



**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

**FOR THE FISCAL YEAR ENDED APRIL 30, 2010**

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**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, 2010

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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, 2010

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**Comprehensive Annual Financial Report**

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# Village of Sugar Grove, Illinois

## Comprehensive Annual Financial Report

Year Ended April 30, 2010

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**VILLAGE PRESIDENT**

P. Sean Michels

**VILLAGE ADMINISTRATOR**

Brent M. Eichelberger

**VILLAGE CLERK**

Cynthia Galbreath



**VILLAGE TRUSTEES**

Robert Bohler  
Kevin Geary  
Mari Johnson  
Rick Montalto  
Thomas Renk  
Melisa Taylor

August 27, 2010

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, 2010, 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.

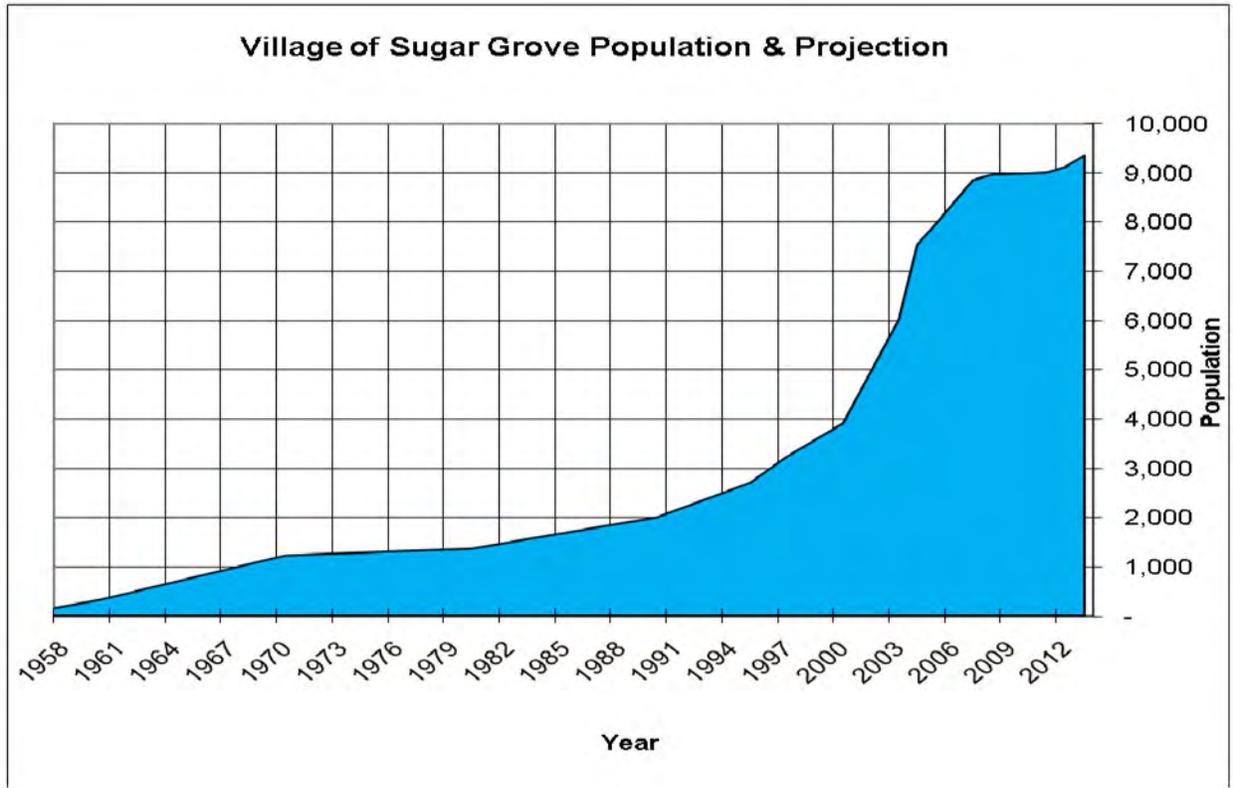
The Village's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village for the year ended April 30, 2010, are free of material misstatement. 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, 2010, 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 2007 Special Census population of 8,848 residents. The Village is located 50 miles southwest of Chicago, in southern Kane County. The following graph

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 31<sup>st</sup> 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 30<sup>th</sup> of each year; the close of the Village's previous fiscal year.

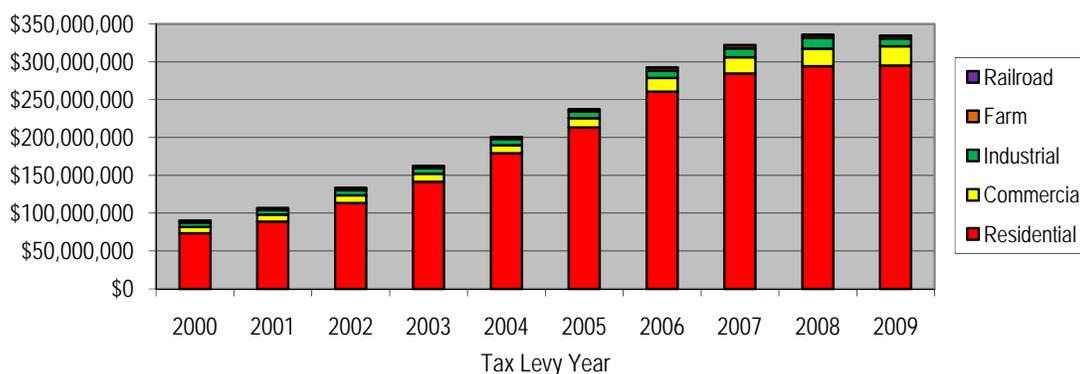
### Local Economy

The Village has faced unprecedented challenges over the last year during what some are calling the "Great Recession". Although the recession has ended, the economy continues to struggle amid a "perfect storm" of negative data. Many consumers purchased homes with lower initial rates counting on the value of the home to increase and allow them to refinance at a later date. The housing bubble burst in 2007 and home prices began to stagnate or decline. The decline in some areas of the country is still ongoing and the sale of new homes has been slow to recover despite government incentives at both the local and federal levels. The fees associated with new home sales, which used to account for over 30% of Village revenues, are virtually nonexistent.

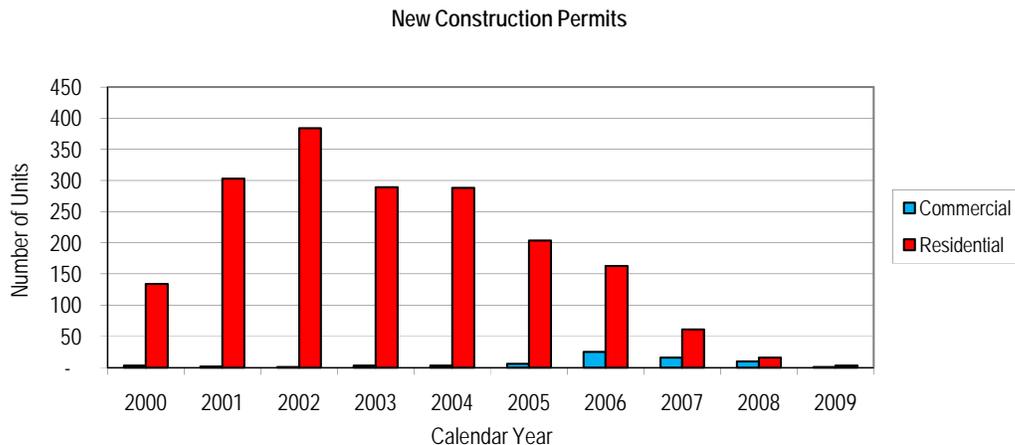
Other revenues, such as sales and income tax have decreased as well. Consumers began to spend less money on other items just to be able to keep their homes and general sales tax receipts decreased. Companies began to see sales decrease and needed to lay off workers in order to stay profitable. Individual and corporate income tax receipts have dropped precipitously due to lower corporate profits and fewer employees.

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. The assessed value has increased 40% over the past five years and more than tripled in the past ten years. However, equalized assessed valuation, which is based on the last three years of data, decreased in levy year 2009 for the first time since records are available.

Village of Sugar Grove Equalized Assessed Valuation



However, the Village has seen its once burgeoning housing market come to a near standstill, only issuing 5 permits in fiscal year 2009 – 2010. In addition, the Village has projected only 400 additional residents between fiscal years 2010 – 2011 through 2012 – 2013 as shown in the chart above. The largest development in the Village, Settler’s Ridge, was a Kimball Hill project who has now filed for bankruptcy. In addition, there are two additional developments which banks have foreclosed on the remaining properties. There are currently five approved residential developments as well as a number of small to large residential developments under consideration at various points in the approval process. 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 the economy and housing begins to recover.



Retail and commercial development has also seen a decrease due to the lack of available funding and additional housing units to support the stores. The Landings, Prairie Glen, and Capital Professional Center office parks are currently under construction 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 during fiscal year 2009 – 2010, which is expected to further development in the area of Prairie Grove Commons. The Village is working with the developers of Prairie Grove Commons to utilize a grant and bond money to complete a key link between The Landings and Prairie Grove Commons. Nationally known developers such as Forest City Enterprises, Dalan Development Corporation and Location Finders International, along with other regional and local commercial developers either have or are pursuing projects in Sugar Grove which will further expand the non-residential tax base.

This commercial interest is based on the potential for population growth, higher than average home values and disposable income levels. The Village is also working with commercial developers so that stores may locate within the community when the current conditions subside. The combination of its transportation assets will make the Village an attractive and logistical choice for commercial, manufacturing, industrial, distribution, and retail interests. 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 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 2011 through fiscal year 2015 during fiscal year 2010. Lastly, the Village submitted its fiscal year 2011 budget to the Government Finance Officers Association (GFOA) Distinguished Budget program and received this prestigious award for the fourth time during fiscal year 2010.

### **Cash Management Policies and Practices**

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, the Illinois Funds, and the Illinois Metropolitan Investment Fund. The maturities of the investments range from being immediately accessible to eighteen months. Bond proceeds have been spent down during fiscal year 2010 and short-term interest rates continued to decrease throughout fiscal year 2010 resulting in lower investment income. Accordingly, the Village examined its cash and investment policies during fiscal year 2009 to determine whether changes could be made to better utilize temporarily idle cash. Major changes in investment vehicles were made in fiscal year 2010. Rates are expected to remain low throughout fiscal year 2011 as the economy struggles to recover. An informal investment committee began to meet early in fiscal year 2011 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 and will continue this task into fiscal year 2011 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 gives the Village the insight it desires, 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 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 on pages 3 – 5 through 3 – 9 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 2009 – 2010, the planned focus groups with residents throughout the community were met with very limited interest. During fiscal year 2010 – 2011, the Village Board will discuss the previously established strategic goals to determine whether any changes need to be made. The Village will then begin to implement specific performance measures for each department using the survey, strategic plan, and the limited outputs the Village is already tracking.

The budget for fiscal year 2010 – 2011 is extremely conservative and yet continues to provide the basic services residents have come to expect from the Village. It does not include significant new service programs. In recognition of the tight economic times and a decrease in staffing levels (as noted below), staff will continue its efforts to operate in an effective and efficient manner.

Over the last year and a half, since the beginning of the recession, the Village has reduced staffing levels by 8.692 full-time equivalent positions (including the 1.000 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 (2.0) 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 eliminated the open custodian position (0.5) and did not hire summer workers in the Streets or Utilities Divisions (0.692).

The above decrease has resulted in a staff reduction of 18.6% (departmental reductions range from 14.9% 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.

The Village implemented a wage freeze for non-represented employees for fiscal year 2009 – 2010 and fiscal year 2010 – 2011. However, wages for police officers have been budgeted at amounts contained in their first contract which was settled during fiscal year 2008 – 2009. The police sergeants filed for a union during fiscal year 2008 – 2009 and the Village is still in the process of negotiating that contract. In addition, the Village increased the employee contribution percentage to health and dental insurance.

The single most important aspect this year will be tracking of the budget versus actual results. The Village's revenue sources continue to be negatively affected by the economy. The Finance Department will be analyzing the budget on almost a daily basis to determine what actions will need to be taken. Further reductions in personnel or changes in employee contributions to health and dental insurance may need to take place in fiscal year 2010 – 2011 to offset any additional deficit (above that already approved). Although the Village has been able to reduce personnel without affecting service levels, this will no longer hold true if additional reductions are warranted.

The Administration Department will be working towards completion of labor agreement negotiations with both patrol officers and sergeants during fiscal year 2010 – 2011. In addition, Administration will be facilitating the development and implementation of a solution for the Mallard Point/Rolling Oaks drainage area. Lastly, Administration will be working with Community Development to monitor completion of public improvements in failed subdivisions for which bonds and/or letters of credit have been called.

The Community Development Department will continue to focus on customer service for both our residential and corporate residents during fiscal year 2010 – 2011. As is well known, our budget for the coming fiscal year is a conservative one and our responsibilities now include support for the Village's economic development efforts. In order to refine our processes and procedures for development review, the Community Development Department will be updating the subdivision regulations and finish processing minor amendments to the zoning ordinance. Community Development will also work to foster economic development within the Village by meeting with meeting with residential and commercial developers, prospective businesses, and existing village corporate residents.

The Finance Department will concentrate its efforts during fiscal year 2010 – 2011 on the enactment of financial policies and procedures that assist in the efficient and effective operation of the department. This includes the formalization of financial policies and production of a comprehensive financial procedures manual. In addition, the Finance Department will work in cooperation with all departments to completed an update to the Human Resources Manual (HRM).

The Police Department will be conducting a comprehensive review of its entire policy and procedures manual. The Police Department also will be establishing physical fitness requirements (as noted in the initial patrol contract) by instituting a police wellness program. Lastly, 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".

The focus of the Public Works Department for fiscal year 2010 – 2011 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) resurfacing of Prairie Street; 2) extension of water main from Mallard Point to Settlers Ridge neighborhoods; and 3) improvement of the intersection of Illinois Route 47 and Cross Street.

### **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, 2009. This was the ninth 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 tenth 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 2009 – 2010 budget document. This was the fourth 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,

A handwritten signature in cursive script that reads "Justin E. VanVooren".

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, 2009

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.



President

Executive Director



## Organizational Chart

Citizens

President and Board of Trustees

Plan Commission &  
Zoning Board of Appeals

Village Clerk

Village Administrator

Administration

Community Development

Finance

Police

Public Works

Streets

Utilities  
(Water & Sewer)

**Village of Sugar Grove**

**Principal Officials**

**April 30, 2010**

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**Village President**

P. Sean Michels

**Village Board of Trustees**

Robert E. Bohler

Rick L. Montalto

Kevin M. Geary

Thomas F. Renk

Mari J. Johnson

Melisa A. Taylor

**Appointed**

Brent M. Eichelberger

Village Administrator

Cynthia L. Galbreath

Village Clerk

Richard J. Young

Community Development Director

Justin E. VanVooren

Finance Director/Treasurer

Bradley A. Sauer

Police Chief

Anthony J. Speciale

Public Works Director

**FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

**INDEPENDENT AUDITORS' REPORT**

August 27, 2010

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, as of and for the year ended April 30, 2010, which collectively comprise the Village of Sugar Grove's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Sugar Grove, Illinois' management. Our responsibility is to express an opinion on these basic 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 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 opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Village of Sugar Grove, Illinois as of April 30, 2010, and the results of its operations and the cash flows of its business type activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund schedules, as well as the information listed as supplemental and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Sugar Grove, Illinois. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Village of Sugar Grove, Illinois  
August 27, 2010  
Page 2

The Management's Discussion and Analysis and other required supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements but is supplementary information but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

A handwritten signature in cursive script that reads "Lauterbach & Amen LLP".

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, 2010. 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, 2010 by \$44,051 (net assets). Of this amount, \$6,743 (unrestricted net assets) may be used to meet the Village's ongoing obligations to citizens and creditors. The Village's total net assets increased by \$937 over the prior year. The increase reflects \$2,324 of federal grants the Village has received for road projects and approximately \$945 and \$442 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 depreciation for recently completed major road projects, as well as the recession that faced the global economy over the past fiscal year. The decrease in waterworks/sewerage operations is a result of a cool and wet summer, conservation efforts, and the recession that faced the global economy over the past fiscal year, which have reduced the consumption of water and therefore, the revenues the Village anticipated.

As of April 30, 2010, the Village's governmental funds reported combined ending fund balances of \$7,209, a decrease of \$3,313 over the prior year. Approximately three fifths of this total amount, \$4,295, is available for spending at the Village's discretion. In addition, the Village's proprietary funds reported combined ending net assets of \$18,025, a decrease of \$442 over the prior year. Approximately one quarter of this total amount, \$4,767, 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 four 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. There are no governmental funds considered to be nonmajor.

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 60 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 61 through 64 of this report.

Individual fund statements and schedules are presented immediately following the required supplementary information discussed above which can be found on pages 65 through 88 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 \$44,051 as of April 30, 2010.

The largest portion of the Village's net assets (78.6%) 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	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 12,249	\$ 14,847	\$ 5,240	\$ 6,909	\$ 17,489	\$ 21,756
Capital assets	29,636	25,747	22,897	23,193	52,533	48,940
Total assets	41,885	40,594	28,137	30,102	70,022	70,696
Long-term liabilities	10,944	11,781	9,671	10,134	20,615	21,915
Other liabilities	4,915	4,166	441	1,501	5,356	5,667
Total liabilities	15,859	15,947	10,112	11,635	25,971	27,582
Net assets:						
Invested in capital assets, net of related debt	21,369	17,946	13,258	13,091	34,627	31,037
Restricted	2,681	4,176	-	-	2,681	4,176
Unrestricted	1,976	2,525	4,767	5,376	6,743	7,901
Total net assets	\$ 26,026	\$ 24,647	\$ 18,025	\$ 18,467	\$ 44,051	\$ 43,114

An additional portion of the Village's net assets (6.1%) 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, 2010, 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 increased by \$937 over the prior year. The increase reflects \$2,324 of federal grants the Village has received for road projects and approximately \$945 and \$442 decreases attributable to the general and waterworks/sewerage operations, respectively, of the Village. The decrease in general operations is a result of the recession that faced the global economy over the past fiscal year. The decrease in waterworks/sewerage operations is a result of a cool and wet summer, conservation efforts, and the recession that faced the global economy over the past fiscal year, which have reduced the consumption of water and therefore, the revenues the Village anticipated.

The Village's unrestricted net assets decreased by \$549 during the current fiscal year which reflects those items noted above. In addition, the Village issued \$8,500 in general obligation alternate revenue source bonds during fiscal year 2007 to fund the Village's Municipal Facilities Construction Program (MFCP) and the extension of Municipal Drive and Galena Boulevard. Approximately \$2,400 remains unspent as of April 30, 2010 and is legally restricted to certain capital projects. Therefore, the debt has been included in unrestricted net assets since there were only minimal capital assets to offset the debt.

The Village's net assets invested in capital assets, net of related debt increased by \$3,590 during the current fiscal year. The Village added \$5,450 of additional capital assets during the year and had depreciation of \$1,853.

