



**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED APRIL 30, 2011

**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, 2011

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, 2011

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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

David Paluch

Thomas Renk

August 30, 2011

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, 2011, 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.

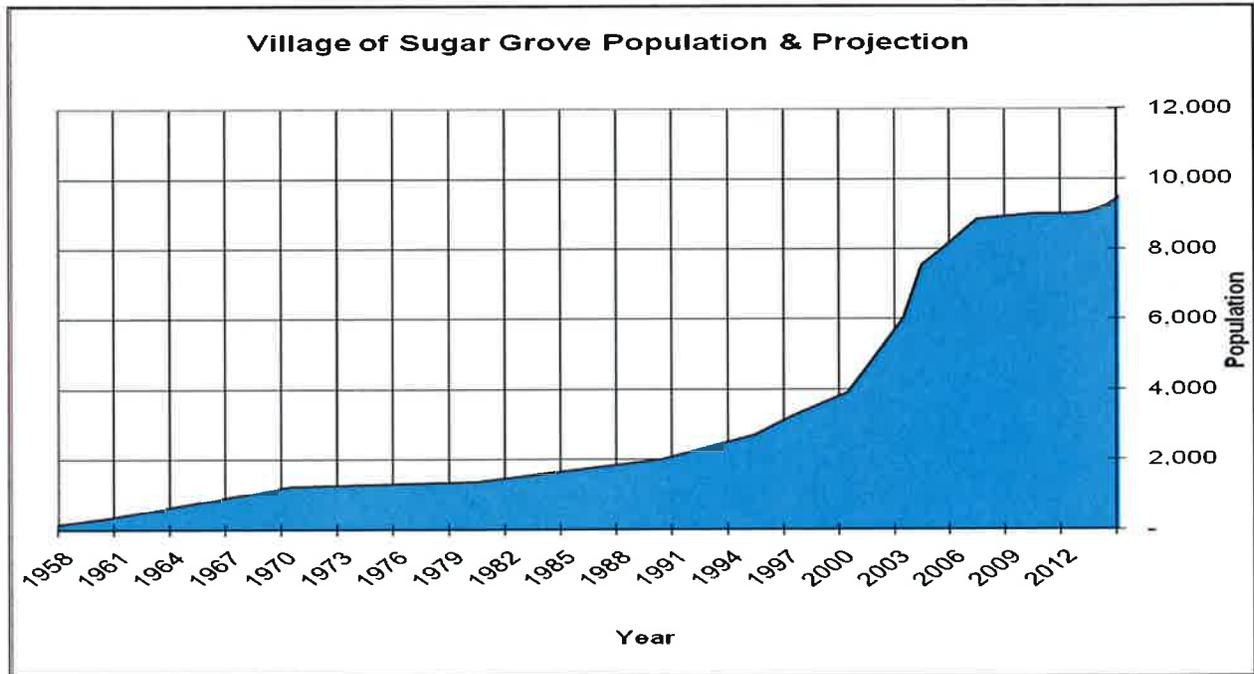
The Village's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village for the year ended April 30, 2011, are free of material misstatement. 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, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Sugar Grove

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

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



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



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

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

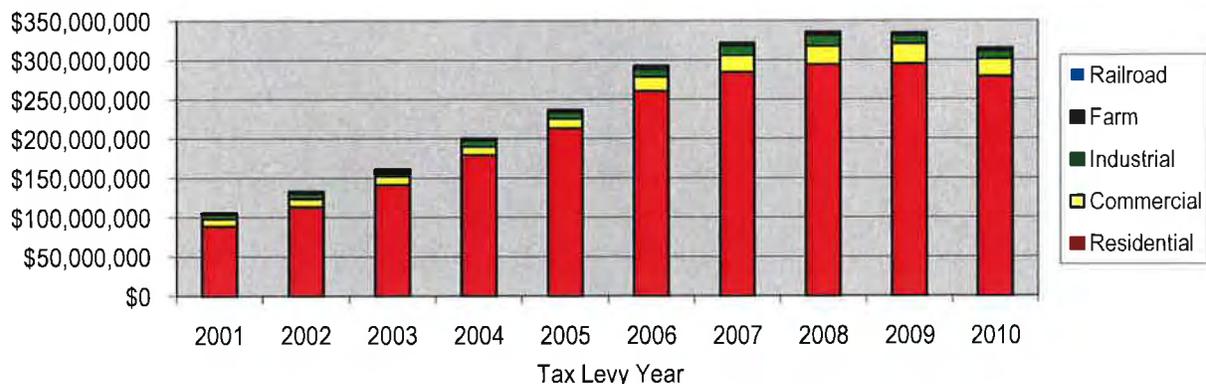
Local Economy

The Village has faced unprecedented challenges over the last couple of years under the Great Recession. Although the recession has ended, the economic recovery continues to be slow amid high unemployment and a decimated housing market with high inventories. The Village has seen the number of foreclosures drop and expects that trend to continue, while purchases of homes already foreclosed upon have been on the increase. The Village fees associated with new home sales, which used to account for over 30% of Village revenues, are nonexistent. The Village budgeted for no permits during fiscal year 2011 – 2012, but expects interest in new home sales to begin to take shape in the spring of 2012.

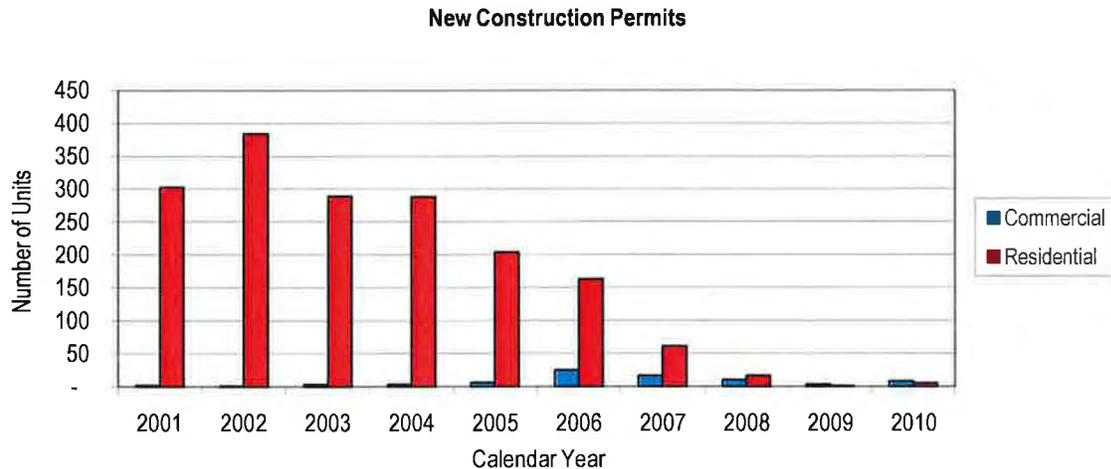
The Village expects most revenues to remain flat after seeing decreases during the last couple of years in such items as income and utility taxes. However, sales tax has begun to recover and the Village expects this to continue throughout fiscal year 2011 – 2012.

Property tax revenue is still expected to increase, albeit a smaller amount than the past, during fiscal year 2011 – 2012. 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. Equalized assessed valuation is based on the last three years of housing data. Although the assessed value had more than tripled over the past ten years through 2009, assessed value decreased during fiscal year 2010 – 2011 for the first time since records are available and have now dropped to levels not seen since 2006.

Village of Sugar Grove Equalized Assessed Valuation



However, the Village has seen its once burgeoning housing market come to a standstill, issuing no new single family residential permits in fiscal year 2010 – 2011. In addition, the Village has projected only 240 additional residents between fiscal years 2011 – 2012 through 2013 – 2014 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 three 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 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. However, inquiries regarding available parcels increased during fiscal year 2010 – 2011. McDonald’s began construction in April 2011 and is expected to open in August 2011. In addition, Walgreen’s is planning to begin construction in October 2011. Several office parks including The Landings, Prairie Glen, and Capital Professional Center were approved in previous years and are important to increase the day time population that national chain stores and restaurants look for. To that end, the Village Board approved Prairie Grove Commons on February 3, 2009 which is intended to include “big box” stores with restaurants on the outlots. The Village completed work on the extension of Municipal Drive and Galena Boulevard, which dissects the Prairie Grove Commons property, during fiscal year 2009 – 2010. The Village utilized bond money during fiscal year 2010 – 2011 to extend Division Drive to Galena Boulevard, a key link between The Landings and Prairie Grove Commons.

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

However, industrial development has been very limited over the past 20 years due to the lack of necessary infrastructure within the northwest portion of the Village. Village officials have determined that, without direct municipal involvement and financial assistance, planning objectives for this area cannot be met. To encourage new investment in the industrial district area, the Village has proposed Tax Increment Financing (TIF) as a financial tool to facilitate redevelopment. The project area is approximately 1,824 acres in size and is exclusively industrial,

containing some existing industrial development and significant vacant property. Industrial uses include the full range of those permitted in the M1 and BP Districts, such as automotive, manufacturing, warehousing, packaging, etc.

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

Long-Term Financial Planning

The Village annually updates a three-year financial plan providing for all Village revenues and expenditures. Information is gathered from each department regarding major capital projects and changes in operating levels and services that may be needed over the next several years. The Village completed a Five-Year Capital Improvement Program (CIP) for fiscal year 2012 through fiscal year 2016 during fiscal year 2011. Lastly, the Village submitted its fiscal year 2012 budget to the Government Finance Officers Association (GFOA) Distinguished Budget program and received this prestigious award for the fifth time during fiscal year 2011.

Cash Management Policies and Practices

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, the Illinois Funds, the Illinois Metropolitan Investment Fund, U.S. Government Agency Securities, and Municipal Securities. The maturities of the investments range from being immediately accessible to eighteen months. Bond proceeds have been spent down during fiscal year 2011 and short-term interest rates continued to decrease throughout fiscal year 2011 resulting in lower investment income. Accordingly, the Village examined its cash and investment policies during fiscal year 2011 to determine whether changes could be made to better utilize temporarily idle cash. Major changes in investment vehicles were made in fiscal year 2011. Rates are expected to remain low throughout fiscal year 2012 as the economy struggles to recover. An investment committee met several times throughout 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, continued forward during fiscal year 2011, and will continue this task into fiscal year 2012 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 aide in determining the needs, wants, and overall satisfaction level of Sugar Grove citizens. This first survey not only gave the Village the insight it desired, but also serves as a baseline for measurement in the future. The survey was done in the context of planning for the future, balancing priorities, setting new objectives, funding decisions, and determining which services needed improvement. The Board has discussed an update to the survey, but the budget has not allowed an updated survey to be completed through fiscal year 2011 – 2012.

The results of the survey were received in January 2008 and utilized when the Village Board began its strategic planning effort on March 7, 2008. A strategic planning retreat, moderated by Greg Kuhn from the Northern Illinois University Center for Governmental Studies, was held to determine the vision and direction of the Village, as well as formally establish and prioritize Village goals. The Board approved the strategic goals in November 2008. Each strategic goal was prioritized and ranked within its particular category of Short-Term Routine (STR), Short-Term Complex (STC), Long-Term Routine (LTR), and Long-Term Complex (LTC). The strategic goals 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 discussed the previously established strategic goals and determined no changes or reprioritization was needed at this time. The Village will implement specific performance measures for each department using the survey, strategic plan, and the limited outputs the Village is already tracking when time and budget permits.

The budget for fiscal year 2011 – 2012 remains conservative and does not include significant new services. However, all basic services residents have come to expect from the Village will remain stable in spite of continued tight economic times and a decrease in staff.

Over the last two and a half years, since the beginning of the recession, the Village has reduced staffing levels by 8.500 full-time equivalent positions (including the 0.308 noted above). The Finance Department laid off a full-time office assistant (1.0) and part-time office associate (0.5). The Police Department reduced the number of patrol officers through not replacing officers on disability (3.0) and a sergeant who resigned (1.0). The Community Development Department laid off a building inspector (1.0) and a permit clerk (1.0). The Public Works Department reduced the number of laborers through not replacing a laborer who retired (1.0) and eliminated an open custodian position (0.5).

The above decrease has resulted in a staff reduction of 18.6% (departmental reductions range from 7.1% to 33.3%) since fiscal year 2008 – 2009. The remaining staff is focused on providing the basic services residents have come to expect, while trying to find more effective and efficient ways to complete processes and tasks.

A cost of living increase of 3% for non-represented employees was budgeted for fiscal year 2011 – 2012 after a wage freeze in fiscal year 2009 – 2010 and fiscal year 2010 – 2011. Patrol officers continued to receive increases during the same time which had been included in their initial contract. The patrol contract expires on April 30, 2011 and the Village is in the process of negotiating the second contract. In addition, the sergeants filed for a union during fiscal year 2008 – 2009 and the Village is still in the process of negotiating that contract.

The Village will continue to analyze the budget during fiscal year 2011 – 2012 as the economic recovery takes hold. The Village wants to ensure the recovery continues and revenue sources come in at or above expectations, while expenditures/expenses come in at or below expectations. A change either way will make it necessary for the Village to reexamine the budget during fiscal year 2011 – 2012.

The Administration Department will be working towards completion of labor agreement negotiations with both patrol officers and sergeants during fiscal year 2011 – 2012. 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 2011 – 2012. Community Development will concentrate its efforts on the establishment and implementation of the Tax Increment Financing (TIF) district noted under the local economy heading above.

The Finance Department will concentrate its efforts during fiscal year 2011 – 2012 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 creating a new policy and procedures manual. The Police Department also 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) construction of the Mallard Point drainage; 2) resurfacing of Granart Road; 3) extension of water main from Mallard Point to Settlers Ridge neighborhoods; and 4) installation of a new fixed point water meter system.

Awards and Acknowledgements

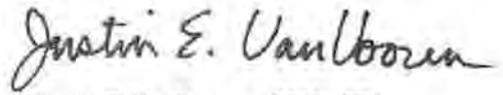
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Sugar Grove for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2010. This was the tenth consecutive 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 2010 – 2011 budget document. This was the fifth consecutive year the Village has received this award. In order to qualify for the Distinguished Budget Presentation Award, the Village's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide and a communications device.

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

Respectfully submitted,



Justin E. VanVooren, CMA, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Sugar Grove
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2010

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.

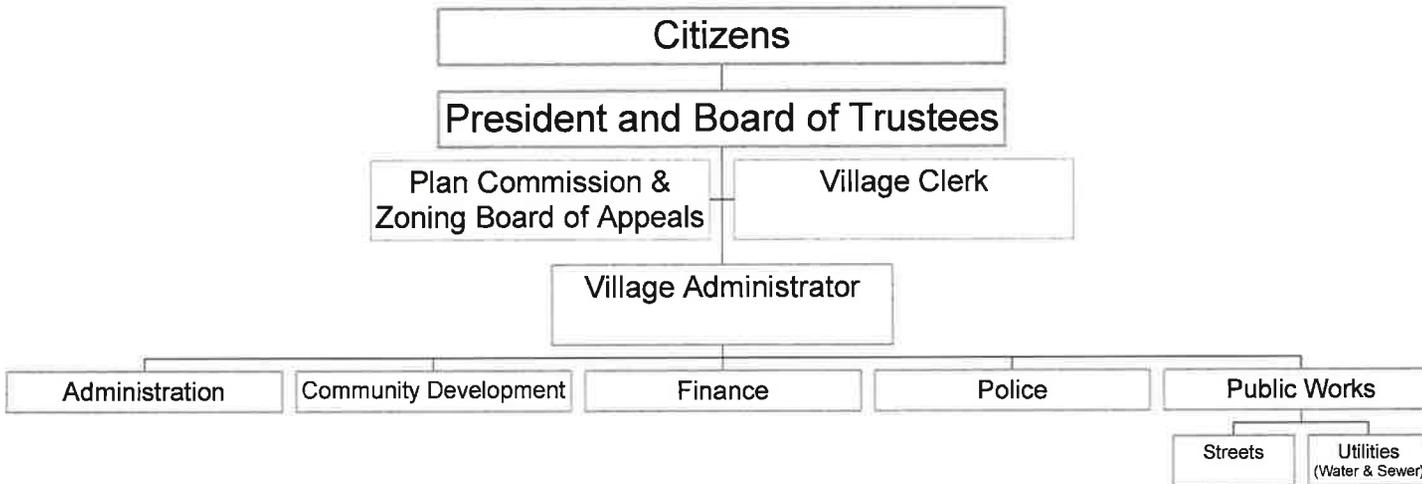


President

Executive Director



Organizational Chart



Village of Sugar Grove

Principal Officials

April 30, 2011

Village President

P. Sean Michels

Village Board of Trustees

Robert E. Bohler

Rick L. Montalto

Kevin M. Geary

David B. Paluch

Mari J. Johnson

Thomas F. Renk

Appointed

Brent M. Eichelberger

Village Administrator

Cynthia L. Galbreath

Village Clerk

Richard J. Young

Community Development Director

Justin E. VanVooren

Finance Director/Treasurer

Bradley A. Sauer

Police Chief

Anthony J. Speciale

Public Works Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT

July 22, 2011

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 for the Village of Sugar Grove, Illinois as of and for the year ended April 30, 2011, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Village of Sugar Grove, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Sugar Grove, Illinois as of April 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2011, on our consideration of the Village of Sugar Grove, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village of Sugar Grove, Illinois' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of federal expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



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, 2011. 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 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, 2011 by \$44,250 (net assets). Of this amount, \$7,207 (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 \$199 over the prior year. The increase reflects \$773 of federal grants the Village has received for road projects and approximately \$331 and \$274 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, 2011, the Village's governmental funds reported combined ending fund balances of \$7,048, a decrease of \$161 over the prior year. Approximately three fifths of this total amount, \$4,357, is available for spending at the Village's discretion. In addition, the Village's proprietary funds reported combined ending net assets of \$17,782, a decrease of \$243 over the prior year. Approximately one quarter of this total amount, \$4,671, 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 61 of this report.

