97,029
2019	455,000	176,440	631,440	2018	88,220	2018	88,220
2020	475,000	158,012	633,012	2019	79,006	2019	79,006
2021	500,000	138,776	638,776	2020	69,388	2020	69,388
2022	525,000	118,525	643,525	2021	59,263	2021	59,262
2023	550,000	97,262	647,262	2022	48,631	2022	48,631
2024	575,000	74,988	649,988	2023	37,494	2023	37,494
2025	600,000	51,412	651,412	2024	25,706	2024	25,706
2026	650,000	26,812	676,812	2025	13,406	2025	13,406
	<u>\$ 6,655,000</u>	<u>\$ 2,243,295</u>	<u>\$ 8,898,295</u>		<u>\$ 1,121,648</u>		<u>\$ 1,121,647</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Waterworks and Sewerage Alternate Revenue Bonds, Series 2008A
 April 30, 2012

Date of Issue July 15, 2008
 Date of Maturity May 1, 2028
 Authorized Issue \$2,585,000
 Denomination of Bonds \$ 5,000
 Interest Rates 4.00% - 4.50%
 Interest Dates May 1 and November 1
 Principal Maturity Date May 1
 Payable at Cole Taylor Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2013	\$ 135,000	\$ 101,525	\$ 236,525	2012	\$ 52,112	2012	\$ 49,413
2014	60,000	97,625	157,625	2013	49,412	2013	48,213
2015	45,000	95,525	140,525	2014	48,212	2014	47,313
2016	50,000	93,625	143,625	2015	47,312	2015	46,313
2017	50,000	91,625	141,625	2016	46,312	2016	45,313
2018	50,000	89,625	139,625	2017	45,312	2017	44,313
2019	100,000	86,625	186,625	2018	44,312	2018	42,313
2020	150,000	81,437	231,437	2019	42,312	2019	39,125
2021	160,000	74,850	234,850	2020	39,125	2020	35,725
2022	175,000	67,731	242,731	2021	35,725	2021	32,006
2023	185,000	59,966	244,966	2022	32,006	2022	27,960
2024	190,000	51,763	241,763	2023	27,960	2023	23,803
2025	200,000	43,231	243,231	2024	23,803	2024	19,428
2026	205,000	34,372	239,372	2025	19,428	2025	14,944
2027	210,000	25,294	235,294	2026	14,944	2026	10,350
2028	210,000	15,975	225,975	2027	10,350	2027	5,625
2029	250,000	5,625	255,625	2028	5,625	2028	-
	<u>\$ 2,425,000</u>	<u>\$ 1,116,419</u>	<u>\$ 3,541,419</u>		<u>\$ 584,262</u>		<u>\$ 532,157</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Road Alternate Revenue Bonds, Series 2008B
 April 30, 2012

Date of Issue	July 15, 2008
Date of Maturity	January 1, 2014
Authorized Issue	\$590,000
Denomination of Bonds	\$ 5,000
Interest Rates	3.00% - 3.60%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Cole Taylor Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2013	\$ 125,000	\$ 8,992	\$ 133,992	2012	\$ 4,496	2013	\$ 4,496
2014	130,000	4,680	134,680	2013	2,340	2014	2,340
	<u>\$ 255,000</u>	<u>\$ 13,672</u>	<u>\$ 268,672</u>		<u>\$ 6,836</u>		<u>\$ 6,836</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Refunding Bonds, Series 2009
 April 30, 2012

Date of Issue April 1, 2009
 Date of Maturity January 1, 2021
 Authorized Issue \$2,930,000
 Denomination of Bonds \$ 5,000
 Interest Rates 2.50% - 3.90%
 Interest Dates January 1 and July 1
 Principal Maturity Date January 1
 Payable at Cole Taylor Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2013	\$ 235,000	\$ 78,710	\$ 313,710	2012	\$ 39,355	2013	\$ 39,355
2014	245,000	72,835	317,835	2013	36,417	2014	36,418
2015	250,000	66,465	316,465	2014	33,232	2015	33,233
2016	255,000	59,590	314,590	2015	29,795	2016	29,795
2017	270,000	51,940	321,940	2016	25,970	2017	25,970
2018	280,000	43,300	323,300	2017	21,650	2018	21,650
2019	290,000	33,780	323,780	2018	16,890	2019	16,890
2020	300,000	23,340	323,340	2019	11,670	2020	11,670
2021	310,000	12,090	322,090	2020	6,045	2021	6,045
	<u>\$ 2,435,000</u>	<u>\$ 442,050</u>	<u>\$ 2,877,050</u>		<u>\$ 221,024</u>		<u>\$ 221,026</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency Loan Payable, 1998
 April 30, 2012

Date of Issue September 29, 1998
 Date of Maturity September 28, 2019
 Original Contract \$3,697,283
 Interest Rates 2.625%
 Interest Dates March 28 and September 28
 Principal Maturity Date March 28 and September 28
 Payable to Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2013	\$ 198,348	\$ 41,277	\$ 239,625
2014	203,589	36,036	239,625
2015	208,968	30,657	239,625
2016	214,489	25,136	239,625
2017	220,157	19,468	239,625
2018	225,973	13,652	239,625
2019	231,944	7,681	239,625
2020	118,259	1,553	119,812
	<u>\$ 1,621,727</u>	<u>\$ 175,460</u>	<u>\$ 1,797,187</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency Loan Payable, 2002
 April 30, 2012

Date of Issue May 21, 2002
 Date of Maturity October 8, 2023
 Original Contract \$ 1,565,676
 Interest Rates 2.675%
 Interest Dates April 8 and October 8
 Principal Maturity Date April 8 and October 8
 Payable to Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2013	\$ 77,481	\$ 26,994	\$ 104,475
2014	79,567	24,908	104,475
2015	81,710	22,765	104,475
2016	83,910	20,565	104,475
2017	86,170	18,305	104,475
2018	88,490	15,985	104,475
2019	90,873	13,602	104,475
2020	93,320	11,155	104,475
2021	95,833	8,642	104,475
2022	98,414	6,061	104,475
2023	101,063	3,412	104,475
2024	51,547	691	52,238
	\$ 1,028,378	\$ 173,085	\$ 1,201,463

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency Loan Payable, 2003
 April 30, 2012

Date of Issue March 28, 2003
 Date of Maturity June 18, 2024
 Original Contract \$ 1,272,108
 Interest Rates 2.570%
 Interest Dates June 18 and December 18
 Principal Maturity Date June 18 and December 18
 Payable to Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2013	\$ 61,079	\$ 22,432	\$ 83,511
2014	62,658	20,853	83,511
2015	64,280	19,231	83,511
2016	65,942	17,569	83,511
2017	67,649	15,862	83,511
2018	69,397	14,114	83,511
2019	71,193	12,318	83,511
2020	73,034	10,476	83,510
2021	74,923	8,587	83,510
2022	76,861	6,649	83,510
2023	78,849	4,661	83,510
2024	80,888	2,623	83,511
2025	41,228	527	41,755
	\$ 887,981	\$ 155,902	\$ 1,043,883