Table 2  
Condensed Statement of Activities

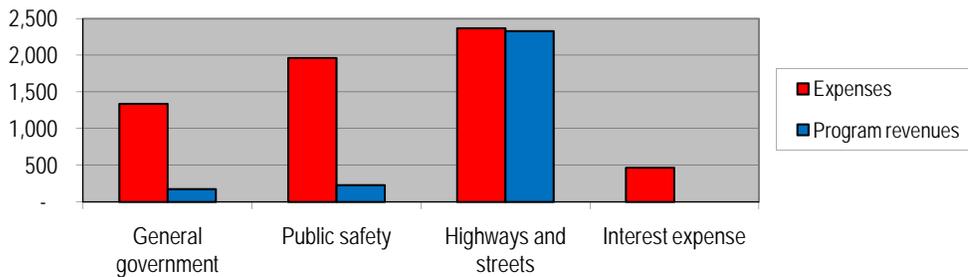
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 405	\$ 500	\$ 3,044	\$ 2,856	\$ 3,449	\$ 3,356
Operating grants and contributions	1	23	-	-	1	23
Capital grants and contributions	2,325	5,373	11	1,011	2,336	6,384
General revenues:						
Property taxes	1,444	1,352	-	-	1,444	1,352
Other taxes	2,555	2,794	-	-	2,555	2,794
Other	447	767	101	247	548	1,014
Total revenues	<u>7,177</u>	<u>10,809</u>	<u>3,156</u>	<u>4,114</u>	<u>10,333</u>	<u>14,923</u>
Expenses:						
General government	1,335	1,588	-	-	1,335	1,588
Public safety	1,963	2,020	-	-	1,963	2,020
Highways and streets	2,368	1,900	-	-	2,368	1,900
Interest	465	479	-	-	465	479
Water and sewer	-	-	2,584	2,605	2,584	2,605
Refuse	-	-	681	654	681	654
Total expenses	<u>6,131</u>	<u>5,987</u>	<u>3,265</u>	<u>3,259</u>	<u>9,396</u>	<u>9,246</u>
Increase in net assets						
before transfers	1,046	4,822	(109)	855	937	5,677
Transfers	333	376	(333)	(376)	-	-
Increase in net assets	<u>1,379</u>	<u>5,198</u>	<u>(442)</u>	<u>479</u>	<u>937</u>	<u>5,677</u>
Net assets, beginning of year	24,647	19,449	18,467	17,988	43,114	37,437
Net assets, end of year	<u>\$ 26,026</u>	<u>\$ 24,647</u>	<u>\$ 18,025</u>	<u>\$ 18,467</u>	<u>\$ 44,051</u>	<u>\$ 43,114</u>

**Governmental activities.** Governmental activities increased the Village's net assets by \$1,379. Key elements of this increase are as follows:

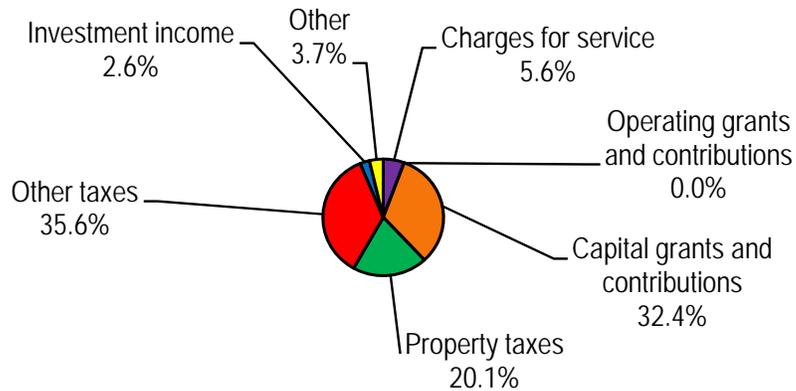
- Charges for services decreased by \$95 (19.0%) due to a combination of an increase in fines of \$28 and the enactment of towing fees (a new revenue source) of \$48 and a decrease of \$167 in development and building permit related fees as a result of the housing downturn.
- Capital grants and contributions decreased by \$4,894 (56.7%), due to the acceptance of infrastructure improvements by the Board of Trustees from developers in fiscal year 2009 and no acceptance of improvements in fiscal year 2010. These improvements consisted of streets, storm sewers, and rights-of-way within each development.
- Other general revenue decreased by \$320 (41.7%), mostly because bond proceeds have been spent down during fiscal year 2010 and short-term interest rates continued to decrease further throughout fiscal year 2010 from fiscal year 2009 rates resulting in lower investment income.

The increase in expenses was attributable mostly to the general operations of the Village. The decrease in general government (15.9%) can be credited mostly to a reduction in the number of staff in the Community Development and Finance Departments, as well as a reduction in legal, engineering, and planning services associated with residential and commercial development due to the downturn in housing and economic recession. The decrease in public safety (2.8%) can be attributed mostly to a reduction in the number of sworn personnel that were not replaced due to the economy. The increase in highways and streets (24.6%) is due to an increase in depreciation upon the completion of the extension of Municipal Drive and Galena Boulevard.

Expenses and Program Revenues - Governmental Activities



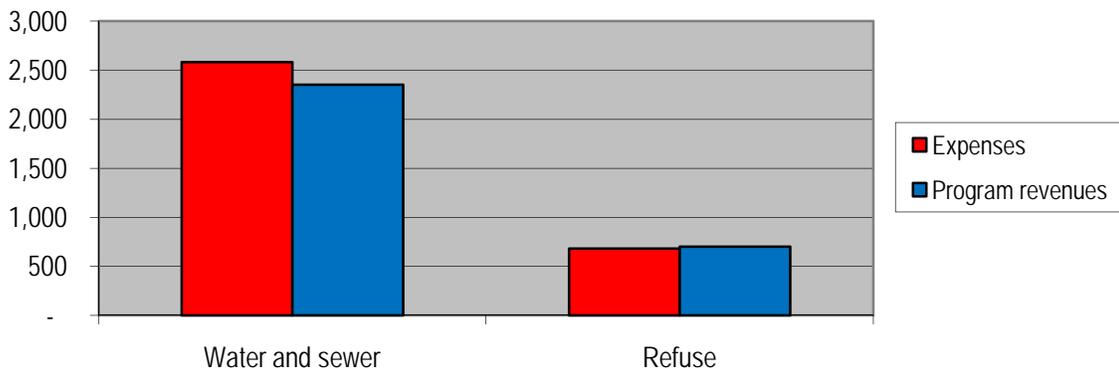
Revenues by Source - Governmental Activities



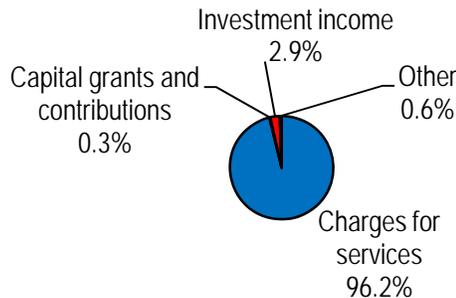
**Business-type activities.** Business-type activities decreased the Village's net assets by \$442. Key elements of this increase are as follows:

- Capital grants and contributions decreased by \$1,000 (98.9%), due to the acceptance of infrastructure improvements by the Board of Trustees from developers in fiscal year 2009 and no acceptance of improvements in fiscal year 2010. These improvements consisted of water main and sanitary sewer main.
- Waterworks and sewerage operating revenue did not increase as much as anticipated as a result of a cool and wet summer, conservation efforts, and the recession that faced the global economy over the past fiscal year, which have reduced the consumption of water. Meanwhile, operating expenses were nearly the same as the previous year which created an operating deficit of nearly \$242.
- Other waterworks and sewerage revenue decreased by \$146 (59.1%), mostly because bond proceeds have been spent down during fiscal year 2010 and short-term interest rates continued to decrease further throughout fiscal year 2010 from fiscal year 2009 rates resulting in lower investment income.

**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 \$7,209, a decrease of \$3,313 in comparison with the prior year. Approximately 19.9% of this total amount, \$1,437, is available for spending at the Village's discretion for general purposes, while approximately 39.7% of this total amount, \$2,858, is available for spending at the Village's discretion for capital projects. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to (1) to pay for capital projects as outlined in the Series 2006A general obligation alternate revenue source bonds, (2) liquidate expenses of the prior period, (3) to pay debt service, or (4) to pay for improvements to highways and streets for the motor fuel tax program.

The General Fund is the chief operating fund of the Village. As of April 30, 2010, unreserved and undesignated fund balance of the General Fund was \$1,437. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved/undesignated fund balance represents 37.9% (4.6 months) of the total General Fund expenditures, while total fund balance represents 40.0% (4.8 months) of total General Fund expenditures.

The fund balance of the General Fund decreased by \$25 to a total of \$1,518 of fund balance at the end of the current fiscal year. The key factors in this decrease are attributable to the economic recession and downturn in the housing market which resulted in lower sales and income taxes as well as lower building permit and related fees.

The fund balance of the Debt Service Fund increased by \$1 to a total of \$412 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 increase.

The fund balance of the General Capital Projects Fund decreased by \$2,457 to a total of \$5,412 of fund balance at the end of the current fiscal year. The expenditure of a portion of the \$8,500 in 2006A general obligation alternate revenue source bonds for the extension of Municipal Drive and Galena Boulevard accounted for nearly all of the decrease.

The fund balance of the Infrastructure Capital Projects Fund decreased by \$831 to a total deficit fund balance of \$133 at the end of the current fiscal year. The decrease is attributable to several road maintenance projects either started and/or completed during fiscal year 2009 – 2010 that the Village received federal grants on.

**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 \$436 to a total of \$17,988 of net assets at the end of the current fiscal year. Approximately 26.3% 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 a decrease in net assets of \$6 to a total of \$37 of net assets at the end of the current fiscal year. The Village chose to use a portion of its net assets during the current and prior fiscal year so its residents would not feel the full impact of the new refuse contract (effective August 2007) in one fiscal year.

## General Fund Budgetary Highlights

It has been a policy of the Village to not adopt budget amendments; therefore, there were no budget amendments during the current fiscal year. The General Fund revenues were less than the budget by \$312 or 7.3%. However, the General Fund expenditures were also less than the budget by \$324 or 7.9%. A portion of the shortfall in both is attributable to legal, engineering and other consulting expenditures directly reimbursed by developers through escrow billing. The amounts reimbursed by developers and spent on consulting for developments within the Village were overestimated. In addition, building permits and related revenues were lower than estimated due to the housing downturn and electric, natural gas, and telecommunications utility taxes, as well as income and use taxes were lower than estimated due to the economic recession. Lastly, expenditures were lower than estimated due to the elimination and/or layoff of several staff positions during fiscal year 2010.

## 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, 2010, amounts to \$52,533 (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:

- Engineering services and construction were substantially completed during fiscal year 2010 on the extension of Municipal Drive and Galena Boulevard. This project added \$4,640 for roads and \$56 for water main, which are included in infrastructure for governmental and business-type activities, respectively, in fiscal year 2010. Total projects costs for the extension of Municipal Drive and Galena Boulevard to date are \$10,062 for roads, for which the Village received a \$3,808 federal transportation grant, and \$1,142 for water main.
- The Village has received federal Local Area Pavement Preservation (LAPP) grants for 4 street maintenance projects (Hankes Road, Wheeler Road, Prairie Street, and Granart Road). Hankes Road and Wheeler Road were completed during fiscal year 2010, while Prairie Street and Granart Road began in earnest during fiscal year 2010. Hankes Road added \$65 and Wheeler Road added \$80 during fiscal year 2010, for total project costs of \$425 and \$722, respectively. Prairie Street added \$58 and Granart Road added \$8 during fiscal year 2010, which are both included in construction in progress for governmental activities.
- 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 during fiscal year 2010 with \$25 being spent on preliminary engineering. This cost has also been included in construction in progress for governmental activities.
- A new middle school was built by Kaneland Community Unit School District 302 which opened during fiscal year 2010. The Village extended its water main, which is included infrastructure for business-type activities, to the school district site at a cost of approximately \$1,073, which included \$129 of cost incurred during fiscal year 2010.
- Water main looping projects from Prairie Glen to Dugan Woods and Mallard Point to Settlers Ridge neighborhoods added \$270 and \$1, respectively, during fiscal year 2010. While the Prairie Glen to Dugan Woods looping was substantially completed during fiscal year 2010, the Mallard Point to Settlers Ridge looping was just getting started.

The following schedule summarizes the Village's capital assets.

Table 3  
Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 9,932	\$ 9,932	\$ 332	\$ 332	\$ 10,264	\$ 10,264
Construction in progress	33	6,431	1	2,036	34	8,467
Infrastructure	18,983	7,710	25,607	23,116	44,590	30,826
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	1,620	1,597	1,409	1,409	3,029	3,006
Less:						
Accumulated depreciation	(3,407)	(2,398)	(6,429)	(5,677)	(9,836)	(8,075)
Total capital assets	\$ 29,636	\$ 25,747	\$ 22,897	\$ 23,193	\$ 52,533	\$ 48,940

Additional information regarding the capital assets can be found in note 4 on pages 41 through 43 of this report.

**Long-term debt.** At the end of the current fiscal year, the Village had total debt outstanding of \$20,486 (excluding compensated absences). This amount is partially comprised of seven 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 2001, 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. In fiscal year 2010, the Village's debt decreased by \$1,297.

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

- The Village Board authorized the issuance of \$2,930,000 general obligation alternate revenue source bonds for the purpose of refunding the 2001 Series bonds on February 17, 2009. The Village subsequently issued \$2,930,000 of general obligation alternate revenue refunding bonds on April 1, 2009. The Village advance refunded the Series 2001 bonds on April 1, 2009. The Village called the bonds on January 1, 2010 and paid the last remaining payment off to retire the Series 2001 bonds.

The following schedule summarizes the Village's indebtedness.

Table 4  
Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 10,847	\$ 11,680	\$ 5,453	\$ 5,605	\$ 16,300	\$ 17,285
IEPA loans	-	-	4,186	4,498	4,186	4,498
Total long-term debt	\$ 10,847	\$ 11,680	\$ 9,639	\$ 10,103	\$ 20,486	\$ 21,783

Additional information regarding the Village's long-term debt can be found in note 6 on pages 44 through 50 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. We will see a smaller increase than previous years in the property tax extension due to the slowdown in the commercial and residential development markets. The property tax rate itself will increase slightly as the equalized assessed value of homes stagnates or decreases. The Village will see increases in its sales tax as the economy begins to recover, while further decreases in its income tax distributions from the state are expected as the effects of the recession work through the system.

The Village will raise resident and non-resident water and sewer service charges and usage rates by an additional 7% to cover higher operating expenses including increases in electric rates for pump and lift stations, new requirements from the state and federal governments regarding drinking water, and payments on IEPA loans for wells 8 and 9. In addition, the refuse rate will increase from \$18.75 per month to \$19.55 per month to cover the annual escalation in the Village's contract with Waste Management.

### 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.

**BASIC FINANCIAL STATEMENTS**

Village of Sugar Grove, Illinois

Statement of Net Assets

April 30, 2010

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 6,844,711	\$ 4,543,727	\$ 11,388,438
Investments	2,043,561	247,798	2,291,359
Receivables			
Property taxes	1,467,699	-	1,467,699
Other taxes	750,853	-	750,853
Intergovernmental	663,986	-	663,986
Accounts	-	248,775	248,775
Interest	21,185	23,733	44,918
Other	213,079	116	213,195
Internal balances	(4,426)	4,426	-
Prepays	81,442	72,814	154,256
Total current assets	12,082,090	5,141,389	17,223,479
Noncurrent			
Net pension asset	8,472	-	8,472
Deferred charges	158,087	98,083	256,170
Capital assets (net of accumulated depreciation)			
Land	9,932,586	331,723	10,264,309
Construction in progress	33,643	791	34,434
Infrastructure	17,144,010	20,236,789	37,380,799
Buildings	1,705,821	1,269,696	2,975,517
Improvements other than buildings	186,862	301,959	488,821
Vehicles and equipment	633,416	756,082	1,389,498
Total noncurrent assets	29,802,897	22,995,123	52,798,020
Total assets	\$ 41,884,987	\$ 28,136,512	\$ 70,021,499

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Net Assets - Continued

April 30, 2010

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current			
Accounts payable	\$ 2,852,238	\$ 260,565	\$ 3,112,803
Wages payable	80,212	20,582	100,794
Deposits payable	245,523	-	245,523
Sales tax rebate payable	96,936	-	96,936
Arbitrage payable	6,463	-	6,463
Accrued interest	151,289	137,148	288,437
Unearned revenue - property tax	1,467,699	-	1,467,699
Unearned revenue - other	-	21,000	21,000
Other liabilities	14,640	1,198	15,838
Current portion of long-term liabilities	951,682	615,020	1,566,702
Total current liabilities	5,866,682	1,055,513	6,922,195
Noncurrent			
Long-term liabilities	9,992,226	9,056,125	19,048,351
Total noncurrent liabilities	9,992,226	9,056,125	19,048,351
Total liabilities	15,858,908	10,111,638	25,970,546
<b>Net Assets</b>			
Invested in capital assets, net of related debt	21,368,759	13,257,722	34,626,481
Restricted for			
Capital projects - bond proceeds	2,420,985	-	2,420,985
Debt service	260,303	-	260,303
Unrestricted	1,976,032	4,767,152	6,743,184
Total net assets	\$ 26,026,079	\$ 18,024,874	\$ 44,050,953

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Activities  
Year Ended April 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities</b>				
General government	\$ 1,335,485	\$ 175,419	\$ -	\$ -
Public safety	1,953,356	226,845	1,100	1,000
Highways and streets	2,368,327	2,795	-	2,323,851
Interest expense	465,269	-	-	-
Total governmental activities	6,122,437	405,059	1,100	2,324,851
<b>Business-type activities</b>				
Water and sewer	2,584,032	2,341,731	-	10,805
Refuse	680,915	702,417	-	-
Total business-type activities	3,264,947	3,044,148	-	10,805
<b>Total</b>	<b>\$ 9,387,384</b>	<b>\$ 3,449,207</b>	<b>\$ 1,100</b>	<b>\$ 2,335,656</b>

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	
\$	(1,160,066)	\$	-	\$	(1,160,066)
	(1,724,411)		-		(1,724,411)
	(41,681)		-		(41,681)
	(465,269)		-		(465,269)
	(3,391,427)		-		(3,391,427)
	-		(231,496)		(231,496)
	-		21,502		21,502
	-		(209,994)		(209,994)
	(3,391,427)		(209,994)		(3,601,421)
	1,444,458		-		1,444,458
	682,418		-		682,418
	796,488		-		796,488
	256,051		-		256,051
	141,782		-		141,782
	337,743		-		337,743
	233,657		-		233,657
	106,802		-		106,802
	182,673		91,631		274,304
	254,775		9,914		264,689
	333,194		(333,194)		-
	4,770,041		(231,649)		4,538,392
	1,378,614		(441,643)		936,971
	24,647,465		18,466,517		43,113,982
\$	26,026,079	\$	18,024,874	\$	44,050,953

Village of Sugar Grove, Illinois

Balance Sheet - Governmental Funds  
April 30, 2010

	General Fund	Debt Service Fund	General Capital Projects Fund	Infrastructure Capital Projects Fund	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 1,360,338	\$ 411,592	\$ 5,014,039	\$ 58,742	\$ 6,844,711
Investments	1	-	1,469,633	573,927	2,043,561
Receivables					
Property taxes	1,369,983	97,716	-	-	1,467,699
Other taxes	645,834	-	-	105,019	750,853
Intergovernmental	11,750	-	-	652,236	663,986
Interest	7,863	-	13,322	-	21,185
Other	203,704	-	9,375	-	213,079
Due from other funds	20	-	661,236	1,727,376	2,388,632
Prepaid items	81,442	-	-	-	81,442
<b>Total assets</b>	<b>\$ 3,680,935</b>	<b>\$ 509,308</b>	<b>\$ 7,167,605</b>	<b>\$ 3,117,300</b>	<b>\$ 14,475,148</b>
<b>Liabilities</b>					
Accounts payable	\$ 269,755	\$ -	\$ 21,875	\$ 2,560,608	\$ 2,852,238
Wages payable	80,212	-	-	-	80,212
Deposits payable	245,523	-	-	-	245,523
Sales tax rebate payable	96,936	-	-	-	96,936
Arbitrage payable	-	-	6,463	-	6,463
Due to other funds	4,446	-	1,727,376	661,236	2,393,058
Unearned revenues - property tax	1,369,983	97,716	-	-	1,467,699
Unearned revenues - other	81,160	-	-	28,294	109,454
Other liabilities	14,640	-	-	-	14,640
<b>Total liabilities</b>	<b>2,162,655</b>	<b>97,716</b>	<b>1,755,714</b>	<b>3,250,138</b>	<b>7,266,223</b>
<b>Fund Balances</b>					
Reserved for					
Capital projects	-	-	2,420,985	-	2,420,985
Debt service	-	411,592	-	-	411,592
Prepaid items	81,442	-	-	-	81,442
Unreserved					
General fund	1,436,838	-	-	-	1,436,838
Capital projects funds	-	-	2,990,906	(132,838)	2,858,068
<b>Total fund balances</b>	<b>1,518,280</b>	<b>411,592</b>	<b>5,411,891</b>	<b>(132,838)</b>	<b>7,208,925</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,680,935</b>	<b>\$ 509,308</b>	<b>\$ 7,167,605</b>	<b>\$ 3,117,300</b>	<b>\$ 14,475,148</b>