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

Individual fund statements and schedules are presented immediately following the required supplementary information discussed above which can be found on pages 66 through 89 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 \$44,250 as of April 30, 2011.

The largest portion of the Village's net assets (78.2%) 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	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 11,034	\$ 12,249	\$ 5,014	\$ 5,240	\$ 16,048	\$ 17,489
Capital assets	29,385	29,636	22,186	22,897	51,571	52,533
Total assets	40,419	41,885	27,200	28,137	67,619	70,022
Long-term liabilities	10,090	10,944	9,112	9,671	19,202	20,615
Other liabilities	3,861	4,915	306	441	4,167	5,356
Total liabilities	13,951	15,859	9,418	10,112	23,369	25,971
Net assets:						
Invested in capital assets, net of related debt	21,479	21,369	13,111	13,258	34,590	34,627
Restricted	2,453	2,681	-	-	2,453	2,681
Unrestricted	2,536	1,976	4,671	4,767	7,207	6,743
Total net assets	\$ 26,468	\$ 26,026	\$ 17,782	\$ 18,025	\$ 44,250	\$ 44,051

An additional portion of the Village's net assets (5.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (16.3%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of April 30, 2011, 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 \$199 over the prior year. The increase reflects \$773 of federal grants the Village has received for road projects and approximately \$331 and \$274 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.

The Village's unrestricted net assets increased by \$464 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 \$2,090 remains unspent as of April 30, 2011 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 decreased by \$37 during the current fiscal year. The Village added \$992 of additional capital assets during the year and had depreciation of \$1,955.

Table 2
Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 434	\$ 405	\$ 3,164	\$ 3,044	\$ 3,598	\$ 3,449
Operating grants and contributions	34	1	-	-	34	1
Capital grants and contributions	774	2,325	30	11	804	2,336
General revenues:						
Property taxes	1,468	1,444	-	-	1,468	1,444
Other taxes	2,704	2,555	-	-	2,704	2,555
Other	298	447	50	101	348	548
Total revenues	5,712	7,177	3,244	3,156	8,956	10,333
Expenses:						
General government	1,161	1,335	-	-	1,161	1,335
Public safety	1,959	1,963	-	-	1,959	1,963
Highways and streets	2,011	2,368	-	-	2,011	2,368
Interest	438	465	-	-	438	465
Water and sewer	-	-	2,489	2,584	2,489	2,584
Refuse	-	-	699	681	699	681
Total expenses	5,569	6,131	3,188	3,265	8,757	9,396
Increase in net assets						
before transfers	143	1,046	56	(109)	199	937
Transfers	299	333	(299)	(333)	-	-
Increase in net assets	442	1,379	(243)	(442)	199	937
Net assets, beginning of year	26,026	24,647	18,025	18,467	44,051	43,114
Net assets, end of year	\$ 26,468	\$ 26,026	\$ 17,782	\$ 18,025	\$ 44,250	\$ 44,051

Governmental activities. Governmental activities increased the Village's net assets by \$442. Key elements of this increase are as follows:

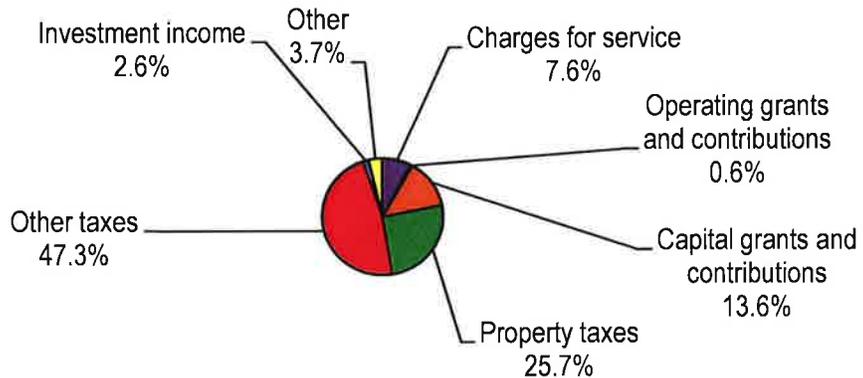
- Operating grants increased by \$33 (3,300.0%) due to the receipt of a Federal Emergency Management Agency (FEMA) grant for a large snow event in fiscal year 2011.
- Capital grants and contributions decreased by \$1,551 (66.7%) due to a reduction in the number and size of road projects partially funded by federal grants from fiscal year 2010 to fiscal year 2011.
- Other general revenue decreased by \$149 (33.3%), mostly because bond proceeds have been spent down during fiscal year 2011 and short-term interest rates continued to decrease further throughout fiscal year 2011 from fiscal year 2010 rates resulting in lower investment income.

The decrease in expenses was attributable mostly to the general operations of the Village. The decrease in general government (13.0%) can be credited mostly to a full year of the reallocation of staff in the Administration 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 (0.2%) can be attributed mostly to a reduction in the number of sworn personnel that were not replaced due to the economy. The decrease in highways and streets (15.1%) is due to a reduction in the number of laborers that were not replaced due to the economy.

Expenses and Program Revenues - Governmental Activities



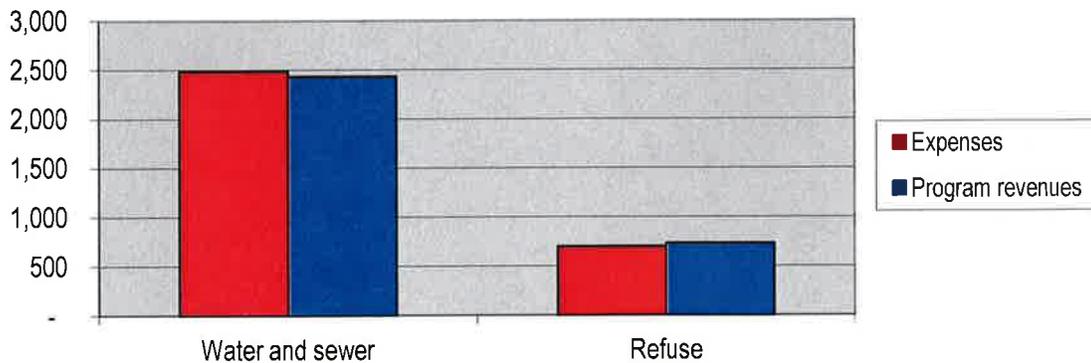
Revenues by Source - Governmental Activities



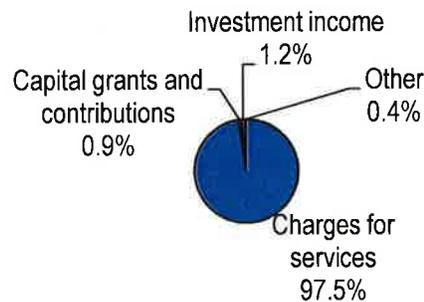
Business-type activities. Business-type activities decreased the Village's net assets by \$243. Key elements of this decrease are as follows:

- 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. This resulted in receiving \$213 (8.0%) less operating revenues than budgeted. Meanwhile, operating expenses only decreased by \$77 (2.4%) from the previous year which created an operating deficit.
- Other waterworks and sewerage revenue decreased by \$51 (50.5%), mostly because bond proceeds have been spent down during fiscal year 2011 and short-term interest rates continued to decrease further throughout fiscal year 2011 from fiscal year 2010 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 \$7,048, a decrease of \$161 in comparison with the prior year. Approximately 20.2% of this total amount, \$1,425, is available for spending at the Village's discretion for general purposes, while approximately 41.6% of this total amount, \$2,932, 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, 2011, unreserved and undesignated fund balance of the General Fund was \$1,425. 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 39.7% (4.8 months) of the total General Fund expenditures, while total fund balance represents 42.5% (5.1 months) of total General Fund expenditures.

The fund balance of the General Fund increased by \$6 to a total of \$1,524 of fund balance at the end of the current fiscal year. The key factors in this increase are attributable to a full year of the reduction in the number of staff that were not replaced due to the economy, as well as a transfer of resources to the Infrastructure Capital Projects Fund for additional street maintenance.

The fund balance of the Debt Service Fund decreased by \$42 to a total of \$370 of fund balance at the end of the current fiscal year. The timing of receipts versus payment of debt principal and interest accounted for the decrease.

The fund balance of the General Capital Projects Fund decreased by \$356 to a total of \$5,056 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 increased by \$231 to a total of \$99 of fund at the end of the current fiscal year. The increase is attributable to the transfer of resources from the General Fund for additional street maintenance.

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

The Waterworks and Sewerage Fund had a decrease in net assets of \$244 to a total of \$17,744 of net assets at the end of the current fiscal year. Approximately 26.1% of that total is unrestricted net assets. Other factors concerning the finances of the Waterworks and Sewerage Fund have already been addressed in the discussion of the Village's business-type activities.

The Refuse Fund had an increase in net assets of \$1 to a total of \$38 of net assets at the end of the current fiscal year. The Village Board chose to be as close to breakeven as possible during the current 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 \$12 or 0.3%. However, the General Fund expenditures were also less than the budget by \$413 or 10.3%. 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. However, reimbursements for such items as snowplowing of developer maintained subdivisions was higher than expected because of the size and number of snow events during fiscal year 2011. In addition, expenditures were lower than estimated due to a reduction in the number of staff, who were not replaced due to the economy

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, 2011, amounts to \$51,571 (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:

- Although engineering services and construction were substantially completed during fiscal year 2010 on the extension of Municipal Drive and Galena Boulevard, this project added \$57 for roads in fiscal year 2011. Total projects costs for the extension of Municipal Drive and Galena Boulevard to date are \$10,119 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 2 street maintenance projects (Prairie Street and Granart Road). Prairie Street was completed during fiscal year 2011, while Granart Road began in earnest during fiscal year 2011. Prairie Street added \$670 during fiscal year 2011, for total project costs of \$728. Granart Road added \$21 during fiscal year 2011, for total projects costs of \$29, which is 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 in earnest during fiscal year 2011 with \$93 being spent on preliminary engineering so far. This cost has also been included in construction in progress for governmental activities.
- Division Drive, a key link between The Landings and Prairie Grove Commons commercial developments, was completed during fiscal year at a cost of \$126 for roads and \$36 for water main.

The following schedule summarizes the Village's capital assets.

Table 3
Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 9,932	\$ 9,932	\$ 332	\$ 332	\$ 10,264	\$ 10,264
Construction in progress	122	33	2	1	124	34
Infrastructure	19,837	18,983	25,656	25,607	45,493	44,590
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	1,620	1,409	1,409	3,029	3,029
Less:						
Accumulated depreciation	(4,601)	(3,407)	(7,190)	(6,429)	(11,791)	(9,836)
Total capital assets	\$ 29,385	\$ 29,636	\$ 22,186	\$ 22,897	\$ 51,571	\$ 52,533

Additional information regarding the capital assets can be found in note 4 on pages 42 through 44 of this report.

Long-term debt. At the end of the current fiscal year, the Village had total debt outstanding of \$19,071 (excluding compensated absences). This amount is partially comprised of six general obligation alternate revenue bonds which pledge income, sales, use, property and utility taxes, capital improvement and road impact fees, and net revenues of the waterworks and sewerage system. These bonds further pledge the full faith and credit of the Village should the alternate revenue source be insufficient. The Village abates the property taxes on the Series 2002, Series 2006, Series 2006A, Series 2008A, Series 2008B, and Series 2009 bonds. The remaining amount of debt outstanding is comprised of three Illinois Environmental Protection Agency (IEPA) loans backed by the net revenues of the waterworks and sewerage system. In fiscal year 2011, the Village's debt decreased by \$1,415.

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

- The Village made the final payment on the Series 1991 bonds, which were issued to pay for the Village Hall, during fiscal year 2011. The Village did not replace the bonds, which were paid for with property taxes, and therefore, have been able to reduce property tax bills for our residents.

The following schedule summarizes the Village's indebtedness.

Table 4
Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 9,997	\$ 10,847	\$ 5,208	\$ 5,453	\$ 15,205	\$ 16,300
IEPA loans	-	-	3,866	4,186	3,866	4,186
Total long-term debt	\$ 9,997	\$ 10,847	\$ 9,074	\$ 9,639	\$ 19,071	\$ 20,486

Additional information regarding the Village's long-term debt can be found in note 6 on pages 45 through 51 of this report.

Economic Factors and Next Year's Budgets and Rates

Property taxes imposed on property within the Village's corporate limits provide a stable revenue source. Property tax revenue is still expected to increase, albeit a smaller amount than the past, during fiscal year 2011 – 2012 due to the slowdown in the commercial and residential development markets. 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. Equalized assessed valuation is based on the last three years of housing data. Although the assessed value had more than tripled over the past ten years through 2009, assessed value decreased during fiscal year 2010 – 2011 for the first time since records are available and have now dropped to levels not seen since 2006. The property tax rate itself will increase slightly as the equalized assessed value of homes stagnates or decreases. The Village expects most revenues to remain flat after seeing decreases during the last couple of years in such items as income and utility taxes. However, sales tax has begun to recover and the Village expects this to continue throughout fiscal year 2011 – 2012.

The Village will raise resident and non-resident water and sewer service charges and usage rates by an additional 7.25% to cover lower usage trends and higher operating expenses including increases in electric 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 \$19.55 per month to \$20.50 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, 2011

See Following Page

Village of Sugar Grove, Illinois

Statement of Net Assets

April 30, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 2,960,832	\$ 3,376,340	\$ 6,337,172
Investments	5,545,373	1,175,485	6,720,858
Receivables			
Property taxes	1,412,465	-	1,412,465
Other taxes	673,776	-	673,776
Intergovernmental	66,989	-	66,989
Accounts	-	273,173	273,173
Interest	10,251	9,217	19,468
Other	121,607	1,542	123,149
Prepays	98,364	91,765	190,129
Total current assets	10,889,657	4,927,522	15,817,179
Noncurrent			
Net pension asset	8,738	-	8,738
Deferred charges	136,052	86,696	222,748
Capital assets (net of accumulated depreciation)			
Land	9,932,586	331,723	10,264,309
Construction in progress	121,998	1,826	123,824
Infrastructure	17,022,982	19,711,170	36,734,152
Buildings	1,656,545	1,236,136	2,892,681
Improvements other than buildings	174,025	275,146	449,171
Vehicles and equipment	477,146	629,557	1,106,703
Total noncurrent assets	29,530,072	22,272,254	51,802,326
Total assets	\$ 40,419,729	\$ 27,199,776	\$ 67,619,505

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Net Assets - Continued
 April 30, 2011

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
Accounts payable	\$ 1,866,955	\$ 134,509	\$ 2,001,464
Wages payable	66,959	18,755	85,714
Deposits payable	243,301	-	243,301
Sales tax rebate payable	122,590	-	122,590
Accrued interest	139,358	130,667	270,025
Unearned revenue - property tax	1,412,465	-	1,412,465
Unearned revenue - other	-	21,000	21,000
Other liabilities	9,608	1,184	10,792
Current portion of long-term liabilities	789,430	633,847	1,566,702
Total current liabilities	<u>4,650,666</u>	<u>939,962</u>	<u>5,734,053</u>
Noncurrent			
Long-term liabilities	9,300,971	8,477,987	17,778,958
Total noncurrent liabilities	<u>9,300,971</u>	<u>8,477,987</u>	<u>17,778,958</u>
Total liabilities	<u>13,951,637</u>	<u>9,417,949</u>	<u>23,369,586</u>
Net Assets			
Invested in capital assets, net of related debt	21,478,547	13,111,168	34,589,715
Restricted for			
Capital projects - bond proceeds	2,090,409	-	2,090,409
Debt service	230,837	-	230,837
Highways and streets	132,219	-	132,219
Unrestricted	2,536,080	4,670,659	7,206,739
Total net assets	<u>\$ 26,468,092</u>	<u>\$ 17,781,827</u>	<u>\$ 44,249,919</u>

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Activities
Year Ended April 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 1,160,466	\$ 163,454	\$ -	\$ -
Public safety	1,959,194	271,035	1,100	1,512
Highways and streets	2,011,102	-	32,684	772,720
Interest expense	437,467	-	-	-
Total governmental activities	<u>5,568,229</u>	<u>434,489</u>	<u>33,784</u>	<u>774,232</u>
Business-type activities				
Water and sewer	2,488,457	2,433,467	-	30,192
Refuse	699,274	730,420	-	-
Total business-type activities	<u>3,187,731</u>	<u>3,163,887</u>	<u>-</u>	<u>30,192</u>
Total	<u>\$ 8,755,960</u>	<u>\$ 3,598,376</u>	<u>\$ 33,784</u>	<u>\$ 804,424</u>

General revenues:

Taxes

Property

Income

Sales

Electric

Natural gas

Telecommunications

Motor fuel

Other

Investment income

Miscellaneous

Transfers

Total general revenues
and transfers

Change in net assets

Net assets - beginning, as restated

Net assets - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (997,012)	\$ -	\$ (997,012)
(1,685,547)	-	(1,685,547)
(1,205,698)	-	(1,205,698)
(437,467)	-	(437,467)
<u>(4,325,724)</u>	<u>-</u>	<u>(4,325,724)</u>
-	(24,798)	(24,798)
-	31,146	31,146
-	6,348	6,348
<u>(4,325,724)</u>	<u>6,348</u>	<u>(4,319,376)</u>
1,467,686	-	1,467,686
684,720	-	684,720
873,110	-	873,110
282,517	-	282,517
131,137	-	131,137
329,765	-	329,765
272,617	-	272,617
129,683	-	129,683
84,945	37,715	122,660
212,544	11,903	224,447
299,013	(299,013)	-
<u>4,767,737</u>	<u>(249,395)</u>	<u>4,518,342</u>
442,013	(243,047)	198,966
<u>26,026,079</u>	<u>18,024,874</u>	<u>44,050,953</u>
<u>\$ 26,468,092</u>	<u>\$ 17,781,827</u>	<u>\$ 44,249,919</u>