STATISTICAL SECTION (UNAUDITED)

Statistical Section (Unaudited)

This part of the Village of Sugar Grove's statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

	<u>Pages</u>
Financial Trends	100 - 108
<i>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.</i>	
Revenue Capacity	109 - 112
<i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	
Debt Capacity	113 - 117
<i>These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.</i>	
Demographics and Economic Information	118 - 119
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.</i>	
Operating Information	120 - 124
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.</i>	

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented GASB Statement No. 34 for the fiscal year ended April 30, 2005. Schedules presenting government-wide information include information beginning in that year.*

Net Assets by Component

Last Eight Fiscal Years

(accrual basis of accounting)

	Fiscal Year							
	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities								
Invested in capital assets, net of related debt	\$ 656,130	\$ 6,855,763	\$ 13,189,271	\$ 12,593,065	\$ 17,946,194	\$ 21,461,720	\$ 21,708,796	\$ 21,320,541
Restricted	57,860	41,586	8,179,293	6,575,804	4,176,012	2,681,288	2,453,465	2,016,058
Unrestricted	4,641,305	5,956,543	(1,772,554)	275,035	2,516,253	1,963,050	2,519,123	2,920,279
Total governmental activities net assets	\$ 5,355,295	\$ 12,853,892	\$ 19,596,010	\$ 19,443,904	\$ 24,638,459	\$ 26,106,058	\$ 26,681,384	\$ 26,256,878
Business-type activities								
Invested in capital assets, net of related debt	\$ 6,200,704	\$ 8,862,763	\$ 11,975,053	\$ 12,743,365	\$ 13,090,292	\$ 13,257,722	\$ 13,111,168	\$ 12,944,997
Unrestricted	4,638,542	5,753,566	5,856,899	5,244,845	5,376,225	4,767,152	4,670,659	3,647,505
Total business-type activities net assets	\$ 10,839,246	\$ 14,616,329	\$ 17,831,952	\$ 17,988,210	\$ 18,466,517	\$ 18,024,874	\$ 17,781,827	\$ 16,592,502
Net assets								
Invested in capital assets, net of related debt	\$ 6,856,834	\$ 15,718,526	\$ 25,164,324	\$ 25,336,430	\$ 31,036,486	\$ 34,719,442	\$ 34,819,964	\$ 34,265,538
Restricted	57,860	41,586	8,179,293	6,575,804	4,176,012	2,681,288	2,453,465	2,016,058
Unrestricted	9,279,847	11,710,109	4,084,345	5,519,880	7,892,478	6,730,202	7,189,782	6,567,784
Total net assets	\$ 16,194,541	\$ 27,470,221	\$ 37,427,962	\$ 37,432,114	\$ 43,104,976	\$ 44,130,932	\$ 44,463,211	\$ 42,849,380

Note: The Village implemented GASB Statement No. 34 for the fiscal year ended April 30, 2005.

Data source: Village records

Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2005	2006	2007	2008	2009	2010	2011	2012
Expenses								
Governmental activities								
General government	\$ 1,848,393	\$ 2,194,586	\$ 2,232,790	\$ 2,047,435	\$ 1,587,633	\$ 1,335,485	\$ 1,160,466	\$ 1,285,564
Public safety	1,106,496	1,363,491	2,481,551	2,386,461	2,020,272	1,953,356	1,959,194	2,086,000
Highways and streets	725,605	847,155	1,227,688	1,625,191	1,899,870	2,275,366	1,873,814	2,175,944
Interest	199,615	189,832	469,079	521,405	478,975	465,269	437,467	405,001
Total governmental activities expenses	3,880,109	4,595,064	6,411,108	6,580,492	5,986,750	6,029,476	5,430,941	5,952,509
Business-type activities								
Water and sewer	1,724,797	2,048,070	2,409,780	2,546,844	2,605,451	2,584,032	2,488,457	3,490,549
Refuse	354,628	457,274	494,692	587,620	654,632	680,915	699,274	713,351
Total business-type activities expenses	2,079,425	2,505,344	2,904,472	3,134,464	3,260,083	3,264,947	3,187,731	4,203,900
Total expenses	\$ 5,959,534	\$ 7,100,408	\$ 9,315,580	\$ 9,714,956	\$ 9,246,833	\$ 9,294,423	\$ 8,618,672	\$ 10,156,409
Program revenues								
Governmental activities								
Charges for services								
General government	\$ 1,045,165	\$ 1,586,585	\$ 1,145,993	\$ 450,973	\$ 346,763	\$ 175,419	\$ 163,454	\$ 193,025
Public safety	148,469	148,524	157,205	171,383	147,082	226,845	271,035	224,308
Highways and streets	4,750	5,945	7,930	5,021	6,420	2,795	-	16,700
Operating grants and contributions	50,217	56,968	68,711	29,500	22,843	1,100	33,784	23,425
Capital grants and contributions	707,447	6,795,602	7,319,731	478,483	5,373,109	2,324,851	774,232	189,025
Total governmental activities program revenues	1,956,048	8,593,624	8,699,570	1,135,360	5,896,217	2,731,010	1,242,505	646,483
Business-type activities								
Charges for services								
Water and sewer	2,266,728	2,795,195	2,207,202	2,236,788	2,191,339	2,341,731	2,433,467	2,545,084
Refuse	383,015	462,224	516,245	595,135	664,847	702,417	730,420	757,905
Capital grants and contributions	1,087,701	2,362,505	3,262,306	342,117	1,011,202	10,805	30,192	5,748
Total business-type activities program revenues	3,737,444	5,619,924	5,985,753	3,174,040	3,867,388	3,054,953	3,194,079	3,308,737
Total program revenues	\$ 5,693,492	\$ 14,213,548	\$ 14,685,323	\$ 4,309,400	\$ 9,763,605	\$ 5,785,963	\$ 4,436,584	\$ 3,955,220
Net (expense) revenue								
Governmental activities	\$ (1,924,061)	\$ 3,998,560	\$ 2,288,462	\$ (5,445,132)	\$ (90,533)	\$ (3,298,466)	\$ (4,188,436)	\$ (5,306,026)
Business-type activities	1,658,019	3,114,580	3,081,281	39,576	607,305	(209,994)	6,348	(895,163)
Total net expense	\$ (266,042)	\$ 7,113,140	\$ 5,369,743	\$ (5,405,556)	\$ 516,772	\$ (3,508,460)	\$ (4,182,088)	\$ (6,201,189)

Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2005	2006	2007	2008	2009	2010	2011	2012
General revenues and other changes in net assets								
Governmental activities								
Taxes								
Property	\$ 909,171	\$ 1,020,864	\$ 1,124,578	\$ 1,269,953	\$ 1,351,622	\$ 1,444,458	\$ 1,467,686	\$ 1,410,730
Income	419,200	501,456	686,381	786,035	779,204	682,418	684,720	762,281
Sales	299,274	294,015	444,728	873,003	834,223	796,488	873,110	954,698
Electric	219,231	233,888	247,629	272,552	257,290	256,051	282,517	275,528
Natural gas	121,180	184,573	158,172	191,539	183,590	141,782	131,137	106,785
Telecommunications	341,355	352,759	356,449	368,441	369,623	337,743	329,765	343,178
Motor fuel	182,539	188,602	240,989	237,498	241,903	233,657	272,617	278,901
Other	70,628	82,288	104,594	120,094	127,935	106,802	129,683	133,978
Investment income	90,740	216,364	625,593	656,552	465,283	178,697	80,969	45,770
Miscellaneous	102,423	267,374	289,338	338,718	298,496	254,775	212,544	232,179
Transfers in (out)	155,469	157,854	175,205	178,642	375,919	333,194	299,013	337,492
Total governmental activities	<u>2,911,210</u>	<u>3,500,037</u>	<u>4,453,656</u>	<u>5,293,027</u>	<u>5,285,088</u>	<u>4,766,065</u>	<u>4,763,761</u>	<u>4,881,520</u>
Business-type activities								
Investment income	76,126	199,372	304,374	284,283	228,798	91,631	37,715	30,559
Miscellaneous	5,574	620,985	5,173	11,041	18,123	9,914	11,903	12,771
Transfers in (out)	(155,469)	(157,854)	(175,205)	(178,642)	(375,919)	(333,194)	(299,013)	(337,492)
Total Business-Type Activities	<u>(73,769)</u>	<u>662,503</u>	<u>134,342</u>	<u>116,682</u>	<u>(128,998)</u>	<u>(231,649)</u>	<u>(249,395)</u>	<u>(294,162)</u>
Total	<u>\$ 2,837,441</u>	<u>\$ 4,162,540</u>	<u>\$ 4,587,998</u>	<u>\$ 5,409,709</u>	<u>\$ 5,156,090</u>	<u>\$ 4,534,416</u>	<u>\$ 4,514,366</u>	<u>\$ 4,587,358</u>
Changes in net assets								
Governmental activities	\$ 987,149	\$ 7,498,597	\$ 6,742,118	\$ (152,105)	\$ 5,194,555	\$ 1,467,599	\$ 575,325	\$ (424,506)
Business-type activities	1,584,250	3,777,083	3,215,623	156,258	478,307	(441,643)	(243,047)	(1,189,325)
Total changes in net assets	<u>\$ 2,571,399</u>	<u>\$ 11,275,680</u>	<u>\$ 9,957,741</u>	<u>\$ 4,153</u>	<u>\$ 5,672,862</u>	<u>\$ 1,025,956</u>	<u>\$ 332,278</u>	<u>\$ (1,613,831)</u>

Note: The Village implemented GASB Statement No. 34 for the fiscal year ended April 30, 2005.

Data source: Village records

**Fund Balances of Governmental Funds
Last Ten Fiscal Years**
(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Nonspendable	\$ 41,033	\$ 39,197	\$ 76,553	\$ 77,933	\$ 84,482	\$ 67,813	\$ 80,091	\$ 81,442	\$ 98,364	\$ 105,370
Unassigned	1,240,190	1,371,021	1,516,724	1,884,470	1,776,039	1,563,204	1,463,286	1,436,838	1,425,389	1,412,007
Total general fund	\$ 1,281,223	\$ 1,410,218	\$ 1,593,277	\$ 1,962,403	\$ 1,860,521	\$ 1,631,017	\$ 1,543,377	\$ 1,518,280	\$ 1,523,753	\$ 1,517,377
All Other Governmental Funds										
Restricted	\$ 55,275	\$ 42,479	\$ 70,804	\$ 57,832	\$ 8,525,981	\$ 6,755,404	\$ 4,330,123	\$ 2,832,577	\$ 2,592,823	\$ 2,146,768 (a)
Assigned	2,092,325	2,564,494	3,251,739	4,052,984	4,400,140	4,884,369	4,648,111	2,858,068	2,931,553	3,032,041
Unassigned	-	-	-	-	-	-	-	-	-	(29,476)
Total all other governmental funds	\$ 2,147,600	\$ 2,606,973	\$ 3,322,543	\$ 4,110,816	\$ 12,926,121	\$ 11,639,773	\$ 8,978,234	\$ 5,690,645	\$ 5,524,376	\$ 5,149,333

(a) The substantial increase in restricted fund balance in 2007 is due to the issuance of the Series 2006A bonds for capital expenditures that have not been completed yet.

Data source: Village records

General Governmental Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Property taxes	\$ 686,617	\$ 788,108	\$ 909,171	\$ 1,020,864	\$ 1,124,578	\$ 1,269,954	\$ 1,351,622	\$ 1,444,458	\$ 1,467,686	\$ 1,410,730
Other taxes	983,890	1,207,833	1,595,720	1,834,096	2,213,953	2,805,916	2,808,563	2,560,100	2,693,353	2,849,406
Charges for services	426,356	468,220	591,897	1,198,302	742,396	196,341	221,342	91,147	93,854	103,984
Intergovernmental, grants and contributions	1,380,491	815,674	732,864	768,434	973,499	488,498	2,509,458	2,322,315	808,016	212,450
Licenses and permits	395,547	440,067	469,495	404,465	422,503	270,854	142,828	103,608	85,186	101,864
Fines, fees and forfeitures	173,332	140,456	176,315	180,447	191,144	207,909	189,638	281,553	315,100	275,634
Interest	51,009	38,028	90,740	216,364	626,646	660,527	469,258	182,673	84,945	45,770
Miscellaneous	133,536	65,033	87,900	225,214	245,023	306,201	244,953	200,585	152,893	239,403
	<u>\$ 4,230,778</u>	<u>\$ 3,963,419</u>	<u>\$ 4,654,102</u>	<u>\$ 5,848,186</u>	<u>\$ 6,539,742</u>	<u>\$ 6,206,200</u>	<u>\$ 7,937,662</u>	<u>\$ 7,186,439</u>	<u>\$ 5,701,033</u>	<u>\$ 5,239,241</u>

Note: Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Data source: Village records

General Governmental Expenditures By Function

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	\$ 1,033,073	\$ 1,242,241	\$ 1,789,992	\$ 2,161,329	\$ 2,328,969	\$ 2,013,873	\$ 1,544,521	\$ 1,287,544	\$ 1,124,780	\$ 1,211,815
Public safety	840,645	884,383	1,051,698	1,302,644	2,204,060	2,255,323	1,920,986	1,897,049	1,912,121	2,038,487
Highways and streets	560,760	337,500	407,436	470,929	747,182	1,610,341	1,645,008	1,165,193	966,419	959,483
Culture and recreation	230,138	269,098	-	-	-	-	-	-	-	-
Debt service										
Principal	110,000	206,180	200,000	210,000	220,000	450,000	655,000	840,000	860,000	705,000
Interest and fiscal charges	266,238	211,609	202,805	193,215	183,350	677,818	497,524	437,591	416,870	383,703
Bond issuance costs	-	-	-	-	-	-	80,463	-	-	-
Capital outlay	1,480,060	374,650	259,011	510,524	863,879	893,339	5,377,826	5,204,942	880,652	642,707
	<u>\$ 4,520,914</u>	<u>\$ 3,525,661</u>	<u>\$ 3,910,942</u>	<u>\$ 4,848,641</u>	<u>\$ 6,547,440</u>	<u>\$ 7,900,694</u>	<u>\$ 11,721,328</u>	<u>\$ 10,832,319</u>	<u>\$ 6,160,842</u>	<u>\$ 5,941,195</u>