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, 2010

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Total fund balances-governmental funds	\$ 7,208,925
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.	29,636,338
A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds.	8,472
Issuance costs of debt are capitalized in the Statement of Net Assets and are amortized over the life of the related debt.	158,087
Revenues in the Statement of Activities that do not provide current financial resources are unearned in the funds.	109,454
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	(151,289)
Compensated absences	(91,682)
Net other post-employment benefit obligation	(5,575)
General obligation bonds payable	(10,846,651)
Net assets of governmental activities	<u>\$ 26,026,079</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, 2010

	General Fund	Debt Service Fund	General Capital Projects Fund	Infrastructure Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 1,345,898	\$ 98,560	\$ -	\$ -	\$ 1,444,458
Other taxes	1,979,291	-	-	580,809	2,560,100
Charges for services	91,147	-	-	-	91,147
Intergovernmental, grants, and contributions	1,100	-	2,000	2,319,215	2,322,315
Licenses and permits	103,608	-	-	-	103,608
Fines, fees and forfeitures	281,553	-	-	-	281,553
Interest	35,597	2,816	140,278	3,982	182,673
Miscellaneous	131,969	-	64,980	3,636	200,585
<b>Total revenues</b>	<b>3,970,163</b>	<b>101,376</b>	<b>207,258</b>	<b>2,907,642</b>	<b>7,186,439</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	1,287,044	-	500	-	1,287,544
Public safety	1,897,049	-	-	-	1,897,049
Highways and streets	611,961	-	92,961	460,271	1,165,193
<b>Debt service</b>					
Principal	-	840,000	-	-	840,000
Interest and fiscal charges	-	437,591	-	-	437,591
Capital outlay	-	-	118,466	5,086,476	5,204,942
<b>Total expenditures</b>	<b>3,796,054</b>	<b>1,277,591</b>	<b>211,927</b>	<b>5,546,747</b>	<b>10,832,319</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>174,109</b>	<b>(1,176,215)</b>	<b>(4,669)</b>	<b>(2,639,105)</b>	<b>(3,645,880)</b>
<b>Other financing sources (uses)</b>					
Transfers in	27,500	1,176,933	226,706	2,542,696	3,973,835
Transfers out	(226,706)	-	(2,679,427)	(734,508)	(3,640,641)
<b>Total other financing sources (uses)</b>	<b>(199,206)</b>	<b>1,176,933</b>	<b>(2,452,721)</b>	<b>1,808,188</b>	<b>333,194</b>
<b>Net change in fund balances</b>	<b>(25,097)</b>	<b>718</b>	<b>(2,457,390)</b>	<b>(830,917)</b>	<b>(3,312,686)</b>
Fund balances - beginning, as restated	1,543,377	410,874	7,869,281	698,079	10,521,611
<b>Fund balances - ending</b>	<b>\$ 1,518,280</b>	<b>\$ 411,592</b>	<b>\$ 5,411,891</b>	<b>\$ (132,838)</b>	<b>\$ 7,208,925</b>

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, 2010**

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Net change in fund balances-total governmental funds	\$ (3,312,686)
--	----------------

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. (\$4,994,478 current additions less \$1,101,166 depreciation.)	3,893,312
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(4,001)
--	---------

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	(5,159)
---	---------

An 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	(9,115)
--	---------

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	(5,575)
--	---------

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	(30,500)
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Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	840,000
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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 Accrued interest	9,516 2,822
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Change in net assets of governmental activities	<u>\$ 1,378,614</u>
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Village of Sugar Grove, Illinois

Statement of Net Assets - Proprietary Funds  
April 30, 2010

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 4,516,805	\$ 26,922	\$ 4,543,727
Investments	247,798	-	247,798
Receivables			
Accounts	181,468	67,307	248,775
Interest	23,733	-	23,733
Other	116	-	116
Due from other funds	4,446	-	4,446
Prepays	72,814	-	72,814
Total current assets	5,047,180	94,229	5,141,409
Noncurrent			
Deferred charges	98,083	-	98,083
Capital assets (net of accumulated depreciation)			
Land	331,723	-	331,723
Construction in progress	791	-	791
Infrastructure	20,236,789	-	20,236,789
Buildings	1,269,696	-	1,269,696
Improvements other than buildings	301,959	-	301,959
Vehicles and equipment	756,082	-	756,082
Total noncurrent assets	22,995,123	-	22,995,123
Total assets	\$ 28,042,303	\$ 94,229	\$ 28,136,532

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Net Assets - Proprietary Funds - Continued  
 April 30, 2010

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
<b>Liabilities</b>			
Current			
Accounts payable	\$ 203,426	\$ 57,139	\$ 260,565
Wages payable	20,582	-	20,582
Accrued interest	137,148	-	137,148
Due to other funds	20	-	20
Unearned revenue - other	21,000	-	21,000
Other liabilities	1,198	-	1,198
Compensated absences - current	25,244	-	25,244
General obligation bonds payable - current	270,000	-	270,000
Loans payable - current	319,776	-	319,776
Total current liabilities	<u>998,394</u>	<u>57,139</u>	<u>1,055,533</u>
Noncurrent			
Compensated absences	6,583	-	6,583
General obligation bonds payable (net of unamortized premiums and deferred amount on refunding)	5,183,226	-	5,183,226
Loans payable	3,866,316	-	3,866,316
Total noncurrent liabilities	<u>9,056,125</u>	<u>-</u>	<u>9,056,125</u>
Total liabilities	<u>10,054,519</u>	<u>57,139</u>	<u>10,111,658</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	13,257,722	-	13,257,722
Unrestricted	4,730,062	37,090	4,767,152
Total net assets	<u>\$ 17,987,784</u>	<u>\$ 37,090</u>	<u>\$ 18,024,874</u>

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, 2010

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
Operating revenues			
Charges for services			
Water revenue	\$ 1,159,744	\$ -	\$ 1,159,744
Sewer revenue	1,169,094	-	1,169,094
Meter sales	6,344	-	6,344
Refuse revenue	-	702,417	702,417
Total operating revenues	2,335,182	702,417	3,037,599
Operating expenses excluding amortization and depreciation	1,432,166	680,915	2,113,081
Operating income before amortization and depreciation	903,016	21,502	924,518
Amortization	13,985	-	13,985
Depreciation	751,496	-	751,496
Total amortization and depreciation	765,481	-	765,481
Operating income	137,535	21,502	159,037
Nonoperating revenues (expenses)			
Connection fees	10,805	-	10,805
Interest income	91,558	73	91,631
Other income	16,463	-	16,463
Interest expense	(386,385)	-	(386,385)
Total nonoperating revenues (expenses)	(267,559)	73	(267,486)
Income (loss) before contributions and transfers	(130,024)	21,575	(108,449)
Transfer out	(305,694)	(27,500)	(333,194)
Change in net assets	(435,718)	(5,925)	(441,643)
Net assets - beginning	18,423,502	43,015	18,466,517
Net assets - ending	\$ 17,987,784	\$ 37,090	\$ 18,024,874

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Cash Flows – Proprietary Funds  
Year Ended April 30, 2010

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
Cash flows from operating activities			
Cash received from customers	\$ 2,335,447	\$ 698,250	\$ 3,033,697
Cash paid to suppliers	(1,977,866)	(678,986)	(2,656,852)
Cash paid to employees	(480,259)	-	(480,259)
Net cash provided (used) by operating activities	(122,678)	19,264	(103,414)
Cash flows from noncapital financing activities			
Transfers to other funds	(305,694)	(27,500)	(333,194)
Connection fees	10,805	-	10,805
Net cash provided (used) by noncapital financing activities	(294,889)	(27,500)	(322,389)
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(455,304)	-	(455,304)
Interest and fees paid on general obligation bonds	(279,622)	-	(279,622)
Interest paid on IEPA loans	(116,071)	-	(116,071)
Principal paid on general obligation bonds	(180,000)	-	(180,000)
Principal paid on IEPA loans	(311,539)	-	(311,539)
Net cash flows provided (used) by capital and related financing activities	(1,342,536)	-	(1,342,536)
Cash flows from investing activities			
Purchase of investments	(493,743)	-	(493,743)
Sale of investments	246,616	-	246,616
Interest on investments	157,778	73	157,851
Net cash flows provided (used) by investing activities	(89,349)	73	(89,276)
Net increase (decrease) in cash and equivalents	(1,849,452)	(8,163)	(1,857,615)
Cash and cash equivalents - beginning	6,366,257	35,085	6,401,342
Cash and cash equivalents - ending	\$ 4,516,805	\$ 26,922	\$ 4,543,727

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Cash Flows – Proprietary Funds - Continued  
Year Ended April 30, 2010

	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	\$ 137,535	\$ 21,502	\$ 159,037
Adjustments to reconcile operating income to net cash provided by (used for) operating activities			
Amortization	13,985	-	13,985
Depreciation	751,496	-	751,496
Other income	16,463	-	16,463
Changes in assets and liabilities			
Accounts receivable	(11,636)	(4,167)	(15,803)
Other receivable	(116)	-	(116)
Due from other funds	(4,446)	-	(4,446)
Prepaid items	(1,351)	-	(1,351)
Accounts payable	(1,025,830)	1,929	(1,023,901)
Wages payable	1,104	-	1,104
Due to other funds	20	-	20
Other liabilities	(109)	-	(109)
Compensated absences	207	-	207
Total adjustments	(260,213)	(2,238)	(262,451)
Net cash provided (used) by operating activities	\$ (122,678)	\$ 19,264	\$ (103,414)

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Fiduciary Net Assets

April 30, 2010

	Pension Trust Fund	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 109	\$ 15,489
Investments		
U.S. government and agency obligations	1,311,276	-
State and local obligations	26,458	-
Equity mutual funds	156,586	-
Money market mutual funds	56,551	-
Interest receivable	10,871	-
Prepays	2,017	-
Total assets	<u>1,563,868</u>	<u>15,489</u>
<b>Liabilities</b>		
Accounts payable	2,011	-
Due to other governments	-	15,489
Total liabilities	<u>2,011</u>	<u>15,489</u>
<b>Net Assets</b>		
Held in trust for pension benefits	<u>\$ 1,561,857</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, 2010

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Additions	
Contributions	
Employer	\$ 200,413
Employee	88,562
	<u>288,975</u>
Investment income	
Interest income	48,494
Net appreciation in fair value of investments	55,325
Total investment income	<u>103,819</u>
Less investment expenses	<u>(4,872)</u>
Net investment income	<u>98,947</u>
Total additions	<u>387,922</u>
Deductions	
Administration	37,926
Pension benefits and refunds	133,381
Total deductions	<u>171,307</u>
Change in net assets	216,615
Net assets - beginning	<u>1,345,242</u>
Net assets - ending	<u>\$ 1,561,857</u>

See Notes to Financial Statements.

## Village of Sugar Grove, Illinois

### Notes to the Financial Statements

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#### Note 1. Summary of significant accounting policies

##### 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 generally accepted accounting principles, these financial statements present the Village and its component units, legally separate entities for which the Village is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Village's operations and, therefore, data from these units are combined with data of the primary government.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. 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.

##### ***Blended Component Units***

The Village's financial statements include the following pension trust fund:

**Police Pension Fund:** The Village's police employees participate in the Police Pension Fund, a Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary, and two elected police employees constitute the pension board. The Village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities.

PPERS is reported as a pension trust fund.

##### B. Government-wide and fund financial statements

**Government-wide Financial Statements:** The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. 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.

## Village of Sugar Grove, Illinois

### Notes to the Financial Statements

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#### Note 1. Summary of significant accounting policies (continued)

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

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

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

**Restricted net assets** 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 nonfiduciary 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. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village has the following major governmental funds – General Fund, Debt Service Fund, General Capital Projects Fund, and Infrastructure Capital Projects Fund. The Village has the following major enterprise funds – Waterworks and Sewerage Fund and Refuse Fund.

##### 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.

## Village of Sugar Grove, Illinois

### Notes to the Financial Statements

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#### Note 1. Summary of significant accounting policies (continued)

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

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.

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.

The Village administers the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general government, public safety and highways and streets.

The Debt Service 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.

The General Capital Projects 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.

The Infrastructure Capital Projects 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:

The Waterworks and Sewerage 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.

The Refuse 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.

## Village of Sugar Grove, Illinois

### Notes to the Financial Statements

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#### Note 1. Summary of significant accounting policies (continued)

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

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.

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 water and sewer 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.

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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#### 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.

##### 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.

##### 6. Capital Assets

Capital assets, which include property, plant, 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.

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 (continued)

Asset Class	Capitalization Threshold
Land	\$ 1
Improvements other than buildings	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. The reported value excludes normal maintenance and repairs that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the Village values these capital assets at the estimated fair value of the item at the date of donation.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed.

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:

Asset Class	Years
Improvements other than buildings	15 - 20
Buildings	45
Building improvements	10 - 30
Vehicles	3 - 10
Equipment	5 - 30
Computers	4
Furniture and fixtures	5 - 20
Infrastructure	20 - 50

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.

**Village of Sugar Grove, Illinois**

**Notes to the Financial Statements**

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**Note 1. Summary of significant accounting policies (continued)**

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

**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 fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated for a specific purpose.

**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 GAAP 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.

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.

## Village of Sugar Grove, Illinois

### Notes to the Financial Statements

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#### **Note 2. Stewardship, compliance and accountability (continued)**

##### **A. Budgetary Information (continued)**

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 were no supplemental budget amendments approved during the year.

##### **B. Excess of expenditures over appropriations**

For the year ended April 30, 2010, deductions exceeded appropriations in the Police Pension Fund by \$166,417. The excess of deductions in the Police Pension Fund were funded by existing net assets.

##### **C. Deficit fund equity**

The Infrastructure Capital Projects Fund had a deficit fund balance of \$132,838 as of April 30, 2010. The fund incurred expenditures related to the intersection of Bliss and Merrill Roads, a Kane County intersection. The Village will collect road impact fees over time to cover the expenditures.

#### **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 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, and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations of the State of Illinois and its political subdivisions, 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.

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.

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**

*Deposits.* At year-end, the carrying amount of Village's deposits totaled \$11,403,927 and the bank balances totaled \$11,407,913.

*Investments.* At year-end, the carrying amount and fair value of the Village's investments totaled \$2,291,359. The investments consisted of \$1 in the Illinois Funds and \$2,291,358 in the Illinois Metropolitan Investment Fund. Such investments are not subject to categorization.

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

Carrying amount of deposits	\$	11,403,927
Carrying amount of investments		2,291,359
Total pooled deposits and investments	\$	<u>13,695,286</u>
Cash and cash equivalents - governmental and business-type activities	\$	11,388,438
Investments - governmental and business-type activities		2,291,359
Cash and cash equivalents - agency funds		15,489
Total pooled deposits and investments	\$	<u>13,695,286</u>

*Interest rate risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village 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 portion of the portfolio that is invested with Illinois Metropolitan Investment Fund has an average maturity of 1.66 years and a duration of 1.55 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 investing only in the Illinois Funds and Illinois Metropolitan Investment Fund investment pools. The Village's investment policy limits authorized investments in the following:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America;
- Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies;
- Interest bearing savings accounts, interest bearing certificates of deposit or interest bearing time deposits, or any other investment constituting direct obligations of any bank as defined by the Illinois Banking Act;
- Illinois Funds and Illinois Metropolitan Investment Fund investment pools.

The Village'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. At April 30, 2010, the Village's investments in the Illinois Funds and Illinois Metropolitan Investment Fund have earned Standard & Poor's highest rating (AAA).

## Village of Sugar Grove, Illinois

### Notes to the Financial Statements

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#### Note 3. Deposits and investments (continued)

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

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. At April 30, 2010, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Village's investment policy further limits the custodial credit risk for deposits as follows: The Village requires that each of its depositories pledge collateral, or an equivalent thereof, for all deposits in excess of \$250,000. This collateral is to be held by the Village or a third party in the Village's name and may not be released or modified without Village approval. The value of the collateral shall be determined by the Village or by the third party custodian. The necessary amount (at least 102% of excess FDIC insured deposits) of collateral is determined under the Village's custodial agreement with its depository institutions.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At April 30, 2010, the Village has invested only in the Illinois Funds and Illinois Metropolitan Investment Fund investment pools which 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, 2010, the Village had greater than 5% of its overall portfolio (cash and cash equivalents and investments) invested in the Illinois Metropolitan Investment Fund (16.73%).

##### 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, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; 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 provided the investment in separate accounts does not exceed ten percent of the pension fund's plan net assets. 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. In addition, 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.

*Deposits.* At year-end, the carrying amount and bank balances of the Police Pension Fund's deposits totaled \$109.

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)**

*Investments.* 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.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
<b>Categorized investments:</b>					
U.S. Treasury obligations:					
U.S. Treasury notes	\$ 430,656	\$ -	\$ 173,326	\$ 257,330	\$ -
U.S. government agencies:					
FFCB	205,864	25,344	113,396	67,124	-
FHLMC	101,304	-	76,586	24,718	-
FHLB	457,217	80,546	265,793	110,878	-
FNMA	116,235	45,075	71,160	-	-
Municipal bonds	26,458	10,265	16,193	-	-
<b>Uncategorized investments:</b>					
Equity mutual funds	156,586	156,586	-	-	-
Money market mutual funds	56,551	56,551	-	-	-
	<b>\$ 1,550,871</b>	<b>\$ 374,367</b>	<b>\$ 716,454</b>	<b>\$ 460,050</b>	<b>\$ -</b>

*Interest rate risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The 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 and not pay its par value upon maturity. 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 Village's deposits may not be returned to it. At April 30, 2010, 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.

## Village of Sugar Grove, Illinois

### Notes to the Financial Statements

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*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.