Village of Sugar Grove, Illinois

Balance Sheet - Governmental Funds
April 30, 2011

	General Fund	Debt Service Fund	General Capital Projects Fund	Infrastructure Capital Projects Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,231,579	\$ 7,552	\$ 1,644,471	\$ 77,230	\$ 2,960,832
Investments	385,738	362,643	4,349,582	447,410	5,545,373
Receivables					
Property taxes	1,412,465	-	-	-	1,412,465
Other taxes	557,276	-	-	116,500	673,776
Intergovernmental	39,862	-	-	27,127	66,989
Interest	3,968	-	6,283	-	10,251
Other	121,607	-	-	-	121,607
Due from other funds	1,469	-	817,210	2,029,098	2,847,777
Prepaid items	98,364	-	-	-	98,364
Total assets	\$ 3,852,328	\$ 370,195	\$ 6,817,546	\$ 2,697,365	\$ 13,737,434
Liabilities					
Accounts payable	\$ 67,293	\$ -	\$ 18,590	\$ 1,781,072	\$ 1,866,955
Wages payable	66,959	-	-	-	66,959
Deposits payable	243,301	-	-	-	243,301
Sales tax rebate payable	122,590	-	-	-	122,590
Due to other funds	318,497	-	1,743,385	785,895	2,847,777
Unearned revenues - property tax	1,412,465	-	-	-	1,412,465
Unearned revenues - other	87,862	-	-	31,788	119,650
Other liabilities	9,608	-	-	-	9,608
Total liabilities	2,328,575	-	1,761,975	2,598,755	6,689,305
Fund Balances					
Reserved for					
Capital projects	-	-	2,090,409	-	2,090,409
Debt service	-	370,195	-	-	370,195
Highways and streets	-	-	-	132,219	132,219
Prepaid items	98,364	-	-	-	98,364
Unreserved					
General fund	1,425,389	-	-	-	1,425,389
Capital projects funds	-	-	2,965,162	(33,609)	2,931,553
Total fund balances	1,523,753	370,195	5,055,571	98,610	7,048,129
Total liabilities and fund balances	\$ 3,852,328	\$ 370,195	\$ 6,817,546	\$ 2,697,365	\$ 13,737,434

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, 2011

Total fund balances-governmental funds	\$ 7,048,129
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.	29,385,282
A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds.	8,738
Issuance costs of debt are capitalized in the Statement of Net Assets and are amortized over the life of the related debt.	136,052
Revenues in the Statement of Activities that do not provide current financial resources are unearned in the funds.	119,650
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	(139,358)
Compensated absences	(84,430)
Net other post-employment benefit obligation	(8,827)
General obligation bonds payable	(9,997,144)
Net assets of governmental activities	<u>\$ 26,468,092</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, 2011

	General Fund	Debt Service Fund	General Capital Projects Fund	Infrastructure Capital Projects Fund	Total Governmental Funds
Revenues					
Property taxes	\$ 1,369,968	\$ 97,718	\$ -	\$ -	\$ 1,467,686
Other taxes	2,030,368	-	-	662,985	2,693,353
Charges for services	93,854	-	-	-	93,854
Intergovernmental, grants, and contributions	33,784	-	3,025	771,207	808,016
Licenses and permits	85,186	-	-	-	85,186
Fines, fees and forfeitures	315,100	-	-	-	315,100
Interest	26,906	2,812	53,168	2,059	84,945
Miscellaneous	95,334	-	57,559	-	152,893
Total revenues	4,050,500	100,530	113,752	1,436,251	5,701,033
Expenditures					
Current					
General government	1,124,079	-	701	-	1,124,780
Public safety	1,912,121	-	-	-	1,912,121
Highways and streets	550,969	-	137,288	278,162	966,419
Debt service					
Principal	-	860,000	-	-	860,000
Interest and fiscal charges	-	416,870	-	-	416,870
Capital outlay	-	-	-	880,652	880,652
Total expenditures	3,587,169	1,276,870	137,989	1,158,814	6,160,842
Excess (deficiency) of revenues over expenditures	463,331	(1,176,340)	(24,237)	277,437	(459,809)
Other financing sources (uses)					
Transfers in	30,000	1,134,943	202,146	465,552	1,832,641
Transfers out	(487,858)	-	(534,229)	(511,541)	(1,533,628)
Total other financing sources (uses)	(457,858)	1,134,943	(332,083)	(45,989)	299,013
Net change in fund balances	5,473	(41,397)	(356,320)	231,448	(160,796)
Fund balances - beginning	1,518,280	411,592	5,411,891	(132,838)	7,208,925
Fund balances - ending	\$ 1,523,753	\$ 370,195	\$ 5,055,571	\$ 98,610	\$ 7,048,129

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, 2011**

Net change in fund balances-total governmental funds	\$ (160,796)
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. (\$942,112 current additions less \$1,193,168 depreciation.)	(251,056)
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	10,196
A change in the net pension asset is not considered to be a change in a financial asset in the governmental funds.	
Change in net pension asset	266
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	(3,252)
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	(32,528)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	860,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Compensated absences	7,252
Accrued interest	11,931
Change in net assets of governmental activities	<u>\$ 442,013</u>

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Net Assets - Proprietary Funds
April 30, 2011

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
Assets			
Current			
Cash and cash equivalents	\$ 3,348,651	\$ 27,689	\$ 3,376,340
Investments	1,175,485	-	1,175,485
Receivables			
Accounts	204,169	69,004	273,173
Interest	9,217	-	9,217
Other	1,542	-	1,542
Prepays	91,765	-	91,765
Total current assets	4,830,829	96,693	4,927,522
Noncurrent			
Deferred charges	86,696	-	86,696
Capital assets (net of accumulated depreciation)			
Land	331,723	-	331,723
Construction in progress	1,826	-	1,826
Infrastructure	19,711,170	-	19,711,170
Buildings	1,236,136	-	1,236,136
Improvements other than buildings	275,146	-	275,146
Vehicles and equipment	629,557	-	629,557
Total noncurrent assets	22,272,254	-	22,272,254
Total assets	\$ 27,103,083	\$ 96,693	\$ 27,199,776

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Net Assets - Proprietary Funds - Continued
 April 30, 2011

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
Liabilities			
Current			
Accounts payable	\$ 76,140	\$ 58,369	\$ 134,509
Wages payable	18,755	-	18,755
Accrued interest	130,667	-	130,667
Unearned revenue - other	21,000	-	21,000
Other liabilities	1,184	-	1,184
Compensated absences - current	25,617	-	25,617
General obligation bonds payable - current	280,000	-	280,000
Loans payable - current	328,230	-	328,230
Total current liabilities	881,593	58,369	939,962
Noncurrent			
Compensated absences	11,826	-	11,826
General obligation bonds payable (net of unamortized premiums and deferred amount on refunding)	4,928,075	-	4,928,075
Loans payable	3,538,086	-	3,538,086
Total noncurrent liabilities	8,477,987	-	8,477,987
Total liabilities	9,359,580	58,369	9,417,949
Net Assets			
Invested in capital assets, net of related debt	13,111,168	-	13,111,168
Unrestricted	4,632,335	38,324	4,670,659
Total net assets	\$ 17,743,503	\$ 38,324	\$ 17,781,827

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, 2011

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
Operating revenues			
Charges for services			
Water revenue	\$ 1,206,188	\$ -	\$ 1,206,188
Sewer revenue	1,184,188	-	1,184,188
Other revenue	54,994	-	54,994
Refuse revenue	-	730,420	730,420
Total operating revenues	2,445,370	730,420	3,175,790
Operating expenses excluding amortization and depreciation	1,350,881	699,274	2,050,155
Operating income before amortization and depreciation	1,094,489	31,146	1,125,635
Amortization	11,387	-	11,387
Depreciation	761,488	-	761,488
Total amortization and depreciation	772,875	-	772,875
Operating income	321,614	31,146	352,760
Nonoperating revenues (expenses)			
Connection fees	30,192	-	30,192
Interest income	37,627	88	37,715
Interest expense	(364,701)	-	(364,701)
Total nonoperating revenues (expenses)	(296,882)	88	(296,794)
Income (loss) before contributions and transfers	24,732	31,234	55,966
Transfer in	116,464	-	116,464
Transfer out	(385,477)	(30,000)	(415,477)
Change in net assets	(244,281)	1,234	(243,047)
Net assets - beginning	17,987,784	37,090	18,024,874
Net assets - ending	\$ 17,743,503	\$ 38,324	\$ 17,781,827

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Cash Flows – Proprietary Funds
Year Ended April 30, 2011

	Business Type Activities		
	Enterprise Funds		
	Waterworks and Sewerage Fund	Refuse Fund	Totals
Cash flows from operating activities			
Cash received from customers	\$ 2,425,689	\$ 728,723	\$ 3,154,412
Cash paid to suppliers	(1,005,257)	(698,044)	(1,703,301)
Cash paid to employees	(488,106)	-	(488,106)
Net cash provided (used) by operating activities	932,326	30,679	963,005
Cash flows from noncapital financing activities			
Transfers to other funds	(385,477)	(30,000)	(415,477)
Connection fees	30,192	-	30,192
Net cash provided (used) by noncapital financing activities	(238,821)	(30,000)	(268,821)
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(50,006)	-	(50,006)
Interest and fees paid on general obligation bonds	(238,499)	-	(238,499)
Interest paid on IEPA loans	(107,834)	-	(107,834)
Principal paid on general obligation bonds	(270,000)	-	(270,000)
Principal paid on IEPA loans	(319,776)	-	(319,776)
Net cash flows provided (used) by capital and related financing activities	(986,115)	-	(986,115)
Cash flows from investing activities			
Purchase of investments	(2,106,292)	-	(2,106,292)
Sale of investments	1,178,605	-	1,178,605
Interest on investments	52,143	88	52,231
Net cash flows provided (used) by investing activities	(875,544)	88	(875,456)
Net increase (decrease) in cash and equivalents	(1,168,154)	767	(1,167,387)
Cash and cash equivalents - beginning	4,516,805	26,922	4,543,727
Cash and cash equivalents - ending	\$ 3,348,651	\$ 27,689	\$ 3,376,340

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Cash Flows – Proprietary Funds - Continued
Year Ended April 30, 2011

	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	\$ 321,614	\$ 31,146	\$ 352,760
Adjustments to reconcile operating income to net cash provided by (used for) operating activities			
Amortization	11,387	-	11,387
Depreciation	761,488	-	761,488
Changes in assets and liabilities			
Accounts receivable	(22,701)	(1,697)	(24,398)
Other receivable	(1,426)	-	(1,426)
Due from other funds	4,446	-	4,446
Prepaid items	(18,951)	-	(18,951)
Accounts payable	(127,286)	1,230	(126,056)
Wages payable	(1,827)	-	(1,827)
Due to other funds	(20)	-	(20)
Other liabilities	(14)	-	(14)
Compensated absences	5,616	-	5,616
Total adjustments	610,712	(467)	610,245
Net cash provided (used) by operating activities	\$ 932,326	\$ 30,679	\$ 963,005

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Statement of Fiduciary Net Assets
April 30, 2011

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,496	\$ 4,802
Investments		
U.S. government and agency obligations	1,470,158	-
State and local obligations	67,501	-
Equity mutual funds	189,233	-
Money market mutual funds	116,558	-
Interest receivable	13,606	-
Prepays	2,229	-
Total assets	<u>1,860,781</u>	<u>4,802</u>
Liabilities		
Accounts payable	2,216	-
Due to other governments	-	4,802
Total liabilities	<u>2,216</u>	<u>4,802</u>
Net Assets		
Held in trust for pension benefits	<u>\$ 1,858,565</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, 2011

Additions	
Contributions	
Employer	\$ 217,489
Employee	94,690
	<u>312,179</u>
Investment income	
Interest income	52,272
Net appreciation in fair value of investments	57,117
Total investment income	<u>109,389</u>
Less investment expenses	<u>(6,730)</u>
Net investment income	<u>102,659</u>
Total additions	<u>414,838</u>
Deductions	
Administration	24,260
Pension benefits and refunds	93,870
Total deductions	<u>118,130</u>
Change in net assets	296,708
Net assets - beginning	<u>1,561,857</u>
Net assets - ending	<u>\$ 1,858,565</u>

See Notes to Financial Statements.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

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

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

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

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

Note 1. Summary of significant accounting policies (continued)

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

3. Property Taxes (continued)

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

4. Prepaid Items

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

5. Interfund Receivables/Payables

The Village has the following types of transactions between funds:

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

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

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

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

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

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

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, 2011, deductions exceeded appropriations in the Police Pension Fund by \$20,335. The excess of deductions in the Police Pension Fund were funded by existing net assets.

C. Deficit fund equity

There were no funds with a deficit fund equity as of April 30, 2011.

Note 3. Deposits and investments

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

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

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

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 \$6,341,974 and the bank balances totaled \$6,347,668.

Investments. At year-end, the carrying amount and fair value of the Village's investments totaled \$6,720,858. The following table presents the debt securities and investments, as well as their maturities, of the Village. Categorized investments are insured or registered for which the securities are held by the Village or its agent in the Village's name. Uncategorized investments are not subject to categorization because they are not securities. As such, investments in the Illinois Funds and Illinois Metropolitan Investment Fund are not subject to categorization.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
<i>Categorized investments:</i>					
<i>U.S. government agencies:</i>					
FHLMC	\$ 200,316	\$ -	\$ 200,316	\$ -	\$ -
FHLB	245,017	-	245,017	-	-
FNMA	450,861	-	450,861	-	-
Municipal bonds	201,828	201,828	-	-	-
<i>Uncategorized investments:</i>					
Illinois Funds	1,638	1,638	-	-	-
Illinois Metropolitan Investment Fund	5,621,198	2,627,848	2,993,350	-	-
	<u>\$ 6,720,858</u>	<u>\$ 2,831,314</u>	<u>\$ 3,889,544</u>	<u>\$ -</u>	<u>\$ -</u>

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

Carrying amount of deposits	\$ 6,341,974
Carrying amount of investments	6,720,858
Total pooled deposits and investments	<u>\$ 13,062,832</u>
Cash and cash equivalents - governmental and business-type activities	\$ 6,337,172
Investments - governmental and business-type activities	6,720,858
Cash and cash equivalents - agency funds	4,802
Total pooled deposits and investments	<u>\$ 13,062,832</u>

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one year period. The investment policy limits the maximum maturity length of investments to three years from the date of purchase. Investment of reserve funds may exceed three years if the maturity is made to coincide with the expected

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 3. Deposits and investments (continued)

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

use of the funds. The portion of the portfolio that is invested with Illinois Metropolitan Investment 1 – 3 Year Fund has an average maturity of 1.51 years and a duration of 1.45 years and is subject to interest rate risk. With a current duration of 1.51 years, if the interest rates were to increase by 1%, the value of the fund would decrease by approximately 1.51% and vice versa if the interest rates were to decrease by 1%.

Credit risk. Credit risk is the risk that an issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk by primarily investing in obligations guaranteed by the U.S. Government or securities issued by agencies of the U.S. Government that are explicitly or implicitly guaranteed by the U.S. Government. At April 30, 2011, the Village's investments in the U.S. Agency obligations, Illinois Funds, and Illinois Metropolitan Investment Fund have earned Standard & Poor's highest rating (AAA). The Village also holds one municipal bond which is rated AA-.

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

Custodial credit risk – deposits. This is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 102% of all bank balances in excess of federal depository insurance with the collateral held by the Village or a third party in the Village's name. At April 30, 2011, \$145,925 of the Village's bank balance of \$6,347,668 was exposed to custodial credit risk because it was uninsured and uncollateralized. The amount was cash held by a bond paying agent used to pay debt on May 1, 2011.

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

Concentration of credit risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. With the exception of U.S. Treasury and U.S. Agency securities and authorized investment pools, no more than 90% of the Village's total investment portfolio will be invested in a single security type and no more than 50% of the Village of Sugar Grove's total investment portfolio will be invested with a single financial institution. At April 30, 2011, the Village had greater than 5% of its overall portfolio (cash and cash equivalents and investments) invested in the Illinois Metropolitan Investment Fund Convenience Fund (20.11%) and Illinois Metropolitan Investment Fund 1 – 3 Year Fund (22.91%).

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 3. Deposits and investments (continued)

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

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

Statutes authorize the Police Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United State of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Public Treasurer, interest bearing funds or pooled accounts of the Illinois Metropolitan Investment Funds, and interest bearing funds or pooled accounts managed by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the pension fund's plan net assets; and corporate bonds managed through an investment advisor, rated a investment grade by one of the two largest rating services at the time of purchase. Pension funds with plan net assets of \$2,500,000 or more may invest up to forty-five percent of plan net assets in separate accounts of life insurance companies and mutual funds. Pension funds with plan net assets of at least \$5,000,000 that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net assets in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net assets of at least \$10,000,000 that have appointed an investment advisor, may invest up to fifty percent of its plan net assets in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

Deposits. At year-end, the carrying amount of Police Pension Fund's deposits totaled \$1,496 and the bank balances totaled \$3,378.

Investments. At year-end, the carrying amount and fair value of the Police Pension Fund's investments totaled \$1,843,450. The following table presents the debt securities and investments, as well as their maturities, of the Police Pension Fund. Categorized investments are insured or registered for which the securities are held by the Police Pension Fund or its agent in the fund's name. Uncategorized investments are not subject to categorization because they are not securities. As such, investments in equity mutual and money market mutual funds are not subject to categorization.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 3. Deposits and investments (continued)

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Categorized investments:					
U.S. Treasury obligations:					
U.S. Treasury notes	\$ 599,537	\$ -	\$ 231,970	\$ 367,567	\$ -
U.S. government agencies:					
FFCB	213,095	25,669	144,307	43,119	-
FHLMC	104,025	30,454	47,421	26,150	-
FHLB	481,054	99,666	266,410	114,978	-
FNMA	72,447	49,908	22,539	-	-
Municipal bonds	67,501	-	16,015	51,486	-
Uncategorized investments:					
Equity mutual funds	189,233	189,233	-	-	-
Money market mutual funds	116,558	116,558	-	-	-
	<u>\$ 1,843,450</u>	<u>\$ 511,488</u>	<u>\$ 728,662</u>	<u>\$ 603,300</u>	<u>\$ -</u>

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

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

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The fund limits its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The investments in securities of the U.S. government, agency obligations, and municipal bonds were rated AAA by Standard & Poor's and/or Aaa by Moody's Investors Service.