Note: Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Data source: Village records

Village of Sugar Grove, Illinois

**Changes in Fund Balances for Governmental Funds
Last Ten Fiscal Years**
(modified accrual basis of accounting)

See Following Page

Village of Sugar Grove, Illinois

**Changes in Fund Balances for Governmental Funds
Last Ten Fiscal Years**

(modified accrual basis of accounting)

	2003	2004	2005	2006
Revenues				
Property taxes	\$ 686,617	\$ 788,108	\$ 909,171	\$ 1,020,864
Other taxes	983,890	1,207,833	1,595,720	1,834,096
Charges for services	426,356	468,220	591,897	1,198,302
Intergovernmental, grants and contributions	1,380,491	815,674	732,864	768,434
Licenses and permits	395,547	440,067	469,495	404,465
Fines, fees and forfeitures	173,332	140,456	176,315	180,447
Interest	51,009	38,028	90,740	216,364
Miscellaneous	133,536	65,033	87,900	225,214
Total revenues	4,230,778	3,963,419	4,654,102	5,848,186
Expenditures				
General government	1,033,073	1,242,241	1,789,992	2,161,329
Public safety	840,645	884,383	1,051,698	1,302,644
Highways and streets	560,760	337,500	407,436	470,929
Culture and recreation	230,138	269,098	-	-
Debt service				
Principal	110,000	206,180	200,000	210,000
Interest and fiscal charges	266,238	211,609	202,805	193,215
Bond issuance costs	-	-	-	-
Capital outlay	1,480,060	374,650	259,011	510,524
Total expenditures	4,520,914	3,525,661	3,910,942	4,848,641
Excess (deficiency) of revenues over expenditures	(290,136)	437,758	743,160	999,545
Other financing sources (uses)				
Transfers in	791,875	428,944	714,151	1,050,573
Transfers out	(658,526)	(278,334)	(558,682)	(892,719)
Proceeds of installment contract	31,770	-	-	-
General obligation alternate revenue bonds issued	-	-	-	-
Premium on general obligation alternate revenue bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	165,119	150,610	155,469	157,854
Net Change in Fund Balances	\$ (125,017)	\$ 588,368	\$ 898,629	\$ 1,157,399
Capital asset additions (excluding capital asset contributions and exchanges)	\$ 1,366,004	\$ 210,764	\$ 85,346	\$ 310,177
Debt service as a percentatge of noncapital expenditures	11.93%	12.60%	10.53%	8.88%

Note: Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Data source: Village records

		Fiscal Year									
		2007	2008	2009	2010	2011	2012				
\$	1,124,578	\$	1,269,954	\$	1,351,622	\$	1,444,458	\$	1,467,686	\$	1,410,730
	2,213,953		2,805,916		2,808,563		2,560,100		2,693,353		2,849,406
	742,396		196,341		221,342		91,147		93,854		103,984
	973,499		488,498		2,509,458		2,322,315		808,016		212,450
	422,503		270,854		142,828		103,608		85,186		101,864
	191,144		207,909		189,638		281,553		315,100		275,634
	626,646		660,527		469,258		182,673		84,945		45,770
	245,023		306,201		244,953		200,585		152,893		239,403
	6,539,742		6,206,200		7,937,662		7,186,439		5,701,033		5,239,241
	2,328,969		2,013,873		1,544,521		1,287,544		1,124,780		1,211,815
	2,204,060		2,255,323		1,920,986		1,897,049		1,912,121		2,038,487
	747,182		1,610,341		1,645,008		1,165,193		966,419		959,483
	-		-		-		-		-		-
	220,000		450,000		655,000		840,000		860,000		705,000
	183,350		677,818		497,524		437,591		416,870		383,703
	-		-		80,463		-		-		-
	863,879		893,339		5,377,826		5,204,942		880,652		642,707
	6,547,440		7,900,694		11,721,328		10,832,319		6,160,842		5,941,195
	(7,698)		(1,694,494)		(3,783,666)		(3,645,880)		(459,809)		(701,954)
	1,588,542		2,001,085		4,461,793		3,973,835		1,832,641		1,514,768
	(1,413,337)		(1,822,443)		(4,085,874)		(3,640,641)		(1,533,628)		(1,177,276)
	-		-		-		-		-		-
	8,500,000		-		3,520,000		-		-		-
	45,916		-		10,342		-		-		-
	-		-		(2,871,774)		-		-		-
	8,721,121		178,642		1,034,487		333,194		299,013		337,492
\$	8,713,423	\$	(1,515,852)	\$	(2,749,179)	\$	(3,312,686)	\$	(160,796)	\$	(364,462)
\$	536,114	\$	1,276,416	\$	5,642,090	\$	5,087,439	\$	1,079,400	\$	563,672
	6.71%		17.03%		20.28%		22.24%		25.13%		20.25%

Village of Sugar Grove, Illinois

Tax Revenues by Source for Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	Property (a)	Income (b)	State Sales (c)	Local Sales (d)	Telecom- munications (e)	Electric (e)	Motor Fuel (b)	Natural Gas (e)	Use (b)	Personal Property Replacement	Total
2003	\$ 686,617	\$ 254,270	\$ 172,851	\$ -	\$ 160,388	\$ 157,155	\$ 111,417	\$ 91,188	\$ 35,511	\$ 1,110	\$ 1,670,507
2004	788,108	297,546	206,092	-	265,996	143,350	135,114	109,291	49,209	1,235	1,995,941
2005	909,171	419,200	278,489	-	311,343	219,231	182,539	121,180	62,135	1,603	2,504,891
2006	1,020,864	501,456	290,848	-	353,797	233,888	188,602	184,573	79,057	1,875	2,854,960
2007	1,124,578	686,381	422,508	-	354,040	247,629	240,989	158,172	102,149	2,085	3,338,531
2008	1,269,954	786,035	522,869	306,643	369,409	272,552	237,498	191,539	117,073	2,298	4,075,870
2009	1,351,622	779,204	472,933	376,892	369,149	257,290	241,903	183,590	125,588	2,014	4,160,185
2010	1,444,458	682,418	451,437	347,152	339,953	256,051	233,657	141,782	105,978	1,672	4,004,558
2011	1,467,686	684,720	472,808	390,368	330,848	282,517	272,617	131,137	126,275	2,063	4,161,039
2012	1,410,730	762,281	518,905	430,917	342,957	275,528	278,901	106,785	131,312	1,820	4,260,136
Change 2003 - 2012	105.5%	199.8%	200.2%	100.0%	113.8%	75.3%	150.3%	17.1%	269.8%	64.0%	155.0%

(a) The property tax rate decreased between 2003 and 2008 because of a combination of the tax cap and Village growth, however, the equalized assessed valuation of new and existing homes continued to see substantial growth during the same time. The property tax rate increased in 2009 as the equalized assessed valuation leveled off and increased further between 2010 and 2012 when the equalized assessed valuation dropped. The Village paid off its Series 1991 bonds during 2011 and is no longer collecting property tax to pay for debt service.

