

VILLAGE OF SUMMIT,
ILLINOIS

ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2010



VILLAGE OF SUMMIT, ILLINOIS

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VILLAGE OF SUMMIT, ILLINOIS

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules



INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

September 26, 2011

The Honorable Village President
Members of the Board of Trustees
Village of Summit, 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 Summit, Illinois as of and for the year ended December 30, 2010, 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 Summit, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

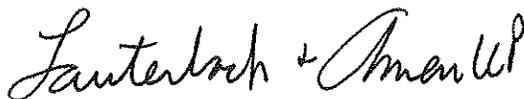
Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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.

As described in Note 4, the financial statements do not disclose the composition of the net pension obligation nor a liability to be recognized when the accumulated annual pension cost exceed the accumulated contributions. The effects of those departures on the financial statements are not reasonably determinable. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

In our opinion, except for the effect of such adjustments, if any, as might have been disclosed with respect to the net pension obligation, 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 Summit, Illinois as of December 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general 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 Summit, Illinois' financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements 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.



LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS



VILLAGE OF SUMMIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

(Unaudited)

The discussion and analysis of Village of Summit's (the "village") financial performance provides an overall review of the village's financial activities for the year ended December 31, 2010. The management of the village encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the village's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- The assets of the village exceeded its liabilities at the close of the most recent fiscal year by \$2.896 thousand (net assets). The Village currently has a deficit in its unrestricted assets and is currently evaluating options to fund operations on an unrestricted basis.
- In total, net assets decreased by \$903 thousand. This represents a 23.8% decrease from 2010. This decrease is due to increases in personnel costs and declines in revenues seen by the Village.
- As of the close of the current fiscal year, the village's governmental funds reported combined ending fund balances of \$2.6 million, a increase of \$161 thousand in comparison with the prior year. Of that amount, the Village has overspent its undesignated fund balance by approximately \$525 thousand. It is the Village's intention to fund the deficit in future years.
- General revenues accounted for \$8.0 million in revenue or 73.8% of all governmental revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$ 2.8 million or 26.2% of total governmental revenues.
- The village had \$11.7 million in expenses related to government activities. However, only \$2.8 million of these expenses were offset by program specific charges and grants.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was (\$520,899).
- The village's total debt decreased by \$235,533 during the current year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the village's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements.

VILLAGE OF SUMMIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

(Unaudited)

This report also contains other supplementary information in addition to the basic financial statements.

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, and are reported using the accrual basis of accounting and economic resources measurement focus.

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 government's net assets changed during the fiscal year being reported. 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.

The government-wide financial statements can be divided into two types of activities: governmental and business type. Governmental activities present the functions of the village that are principally supported by taxes and intergovernmental revenues. Business type activities present the functions that are intended to recover all or a significant portion of their costs through user fees and charges. The village's governmental activities include functions like general government, public safety, public works and community development. The village's business type activities include providing water services to its residents.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the village can be divided into two categories: governmental 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 and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the village's general government operations and the basic services it provides. 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 village's near-term financing requirements.

VILLAGE OF SUMMIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

(Unaudited)

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 2 major 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 and the 63rd St. and Archer Avenue TIF Fund, both of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The village adopts an annual budget for each of the major funds listed above. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

Enterprise funds

Enterprise funds are used to account for the resources received and the expenses paid in relation to the water system of the Village. The accounting for the Enterprise fund is on the accrual basis of accounting.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the village. 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 for the government-wide financial statements.

Notes to basic financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the village's contributions and funding progress of the Illinois Municipal Retirement Fund, Police Pension Fund and Other Post Employment Benefits; as well as, budget to actual comparisons of the funds. Supplementary schedules include combining and individual fund schedules of all non-major funds and Fiduciary Funds.

VILLAGE OF SUMMIT

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2010 (Unaudited)

Government-Wide Financial Analysis

<i>Table 1 Condensed Statements of Net Assets (in thousands of dollars)</i>						
	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	2010	2009	2010	2009	2010	2009
Assets						
Current and other assets	\$ 8,119	\$ 7,698	\$ 517	\$ 400	\$ 8,636	\$ 8,098
Capital Assets	<u>2,688</u>	<u>2,801</u>	<u>610</u>	<u>689</u>	<u>3,298</u>	<u>3,490</u>
Total assets	<u>10,807</u>	<u>10,499</u>	<u>1,127</u>	<u>1,089</u>	<u>11,934</u>	<u>11,588</u>
Liabilities						
Long-term liabilities	2,764	2,144	296	236	3,060	2,380
Other liabilities	<u>5,735</u>	<u>5,174</u>	<u>243</u>	<u>242</u>	<u>5,978</u>	<u>5,416</u>
Total liabilities	<u>8,499</u>	<u>7,318</u>	<u>539</u>	<u>478</u>	<u>9,038</u>	<u>7,796</u>
Net assets						
Invested in capital assets, net of related debt	2,098	2,504	563	613	2,661	3,117
Restricted	3,082	2,492	-	-	3,082	2,492
Unrestricted	<u>(2,872)</u>	<u>(1,815)</u>	<u>25</u>	<u>(2)</u>	<u>(2,847)</u>	<u>(1,817)</u>
Total net assets	<u>\$ 2,308</u>	<u>\$ 3,181</u>	<u>\$ 588</u>	<u>\$ 611</u>	<u>\$ 2,896</u>	<u>\$ 3,792</u>

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

Net results of activities – which will impact (increase/decrease) current assets and unrestricted net assets.

Borrowing for capital – which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) increase capital assets and long-term debt, which will not change the net assets invested in capital assets, net of related debt.

Spending of non-borrowed current assets on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) will reduce unrestricted net assets and increase invested in capital assets, net of related debt.

Principal payment on debt – which will: (a) reduce current assets and reduce long-term debt; and, (b) reduce unrestricted net assets and increase net assets invested in capital assets, net of related debt.

Reduction of capital assets through depreciation – which will reduce capital assets and net assets invested in capital assets, net of related debt.

VILLAGE OF SUMMIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

(Unaudited)

Current Year Impacts

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, total net assets decreased by \$903 thousand from \$3,799 thousand to \$2,896 thousand. The village's total assets equal \$11,934 thousand. The village's total liabilities equal \$9,039 thousand.

The village experienced increased current and other assets as it increased the estimate of collection of current year real estate tax collections, and its cash and investments. Also, the village increased the deferred revenue relating to the real estate taxes receivable, to be utilized specifically in 2011.

A portion of the net assets of the governmental activities is restricted for street maintenance, road improvements, and special assessments. The unrestricted combined balance, for both governmental and business type activities, is a negative amount of \$(2,796) thousand. The Village is taking steps to correct this in the future.

<i>Table 2 Condensed Statements of Activities (in thousands of dollars)</i>						
	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>2010</u>	<u>2009</u>
	2010	2009	2010	2009	2010	2009
Revenues						
<i>Program revenues</i>						
Charges for services	\$ 1,748	\$ 1,511	\$ 2,423	\$ 2,094	\$ 4,171	\$ 3,605
Operating grants and contributions	1,076	942	-	-	1,076	942
<i>General revenues</i>						
Property taxes	3,980	3,786	-	-	3,980	3,786
Other taxes	2,124	2,109	-	-	2,124	2,109
Intergovernmental	999	1,023	-	-	999	1,023
Other general revenues	356	217	-	-	356	217
Total revenues	10,283	9,588	2,423	2,094	12,706	11,682
Expenses						
General government	4,771	3,433	-	-	4,771	3,433
Public safety	4,740	5,111	-	-	4,740	5,111
Public works	1,078	1,447	-	-	1,078	1,447
Community development	1,021	1,012	-	-	1,021	1,012
Interest and fees	54	63	-	-	54	63
Water	-	-	1,945	1,877	1,945	1,877
Total expenses	11,664	11,066	1,945	1,877	13,609	12,943
Change in net assets before transfers, special and extraordinary items	(1,381)	(1,478)	477	217	(903)	(1,261)
Transfers	500	271	(500)	(271)	-	-
Special items	-	-	-	170	-	170
Change in net assets	(881)	(1,207)	(23)	116	(903)	(1,091)
Net assets, beginning of year, as restated	3,188	4,388	611	495	3,799	4,883
Net assets end of year	\$ 2,307	\$ 3,181	\$ 588	\$ 611	\$ 2,895	\$ 3,792

VILLAGE OF SUMMIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

(Unaudited)

Normal Impacts

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

Revenues

Economic condition – which can reflect a declining, stable or growing economic environment, and has substantial impact on state sales, replacement and hotel/motel tax revenue; as well as, public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/decrease in Village approved rates – while certain tax rates are set by statute, the village has significant authority to impose and periodically increase/decrease rates (water, home rule sales tax, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income – the village's investments may be affected by market conditions causing investment income to increase/decrease.

Expenses

Introduction of new programs – within the functional expense categories (general government, public safety, public works, and community development), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the village to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the village.

Salary increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the village is a major consumer of certain commodities such as supplies, fuel, and parts. Some functions may experience unusual commodity specific increases.

VILLAGE OF SUMMIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

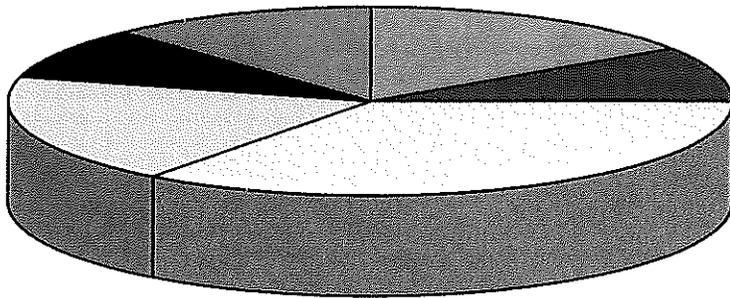
December 31, 2010

(Unaudited)

Current Year Impacts

The Governmental Activities experienced a decrease in revenue due to increased receipt of other taxes; mainly sales and income taxes. This decrease combined with increase in personnel costs resulted in a decrease in net assets to \$2.9 million compared to \$3.8 million in the prior fiscal year. Overall, the village's financial position has declined since the prior fiscal year.

Governmental Activities



- Charges for Services
- Operating Grants and Contributions
- Property Taxes
- Other Taxes
- Intergovernmental
- Other General Revenues

Revenues

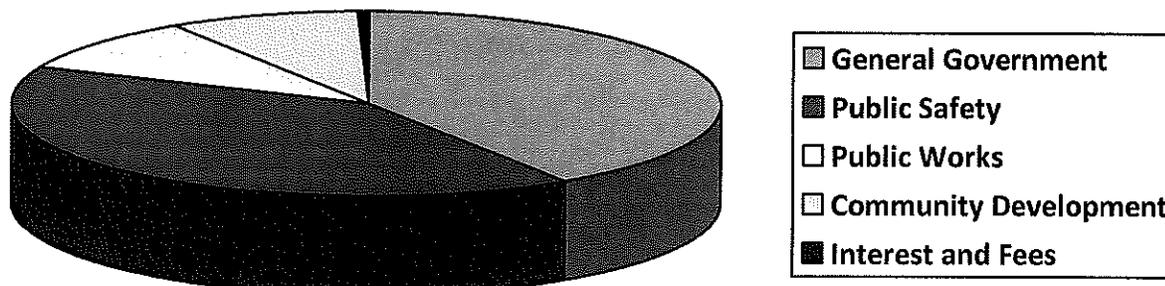
The village experienced a increase in revenue for this fiscal year. This increase in revenues amounted to \$695,000. This increase in revenues was directly related to increased property taxes and other taxes. The Village saw increases in grant revenues and Fines and Forfeitures. There were, however, declines in income taxes due to the struggling economy.