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

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the pension fund's deposits may not be returned to it. At April 30, 2011, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The fund's investment policy does not limit custodial credit risk for deposits.

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

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 3. Deposits and investments (continued)

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

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

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

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

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

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

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

At April 30, 2011, 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	\$	47,650
T. Rowe Price Growth		33,492
Vanguard 500		33,051
Barron Small Cap		13,691
Royce Total Return		13,027
Cohen & Steers		9,902
RS Global Natural		9,634
Bridgeway Ultra		6,976
FBR Focus		6,312
UMB Scout International		6,060
Vanguard International		3,387
Lazard Emerging Markets		3,072
First Eagle Overseas		2,979
	\$	<u>189,233</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	33,643	89,230	875	121,998
Total capital assets not being depreciated	<u>9,966,229</u>	<u>89,230</u>	<u>875</u>	<u>10,054,584</u>
Capital assets being depreciated:				
Infrastructure	18,983,180	853,757	-	19,836,937
Buildings	2,217,441	-	-	2,217,441
Improvements other than buildings	256,743	-	-	256,743
Vehicles and equipment	1,619,970	-	-	1,619,970
	<u>23,077,334</u>	<u>853,757</u>	<u>-</u>	<u>23,931,091</u>
Less accumulated depreciation for:				
Infrastructure	1,839,170	974,785	-	2,813,955
Buildings	511,620	49,276	-	560,896
Improvements other than buildings	69,881	12,837	-	82,718
Vehicles and equipment	986,554	156,270	-	1,142,824
	<u>3,407,225</u>	<u>1,193,168</u>	<u>-</u>	<u>4,600,393</u>
Total capital assets being depreciated, net	<u>19,670,109</u>	<u>(339,411)</u>	<u>-</u>	<u>19,330,698</u>
Governmental activities capital assets, net	<u>\$ 29,636,338</u>	<u>\$ (250,181)</u>	<u>\$ 875</u>	<u>\$ 29,385,282</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	791	1,035	-	1,826
Total capital assets not being depreciated	<u>332,514</u>	<u>1,035</u>	<u>-</u>	<u>333,549</u>
Capital assets being depreciated:				
Infrastructure	25,606,948	48,971	-	25,655,919
Buildings	1,510,211	-	-	1,510,211
Improvements other than buildings	467,274	-	-	467,274
Vehicles and equipment	1,408,650	-	-	1,408,650
	<u>28,993,083</u>	<u>48,971</u>	<u>-</u>	<u>29,042,054</u>
Less accumulated depreciation for:				
Infrastructure	5,370,159	574,590	-	5,944,749
Buildings	240,515	33,560	-	274,075
Improvements other than buildings	165,315	26,813	-	192,128
Vehicles and equipment	652,568	126,525	-	779,093
	<u>6,428,557</u>	<u>761,488</u>	<u>-</u>	<u>7,190,045</u>
Total capital assets being depreciated, net	<u>22,564,526</u>	<u>(712,517)</u>	<u>-</u>	<u>21,852,009</u>
Business-type activities capital assets, net	<u>\$ 22,897,040</u>	<u>\$ (711,482)</u>	<u>\$ -</u>	<u>\$ 22,185,558</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	47,251	-
Highways and streets	1,104,288	-
Water and sewer	-	761,488
	<u>\$ 1,193,168</u>	<u>\$ 761,488</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, 2011, IRMA had seventy-three members. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the agency beyond its representation on the Board of Directors.

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

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 6. Long-term obligations

A. General obligation bonds

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

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
Governmental activities:					
\$ 925,000 General Obligation					
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	\$ 90,000	\$ -	\$ 90,000	\$ -
\$ 8,500,000 General Obligation					
Alternate Revenue Source					
Bonds dated June 15, 2006					
due in annual installments					
of \$215,000 to \$650,000 plus					
interest of 4.000% to 4.125%					
through Dec. 15, 2025					
	Debt Service	7,450,000	-	440,000	7,010,000
\$ 590,000 General Obligation					
Alternate Revenue Source					
Bonds dated July 15, 2008					
due in annual installments					
of \$100,000 to \$130,000 plus					
interest of 3.00% to 3.60%					
through Jan. 1, 2014					
	Debt Service	490,000	-	115,000	375,000

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
Governmental activities:					
\$ 2,930,000 General Obligation Alternate Revenue Source Bonds dated April 1, 2009 due in annual installments of \$50,000 to \$310,000 plus interest of 2.50% to 3.90% through Jan. 1, 2021	Debt Service	\$ 2,880,000	\$ -	\$ 215,000	\$ 2,665,000
Total general obligation bonds - governmental activities		10,910,000	-	860,000	10,050,000
Business-type activities:					
\$ 1,415,000 General Obligation Alternate Revenue Refunding Bonds dated May 29, 2002 due in annual installments of \$125,000 to \$165,000 plus interest of 3.00% to 4.00% through May 1, 2012	Waterworks and Sewerage	445,000	-	155,000	290,000
\$ 2,640,000 General Obligation Alternate Revenue Refunding Bonds dated May 17, 2006 due in annual installments of \$30,000 to \$325,000 plus interest of 4.00% to 4.50% through May 1, 2012	Waterworks and Sewerage	2,550,000	-	35,000	2,515,000

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 6. Long-term obligations (continued)

A. General obligation bonds (continued)

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
Business-type activities:					
\$ 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	\$ -	\$ 80,000	\$ 2,505,000
Total general obligation bonds - business-type activities		5,580,000	-	270,000	5,310,000
Total general obligation bonds		\$ 16,490,000	\$ -	\$ 1,130,000	\$ 15,360,000

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 6. Long-term obligations (continued)

B. Illinois Environmental Protection Agency (IEPA) loans

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

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
Business-type activities:					
\$ 3,697,283 IEPA Loan 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	\$ 2,003,236	\$ -	\$ 188,267	\$ 1,814,969
\$ 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	1,177,298	-	73,471	1,103,827
\$ 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	1,005,558	-	58,038	947,520
Total IEPA loans		\$ 4,186,092	\$ -	\$ 319,776	\$ 3,866,316

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 6. Long-term obligations (continued)

C. Changes in long-term liabilities

	Balances			Balances	Due Within
	May 1	Additions	Reductions	April 30	One Year
Governmental activities:					
Bonds payable:					
General obligation alternate revenue bonds	\$ 10,910,000	\$ -	\$ 860,000	\$ 10,050,000	\$ 705,000
Plus deferred amounts:					
For issuance premiums	41,773	-	4,829	36,944	-
Less deferred amounts:					
On refunding	(105,122)	-	(15,322)	(89,800)	-
Total bonds payable	10,846,651	-	849,507	9,997,144	705,000
Net other post-employment benefit obligation	5,575	17,966	14,714	8,827	-
Compensated absences	91,682	94,730	101,982	84,430	84,430
Total governmental activities long-term liabilities	\$ 10,943,908	\$ 112,696	\$ 966,203	\$ 10,090,401	\$ 789,430

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	\$ 5,580,000	\$ -	\$ 270,000	\$ 5,310,000	\$ 280,000
Plus deferred amounts:					
For issuance premiums	68,809	-	8,696	60,113	-
Less deferred amounts:					
On refunding	(195,583)	-	(33,544)	(162,039)	-
Total bonds payable	5,453,226	-	245,152	5,208,074	280,000
Loans payable	4,186,092	-	319,776	3,866,316	328,230
Compensated absences	31,827	27,508	21,892	37,443	25,617
Total business-type activities long-term liabilities	\$ 9,671,145	\$ 27,508	\$ 586,820	\$ 9,111,833	\$ 633,847

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, 2011, 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
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	650,000	286,452	936,452	350,000	172,600	522,600
2017 - 2021	3,730,000	1,042,602	4,772,602	1,895,000	617,100	2,512,100
2022 - 2026	2,900,000	368,999	3,268,999	1,175,000	262,013	1,437,013
2027 - 2031	-	-	-	670,000	46,894	716,894
	<u>\$ 10,050,000</u>	<u>\$ 3,081,469</u>	<u>\$ 13,131,469</u>	<u>\$ 5,310,000</u>	<u>\$ 1,929,182</u>	<u>\$ 7,239,182</u>

As of April 30, 2011, 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
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	364,341	63,270	427,611
2017 - 2021	1,607,215	171,400	1,778,615
2022 - 2026	528,850	24,624	553,474
	<u>\$ 3,866,316</u>	<u>\$ 603,828</u>	<u>\$ 4,470,144</u>

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 8. Interfund receivables, payables and transfers

The composition of interfund balances as of April 30, 2011 is as follows:

Receivable Fund	Payable Fund	Amount
General	Infrastructure Capital Projects	\$ 1,469
General Capital Projects	General	32,784
General Capital Projects	Infrastructure Capital Projects	784,426
Infrastructure Capital Projects	General	285,713
Infrastructure Capital Projects	General Capital Projects	1,743,385
		<u>\$ 2,847,777</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, 2011 are shown as follows:

Transfers in	Transfers out	Amount	Reason
General	Refuse	\$ 30,000	Overhead reimbursement
Debt Service	General Capital Projects	318,567	G.O. bonds debt service
Debt Service	Infrastructure Capital Projects	511,541	G.O. bonds debt service
Debt Service	Waterworks and Sewerage	304,835	G.O. bonds debt service
General Capital Projects	General	202,146	Equipment replacement
Infrastructure Capital Projects	General	285,712	Street maintenance
Infrastructure Capital Projects	General Capital Projects	179,840	Municipal Drive costs
Waterworks and Sewerage	General Capital Projects	35,822	Municipal Drive costs
		<u>\$ 1,868,463</u>	

Note 9. Contingent liabilities

A. Litigation

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

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, 2011.

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 10. Employee retirement systems and plans

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

A. Plan descriptions and provisions

Illinois Municipal Retirement Fund

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

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

Police Pension Plan

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

At April 30, 2011, 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	10
Total	15

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 10. Employee retirement systems and plans (continued)

A. Plan descriptions and provisions (continued)

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

B. Funding policies

Illinois Municipal Retirement Fund

As set by statute, the Village's IMRF plan members are required to contribute 4.50 percent of their annual covered salary. The 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 fiscal year 2011 was 9.69% of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Police Pension Plan

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded. For the year ended April 30, 2011, the Village's contribution was 25.05% of annual covered payroll.

C. Summary of significant accounting policies and plan asset matters

Basis of accounting

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

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 10. Employee retirement systems and plans (continued)

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

Method used to value investments

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

Significant investments

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

Related party transactions

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

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

For fiscal year 2011, the Village's annual pension cost for the Illinois Municipal Retirement Fund of \$123,751 was equal to the Village's required and actual contributions.

For fiscal year 2011, the Village's annual pension cost for the Police Pension Plan was \$217,223. The Village's actual contribution was \$217,489.

The net pension obligation (asset) at April 30, 2011, was \$(8,738). It was comprised of the following:

Net pension obligation (asset):

Annual required contribution	\$ 217,489
Interest on net pension obligation	(593)
Adjustment to annual required contribution	327
	<hr/>
Annual pension cost	217,223
Contributions made	217,489
	<hr/>
Increase (decrease) in net pension obligation (asset)	(266)
	<hr/>
Net pension obligation (asset) at beginning of year	(8,472)
	<hr/>
Net pension obligation (asset) at end of year	<u>\$ (8,738)</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	12/31/2010	4/30/ 2011
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	30 years, open	30 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	2011	\$ 123,751		2011	\$ 217,223
	2010	114,838		2010	209,528
	2009	118,769		2009	195,124
Percent Contributed	2011	100.00	%	2011	100.12 %
	2010	100.00		2010	95.65
	2009	100.00		2009	100.17
Net Pension Obligation (Asset)	2011	\$ -		2011	\$ (8,738)
	2010	-		2010	(8,472)
	2009	-		2009	(17,587)

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 10. Employee Retirement Systems and Plans (Continued)

G. Funded status and funding progress

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

	Illinois Municipal Retirement	Police Pension
Actuarial Valuation Date	12/31/2010	4/30/2011
Actuarial Value of Assets	\$ 2,389,541	\$ 1,858,564
Actuarial Accrued Liability (AAL)	\$ 2,487,087	\$ 3,618,099
(Overfunded) Unfunded Actuarial Accrued Liability (UAAL)	\$ 97,546	\$ 1,759,535
Funded Ratio	96.08%	51.37%
Covered Payroll	\$ 1,277,105	\$ 868,116
UAAL as a Percentage of Covered Payroll	7.64%	202.68%

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

Note 11. Other Post-Employment Benefits

A. Plan description and provisions

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

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

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 11. Other Post-Employment Benefits (Continued)

A. Plan description and provisions (Continued)

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

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2011, retirees contributed \$0. Active employees do not contribute to the plan until retirement.

At April 30, 2011, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	2
Active Employees	35
Total	37

B. Funding policy

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

C. Annual OPEB Cost and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2011, was calculated as follows:

Annual Required Contribution	\$ 17,687
Interest on the NOPEBO	279
Adjustment to the ARC	-
Annual OPEB Cost	17,966
Actual Contribution	14,714
Increase in the NOPEBO	3,252
NOPEBO - Beginning of Year	5,575
NOPEBO - End of Year	\$ 8,827

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, 2011 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, 2011 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 2011 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
2011	17,966	81.90 %	8,827
2010	18,013	69.05 %	5,575
2009	-	-	-

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 (the latest information available) was as follows:

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

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 11. Other Post-Employment Benefits (Continued)

F. Funded status and funding progress (Continued)

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

Note 12. New Governmental Accounting Standards

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

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.

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.

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

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

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

Village of Sugar Grove, Illinois

Notes to the Financial Statements

Note 12. New Governmental Accounting Standards (Continued)

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

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

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, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Property taxes	\$ 1,366,557	\$ 1,366,557	\$ 1,369,968	\$ 3,411
Other taxes	2,029,212	2,029,212	2,030,368	1,156
Charges for services	190,299	190,299	93,854	(96,445)
Intergovernmental, grants and contributions	-	-	33,784	33,784
Licenses and permits	114,151	114,151	85,186	(28,965)
Fines, fees and forfeitures	292,956	292,956	315,100	22,144
Interest	19,238	19,238	26,906	7,668
Miscellaneous	49,972	49,972	95,334	45,362
Total revenues	4,062,385	4,062,385	4,050,500	(11,885)
Expenditures				
Current				
General government	1,340,696	1,340,696	1,124,079	(216,617)
Public safety	2,007,115	2,007,115	1,912,121	(94,994)
Highways and streets	652,057	652,057	550,969	(101,088)
Total expenditures	3,999,868	3,999,868	3,587,169	(412,699)
Excess of revenues over expenditures	62,517	62,517	463,331	400,814
Other financing sources (uses)				
Transfers in	30,000	30,000	30,000	-
Transfers out	(169,361)	(169,361)	(487,858)	(318,497)
Total other financing sources (uses)	(139,361)	(139,361)	(457,858)	(318,497)
Net change in fund balance	\$ (76,844)	\$ (76,844)	5,473	\$ 82,317
Fund balance - beginning			1,518,280	
Fund balance - ending			\$ 1,523,753	

See Notes to Required Supplementary Information.