(b) Income, motor fuel, and use tax are received from the State of Illinois on a per capita basis. The population of the Village increased from 3,909 in 2000, based on the decennial census, to 8,997 in 2010, based on the decennial census.

(c) Sales tax revenue increased 200% in the past ten years due to growth in the number of retail outlets in the Village. The Village had a Jewel-Osco grocery store open in April 2006, for which the has a Sales Tax Agreement with.

(d) The Village enacted a 1% non-home rule sales tax on July 1, 2007.

(e) Telecommunications, electric, and natural gas utility taxes are charged to residents based on the cost of goods/services received. The population of the Village increased from 3,909 in 2000, based on the decennial census, to 8,997 in 2010, based on the decennial census.

Data source: Village records

**Equalized Assessed Valuation of Taxable Property
Last Ten Levy Years**

Tax Levy Year	Property Type					Total		Ratio of Total Assessed Value to Total Estimated Actual Value	Equalization Factor	Direct Tax Rate (a)
	Residential	Commercial	Industrial	Farm	Railroad	Equalized Assessed Value	Estimated Actual Value			
2002	\$ 113,638,557	\$ 9,894,250	\$ 6,914,915	\$ 2,417,380	\$ 76,497	\$ 132,941,599	\$ 398,824,797	33.33%	1.0000	0.5609
2003	141,744,773	10,546,838	7,492,112	2,377,441	64,197	162,225,361	486,676,083	33.33	1.0000	0.5326
2004	179,336,717	10,536,212	8,076,853	2,377,897	62,801	200,390,480	601,171,440	33.33	1.0000	0.4859
2005	213,346,305	12,129,466	8,548,379	2,836,278	58,028	236,918,456	710,755,368	33.33	1.0000	0.4580
2006	260,596,815	18,207,794	9,748,563	3,756,701	60,748	292,370,621	877,111,863	33.33	1.0000	0.4210
2007	284,696,914	21,612,111	11,774,208	3,893,326	68,399	322,044,958	966,134,874	33.33	1.0000	0.4118
2008	294,513,285	22,847,936	14,686,666	3,497,423	78,806	335,624,116	1,006,872,348	33.33	1.0000	0.4221
2009	295,238,446	25,282,093	10,482,826	3,475,474	95,292	334,574,131	1,003,722,393	33.33	1.0000	0.4284
2010	279,291,169	22,146,488	9,931,070	3,219,364	104,452	314,692,543	944,077,629	33.33	1.0000	0.4375
2011	255,730,554	22,581,873	9,622,964	4,052,461	124,705	292,112,557	876,337,671	33.33	1.0000	0.4800

Note: The county assesses property at approximately 33% of actual value. Estimated actual value is calculated by dividing equalized assessed value by that percentage.

(a) Property tax rates are per \$100 of assessed valuation.

Data source: Kane County Clerk

**Direct and Overlapping Property Tax Rates
Last Ten Levy Years**

	Tax Levy Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Tax Rates (a)										
Village direct rates										
Corporate (c)	\$ 0.2316	\$ 0.2241	\$ 0.1818	\$ 0.1742	\$ 0.1619	\$ 0.1593	\$ 0.2034	\$ 0.2068	\$ 0.2295	\$ 0.2538
Debt service	0.0733	0.0607	0.0495	0.0398	0.0324	0.0293	0.0295	0.0292	-	-
IMRF	0.0650	0.0629	0.0510	0.0489	0.0454	0.0447	0.0230	0.0233	0.0228	0.0230
Police protection (c)	0.0463	0.0448	0.0363	0.0348	0.0324	0.0319	0.0327	0.0333	0.0364	0.0400
Police pension	-	-	0.0536	0.0514	0.0477	0.0469	0.0482	0.0490	0.0537	0.0589
Audit	0.0071	0.0069	0.0056	0.0054	0.0050	0.0049	0.0033	0.0034	0.0038	0.0041
Liability insurance	0.0620	0.0600	0.0487	0.0466	0.0433	0.0427	0.0219	0.0223	0.0243	0.0268
Street lighting (c)	0.0094	0.0091	0.0074	0.0071	0.0066	0.0065	0.0133	0.0135	0.0148	0.0162
Social security	0.0662	0.0641	0.0520	0.0498	0.0463	0.0456	0.0468	0.0476	0.0522	0.0572
Total direct tax rate	0.5609	0.5326	0.4859	0.4580	0.4210	0.4118	0.4221	0.4284	0.4375	0.4800
Overlapping rates										
Kane County	0.4292	0.3578	0.3467	0.3367	0.3452	0.3322	0.3336	0.3398	0.3730	0.3990
Kane County Forest Preserve	0.1395	0.1270	0.1432	0.1905	0.1747	0.1974	0.1932	0.1997	0.2201	0.2609
Sugar Grove Township (b)	0.3604	0.0950	0.0881	0.0847	0.0792	0.0780	0.0805	0.0821	0.0906	0.0992
Sugar Grove Township Road District (b)	N/A	0.2236	0.2072	0.1994	0.1864	0.1836	0.1578	0.1582	0.1604	0.1624
Kaneland Community Unit School District 302	4.8637	4.6805	4.5024	4.8886	4.6796	4.8411	4.8854	5.0024	5.3897	5.9619
Waubonsee Community College District 516	0.4043	0.4134	0.4099	0.3933	0.3983	0.3951	0.3995	0.4043	0.4069	0.4710
Sugar Grove Park District	0.0071	0.1291	0.1587	0.1569	0.1424	0.1398	0.1408	0.1463	0.1603	0.1756
Sugar Grove Library District	0.1138	0.1114	0.2362	0.2212	0.1984	0.1926	0.1960	0.2028	0.2234	0.2471
Sugar Grove Fire District	0.5096	0.4980	0.5680	0.5432	0.5066	0.4970	0.5070	0.5136	0.5682	0.6246
Sugar Grove Water Authority	0.0038	0.0033	0.0028	0.0025	0.0019	0.0019	0.0020	0.0020	0.0023	0.0025
Sugar Grove Community Building (b)	N/A	0.0279	0.0236	0.0227	0.0213	0.0209	0.0216	0.0220	0.0243	0.0266
Total direct and overlapping tax rates	\$ 7.3923	\$ 7.1996	\$ 7.1727	\$ 7.4977	\$ 7.1550	\$ 7.2914	\$ 7.3395	\$ 7.5016	\$ 8.0567	\$ 8.9108

Note: Representative tax rates for other governmental units are from Sugar Grove Township tax code 22, which represents a majority of the Village's 2010 EAV.