*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, 2010, 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:

LSV Value Equity	\$	40,192
T. Rowe Price Growth		28,069
Vanguard 500		27,846
Barron Small Cap		12,521
Royce Total Return		12,315
RS Global Natural		8,130
Cohen & Steers		8,099
UMB Scout International		4,881
Bridgeway Ultra		3,653
FBR Focus		3,427
Lazard Emerging Markets		2,608
First Eagle Overseas		2,496
Vanguard International		2,349
	\$	<u>156,586</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	Additions	Deletions	Balance April 30
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,932,586	\$ -	\$ -	\$ 9,932,586
Construction in progress	6,431,084	33,643	6,431,084	33,643
Total capital assets not being depreciated	<u>16,363,670</u>	<u>33,643</u>	<u>6,431,084</u>	<u>9,966,229</u>
Capital assets being depreciated:				
Infrastructure	7,709,727	11,273,453	-	18,983,180
Buildings	2,217,441	-	-	2,217,441
Improvements other than buildings	256,743	-	-	256,743
Vehicles and equipment	1,597,342	118,466	95,838	1,619,970
	<u>11,781,253</u>	<u>11,391,919</u>	<u>95,838</u>	<u>23,077,334</u>
Less accumulated depreciation for:				
Infrastructure	981,876	857,294	-	1,839,170
Buildings	462,344	49,276	-	511,620
Improvements other than buildings	57,044	12,837	-	69,881
Vehicles and equipment	896,632	181,759	91,837	986,554
	<u>2,397,896</u>	<u>1,101,166</u>	<u>91,837</u>	<u>3,407,225</u>
Total capital assets being depreciated, net	<u>9,383,357</u>	<u>10,290,753</u>	<u>4,001</u>	<u>19,670,109</u>
Governmental activities capital assets, net	<u>\$ 25,747,027</u>	<u>\$ 10,324,396</u>	<u>\$ 6,435,085</u>	<u>\$ 29,636,338</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	2,035,813	791	2,035,813	791
Total capital assets not being depreciated	<u>2,367,536</u>	<u>791</u>	<u>2,035,813</u>	<u>332,514</u>
Capital assets being depreciated:				
Infrastructure	23,116,622	2,490,326	-	25,606,948
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>26,502,757</u>	<u>2,490,326</u>	<u>-</u>	<u>28,993,083</u>
Less accumulated depreciation for:				
Infrastructure	4,809,292	560,867	-	5,370,159
Buildings	206,955	33,560	-	240,515
Improvements other than buildings	138,501	26,814	-	165,315
Vehicles and equipment	522,313	130,255	-	652,568
	<u>5,677,061</u>	<u>751,496</u>	<u>-</u>	<u>6,428,557</u>
Total capital assets being depreciated, net	<u>20,825,696</u>	<u>1,738,830</u>	<u>-</u>	<u>22,564,526</u>
Business-type activities capital assets, net	<u>\$ 23,193,232</u>	<u>\$ 1,739,621</u>	<u>\$ 2,035,813</u>	<u>\$ 22,897,040</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	62,895	-
Highways and streets	996,642	-
Water and sewer	-	751,496
	<u>\$ 1,101,166</u>	<u>\$ 751,496</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 January 1, 2010, IRMA had seventy-two 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
<b>Governmental activities:</b>					
<b>\$ 925,000 General Obligation</b>					
Alternate Revenue Source					
Bonds dated Sept. 15, 1991					
due in annual installments					
of \$25,000 to \$90,000 plus					
interest of 7.0% to 9.0%					
through Jan. 1, 2011					
	Debt Service	\$ 175,000	\$ -	\$ 85,000	\$ 90,000
<b>\$ 3,900,000 General Obligation</b>					
Alternate Revenue Source					
Bonds dated Sept. 1, 2001					
due in annual installments					
of \$60,000 to \$320,000 plus					
interest of 3.75% to 4.90%					
through Jan. 1, 2021					
	Debt Service	180,000	-	180,000	-
<b>\$ 8,500,000 General Obligation</b>					
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	7,875,000	-	425,000	7,450,000

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
<b>Governmental activities:</b>					
\$ 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	\$ 590,000	\$ -	\$ 100,000	\$ 490,000
\$ 2,930,000 General Obligation					
Alternate Revenue Refunding					
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	2,930,000	-	50,000	2,880,000
Total general obligation bonds - governmental activities		11,750,000	-	840,000	10,910,000
<b>Business-type activities:</b>					
\$ 1,415,000 General Obligation					
Alternate Revenue Refunding					
Bonds dated May 15, 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	595,000	-	150,000	445,000

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
<b>Business-type activities:</b>					
\$ 2,640,000 General Obligation Alternate Revenue Refunding Bonds dated May 1, 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	\$ 2,580,000	\$ -	\$ 30,000	\$ 2,550,000
\$ 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	2,585,000	-	-	2,585,000
Total general obligation bonds - business-type activities		5,760,000	-	180,000	5,580,000
Total general obligation bonds		\$ 17,510,000	\$ -	\$ 1,020,000	\$ 16,490,000

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
<b>Business-type activities:</b>					
\$ 3,697,283 IEPA Loan Payable dated Sept. 29, 1998 due in semi-annual installments of \$119,812 with interest of 2.625% through September 28, 2019	Waterworks and Sewerage	\$ 2,186,657	\$ -	\$ 183,421	\$ 2,003,236
\$ 1,565,676 IEPA Loan Payable dated May 21, 2002 due in semi-annual installments of \$52,237 with interest of 2.675% through October 8, 2023	Waterworks and Sewerage	1,248,841	-	71,543	1,177,298
\$ 1,272,108 IEPA Loan Payable dated March 28, 2003 due in semi-annual installments of \$41,755 with interest of 2.570% through June 18, 2024	Waterworks and Sewerage	1,062,133	-	56,575	1,005,558
<b>Total IEPA loans</b>		<b>\$ 4,497,631</b>	<b>\$ -</b>	<b>\$ 311,539</b>	<b>\$ 4,186,092</b>

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
<b>Governmental activities:</b>					
Bonds payable:					
General obligation alternate revenue bonds	\$ 11,750,000	\$ -	\$ 840,000	\$ 10,910,000	\$ 860,000
Plus deferred amounts:					
For issuance premiums	46,472	-	4,699	41,773	-
Less deferred amounts:					
On refunding	(116,774)	-	(11,652)	(105,122)	-
Total bonds payable	11,679,698	-	833,047	10,846,651	860,000
Net other post-employment benefit obligation	-	5,575	-	5,575	-
Compensated absences	101,198	97,235	106,751	91,682	91,682
Total governmental activities long-term liabilities	\$ 11,780,896	\$ 102,810	\$ 939,798	\$ 10,943,908	\$ 951,682

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	\$ 5,760,000	\$ -	\$ 180,000	\$ 5,580,000	\$ 270,000
Plus deferred amounts:					
For issuance premiums	78,083	-	9,274	68,809	-
Less deferred amounts:					
On refunding	(232,775)	-	(37,192)	(195,583)	-
Total bonds payable	5,605,308	-	152,082	5,453,226	270,000
Loans payable	4,497,631	-	311,539	4,186,092	319,776
Compensated absences	31,620	25,915	25,708	31,827	25,244
Total business-type activities long-term liabilities	\$ 10,134,559	\$ 25,915	\$ 489,329	\$ 9,671,145	\$ 615,020

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, 2010, 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
2011	\$ 860,000	\$ 416,020	\$ 1,276,020	\$ 270,000	\$ 237,250	\$ 507,250
2012	705,000	382,452	1,087,452	280,000	226,250	506,250
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 - 2020	3,570,000	1,178,188	4,748,188	1,860,000	699,887	2,559,887
2021 - 2025	3,060,000	493,053	3,553,053	1,355,000	317,454	1,672,454
2026 - 2030	650,000	26,812	676,812	875,000	81,266	956,266
	<u>\$ 10,910,000</u>	<u>\$ 3,497,489</u>	<u>\$ 14,407,489</u>	<u>\$ 5,580,000</u>	<u>\$ 2,166,432</u>	<u>\$ 7,746,432</u>

As of April 30, 2010, 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
2011	\$ 319,776	\$ 107,835	\$ 427,611
2012	328,230	99,381	427,611
2013	336,908	90,703	427,611
2014	345,814	81,797	427,611
2015	354,958	72,653	427,611
2016 - 2020	1,800,800	217,441	2,018,241
2021 - 2025	699,606	41,853	741,459
	<u>\$ 4,186,092</u>	<u>\$ 711,663</u>	<u>\$ 4,897,755</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 - 2009 levy		\$ 334,574,131
Legal debt limit - 8.625% of assessed value		\$ 28,857,019
Amount of debt applicable to limit		
Series 1991	\$ 90,000	
Series 2002	445,000	
Series 2006	2,550,000	
Series 2006A	7,450,000	
Series 2008A	2,585,000	
Series 2008B	490,000	
Series 2009	2,880,000	
Total general obligation debt	16,490,000	
Less: self-supported debt	(16,400,000)	
Total applicable debt		90,000
Legal debt margin		\$ 28,767,019

**Village of Sugar Grove, Illinois**

**Notes to the Financial Statements**

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**Note 7. Interfund receivables, payables and transfers**

The composition of interfund balances as of April 30, 2010 is as follows:

Receivable Fund	Payable Fund	Amount
General	Waterworks and Sewerage	\$ 20
General Capital Projects	Infrastructure Capital Projects	661,236
Infrastructure Capital Projects	General Capital Projects	1,727,376
Waterworks and Sewerage	General	4,446
		<u>\$ 2,393,078</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, 2010 are shown as follows:

Transfers in	Transfers out	Amount	Reason
General	Refuse	\$ 27,500	Overhead reimbursement
General Capital Projects	General	226,706	Equipment replacement
Infrastructure Capital Projects	General Capital Projects	2,542,696	Municipal Drive costs
Debt Service	General Capital Projects	136,731	G.O. bonds debt service
	Infrastructure Capital Projects	734,508	G.O. bonds debt service
	Waterworks and Sewerage	305,694	G.O. bonds debt service
		<u>\$ 3,973,835</u>	

**Note 8. 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.

**B. Fox Metro Water Reclamation District**

The Village entered into an intergovernmental agreement with Fox Metro Water Reclamation District (Fox Metro) on June 16, 1998. Section VI, paragraphs 3 and 4 of the agreement covers the purchase of approximately 100 acres of land by the Village. The Village would convey this land to Fox Metro for the location of a new wastewater treatment facility after receiving reimbursement for half the cost of the land. Fox Metro has since decided to expand their current facility and not build a new wastewater treatment plant. Therefore, Fox Metro expects some remedy of fair compensation. The Village has not estimated its liability under the intergovernmental agreement as of April 30, 2010.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

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**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](http://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, 2010, the Police Pension Plan membership consisted of:

Retirees, disabled participants and beneficiaries of	
deceased retirees currently receiving benefits	2
Terminated plan members entitled to but not yet	
receiving benefits	-
Current employees:	
Vested	3
Nonvested	11
<b>Total</b>	<b>16</b>

## Village of Sugar Grove, Illinois

### Notes to the Financial Statements

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#### 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 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 one-half of the salary attached 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. Employees with at least 8 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

##### 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 statutes require 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 calendar year 2009 was 7.82% 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 2037, 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, 2010, the Village's contribution was 22.63% 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.

###### *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.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

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**Note 10. Employee retirement systems and plans (continued)**

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

*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 2010, the Village's annual pension cost for the Illinois Municipal Retirement Fund of \$114,838 was equal to the Village's required and actual contributions.

For fiscal year 2010, the Village's annual pension cost for the Police Pension Plan was \$209,528. The Village's actual contribution was \$200,413.

The net pension obligation (asset) at April 30, 2010, was \$(8,472). It was comprised of the following:

Net pension obligation (asset):

Annual required contribution	\$	210,092
Interest on net pension obligation		(1,231)
Adjustment to annual required contribution		667
		<hr/>
Annual pension cost		209,528
Contributions made		200,413
		<hr/>
Increase (decrease) in net pension obligation (asset)		9,115
Net pension obligation (asset) at beginning of year		(17,587)
		<hr/>
Net pension obligation (asset) at end of year	\$	<u>(8,472)</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/ 2009	4/30/ 2010
Actuarial cost method	Entry-age normal	Entry-age normal
Asset valuation method	5 year smoothed market	Market
Amortization method	Level percentage of payroll	Level percentage of payroll
Amortization period	23 years, closed	27 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	2010	\$ 114,838		2010	\$ 209,528
	2009	118,769		2009	195,124
	2008	113,495		2008	176,843
Percent Contributed	2010	100.00	%	2010	95.65 %
	2009	100.00		2009	100.17
	2008	100.00		2008	109.76
Net Pension Obligation (Asset)	2010	\$ -		2010	\$ (8,472)
	2009	-		2009	(17,587)
	2008	-		2008	(17,253)

Village of Sugar Grove, Illinois

Notes to the Financial Statements

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**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:

	<b>Municipal Retirement</b>	<b>Police Pension</b>
Actuarial Valuation Date	12/31/2009	4/30/2010
Actuarial Value of Assets	\$ 2,228,341	\$ 1,561,857
Actuarial Accrued Liability (AAL)	\$ 2,395,079	\$ 3,336,978
(Overfunded) Unfunded Actuarial Accrued Liability (UAAL)	\$ 166,738	\$ 1,775,121
Funded Ratio	93.04%	46.80%
Covered Payroll	\$ 1,468,513	\$ 885,613
UAAL as a Percentage of Covered Payroll	11.35%	200.44%

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.

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.

**Village of Sugar Grove, Illinois**

**Notes to the Financial Statements**

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**Note 11. Other Post-Employment Benefits (Continued)**

**A. Plan description and provisions (Continued)**

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2010, retirees contributed \$0. Active employees do not contribute to the plan until retirement.

At April 30, 2010, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	2
Active Employees	<u>35</u>
Total	<u><u>37</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 Village first had an actuarial valuation performed for the plan as of April 30, 2010 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2010.

The net OPEB obligation (NOPEBO) as of April 30, 2010, was calculated as follows:

Annual Required Contribution	\$ 18,013
Interest on the NOPEBO	-
Adjustment to the ARC	<u>-</u>
Annual OPEB Cost	18,013
Actual Contribution	<u>12,438</u>
Increase in the NOPEBO	5,575
NOPEBO - Beginning of Year	<u>-</u>
NOPEBO - End of Year	<u><u>\$ 5,575</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, 2010 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 2010 and the two preceding years for each of the plans were as follows:

For Fiscal Year	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2010	18,013	69.05 %	5,575
2009	-	-	-
2008	-	-	-

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

**F. Funded status and funding progress**

The Village's funded status of the plan as of April 30, 2010 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

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**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**

**A. Prior period adjustments**

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

	Governmental Activities	General
April 30, 2009 balance as previously reported	\$ 24,586,315	\$ 1,482,227
Correction of a prior year error in accounts receivable	61,150	61,150
April 30, 2009 balance as restated	<u>\$ 24,647,465</u>	<u>\$ 1,543,377</u>

**Note 13. New Governmental Accounting Standards**

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

Statement No. 51 – “Accounting and Financial Reporting for Intangible Assets.” This Statement provides needed guidance regarding how to identify, account for, and report intangible assets. The Village is required to implement this Statement for the year ending April 30, 2011.

Statement No. 53 – “Accounting and Financial Reporting for Derivative Instruments.” This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The Village is required to implement this Statement for the year ending April 30, 2011.

Statement No. 54 – “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Village is required to implement this Statement for the year ending April 30, 2012.

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.

**Village of Sugar Grove, Illinois**

**Notes to the Financial Statements**

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**Note 13. New Governmental Accounting Standards (Continued)**

Statement No. 58 – “Accounting and Financial Reporting for Chapter 9 Bankruptcies.” This Statement provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The Village is required to implement this Statement for the year ending April 30, 2011.

Statement No. 59 – “Financial Instruments Omnibus.” This Statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The Village is required to implement this Statement for the year ending April 30, 2012.

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, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>				
Property taxes	\$ 1,352,494	\$ 1,352,494	\$ 1,345,898	\$ (6,596)
Other taxes	2,212,850	2,212,850	1,979,291	(233,559)
Charges for services	327,087	327,087	91,147	(235,940)
Intergovernmental, grants and contributions	-	-	1,100	1,100
Licenses and permits	111,902	111,902	103,608	(8,294)
Fines, fees and forfeitures	195,236	195,236	281,553	86,317
Interest	42,555	42,555	35,597	(6,958)
Miscellaneous	40,420	40,420	131,969	91,549
<b>Total revenues</b>	<b>4,282,544</b>	<b>4,282,544</b>	<b>3,970,163</b>	<b>(312,381)</b>
<b>Expenditures</b>				
Current				
General government	1,544,763	1,544,763	1,287,044	(257,719)
Public safety	1,918,047	1,918,047	1,897,049	(20,998)
Highways and streets	657,741	657,741	611,961	(45,780)
<b>Total expenditures</b>	<b>4,120,551</b>	<b>4,120,551</b>	<b>3,796,054</b>	<b>(324,497)</b>
<b>Excess of revenues over expenditures</b>	<b>161,993</b>	<b>161,993</b>	<b>174,109</b>	<b>12,116</b>
<b>Other financing sources (uses)</b>				
Transfers in	27,500	27,500	27,500	-
Transfers out	(226,706)	(226,706)	(226,706)	-
<b>Total other financing sources (uses)</b>	<b>(199,206)</b>	<b>(199,206)</b>	<b>(199,206)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (37,213)</b>	<b>\$ (37,213)</b>	<b>(25,097)</b>	<b>\$ 12,116</b>
Fund balance - beginning, as restated			<u>1,543,377</u>	
Fund balance - ending			<u>\$ 1,518,280</u>	

See Notes to Required Supplementary Information.

Village of Sugar Grove, Illinois

Required Supplementary Information  
Analysis of Funding Progress

April 30, 2010

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)
12/31/2009	\$ 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)
12/31/2005	1,696,701	1,436,720	(259,981)	118.10	1,066,570	(24.38)
12/31/2004	1,452,955	1,160,642	(292,313)	125.19	866,009	(33.75)

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)
4/30/2010	\$ 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
4/30/2006	455,857	1,358,168	902,311	33.56	673,899	133.89
4/30/2005	247,546	1,063,324	815,778	23.28	550,514	148.18

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)
4/30/2010	\$ -	\$ 313,119	\$ 313,119	- %	\$ 2,406,603	13.01 %
4/30/2009	-	-	-	-	-	-
4/30/2008	-	-	-	-	-	-
4/30/2007	-	-	-	-	-	-
4/30/2006	-	-	-	-	-	-
4/30/2005	-	-	-	-	-	-

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010. Information for prior years 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, 2010

Illinois Municipal Retirement Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
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	-
4/30/2006	103,777	100.00	-
4/30/2005	103,952	100.00	-

Police Pension Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	Net Pension Obligation (Asset)
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	-
4/30/2006	133,439	100.00	-
4/30/2005	107,175	100.00	-

Other Post-Employment Benefit Plan

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
4/30/2010	\$ 18,013	69.05 %	\$ 5,575
4/30/2009	-	-	-
4/30/2008	-	-	-
4/30/2007	-	-	-
4/30/2006	-	-	-
4/30/2005	-	-	-

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**

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**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 property taxes and 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 and motor fuel taxes.