Village of Sugar Grove, Illinois

Required Supplementary Information
Analysis of Funding Progress

April 30, 2011

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)
12/31/2010	\$ 2,389,541	\$ 2,487,087	\$ 97,546	96.08 %	\$ 1,277,105	7.64 %
12/31/2009	2,228,341	2,395,079	166,738	93.04	1,468,513	11.35
12/31/2008	2,076,006	2,177,378	101,372	95.34	1,497,720	6.77
12/31/2007	2,251,354	1,960,267	(291,087)	114.85	1,422,241	(20.47)
12/31/2006	1,960,206	1,697,824	(262,382)	115.45	1,190,933	(22.03)
12/31/2005	1,696,701	1,436,720	(259,981)	118.10	1,066,570	(24.38)

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)
4/30/2011	\$ 1,858,564	\$ 3,618,099	\$ 1,759,535	51.37 %	\$ 868,116	202.68 %
4/30/2010	1,561,857	3,336,978	1,775,121	46.80	885,613	200.44
4/30/2009	1,345,242	2,407,260	1,062,018	55.88	1,002,435	105.94
4/30/2008	1,029,586	1,932,821	903,235	53.27	915,429	98.67
4/30/2007	717,292	1,934,090	1,216,798	37.09	730,101	166.66
4/30/2006	455,857	1,358,168	902,311	33.56	673,899	133.89

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)
4/30/2011	\$ -	\$ -	\$ -	- %	\$ -	- %
4/30/2010	-	313,119	313,119	-	2,406,603	13.01
4/30/2009	-	-	-	-	-	-
4/30/2008	-	-	-	-	-	-
4/30/2007	-	-	-	-	-	-
4/30/2006	-	-	-	-	-	-

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

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

Village of Sugar Grove, Illinois

Required Supplementary Information
Employer Contributions

April 30, 2011

Illinois Municipal Retirement Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
4/30/2011	\$ 123,751	100.00	% \$ -
4/30/2010	114,838	100.00	-
4/30/2009	118,769	100.00	-
4/30/2008	113,495	100.00	-
4/30/2007	92,059	100.00	-
4/30/2006	103,777	100.00	-

Police Pension Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	Net Pension Obligation (Asset)
4/30/2011	\$ 217,489	100.00	% \$ (8,738)
4/30/2010	210,092	95.39	(8,472)
4/30/2009	195,458	100.00	(17,587)
4/30/2008	176,843	109.76	(17,253)
4/30/2007	157,750	100.00	-
4/30/2006	133,439	100.00	-

Other Post-Employment Benefit Plan

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
4/30/2011	\$ 17,687	83.19	% \$ 8,827
4/30/2010	18,013	69.05	5,575
4/30/2009	-	-	-
4/30/2008	-	-	-
4/30/2007	-	-	-
4/30/2006	-	-	-

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

Village of Sugar Grove, Illinois

Note to Required Supplementary Information

Note 1. Budgetary basis of accounting

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

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

GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

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

Debt Service Fund – This fund is used to accumulate monies for the Village's general obligation alternate revenue source bonds. Activities are financed from 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, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Property taxes				
Corporate	\$ 690,276	\$ 690,276	\$ 692,028	\$ 1,752
Audit	11,400	11,400	11,429	29
Insurance	74,310	74,310	74,499	189
IMRF	77,911	77,911	78,108	197
Social security	158,779	158,779	159,181	402
Street lighting	45,128	45,128	45,242	114
Police protection	110,971	110,971	111,252	281
Police pension	163,572	163,572	163,986	414
Road and bridge	34,210	34,210	34,243	33
Total property taxes	<u>1,366,557</u>	<u>1,366,557</u>	<u>1,369,968</u>	<u>3,411</u>
Other taxes				
Electric tax	260,341	260,341	282,517	22,176
Natural gas tax	177,570	177,570	131,137	(46,433)
Telecommunication tax	348,805	348,805	330,848	(17,957)
State income tax	681,296	681,296	684,720	3,424
Personal property replacement tax	1,492	1,492	2,063	571
State sales tax	559,005	559,005	595,363	36,358
State sales tax rebate	(96,625)	(96,625)	(122,555)	(25,930)
State use tax	97,328	97,328	126,275	28,947
Total other taxes	<u>2,029,212</u>	<u>2,029,212</u>	<u>2,030,368</u>	<u>1,156</u>
Charges for services				
Zoning and filing fees	5,500	5,500	4,250	(1,250)
Review and development fees	170,120	170,120	78,697	(91,423)
Charges for police services	10,500	10,500	10,050	(450)
Other charges for services	4,179	4,179	857	(3,322)
Total charges for services	<u>190,299</u>	<u>190,299</u>	<u>93,854</u>	<u>(96,445)</u>
Intergovernmental, grants and contributions				
Grants - operating, public safety	-	-	1,100	1,100
Grants - operating, highways and streets	-	-	32,684	32,684
Total intergovernmental, grants and contributions	<u>-</u>	<u>-</u>	<u>33,784</u>	<u>33,784</u>
Licenses and permits				
Liquor licenses	17,050	17,050	15,250	(1,800)
Games licenses	1,600	1,600	2,183	583
Contractors licenses	34,000	34,000	23,100	(10,900)
Building permits	47,900	47,900	34,499	(13,401)
Certificate of occupancy fees	1,400	1,400	1,395	(5)
Plan review fees	3,080	3,080	1,634	(1,446)
Reinspection fees	3,161	3,161	1,750	(1,411)
Transition fees	-	-	580	580
Other licenses and permits	5,960	5,960	4,795	(1,165)
Total licenses and permits	<u>114,151</u>	<u>114,151</u>	<u>85,186</u>	<u>(28,965)</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)
 Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Fines, fees and forfeitures				
County court and drug fines	\$ 97,121	\$ 97,121	\$ 102,578	\$ 5,457
Towing Fees	72,000	72,000	58,500	(13,500)
Other fines	67,095	67,095	96,472	29,377
Cable franchise fees	56,440	56,440	57,468	1,028
Map, plan and code charges	300	300	82	(218)
Total fines, fees and forfeitures	<u>292,956</u>	<u>292,956</u>	<u>315,100</u>	<u>22,144</u>
Interest	<u>19,238</u>	<u>19,238</u>	<u>26,906</u>	<u>7,668</u>
Miscellaneous				
Reimbursement	49,472	49,472	94,748	45,276
Other	500	500	586	86
Total miscellaneous	<u>49,972</u>	<u>49,972</u>	<u>95,334</u>	<u>45,362</u>
Total revenues	<u>\$ 4,062,385</u>	<u>\$ 4,062,385</u>	<u>\$ 4,050,500</u>	<u>\$ (11,885)</u>

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current				
General government				
Administration				
Personnel				
Regular salaries	\$ 169,892	\$ 169,892	\$ 169,736	\$ (156)
Health insurance	29,334	29,334	30,646	1,312
Life insurance	194	194	163	(31)
Unemployment compensation	170	170	-	(170)
Social security contribution	10,669	10,669	10,602	(67)
IMRF contribution	16,463	16,463	16,229	(234)
Training and memberships	1,857	1,857	1,801	(56)
Mileage reimbursement	2,135	2,135	1,384	(751)
	<u>230,714</u>	<u>230,714</u>	<u>230,561</u>	<u>(153)</u>
Contractual services				
Legal services	11,932	11,932	10,698	(1,234)
Medical services	9	9	34	25
Other professional services	300	300	-	(300)
Rental	3,829	3,829	3,598	(231)
Repair and maintenance services	75	75	90	15
Telecommunications	1,700	1,700	2,393	693
Printing	125	125	-	(125)
General insurance	104,563	104,563	79,304	(25,259)
	<u>122,533</u>	<u>122,533</u>	<u>96,117</u>	<u>(26,416)</u>
Commodities				
Postage and delivery	35	35	26	(9)
Books and publications	580	580	400	(180)
Office supplies	700	700	113	(587)
	<u>1,315</u>	<u>1,315</u>	<u>539</u>	<u>(776)</u>
Total administration	<u>354,562</u>	<u>354,562</u>	<u>327,217</u>	<u>(27,345)</u>
Board and commissions				
Personnel				
Part-time salaries	40,710	40,710	42,053	1,343
Social security contribution	3,114	3,114	3,185	71
IMRF contribution	484	484	475	(9)
Training and memberships	9,192	9,192	4,462	(4,730)
Mileage reimbursement	160	160	15	(145)
	<u>53,660</u>	<u>53,660</u>	<u>50,190</u>	<u>(3,470)</u>
Contractual services				
Information system services	1,700	1,700	1,566	(134)
Other professional services	3,500	3,500	2,876	(624)

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2011

	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	\$ 1,534	\$ 534
Telecommunications	540	540	92	(448)
Publishing	125	125	111	(14)
Printing	250	250	113	(137)
Receptions and entertainment	500	500	636	136
Public relations	4,955	4,955	3,528	(1,427)
Employee activities	150	150	-	(150)
Plan commission	1,200	1,200	-	(1,200)
Police commission	1,850	1,850	1,334	(516)
	<u>15,770</u>	<u>15,770</u>	<u>11,790</u>	<u>(3,980)</u>
Commodities				
Postage and delivery	250	250	121	(129)
Books and publications	-	-	19	19
Office supplies	750	750	701	(49)
	<u>1,000</u>	<u>1,000</u>	<u>841</u>	<u>(159)</u>
Total board and commissions	<u>70,430</u>	<u>70,430</u>	<u>62,821</u>	<u>(7,609)</u>
Building maintenance				
Personnel				
Regular salaries	53,318	53,318	45,068	(8,250)
Overtime salaries	3,283	3,283	3,398	115
Part-time salaries	10,603	10,603	10,828	225
Seasonal salaries	-	-	459	459
Health insurance	11,754	11,754	11,223	(531)
Life insurance	129	129	101	(28)
Unemployment compensation	67	67	-	(67)
Social security contribution	5,141	5,141	4,424	(717)
IMRF contribution	6,512	6,512	5,641	(871)
Training and memberships	200	200	76	(124)
Uniform allowance	500	500	322	(178)
	<u>91,507</u>	<u>91,507</u>	<u>81,540</u>	<u>(9,967)</u>
Contractual services				
Medical services	65	65	164	99
Rental	99	99	64	(35)
Repair and maintenance services	16,812	16,812	11,695	(5,117)
Telecommunications	2,105	2,105	1,993	(112)
Utilities	1,500	1,500	1,346	(154)
	<u>20,581</u>	<u>20,581</u>	<u>15,262</u>	<u>(5,319)</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
General government (continued)				
Building maintenance (continued)				
Commodities				
General equipment	\$ 500	\$ 500	\$ -	\$ (500)
Fuels and lubricants	3,158	3,158	4,482	1,324
Custodial supplies	3,600	3,600	2,735	(865)
Specialized supplies	1,300	1,300	716	(584)
Safety supplies	600	600	465	(135)
Landscaping supplies	1,250	1,250	208	(1,042)
Books and publications	100	100	98	(2)
Building maintenance supplies	1,450	1,450	1,806	356
Office supplies	280	280	86	(194)
Vehicle maintenance supplies	1,000	1,000	1,595	595
	<u>13,238</u>	<u>13,238</u>	<u>12,191</u>	<u>(1,047)</u>
Total building maintenance	125,326	125,326	108,993	(16,333)
Community development				
Personnel				
Regular salaries	231,046	231,046	231,783	737
Overtime salaries	842	842	-	(842)
Part-time salaries	12,258	12,258	4,300	(7,958)
Health insurance	22,257	22,257	25,362	3,105
Life insurance	469	469	392	(77)
Unemployment compensation	244	244	-	(244)
Social security contribution	18,677	18,677	17,751	(926)
IMRF contribution	22,470	22,470	22,356	(114)
Training and memberships	2,400	2,400	3,557	1,157
Uniform allowance	-	-	87	87
Mileage reimbursement	25	25	5	(20)
	<u>310,688</u>	<u>310,688</u>	<u>305,593</u>	<u>(5,095)</u>
Contractual services				
Legal services	76,000	76,000	41,734	(34,266)
Engineering services	209,400	209,400	86,852	(122,548)
Medical services	18	18	63	45
Information system services	350	350	350	-
Other professional services	21,500	21,500	15,876	(5,624)
Rental	2,912	2,912	1,944	(968)
Repair and maintenance services	1,350	1,350	1,038	(312)
Telecommunications	2,565	2,565	1,541	(1,024)
Publishing	1,000	1,000	1,399	399
Printing	1,000	1,000	660	(340)

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
General government (continued)				
Community development (continued)				
Contractual services (continued)				
Receptions and entertainment	\$ 300	\$ 300	\$ 190	\$ (110)
	<u>316,395</u>	<u>316,395</u>	<u>151,647</u>	<u>(164,748)</u>
Commodities				
General equipment	400	400	-	(400)
Postage and delivery	750	750	494	(256)
Fuels and lubricants	1,650	1,650	1,624	(26)
Specialized supplies	100	100	12	(88)
Books and publications	400	400	15	(385)
Office supplies	1,000	1,000	640	(360)
	<u>4,300</u>	<u>4,300</u>	<u>2,785</u>	<u>(1,515)</u>
Total community development	<u>631,383</u>	<u>631,383</u>	<u>460,025</u>	<u>(171,358)</u>
Finance				
Personnel				
Regular salaries	75,956	75,956	76,208	252
Overtime salaries	97	97	10	(87)
Health insurance	20,651	20,651	21,129	478
Life insurance	147	147	123	(24)
Unemployment compensation	76	76	-	(76)
Social security contribution	5,818	5,818	5,296	(522)
IMRF contribution	7,370	7,370	7,263	(107)
Training and memberships	1,934	1,934	1,968	34
Mileage reimbursement	25	25	27	2
	<u>112,074</u>	<u>112,074</u>	<u>112,024</u>	<u>(50)</u>
Contractual services				
Legal services	1,000	1,000	-	(1,000)
Audit services	10,700	10,700	10,796	96
Medical services	14	14	51	37
Information system services	4,502	4,502	4,567	65
Other professional services	4,960	4,960	15,774	10,814
Rental	-	-	17	17
Repair and maintenance services	250	250	208	(42)
Telecommunications	1,684	1,684	1,079	(605)
Publishing	612	612	710	98
Printing	650	650	506	(144)
	<u>24,372</u>	<u>24,372</u>	<u>33,708</u>	<u>9,336</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
General government (continued)				
Finance (continued)				
Commodities				
Postage and delivery	\$ 1,100	\$ 1,100	\$ 806	\$ (294)
Fuels and lubricants	-	-	156	156
Specialized supplies	200	200	103	(97)
Books and publications	192	192	203	11
Office supplies	1,050	1,050	628	(422)
	<u>2,542</u>	<u>2,542</u>	<u>1,896</u>	<u>(646)</u>
Total finance	<u>138,988</u>	<u>138,988</u>	<u>147,628</u>	<u>8,640</u>
Information technology				
Contractual services				
Information system services	19,537	19,537	16,975	(2,562)
Telecommunications	420	420	420	-
	<u>19,957</u>	<u>19,957</u>	<u>17,395</u>	<u>(2,562)</u>
Commodities				
Office supplies	50	50	-	(50)
	<u>50</u>	<u>50</u>	<u>-</u>	<u>(50)</u>
Total information technology	<u>20,007</u>	<u>20,007</u>	<u>17,395</u>	<u>(2,612)</u>
Total general government	<u>1,340,696</u>	<u>1,340,696</u>	<u>1,124,079</u>	<u>(216,617)</u>
Public safety				
Police				
Personnel				
Regular salaries	941,840	941,840	897,882	(43,958)
Overtime salaries	56,586	56,586	68,559	11,973
Part-time salaries	53,282	53,282	53,275	(7)
Seasonal salaries	-	-	60	60
Police pension contribution	278,208	278,208	217,489	(60,719)
Health insurance	184,681	184,681	177,772	(6,909)
Life insurance	1,760	1,760	1,467	(293)
Unemployment compensation	1,052	1,052	-	(1,052)
Social security contribution	80,456	80,456	76,206	(4,250)
IMRF contribution	4,621	4,621	4,535	(86)
Training and memberships	4,695	4,695	4,814	119
Uniform allowance	11,200	11,200	11,200	-
	<u>1,618,381</u>	<u>1,618,381</u>	<u>1,513,259</u>	<u>(105,122)</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
Public safety (continued)				
Police (continued)				
Contractual services				
Legal services	\$ 61,900	\$ 61,900	\$ 41,113	\$ (20,787)
Medical services	568	568	449	(119)
Information system services	372	372	360	(12)
Other professional services	5,550	5,550	4,040	(1,510)
Rental	2,172	2,172	2,189	17
Repair and maintenance services	46,753	46,753	41,586	(5,167)
Telecommunications	203,869	203,869	256,238	52,369
Printing	1,275	1,275	2,014	739
Receptions and entertainment	50	50	7	(43)
	<u>322,509</u>	<u>322,509</u>	<u>347,996</u>	<u>25,487</u>
Commodities				
General equipment	6,000	6,000	-	(6,000)
Postage and delivery	950	950	777	(173)
Fuels and lubricants	50,700	50,700	46,403	(4,297)
Specialized supplies	4,575	4,575	2,540	(2,035)
Safety supplies	200	200	-	(200)
Books and publications	300	300	116	(184)
Office supplies	3,500	3,500	1,030	(2,470)
	<u>66,225</u>	<u>66,225</u>	<u>50,866</u>	<u>(15,359)</u>
Total public safety	<u>2,007,115</u>	<u>2,007,115</u>	<u>1,912,121</u>	<u>(94,994)</u>
Highways and streets				
Public works				
Personnel				
Regular salaries	196,958	196,958	164,015	(32,943)
Overtime salaries	9,748	9,748	9,093	(655)
Part-time salaries	10,603	10,603	10,828	225
Seasonal salaries	-	-	1,071	1,071
Health insurance	39,703	39,703	32,398	(7,305)
Life insurance	457	457	315	(142)
Unemployment compensation	217	217	-	(217)
Social security contribution	16,624	16,624	13,667	(2,957)
IMRF contribution	21,057	21,057	17,495	(3,562)
Training and memberships	1,125	1,125	1,644	519
Uniform allowance	900	900	815	(85)
Mileage reimbursement	25	25	35	10
	<u>297,417</u>	<u>297,417</u>	<u>251,376</u>	<u>(46,041)</u>

(Continued)

Village of Sugar Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Current (continued)				
Highways and streets (continued)				
Public works (continued)				
Contractual services				
Legal services	\$ 500	\$ 500	\$ 1,094	\$ 594
Engineering services	17,400	17,400	6,987	(10,413)
Medical services	194	194	527	333
Other professional services	3,200	3,200	3,202	2
Rental	3,600	3,600	2,477	(1,123)
Repair and maintenance services	34,753	34,753	34,798	45
Telecommunications	3,254	3,254	2,829	(425)
Publishing	50	50	-	(50)
Printing	500	500	-	(500)
Receptions and entertainment	200	200	98	(102)
Utilities	53,734	53,734	40,559	(13,175)
Employee activities	500	500	243	(257)
	<u>117,885</u>	<u>117,885</u>	<u>92,814</u>	<u>(25,071)</u>
Commodities				
Postage and delivery	175	175	48	(127)
Fuels and lubricants	17,365	17,365	13,313	(4,052)
Specialized supplies	5,500	5,500	3,602	(1,898)
Safety supplies	550	550	789	239
Landscaping supplies	7,322	7,322	1,756	(5,566)
Books and publications	250	250	198	(52)
Roadway maintenance supplies	11,000	11,000	11,574	574
Traffic control supplies	13,500	13,500	2,698	(10,802)
Equipment parts	3,000	3,000	3,080	80
Office supplies	600	600	341	(259)
Snow and ice control supplies	165,493	165,493	159,875	(5,618)
Vehicle maintenance supplies	12,000	12,000	9,505	(2,495)
	<u>236,755</u>	<u>236,755</u>	<u>206,779</u>	<u>(29,976)</u>
Total highways and streets	<u>652,057</u>	<u>652,057</u>	<u>550,969</u>	<u>(101,088)</u>
Total expenditures	<u>\$ 3,999,868</u>	<u>\$ 3,999,868</u>	<u>\$ 3,587,169</u>	<u>\$ (412,699)</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, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Property taxes	\$ 96,750	\$ 96,750	\$ 97,718	\$ 968
Interest	3,900	3,900	2,812	(1,088)
Total revenues	<u>100,650</u>	<u>100,650</u>	<u>100,530</u>	<u>(120)</u>
Expenditures				
Debt service				
Principal	860,000	860,000	860,000	-
Interest and fiscal charges	417,220	417,220	416,870	(350)
Total expenditures	<u>1,277,220</u>	<u>1,277,220</u>	<u>1,276,870</u>	<u>(350)</u>
Deficiency of revenues over expenditures	<u>(1,176,570)</u>	<u>(1,176,570)</u>	<u>(1,176,340)</u>	<u>230</u>
Other financing sources				
Transfers in	1,134,943	1,134,943	1,134,943	-
Total other financing sources	<u>1,134,943</u>	<u>1,134,943</u>	<u>1,134,943</u>	<u>-</u>
Net change in fund balance	<u>\$ (41,627)</u>	<u>\$ (41,627)</u>	<u>(41,397)</u>	<u>\$ 230</u>
Fund balance - beginning			<u>411,592</u>	
Fund balance - ending			<u>\$ 370,195</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, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental, grants and contributions	\$ 1,600	\$ 1,600	\$ 3,025	\$ 1,425
Interest	75,293	75,293	53,168	(22,125)
Miscellaneous	66,825	66,825	57,559	(9,266)
Total revenues	143,718	143,718	113,752	(29,966)
Expenditures				
Current				
General government	-	-	701	701
Highways and streets	-	-	137,288	137,288
Total expenditures	-	-	137,989	137,989
Excess (deficiency) of revenues over expenditures	143,718	143,718	(24,237)	(167,955)
Other financing sources (uses)				
Transfers in	169,361	169,361	202,146	32,785
Transfers out	(259,767)	(259,767)	(534,229)	(274,462)
Total other financing sources (uses)	(90,406)	(90,406)	(332,083)	(241,677)
Net change in fund balance	\$ 53,312	\$ 53,312	(356,320)	\$ (409,632)
Fund balance - beginning			5,411,891	
Fund balance - ending			<u>\$ 5,055,571</u>	