VILLAGE OF SUMMIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

(Unaudited)



Expenses

The village's overall expenses in the current fiscal year increased over the previous year by \$548,000. Increases in Health insurance, liability insurance and personnel costs were the result of this increase. In the current year, the village's expenses in public safety increased due to the salary increases in this area.

Business-Type Activities

The business-type activity of the Village of Summit includes the Water Department. The Water Department serves the Village of Summit residents and businesses. Pricing for water is based on analysis of total costs related to the obtaining and distribution of water. These rates include the costs related to the village's supplier, the City of Chicago. The current year's revenues of the Water Department increased by \$548 due to the Increased water rates charged by the Village.

Financial Analysis of the Village's Funds

The Village of Summit uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds: The focus of the Village of Summit'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 of Summit's financing requirements.

As of the close of the current fiscal year, the village's governmental funds reported combined ending fund balances of \$2,556 thousand, an increase of \$161 thousand in comparison with the prior year. All of which is available for spending at the government's discretion (unreserved fund balance) within their respective fund types. The Village has seen increase in fines and fees due to modifications in the fee structure. Grants have also increased in the last year particularly the Weed and Seed Grant. The Village has seen an increase in costs as it relates to insurance for the employees.

VILLAGE OF SUMMIT

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2010 (Unaudited)

General Fund Budgetary Highlights

The village approves its budget in December prior to the beginning of the budget year. For the 2010 year, the budget was passed in December 2009 and no amendments were approved. In the current year, the village has seen significant declines in its state revenues such as sales taxes, income taxes and telecommunication taxes. These declines are due to the continued economic downturn seen. The General fund revenues came in at a deficit to budget of approximately \$.2 million. The Village continues to see declines in the building licenses and permits.

Expenditures actual exceeded budget by approximately \$151 thousand. The cost savings by the village were due to a grant not getting underway prior to the end of the fiscal year and other cost saving measures by the Village personnel. The Village saw savings in liability insurance and savings in the area of retirement accounts.

Capital Assets and Debt Administration

Capital assets

By the end of 2010, the village had compiled a total investment of \$9,027 thousand (\$3,298 thousand net of accumulated depreciation) in a broad range of capital assets. Total depreciation expense for the year was \$299,168. More detailed information about capital assets can be found in Note 3 of the basic financial statements.

Table 3
Capital Assets (net of depreciation)
(In thousands of dollars)

	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 651	\$ 651	\$ 17	\$ 17	\$ 668	\$ 668
Buildings	622	645	23	24	645	669
Land improvements	49	54	-	-	49	54
Improvements other than buildings	-	-	245	262	245	262
Waterworks and reservoir system	-	-	139	161	139	161
Vehicles	664	755	-	-	664	755
Machinery	702	696	186	225	888	921
Total	\$ 2,688	\$ 2,801	\$ 610	\$ 689	\$ 3,298	\$ 3,490

VILLAGE OF SUMMIT

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2010 (Unaudited)

Debt Administration

The debt administration discussion covers two types of debt reported by the village's financial statements. The village's governmental activities include general obligation bonds, notes payable, capital leases, alternative revenue bond, compensated absences and other post employment benefits. Overall, the village's governmental activities report a total debt of \$2.99 million. The village began the fiscal year with a balance of \$2.14 million in debt, reduced debt by \$898 thousand, and incurred \$1,760 thousand in debt, leaving a December 31, 2010 debt balance of \$2.9 million. More detailed information about debt administration can be found in Note 3 of the basic financial statements.

Table 4
Long-Term Debt
(In thousands of dollars)

	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ 336	\$ 507	\$ -	\$ -	\$ 336	\$ 507
Notes and other long-term liabilities	2,662	1,630	329	237	2,991	1,867
Total	<u>\$ 2,998</u>	<u>\$ 2,137</u>	<u>\$ 329</u>	<u>\$ 237</u>	<u>\$ 3,327</u>	<u>\$ 2,374</u>

Factors Bearing on the village's Future

The general economic conditions of southwestern Cook County and the Chicago Metropolitan statistical area are affected by the state and national economic downturn. The Village continues to work to improve the economic stability. In the current year, another Tax Increment Finance District was approved to go along with the District created in 2003. This TIF is developing a new senior residential areas.

The poor economic situation in the state has had drastic effects on the Village. Delays in the distribution of revenues such as income taxes and property taxes create cash flow strains on the Village. In addition, the continued erratic investment market causes the pension funds to require additional funding due to poor investment returns.

Requests for information

This financial report is designed to provide the Village's citizens, taxpayers, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Village:

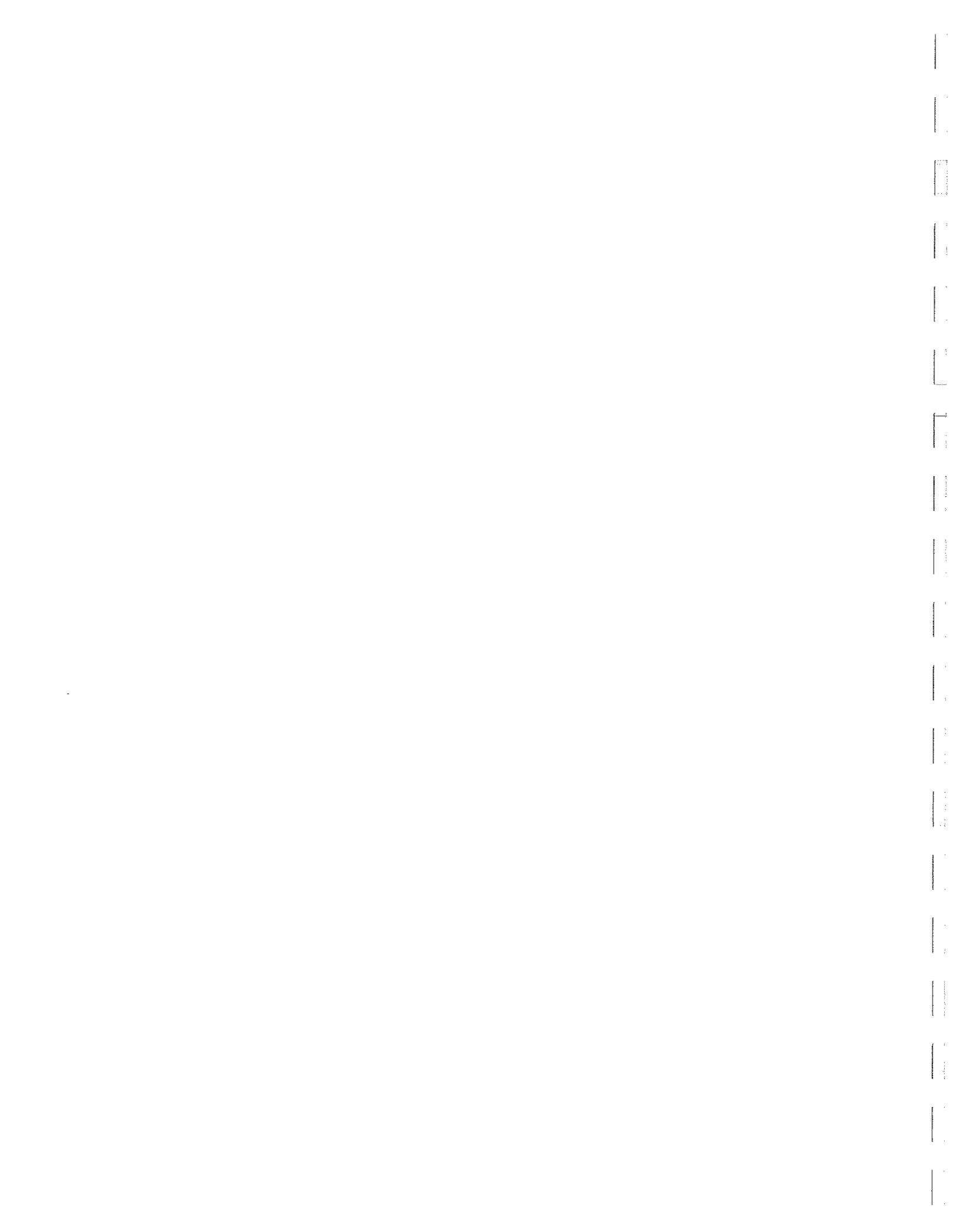
Calene Zabinski
Village Treasurer
Village of Summit
7321 W. 59th St.
Summit, IL 60501

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Fund
 - Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.



VILLAGE OF SUMMIT, ILLINOIS

Statement of Net Assets

December 31, 2010

See Following Page

VILLAGE OF SUMMIT, ILLINOIS

Statement of Net Assets
December 31, 2010

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 2,553,160	367,924	2,921,084
Restricted Cash and Investments	77,601	-	77,601
Receivables - Net			
Taxes	4,965,000	-	4,965,000
Accounts	-	283,444	283,444
Due from Other Governments	389,098	-	389,098
Internal Balances	134,701	(134,701)	-
Total Current Assets	<u>8,119,560</u>	<u>516,667</u>	<u>8,636,227</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	650,745	17,117	667,862
Depreciable	5,906,785	2,452,837	8,359,622
Accumulated Depreciation	<u>(3,869,673)</u>	<u>(1,859,312)</u>	<u>(5,728,985)</u>
Total Noncurrent Assets	<u>2,687,857</u>	<u>610,642</u>	<u>3,298,499</u>
Total Assets	<u>10,807,417</u>	<u>1,127,309</u>	<u>11,934,726</u>

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business- Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 559,310	97,380	656,690
Accrued Payroll	81,584	13,948	95,532
Payroll Liabilities	70,087	-	70,087
Deposits Payable	64,871	98,689	163,560
Accrued Interest Payable	28,129	-	28,129
Tax Anticipation Warrants Payable	500,000	-	500,000
Deferred/Unearned Revenues	4,147,125	-	4,147,125
Current Portion of Long-Term Debt	284,084	33,081	317,165
Total Current Liabilities	5,735,190	243,098	5,978,288
Noncurrent Liabilities			
Compensated Absences Payable	218,506	27,114	245,620
Pension Obligation Payable	50,420	-	50,420
Net Other Post-Employment Benefit Payable	2,135,679	247,321	2,383,000
General Obligation Bonds Payable	158,000	-	158,000
Notes Payable	-	21,723	21,723
Capital Leases Payable	202,084	-	202,084
Total Noncurrent Liabilities	2,764,689	296,158	3,060,847
Total Liabilities	8,499,879	539,256	9,039,135
NET ASSETS			
Invested in Capital Assets - Net of Related Debt	2,098,316	562,616	2,660,932
Restricted - Public Safety	587,065	-	587,065
Restricted - Community Development	2,291,946	-	2,291,946
Restricted - Highways and Streets	55,021	-	55,021
Restricted - Debt Service	147,425	-	147,425
Unrestricted	(2,872,235)	25,437	(2,846,798)
Total Net Assets	2,307,538	588,053	2,895,591

The notes to the financial statements are an integral part of this statement.