Village of Sugar Grove, Illinois

General Fund

Schedule of Revenues - Budget and Actual  
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Property taxes				
Corporate	\$ 682,606	\$ 682,606	\$ 679,436	\$ (3,170)
Audit	11,274	11,274	11,222	(52)
Insurance	73,482	73,482	73,143	(339)
IMRF	77,043	77,043	76,687	(356)
Social security	157,012	157,012	156,283	(729)
Street lighting	44,625	44,625	44,417	(208)
Police protection	109,736	109,736	109,226	(510)
Police pension	161,751	161,751	161,001	(750)
Road and bridge	34,965	34,965	34,483	(482)
Total property taxes	<u>1,352,494</u>	<u>1,352,494</u>	<u>1,345,898</u>	<u>(6,596)</u>
Other taxes				
Electric tax	272,753	272,753	256,051	(16,702)
Natural gas tax	230,179	230,179	141,782	(88,397)
Telecommunication tax	385,348	385,348	339,953	(45,395)
State income tax	800,744	800,744	682,418	(118,326)
Personal property replacement tax	1,715	1,715	1,672	(43)
State sales tax	500,902	500,902	545,330	44,428
State sales tax rebate	(109,299)	(109,299)	(93,893)	15,406
State use tax	130,508	130,508	105,978	(24,530)
Total other taxes	<u>2,212,850</u>	<u>2,212,850</u>	<u>1,979,291</u>	<u>(233,559)</u>
Charges for services				
Zoning and filing fees	14,750	14,750	4,350	(10,400)
Review and development fees	298,100	298,100	74,173	(223,927)
Charges for police services	10,500	10,500	10,186	(314)
Other charges for services	3,737	3,737	2,438	(1,299)
Total charges for services	<u>327,087</u>	<u>327,087</u>	<u>91,147</u>	<u>(235,940)</u>
Intergovernmental, grants and contributions				
Grants - operating, public safety	-	-	1,100	1,100
Total intergovernmental, grants and contributions	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>1,100</u>
Licenses and permits				
Liquor licenses	15,525	15,525	17,775	2,250
Games licenses	1,250	1,250	1,945	695
Contractors licenses	41,250	41,250	29,205	(12,045)
Building permits	38,400	38,400	37,768	(632)
Certificate of occupancy fees	1,710	1,710	1,995	285
Plan review fees	4,011	4,011	1,928	(2,083)
Reinspection fees	996	996	2,990	1,994
Transition fees	2,800	2,800	1,374	(1,426)
Other licenses and permits	5,960	5,960	8,628	2,668
Total licenses and permits	<u>111,902</u>	<u>111,902</u>	<u>103,608</u>	<u>(8,294)</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)  
 Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Fines, fees and forfeitures				
County court and drug fines	\$ 86,284	\$ 86,284	\$ 97,986	\$ 11,702
Towing Fees	-	-	47,500	47,500
Forfeitures	7,500	7,500	17,665	10,165
Other fines	46,072	46,072	62,458	16,386
Cable franchise fees	55,080	55,080	55,881	801
Map, plan and code charges	300	300	63	(237)
Total fines, fees and forfeitures	<u>195,236</u>	<u>195,236</u>	<u>281,553</u>	<u>86,317</u>
Interest	<u>42,555</u>	<u>42,555</u>	<u>35,597</u>	<u>(6,958)</u>
Miscellaneous				
Reimbursement	39,920	39,920	131,612	91,692
Other	500	500	357	(143)
Total miscellaneous	<u>40,420</u>	<u>40,420</u>	<u>131,969</u>	<u>91,549</u>
Total revenues	<u>\$ 4,282,544</u>	<u>\$ 4,282,544</u>	<u>\$ 3,970,163</u>	<u>\$ (312,381)</u>

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current				
General government				
Administration				
Personnel				
Regular salaries	\$ 177,902	\$ 177,902	\$ 177,195	\$ (707)
Health insurance	24,385	24,385	27,822	3,437
Life insurance	211	211	184	(27)
Unemployment compensation	178	178	-	(178)
Social security contribution	11,288	11,288	11,137	(151)
IMRF contribution	15,021	15,021	15,015	(6)
Training and memberships	2,056	2,056	1,925	(131)
Mileage reimbursement	2,075	2,075	1,741	(334)
	<u>233,116</u>	<u>233,116</u>	<u>235,019</u>	<u>1,903</u>
Contractual services				
Legal services	14,188	14,188	10,371	(3,817)
Medical services	86	86	33	(53)
Other professional services	300	300	49	(251)
Rental	4,650	4,650	2,962	(1,688)
Repair and maintenance services	100	100	46	(54)
Telecommunications	1,704	1,704	1,380	(324)
Printing	250	250	202	(48)
General insurance	97,083	97,083	94,795	(2,288)
	<u>118,361</u>	<u>118,361</u>	<u>109,838</u>	<u>(8,523)</u>
Commodities				
Postage and delivery	50	50	6	(44)
Books and publications	750	750	600	(150)
Office supplies	1,200	1,200	437	(763)
	<u>2,000</u>	<u>2,000</u>	<u>1,043</u>	<u>(957)</u>
Total administration	<u>353,477</u>	<u>353,477</u>	<u>345,900</u>	<u>(7,577)</u>
Board and commissions				
Personnel				
Part-time salaries	40,175	40,175	40,081	(94)
Social security contribution	3,073	3,073	2,837	(236)
IMRF contribution	421	421	425	4
Training and memberships	10,850	10,850	10,073	(777)
Mileage reimbursement	320	320	23	(297)
	<u>54,839</u>	<u>54,839</u>	<u>53,439</u>	<u>(1,400)</u>
Contractual services				
Medical services	50	50	25	(25)
Information system services	3,000	3,000	1,676	(1,324)
Other professional services	7,000	7,000	2,090	(4,910)

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
General government (continued)				
Board and commissions (continued)				
Contractual services (continued)				
Repair and maintenance services	\$ 1,000	\$ 1,000	\$ 1,139	\$ 139
Telecommunications	755	755	683	(72)
Publishing	200	200	39	(161)
Printing	400	400	239	(161)
Receptions and entertainment	2,200	2,200	448	(1,752)
Public relations	19,555	19,555	18,929	(626)
Employee activities	850	850	-	(850)
Plan commission	2,250	2,250	1,025	(1,225)
Police commission	5,900	5,900	6,245	345
	<u>43,160</u>	<u>43,160</u>	<u>32,538</u>	<u>(10,622)</u>
Commodities				
Postage and delivery	200	200	292	92
Books and publications	150	150	-	(150)
Office supplies	750	750	898	148
	<u>1,100</u>	<u>1,100</u>	<u>1,190</u>	<u>90</u>
Total board and commissions	<u>99,099</u>	<u>99,099</u>	<u>87,167</u>	<u>(11,932)</u>
Building maintenance				
Personnel				
Regular salaries	73,920	73,920	74,314	394
Overtime salaries	4,726	4,726	3,698	(1,028)
Part-time salaries	10,603	10,603	10,582	(21)
Health insurance	15,305	15,305	16,814	1,509
Life insurance	188	188	151	(37)
Unemployment compensation	89	89	-	(89)
Social security contribution	6,828	6,828	6,517	(311)
IMRF contribution	7,536	7,536	7,503	(33)
Training and memberships	200	200	48	(152)
Uniform allowance	500	500	366	(134)
Mileage reimbursement	25	25	-	(25)
	<u>119,920</u>	<u>119,920</u>	<u>119,993</u>	<u>73</u>
Contractual services				
Medical services	182	182	56	(126)
Rental	99	99	567	468
Repair and maintenance services	16,812	16,812	16,513	(299)
Telecommunications	\$ 2,407	\$ 2,407	\$ 1,992	\$ (415)
Utilities	2,100	2,100	1,348	(752)
	<u>21,600</u>	<u>21,600</u>	<u>20,476</u>	<u>(1,124)</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)  
 Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
General government (continued)				
Building maintenance (continued)				
Commodities				
General equipment	\$ 750	\$ 750	\$ -	\$ (750)
Fuels and lubricants	3,000	3,000	2,525	(475)
Custodial supplies	3,600	3,600	3,204	(396)
Specialized supplies	1,800	1,800	926	(874)
Safety supplies	600	600	289	(311)
Landscaping supplies	1,500	1,500	957	(543)
Books and publications	100	100	98	(2)
Building maintenance supplies	1,450	1,450	1,079	(371)
Office supplies	400	400	170	(230)
Vehicle maintenance supplies	650	650	1,377	727
	<u>13,850</u>	<u>13,850</u>	<u>10,625</u>	<u>(3,225)</u>
Total building maintenance	<u>155,370</u>	<u>155,370</u>	<u>151,094</u>	<u>(4,276)</u>
Community development				
Personnel				
Regular salaries	231,046	231,046	225,988	(5,058)
Overtime salaries	842	842	-	(842)
Part-time salaries	16,344	16,344	7,197	(9,147)
Health insurance	21,215	21,215	20,486	(729)
Life insurance	469	469	400	(69)
Unemployment compensation	248	248	1,782	1,534
Social security contribution	18,990	18,990	17,732	(1,258)
IMRF contribution	19,579	19,579	19,398	(181)
Training and memberships	4,750	4,750	2,278	(2,472)
Uniform allowance	200	200	-	(200)
Mileage reimbursement	400	400	19	(381)
	<u>314,083</u>	<u>314,083</u>	<u>295,280</u>	<u>(18,803)</u>
Contractual services				
Legal services	90,000	90,000	49,646	(40,354)
Engineering services	282,750	282,750	153,808	(128,942)
Medical services	147	147	12	(135)
Information system services	700	700	350	(350)
Other professional services	39,925	39,925	25,330	(14,595)
Rental	3,306	3,306	2,741	(565)
Repair and maintenance services	1,100	1,100	2,129	1,029
Telecommunications	4,004	4,004	2,845	(1,159)
Publishing	1,000	1,000	941	(59)
Printing	2,500	2,500	377	(2,123)

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
General government (continued)				
Community development (continued)				
Contractual services (continued)				
Receptions and entertainment	\$ 300	\$ 300	\$ 176	\$ (124)
	<u>425,732</u>	<u>425,732</u>	<u>238,355</u>	<u>(187,377)</u>
Commodities				
General equipment	400	400	-	(400)
Postage and delivery	1,250	1,250	385	(865)
Fuels and lubricants	2,400	2,400	1,542	(858)
Specialized supplies	250	250	49	(201)
Safety supplies	100	100	-	(100)
Books and publications	400	400	383	(17)
Office supplies	2,500	2,500	688	(1,812)
	<u>7,300</u>	<u>7,300</u>	<u>3,047</u>	<u>(4,253)</u>
Total community development	<u>747,115</u>	<u>747,115</u>	<u>536,682</u>	<u>(210,433)</u>
Finance				
Personnel				
Regular salaries	92,739	92,739	81,060	(11,679)
Overtime salaries	499	499	36	(463)
Health insurance	24,605	24,605	21,564	(3,041)
Life insurance	199	199	143	(56)
Unemployment compensation	93	93	3,445	3,352
Social security contribution	7,133	7,133	5,625	(1,508)
IMRF contribution	7,872	7,872	6,821	(1,051)
Training and memberships	2,088	2,088	2,310	222
Mileage reimbursement	500	500	21	(479)
	<u>135,728</u>	<u>135,728</u>	<u>121,025</u>	<u>(14,703)</u>
Contractual services				
Legal services	1,000	1,000	-	(1,000)
Audit services	11,250	11,250	12,269	1,019
Medical services	147	147	15	(132)
Information system services	4,540	4,540	4,288	(252)
Other professional services	7,847	7,847	7,291	(556)
Rental	122	122	156	34
Repair and maintenance services	400	400	222	(178)
Telecommunications	1,764	1,764	1,813	49
Publishing	1,015	1,015	923	(92)
Printing	1,250	1,250	684	(566)
Recruitment	-	-	500	500
	<u>29,335</u>	<u>29,335</u>	<u>28,161</u>	<u>(1,174)</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
General government (continued)				
Finance (continued)				
Commodities				
Postage and delivery	\$ 1,100	\$ 1,100	\$ 814	\$ (286)
Specialized supplies	200	200	230	30
Books and publications	282	282	192	(90)
Office supplies	1,500	1,500	867	(633)
	<u>3,082</u>	<u>3,082</u>	<u>2,103</u>	<u>(979)</u>
Total finance	<u>168,145</u>	<u>168,145</u>	<u>151,289</u>	<u>(16,856)</u>
Information technology				
Contractual services				
Information system services	21,037	21,037	14,481	(6,556)
Telecommunications	420	420	420	-
	<u>21,457</u>	<u>21,457</u>	<u>14,901</u>	<u>(6,556)</u>
Commodities				
Office supplies	100	100	11	(89)
	<u>100</u>	<u>100</u>	<u>11</u>	<u>(89)</u>
Total information technology	<u>21,557</u>	<u>21,557</u>	<u>14,912</u>	<u>(6,645)</u>
Total general government	<u>1,544,763</u>	<u>1,544,763</u>	<u>1,287,044</u>	<u>(257,719)</u>
Public safety				
Police				
Personnel				
Regular salaries	975,328	975,328	962,227	(13,101)
Overtime salaries	83,984	83,984	52,055	(31,929)
Part-time salaries	53,282	53,282	54,042	760
Seasonal salaries	-	-	40	40
Police pension contribution	200,413	200,413	200,413	-
Health insurance	166,459	166,459	169,255	2,796
Life insurance	1,994	1,994	1,675	(319)
Unemployment compensation	1,113	1,113	-	(1,113)
Social security contribution	85,113	85,113	80,169	(4,944)
IMRF contribution	4,026	4,026	3,994	(32)
Training and memberships	5,765	5,765	5,795	30
Uniform allowance	12,000	12,000	12,000	-
Mileage reimbursement	500	500	-	(500)
	<u>1,589,977</u>	<u>1,589,977</u>	<u>1,541,665</u>	<u>(48,312)</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)  
 Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
Public safety (continued)				
Police (continued)				
Contractual services				
Legal services	\$ 52,000	\$ 52,000	\$ 59,886	\$ 7,886
Medical services	1,691	1,691	198	(1,493)
Information system services	372	372	523	151
Other professional services	5,600	5,600	5,371	(229)
Rental	2,714	2,714	1,802	(912)
Repair and maintenance services	50,415	50,415	34,428	(15,987)
Telecommunications	150,078	150,078	200,952	50,874
Printing	1,700	1,700	1,870	170
Receptions and entertainment	50	50	-	(50)
	<u>264,620</u>	<u>264,620</u>	<u>305,030</u>	<u>40,410</u>
Commodities				
General equipment	2,000	2,000	63	(1,937)
Postage and delivery	950	950	618	(332)
Fuels and lubricants	50,000	50,000	43,961	(6,039)
Specialized supplies	3,500	3,500	3,811	311
Safety supplies	200	200	101	(99)
Books and publications	300	300	215	(85)
Office supplies	5,000	5,000	1,520	(3,480)
Vehicle maintenance supplies	1,500	1,500	65	(1,435)
	<u>63,450</u>	<u>63,450</u>	<u>50,354</u>	<u>(13,096)</u>
Total public safety	<u>1,918,047</u>	<u>1,918,047</u>	<u>1,897,049</u>	<u>(20,998)</u>
Highways and streets				
Public works				
Personnel				
Regular salaries	217,651	217,651	217,206	(445)
Overtime salaries	11,190	11,190	8,768	(2,422)
Part-time salaries	10,603	10,603	10,582	(21)
Health insurance	39,484	39,484	41,864	2,380
Life insurance	516	516	439	(77)
Unemployment compensation	239	239	-	(239)
Social security contribution	18,311	18,311	17,433	(878)
IMRF contribution	20,209	20,209	20,022	(187)
Training and memberships	1,200	1,200	1,055	(145)
Uniform allowance	1,250	1,250	481	(769)
Mileage reimbursement	25	25	11	(14)
	<u>320,678</u>	<u>320,678</u>	<u>317,861</u>	<u>(2,817)</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)  
 Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
Highways and streets (continued)				
Public works (continued)				
Contractual services				
Legal services	\$ 500	\$ 500	\$ -	\$ (500)
Engineering services	17,400	17,400	14,964	(2,436)
Medical services	547	547	200	(347)
Other professional services	3,200	3,200	3,163	(37)
Rental	3,673	3,673	3,659	(14)
Repair and maintenance services	36,253	36,253	27,262	(8,991)
Telecommunications	4,076	4,076	3,928	(148)
Publishing	100	100	-	(100)
Printing	500	500	-	(500)
Receptions and entertainment	200	200	66	(134)
Utilities	46,725	46,725	44,813	(1,912)
Employee activities	500	500	61	(439)
	<u>113,674</u>	<u>113,674</u>	<u>98,116</u>	<u>(15,558)</u>
Commodities				
Postage and delivery	175	175	124	(51)
Fuels and lubricants	16,500	16,500	15,572	(928)
Specialized supplies	5,500	5,500	4,832	(668)
Safety supplies	700	700	469	(231)
Landscaping supplies	10,220	10,220	3,847	(6,373)
Books and publications	500	500	98	(402)
Roadway maintenance supplies	7,500	7,500	10,664	3,164
Traffic control supplies	12,000	12,000	8,886	(3,114)
Equipment parts	2,500	2,500	4,413	1,913
Office supplies	800	800	320	(480)
Snow and ice control supplies	154,994	154,994	134,762	(20,232)
Vehicle maintenance supplies	12,000	12,000	11,997	(3)
	<u>223,389</u>	<u>223,389</u>	<u>195,984</u>	<u>(27,405)</u>
Total highways and streets	<u>657,741</u>	<u>657,741</u>	<u>611,961</u>	<u>(45,780)</u>
Total expenditures	<u>\$ 4,120,551</u>	<u>\$ 4,120,551</u>	<u>\$ 3,796,054</u>	<u>\$ (324,497)</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, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Property taxes	\$ 98,040	\$ 98,040	\$ 98,560	\$ 520
Interest	8,850	8,850	2,816	(6,034)
Total revenues	<u>106,890</u>	<u>106,890</u>	<u>101,376</u>	<u>(5,514)</u>
Expenditures				
Debt service				
Principal	840,000	840,000	840,000	-
Interest and fiscal charges	438,373	438,373	437,591	(782)
Total expenditures	<u>1,278,373</u>	<u>1,278,373</u>	<u>1,277,591</u>	<u>(782)</u>
Deficiency of revenues over expenditures	<u>(1,171,483)</u>	<u>(1,171,483)</u>	<u>(1,176,215)</u>	<u>(4,732)</u>
Other financing sources				
Transfers in	1,176,933	1,176,933	1,176,933	-
Total other financing sources	<u>1,176,933</u>	<u>1,176,933</u>	<u>1,176,933</u>	<u>-</u>
Net change in fund balance	<u>\$ 5,450</u>	<u>\$ 5,450</u>	718	<u>\$ (4,732)</u>
Fund balance - beginning			<u>410,874</u>	
Fund balance - ending			<u>\$ 411,592</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, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>				
Intergovernmental, grants and contributions	\$ 20,206	\$ 20,206	\$ 2,000	\$ (18,206)
Interest	164,355	164,355	140,278	(24,077)
Miscellaneous	64,871	64,871	64,980	109
<b>Total revenues</b>	<b>249,432</b>	<b>249,432</b>	<b>207,258</b>	<b>(42,174)</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	500	500
Highways and streets	-	-	92,961	92,961
Capital outlay	1,623,066	1,623,066	118,466	(1,504,600)
<b>Total expenditures</b>	<b>1,623,066</b>	<b>1,623,066</b>	<b>211,927</b>	<b>(1,411,139)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,373,634)</b>	<b>(1,373,634)</b>	<b>(4,669)</b>	<b>1,368,965</b>
<b>Other financing sources (uses)</b>				
Transfers in	226,706	226,706	226,706	-
Transfers out	(2,958,656)	(2,958,656)	(2,679,427)	279,229
<b>Total other financing sources (uses)</b>	<b>(2,731,950)</b>	<b>(2,731,950)</b>	<b>(2,452,721)</b>	<b>279,229</b>
<b>Net change in fund balance</b>	<b>\$ (4,105,584)</b>	<b>\$ (4,105,584)</b>	<b>(2,457,390)</b>	<b>\$ 1,648,194</b>
Fund balance - beginning			7,869,281	
Fund balance - ending			<u>\$ 5,411,891</u>	

Village of Sugar Grove, Illinois

General Capital Projects Fund

Schedule of Revenues and Expenditures -  
Budget and Actual  
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>				
Intergovernmental, grants and contributions				
Contributions - capital, general government	\$ 17,756	\$ 17,756	\$ -	\$ (17,756)
Contributions - operating, general government	1,000	1,000	-	(1,000)
Contributions - capital, public safety	850	850	1,000	150
Contributions - capital, highways and streets	600	600	1,000	400
Interest	164,355	164,355	140,278	(24,077)
Miscellaneous				
Rental	64,871	64,871	64,980	109
<b>Total revenues</b>	<b>\$ 249,432</b>	<b>\$ 249,432</b>	<b>\$ 207,258</b>	<b>\$ (42,174)</b>
<b>Expenditures</b>				
<b>Current</b>				
General government				
Administration				
Contractual services				
Legal services	\$ -	\$ -	\$ 500	\$ 500
Highways and streets				
Public works				
Contractual services				
Legal services	-	-	6,723	6,723
Engineering services	-	-	75,129	75,129
Other Professional services	-	-	82	82
Rental	-	-	10,250	10,250
Advertising	-	-	777	777
Capital outlay				
Public safety				
Police				
Automotive equipment	123,066	123,066	118,466	(4,600)
Highways and streets				
Public works				
Land acquisition	1,500,000	1,500,000	-	(1,500,000)
<b>Total expenditures</b>	<b>\$ 1,623,066</b>	<b>\$ 1,623,066</b>	<b>\$ 211,927</b>	<b>\$ (1,411,639)</b>