Village of Sugar Grove, Illinois

General Capital Projects Fund

Schedule of Revenues and Expenditures -
Budget and Actual
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental, grants and contributions				
Contributions - capital, public safety	\$ 800	\$ 800	\$ 1,512	\$ 712
Contributions - capital, highways and streets	800	800	1,513	713
Interest	75,293	75,293	53,168	(22,125)
Miscellaneous				
Rental	66,825	66,825	57,559	(9,266)
Total revenues	\$ 143,718	\$ 143,718	\$ 113,752	\$ (29,966)
Expenditures				
Current				
General government				
Administration				
Contractual services				
Legal services	\$ -	\$ -	\$ 701	\$ 701
Highways and streets				
Public works				
Contractual services				
Legal services	-	-	24,179	24,179
Engineering services	-	-	93,680	93,680
Other professional services	-	-	19,429	19,429
Total expenditures	\$ -	\$ -	\$ 137,989	\$ 137,288

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, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Other taxes				
Motor fuel tax allotments	\$ 236,509	\$ 236,509	\$ 272,617	\$ 36,108
Local sales tax	372,636	372,636	390,368	17,732
Intergovernmental, grants and contributions				
Grants - capital, highways and streets	1,571,335	1,571,335	658,888	(912,447)
Contributions - capital, highways and streets	32,600	32,600	105,069	72,469
Contributions - operating, highways and streets	9,330	9,330	7,250	(2,080)
Interest	2,708	2,708	2,059	(649)
Total revenues	2,225,118	2,225,118	1,436,251	(788,867)
Expenditures				
Current				
Highways and streets				
Public works				
Contractual services			72,015	72,015
Legal services	-	-	174,513	(293,645)
Engineering services	468,158	468,158	31,062	31,062
Other professional services	-	-	572	572
Publishing	-	-		
Capital outlay				
Highways and streets				
Public works				
Streets and right of way improvements	1,863,918	1,863,918	880,652	(983,266)
Total expenditures	2,332,076	2,332,076	1,158,814	(1,173,262)
Excess (deficiency) of revenues over expenditures	(106,958)	(106,958)	277,437	384,395
Other financing sources (uses)				
Transfers in	131,152	131,152	465,552	334,400
Transfers out	(701,493)	(701,493)	(511,541)	189,952
Total other financing sources (uses)	(570,341)	(570,341)	(45,989)	524,352
Net change in fund balance	\$ (677,299)	\$ (677,299)	231,448	\$ 908,747
Fund balance - beginning			(132,838)	
Fund balance - ending			<u>\$ 98,610</u>	

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, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating revenues				
Charges for services				
Water revenue	\$ 1,321,138	\$ 1,321,138	\$ 1,206,188	\$ (114,950)
Sewer revenue	1,283,653	1,283,653	1,184,188	(99,465)
Other revenue	53,297	53,297	54,994	1,697
Total operating revenues	<u>2,658,088</u>	<u>2,658,088</u>	<u>2,445,370</u>	<u>(212,718)</u>
Operating expenses excluding amortization and depreciation	<u>1,492,208</u>	<u>1,492,208</u>	<u>1,350,881</u>	<u>(141,327)</u>
Operating income before amortization and depreciation	<u>1,165,880</u>	<u>1,165,880</u>	<u>1,094,489</u>	<u>(71,391)</u>
Amortization	9,981	9,981	11,387	1,406
Depreciation	787,500	787,500	761,488	(26,012)
Total amortization and depreciation	<u>797,481</u>	<u>797,481</u>	<u>772,875</u>	<u>(24,606)</u>
Operating income	<u>368,399</u>	<u>368,399</u>	<u>321,614</u>	<u>(46,785)</u>
Nonoperating revenues (expenses)				
Connection fees	70,646	70,646	30,192	(40,454)
Interest income	79,590	79,590	37,627	(41,963)
Interest expense	(346,283)	(346,283)	(364,701)	(18,418)
Total nonoperating revenues (expenses)	<u>(196,047)</u>	<u>(196,047)</u>	<u>(296,882)</u>	<u>(100,835)</u>
Income (loss) before contributions and transfers	<u>172,352</u>	<u>172,352</u>	<u>24,732</u>	<u>(147,620)</u>
Transfer in	80,642	80,642	116,464	35,822
Transfer out	<u>(385,477)</u>	<u>(385,477)</u>	<u>(385,477)</u>	<u>-</u>
Change in net assets	<u>\$ (132,483)</u>	<u>\$ (132,483)</u>	<u>(244,281)</u>	<u>\$ (111,798)</u>
Net assets - beginning			<u>17,987,784</u>	
Net assets - ending			<u>\$ 17,743,503</u>	

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating revenues				
Charges for services				
Water revenue				
Water sales	\$ 1,298,416	\$ 1,298,416	\$ 1,185,833	\$ (112,583)
Water penalties	22,722	22,722	20,355	(2,367)
	<u>1,321,138</u>	<u>1,321,138</u>	<u>1,206,188</u>	<u>(114,950)</u>
Sewer revenue				
Sewer sales	1,250,404	1,250,404	1,154,106	(96,298)
Sewer penalties	21,882	21,882	20,599	(1,283)
Sewer other	11,367	11,367	9,483	(1,884)
	<u>1,283,653</u>	<u>1,283,653</u>	<u>1,184,188</u>	<u>(99,465)</u>
Other revenue				
Meter reinspections	175	175	240	65
Administrative fee	37,572	37,572	38,666	1,094
Meter sales	3,560	3,560	3,795	235
Reimbursement	390	390	390	-
Rental	5,600	5,600	6,416	816
Miscellaneous	6,000	6,000	5,487	(513)
	<u>53,297</u>	<u>53,297</u>	<u>54,994</u>	<u>1,697</u>
Total operating revenues	<u>\$ 2,658,088</u>	<u>\$ 2,658,088</u>	<u>\$ 2,445,370</u>	<u>\$ (212,718)</u>
Nonoperating revenues				
Connection fees				
Water tap-on fees	\$ 65,926	\$ 65,926	\$ 27,105	\$ (38,821)
Sewer tap-on fees	4,720	4,720	3,087	(1,633)
	<u>70,646</u>	<u>70,646</u>	<u>30,192</u>	<u>(40,454)</u>
Interest income	<u>79,590</u>	<u>79,590</u>	<u>37,627</u>	<u>(41,963)</u>
Total nonoperating revenues	<u>\$ 150,236</u>	<u>\$ 150,236</u>	<u>\$ 67,819</u>	<u>\$ (82,417)</u>

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Expenses - Budget and Actual (Budgetary Basis)
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating expenses				
Information technology				
Contractual services				
Information system services	\$ 19,538	\$ 19,538	\$ 12,154	\$ (7,384)
Telecommunications	420	420	420	-
	<u>19,958</u>	<u>19,958</u>	<u>12,574</u>	<u>(7,384)</u>
Commodities				
Office supplies	50	50	-	(50)
	<u>50</u>	<u>50</u>	<u>-</u>	<u>(50)</u>
Total information technology	<u>20,008</u>	<u>20,008</u>	<u>12,574</u>	<u>(7,434)</u>
General administration				
Personnel				
Regular salaries	123,228	123,228	124,469	1,241
Overtime salaries	291	291	31	(260)
Health insurance	35,763	35,763	35,575	(188)
Life insurance	246	246	206	(40)
Unemployment compensation	124	124	-	(124)
Social security contribution	9,191	9,191	8,397	(794)
IMRF contribution	11,969	11,969	11,721	(248)
Training and memberships	1,934	1,934	2,039	105
Mileage reimbursement	225	225	197	(28)
	<u>182,971</u>	<u>182,971</u>	<u>182,635</u>	<u>(336)</u>
Contractual services				
Legal services	2,000	2,000	196	(1,804)
Audit services	10,700	10,700	10,796	96
Medical services	100	100	-	(100)
Information system services	14,502	14,502	10,082	(4,420)
Other professional services	2,910	2,910	3,642	732
Rental	-	-	283	283
Repair and maintenance services	1,890	1,890	1,235	(655)
Telecommunications	1,362	1,362	961	(401)
Publishing	403	403	273	(130)
Printing	4,904	4,904	5,080	176
General insurance	104,563	104,563	79,304	(25,259)
	<u>143,334</u>	<u>143,334</u>	<u>111,852</u>	<u>(31,482)</u>
Commodities				
Postage and delivery	21,648	21,648	21,635	(13)
Fuel and lubricants	-	-	155	155
Specialized supplies	-	-	2,399	2,399
Books and publications	193	193	203	10
Office supplies	1,050	1,050	763	(287)
	<u>22,891</u>	<u>22,891</u>	<u>25,155</u>	<u>2,264</u>
Total general administration	<u>349,196</u>	<u>349,196</u>	<u>319,642</u>	<u>(29,554)</u>

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Expenses - Budget and Actual (Budgetary Basis) (Continued)
 Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating expenses (continued)				
Public works administration				
Personnel				
Regular salaries	\$ 339,425	\$ 339,425	\$ 345,376	\$ 5,951
Overtime salaries	36,079	36,079	22,018	(14,061)
Health insurance	75,104	75,104	76,926	1,822
Life insurance	821	821	686	(135)
Unemployment compensation	376	376	-	(376)
Social security contribution	28,726	28,726	26,499	(2,227)
IMRF contribution	36,386	36,386	34,569	(1,817)
Training and memberships	6,700	6,700	3,895	(2,805)
Uniform allowance	1,950	1,950	1,641	(309)
Mileage reimbursement	50	50	106	56
	<u>525,617</u>	<u>525,617</u>	<u>511,716</u>	<u>(13,901)</u>
Contractual services				
Legal services	750	750	189	(561)
Engineering services	1,500	1,500	7,319	5,819
Medical services	736	736	640	(96)
Information system services	350	350	-	(350)
Other professional services	1,860	1,860	1,815	(45)
Julie services	2,625	2,625	3,540	915
Scada services	4,000	4,000	5,226	1,226
Rental	725	725	385	(340)
Repair and maintenance services	15,762	15,762	15,193	(569)
Telecommunications	8,477	8,477	9,559	1,082
Printing	3,500	3,500	2,467	(1,033)
Receptions and entertainment	100	100	98	(2)
Utilities	450	450	655	205
Employee activities	250	250	-	(250)
	<u>41,085</u>	<u>41,085</u>	<u>47,086</u>	<u>6,001</u>
Commodities				
General equipment	5,700	5,700	4,480	(1,220)
Postage and delivery	5,000	5,000	4,385	(615)
Fuels and lubricants	28,600	28,600	31,574	2,974
Custodial supplies	3,500	3,500	2,744	(756)
Specialized supplies	4,500	4,500	2,596	(1,904)
Safety supplies	3,000	3,000	2,141	(859)
Books and publications	500	500	340	(160)
Equipment parts	3,000	3,000	4,018	1,018
Office supplies	900	900	637	(263)
Vehicle maintenance supplies	16,000	16,000	17,095	1,095
	<u>70,700</u>	<u>70,700</u>	<u>70,010</u>	<u>(690)</u>
Total public works administration	<u>637,402</u>	<u>637,402</u>	<u>628,812</u>	<u>(8,590)</u>

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

Schedule of Expenses - Budget and Actual (Budgetary Basis) (Continued)
 Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating expenses (continued)				
Water operations				
Contractual services				
Other professional services	\$ 19,870	\$ 19,870	\$ 14,433	\$ (5,437)
IEPA water sampling	10,000	10,000	18,636	8,636
Rental	1,325	1,325	500	(825)
Repair and maintenance services	17,600	17,600	8,253	(9,347)
Utilities	188,450	188,450	188,861	411
Bad debt	130	130	449	319
	<u>237,375</u>	<u>237,375</u>	<u>231,132</u>	<u>(6,243)</u>
Commodities				
Specialized supplies	67,485	67,485	35,576	(31,909)
Landscaping supplies	3,000	3,000	1,397	(1,603)
Chemicals and lab supplies	90,177	90,177	82,317	(7,860)
Traffic control supplies	1,500	1,500	467	(1,033)
Building maintenance supplies	2,750	2,750	6,765	4,015
Equipment parts	800	800	-	(800)
	<u>165,712</u>	<u>165,712</u>	<u>126,522</u>	<u>(39,190)</u>
Total water operations	<u>403,087</u>	<u>403,087</u>	<u>357,654</u>	<u>(45,433)</u>
Sewer operations				
Contractual services				
Other professional services	32,000	32,000	5,981	(26,019)
Rental	1,015	1,015	530	(485)
Repair and maintenance services	16,500	16,500	3,906	(12,594)
Utilities	16,375	16,375	14,802	(1,573)
Bad debt	125	125	328	203
	<u>66,015</u>	<u>66,015</u>	<u>25,547</u>	<u>(40,468)</u>
Commodities				
Specialized supplies	10,000	10,000	4,767	(5,233)
Chemicals and lab supplies	3,000	3,000	-	(3,000)
Building maintenance supplies	500	500	-	(500)
Equipment parts	3,000	3,000	424	(2,576)
	<u>16,500</u>	<u>16,500</u>	<u>5,191</u>	<u>(11,309)</u>
Total sewer operations	<u>82,515</u>	<u>82,515</u>	<u>30,738</u>	<u>(51,777)</u>
Water capital				
Contractual services				
Legal services	-	-	148	148
Engineering services	47,907	47,907	4,565	(43,342)
Less: capital assets capitalized	(47,907)	(47,907)	(3,252)	44,655
	<u>-</u>	<u>-</u>	<u>1,461</u>	<u>1,461</u>

Village of Sugar Grove, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating expenses (continued)				
Water capital (continued)				
Commodities				
Land acquisition	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Water system improvements	342,155	342,155	46,753	(295,402)
Less: capital assets capitalized	(362,155)	(362,155)	(46,753)	315,402
	-	-	-	-
Total water capital	-	-	1,461	1,461
Total operating expenses excluding depreciation	\$ 1,492,208	\$ 1,492,208	\$ 1,350,881	\$ (141,327)
Nonoperating expenses				
Principal retirements				
Bonds payable	\$ 865,000	\$ 865,000	\$ 270,000	\$ (595,000)
Loans payable	319,775	319,775	319,776	1
Less: decrease in liability	(1,184,775)	(1,184,775)	(589,776)	594,999
	-	-	-	-
Interest expense				
Bonds payable	237,250	237,250	256,698	19,448
Loans payable	107,833	107,833	106,753	(1,080)
Fiscal agent fees	1,200	1,200	1,250	50
	346,283	346,283	364,701	18,418
Total nonoperating expenses	\$ 346,283	\$ 346,283	\$ 364,701	\$ 18,418

Village of Sugar Grove, Illinois

Refuse Fund

Schedule of Revenues, Expenses and Changes in Net Assets
 - Budget and Actual
 Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating revenues				
Charges for services				
Refuse revenue	\$ 733,424	\$ 733,424	\$ 730,420	\$ (3,004)
Operating expenses				
Contractual services				
Refuse services	702,587	702,587	699,083	(3,504)
Bad debt	72	72	191	119
Total operating expenses	702,659	702,659	699,274	(3,385)
Operating income	30,765	30,765	31,146	381
Nonoperating revenues				
Interest income	75	75	88	13
Income before contributions and transfers	30,840	30,840	31,234	394
Transfer out	(30,000)	(30,000)	(30,000)	-
Change in net assets	\$ 840	\$ 840	1,234	\$ 394
Net assets - beginning			37,090	
Net assets - ending			\$ 38,324	