(a) Property tax rates are per \$100 of assessed valuation.

(b) The tax rate for Sugar Grove Township contains the Sugar Grove Township Road District and Sugar Grove Community Building in levy year 2002.

(c) Statutory tax rate limits for the Village are: Corporate (\$0.3330); Police Protection (\$0.0750); and Street Lighting (\$0.0500).

N/A - Information not readily available for specific levy year.

Principal Property Tax Payers
Current Levy Year and Eleven Levy Years Ago

Taxpayer	Business/Service	2011		2000		Percentage of Total Equalized Assessed Value	Percentage of Total Equalized Assessed Value
		Equalized Assessed Value	Rank	Equalized Assessed Value	Rank		
New Albertsons Inc (Jewel)	Grocery store	\$ 2,108,933	1	0.72%			
Scot Industries, Inc.	Industrial property	1,673,450	2	0.57	\$ 1,264,068	1	1.41
Individual	Commercial property	1,201,467	3	0.41			
Berkowitz Enterprises, Inc.	Industrial property	1,024,896	4	0.35			
Chesterbrook Academy	Preschool	976,993	5	0.33			
Gas Mart (Conoco Phillips)	Gas station	816,499	6	0.28			
Campbell & Pierce Inc (Bliss Creek Golf Course)	Golf course	806,837	7	0.28			
Individual	Commercial/residential property	749,681	8	0.26			
Winding Road LLC	Commercial property	673,986	9	0.23			
Aldi Inc	Grocery store	636,953	10	0.22			
Aurora National Bank	Commercial property				551,288	2	0.61
Individual	Commercial property				403,160	3	0.45
Individual	Commercial property				330,978	4	0.37
Old Second National Bank	Bank				323,712	5	0.36
Pioneer Bank & Trust Co.	Commercial property				278,011	6	0.31
First National Bank of Cicero	Commercial property				257,061	7	0.29
Pinnacle Bank	Commercial property				240,640	8	0.26
American National Bank & Trust	Commercial property				201,338	9	0.22
Cole Taylor Bank	Commercial property				190,583	10	0.21
		<u>\$ 10,669,695</u>		<u>3.65%</u>	<u>\$ 4,040,839</u>		<u>4.49%</u>

Data source: Kane County Clerk

Note: Information for nine years ago is not available; therefore, information for eleven levy years ago is presented.

**Property Tax Levies and Collections
Last Ten Levy Years**

Tax Levy Year	Taxes Levied for the Fiscal Year		Percentage of Levy	Collections in Subsequent Years	Total Collections to Date	
	Amount	Amount Collected			Amount	Percentage of Levy
2002	\$ 745,670	\$ 742,547	99.58%	-	742,547	99.58%
2003	864,012	860,336	99.57	-	860,336	99.57
2004	973,737	970,199	99.64	1,533	971,732	99.79
2005	1,085,167	1,081,257	99.64	1,319	1,082,576	99.76
2006	1,230,749	1,230,591	99.99	5,900	1,236,491	100.47
2007	1,326,039	1,319,150	99.48	995	1,320,145	99.56
2008	1,416,545	1,408,640	99.44	1,335	1,409,975	99.54
2009	1,433,403	1,431,732	99.88	1,711	1,433,443	100.00
2010	1,376,937	1,373,696	99.76	1,648	1,375,344	99.88
2011	1,402,199	*	*	*	*	*

Note: Levies for all Special Service Areas have been excluded from this table.

* Taxes are collected in two installments due in June and September of the following year.

Data source: Village records

**Ratios of Outstanding Debt By Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-Type Activities			Total	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Water General Obligation Bonds	IEPA Revolving Loans	Installment Contracts				
2003	\$ 4,405,000	\$ 4,220,000	\$ 3,512,882	\$ 184,161	\$ 12,322,043	10.40%	\$ 3,152	
2004	4,220,000	4,010,000	4,278,699	135,391	12,644,090	6.94	2,102	
2005	4,020,000	3,855,000	5,630,313	-	13,505,313	7.41	2,245	
2006	3,810,000	3,705,000	5,384,926	-	12,899,926	5.35	1,621	
2007	12,090,000	3,530,000	5,096,844	-	20,716,844	8.59	2,603	
2008	11,640,000	3,355,000	4,801,146	-	19,796,146	7.38	2,237	
2009	11,750,000	5,760,000	4,497,631	-	22,007,631	8.21	2,487	
2010	10,910,000	5,580,000	4,186,092	-	20,676,092	7.71	2,337	
2011	10,050,000	5,310,000	3,866,316	-	19,226,316	5.61	2,137	
2012	9,345,000	5,030,000	3,538,086	-	17,913,086	5.22	1,991	

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(a) See Schedule E-1 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Data source: Village records

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Equalized Assessed Valuation (a)	Per Capita (b)
	Governmental General Obligation Bonds	Debt Service Monies Available	Net General Obligation Bonds		
2003	\$ 8,625,000	\$ 10,376	\$ 8,614,624	6.48%	\$ 2,206
2004	\$ 8,230,000	11,674	8,218,326	5.07	1,368
2005	\$ 7,875,000	12,944	7,862,056	3.92	1,309
2006	\$ 7,515,000	16,246	7,498,754	3.17	944
2007	\$ 15,620,000	465,831	15,154,169	5.18	1,963
2008	\$ 14,995,000	399,780	14,595,220	4.53	1,695
2009	\$ 17,510,000	410,874	17,099,126	5.09	1,979
2010	\$ 16,490,000	411,592	16,078,408	4.81	1,864
2011	\$ 15,360,000	370,195	14,989,805	4.76	1,707
2012	\$ 14,375,000	358,918	14,016,082	4.80	1,598

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(a) See Schedule C-1 for property value data. This ratio is calculated using equalized assessed valuation for the prior tax levy year.

(b) See Schedule E-1 for population data. This ratio is calculated using population for the prior calendar year.

Data source: Village records

**Schedule of Direct and Overlapping Bonded Debt
April 30, 2012**

	Gross Bonded Debt	Percentage of Debt Applicable to Village	Village's Share of Debt
Total direct governmental activities bonded debt	\$ 9,345,000	100.00%	\$ 9,345,000
Less: self-supported debt	<u>(9,345,000)</u>	100.00	<u>(9,345,000)</u>
Net direct bonded debt (b)	<u>-</u>		<u>-</u>
Overlapping Districts (a) (c)			
Schools:			
Aurora West Unit School District Number 129	115,355,000	0.56	645,988
Kaneland Community Unit School District Number 302	107,537,319	31.98	34,390,435
Hinckley - Big Rock Community Unit School District Number 429	7,776,061	3.80	295,490
Waubonsee Community College District Number 516	<u>44,935,912</u>	3.21	<u>1,442,443</u>
Total schools	<u>275,604,292</u>		<u>36,774,356</u>
Other:			
Kane County	56,080,000	2.16	1,211,328
Kane County Forest Preserve District	226,525,866	2.16	4,892,959
Sugar Grove Public Library District	<u>6,825,000</u>	61.27	<u>4,181,678</u>
Total other	<u>289,430,866</u>		<u>10,285,965</u>
Total direct and overlapping bonded debt	<u>\$ 565,035,158</u>		<u>\$ 47,060,321</u>

Note: Percentages are based on 2011 equalized assessed valuation.