VILLAGE OF SUMMIT, ILLINOIS

Statement of Activities
December 31, 2010

	Expenses	Program Revenues	
		Program Revenues	Operating Grants/ Contributions
Governmental Activities			
General Government	\$ 4,772,226	625,211	-
Public Safety	4,739,517	650,194	1,075,893
Public Works	1,077,582	473,092	-
Community Development	1,021,226	-	-
Interest on Long-Term Debt	54,302	-	-
Total Governmental Activities	11,664,853	1,748,497	1,075,893
Business-Type Activities			
Water	1,945,618	2,422,669	-
	13,610,471	4,171,166	1,075,893

General Revenues

Taxes

Property Taxes

Sales Taxes

Local Use

Utility Taxes

Telecommunication Taxes

Other Taxes

Intergovernmental - Unrestricted

Income Taxes

Personal Property Taxes

Interest Income

Miscellaneous

Transfers

Change in Net Assets

Net Assets - Beginning as Restated

Net Assets - Ending

The notes to the financial statements are an integral part of this statement.

Net Expense/Revenue		
Governmental Activities	Business Type Activities	Total
(4,147,015)	-	(4,147,015)
(3,013,430)	-	(3,013,430)
(604,490)	-	(604,490)
(1,021,226)	-	(1,021,226)
(54,302)	-	(54,302)
(8,840,463)	-	(8,840,463)
-	477,051	477,051
(8,840,463)	477,051	(8,363,412)
3,979,566	-	3,979,566
1,020,116	-	1,020,116
136,285	-	136,285
547,673	-	547,673
401,182	-	401,182
18,912	-	18,912
831,667	-	831,667
167,626	-	167,626
34,182	87	34,269
322,617	-	322,617
500,000	(500,000)	-
7,959,826	(499,913)	7,459,913
(880,637)	(22,862)	(903,499)
3,188,175	610,915	3,799,090
2,307,538	588,053	2,895,591

The notes to the financial statements are an integral part of this statement.

VILLAGE OF SUMMIT, ILLINOIS

Balance Sheet - Governmental Funds
December 31, 2010

	General	Special Revenue 63rd Street and Archer Avenue TIF	Nonmajor Governmental Funds	Total
ASSETS				
Cash and Investments	\$ 752,489	1,004,550	796,121	2,553,160
Restricted Cash and Investments	-	-	77,601	77,601
Receivables - Net of Allowances				
Taxes	3,567,498	1,250,550	146,952	4,965,000
Due from Other Governments	389,098	-	-	389,098
Due from Other Funds	134,701	1,134,297	-	1,268,998
Total Assets	4,843,786	3,389,397	1,020,674	9,253,857
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	138,648	-	26,570	165,218
Accrued Payroll	81,584	-	-	81,584
Payroll Liabilities	70,087	-	-	70,087
Deposits Payable	64,871	-	-	64,871
Accrued Interest Payable	28,129	-	-	28,129
Tax Anticipation Warrants Payable	500,000	-	-	500,000
Due to Other Funds	1,453,430	-	74,959	1,528,389
Deferred/Unearned Revenues	3,027,936	1,112,165	119,287	4,259,388
Total Liabilities	5,364,685	1,112,165	220,816	6,697,666
Fund Balances				
Restricted	-	2,277,232	804,225	3,081,457
Unassigned	(520,899)	-	(4,367)	(525,266)
Total Fund Balances	(520,899)	2,277,232	799,858	2,556,191
Total Liabilities and Fund Balances	4,843,786	3,389,397	1,020,674	9,253,857

The notes to the financial statements are an integral part of this statement.

VILLAGE OF SUMMIT, ILLINOIS

Reconciliation of Total Governmental Fund Balance to
Net Assets of Governmental Activities

December 31, 2010

Total Governmental Fund Balances	\$ 2,556,191
 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.	2,687,857
Certain Revenues are Deferred in the Fund Financial Statements because they are not Available but are Recognized as Revenues in the Government-Wide Financial Statements.	112,263
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(273,133)
Net Other Post-Employment Benefit Payable	(2,135,679)
Net Pension Obligation	(50,420)
General Obligation Bonds Payable	(336,000)
Capital Leases Payable	<u>(253,541)</u>
Net Assets of Governmental Activities	<u>2,307,538</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF SUMMIT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2010

	General	Special Revenue 63rd Street and Archer Avenue TIF	Nonmajor Governmental Funds	Total
Revenues				
Taxes	\$ 4,860,736	1,100,625	142,373	6,103,734
Intergovernmental	1,206,614	-	868,572	2,075,186
Charges for Services	35,197	-	125,809	161,006
Licenses and Permits	1,078,549	-	-	1,078,549
Fines and Forfeits	508,942	-	-	508,942
Interest	484	1,803	31,895	34,182
Miscellaneous	322,617	-	-	322,617
Total Revenues	8,013,139	1,102,428	1,168,649	10,284,216
Expenditures				
Current				
General Government	3,629,759	-	-	3,629,759
Public Safety	4,387,138	-	172,638	4,559,776
Public Works	772,428	-	270,082	1,042,510
Community Development	159,022	664,504	100,271	923,797
Capital Outlay	1,404	-	204,645	206,049
Debt Service				
Principal Retirement	14,733	-	217,115	231,848
Interest and Fiscal Charges	17,696	-	36,606	54,302
Total Expenditures	8,982,180	664,504	1,001,357	10,648,041
Excess (Deficiency) of Revenues Over (Under) Expenditures	(969,041)	437,924	167,292	(363,825)
Other Financing Sources (Uses)				
Disposal of Capital Assets	671	-	-	671
Debt Issuance	-	-	24,000	24,000
Transfers In	575,900	-	100,778	676,678
Transfers Out	(60,778)	(80,000)	(35,900)	(176,678)
	515,793	(80,000)	88,878	524,671
Net Change in Fund Balances	(453,248)	357,924	256,170	160,846
Fund Balances - Beginning	(67,651)	1,919,308	543,688	2,395,345
Fund Balances - Ending	(520,899)	2,277,232	799,858	2,556,191

The notes to the financial statements are an integral part of this statement.

VILLAGE OF SUMMIT, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

Year Ended December 31, 2010

Net Change in Fund Balances - Total Governmental Funds \$ 160,846

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

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	107,949
Depreciation Expense	(221,247)

Revenues not Collected as of the Year End are not Considered as "Available" Revenues in the
Governmental Funds. These are the Amounts that were not Considered Available
in the Current Year. (16,317)

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

Decrease in Compensated Absences Payable	51,808
Increase in Net Other Post-Employment Benefit Obligation Payable	(1,121,104)
Increase in Net Pension Obligation	(50,420)
Retirement of General Obligation Bonds Payable	171,000
Retirement of Capital Leases	60,848
Issuance of Debt	<u>(24,000)</u>

Changes in Net Assets of Governmental Activities (880,637)

VILLAGE OF SUMMIT, ILLINOIS

Statement of Net Assets - Proprietary Fund (Business-Type Activities) - Water Fund
December 31, 2010

ASSETS

Current Assets	
Cash and Investments	\$ 367,924
Receivables - Net of Allowances	
Accounts	283,444
Total Current Assets	<u>651,368</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	17,117
Depreciable	2,452,837
Accumulated Depreciation	(1,859,312)
Total Noncurrent Assets	<u>610,642</u>
Total Assets	<u>1,262,010</u>

LIABILITIES

Current Liabilities	
Accounts Payable	97,380
Accrued Payroll	13,948
Deposits Payable	98,689
Due to Other Funds	134,701
Current Portion of Long-Term Debt	33,081
Total Current Liabilities	<u>377,799</u>
Noncurrent Liabilities	
Compensated Absences Payable	27,114
Net Other Post-Employment Benefit Payable	247,321
Notes Payable	21,723
Total Noncurrent Liabilities	<u>296,158</u>
Total Liabilities	<u>673,957</u>

NET ASSETS

Invested in Capital Assets - Net of Related Debt	562,616
Unrestricted	25,437
Total Net Assets	<u>588,053</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF SUMMIT, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund
(Business-Type Activities) - Water Fund

Year Ended December 31, 2010

Operating Revenues	
Charges for Services	\$ 2,409,281
Miscellaneous	13,388
Total Operating Revenues	<u>2,422,669</u>
Operating Expenses	
Operations	1,864,063
Depreciation	77,921
Total Operating Expenses	<u>1,941,984</u>
Operating Income	<u>480,685</u>
Nonoperating Revenues (Expenses)	
Interest Income	87
Interest and Fiscal Charges	<u>(3,634)</u>
	<u>(3,547)</u>
Income before Transfers	477,138
Transfers Out	<u>(500,000)</u>
Change in Net Assets	(22,862)
Net Assets - Beginning	<u>610,915</u>
Net Assets - Ending	<u>588,053</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF SUMMIT, ILLINOIS

**Statement of Cash Flows - Proprietary Fund (Business-Type Activities) - Water Fund
Year Ended December 31, 2010**

Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 2,370,455
Payments to Employees	(749,659)
Payments to Suppliers	(993,024)
	<u>627,772</u>
Cash Flows from Noncapital Financing Activities	
Transfer Out	<u>(500,000)</u>
Cash Flows from Capital and Related Financing activities	
Principal on Capital Debt	(27,685)
Interest on Capital Debt	(3,634)
	<u>(31,319)</u>
Cash Flows from Investing Activities	
Interest Received	<u>87</u>
Net Change in Cash and Cash Equivalents	96,540
Cash and Cash Equivalents - Beginning	<u>271,384</u>
Cash and Cash Equivalents - Ending	<u><u>367,924</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>480,685</u>
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	77,921
(Increase) Decrease in Current Assets	(52,214)
Increase (Decrease) in Current Liabilities	<u>121,380</u>
Net Cash Provided by Operating Activities	<u><u>627,772</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF SUMMIT, ILLINOIS

**Statement of Fiduciary Net Assets - Fiduciary Funds
December 31, 2010**

	<u>Pension Trust Police Pension</u>	<u>Agency Fund SSA #5</u>
ASSETS		
Cash and Cash Equivalents	\$ 338,479	-
Investments		
U.S. Government and Agency Securities	3,493,419	-
Annuities	2,434,599	
Mutual Funds	739,118	-
Accrued Interest	44,398	-
Due from Other Funds	336,758	57,334
Total Assets	<u>7,386,771</u>	<u>57,334</u>
LIABILITIES		
Due to Bondholders	<u>-</u>	<u>57,334</u>
NET ASSETS		
Held in Trust for Pension Benefits	<u>7,386,771</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF SUMMIT, ILLINOIS

**Statement of Changes in Fiduciary Net Assets - Fiduciary Funds - Pension Trust Fund
Year Ended December 31, 2010**

Additions	
Contributions - Employer	\$ 501,600
Contributions - Plan Members	187,067
Total Contributions	<u>688,667</u>
Investment Income	
Interest Earned	369,830
Net Change in Fair Value	87,641
	<u>457,471</u>
Less Investment Expenses	(5,260)
Net Investment Income	<u>452,211</u>
Total Additions	<u>1,140,878</u>
Deductions	
Administration	21,110
Benefits and Refunds	1,013,143
Total Deductions	<u>1,034,253</u>
Change in Net Assets	106,625
Net Plan Assets Held in Trust for Pension Benefits	
Net Assets - Beginning	<u>7,247,738</u>
Net Assets - Ending	<u>7,354,363</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Summit, Illinois, was incorporated in 1890. The Village is a non home-rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The Village operates under a President-Trustee form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Summit
Blended Component Unit:	Police Pension Employees Retirement System

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 39, there are no component units included in the reporting entity.