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, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>				
Other taxes				
Motor fuel tax allotments	\$ 242,702	\$ 242,702	\$ 233,657	\$ (9,045)
Local sales tax	333,517	333,517	347,152	13,635
Intergovernmental, grants and contributions				
Grants - capital, highways and streets	3,532,013	3,532,013	2,274,644	(1,257,369)
Contributions - capital, highways and streets	32,800	32,800	16,100	(16,700)
Contributions - operating, highways and streets	9,330	9,330	28,471	19,141
Interest	28,950	28,950	3,982	(24,968)
Miscellaneous				
Reimbursement	-	-	3,636	3,636
<b>Total revenues</b>	<b>4,179,312</b>	<b>4,179,312</b>	<b>2,907,642</b>	<b>(1,271,670)</b>
<b>Expenditures</b>				
Current				
Highways and streets				
Public works				
Contractual services				
Legal services	-	-	31,397	31,397
Engineering services	545,437	545,437	341,954	(203,483)
Other professional services	19,730	19,730	86,742	67,012
Publishing	-	-	178	178
Capital outlay				
Highways and streets				
Public works				
Streets and right of way improvements	7,614,172	7,614,172	5,086,476	(2,527,696)
<b>Total expenditures</b>	<b>8,179,339</b>	<b>8,179,339</b>	<b>5,546,747</b>	<b>(2,632,592)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(4,000,027)</b>	<b>(4,000,027)</b>	<b>(2,639,105)</b>	<b>1,360,922</b>
<b>Other financing sources (uses)</b>				
Transfers in	2,961,133	2,961,133	2,542,696	(418,437)
Transfers out	(734,508)	(734,508)	(734,508)	-
<b>Total other financing sources (uses)</b>	<b>2,226,625</b>	<b>2,226,625</b>	<b>1,808,188</b>	<b>(418,437)</b>
<b>Net change in fund balance</b>	<b>\$ (1,773,402)</b>	<b>\$ (1,773,402)</b>	<b>(830,917)</b>	<b>\$ 942,485</b>
Fund balance - beginning			698,079	
Fund balance - ending			<b>\$ (132,838)</b>	

**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, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating revenues				
Charges for services				
Water revenue	\$ 1,299,470	\$ 1,299,470	\$ 1,159,744	\$ (139,726)
Sewer revenue	1,241,519	1,241,519	1,169,094	(72,425)
Meter sales	2,175	2,175	6,344	4,169
Total operating revenues	<u>2,543,164</u>	<u>2,543,164</u>	<u>2,335,182</u>	<u>(207,982)</u>
Operating expenses excluding amortization and depreciation	<u>1,496,298</u>	<u>1,496,298</u>	<u>1,432,166</u>	<u>(64,132)</u>
Operating income before amortization and depreciation	<u>1,046,866</u>	<u>1,046,866</u>	<u>903,016</u>	<u>(143,850)</u>
Amortization	2,861	2,861	13,985	11,124
Depreciation	693,180	693,180	751,496	58,316
Total amortization and depreciation	<u>696,041</u>	<u>696,041</u>	<u>765,481</u>	<u>69,440</u>
Operating income	<u>350,825</u>	<u>350,825</u>	<u>137,535</u>	<u>(213,290)</u>
Nonoperating revenues (expenses)				
Connection fees	34,150	34,150	10,805	(23,345)
Interest income	158,160	158,160	91,558	(66,602)
Other income	12,126	12,126	16,463	4,337
Interest expense	(396,094)	(396,094)	(386,385)	9,709
Total nonoperating revenues (expenses)	<u>(191,658)</u>	<u>(191,658)</u>	<u>(267,559)</u>	<u>(75,901)</u>
Income (loss) before contributions and transfers	<u>159,167</u>	<u>159,167</u>	<u>(130,024)</u>	<u>(289,191)</u>
Transfer out	<u>(305,694)</u>	<u>(305,694)</u>	<u>(305,694)</u>	<u>-</u>
Change in net assets	<u>\$ (146,527)</u>	<u>\$ (146,527)</u>	<u>(435,718)</u>	<u>\$ (289,191)</u>
Net assets - beginning			<u>18,423,502</u>	
Net assets - ending			<u>\$ 17,987,784</u>	

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating revenues				
Charges for services				
Water revenue				
Water sales	\$ 1,272,206	\$ 1,272,206	\$ 1,139,818	\$ (132,388)
Water penalties	22,264	22,264	19,926	(2,338)
Water other	5,000	5,000	-	(5,000)
	<u>1,299,470</u>	<u>1,299,470</u>	<u>1,159,744</u>	<u>(139,726)</u>
Sewer revenue				
Sewer sales	1,223,171	1,223,171	1,111,108	(112,063)
Sewer penalties	18,348	18,348	20,153	1,805
Sewer other	-	-	37,833	37,833
	<u>1,241,519</u>	<u>1,241,519</u>	<u>1,169,094</u>	<u>(72,425)</u>
Meter sales	2,175	2,175	6,344	4,169
Total operating revenues	<u>\$ 2,543,164</u>	<u>\$ 2,543,164</u>	<u>\$ 2,335,182</u>	<u>\$ (207,982)</u>
Nonoperating revenues				
Connection fees				
Water tap-on fees	\$ 29,005	\$ 29,005	\$ 9,895	\$ (19,110)
Sewer tap-on fees	5,145	5,145	910	(4,235)
	<u>34,150</u>	<u>34,150</u>	<u>10,805</u>	<u>(23,345)</u>
Interest income	158,160	158,160	91,558	(66,602)
Other income				
Meter reinspections	109	109	-	(109)
Reimbursement	390	390	6,549	6,159
Rental	5,627	5,627	5,410	(217)
Miscellaneous	6,000	6,000	4,504	(1,496)
	<u>12,126</u>	<u>12,126</u>	<u>16,463</u>	<u>4,337</u>
Total nonoperating revenues	<u>\$ 204,436</u>	<u>\$ 204,436</u>	<u>\$ 118,826</u>	<u>\$ (85,610)</u>

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Expenses - Budget and Actual (Budgetary Basis)

Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating expenses				
Information technology				
Contractual services				
Information system services	\$ 21,038	\$ 21,038	\$ 9,765	\$ (11,273)
Telecommunications	420	420	420	-
	<u>21,458</u>	<u>21,458</u>	<u>10,185</u>	<u>(11,273)</u>
Commodities				
Office supplies	100	100	-	(100)
	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
Total information technology	<u>21,558</u>	<u>21,558</u>	<u>10,185</u>	<u>(11,373)</u>
General administration				
Personnel				
Regular salaries	133,759	133,759	124,089	(9,670)
Overtime salaries	712	712	125	(587)
Health insurance	34,045	34,045	31,549	(2,496)
Life insurance	293	293	226	(67)
Unemployment compensation	134	134	8,780	8,646
Social security contribution	10,029	10,029	8,361	(1,668)
IMRF contribution	11,354	11,354	10,324	(1,030)
Training and memberships	2,089	2,089	2,316	227
Mileage reimbursement	500	500	192	(308)
	<u>192,915</u>	<u>192,915</u>	<u>185,962</u>	<u>(6,953)</u>
Contractual services				
Legal services	2,000	2,000	2,923	923
Audit services	11,250	11,250	12,269	1,019
Information system services	4,540	4,540	5,288	748
Other professional services	3,398	3,398	3,834	436
Rental	408	408	480	72
Repair and maintenance services	1,821	1,821	1,886	65
Telecommunications	1,169	1,169	1,513	344
Printing	5,192	5,192	4,210	(982)
General insurance	97,083	97,083	94,795	(2,288)
	<u>126,861</u>	<u>126,861</u>	<u>127,198</u>	<u>337</u>
Commodities				
Postage and delivery	20,862	20,862	21,481	619
Books and publications	283	283	193	(90)
Office supplies	1,500	1,500	827	(673)
	<u>22,645</u>	<u>22,645</u>	<u>22,501</u>	<u>(144)</u>
Total general administration	<u>342,421</u>	<u>342,421</u>	<u>335,661</u>	<u>(6,760)</u>
Public works administration				
Personnel				
Regular salaries	339,425	339,425	336,619	(2,806)
Overtime salaries	36,079	36,079	20,737	(15,342)

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating expenses (continued)				
Public works administration (continued)				
Personnel (continued)				
Health insurance	\$ 67,746	\$ 67,746	\$ 67,264	\$ (482)
Life insurance	821	821	714	(107)
Unemployment compensation	376	376	-	(376)
Social security contribution	28,726	28,726	26,419	(2,307)
IMRF contribution	31,705	31,705	30,321	(1,384)
Training and memberships	6,700	6,700	5,287	(1,413)
Uniform allowance	2,000	2,000	1,173	(827)
Mileage reimbursement	200	200	122	(78)
	<u>513,778</u>	<u>513,778</u>	<u>488,656</u>	<u>(25,122)</u>
Contractual services				
Legal services	1,000	1,000	153	(847)
Engineering services	1,500	1,500	4,758	3,258
Medical services	1,149	1,149	428	(721)
Other professional services	1,860	1,860	1,826	(34)
Julie services	2,469	2,469	2,280	(189)
Scada services	4,000	4,000	2,457	(1,543)
Rental	798	798	2,662	1,864
Repair and maintenance services	22,162	22,162	17,699	(4,463)
Telecommunications	8,390	8,390	8,733	343
Publishing	250	250	-	(250)
Printing	3,500	3,500	2,435	(1,065)
Receptions and entertainment	100	100	66	(34)
Utilities	750	750	602	(148)
Employee activities	500	500	-	(500)
	<u>48,428</u>	<u>48,428</u>	<u>44,099</u>	<u>(4,329)</u>
Commodities				
General equipment	5,700	5,700	4,000	(1,700)
Postage and delivery	6,000	6,000	3,590	(2,410)
Fuels and lubricants	39,000	39,000	27,439	(11,561)
Custodial supplies	3,500	3,500	3,204	(296)
Specialized supplies	4,500	4,500	2,183	(2,317)
Safety supplies	3,000	3,000	1,236	(1,764)
Books and publications	1,000	1,000	196	(804)
Equipment parts	3,000	3,000	4,059	1,059
Office supplies	1,200	1,200	650	(550)
Vehicle maintenance supplies	13,650	13,650	13,308	(342)
	<u>80,550</u>	<u>80,550</u>	<u>59,865</u>	<u>(20,685)</u>
Total public works administration	<u>642,756</u>	<u>642,756</u>	<u>592,620</u>	<u>(50,136)</u>

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Expenses - Budget and Actual (Budgetary Basis) (Continued)  
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Operating expenses (continued)</b>				
Water operations				
Contractual services				
Other professional services	\$ 23,870	\$ 23,870	\$ 15,398	\$ (8,472)
IEPA water sampling	18,000	18,000	-	(18,000)
Rental	650	650	325	(325)
Repair and maintenance services	19,100	19,100	7,805	(11,295)
Utilities	209,391	209,391	269,236	59,845
Bad debt	127	127	70	(57)
	<u>271,138</u>	<u>271,138</u>	<u>292,834</u>	<u>21,696</u>
Commodities				
Specialized supplies	44,427	44,427	55,726	11,299
Landscaping supplies	4,000	4,000	2,398	(1,602)
Chemicals and lab supplies	87,551	87,551	91,963	4,412
Traffic control supplies	1,500	1,500	770	(730)
Building maintenance supplies	2,750	2,750	1,238	(1,512)
Equipment parts	800	800	200	(600)
	<u>141,028</u>	<u>141,028</u>	<u>152,295</u>	<u>11,267</u>
Total water operations	<u>412,166</u>	<u>412,166</u>	<u>445,129</u>	<u>32,963</u>
Sewer operations				
Contractual services				
Other professional services	32,000	32,000	3,945	(28,055)
Rental	1,000	1,000	515	(485)
Repair and maintenance services	16,500	16,500	15,772	(728)
Utilities	10,275	10,275	14,843	4,568
Bad debt	122	122	68	(54)
	<u>59,897</u>	<u>59,897</u>	<u>35,143</u>	<u>(24,754)</u>
Commodities				
Specialized supplies	10,000	10,000	7,905	(2,095)
Chemicals and lab supplies	3,000	3,000	422	(2,578)
Building maintenance supplies	500	500	-	(500)
Equipment parts	4,000	4,000	-	(4,000)
	<u>17,500</u>	<u>17,500</u>	<u>8,327</u>	<u>(9,173)</u>
Total sewer operations	<u>77,397</u>	<u>77,397</u>	<u>43,470</u>	<u>(33,927)</u>
Water capital				
Contractual services				
Legal services	-	-	446	446
Engineering services	225,466	225,466	87,353	(138,113)
Other professional services	-	-	406	406
Less: capital assets capitalized	(225,466)	(225,466)	(83,104)	142,362
	<u>-</u>	<u>-</u>	<u>5,101</u>	<u>5,101</u>

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating expenses (continued)				
Water capital (continued)				
Commodities				
Land acquisition	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Building improvements	83,810	83,810	-	(83,810)
Water system improvements	619,147	619,147	372,200	(246,947)
Less: capital assets capitalized	(902,957)	(902,957)	(372,200)	530,757
	-	-	-	-
Total water capital	-	-	5,101	5,101
Total operating expenses excluding depreciation	\$ 1,496,298	\$ 1,496,298	\$ 1,432,166	\$ (64,132)
Nonoperating expenses				
Principal retirements				
Bonds payable	\$ 775,000	\$ 775,000	\$ 180,000	\$ (595,000)
Loans payable	311,540	311,540	311,539	(1)
Less: decrease in liability	(1,086,540)	(1,086,540)	(491,539)	595,001
	-	-	-	-
Interest expense				
Bonds payable	278,823	278,823	270,567	(8,256)
Loans payable	116,071	116,071	115,018	(1,053)
Fiscal agent fees	1,200	1,200	800	(400)
	396,094	396,094	386,385	(9,709)
Total nonoperating expenses	\$ 396,094	\$ 396,094	\$ 386,385	\$ (9,709)

Village of Sugar Grove, Illinois

Refuse Fund

Schedule of Revenues, Expenses and Changes in Net Assets  
 - Budget and Actual  
 Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating revenues				
Charges for services				
Refuse revenue	\$ 700,893	\$ 700,893	\$ 702,417	\$ 1,524
Operating expenses				
Contractual services				
Refuse services	682,511	682,511	680,825	(1,686)
Bad debt	69	69	90	21
Total operating expenses	682,580	682,580	680,915	(1,665)
Operating income	18,313	18,313	21,502	3,189
Nonoperating revenues				
Interest income	500	500	73	(427)
Income before contributions and transfers	18,813	18,813	21,575	2,762
Transfer out	(27,500)	(27,500)	(27,500)	-
Change in net assets	\$ (8,687)	\$ (8,687)	(5,925)	\$ 2,762
Net assets - beginning			43,015	
Net assets - ending			\$ 37,090	

## **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, 2010

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Additions</b>				
Contributions				
Employer	\$ 200,413	\$ 200,413	\$ 200,413	\$ -
Participants	93,172	93,172	88,562	(4,610)
Total contributions	<u>293,585</u>	<u>293,585</u>	<u>288,975</u>	<u>(4,610)</u>
Investment income				
Interest income	74,975	74,975	48,494	(26,481)
Net appreciation in fair value of investments	-	-	55,325	55,325
Total investment income	<u>74,975</u>	<u>74,975</u>	<u>103,819</u>	<u>28,844</u>
Less investment expenses	(5,998)	(5,998)	(4,872)	1,126
Net investment income	<u>68,977</u>	<u>68,977</u>	<u>98,947</u>	<u>29,970</u>
Total additions	<u>362,562</u>	<u>362,562</u>	<u>387,922</u>	<u>25,360</u>
<b>Deductions</b>				
Administration	3,764	3,764	37,926	(34,162)
Pension benefits and refunds	-	-	133,381	(133,381)
Total deductions	<u>3,764</u>	<u>3,764</u>	<u>171,307</u>	<u>(167,543)</u>
Change in net assets	<u>\$ 358,798</u>	<u>\$ 358,798</u>	<u>216,615</u>	<u>\$ (142,183)</u>
Net assets - beginning			<u>1,345,242</u>	
Net assets - ending			<u>\$ 1,561,857</u>	

Village of Sugar Grove, Illinois

Agency Funds

Combining Statement of Changes in Assets and Liabilities  
Year Ended April 30, 2010

	Balance, May 1	Additions	Deductions	Balance, April 30
<b>All Agency Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 14,817	\$ 54,677	\$ 54,005	\$ 15,489
<b>Liabilities</b>				
Due to other governments	\$ 14,817	\$ 54,006	\$ 54,678	\$ 15,489
<b>School District Development Transition Fee Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,503	\$ 8,162	\$ 10,664	\$ 1
<b>Liabilities</b>				
Due to other governments	\$ 2,503	\$ 10,665	\$ 8,163	\$ 1
<b>Fire District Development Transition Fee Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 463	\$ 1,493	\$ 1,956	\$ -
<b>Liabilities</b>				
Due to other governments	\$ 463	\$ 1,956	\$ 1,493	\$ -
<b>Park District Development Transition Fee Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 130	\$ 420	\$ 550	\$ -
<b>Liabilities</b>				
Due to other governments	\$ 130	\$ 550	\$ 420	\$ -

(Continued)

Village of Sugar Grove, Illinois

Agency Funds

Combining Statement of Changes in Assets and Liabilities (Continued)  
Year Ended April 30, 2010

	Balance, May 1	Additions	Deductions	Balance, April 30
<b>Library District Development Transition Fee Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 179	\$ 579	\$ 758	\$ -
<b>Liabilities</b>				
Due to other governments	\$ 179	\$ 758	\$ 579	\$ -
<b>Township Development Transition Fee Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 73	\$ 234	\$ 307	\$ -
<b>Liabilities</b>				
Due to other governments	\$ 73	\$ 307	\$ 234	\$ -
<b>School District Development Impact Fee Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,905	\$ 18,945	\$ 21,248	\$ 602
<b>Liabilities</b>				
Due to other governments	\$ 2,905	\$ 21,248	\$ 18,945	\$ 602
<b>Library District Development Impact Fee Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 750	\$ 300	\$ 450
<b>Liabilities</b>				
Due to other governments	\$ -	\$ 300	\$ 750	\$ 450

(Continued)

Village of Sugar Grove, Illinois

Agency Funds

Combining Statement of Changes in Assets and Liabilities (Continued)  
Year Ended April 30, 2010

	Balance, May 1	Additions	Deductions	Balance, April 30
<b>Fire District Development Impact Fee Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 3,489	\$ 2,433	\$ 4,463	\$ 1,459
<b>Liabilities</b>				
Due to other governments	\$ 3,489	\$ 4,463	\$ 2,433	\$ 1,459
<b>Park District Development Land Cash Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,550	\$ 9,809	\$ 6,710	\$ 4,649
<b>Liabilities</b>				
Due to other governments	\$ 1,550	\$ 6,710	\$ 9,809	\$ 4,649
<b>Park District Development Impact Fee Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
<b>Liabilities</b>				
Due to other governments	\$ -	\$ -	\$ -	\$ -
<b>School District Development Land Cash Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 3,525	\$ 11,852	\$ 7,049	\$ 8,328
<b>Liabilities</b>				
Due to other governments	\$ 3,525	\$ 7,049	\$ 11,852	\$ 8,328

**OTHER SUPPLEMENTARY INFORMATION**

**VILLAGE OF SUGAR GROVE, ILLINOIS**

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds, Series 1991  
 April 30, 2010

Date of Issue                      September 15, 1991  
 Date of Maturity                 January 1, 2011  
 Authorized Issue                 \$925,000  
 Denomination of Bonds         \$ 5,000  
 Interest Rates                     7.0 - 9.0%  
 Interest Dates                     January 1 and July 1  
 Principal Maturity Date         January 1  
 Payable at                         Old Second National Bank

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2011	\$ 90,000	\$ 6,750	\$ 96,750	2010	\$ 3,375	2011	\$ 3,375
	<u>\$ 90,000</u>	<u>\$ 6,750</u>	<u>\$ 96,750</u>		<u>\$ 3,375</u>		<u>\$ 3,375</u>