(a) Determined by the ratio of assessed value of property in the Village subject to taxation by the governmental unit to the total assessed value of property of the Governmental Unit.

(b) As of April 30, 2012

(c) As of January 3, 2012

Data source: Kane County Clerk

**Legal Debt Margin Information
Last Ten Fiscal Years**

Equalized assessed valuation - 2011 levy	<u>\$ 292,112,557</u>
Legal debt limit - 8.625% of equalized assessed valuation	<u>\$ 25,194,708</u>
Amount of debt applicable to limit	
Series 2002	\$ 125,000
Series 2006	2,480,000
Series 2006A	6,655,000
Series 2008A	2,425,000
Series 2008B	255,000
Series 2009	2,435,000
Total general obligation debt	<u>14,375,000</u>
Less: self-supported debt	<u>(14,375,000)</u>
Total applicable debt	<u>-</u>
Legal debt margin	<u>\$ 25,194,708</u>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Legal debt limit	\$ 11,466,213	\$ 13,991,937	\$ 17,283,679	\$ 20,434,217	\$ 25,216,966	\$ 27,776,378	\$ 28,947,580	\$ 28,857,019	\$ 27,142,232	\$ 25,194,708
Total applicable debt	565,000	510,000	450,000	385,000	320,000	250,000	175,000	90,000	-	-
Legal debt margin	\$ 10,901,213	\$ 13,481,937	\$ 16,833,679	\$ 20,049,217	\$ 24,896,966	\$ 27,526,378	\$ 28,772,580	\$ 28,767,019	\$ 27,142,232	\$ 25,194,708
Total applicable debt as a percentage of debt limit	4.93%	3.64%	2.60%	1.88%	1.27%	0.90%	0.60%	0.31%	0.00%	0.00%

Note: Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Data source: Village records

**Pledged-Revenue Coverage
Last Ten Fiscal Years**

General Obligation Bonds, Illinois Environmental Protection Agency Loans, Installment
Contracts, and Revenue Bonds Serviced by Waterworks and Sewerage Revenues

Fiscal Year	Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2003	\$ 1,768,459	\$ 742,868	\$ 1,025,591	\$ 313,739	\$ 286,082	1.71
2004	1,919,933	935,838	984,095	394,443	299,480	1.42
2005	1,964,332	1,131,137	833,195	500,323	201,670	1.19
2006	2,179,314	1,212,341	966,973	429,181	350,608	1.24
2007	2,197,581	1,516,763	680,818	448,082	315,669	0.89
2008	2,193,008	1,570,241	622,767	470,698	314,031	0.79
2009	2,185,308	1,500,183	685,125	483,515	381,996	0.79
2010	2,335,182	1,432,166	903,016	491,539	386,385	1.03
2011	2,445,370	1,350,881	1,094,489	589,776	364,701	1.15
2012	2,557,855	1,553,429	1,004,426 (a)	608,230	341,360	1.06

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest, depreciation, or amortization expenses.

(a) - The Village entered into an intergovernmental agreement with Fox Metro Water Reclamation District (Fox Metro) on June 16, 1998. The agreement included the purchase of land by the Village for a new Fox Metro wastewater treatment facility. Fox Metro expanded their current facility rather than build a new plant. The Village and Fox Metro negotiated a payment of cash in lieu of land of \$832,250 which has been excluded from operating expenses above.

Data Source: Village Records

**Demographic and Economic Statistics
Last Ten Calendar Years**

Year	Population		Personal Income	Per Capita Personal Income (a, e)	Median Age (a, e)	School Enrollment (f)	Unemployment Rate (g)
2002	3,909	(a)	118,438,791	30,299	34.6	2,862	5.30%
2003	6,016	(b)	182,278,784	30,299	34.6	3,049	5.40%
2004	6,016	(b)	182,278,784	30,299	34.6	3,325	4.90%
2005	7,958	(c)	241,119,442	30,299	34.6	3,616	4.70%
2006	7,958	(c)	241,119,442	30,299	34.6	3,994	4.30%
2007	8,848	(d)	268,085,552	30,299	34.6	4,146	4.90%
2008	8,848	(d)	268,085,552	30,299	34.6	4,409	N/A
2009	8,848	(d)	268,085,552	30,299	34.6	4,581	N/A
2010	8,997	(e)	342,893,664	38,112	37.2	4,757	N/A
2011	8,997	(e)	342,893,664	38,112	37.2	4,788	N/A

N/A - Information not readily available for specific year.

Data sources:

- (a) U.S. Census Bureau 2000 decennial censuses
- (b) U.S. Census Bureau 2003 Special Census
- (c) U.S. Census Bureau 2005 Special Census
- (d) U.S. Census Bureau 2007 Special Census
- (e) U.S. Census Bureau 2010 Decennial Census
- (f) Kaneland Community School District 302 District Report Card
- (g) Illinois Department of Employment Security

**Principal Employers
Current Fiscal Year and Ten Fiscal Years Ago**

Employer	2012			2002		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Waubonsee Community College District No. 516	1,460	1	N/A	750	1	N/A
Harter Middle School	100	2	N/A			
HFR Precision Machining, Inc.	80	3	N/A	80	3	N/A
CMC Electronics, Inc. (formerly Flight Visions, Inc.)	75	4	N/A	50	5	N/A
John Shields Elementary School	70	5	N/A			
GPS World Supply Co.	60	6	N/A			
Scot Industries, Inc.	55	7	N/A	75	4	N/A
Quantam Sign Corp	50	8	N/A			
Metrolift, Inc.	50	8	N/A			
Hy-Tek Mfg. Co., Inc.	45	10	N/A	45	6	N/A
OakGrigsby, Inc. (Division of Oak Industries, Inc.)				200	2	N/A
Lumanair Aviation Services				35	7	N/A
Deep-Coat Metallizing, Inc. (Division of Wave Zero, Inc.)				35	8	N/A
Finishes Unlimited				32	9	N/A
	<u>2,045</u>		<u>-</u>	<u>1,302</u>		<u>-</u>

N/A - Information not readily available.