Blended Component Units – Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Village Board or the Component unit provides services entirely to the Village. These component units' funds are blended into those of the Village's by appropriate activity type to compose the primary government presentation.

Blended Component Unit

Police Pension Employees Retirement System

The Village's sworn police employees participate in the 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 participants are required to

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Blended Component Unit – Continued

Police Pension Employees Retirement System – Continued

contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PERS 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 is legally separate from the Village, the PERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PERS is reported as a pension trust fund.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's police, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's water services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.).

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

The Village allocates indirect costs to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid through the General Fund.

This government-wide focus concentrates on the sustainability of the Village as an entity and the change in the Village's net assets resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one major and five nonmajor special revenue funds. The 63rd Street and Archer Avenue TIF Fund, a major fund, accounts for incremental real estate and sales tax revenues received from the Village's Tax Increment Financing District that are to be used for the debt service payments on bonds issued to provide redevelopment of sites and improve their contributions to the Village and its surrounding area. The 63rd Street and Archer Avenue TIF Fund reports property taxes as the major revenue source for the fund, which is restricted to community development programs administered by the fund.

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains one nonmajor debt service fund.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains two nonmajor capital projects funds.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the Village:

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Water Fund, which is used to account for the operations of the water distribution system. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan.

Agency funds are used to account for assets held by the Village in a purely custodial capacity. The SSA #5 fund is used to account for assets held by the Village in a trustee capacity as an agent for individuals for future debt payment related to the Special Service Area.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net assets.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds, are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Assets are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows", cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

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

Restricted Cash and Investments

Certain proceeds of bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by bond covenants.

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility charges as their major receivables.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Capital Assets – Continued

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 Years
Buildings	40 – 50 Years
Machinery and Equipment	5 – 20 Years
Vehicles	8 – 30 Years
Improvements Other than Buildings	30 Years
Waterworks and Reservoir System	70 Years

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type 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. Bonds payable are reported net of the applicable bond premium or discount. 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.

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Unearned/Deferred Revenue

Governmental funds report unearned/deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Fund Equity

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

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

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Budget amounts are as originally adopted by the Board of Trustees. All annual appropriations lapse a fiscal year end.

Prior to December 31, the Village Clerk submits to the Village Board a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to March 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year for the General and Water Funds. As none of the special revenue funds are required to have budgets adopted for them, no budget to actual statements are presented for them. Also, the Village does not budget for the Police Pension Fund.

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

The Village is authorized to change budgeted amount within any fund; however, revision must be approved by two-thirds of the members of the Village Board. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function and department. The Village Administrator is authorized to transfer budget amounts between departments within any fund; however, the Village Board must approve revisions that alter the total expenditures of any fund.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

<u>Fund</u>	<u>Excess</u>
General	\$ 150,855

DEFICIT FUND EQUITY

The following funds had deficit fund equity as of the date of this report:

<u>Fund</u>	<u>Deficit</u>
General	\$ 520,899
63rd Place TIF	4,367

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks.

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Funds 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 States 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; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets.

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

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$2,699,690 and the bank balances totaled \$2,847,584. In addition, the Village had \$298,995 invested in the Illinois Funds at year-end.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy seeks to minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and investing operating funds in primarily short-term securities, money market mutual funds, or similar investment pools. The policy requires the Village's investment portfolio to be sufficiently liquid to enable the Village to meet all operating requirements as they come due. The Village's investment in the Illinois Funds has a maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the Village's investment policy states that investments are to be limited to the safest types of securities. Additionally, the Village's investment in the Illinois Funds is rated AAAM by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village investment policy does not address custodial credit risk for deposits. At year-end, \$2,159,414 of the Village's total bank balances were not fully collateralized or insured.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not specifically address custodial credit risk for investments. At year-end, the Village's investment in the Illinois Funds, managed by the Illinois State Treasurer, is noncategorizable.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy addresses this risk by limiting investments to avoid overconcentration in securities from a specific issuer, limiting investment in securities that have higher credit risks, investing in securities with varying maturities and continually investing a portion of the portfolio in readily available funds. At year-end, the Village's investment in the Illinois Funds represents more than 5% of the total cash and investments portfolio.

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements
December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Police Pension Fund’s deposits totaled \$338,479 and the bank balances totaled \$338,479.

Investments. The fair value and maturities of the Fund’s investments at year-end are as follows:

	Fair Value	Investment Maturities (in Years)			More than 10
		Less than 1	1 to 5	6 to 10	
U.S. Treasury Bonds	\$ 115,388	-	64,261	51,127	-
U.S. Treasury Notes	49,299	-	-	49,299	-
Federal Farm Credit Bureau	808,205	75,070	264,428	352,048	116,659
Federal National Mortgage Assoc.	915,560	203,416	615,105	97,039	-
Federal Home Loan Bank	1,128,102	116,683	496,109	515,310	-
Federal Home Loan Mortgage Corp	289,011	204,002	33,377	-	51,632
Farmer Mac	59,218	-	59,218	-	-
International Bank for Reconstruction	58,196	-	-	58,196	-
Resolution Funding Corporation	25,289	-	-	25,289	-
Federal National Reserve	45,151	-	-	45,151	-
Annuities	2,434,599	2,434,599	-	-	-
Mutual Funds	739,118	739,118	-	-	-
	<u>6,667,136</u>	<u>3,772,888</u>	<u>1,532,498</u>	<u>1,193,459</u>	<u>168,291</u>

Interest Rate Risk The Fund’s investment policy seeks to ensure preservation of capital in the Fund’s overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy requires the Fund’s investment portfolio to be sufficiently liquid to enable the Fund to meet all operating requirements as they come due.

Credit Risk. The Fund’s investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds. The Fund’s investments in U.S. Agency securities were all rated AAA rated by Standard & Poor’s.

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Custodial Credit Risk. The Fund's investment policy for deposits requires the entire amount of the bank balance of the deposits with financial institutions to be covered by federal deposit insurance. The Fund's investment policy does not specifically address custodial credit risk for investments. At year-end, \$6,755,063 of the Funds's total bank balances were not fully collateralized or insured.

Concentration Credit Risk. The Fund's investment policy does not specifically address concentration credit risk. At year-end, the Fund had over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in GE Extra Variable Annuity of \$710,412, Pacific Life of \$582,288, and Prudential Premier B Series of \$605,290.

PROPERTY TAXES

Property taxes for 2010 attach as an enforceable lien on January 1, 2010, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Cook County and are payable in two installments, on or about March 1, 2011 and September 1, 2011. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 650,745	-	-	650,745
Depreciable Capital Assets				
Land Improvements	98,868	-	-	98,868
Buildings	1,241,481	-	-	1,241,481
Machinery and Equipment	1,850,966	107,949	-	1,958,915
Vehicles	2,607,521	-	-	2,607,521
	<u>5,798,836</u>	<u>107,949</u>	-	<u>5,906,785</u>
Less Accumulated Depreciation				
Land Improvements	45,253	4,425	-	49,678
Buildings	595,670	23,582	-	619,252
Machinery and Equipment	1,154,935	102,196	-	1,257,131
Vehicles	1,852,568	91,044	-	1,943,612
	<u>3,648,426</u>	<u>221,247</u>	-	<u>3,869,673</u>
Total Net Depreciable Capital Assets	<u>2,150,410</u>	<u>(113,298)</u>	-	<u>2,037,112</u>
Total Net Capital Assets	<u>2,801,155</u>	<u>(113,298)</u>	-	<u>2,687,857</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 6,434
Public Safety	179,741
Public Works	<u>35,072</u>
	<u>221,247</u>

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements
December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 17,117	-	-	17,117
Depreciable Capital Assets				
Buildings	40,116	-	-	40,116
Improvements Other than Buildings	778,917	-	-	778,917
Waterworks and Reservoir System	1,011,968	-	-	1,011,968
Machinery and Equipment	621,836	-	-	621,836
	<u>2,452,837</u>	-	-	<u>2,452,837</u>
Less Accumulated Depreciation				
Buildings	16,372	495	-	16,867
Improvements Other than Buildings	516,877	16,703	-	533,580
Waterworks and Reservoir System	850,838	22,342	-	873,180
Machinery and Equipment	397,304	38,381	-	435,685
	<u>1,781,391</u>	<u>77,921</u>	-	<u>1,859,312</u>
Total Net Depreciable Capital Assets	<u>671,446</u>	<u>(77,921)</u>	-	<u>593,525</u>
Total Net Capital Assets	<u>688,563</u>	<u>(77,921)</u>	-	<u>610,642</u>

Depreciation expense was charged to business-type activities as follows:

Water	<u>\$ 77,921</u>
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VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements
December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report, are as follows:

Receivable Fund	Payable Fund	Amount
General	Water	\$ 134,701
63rd Street and Archer Avenue TIF	General	1,116,672
63rd Street and Archer Avenue TIF	Nonmajor Governmental	17,625
Police Pension	General	336,758
SSA #5	Nonmajor Governmental	<u>57,334</u>
		<u>1,663,090</u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	63rd Street and Archer Avenue TIF	\$ 40,000
General	Nonmajor Governmental	35,900
General	Water	500,000
Nonmajor Governmental	General	60,778
Nonmajor Governmental	63rd Street and Archer Avenue TIF	<u>40,000</u>
		<u>676,678</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

SHORT-TERM DEBT

Tax Anticipation Warrants

The Village issues tax anticipation warrants to finance operations. Tax anticipation warrants currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$500,000 General Obligation Tax Anticipation Warrants of 2009, due in one installment of \$500,000 plus interest of 3.8% through December 31, 2011.	\$ 500,000	-	-	500,000

LONG-TERM DEBT

General Obligation/Alternate Revenue Bonds

The Village issues general obligation/alternate revenue bonds to provide funds for the acquisition and construction of major capital facilities. General obligation/alternate revenue bonds are direct obligations and pledge the full faith and credit of the Village. General obligation/alternate revenue bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$700,000 General Obligation Bonds of 2004, due in annual installments of \$13,000 to \$110,000 plus interest at a rate of 3.40% through December 1, 2012.	\$ 229,000	-	106,000	123,000
\$400,000 General Obligation (Alternate Revenue) Bonds of 2007, due in annual installments of \$60,000 to \$74,000 plus interest at a rate of 5.75% through October 1, 2013.	278,000	-	65,000	213,000
	<u>507,000</u>	<u>-</u>	<u>171,000</u>	<u>336,000</u>

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Notes Payable

The Village enters into notes payable to provide funds for acquisition of capital assets. Notes payable have been issued for the business-type activities. Notes payable are direct obligations and pledge the full faith and credit of the Village. Notes payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$99,200 Notes Payable of 2007, due in annual installments of \$18,043 to \$21,723 plus interest at a rate of 4.75% through December 18, 2012.	\$ 62,258	-	19,797	42,461

Capital Leases Payable

The future minimum lease payments and the net present value of these minimum lease payments are as follows:

Year Ending December 31	Governmental Activities	Business-Type Activities	Total Lease Payment
2011	\$ 62,332	5,709	68,041
2012	55,344	-	55,344
2013	45,342	-	45,342
2014	45,346	-	45,346
2015	45,345	-	45,345
2016	35,996	-	35,996
	289,705	5,709	295,414
Interest Portion	(36,164)	(144)	(36,308)
Principal Balance	253,541	5,565	259,106

The Village has entered into six separate lease agreements as lessee for financing the acquisition of E911 telephone system, high ranger truck, street sweeper, crane truck and plow trucks. Capital assets of \$145,079 have been added to machinery and equipment in the E911 Fund, \$146,700, \$170,000, \$24,000 and \$30,062 to vehicles in the General, Motor Fuel Tax, Drug and Water Funds respectively. These lease agreements qualify as capital leases for accounting purposes and; therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements
December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 324,941	51,808	103,616	273,133	54,627
Net Pension Obligation	-	50,420	-	50,420	-
Net Other Post-Employment Benefit Plan	1,014,575	1,684,486	563,382	2,135,679	-
General Obligation Bonds	507,000	-	171,000	336,000	178,000
Capital Leases	290,389	24,000	60,848	253,541	51,457
	<u>2,136,905</u>	<u>1,810,714</u>	<u>898,846</u>	<u>3,048,773</u>	<u>284,084</u>
Business-Type Activities					
Compensated Absences	43,561	9,669	19,338	33,892	6,778
Net Other Post-Employment Benefit Plan	117,492	195,071	65,242	247,321	-
Notes Payable	62,258	-	19,797	42,461	20,738
Capital Leases	13,453	-	7,888	5,565	5,565
	<u>236,764</u>	<u>204,740</u>	<u>112,265</u>	<u>329,239</u>	<u>33,081</u>

Compensated absences and the net other post-employment benefit plan are generally liquidated by the General and Water Funds. Payments on the general obligation/alternate revenue bonds and capital leases are made by the General, Debt Service, Capital Projects and Water Funds. The Water Fund makes payments on the notes payable.

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year Ending Dec. 31	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	General Obligation		Notes	
	Bonds		Payable	
	Principal	Interest	Principal	Interest
2011	\$ 178,000	15,430	20,738	2,017
2012	84,000	8,780	21,723	1,032
2013	74,000	4,256	-	-
Total	<u>336,000</u>	<u>28,466</u>	<u>42,461</u>	<u>3,049</u>

Non-Commitment Debt - Special Assessment Vouchers

As of December 31, 2010, the Village had special assessment vouchers payable outstanding for assessment number 106 in the amount of \$11,000 at 9.00% and for assessment number 107 in the amount of \$4,200 at 8.00%. Although the vouchers have no due date they are to be paid over a ten year period from special assessment collections. At December 31, 2010, there were insufficient funds available in the special assessment accounts to pay the vouchers. As the Village has no legal obligation to use other resources to retire the debt, they are not recorded as long-term liability.

As of December 31, 2010, the Village had special assessment vouchers payable outstanding for assessment number 5 in the amount of \$199,000 at 6.50%. The vouchers are due in annual installment with a final maturity on December 23, 2018. At December 31, 2010 there were insufficient funds available in the special assessment accounts to pay the vouchers. As the Village has no legal obligation to use other resources to retire the debt, they are not recorded as long-term liability.

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

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

Assessed Valuation - 2009	<u>\$ 199,098,851</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>17,172,276</u>
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>(336,000)</u>
Legal Debt Margin	<u>16,836,276</u>

FUND BALANCE/NET ASSETS

Fund Balance/Net Assets Restatements

Beginning net assets was restated to correct an error in recognition of capital leases payable. The following is a summary of the net assets as originally reported and as restated.

Fund Equity	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 3,181,340	3,188,175	6,835

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements
December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET ASSETS – Continued

Fund Balance/Net Assets Classifications

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	63rd Street and Archer Avenue TIF	Nonmajor Funds	Total
Fund Balances				
Restricted				
Public Safety	\$ -	-	587,065	587,065
Community Development	-	2,277,232	14,714	2,291,946
Highways and Streets	-	-	55,021	55,021
Debt Service	-	-	147,425	147,425
Unassigned	(520,899)	-	(4,367)	(525,266)
Total Fund Balances	(520,899)	2,277,232	799,858	2,556,191

The Village implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended December 31, 2010. In the governmental fund financial statements, the Village first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance.

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET ASSETS – Continued

Fund Balance/Net Assets Classifications – Continued

Invested in capital assets – net of related debt, was comprised of the following as of December 31, 2010:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 2,687,857
Less Capital Related Debt:	
General Obligation Bonds of 2004	(123,000)
General Obligation (Alternate Revenue) Bonds of 2007	(213,000)
Capital Leases Payable	(253,541)
	<u>(589,541)</u>
Investment in Capital Assets - Net of Related Debt	<u>2,098,316</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	610,642
Less Capital Related Debt:	
Notes Payable of 2007	(42,461)
Capital Leases Payable	(5,565)
	<u>(48,026)</u>
Investment in Capital Assets - Net of Related Debt	<u>562,616</u>

NOTE 4 – OTHER INFORMATION

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 the Village's employees. These risks are provided for through insurance from private insurance companies.

The Village currently reports all its risk management activities in the General Fund. There were no significant changes in insurance coverage's from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

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.

Grants

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

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Sheriff's Law Enforcement Personnel Fund (SLEP), which also a defined benefit agent multiple-employer public employee retirement system that is administered by the IMRF and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the Village at 30 Summit Rd, Summit, Illinois 60010-9500. IMRF does issue a publicly available financial report that includes financial statements and required 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. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2010 was 11.74 percent.

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Sheriff's Law Enforcement Personnel

Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earning rate for the next 10 years of credited service and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits.

These benefit provisions and all other requirements are established by State statutes. SLEP members are required to contribute 7.50% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution rate for the calendar year 2010 was 13.86 percent.

Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all full-time sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At December 31, 2009, the date of the most recent actuarial report, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	20
Current Employees Vested and Nonvested	<u>28</u>
	<u>48</u>

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

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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 2033, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price.

Significant Investments

At year-end, the Police Pension Fund had over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in GE Extra Variable Annuity of \$710,412, Pacific Life of \$582,288, and Prudential Premier B Series of \$605,290.

VILLAGE OF SUMMIT, ILLINOIS

Notes to the Financial Statements
December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Related Party Transactions

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

Annual Pension Cost and Net Pension Obligation

For Police Pension Plan, the net pension obligation and its components cannot be determined because the actuarial valuation as performed does not include a net pension obligation component. For this reason, a qualified opinion with regards to the net pension obligation and its components has been issued. The SLEP plan does not have a net pension obligation. The amount of the pension liability for the IMRF plan is as follows:

	<u>IMRF</u>
Annual Required Contribution	\$ 197,378
Interest on the NPO	-
Adjustment to the ARC	<u>-</u>
Annual Pension Cost	197,378
Actual Contribution	<u>(146,958)</u>
Increase (Decrease) in the NPO	50,420
NPO Beginning of Year	<u>-</u>
NPO End of Year	<u><u>50,420</u></u>

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

The Village's annual required contribution for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension
Contribution Rates			
Employer	11.47%	13.86%	59.75%
Employee	4.50%	7.50%	9.91%
Actuarial Valuation Date	12/31/2010	12/31/2010	12/31/2009
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	30	30	24 Years
Asset Valuation Method	5-Year Smoothed Market	5-Year Smoothed Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded Annually	7.00% Compounded Annually
Projected Salary Increases	0.4% to 10.0%	0.4% to 10.0%	5.50%
Inflation Rate Included	4.00%	4.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

		Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension
Annual Pension Cost (APC)	2008	\$ 130,423	\$ -	\$ 769,992
	2009	128,808	-	838,340
	2010	197,378	13,618	839,451
Actual Contributions	2008	\$ 130,423	\$ -	\$ 562,017
	2009	128,808	-	576,023
	2010	146,958	13,618	501,600
Percentage of APC Contributed	2008	100.00%	0.00%	72.99%
	2009	100.00%	0.00%	68.71%
	2010	74.46%	100.00%	59.75%
Net Pension Obligation	2008	\$ -	\$ -	\$ *
	2009	-	-	*
	2010	50,420	-	*

*Information for these years is not available.

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

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

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personell	Police Pension
Actuarial Valuation Date	12/31/2010	12/31/2010	12/31/2009
Percent Funded	76.61%	33.37%	30.30%
Accuarial Accrued Liability for Benefits	\$4,954,865	\$156,857	\$23,916,044
Actuarial Value of Assets	\$3,796,113	\$52,347	\$7,247,737
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$1,158,752)	(\$104,510)	(\$16,668,307)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$1,720,822	\$98,256	\$2,320,336
Ratio of UAAL to Covered Payroll	67.34%	106.37%	718.36%

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.

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees 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. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

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 December 31, 2010, retirees did not contribute anything to the plan. Active employees do not contribute to the post-employment health insurance or alternate OPEB plan until retirement.

At December 31, 2010, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	20
Current Employees Vested and Nonvested	<u>28</u>
	<u>48</u>

The Village does not currently have a funding policy for the implicit cost of OPEB.

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of December 31, 2010, was actuarially calculated as follows:

Annual Required Contribution	\$ 1,851,256
Interest on the NPO	56,603
Adjustment to the ARC	<u>(28,302)</u>
Annual OPEB Cost	1,879,557
Actual Contribution	<u>628,624</u>
Increase in the NPO	1,250,933
NPO - Beginning of Year	<u>1,132,067</u>
NPO - End of Year	<u><u>2,383,000</u></u>

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$ N/A	\$ N/A	N/A	\$ N/A
2009	1,714,126	582,059	33.96%	1,132,067
2010	1,879,557	628,624	33.45%	2,383,000

VILLAGE OF SUMMIT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2009, the date of the latest actuarial valuation, was as follows:

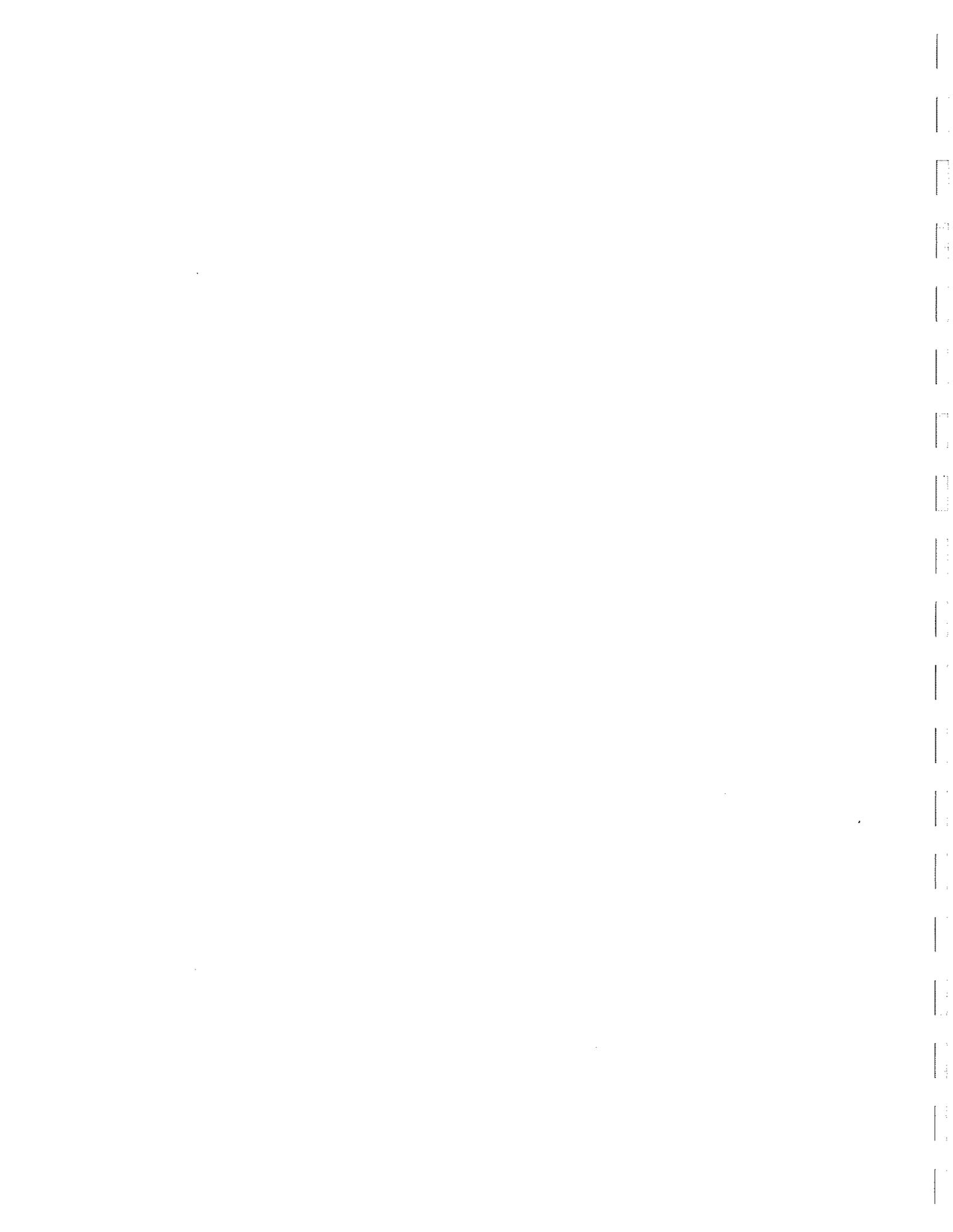
Actuarial Accrued Liability (AAL)	\$ 18,975,326
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	18,975,326
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	3,999,847
UAAL as a Percentage of Covered Payroll	474.40%

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.

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 December 31, 2009 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of a 2.5% inflation assumption), and an annual initial healthcare cost trend rate of 9.0%, with an ultimate rate of 5.0%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2010, was 30 years.



REQUIRED SUPPLEMENTARY INFORMATION

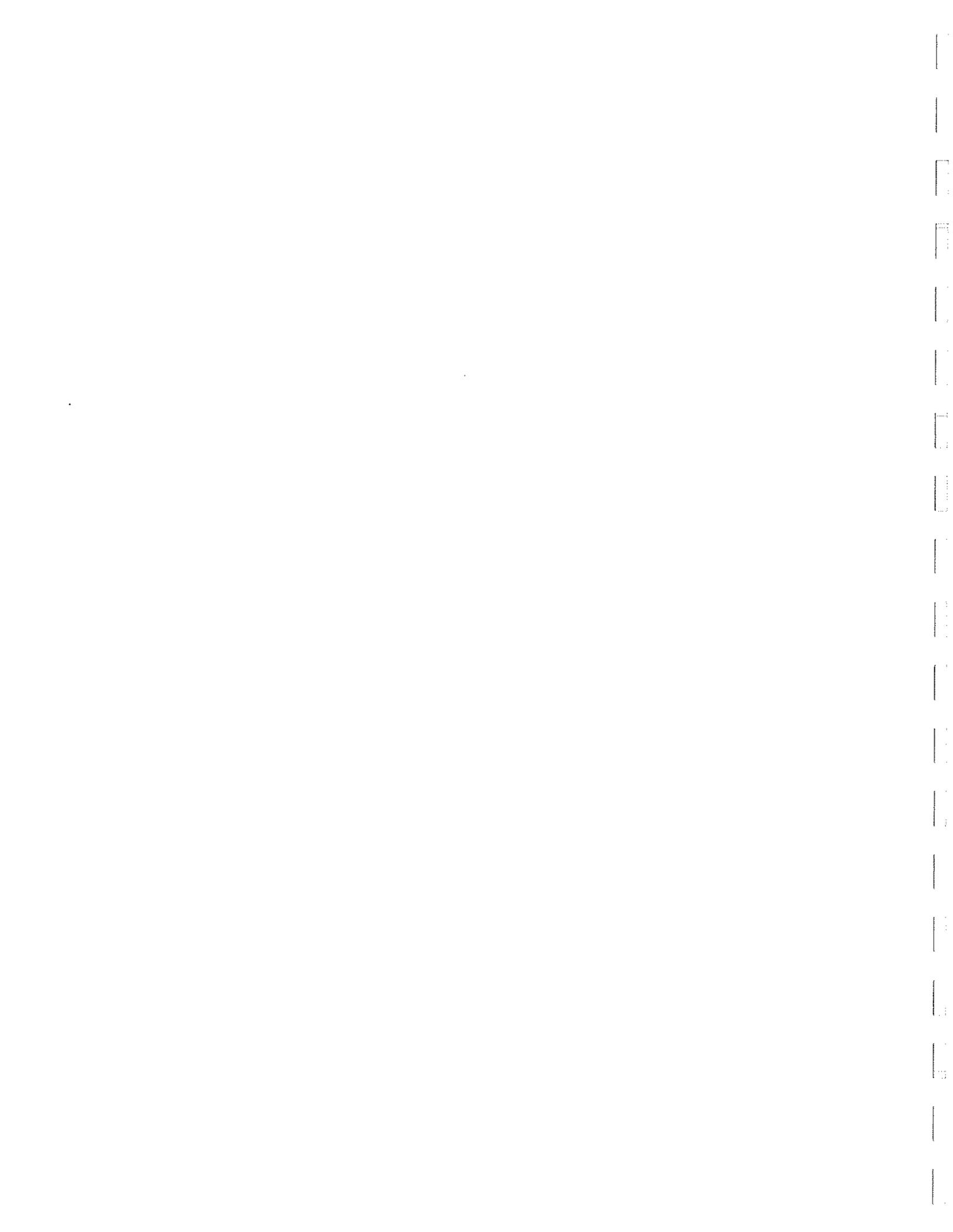
Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Other Post-Employment Benefit Plan

- Budgetary Comparison Schedule – General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.



VILLAGE OF SUMMIT, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 December 31, 2010

Schedule of Funding Progress

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2005	\$ 3,865,328	\$ 3,699,944	104.47%	\$ (165,384)	\$ 1,467,222	(11.27)%
2006	4,061,495	3,860,800	105.20%	(200,695)	1,596,635	(12.57)%
2007	4,602,187	4,265,369	107.90%	(336,818)	1,629,885	(20.67)%
2008	3,772,778	4,650,741	81.12%	877,963	1,707,104	51.43%
2009	3,952,742	5,063,944	78.06%	1,111,202	1,804,040	61.60%
2010	3,796,113	4,954,865	76.61%	1,158,752	1,720,822	67.34%

Employer Contributions

Fiscal Year Ended December 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2005	\$ N/A	\$ N/A	N/A
2006	121,664	121,664	100.00%
2007	127,946	127,946	100.00%
2008	130,423	130,423	100.00%
2009	128,808	128,808	100.00%
2010	146,958	197,378	74.46%

N/A - Not Available

VILLAGE OF SUMMIT, ILLINOIS

Sheriff's Law Enforcement Personnel Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions

December 31, 2010

Funding Progress

Actuarial Valuation Date Dec. 31,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2005	\$ -	\$ -	0.00%	\$ -	\$ -	N/A
2006	-	-	0.00%	-	-	N/A
2007	-	-	0.00%	-	-	N/A
2008	-	-	0.00%	-	-	N/A
2009	-	-	0.00%	-	-	N/A
2010	52,347	156,857	33.37%	104,510	98,256	106.37%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2006	\$ -	\$ -	100.00%
2007	-	-	100.00%
2008	-	-	100.00%
2009	-	-	100.00%
2010	-	-	100.00%
2011	13,618	13,618	100.00%

VILLAGE OF SUMMIT, ILLINOIS

Police Pension Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 December 31, 2010

Schedule of Funding Progress

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
2004	\$ 6,743,791	\$ 15,005,800	44.94%	\$ 8,262,009	\$ 1,804,561	457.84%
2005	6,956,895	17,371,478	40.05%	10,414,583	1,900,148	548.09%
2006	7,441,003	18,094,109	41.12%	10,653,106	1,839,302	579.19%
2007	7,853,602	19,525,172	40.22%	11,671,570	2,691,065	433.72%
2008	6,643,359	21,253,580	31.26%	14,610,221	2,290,184	637.95%
2009	7,247,737	23,916,044	30.30%	16,668,307	2,320,336	718.36%

Employer Contributions

Fiscal Year Ended December 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2005	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A
2007	485,853	816,835	59.48%
2008	562,017	769,992	72.99%
2009	576,023	838,340	68.71%
2010	501,600	839,451	59.75%

N/A - Not Available

VILLAGE OF SUMMIT, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 December 31, 2010

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
December 31						
2005	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	-	18,975,326	0.00%	18,975,326	3,999,847	474.40%
2010	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year Ended December 31	Employer Contributions	Annual Required Contributions	Percent Contributed
2005	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	N/A	N/A	N/A
2009	582,059	1,714,126	33.96%
2010	628,624	1,851,256	33.96%

The Village implemented GASB Statement No. 45 for the fiscal year ended December 31, 2009. Information for prior years is not available. The Village is required to have an actuarial valuation performed triennially.

VILLAGE OF SUMMIT, ILLINOIS

General Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 5,210,000	5,210,000	4,860,736
Intergovernmental	1,165,000	1,165,000	1,206,614
Charges for Services	44,000	44,000	35,197
Licenses and Permits	1,169,965	1,169,965	1,078,549
Fines and Forfeits	383,000	383,000	508,942
Interest	1,500	1,500	484
Miscellaneous	259,860	259,860	322,617
Total Revenues	8,233,325	8,233,325	8,013,139
Expenditures			
Current			
General Government	3,651,205	3,651,205	3,629,759
Public Safety	4,136,460	4,136,460	4,387,138
Public Works	833,921	833,921	772,428
Community Development	186,739	186,739	159,022
Capital Outlay	8,000	8,000	1,404
Debt Service			
Principal Retirement	-	-	14,733
Interest and Fiscal Charges	15,000	15,000	17,696
Total Expenditures	8,831,325	8,831,325	8,982,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	(598,000)	(598,000)	(969,041)
Other Financing Sources (Uses)			
Disposal of Capital Assets	15,000	15,000	671
Transfers In	595,000	595,000	575,900
Transfers Out	(12,000)	(12,000)	(60,778)
	598,000	598,000	515,793
Net Change in Fund Balance	-	-	(453,248)
Fund Balance - Beginning			(67,651)
Fund Balance - Ending			(520,899)



OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – General Fund
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Fund
- Schedule of Changes in Plan Net Assets – Pension Trust Fund
- Statement of Changes in Assets and Liabilities – Agency Fund

GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

63rd Street and Archer Avenue TIF Fund

The 63rd Street and Archer Avenue TIF Fund is used to account for incremental real estate and sales tax revenues received from the Village's Tax Increment Financing District that are to be used for the debt service payments on bonds issued to provide redevelopment of sites and improve their contributions to the Village and its surrounding area.