**VILLAGE OF SUGAR GROVE, ILLINOIS**

Long-Term Debt Requirements

General Obligation Water and Sewer Alternate Revenue Refunding Bonds, Series 2002  
 April 30, 2010

Date of Issue                      May 15, 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
2011	\$ 155,000	\$ 14,700	\$ 169,700	2010	\$ 8,900	2010	\$ 5,800
2012	165,000	8,300	173,300	2011	5,800	2011	2,500
2013	125,000	2,500	127,500	2012	2,500	2012	-
	<u>\$ 445,000</u>	<u>\$ 25,500</u>	<u>\$ 470,500</u>		<u>\$ 17,200</u>		<u>\$ 8,300</u>

**VILLAGE OF SUGAR GROVE, ILLINOIS**

Long-Term Debt Requirements

General Obligation Water and Sewer Alternate Revenue Refunding Bonds, Series 2006  
 April 30, 2010

Date of Issue                      May 1, 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
2011	\$ 35,000	\$ 113,525	\$ 148,525	2010	\$ 57,113	2010	\$ 56,412
2012	35,000	112,125	147,125	2011	56,413	2011	55,712
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>\$ 2,550,000</u>	<u>\$ 809,663</u>	<u>\$ 3,359,663</u>		<u>\$ 433,392</u>		<u>\$ 376,271</u>

**VILLAGE OF SUGAR GROVE, ILLINOIS**

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds, Series 2006A  
 April 30, 2010

Date of Issue	June 15, 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
2011	\$ 440,000	\$ 302,800	\$ 742,800	2010	\$ 151,400	2010	\$ 151,400
2012	355,000	284,980	639,980	2011	142,490	2011	142,490
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>\$ 7,450,000</u>	<u>\$ 2,831,075</u>	<u>\$ 10,281,075</u>		<u>\$ 1,415,538</u>		<u>\$ 1,415,537</u>

**VILLAGE OF SUGAR GROVE, ILLINOIS**

Long-Term Debt Requirements

General Obligation Waterworks and Sewerage Alternate Revenue Source Bonds, Series 2008A  
 April 30, 2010

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
2011	\$ 80,000	\$ 109,025	\$ 189,025	2010	\$ 55,312	2010	\$ 53,713
2012	80,000	105,825	185,825	2011	53,712	2011	52,113
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>\$ 2,585,000</u>	<u>\$ 1,331,269</u>	<u>\$ 3,916,269</u>		<u>\$ 693,286</u>		<u>\$ 637,983</u>

**VILLAGE OF SUGAR GROVE, ILLINOIS**

Long-Term Debt Requirements

General Obligation Road Alternate Revenue Source Bonds, Series 2008B  
 April 30, 2010

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
2011	\$ 115,000	\$ 16,635	\$ 131,635	2010	\$ 8,317	2011	\$ 8,318
2012	120,000	13,012	133,012	2011	6,506	2012	6,506
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>\$ 490,000</u>	<u>\$ 43,319</u>	<u>\$ 533,319</u>		<u>\$ 21,659</u>		<u>\$ 21,660</u>

**VILLAGE OF SUGAR GROVE, ILLINOIS**

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Refunding Bonds, Series 2009  
 April 30, 2010

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
2011	\$ 215,000	\$ 89,835	\$ 304,835	2010	\$ 44,917	2011	\$ 44,918
2012	230,000	84,460	314,460	2011	42,230	2012	42,230
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>\$ 2,880,000</u>	<u>\$ 616,345</u>	<u>\$ 3,496,345</u>		<u>\$ 308,171</u>		<u>\$ 308,174</u>

**VILLAGE OF SUGAR GROVE, ILLINOIS**

Long-Term Debt Requirements

Illinois Environmental Protection Agency Loan Payable, 1998  
 April 30, 2010

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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**

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Fiscal Year	Principal	Interest	Totals
2011	\$ 188,267	\$ 51,358	\$ 239,625
2012	193,242	46,383	239,625
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>\$ 2,003,236</u>	<u>\$ 273,201</u>	<u>\$ 2,276,437</u>

**VILLAGE OF SUGAR GROVE, ILLINOIS**

Long-Term Debt Requirements

Illinois Environmental Protection Agency Loan Payable, 2002  
April 30, 2010

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
2011	\$ 73,470	\$ 31,005	\$ 104,475
2012	75,449	29,026	104,475
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	51,548	690	52,238
	\$ 1,177,298	\$ 233,115	\$ 1,410,413

**VILLAGE OF SUGAR GROVE, ILLINOIS**

Long-Term Debt Requirements

Illinois Environmental Protection Agency Loan Payable, 2003  
April 30, 2010

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
2011	\$ 58,039	\$ 25,472	\$ 83,511
2012	59,539	23,972	83,511
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	41,227	528	41,755
	<b>\$ 1,005,558</b>	<b>\$ 205,347</b>	<b>\$ 1,210,905</b>

**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>
<b>Financial Trends</b>	<b>99 - 107</b>
<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>	
<b>Revenue Capacity</b>	<b>108 - 111</b>
<i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b>	<b>112 - 116</b>
<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>	
<b>Demographics and Economic Information</b>	<b>117 - 118</b>
<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>	
<b>Operating Information</b>	<b>119 - 123</b>
<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.*

Village of Sugar Grove, Illinois

Exhibit B-1

**Net Assets by Component**  
**Last Six Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>						
Invested in capital assets, net of related debt	\$ 656,130	\$ 6,855,763	\$ 13,189,271	\$ 12,593,065	\$ 17,946,194	\$ 21,368,759
Restricted	57,860	41,586	8,179,293	6,575,804	4,176,012	2,681,288
Unrestricted	4,641,305	5,956,543	(1,771,501)	280,065	2,525,259	1,976,032
Total governmental activities net assets	\$ 5,355,295	\$ 12,853,892	\$ 19,597,063	\$ 19,448,934	\$ 24,647,465	\$ 26,026,079
<b>Business-type activities</b>						
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
Unrestricted	4,638,542	5,753,566	5,856,899	5,244,845	5,376,225	4,767,152
Total business-type activities net assets	\$ 10,839,246	\$ 14,616,329	\$ 17,831,952	\$ 17,988,210	\$ 18,466,517	\$ 18,024,874
<b>Net assets</b>						
Invested in capital assets, net of related debt	\$ 6,856,834	\$ 15,718,526	\$ 25,164,324	\$ 25,336,430	\$ 31,036,486	\$ 34,626,481
Restricted	57,860	41,586	8,179,293	6,575,804	4,176,012	2,681,288
Unrestricted	9,279,847	11,710,109	4,085,398	5,524,910	7,901,484	6,743,184
Total net assets	\$ 16,194,541	\$ 27,470,221	\$ 37,429,015	\$ 37,437,144	\$ 43,113,982	\$ 44,050,953

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

Data source: Village records

Village of Sugar Grove, Illinois

Exhibit B-2

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

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
<b>Expenses</b>						
Governmental activities						
General government	\$ 1,848,393	\$ 2,194,586	\$ 2,232,790	\$ 2,047,435	\$ 1,587,633	\$ 1,335,485
Public safety	1,106,496	1,363,491	2,481,551	2,386,461	2,020,272	1,953,356
Highways and streets	725,605	847,155	1,227,688	1,625,191	1,899,870	2,368,327
Interest	199,615	189,832	469,079	521,405	478,975	465,269
Total governmental activities expenses	<u>3,880,109</u>	<u>4,595,064</u>	<u>6,411,108</u>	<u>6,580,492</u>	<u>5,986,750</u>	<u>6,122,437</u>
Business-type activities						
Water and sewer	1,724,797	2,048,070	2,409,780	2,546,844	2,605,451	2,584,032
Refuse	354,628	457,274	494,692	587,620	654,632	680,915
Total business-type activities expenses	<u>2,079,425</u>	<u>2,505,344</u>	<u>2,904,472</u>	<u>3,134,464</u>	<u>3,260,083</u>	<u>3,264,947</u>
Total expenses	<u>\$ 5,959,534</u>	<u>\$ 7,100,408</u>	<u>\$ 9,315,580</u>	<u>\$ 9,714,956</u>	<u>\$ 9,246,833</u>	<u>\$ 9,387,384</u>
<b>Program revenues</b>						
Governmental activities						
Charges for services						
General government	\$ 1,045,165	\$ 1,586,585	\$ 1,145,993	\$ 450,973	\$ 346,763	\$ 175,419
Public safety	148,469	148,524	157,205	171,383	147,082	226,845
Highways and streets	4,750	5,945	7,930	5,021	6,420	2,795
Operating grants and contributions	50,217	56,968	68,711	29,500	22,843	1,100
Capital grants and contributions	707,447	6,795,602	7,319,731	478,483	5,373,109	2,324,851
Total governmental activities program revenues	<u>1,956,048</u>	<u>8,593,624</u>	<u>8,699,570</u>	<u>1,135,360</u>	<u>5,896,217</u>	<u>2,731,010</u>
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
Refuse	383,015	462,224	516,245	595,135	664,847	702,417
Capital grants and contributions	1,087,701	2,362,505	3,262,306	342,117	1,011,202	10,805
Total business-type activities program revenues	<u>3,737,444</u>	<u>5,619,924</u>	<u>5,985,753</u>	<u>3,174,040</u>	<u>3,867,388</u>	<u>3,054,953</u>
Total program revenues	<u>\$ 5,693,492</u>	<u>\$ 14,213,548</u>	<u>\$ 14,685,323</u>	<u>\$ 4,309,400</u>	<u>\$ 9,763,605</u>	<u>\$ 5,785,963</u>
<b>Net (expense) revenue</b>						
Governmental activities	\$ (1,924,061)	\$ 3,998,560	\$ 2,288,462	\$ (5,445,132)	\$ (90,533)	\$ (3,391,427)
Business-type activities	1,658,019	3,114,580	3,081,281	39,576	607,305	(209,994)
Total net expense	<u>\$ (266,042)</u>	<u>\$ 7,113,140</u>	<u>\$ 5,369,743</u>	<u>\$ (5,405,556)</u>	<u>\$ 516,772</u>	<u>\$ (3,601,421)</u>

Village of Sugar Grove, Illinois

Exhibit B-2

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

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
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
Income	419,200	501,456	686,381	786,035	779,204	682,418
Sales	299,274	294,015	444,728	873,003	834,223	796,488
Electric	219,231	233,888	247,629	272,552	257,290	256,051
Natural gas	121,180	184,573	158,172	191,539	183,590	141,782
Telecommunications	341,355	352,759	356,449	368,441	369,623	337,743
Motor fuel	182,539	188,602	240,989	237,498	241,903	233,657
Other	70,628	82,288	104,594	120,094	127,935	106,802
Investment income	90,740	216,364	626,646	660,528	469,259	182,673
Miscellaneous	102,423	267,374	289,338	338,718	298,496	254,775
Transfers in (out)	155,469	157,854	175,205	178,642	375,919	333,194
Total governmental activities	<u>2,911,210</u>	<u>3,500,037</u>	<u>4,454,709</u>	<u>5,297,003</u>	<u>5,289,064</u>	<u>4,770,041</u>
Business-type activities						
Investment income	76,126	199,372	304,374	284,283	228,798	91,631
Miscellaneous	5,574	620,985	5,173	11,041	18,123	9,914
Transfers in (out)	(155,469)	(157,854)	(175,205)	(178,642)	(375,919)	(333,194)
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>
Total	<u>\$ 2,837,441</u>	<u>\$ 4,162,540</u>	<u>\$ 4,589,051</u>	<u>\$ 5,413,685</u>	<u>\$ 5,160,066</u>	<u>\$ 4,538,392</u>
Changes in net assets						
Governmental activities	\$ 987,149	\$ 7,498,597	\$ 6,743,171	\$ (148,129)	\$ 5,198,531	\$ 1,378,614
Business-type activities	1,584,250	3,777,083	3,215,623	156,258	478,307	(441,643)
Total changes in net assets	<u>\$ 2,571,399</u>	<u>\$ 11,275,680</u>	<u>\$ 9,958,794</u>	<u>\$ 8,129</u>	<u>\$ 5,676,838</u>	<u>\$ 936,971</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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>										
Reserved	\$ 49,622	\$ 71,435	\$ 41,033	\$ 39,197	\$ 76,553	\$ 77,933	\$ 84,482	\$ 67,813	\$ 80,091	\$ 81,442
Unreserved	1,139,242	1,142,832	1,240,190	1,371,021	1,516,724	1,884,470	1,776,039	1,563,204	1,463,286	1,436,838
<b>Total general fund</b>	<b>\$ 1,188,864</b>	<b>\$ 1,214,267</b>	<b>\$ 1,281,223</b>	<b>\$ 1,410,218</b>	<b>\$ 1,593,277</b>	<b>\$ 1,962,403</b>	<b>\$ 1,860,521</b>	<b>\$ 1,631,017</b>	<b>\$ 1,543,377</b>	<b>\$ 1,518,280</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ 58	\$ 55,275	\$ 42,479	\$ 70,804	\$ 57,832	\$ 8,525,981	\$ 6,755,404	\$ 4,330,123	\$ 2,832,577 (a)
Unreserved, reported in:										
Special revenues funds	287,002	244,611	-	-	-	-	-	-	-	-
Debt service funds	(1,193)	-	-	-	-	-	-	-	-	-
Capital projects funds	257,012	2,094,904	2,092,325	2,564,494	3,251,739	4,052,984	4,400,140	4,884,369	4,648,111	2,858,068
<b>Total all other governmental funds</b>	<b>\$ 542,821</b>	<b>\$ 2,339,573</b>	<b>\$ 2,147,600</b>	<b>\$ 2,606,973</b>	<b>\$ 3,322,543</b>	<b>\$ 4,110,816</b>	<b>\$ 12,926,121</b>	<b>\$ 11,639,773</b>	<b>\$ 8,978,234</b>	<b>\$ 5,690,645</b>

(a) The substantial increase in reserved 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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Property taxes	\$ 569,570	\$ 609,286	\$ 686,617	\$ 788,108	\$ 909,171	\$ 1,020,864	\$ 1,124,578	\$ 1,269,954	\$ 1,351,622	\$ 1,444,458
Other taxes	1,031,997	899,907	983,890	1,207,833	1,595,720	1,834,096	2,213,953	2,805,916	2,808,563	2,560,100
Charges for services	339,090	392,752	426,356	468,220	591,897	1,198,302	742,396	196,341	221,342	91,147
Intergovernmental, grants and contributions	690,406	982,256	1,380,491	815,674	732,864	768,434	973,499	488,498	2,509,458	2,322,315
Licenses and permits	218,466	289,888	395,547	440,067	469,495	404,465	422,503	270,854	142,828	103,608
Fines, fees and forfeitures	149,259	168,793	173,332	140,456	176,315	180,447	191,144	207,909	189,638	281,553
Interest	117,844	98,982	51,009	38,028	90,740	216,364	626,646	660,527	469,258	182,673
Miscellaneous	60,149	59,843	133,536	65,033	87,900	225,214	245,023	306,201	244,953	200,585
	<u>\$ 3,176,781</u>	<u>\$ 3,501,707</u>	<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>

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	\$ 976,172	\$ 1,057,992	\$ 1,033,073	\$ 1,242,241	\$ 1,789,992	\$ 2,161,329	\$ 2,328,969	\$ 2,013,873	\$ 1,544,521	\$ 1,287,544
Public safety	576,468	661,563	840,645	884,383	1,051,698	1,302,644	2,204,060	2,255,323	1,920,986	1,897,049
Highways and streets	268,331	477,002	560,760	337,500	407,436	470,929	747,182	1,610,341	1,645,008	1,165,193
Culture and recreation	113,851	177,354	230,138	269,098	-	-	-	-	-	-
Debt service										
Principal	45,000	45,000	110,000	206,180	200,000	210,000	220,000	450,000	655,000	840,000
Interest and fiscal charges	52,086	48,126	266,238	211,609	202,805	193,215	183,350	677,818	497,524	437,591
Bond issuance costs	-	-	-	-	-	-	-	-	80,463	-
Capital outlay	1,079,512	3,112,515	1,480,060	374,650	259,011	510,524	863,879	893,339	5,377,826	5,204,942
	<u>\$ 3,111,420</u>	<u>\$ 5,579,552</u>	<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>

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

Data source: Village records



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Village of Sugar Grove, Illinois

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

	2001	2002	2003	2004
<b>Revenues</b>				
Property taxes	\$ 569,570	\$ 609,286	\$ 686,617	\$ 788,108
Other taxes	1,031,997	899,907	983,890	1,207,833
Charges for services	339,090	392,752	426,356	468,220
Intergovernmental, grants and contributions	690,406	982,256	1,380,491	815,674
Licenses and permits	218,466	289,888	395,547	440,067
Fines, fees and forfeitures	149,259	168,793	173,332	140,456
Interest	117,844	98,982	51,009	38,028
Miscellaneous	60,149	59,843	133,536	65,033
<b>Total revenues</b>	<b>3,176,781</b>	<b>3,501,707</b>	<b>4,230,778</b>	<b>3,963,419</b>
<b>Expenditures</b>				
General government	976,172	1,057,992	1,033,073	1,242,241
Public safety	576,468	661,563	840,645	884,383
Highways and streets	268,331	477,002	560,760	337,500
Culture and recreation	113,851	177,354	230,138	269,098
Debt service				
Principal	45,000	45,000	110,000	206,180
Interest and fiscal charges	52,086	48,126	266,238	211,609
Bond issuance costs	-	-	-	-
Capital outlay	1,079,512	3,112,515	1,480,060	374,650
<b>Total expenditures</b>	<b>3,111,420</b>	<b>5,579,552</b>	<b>4,520,914</b>	<b>3,525,661</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>65,361</b>	<b>(2,077,845)</b>	<b>(290,136)</b>	<b>437,758</b>
<b>Other financing sources (uses)</b>				
Transfers in	125,000	99,000	791,875	428,944
Transfers out	(125,000)	(99,000)	(658,526)	(278,334)
Proceeds of installment contract	-	-	31,770	-
General obligation alternate revenue bonds issued	-	3,900,000	-	-
Premium on general obligation alternate revenue bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>3,900,000</b>	<b>165,119</b>	<b>150,610</b>
<b>Net Change in Fund Balances</b>	<b>\$ 65,361</b>	<b>\$ 1,822,155</b>	<b>\$ (125,017)</b>	<b>\$ 588,368</b>
<b>Capital asset additions (excluding capital asset contributions and exchanges)</b>	<b>\$ 835,860</b>	<b>\$ 2,725,232</b>	<b>\$ 1,366,004</b>	<b>\$ 210,764</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.27%</b>	<b>3.26%</b>	<b>11.93%</b>	<b>12.60%</b>

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

Data source: Village records

		Fiscal Year									
		2005	2006	2007	2008	2009	2010				
\$	909,171	\$	1,020,864	\$	1,124,578	\$	1,269,954	\$	1,351,622	\$	1,444,458
	1,595,720		1,834,096		2,213,953		2,805,916		2,808,563		2,560,100
	591,897		1,198,302		742,396		196,341		221,342		91,147
	732,864		768,434		973,499		488,498		2,509,458		2,322,315
	469,495		404,465		422,503		270,854		142,828		103,608
	176,315		180,447		191,144		207,909		189,638		281,553
	90,740		216,364		626,646		660,527		469,258		182,673
	87,900		225,214		245,023		306,201		244,953		200,585
	4,654,102		5,848,186		6,539,742		6,206,200		7,937,662		7,186,439
	1,789,992		2,161,329		2,328,969		2,013,873		1,544,521		1,287,544
	1,051,698		1,302,644		2,204,060		2,255,323		1,920,986		1,897,049
	407,436		470,929		747,182		1,610,341		1,645,008		1,165,193
	-		-		-		-		-		-
	200,000		210,000		220,000		450,000		655,000		840,000
	202,805		193,215		183,350		677,818		497,524		437,591
	-		-		-		-		80,463		-
	259,011		510,524		863,879		893,339		5,377,826		5,204,942
	3,910,942		4,848,641		6,547,440		7,900,694		11,721,328		10,832,319
	743,160		999,545		(7,698)		(1,694,494)		(3,783,666)		(3,645,880)
	714,151		1,050,573		1,588,542		2,001,085		4,461,793		3,973,835
	(558,682)		(892,719)		(1,413,337)		(1,822,443)		(4,085,874)		(3,640,641)
	-		-		-		-		-		-
	-		-		8,500,000		-		3,520,000		-
	-		-		45,916		-		10,342		-
	-		-		-		-		(2,871,774)		-
	155,469		157,854		8,721,121		178,642		1,034,487		333,194
\$	898,629	\$	1,157,399	\$	8,713,423	\$	(1,515,852)	\$	(2,749,179)	\$	(3,312,686)
\$	85,346	\$	310,177	\$	536,114	\$	1,276,416	\$	5,642,090	\$	4,994,478
	10.53%		8.88%		6.71%		17.03%		20.28%		21.88%

**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
2001	\$ 569,570	\$ 256,293	\$ 289,426	\$ -	\$ 132,703	\$ 121,120	\$ 94,355	\$ 87,498	\$ 49,120	\$ 1,482	\$ 1,601,567
2002	609,286	265,698	161,880	-	142,937	129,236	106,036	44,756	48,199	1,165	1,509,193
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
Change 2001 - 2010	153.6%	166.3%	56.0%	100.0%	156.2%	111.4%	147.6%	62.0%	115.8%	12.8%	150.0%

(a) The property tax rate decreased between 2001 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 slightly in 2009 and 2010 as the equalized assessed valuation leveled off.