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, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
Additions				
Contributions				
Employer	\$ 278,208	\$ 278,208	\$ 217,489	\$ (60,719)
Participants	88,657	88,657	94,690	6,033
Total contributions	<u>366,865</u>	<u>366,865</u>	<u>312,179</u>	<u>(54,686)</u>
Investment income				
Interest income	85,300	85,300	52,272	(33,028)
Net appreciation in fair value of investments	-	-	57,117	57,117
Total investment income	<u>85,300</u>	<u>85,300</u>	<u>109,389</u>	<u>24,089</u>
Less investment expenses	(6,824)	(6,824)	(6,730)	94
Net investment income	<u>78,476</u>	<u>78,476</u>	<u>102,659</u>	<u>24,183</u>
Total additions	<u>445,341</u>	<u>445,341</u>	<u>414,838</u>	<u>(30,503)</u>
Deductions				
Administration	20,306	20,306	24,260	(3,954)
Pension benefits and refunds	77,489	77,489	93,870	(16,381)
Total deductions	<u>97,795</u>	<u>97,795</u>	<u>118,130</u>	<u>(20,335)</u>
Change in net assets	<u>\$ 347,546</u>	<u>\$ 347,546</u>	<u>296,708</u>	<u>\$ (50,838)</u>
Net assets - beginning			<u>1,561,857</u>	
Net assets - ending			<u>\$ 1,858,565</u>	

Village of Sugar Grove, Illinois

Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended April 30, 2011

	Balance, May 1	Additions	Deductions	Balance, April 30
All Agency Funds				
Assets				
Cash and cash equivalents	\$ 15,489	\$ 6,312	\$ 16,999	\$ 4,802
Liabilities				
Due to other governments	\$ 15,489	\$ 16,999	\$ 6,312	\$ 4,802
School District Development Transition Fee Fund				
Assets				
Cash and cash equivalents	\$ 1	\$ 3,517	\$ 1	\$ 3,517
Liabilities				
Due to other governments	\$ 1	\$ 1	\$ 3,517	\$ 3,517
Fire District Development Transition Fee Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 696	\$ -	\$ 696
Liabilities				
Due to other governments	\$ -	\$ -	\$ 696	\$ 696
Park District Development Transition Fee Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 198	\$ -	\$ 198
Liabilities				
Due to other governments	\$ -	\$ -	\$ 198	\$ 198

(Continued)

Village of Sugar Grove, Illinois

Agency Funds

Combining Statement of Changes in Assets and Liabilities (Continued)
Year Ended April 30, 2011

	Balance, May 1	Additions	Deductions	Balance, April 30
Library District Development Transition Fee Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 275	\$ -	\$ 275
Liabilities				
Due to other governments	\$ -	\$ -	\$ 275	\$ 275
Township Development Transition Fee Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 111	\$ -	\$ 111
Liabilities				
Due to other governments	\$ -	\$ -	\$ 111	\$ 111
School District Development Impact Fee Fund				
Assets				
Cash and cash equivalents	\$ 602	\$ 1,503	\$ 2,105	\$ -
Liabilities				
Due to other governments	\$ 602	\$ 2,105	\$ 1,503	\$ -
Library District Development Impact Fee Fund				
Assets				
Cash and cash equivalents	\$ 450	\$ -	\$ 450	\$ -
Liabilities				
Due to other governments	\$ 450	\$ 450	\$ -	\$ -

(Continued)

Village of Sugar Grove, Illinois

Agency Funds

Combining Statement of Changes in Assets and Liabilities (Continued)
Year Ended April 30, 2011

	Balance, May 1	Additions	Deductions	Balance, April 30
Fire District Development Impact Fee Fund				
Assets				
Cash and cash equivalents	\$ 1,459	\$ 1	\$ 1,459	\$ 1
Liabilities				
Due to other governments	\$ 1,459	\$ 1,459	\$ 1	\$ 1
Park District Development Land Cash Fund				
Assets				
Cash and cash equivalents	\$ 4,649	\$ 4	\$ 4,649	\$ 4
Liabilities				
Due to other governments	\$ 4,649	\$ 4,649	\$ 4	\$ 4
Park District Development Impact Fee Fund				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Liabilities				
Due to other governments	\$ -	\$ -	\$ -	\$ -
School District Development Land Cash Fund				
Assets				
Cash and cash equivalents	\$ 8,328	\$ 7	\$ 8,335	\$ -
Liabilities				
Due to other governments	\$ 8,328	\$ 8,335	\$ 7	\$ -

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Water and Sewer Alternate Revenue Refunding Bonds, Series 2002
 April 30, 2011

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
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>\$ 290,000</u>	<u>\$ 10,800</u>	<u>\$ 300,800</u>		<u>\$ 8,300</u>		<u>\$ 2,500</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Water and Sewer Alternate Revenue Refunding Bonds, Series 2006
 April 30, 2011

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
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>\$ 2,515,000</u>	<u>\$ 696,138</u>	<u>\$ 3,211,138</u>		<u>\$ 376,279</u>		<u>\$ 319,859</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Bonds, Series 2006A
 April 30, 2011

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
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>\$ 7,010,000</u>	<u>\$ 2,528,275</u>	<u>\$ 9,538,275</u>		<u>\$ 1,264,138</u>		<u>\$ 1,264,137</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Waterworks and Sewerage Alternate Revenue Bonds, Series 2008A
 April 30, 2011

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
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>\$ 2,505,000</u>	<u>\$ 1,222,244</u>	<u>\$ 3,727,244</u>		<u>\$ 637,974</u>		<u>\$ 584,270</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Road Alternate Revenue Bonds, Series 2008B
 April 30, 2011

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
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>\$ 375,000</u>	<u>\$ 26,684</u>	<u>\$ 401,684</u>		<u>\$ 13,342</u>		<u>\$ 13,342</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Refunding Bonds, Series 2009
 April 30, 2011

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
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>\$ 2,665,000</u>	<u>\$ 526,510</u>	<u>\$ 3,191,510</u>		<u>\$ 263,254</u>		<u>\$ 263,256</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency Loan Payable, 1998
April 30, 2011

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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>\$ 1,814,969</u>	<u>\$ 221,843</u>	<u>\$ 2,036,812</u>

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency Loan Payable, 2002
 April 30, 2011

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
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	51,547	691	52,238
	\$ 1,103,827	\$ 202,111	\$ 1,305,938

VILLAGE OF SUGAR GROVE, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency Loan Payable, 2003
 April 30, 2011

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
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	41,228	527	41,755
	<u>\$ 947,520</u>	<u>\$ 179,874</u>	<u>\$ 1,127,394</u>

STATISTICAL SECTION (UNAUDITED)

Statistical Section (Unaudited)

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

	<u>Pages</u>
Financial Trends	99 - 107
<i>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.</i>	
Revenue Capacity	108 - 111
<i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	
Debt Capacity	112 - 116
<i>These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.</i>	
Demographics and Economic Information	117 - 118
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.</i>	
Operating Information	119 - 123
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.</i>	

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

Net Assets by Component

Last Seven Fiscal Years

(accrual basis of accounting)

	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
Governmental activities							
Invested in capital assets, net of related debt	\$ 656,130	\$ 6,855,763	\$ 13,189,271	\$ 12,593,065	\$ 17,946,194	\$ 21,368,759	\$ 21,478,547
Restricted	57,860	41,586	8,179,293	6,575,804	4,176,012	2,681,288	2,453,465
Unrestricted	4,641,305	5,956,543	(1,771,501)	280,065	2,525,259	1,976,032	2,536,080
Total governmental activities net assets	\$ 5,355,295	\$ 12,853,892	\$ 19,597,063	\$ 19,448,934	\$ 24,647,465	\$ 26,026,079	\$ 26,468,092
Business-type activities							
Invested in capital assets, net of related debt	\$ 6,200,704	\$ 8,862,763	\$ 11,975,053	\$ 12,743,365	\$ 13,090,292	\$ 13,257,722	\$ 13,111,168
Unrestricted	4,638,542	5,753,566	5,856,899	5,244,845	5,376,225	4,767,152	4,670,659
Total business-type activities net assets	\$ 10,839,246	\$ 14,616,329	\$ 17,831,952	\$ 17,988,210	\$ 18,466,517	\$ 18,024,874	\$ 17,781,827
Net assets							
Invested in capital assets, net of related debt	\$ 6,856,834	\$ 15,718,526	\$ 25,164,324	\$ 25,336,430	\$ 31,036,486	\$ 34,626,481	\$ 34,589,715
Restricted	57,860	41,586	8,179,293	6,575,804	4,176,012	2,681,288	2,453,465
Unrestricted	9,279,847	11,710,109	4,085,398	5,524,910	7,901,484	6,743,184	7,206,739
Total net assets	\$ 16,194,541	\$ 27,470,221	\$ 37,429,015	\$ 37,437,144	\$ 43,113,982	\$ 44,050,953	\$ 44,249,919

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

Data source: Village records

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

	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
Expenses							
Governmental activities							
General government	\$ 1,848,393	\$ 2,194,586	\$ 2,232,790	\$ 2,047,435	\$ 1,587,633	\$ 1,335,485	\$ 1,160,466
Public safety	1,106,496	1,363,491	2,481,551	2,386,461	2,020,272	1,953,356	1,959,194
Highways and streets	725,605	847,155	1,227,688	1,625,191	1,899,870	2,368,327	2,011,102
Interest	199,615	189,832	469,079	521,405	478,975	465,269	437,467
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>	<u>5,568,229</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	2,488,457
Refuse	354,628	457,274	494,692	587,620	654,632	680,915	699,274
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>	<u>3,187,731</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>	<u>\$ 8,755,960</u>
Program revenues							
Governmental activities							
Charges for services							
General government	\$ 1,045,165	\$ 1,586,585	\$ 1,145,993	\$ 450,973	\$ 346,763	\$ 175,419	\$ 163,454
Public safety	148,469	148,524	157,205	171,383	147,082	226,845	271,035
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	33,784
Capital grants and contributions	707,447	6,795,602	7,319,731	478,483	5,373,109	2,324,851	774,232
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>	<u>1,242,505</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	2,433,467
Refuse	383,015	462,224	516,245	595,135	664,847	702,417	730,420
Capital grants and contributions	1,087,701	2,362,505	3,262,306	342,117	1,011,202	10,805	30,192
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>	<u>3,194,079</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>	<u>\$ 4,436,584</u>
Net (expense) revenue							
Governmental activities	\$ (1,924,061)	\$ 3,988,560	\$ 2,288,462	\$ (5,445,132)	\$ (90,533)	\$ (3,391,427)	\$ (4,325,724)
Business-type activities	1,658,019	3,114,580	3,081,281	39,576	607,305	(209,994)	6,348
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>	<u>\$ (4,319,376)</u>

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

	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
General revenues and other changes in net assets							
Governmental activities							
Taxes							
Property	\$ 909,171	\$ 1,020,864	\$ 1,124,578	\$ 1,269,953	\$ 1,351,622	\$ 1,444,458	\$ 1,467,686
Income	419,200	501,456	686,381	786,035	779,204	682,418	684,720
Sales	299,274	294,015	444,728	873,003	834,223	796,488	873,110
Electric	219,231	233,888	247,629	272,552	257,290	256,051	282,517
Natural gas	121,180	184,573	158,172	191,539	183,590	141,782	131,137
Telecommunications	341,355	352,759	356,449	368,441	369,623	337,743	329,765
Motor fuel	182,539	188,602	240,989	237,498	241,903	233,657	272,617
Other	70,628	82,288	104,594	120,094	127,935	106,802	129,683
Investment income	90,740	216,364	626,646	660,528	469,259	182,673	84,945
Miscellaneous	102,423	267,374	289,338	338,718	298,496	254,775	212,544
Transfers in (out)	155,469	157,854	175,205	178,642	375,919	333,194	299,013
Total governmental activities	2,911,210	3,500,037	4,454,709	5,297,003	5,289,064	4,770,041	4,767,737
Business-type activities							
Investment income	76,126	199,372	304,374	284,283	228,798	91,631	37,715
Miscellaneous	5,574	620,985	5,173	11,041	18,123	9,914	11,903
Transfers in (out)	(155,469)	(157,854)	(175,205)	(178,642)	(375,919)	(333,194)	(299,013)
Total Business-Type Activities	(73,769)	662,503	134,342	116,682	(128,998)	(231,649)	(249,395)
Total	\$ 2,837,441	\$ 4,162,540	\$ 4,589,051	\$ 5,413,685	\$ 5,160,066	\$ 4,538,392	\$ 4,518,342
Changes in net assets							
Governmental activities	\$ 987,149	\$ 7,498,597	\$ 6,743,171	\$ (148,129)	\$ 5,198,531	\$ 1,378,614	\$ 442,013
Business-type activities	1,584,250	3,777,083	3,215,623	156,258	478,307	(441,643)	(243,047)
Total changes in net assets	\$ 2,571,399	\$ 11,275,680	\$ 9,958,794	\$ 8,129	\$ 5,676,838	\$ 936,971	\$ 198,966

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 71,435	\$ 41,033	\$ 39,197	\$ 76,553	\$ 77,933	\$ 84,482	\$ 67,813	\$ 80,091	\$ 81,442	\$ 98,364
Unreserved	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	1,425,389
Total general fund	<u>\$ 1,214,267</u>	<u>\$ 1,281,223</u>	<u>\$ 1,410,218</u>	<u>\$ 1,593,277</u>	<u>\$ 1,962,403</u>	<u>\$ 1,860,521</u>	<u>\$ 1,631,017</u>	<u>\$ 1,543,377</u>	<u>\$ 1,518,280</u>	<u>\$ 1,523,753</u>
All Other Governmental Funds										
Reserved	\$ 58	\$ 55,275	\$ 42,479	\$ 70,804	\$ 57,832	\$ 8,525,981	\$ 6,755,404	\$ 4,330,123	\$ 2,832,577	\$ 2,592,823 (a)
Unreserved, reported in:										
Special revenues funds	244,611	-	-	-	-	-	-	-	-	-
Capital projects funds	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	2,931,553
Total all other governmental funds	<u>\$ 2,339,573</u>	<u>\$ 2,147,600</u>	<u>\$ 2,606,973</u>	<u>\$ 3,322,543</u>	<u>\$ 4,110,816</u>	<u>\$ 12,926,121</u>	<u>\$ 11,639,773</u>	<u>\$ 8,978,234</u>	<u>\$ 5,690,645</u>	<u>\$ 5,524,376</u>

(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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Property taxes	\$ 609,286	\$ 686,617	\$ 788,108	\$ 909,171	\$ 1,020,864	\$ 1,124,578	\$ 1,269,954	\$ 1,351,622	\$ 1,444,458	\$ 1,467,686
Other taxes	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	2,693,353
Charges for services	392,752	426,356	468,220	591,897	1,198,302	742,396	196,341	221,342	91,147	93,854
Intergovernmental, grants and contributions	982,256	1,380,491	815,674	732,864	768,434	973,499	488,498	2,509,458	2,322,315	808,016
Licenses and permits	289,888	395,547	440,067	469,495	404,465	422,503	270,854	142,828	103,608	85,186
Fines, fees and forfeitures	168,793	173,332	140,456	176,315	180,447	191,144	207,909	189,638	281,553	315,100
Interest	98,982	51,009	38,028	90,740	216,364	626,646	660,527	469,258	182,673	84,945
Miscellaneous	59,843	133,536	65,033	87,900	225,214	245,023	306,201	244,953	200,585	152,893
	<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>	<u>\$ 5,701,033</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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	\$ 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	\$ 1,124,780
Public safety	661,563	840,645	884,383	1,051,698	1,302,644	2,204,060	2,255,323	1,920,986	1,897,049	1,912,121
Highways and streets	477,002	560,760	337,500	407,436	470,929	747,182	1,610,341	1,645,008	1,165,193	966,419
Culture and recreation	177,354	230,138	269,098	-	-	-	-	-	-	-
Debt service										
Principal	45,000	110,000	206,180	200,000	210,000	220,000	450,000	655,000	840,000	860,000
Interest and fiscal charges	48,126	266,238	211,609	202,805	193,215	183,350	677,818	497,524	437,591	416,870
Bond issuance costs	-	-	-	-	-	-	-	80,463	-	-
Capital outlay	3,112,515	1,480,060	374,650	259,011	510,524	863,879	893,339	5,377,826	5,204,942	880,652
	<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>	<u>\$ 6,160,842</u>

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

Data source: Village records

Village of Sugar Grove, Illinois

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

See Following Page

Village of Sugar Grove, Illinois

Changes in Fund Balances for Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2002	2003	2004	2005
Revenues				
Property taxes	\$ 609,286	\$ 686,617	\$ 788,108	\$ 909,171
Other taxes	899,907	983,890	1,207,833	1,595,720
Charges for services	392,752	426,356	468,220	591,897
Intergovernmental, grants and contributions	982,256	1,380,491	815,674	732,864
Licenses and permits	289,888	395,547	440,067	469,495
Fines, fees and forfeitures	168,793	173,332	140,456	176,315
Interest	98,982	51,009	38,028	90,740
Miscellaneous	59,843	133,536	65,033	87,900
Total revenues	3,501,707	4,230,778	3,963,419	4,654,102
Expenditures				
General government	1,057,992	1,033,073	1,242,241	1,789,992
Public safety	661,563	840,645	884,383	1,051,698
Highways and streets	477,002	560,760	337,500	407,436
Culture and recreation	177,354	230,138	269,098	-
Debt service				
Principal	45,000	110,000	206,180	200,000
Interest and fiscal charges	48,126	266,238	211,609	202,805
Bond issuance costs	-	-	-	-
Capital outlay	3,112,515	1,480,060	374,650	259,011
Total expenditures	5,579,552	4,520,914	3,525,661	3,910,942
Excess (deficiency) of revenues over expenditures	(2,077,845)	(290,136)	437,758	743,160
Other financing sources (uses)				
Transfers in	99,000	791,875	428,944	714,151
Transfers out	(99,000)	(658,526)	(278,334)	(558,682)
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	-	-	-	-
Total other financing sources (uses)	3,900,000	165,119	150,610	155,469
Net Change in Fund Balances	\$ 1,822,155	\$ (125,017)	\$ 588,368	\$ 898,629
Capital asset additions (excluding capital asset contributions and exchanges)	\$ 2,725,232	\$ 1,366,004	\$ 210,764	\$ 85,346
Debt service as a percentatge of noncapital expenditures	3.26%	11.93%	12.60%	10.53%