Community Development Fund

The Community Development Fund is used to account for Revenues received as part of the Community Development Block Grant.

Drug Fund

The Drug Fund is used to account for revenues and expenses related to Asset Forfeitures received from Drug seizures.

911 ETS Fund

The 911 ETS Fund is used to account for revenues and expenses related to the maintaining of an emergency communication board.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account funds received from the State of Illinois Motor Fuel Tax to be used for operating and maintaining local streets and roads.

63rd Place TIF Fund

The 63rd Place TIF Fund is used to account for the revenues and expenses related to the construction and debt related to the 63rd Place Development.

DEBT SERVICE FUND

Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Bond and Interest Fund

Bond and Interest Fund is used to account for revenues and expenses related to the General Obligation Bonds issued by the Village.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

Police Station Renovation Fund

The Police Station Renovation Fund is used to account for the grant and its related expenditures for renovations at the Police Station.

Special Service Area #5 (SSA #5) Fund

The SSA #5 Fund is used to account for the revenues and expenses related to the construction and debt service related to the Special Service Area.

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water Fund

The Water Fund is used to account for the operations of the water distribution system. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

TRUST AND AGENCY FUNDS

PENSION TRUST FUND

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. The fund does not account for the administrative costs of the system, which are borne by the General Fund. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

AGENCY FUND

SSA #5 Fund

The SSA #5 Fund is used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations and /or other governmental units.

VILLAGE OF SUMMIT, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes			
General	\$ 2,500,000	2,500,000	2,225,934
Road and Bridge	30,000	30,000	32,197
Police Pension	500,000	500,000	478,437
Other			
Sales	1,080,000	1,080,000	1,020,116
Local Use	140,000	140,000	136,285
Utility Taxes	550,000	550,000	547,673
Telecommunication Taxes	400,000	400,000	401,182
Other Taxes	10,000	10,000	18,912
	<u>5,210,000</u>	<u>5,210,000</u>	<u>4,860,736</u>
Intergovernmental			
Illinois State Income Tax	900,000	900,000	831,667
Illinois State Replacement Tax	145,000	145,000	167,626
Federal Grants	100,000	100,000	202,021
State Grants	20,000	20,000	5,300
	<u>1,165,000</u>	<u>1,165,000</u>	<u>1,206,614</u>
Charges for Services			
Commuter Parking	24,000	24,000	13,247
Security	20,000	20,000	21,950
	<u>44,000</u>	<u>44,000</u>	<u>35,197</u>
Licenses and Permits			
Licenses, Permits and Fees	494,450	494,450	460,964
Ambulance Fees	185,000	185,000	144,493
Sanitation Fees	490,515	490,515	473,092
	<u>1,169,965</u>	<u>1,169,965</u>	<u>1,078,549</u>
Fines and Forfeits			
Court Fines	89,000	89,000	92,834
Traffic Violations	240,000	240,000	263,248
Accident Reports	4,000	4,000	1,860
Administrative Towing Fees	50,000	50,000	151,000
	<u>383,000</u>	<u>383,000</u>	<u>508,942</u>

VILLAGE OF SUMMIT, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Interest			
Investment Income	\$ 1,500	1,500	484
Miscellaneous			
Reimbursements	220,000	220,000	207,229
Other	39,860	39,860	115,388
	<u>259,860</u>	<u>259,860</u>	<u>322,617</u>
Total Revenues	<u>8,233,325</u>	<u>8,233,325</u>	<u>8,013,139</u>

VILLAGE OF SUMMIT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
General Government			
Village President	\$ 25,450	25,450	25,265
Village Board	175,559	175,559	214,965
Legal	238,000	238,000	149,938
Treasurer	6,700	6,700	5,978
Village Collector	7,500	7,500	7,048
Village Clerk	73,334	73,334	69,429
Village Administrator	68,080	68,080	66,733
Health and Liquor	6,300	6,300	5,274
Fire and Police Commission	1,750	1,750	375
Zoning Board	1,800	1,800	978
Public Liability Insurance	2,511,372	2,511,372	2,572,635
Telephone	22,000	22,000	25,608
Electricity	10,000	10,000	2,565
Municipal Building	93,000	93,000	63,333
Municipal Retirement	375,000	375,000	381,320
Commuter Parking	-	-	500
Postage Meter	15,000	15,000	12,678
Library Reimbursement	6,000	6,000	15,561
Community Services	7,660	7,660	4,038
Enterprise Zone	5,600	5,600	5,538
TIF Sales Tax	1,000	1,000	-
Office Supplies	100	100	-
Total General Government	3,651,205	3,651,205	3,629,759
Public Safety			
Police Department			
Salaries	2,529,342	2,529,342	2,771,736
Uniform Allowance	43,150	43,150	35,799
Office Supplies	8,000	8,000	5,613
Prisoner Meals	1,000	1,000	1,353
Alerts and Alecs Communication System	15,000	15,000	3,702
Maintenance Communication System	3,100	3,100	384
Livescan Equipment	1,000	1,000	796
Training and Schooling	5,000	5,000	4,625
Professional Dues and Periodicals	1,000	1,000	675
Gas and Oil	75,000	75,000	83,474

VILLAGE OF SUMMIT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Vehicle Maintenance	\$ 35,000	35,000	39,037
Contingent Expenditures	3,000	3,000	12,352
Copiers	6,000	6,000	4,350
Operating Supplies	9,100	9,100	9,856
Legal Notices	250	250	100
Conference Expenditures	250	250	-
Purchase of Radio Equipment	500	500	152
Educational Reimbursement	15,000	15,000	13,605
Contribution to Police Pension Fund	500,000	500,000	501,600
Medical Supplies	250	250	250
Municipal Systems	40,000	40,000	38,721
Cellular Phones	4,000	4,000	2,774
Computer Software	1,500	1,500	765
Animal Hospital	1,100	1,100	1,286
Alter and Additions	300	300	-
Vehicle Equipment	3,500	3,500	962
Traffic Court Refund	1,500	1,500	3,220
Body Armor and Firearms	500	500	-
TRT Equipment	2,000	2,000	-
	<u>3,305,342</u>	<u>3,305,342</u>	<u>3,537,187</u>
Fire Department			
Salaries	55,132	55,132	55,556
Gas and Oil	10,000	10,000	9,730
Dues and Professional Materials	1,000	1,000	425
Uniform Expenditures	3,000	3,000	2,997
Fire Fighting Supplies	12,000	12,000	28,677
Fire Apparatus Maintenance	20,000	20,000	36,324
Fire Prevention Material	1,500	1,500	625
Pagers/Cell Phones	3,000	3,000	1,701
Equipment - Containment	8,000	8,000	8,088
Office Supply	2,000	2,000	2,462
Computer Expenditures	1,000	1,000	644
Miscellaneous Expenditures	3,000	3,000	1,583
Training Expenditures	3,000	3,000	28
Conference Expenditures	250	250	-

VILLAGE OF SUMMIT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Fire Runs	\$ 250,000	250,000	256,835
	<u>372,882</u>	<u>372,882</u>	<u>405,675</u>
Ambulance			
Salaries	419,536	419,536	418,588
Gas and Oil	8,000	8,000	3,303
Vehicle Maintenance	8,000	8,000	10,430
Office Supplies	500	500	204
Medical Supplies	6,000	6,000	6,649
Uniform Expenditures	3,000	3,000	828
Purchase of Equipment	6,000	6,000	1,348
Cellular Phones	3,000	3,000	739
Computer Expenditures	500	500	166
Training	1,200	1,200	203
Miscellaneous	1,000	1,000	743
Health Services	1,200	1,200	1,075
Dues	300	300	-
	<u>458,236</u>	<u>458,236</u>	<u>444,276</u>
Total Public Safety	<u>4,136,460</u>	<u>4,136,460</u>	<u>4,387,138</u>
Public Works			
Streets, Bridges and Alleys			
Salaries	222,428	222,428	184,381
Repairs, Operation and Maintenance	15,000	15,000	7,169
Equipment Maintenance and Supplies	16,000	16,000	7,362
Gasoline and Oil	30,000	30,000	21,024
Alley Maintenance	500	500	-
Vermin Control	2,500	2,500	2,782
Contingent Expenditures	1,000	1,000	(53)
Forestry Consultant	500	500	180
Medical Testing	1,360	1,360	437
Storage Yard Rental	2,765	2,765	2,765
Sewer Maintenance	8,000	8,000	4,575
Uniforms	3,000	3,000	2,226
Purchase of Equipment	15,000	15,000	2,124
	<u>318,053</u>	<u>318,053</u>	<u>234,972</u>

VILLAGE OF SUMMIT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Public Works - Continued			
Building Inspector			
Salaries	\$ 43,458	43,458	54,644
Auto Expenditures	1,200	1,200	626
Office Equipment and Supplies	1,000	1,000	586
Dues and Subscriptions	500	500	102
Phones	2,500	2,500	1,555
Seminar	250	250	-
Inspector	22,500	22,500	6,600
Computer Expenditures	500	500	-
Demolition	3,000	3,000	1,726
Miscellaneous	500	500	83
Community Service Officer	24,960	24,960	24,723
	<u>100,368</u>	<u>100,368</u>	<u>90,645</u>
Garbage Department			
Dumping	415,500	415,500	446,811
	<u>415,500</u>	<u>415,500</u>	<u>446,811</u>
Total Public Works	<u>833,921</u>	<u>833,921</u>	<u>772,428</u>
Community Development			
Community Development			
Salaries	51,889	51,889	50,219
Publication and Dues	200	200	-
Supplies	300	300	2
Conferences and Seminars	100	100	-
Legal and Audit	1,200	1,200	1,760
Engineering	20,000	20,000	1,782
Contingency Expenditures	200	200	-
Village Match for CDBG Grant Expenditures	10,000	10,000	-
Computer Expenditures	250	250	59
Court Reporter	2,500	2,500	1,572
Travel and Mileage	100	100	-
	<u>86,739</u>	<u>86,739</u>	<u>55,394</u>

VILLAGE OF SUMMIT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Community Development - Continued			
Weed and Seed			
Program Administrator	\$ 15,000	15,000	16,852
Data Entry Clerk	4,400	4,400	-
Payroll Taxes	10,525	10,525	7,671
Office Rent	1,191	1,191	1,191
Safe Haven Activities	10,400	10,400	13,811
Mileage	3,500	3,500	5,083
Evaluator	10,000	10,000	10,000
Equipment	-	-	8,967
Site Coordinator	35,000	35,000	35,727
Police Overtime	9,984	9,984	4,326
	<u>100,000</u>	<u>100,000</u>	<u>103,628</u>
Total Community Development	<u>186,739</u>	<u>186,739</u>	<u>159,022</u>
Capital Outlay	<u>8,000</u>	<u>8,000</u>	<u>1,404</u>
Debt Service			
Principal Retirement	-	-	14,733
Interest and Fiscal Charges	<u>15,000</u>	<u>15,000</u>	<u>17,696</u>
Total Debt Service	<u>15,000</u>	<u>15,000</u>	<u>32,429</u>
Total Expenditures	<u>8,831,325</u>	<u>8,831,325</u>	<u>8,982,180</u>