(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 dicennial census, to 8,848 in 2007, based on a Special Census done by the Village.

(c) Sales tax revenue increased 56% in the past ten years due to growth in the number of retail outlets in the Village. The Village had a Sales Tax Rebate Agreement with Edward Hines Lumber Company beginning in September 1999. The company moved operations to a location outside of the Village in January 2001. The Village had a Jewel-Osco grocery store open in April 2006, for which the Village 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 dicennial census, to 8,848 in 2007, based on a Special Census done by the Village.

Data source: Village records

Village of Sugar Grove, Illinois

Exhibit C-1

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			
2000	\$ 73,451,841	\$ 8,371,420	\$ 5,755,991	\$ 2,250,381	\$ 67,101	\$ 89,896,734	\$ 269,690,202	33.33%	1.0000	0.6360
2001	88,919,660	9,217,786	6,119,738	2,312,670	72,773	106,642,627	319,927,881	33.33	1.0000	0.6061
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

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Tax Rates (a)										
Village direct rates										
Corporate (c)	\$ 0.2525	\$ 0.2453	\$ 0.2316	\$ 0.2241	\$ 0.1818	\$ 0.1742	\$ 0.1619	\$ 0.1593	\$ 0.2034	\$ 0.2068
Debt service	0.1046	0.0899	0.0733	0.0607	0.0495	0.0398	0.0324	0.0293	0.0295	0.0292
IMRF	0.0708	0.0688	0.0650	0.0629	0.0510	0.0489	0.0454	0.0447	0.0230	0.0233
Police protection (c)	0.0506	0.0490	0.0463	0.0448	0.0363	0.0348	0.0324	0.0319	0.0327	0.0333
Police pension	-	-	-	-	0.0536	0.0514	0.0477	0.0469	0.0482	0.0490
Audit	0.0077	0.0075	0.0071	0.0069	0.0056	0.0054	0.0050	0.0049	0.0033	0.0034
Liability insurance	0.0675	0.0656	0.0620	0.0600	0.0487	0.0466	0.0433	0.0427	0.0219	0.0223
Street lighting (c)	0.0102	0.0099	0.0094	0.0091	0.0074	0.0071	0.0066	0.0065	0.0133	0.0135
Social security	0.0721	0.0701	0.0662	0.0641	0.0520	0.0498	0.0463	0.0456	0.0468	0.0476
Total direct tax rate	0.6360	0.6061	0.5609	0.5326	0.4859	0.4580	0.4210	0.4118	0.4221	0.4284
Overlapping rates										
Kane County	0.4677	0.4529	0.4292	0.3578	0.3467	0.3367	0.3452	0.3322	0.3336	0.3398
Kane County Forest Preserve	0.1634	0.1520	0.1395	0.1270	0.1432	0.1905	0.1747	0.1974	0.1932	0.1997
Sugar Grove Township (b)	0.1216	0.1087	0.3604	0.0950	0.0881	0.0847	0.0792	0.0780	0.0805	0.0821
Sugar Grove Township Road District (b)	0.2522	0.2416	N/A	0.2236	0.2072	0.1994	0.1864	0.1836	0.1578	0.1582
Kaneland Community Unit School District 302	4.8591	4.8407	4.8637	4.6805	4.5024	4.8886	4.6796	4.8411	4.8854	5.0024
Waubensee Community College District 516	0.4294	0.4131	0.4043	0.4134	0.4099	0.3933	0.3983	0.3951	0.3995	0.4043
Sugar Grove Park District	0.0076	0.0074	0.0071	0.1291	0.1587	0.1569	0.1424	0.1398	0.1408	0.1463
Sugar Grove Library District	0.1214	0.1184	0.1138	0.1114	0.2362	0.2212	0.1984	0.1926	0.1960	0.2028
Sugar Grove Fire District	0.3217	0.2990	0.5096	0.4980	0.5680	0.5432	0.5066	0.4970	0.5070	0.5136
Sugar Grove Water Authority	0.0052	0.0045	0.0038	0.0033	0.0028	0.0025	0.0019	0.0019	0.0020	0.0020
Sugar Grove Community Building (b)	0.0410	0.0369	N/A	0.0279	0.0236	0.0227	0.0213	0.0209	0.0216	0.0220
Total direct and overlapping tax rates	\$ 7.4263	\$ 7.2813	\$ 7.3923	\$ 7.1996	\$ 7.1727	\$ 7.4977	\$ 7.1550	\$ 7.2914	\$ 7.3395	\$ 7.5016

Note: Representative tax rates for other governmental units are from Sugar Grove Township tax code 22, which represents a majority of the Village's 2009 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.

Data source: Kane County Clerk

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

Taxpayer	Business/Service	2009			2000		
		Equalized Assessed Value	Rank	Percentage of Total Equalized Assessed Value	Equalized Assessed Value	Rank	Percentage of Total Equalized Assessed Value
Sav-On Realty Inc (Jewel)	Grocery store	\$ 2,785,901	1	0.83%	\$ -		0.00%
Scot Industries, Inc.	Industrial property	1,983,867	2	0.59	1,264,068	1	1.41
Individual	Commercial property	1,873,285	3	0.56	-		-
MB Financial Bank	Commercial property (vacant)	1,186,112	4	0.35	-		-
Campbell & Pierce Inc (Bliss Creek Golf Course)	Golf course	965,749	5	0.29	-		-
Chesterbrook Academy	Preschool	935,983	6	0.28	-		-
Aldi Inc	Grocery store	931,702	7	0.28	-		-
Individual	Commercial/residential property	894,935	8	0.27	-		-
Marmax Holdings LLC	Commercial property	894,643	9	0.27	-		-
Gas Mart (Conoco Phillips)	Gas station	782,226	10	0.23	-		-
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>\$ 13,234,403</u>		<u>3.96%</u>	<u>\$ 4,040,839</u>		<u>4.49%</u>

Data source: Kane County Clerk

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

Tax Levy Year	Taxes Levied for the Fiscal Year		Amount Collected	Percentage of Levy	Collections in Subsequent Years	Total Collections to Date	
						Amount	Percentage of Levy
2000	\$	571,743	\$ 569,237	99.56%	-	569,237	99.56%
2001		646,361	644,542	99.72	-	644,542	99.72
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	*	*	*	*	*

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	Water Revenue Bonds	IEPA Revolving Loans	Installment Contracts				
2001	\$ 660,000	\$ 2,875,000	\$ 1,685,000	\$ 3,495,231	\$ 233,332	\$ 8,948,563	7.56%	\$ 2,289	
2002	4,515,000	2,875,000	1,625,000	3,344,989	199,225	12,559,214	10.60	3,213	
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	

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)
	Gross General Obligation Bonds	Debt Service Monies Available	Net General Obligation Bonds		
2001	\$ 660,000	\$ (1,193)	\$ 661,193	0.74%	\$ 169
2002	4,515,000	58	4,514,942	4.23	1,155
2003	4,405,000	10,376	4,394,624	3.31	1,127
2004	4,220,000	11,674	4,208,326	2.59	701
2005	4,020,000	12,944	4,007,056	2.00	668
2006	3,810,000	16,246	3,793,754	1.60	479
2007	12,090,000	465,831	11,624,169	3.98	1,519
2008	11,640,000	399,780	11,240,220	3.49	1,316
2009	11,750,000	410,874	11,339,126	3.38	1,328
2010	10,910,000	411,592	10,498,408	3.14	1,233

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, 2010**

	Gross Bonded Debt	Percentage of Debt Applicable to Village	Village's Share of Debt
Total direct bonded debt	\$ 16,490,000	100.00%	\$ 16,490,000
Less: self-supported debt	(16,400,000)	100.00	(16,400,000)
Net direct bonded debt (b)	<u>90,000</u>		<u>90,000</u>
<b>Overlapping Districts (a)</b>			
<b>Schools:</b>			
Aurora West Unit School District Number 129	121,210,000	0.59	715,139
Kaneland Community Unit School District Number 302	117,592,734	34.16	40,169,678
Hinckley - Big Rock Community Unit School District Number 429	12,170,000	4.63	563,471
Waubensee Community College District Number 516	<u>68,579,303</u>	3.21	<u>2,201,396</u>
Total schools	<u>319,552,037</u>		<u>43,649,684</u>
<b>Other:</b>			
Kane County	36,040,000	2.16	778,464
Kane County Forest Preserve District	235,480,866	2.16	5,086,387
Sugar Grove Public Library District	<u>7,310,000</u>	60.83	<u>4,446,673</u>
Total other	<u>278,830,866</u>		<u>10,311,524</u>
Total direct and overlapping bonded debt	<u>\$ 598,472,903</u>		<u>\$ 54,051,208</u>

Note: Percentages are based on 2009 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, 2010

(c) As of March 15, 2010

Data source: Kane County Clerk

Legal Debt Margin Information  
Last Ten Fiscal Years

Equalized assessed valuation - 2009 levy	\$ 334,574,131
Legal debt limit - 8.625% of equalized assessed valuation	\$ 28,857,019
Amount of debt applicable to limit	
Series 1991	\$ 90,000
Series 2002	445,000
Series 2006	2,550,000
Series 2006A	7,450,000
Series 2008A	2,585,000
Series 2008B	490,000
Series 2009	2,880,000
Total general obligation debt	16,490,000
Less: self-supported debt	(16,400,000)
Total applicable debt	90,000
Legal debt margin	\$ 28,767,019

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Legal debt limit	\$ 7,753,593	\$ 9,197,927	\$ 11,466,213	\$ 13,991,937	\$ 17,283,679	\$ 20,434,217	\$ 25,216,966	\$ 27,776,378	\$ 28,947,580	\$ 28,857,019
Total applicable debt	660,000	615,000	565,000	510,000	450,000	385,000	320,000	250,000	175,000	90,000
Legal debt margin	\$ 7,093,593	\$ 8,582,927	\$ 10,901,213	\$ 13,481,937	\$ 16,833,679	\$ 20,049,217	\$ 24,896,966	\$ 27,526,378	\$ 28,772,580	\$ 28,767,019
Total applicable debt as a percentage of debt limit	8.51%	6.69%	4.93%	3.64%	2.60%	1.88%	1.27%	0.90%	0.60%	0.31%

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	
2001	\$ 1,197,694	\$ 698,174	\$ 499,520	\$ 77,886	\$ 277,114	1.41
2002	1,435,025	787,569	647,456	234,598	366,772	1.08
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

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.

Data Source: Village Records

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

Year	Population	Personal Income	Per Capita Personal Income (a)	Median Age (a)	School Enrollment (e)	Unemployment Rate (f)
2000	3,909 (a)	118,438,791	30,299	34.6	2,647	3.60%
2001	3,909 (a)	118,438,791	30,299	34.6	2,747	4.30%
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

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) Kaneland Community School District 302 District Report Card
- (f) Illinois Department of Employment Security

Village of Sugar Grove, Illinois

Exhibit E-2

Principal Employers

Current Fiscal Year and Nine Fiscal Years Ago

Employer	2010			2001		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Waubensee Community College District No. 516	1,460	1	N/A	750	2	N/A
HFR Precision Machining, Inc.	80	2	N/A	80	4	N/A
GPS World Supply Co.	60	3	N/A			
Scot Industries, Inc.	55	4	N/A	75	5	N/A
CMC Electronics, Inc. (formerly Flight Visions, Inc.)	50	5	N/A	50	6	N/A
Engineering Enterprises, Inc.	50	5	N/A	-		N/A
Metrolift, Inc.	50	5	N/A	-		N/A
Quantam Sign Corp	50	5	N/A	-		N/A
Hy-Tek Mfg. Co., Inc.	45	9	N/A	45	7	N/A
Village of Sugar Grove	42	10	N/A	-		N/A
Lumanair Aviation Services	-		N/A	35	8	N/A
OakGrigsby, Inc. (Division of Oak Industries, Inc.)	-		N/A	1,000	1	N/A
Imperial Group	-		N/A	125	3	N/A
Finishes Unlimited	-		N/A	32	10	N/A
Deep-Coat Metallizing, Inc. (Division of Wave Zero, Inc.)	-		N/A	35	9	N/A
	<u>1,942</u>		<u>-</u>	<u>2,227</u>		<u>-</u>

N/A - Information not readily available.

Data source: 2010 Illinois Manufacturers Directory and 2010 Illinois Services Directory

Village of Sugar Grove, Illinois

Exhibit F-1

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

Function/Program	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>									
Administration	2.692	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Finance	2.500	2.500	2.500	3.500	3.500	4.500	4.500	4.500	3.000
<b>Community Development</b>									
Planning	1.000	1.000	1.000	2.000	2.000	2.000	2.000	2.000	2.000
Building	2.500	2.500	3.250	4.000	4.000	5.000	4.375	4.375	2.375
<b>Police</b>									
Officers	10.200	11.000	11.000	11.750	13.750	17.000	18.250	18.250	15.250
Civilians	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<b>Public Works</b>									
Administration	2.000	1.625	1.625	2.000	2.000	2.000	2.000	2.000	2.000
Parks	2.692	3.692	-	-	-	-	-	-	-
Properties	0.250	0.500	2.000	2.000	2.000	2.000	1.500	1.500	1.500
Streets	2.692	2.346	3.346	3.346	3.346	4.346	4.346	4.346	4.000
Water and Sewer	4.346	4.346	4.346	4.346	6.346	6.346	6.346	6.346	6.000
<b>Total</b>	<b>31.872</b>	<b>32.509</b>	<b>32.067</b>	<b>35.942</b>	<b>39.942</b>	<b>46.192</b>	<b>46.317</b>	<b>46.317</b>	<b>39.125</b>

Note: Information prior to fiscal year 2002 is unavailable.

Data source: Village records



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**Village of Sugar Grove, Illinois**

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

Function/Program	2001	2002	2003	2004
<b>Police</b>				
Part I crimes	84	80	64	93
Part II crimes	360	321	317	276
Traffic violations	3,801	3,915	2,720	2,820
Parking violations	423	549	340	548
<b>Finance</b>				
Vendor checks processed	1,898	1,808	1,764	1,763
Vendor invoices processed	3,021	3,100	2,802	2,659
Employee paychecks processed	N/A	N/A	908	1,052
Employee direct deposits processed	N/A	N/A	488	488
Utility billing customers	2,294	2,645	3,077	3,430
Utility bills processed	26,388	24,869	34,854	39,111
<b>Forestry</b>				
Parkway trees planted	N/A	N/A	N/A	N/A
Parkway trees trimmed	N/A	N/A	N/A	N/A
<b>Streets</b>				
Sidewalk replaced (sq ft) <sup>1</sup>	N/A	N/A	N/A	N/A
Street resurfacing (miles)	N/A	N/A	N/A	0.65
Street micro-surfacing (miles) <sup>2</sup>	N/A	N/A	N/A	N/A
Pavement marking (linear feet) <sup>3</sup>	N/A	N/A	N/A	N/A
Pothole repairs (tons of material)	N/A	N/A	N/A	N/A
Mosquito abatement (catch basins treated)	N/A	N/A	N/A	N/A
<b>Water</b>				
Water main breaks	3	2	3	2
Total distribution pumpage (1,000 gallons)	N/A	N/A	N/A	N/A
Average daily pumpage (1,000 gallons)	N/A	N/A	N/A	N/A
Sanitary sewer televising (feet)	N/A	N/A	N/A	700

1 Sidewalk replacements completed as component of annual MFT programs

2 Pilot program - 2006 MFT

3 Initial program year FYE08

N/A - Information not readily available.

Data source: Village records

Exhibit F-2

2005	2006	2007	2008	2009	2010
84	N/A	N/A	83	99	57
252	N/A	N/A	329	390	507
3,320	N/A	N/A	3,268	2,867	3,368
251	N/A	N/A	570	361	347
1,761	1,785	1,744	1,835	1,646	1,455
2,918	3,050	3,039	3,269	2,957	2,543
1,020	1,254	1,300	1,518	1,403	1,191
652	872	983	1,153	1,099	1,354
N/A	3,850	4,009	4,120	4,120	4,122
N/A	N/A	47,587	48,993	49,535	49,535
24	110	279	274	128	302
50	234	469	288	153	221
172	11	772	2,880	1,675	750
0.75	0.95	0.50	1.30	2.24	2.30
N/A	N/A	2.8	0.0	5.3	0.0
N/A	N/A	N/A	84,417	95,063	43,893
N/A	15	18	50	27	22
N/A	468	539	990	990	1,155
2	3	1	4	5	9
317,467	353,594	378,108	348,723	333,222	329,389
867	975	1,034	955	913	902
1,000	1,200	800	1,000	-	2,000

Village of Sugar Grove, Illinois

Exhibit F-3

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
2000	3	\$ 3,077,000	122	\$ 26,705,783	12	\$ 914,298	137	\$ 30,697,081
2001	2	720,000	189	46,841,314	114	16,098,292	305	63,659,606
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	136	3,695,500	48	21,174,923	13	3,069,851	197	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

Data source: Village records

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Buildings</b>										
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
<b>Fleet Services</b>										
Equipment - Public Works	N/A	N/A	N/A	13	15	18	20	21	21	21
Vehicles - Community Development	N/A	N/A	1	2	2	2	4	4	4	4
Vehicles - Police	N/A	6	6	6	6	8	10	10	11	11
Vehicles - Public Works	N/A	N/A	N/A	15	18	20	23	26	26	26
<b>Public Works</b>										
Streets - center lane (miles)	N/A	N/A	N/A	40.5	47.5	52.0	54.5	58.0	58.0	59.5
Sidewalks (miles)	N/A	N/A	N/A	58	74	82	88	96	96	96
Storm sewers (miles)	N/A	N/A	N/A	44	51	55	58	61	61	63
Streetlights	N/A	N/A	N/A	720	850	915	965	1,100	1,100	1,120
<b>Water</b>										
Wells	N/A	N/A	N/A	7	7	7	9	9	9	9
Water mains (miles)	N/A	N/A	N/A	50	52	55	61	62	62	84
Fire hydrants	N/A	N/A	N/A	N/A	760	800	900	1,000	1,000	1,100
<b>Sewer</b>										
Lift stations	N/A	N/A	N/A	6	6	6	6	7	6	6
Sewer mains (miles)	N/A	N/A	N/A	N/A	90	95	105	107	107	110

N/A - Information not readily available.

Data source: Village records