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

Data source: Village records

		Fiscal Year									
		2006	2007	2008	2009	2010	2011				
\$	1,020,864	\$	1,124,578	\$	1,269,954	\$	1,351,622	\$	1,444,458	\$	1,467,686
	1,834,096		2,213,953		2,805,916		2,808,563		2,560,100		2,693,353
	1,198,302		742,396		196,341		221,342		91,147		93,854
	768,434		973,499		488,498		2,509,458		2,322,315		808,016
	404,465		422,503		270,854		142,828		103,608		85,186
	180,447		191,144		207,909		189,638		281,553		315,100
	216,364		626,646		660,527		469,258		182,673		84,945
	225,214		245,023		306,201		244,953		200,585		152,893
	5,848,186		6,539,742		6,206,200		7,937,662		7,186,439		5,701,033
	2,161,329		2,328,969		2,013,873		1,544,521		1,287,544		1,124,780
	1,302,644		2,204,060		2,255,323		1,920,986		1,897,049		1,912,121
	470,929		747,182		1,610,341		1,645,008		1,165,193		966,419
	-		-		-		-		-		-
	210,000		220,000		450,000		655,000		840,000		860,000
	193,215		183,350		677,818		497,524		437,591		416,870
	-		-		-		80,463		-		-
	510,524		863,879		893,339		5,377,826		5,204,942		880,652
	4,848,641		6,547,440		7,900,694		11,721,328		10,832,319		6,160,842
	999,545		(7,698)		(1,694,494)		(3,783,666)		(3,645,880)		(459,809)
	1,050,573		1,588,542		2,001,085		4,461,793		3,973,835		1,832,641
	(892,719)		(1,413,337)		(1,822,443)		(4,085,874)		(3,640,641)		(1,533,628)
	-		-		-		-		-		-
	-		8,500,000		-		3,520,000		-		-
	-		45,916		-		10,342		-		-
	-		-		-		(2,871,774)		-		-
	157,854		8,721,121		178,642		1,034,487		333,194		299,013
\$	1,157,399	\$	8,713,423	\$	(1,515,852)	\$	(2,749,179)	\$	(3,312,686)	\$	(160,796)
\$	310,177	\$	536,114	\$	1,276,416	\$	5,642,090	\$	4,994,478	\$	942,112
	8.88%		6.71%		17.03%		20.28%		21.88%		24.47%

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
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
2011	1,467,686	684,720	472,808	390,368	330,848	282,517	272,617	131,137	126,275	2,063	4,161,039
Change 2002 - 2011	140.9%	157.7%	192.1%	100.0%	131.5%	118.6%	157.1%	193.0%	162.0%	77.1%	175.7%

(a) The property tax rate decreased between 2002 and 2008 because of a combination of the tax cap and Village growth, however, the equalized assessed valuation of new and existing homes continued to see substantial growth during the same time. The property tax rate increased in 2009 as the equalized assessed valuation leveled off and increased further in 2010 and 2011 when the equalized assessed valuation dropped.

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

(c) Sales tax revenue increased 192% in the past ten years due to growth in the number of retail outlets in the Village. The Village had a Jewel-Osco grocery store open in April 2006, for which the has a Sales Tax Agreement with.

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

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

Data source: Village records

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

Tax Levy Year	Property Type					Total		Ratio of Total Assessed Value to Total Estimated Actual Value	Equalization Factor	Direct Tax Rate (a)
	Residential	Commercial	Industrial	Farm	Railroad	Equalized Assessed Value	Estimated Actual Value			
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
2010	279,291,169	22,146,488	9,931,070	3,219,364	104,452	314,692,543	944,077,629	33.33	1.0000	0.4375

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Tax Rates (a)										
Village direct rates										
Corporate (c)	\$ 0.2453	\$ 0.2316	\$ 0.2241	\$ 0.1818	\$ 0.1742	\$ 0.1619	\$ 0.1593	\$ 0.2034	\$ 0.2068	\$ 0.2295
Debt service	0.0899	0.0733	0.0607	0.0495	0.0398	0.0324	0.0293	0.0295	0.0292	-
IMRF	0.0688	0.0650	0.0629	0.0510	0.0489	0.0454	0.0447	0.0230	0.0233	0.0228
Police protection (c)	0.0490	0.0463	0.0448	0.0363	0.0348	0.0324	0.0319	0.0327	0.0333	0.0364
Police pension	-	-	-	0.0536	0.0514	0.0477	0.0469	0.0482	0.0490	0.0537
Audit	0.0075	0.0071	0.0069	0.0056	0.0054	0.0050	0.0049	0.0033	0.0034	0.0038
Liability insurance	0.0656	0.0620	0.0600	0.0487	0.0466	0.0433	0.0427	0.0219	0.0223	0.0243
Street lighting (c)	0.0099	0.0094	0.0091	0.0074	0.0071	0.0066	0.0065	0.0133	0.0135	0.0148
Social security	0.0701	0.0662	0.0641	0.0520	0.0498	0.0463	0.0456	0.0468	0.0476	0.0522
Total direct tax rate	0.6061	0.5609	0.5326	0.4859	0.4580	0.4210	0.4118	0.4221	0.4284	0.4375
Overlapping rates										
Kane County	0.4529	0.4292	0.3578	0.3467	0.3367	0.3452	0.3322	0.3336	0.3398	0.3730
Kane County Forest Preserve	0.1520	0.1395	0.1270	0.1432	0.1905	0.1747	0.1974	0.1932	0.1997	0.2201
Sugar Grove Township (b)	0.1087	0.3604	0.0950	0.0881	0.0847	0.0792	0.0780	0.0805	0.0821	0.0906
Sugar Grove Township Road District (b)	0.2416	N/A	0.2236	0.2072	0.1994	0.1864	0.1836	0.1578	0.1582	0.1604
Kaneland Community Unit School District 302	4.8407	4.8637	4.6805	4.5024	4.8886	4.6796	4.8411	4.8854	5.0024	5.3897
Waubensee Community College District 516	0.4131	0.4043	0.4134	0.4099	0.3933	0.3983	0.3951	0.3995	0.4043	0.4069
Sugar Grove Park District	0.0074	0.0071	0.1291	0.1587	0.1569	0.1424	0.1398	0.1408	0.1463	0.1603
Sugar Grove Library District	0.1184	0.1138	0.1114	0.2362	0.2212	0.1984	0.1926	0.1960	0.2028	0.2234
Sugar Grove Fire District	0.2990	0.5096	0.4980	0.5680	0.5432	0.5066	0.4970	0.5070	0.5136	0.5682
Sugar Grove Water Authority	0.0045	0.0038	0.0033	0.0028	0.0025	0.0019	0.0019	0.0020	0.0020	0.0023
Sugar Grove Community Building (b)	0.0369	N/A	0.0279	0.0236	0.0227	0.0213	0.0209	0.0216	0.0220	0.0243
Total direct and overlapping tax rates	\$ 7.2813	\$ 7.3923	\$ 7.1996	\$ 7.1727	\$ 7.4977	\$ 7.1550	\$ 7.2914	\$ 7.3395	\$ 7.5016	\$ 8.0567

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

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

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

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

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

Data source: Kane County Clerk

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

Taxpayer	Business/Service	2010			2000		
		Equalized Assessed Value	Rank	Percentage of Total Equalized Assessed Value	Equalized Assessed Value	Rank	Percentage of Total Equalized Assessed Value
New Albertsons Inc (Jewel)	Grocery store	\$ 2,399,726	1	0.76%	\$ -		0.00%
Scot Industries, Inc.	Industrial property	1,653,736	2	0.53	1,264,068	1	1.41
Individual	Commercial property	1,125,012	3	0.36	-		-
Campbell & Pierce Inc (Bliss Creek Golf Course)	Golf course	923,641	4	0.29	-		-
Chesterbrook Academy	Preschool	895,174	5	0.28	-		-
Winding Road LLC	Commercial property	803,403	6	0.26	-		-
Individual	Commercial/residential property	769,451	7	0.24	-		-
Gas Mart (Conoco Phillips)	Gas station	748,121	8	0.24	-		-
BCB Development III LLC	Commercial property (vacant)	673,341	9	0.21	-		-
Aldi Inc	Grocery store	667,507	10	0.21	-		-
Aurora National Bank	Commercial property	-		-	551,288	2	0.61
Individual	Commercial property	-		-	403,160	3	0.45
Individual	Commercial property	-		-	330,978	4	0.37
Old Second National Bank	Bank	-		-	323,712	5	0.36
Pioneer Bank & Trust Co.	Commercial property	-		-	278,011	6	0.31
First National Bank of Cicero	Commercial property	-		-	257,061	7	0.29
Pinnacle Bank	Commercial property	-		-	240,640	8	0.26
American National Bank & Trust	Commercial property	-		-	201,338	9	0.22
Cole Taylor Bank	Commercial property	-		-	190,583	10	0.21
		<u>\$ 10,659,112</u>		<u>3.39%</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
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	1,431,732	99.88	1,711	1,433,443	100.00
2010		1,376,937	*	*	*	*	*

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			
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
2011	10,050,000	5,310,000	-	3,866,316	-	19,226,316	7.05	2,137

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		
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
2011	10,050,000	370,195	9,679,805	3.08	1,117

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, 2011**

	Gross Bonded Debt	Percentage of Debt Applicable to Village	Village's Share of Debt
Total direct bonded debt	\$ 15,360,000	100.00%	\$ 15,360,000
Less: self-supported debt	<u>(15,360,000)</u>	100.00	<u>(15,360,000)</u>
Net direct bonded debt (b)	<u>-</u>		<u>-</u>
Overlapping Districts (a)(c)			
Schools:			
Aurora West Unit School District Number 129	121,945,000	0.61	743,865
Kaneland Community Unit School District Number 302	114,459,491	31.64	36,214,983
Hinckley - Big Rock Community Unit School District Number 429	17,525,000	4.00	701,000
Waubensee Community College District Number 516	<u>64,683,551</u>	3.19	<u>2,063,405</u>
Total schools	<u>318,613,042</u>		<u>39,723,253</u>
Other:			
Kane County	105,030,000	2.16	2,268,648
Kane County Forest Preserve District	243,340,866	2.16	5,256,163
Sugar Grove Public Library District	<u>7,080,000</u>	61.23	<u>4,335,084</u>
Total other	<u>355,450,866</u>		<u>11,859,895</u>
Total direct and overlapping bonded debt	<u>\$ 674,063,908</u>		<u>\$ 51,583,148</u>

Note: Percentages are based on 2010 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, 2011

(c) As of January 6, 2011

Data source: Kane County Clerk

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

Equalized assessed valuation - 2010 levy	<u>\$ 314,692,543</u>
Legal debt limit - 8.625% of equalized assessed valuation	<u>\$ 27,142,232</u>
Amount of debt applicable to limit	
Series 2002	\$ 290,000
Series 2006	2,515,000
Series 2006A	7,010,000
Series 2008A	2,505,000
Series 2008B	375,000
Series 2009	<u>2,665,000</u>
Total general obligation debt	15,360,000
Less: self-supported debt	<u>(15,360,000)</u>
Total applicable debt	<u>-</u>
Legal debt margin	<u>\$ 27,142,232</u>

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Legal debt limit	\$ 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	\$ 27,142,232
Total applicable debt	615,000	565,000	510,000	450,000	385,000	320,000	250,000	175,000	90,000	-
Legal debt margin	\$ 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	\$ 27,142,232
Total applicable debt as a percentage of debt limit	6.69%	4.93%	3.64%	2.60%	1.88%	1.27%	0.90%	0.60%	0.31%	0.00%

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

Data source: Village records

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

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

Fiscal Year	Operating Revenues	Less:	Net	Debt Service		Coverage
		Operating Expenses	Available Revenue	Principal	Interest	
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
2011	2,445,370	1,350,881	1,094,489	589,776	364,701	1.15

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, e)	School Enrollment (f)	Unemployment Rate (g)
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
2010	8,997 (e)	272,600,103	30,299	37.2	4,757	N/A

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

Data sources:

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

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

Employer	2011			2002		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Waubonsee Community College District No. 516	1,460	1	N/A	750	1	N/A
HFR Precision Machining, Inc.	80	2	N/A	80	3	N/A
GPS World Supply Co.	60	3	N/A	-		N/A
Scot Industries, Inc.	55	4	N/A	75	4	N/A
CMC Electronics, Inc. (formerly Flight Visions, Inc.)	50	5	N/A	50	5	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	6	N/A
Village of Sugar Grove	40	10	N/A	-		N/A
OakGrigsby, Inc. (Division of Oak Industries, Inc.)	-		N/A	200	2	N/A
Lumanair Aviation Services	-		N/A	35	7	N/A
Deep-Coat Metallizing, Inc. (Division of Wave Zero, Inc.)	-		N/A	35	8	N/A
Finishes Unlimited	-		N/A	32	9	N/A
	<u>1,940</u>		<u>-</u>	<u>1,302</u>		<u>-</u>

N/A - Information not readily available.

Data source: 2011 Illinois Manufacturers Directory, 2011 Illinois Services Directory and a selective telephone survey

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

Funtion/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Administration	2.692	2.000	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	3.000
Community Development										
Planning	1.000	1.000	1.000	2.000	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	2.375
Police										
Officers	10.200	11.000	11.000	11.750	13.750	17.000	18.250	18.250	15.250	14.250
Civilians	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Public Works										
Administration	2.000	1.625	1.625	2.000	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	1.500
Streets	2.692	2.346	3.346	3.346	3.346	4.346	4.346	4.346	4.000	3.000
Water and Sewer	4.346	4.346	4.346	4.346	6.346	6.346	6.346	6.346	6.000	6.000
Total	31.872	32.509	32.067	35.942	39.942	46.192	46.317	46.317	39.125	37.125

Data source: Village records

Village of Sugar Grove, Illinois

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

See Following Page

Village of Sugar Grove, Illinois

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

Function/Program	2002	2003	2004	2005
Police				
Part I crimes	80	64	93	84
Part II crimes	321	317	276	252
Traffic violations	3,915	2,720	2,820	3,320
Parking violations	549	340	548	251
Finance				
Vendor checks processed	1,808	1,764	1,763	1,761
Vendor invoices processed	3,100	2,802	2,659	2,918
Employee paychecks processed	N/A	908	1,052	1,020
Employee direct deposits processed	N/A	488	488	652
Utility billing customers	2,645	3,077	3,430	N/A
Utility bills processed	24,869	34,854	39,111	N/A
Forestry				
Parkway trees planted	N/A	N/A	N/A	24
Parkway trees trimmed	N/A	N/A	N/A	50
Streets				
Sidewalk replaced (sq ft) ¹	N/A	N/A	N/A	172
Street resurfacing (miles)	N/A	N/A	0.65	0.75
Street micro-surfacing (miles) ²	N/A	N/A	N/A	N/A
Pavement marking (linear feet) ³	N/A	N/A	N/A	N/A
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
Water				
Water main breaks	2	3	2	2
Total distribution pumpage (1,000 gallons)	N/A	N/A	N/A	317,467
Average daily pumpage (1,000 gallons)	N/A	N/A	N/A	867
Sanitary sewer televising (feet)	N/A	N/A	700	1,000

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

Fiscal Year					
2006	2007	2008	2009	2010	2011
N/A	N/A	83	99	57	57
N/A	N/A	329	390	507	355
N/A	N/A	3,268	2,867	3,368	4,199
N/A	N/A	570	361	347	626
1,785	1,744	1,835	1,646	1,455	1,260
3,050	3,039	3,269	2,957	2,543	2,257
1,254	1,300	1,518	1,403	1,191	1,210
872	983	1,153	1,099	1,354	1,301
3,850	4,009	4,120	4,120	4,122	4,128
N/A	47,587	48,993	49,535	49,535	49,540
110	279	274	128	302	14
234	469	288	153	221	120
11	772	2,880	1,675	750	145
0.95	0.50	1.30	2.24	2.30	3.90
N/A	2.8	0.0	5.3	0.0	0.0
N/A	N/A	84,417	95,063	43,893	57,399
15	18	50	27	22	17
468	539	990	990	1,155	1,155
3	1	4	5	9	5
353,594	378,108	348,723	333,222	329,389	305,992
975	1,034	955	913	902	838
1,200	800	1,000	-	2,000	2,200

**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
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	16	3,695,500	48	21,174,923	13	3,069,851	77	27,940,274
2008	10	3,174,000	14	5,950,692	2	475,890	26	9,600,582
2009	3	610,000	1	769,289	-	-	4	1,379,289
2010	8	3,041,090	5	2,725,143	-	-	13	5,766,233

Data source: Village records

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

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Buildings										
Village Hall/Police Station	1	1	1	1	1	1	1	1	1	1
Public Works Facility	1	1	1	1	1	1	1	1	1	1
Fleet Services										
Equipment - Public Works	N/A	N/A	13	15	18	20	21	21	21	21
Vehicles - Community Development	N/A	1	2	2	2	4	4	4	4	4
Vehicles - Police	6	6	6	6	8	10	10	11	11	11
Vehicles - Public Works	N/A	N/A	15	18	20	23	26	26	26	26
Public Works										
Streets - center lane (miles)	N/A	N/A	40.5	47.5	52.0	54.5	58.0	58.0	59.5	59.5
Sidewalks (miles)	N/A	N/A	58	74	82	88	96	96	96	96
Storm sewers (miles)	N/A	N/A	44	51	55	58	61	61	63	63
Streettights	N/A	N/A	720	850	915	965	1,100	1,100	1,120	1,120
Water										
Wells	N/A	N/A	7	7	7	9	9	9	9	9
Water mains (miles)	N/A	N/A	50	52	55	61	62	62	84	84
Fire hydrants	N/A	N/A	N/A	760	800	900	1,000	1,000	1,100	1,109
Sewer										
Lift stations	N/A	N/A	6	6	6	6	7	6	6	6
Sewer mains (miles)	N/A	N/A	N/A	90	95	105	107	107	110	110

N/A - Information not readily available.

Data source: Village records