Data source: 2012 Illinois Manufacturers Directory, 2012 Illinois Services Directory and a selective telephone survey

**Full-Time Equivalent Village Government Employees by Function/Program
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Administration	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Finance	2.500	2.500	3.500	3.500	4.500	4.500	4.500	3.000	3.000	3.000
Community Development										
Planning	1.000	1.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Building	2.500	3.250	4.000	4.000	5.000	4.375	4.375	2.375	2.375	2.375
Police										
Officers	11.000	11.000	11.750	13.750	17.000	18.250	18.250	15.250	15.250	14.250
Civilians	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Public Works										
Administration	1.625	1.625	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Parks	3.692	-	-	-	-	-	-	-	-	-
Properties	0.500	2.000	2.000	2.000	2.000	1.500	1.500	1.500	1.500	1.500
Streets	2.346	3.346	3.346	3.346	4.346	4.346	4.346	4.000	3.000	3.692
Water and Sewer	4.346	4.346	4.346	6.346	6.346	6.346	6.346	6.000	6.000	6.000
Total	32.509	32.067	35.942	39.942	46.192	46.317	46.317	39.125	38.125	37.817

Data source: Village records

Village of Sugar Grove, Illinois

**Operating Indicators by Funtion/Program
Last Ten Fiscal Years**

See Following Page

Village of Sugar Grove, Illinois

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006
Police				
Part I crimes	64	93	84	N/A
Part II crimes	317	276	252	N/A
Traffic violations	2,720	2,820	3,320	N/A
Parking violations	340	548	251	N/A
Finance				
Vendor checks processed	1,764	1,763	1,761	1,785
Vendor invoices processed	2,802	2,659	2,918	3,050
Employee paychecks processed	908	1,052	1,020	1,254
Employee direct deposits processed	488	488	652	872
Utility billing customers	3,077	3,430	N/A	3,850
Utility bills processed	34,854	39,111	N/A	N/A
Forestry				
Parkway trees planted	N/A	N/A	24	110
Parkway trees trimmed	N/A	N/A	50	234
Streets				
Streetlight Repaired	N/A	N/A	N/A	N/A
Street Signs Replaced	N/A	N/A	N/A	N/A
Sidewalk replaced (sq ft) ¹	N/A	N/A	172	11
Street resurfacing (miles)	N/A	0.65	0.75	0.95
Street micro-surfacing (miles) ²	N/A	N/A	N/A	N/A
Pavement marking (linear feet) ³	N/A	N/A	N/A	N/A
Crack Sealing (linear feet) ⁴	N/A	N/A	N/A	N/A
Pothole repairs (tons of material)	N/A	N/A	N/A	15
Mosquito abatement (catch basins treated)	N/A	N/A	N/A	468
Water				
Water main breaks	3	2	2	3
Total distribution pumpage (1,000 gallons)	N/A	N/A	317,467	353,594
Average daily pumpage (1,000 gallons)	N/A	N/A	867	975
Sanitary sewer				
Sanitary sewer televising (feet)	N/A	700	1,000	1,200
Sanitary Sewer Jetting (feet)	N/A	N/A	N/A	N/A

1 Sidewalk replacements completed as component of annual MFT programs

2 Pilot program - 2006 MFT

3 Initial program year FYE08

4 Initial Program Year FYE12

N/A - Information not readily available.

Exhibit F-2

Fiscal Year					
2007	2008	2009	2010	2011	2012
N/A	83	99	57	57	74
N/A	329	390	507	355	342
N/A	3,268	2,867	3,368	4,199	2,183
N/A	570	361	347	626	1,077
1,744	1,835	1,646	1,455	1,260	1,273
3,039	3,269	2,957	2,543	2,257	2,223
1,300	1,518	1,403	1,191	1,210	322
983	1,153	1,099	1,354	1,301	1,269
4,009	4,120	4,120	4,122	4,128	4,127
47,587	48,993	49,535	49,535	49,540	49,498
279	274	128	302	14	27
469	288	153	221	120	350
N/A	89	96	72	80	65
N/A	53	89	57	35	46
772	2,880	1,675	750	145	100
0.50	1.30	2.24	2.30	3.90	0.75
2.8	0.0	5.3	0.0	0.0	0.0
N/A	84,417	95,063	43,893	57,399	20,800
N/A	N/A	N/A	N/A	N/A	50,000
18	50	27	22	17	45
539	990	990	1,155	1,155	1,155
1	4	5	9	5	1
378,108	348,723	333,222	329,389	305,992	305,858
1,034	955	913	902	838	838
800	1,000	-	2,000	2,200	3,500
N/A	21,308	37,246	38,122	7,875	22,244

**Property Value and New Construction Permits
Last Ten Calendar Years**

Calendar Year	Commercial Construction		Residential Construction Single-Family		Residential Construction Multi-Family		Total	
	Number Of Units	Property Value	Number of Units	Property Value	Number of Units	Property Value	Number of Units	Property Value
2002	1	\$ 1,239,000	257	\$ 66,655,643	127	\$ 18,163,197	385	\$ 86,057,840
2003	3	1,011,500	140	36,987,796	149	21,958,365	292	59,957,661
2004	3	1,942,000	236	72,721,162	52	9,696,831	291	84,359,993
2005	6	6,493,480	172	62,247,643	32	4,915,111	210	73,656,234
2006	25	8,693,057	106	40,109,524	57	14,841,250	188	63,643,831
2007	16	3,695,500	48	21,174,923	13	3,069,851	77	27,940,274
2008	10	3,174,000	14	5,950,692	2	475,890	26	9,600,582
2009	3	610,000	1	769,289	-	-	4	1,379,289
2010	8	3,041,090	5	2,725,143	-	-	13	5,766,233
2011	7	4,373,000	4	1,470,000	-	-	11	5,843,000

Data source: Village records

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Buildings										
Village Hall/Police Station	1	1	1	1	1	1	1	1	1	1
Public Works Facility	1	1	1	1	1	1	1	1	1	1
Fleet Services										
Equipment - Public Works	N/A	13	15	18	20	21	21	21	21	21
Vehicles - Community Development	1	2	2	2	4	4	4	4	4	4
Vehicles - Police	6	6	6	8	10	10	11	11	11	11
Vehicles - Public Works	N/A	15	18	20	23	26	26	26	26	26
Public Works										
Streets - center lane (miles)	N/A	40.5	47.5	52.0	54.5	58.0	58.0	59.5	59.5	59.5
Sidewalks (miles)	N/A	58	74	82	88	96	96	96	96	96
Storm sewers (miles)	N/A	44	51	55	58	61	61	63	63	63
Streetlights	N/A	720	850	915	965	1,100	1,100	1,120	1,120	1,120
Water										
Wells	N/A	7	7	7	9	9	9	9	9	9
Water mains (miles)	N/A	50	52	55	61	62	62	84	84	84
Fire hydrants	N/A	N/A	760	800	900	1,000	1,000	1,100	1,109	1,109
Sanitary Sewer										
Lift stations	N/A	6	6	6	6	7	6	6	6	6
Sanitary sewer mains (miles)	N/A	N/A	90	95	105	107	107	110	110	110

N/A - Information not readily available.

Data source: Village records