VILLAGE OF SUMMIT, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
Year Ended December 31, 2010

	Special Revenue		
	Community Development	Drug	911 ETS
Revenues			
Property Taxes	\$ -	-	-
Intergovernmental	7,612	470,667	-
Charges for Services	-	-	125,809
Interest	-	26,964	144
Total Revenues	7,612	497,631	125,953
Expenditures			
Current			
Public Safety	-	141,302	31,336
Public Works	-	-	-
Community Development	9,230	-	-
Capital Outlay	-	77,344	103,301
Debt Service			
Principal Retirement	-	11,331	16,890
Interest and Fiscal Charges	-	456	6,798
Total Expenditures	9,230	230,433	158,325
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,618)	267,198	(32,372)
Other Financing Sources (Uses)			
Debt Issuance	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	(35,900)
	-	-	(35,900)
Net Change in Fund Balances	(1,618)	267,198	(68,272)
Fund Balances - Beginning	11,615	245,222	142,917
Fund Balances - Ending	9,997	512,420	74,645

Motor Fuel Tax	63rd Place TIF	Debt Service Bond and Interest	Capital Projects		Total
			Police Station Renovation	SSA #5	
-	-	110,057	-	32,316	142,373
322,213	-	-	68,080	-	868,572
-	-	-	-	-	125,809
91	4,504	-	-	192	31,895
<u>322,304</u>	<u>4,504</u>	<u>110,057</u>	<u>68,080</u>	<u>32,508</u>	<u>1,168,649</u>
-	-	-	-	-	172,638
270,082	-	-	-	-	270,082
-	26,531	-	-	64,510	100,271
-	-	-	-	24,000	204,645
80,894	-	106,000	-	2,000	217,115
21,566	-	7,786	-	-	36,606
<u>372,542</u>	<u>26,531</u>	<u>113,786</u>	<u>-</u>	<u>90,510</u>	<u>1,001,357</u>
<u>(50,238)</u>	<u>(22,027)</u>	<u>(3,729)</u>	<u>68,080</u>	<u>(58,002)</u>	<u>167,292</u>
-	-	-	-	24,000	24,000
60,778	40,000	-	-	-	100,778
-	-	-	-	-	(35,900)
<u>60,778</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>24,000</u>	<u>88,878</u>
10,540	17,973	(3,729)	68,080	(34,002)	256,170
44,481	(22,340)	151,154	(68,080)	38,719	543,688
<u>55,021</u>	<u>(4,367)</u>	<u>147,425</u>	<u>-</u>	<u>4,717</u>	<u>799,858</u>

VILLAGE OF SUMMIT, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,503,000	2,503,000	2,409,281
Miscellaneous	2,000	2,000	13,388
Total Operating Revenues	<u>2,505,000</u>	<u>2,505,000</u>	<u>2,422,669</u>
Operating Expenses			
Operations	1,966,295	1,966,295	1,864,063
Depreciation	-	-	77,921
Total Operating Expenses	<u>1,966,295</u>	<u>1,966,295</u>	<u>1,941,984</u>
Operating Income	<u>538,705</u>	<u>538,705</u>	<u>480,685</u>
Nonoperating Revenues (Expenses)			
Interest Income	500	500	87
Interest and Fiscal Charges	(7,000)	(7,000)	(3,634)
	<u>(6,500)</u>	<u>(6,500)</u>	<u>(3,547)</u>
Income Before Transfers	532,205	532,205	477,138
Transfers Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>
Change in Net Assets	<u>32,205</u>	<u>32,205</u>	(22,862)
Net Assets - Beginning			<u>610,915</u>
Net Assets - Ending			<u><u>588,053</u></u>

VILLAGE OF SUMMIT, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Operations			
Source of Water			
Water Purchases	\$ 860,000	860,000	771,627
Electricity - Water Pumps	25,000	25,000	37,718
Repairs and Maintenance			
Salaries			
Foreman	117,510	117,510	119,793
Assistant Foreman	61,253	61,253	62,199
Equipment Operators	349,560	349,560	474,245
Overtime Wages	50,000	50,000	61,770
Maintenance and Repairs			
Building	30,000	30,000	2,236
Trucks	10,000	10,000	4,078
Equipment	12,000	12,000	302
System	100,000	100,000	74,479
Gas and Oil	18,000	18,000	24,886
Engineering	5,000	5,000	1,229
Leak Detection	25,000	25,000	19,460
Purchase of Water Meters	26,000	26,000	9,128
Equipment	50,500	50,500	4,174
Contingency and Testing	5,000	5,000	3,838
Medical Testing	3,000	3,000	-
Supplies	12,200	12,200	8,613
Sewer Maintenance	8,000	8,000	-
Tower Maintenance	3,000	3,000	910
Refunds	1,200	1,200	828
Administrative			
Salaries			
Superintendent	51,889	51,889	54,422
Clerk	40,423	40,423	40,710
Meter Reader	58,260	58,260	59,905
Office Supplies	1,500	1,500	1,112
Telephone	5,000	5,000	2,875
Pagers/Radios	1,500	1,500	-
Computer Software/Training	1,000	1,000	1,000
Training	5,000	5,000	-
Postage	3,500	3,500	1,185
Accounting	20,000	20,000	15,700

VILLAGE OF SUMMIT, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Operations - Continued			
Administrative - Continued			
Dues	\$ 5,000	5,000	5,000
Permits	1,000	1,000	641
Total Operations	1,966,295	1,966,295	1,864,063
Depreciation	-	-	77,921
Total Operating Expenses	1,966,295	1,966,295	1,941,984

VILLAGE OF SUMMIT, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets
Year Ended December 31, 2010

	<u>Actual</u>
Additions	
Contributions - Employer	\$ 501,600
Contributions - Plan Members	<u>187,067</u>
Total Contributions	<u>688,667</u>
Investment Income	
Interest Earned	402,238
Net Change in Fair Value	<u>87,641</u>
	489,879
Less Investment Expenses	<u>(5,260)</u>
Net Investment Income	<u>484,619</u>
Total Additions	<u>1,173,286</u>
Deductions	
Administration	21,110
Benefits and Refunds	<u>1,013,143</u>
Total Deductions	<u>1,034,253</u>
Change in Net Assets	139,033
Net Plan Assets Held in Trust for Pension Benefits	
Net Assets - Beginning	<u>7,247,738</u>
Net Assets - Ending	<u>7,386,771</u>

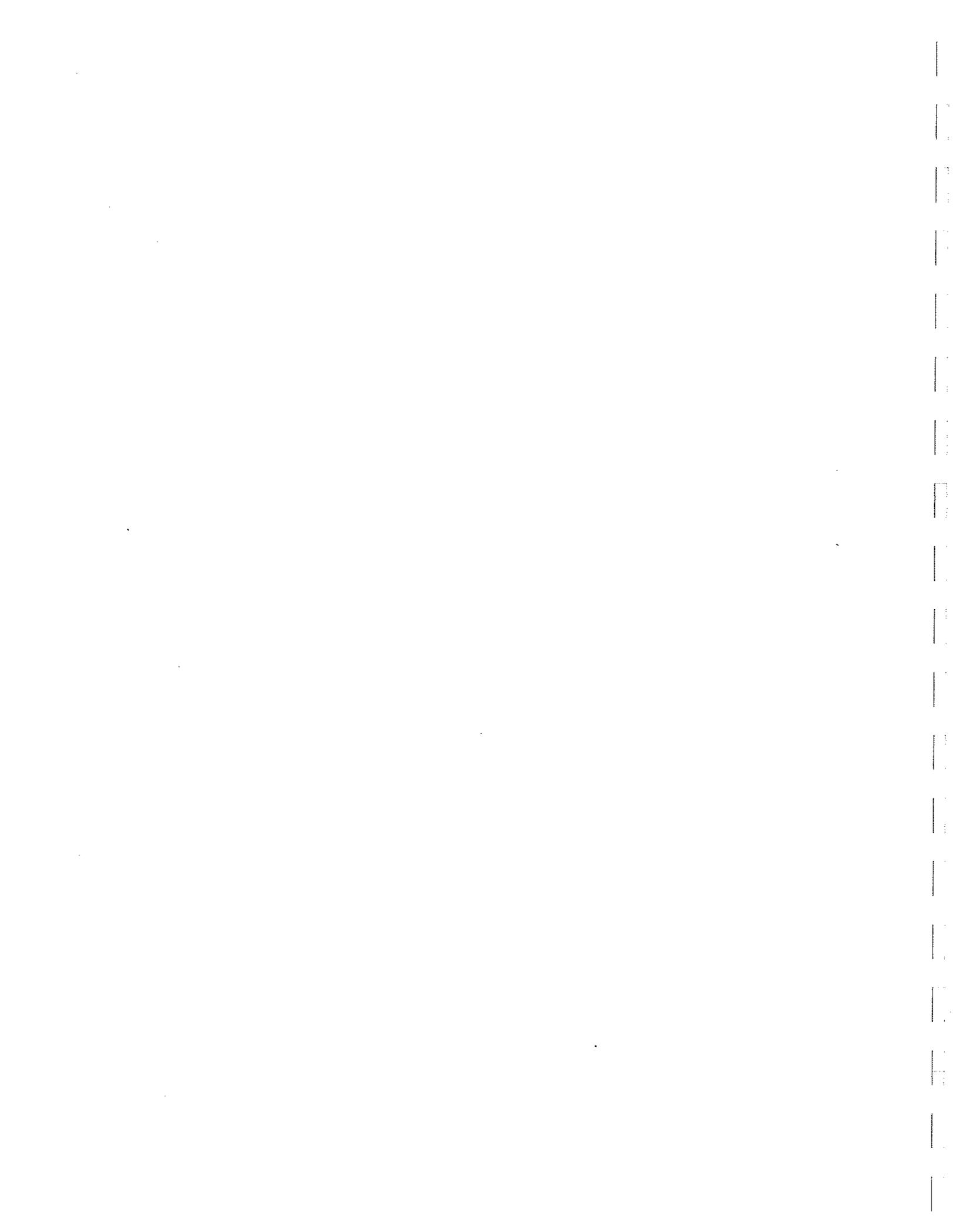
VILLAGE OF SUMMIT, ILLINOIS

SSA #5 - Agency Fund

Statement of Changes in Assets and Liabilities
Year Ended December 31, 2010

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Due from Other Funds	\$ 57,334	-	-	57,334
LIABILITIES				
Due to Bondholders	57,334	-	-	57,334

SUPPLEMENTAL SCHEDULES



VILLAGE OF SUMMIT, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Bonds of 2004
December 31, 2010**

Date of Issue	January 9, 2004
Date of Maturity	December 1, 2012
Authorized Issue	\$700,000
Denomination of Bonds	\$5,000
Interest Rate	3.40%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Bridgeview Bank and Trust

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2011	\$ 110,000	4,182	114,182	2011	2,091	2011	2,091
2012	13,000	442	13,442	2012	221	2012	221
	<u>123,000</u>	<u>4,624</u>	<u>127,624</u>		<u>2,312</u>		<u>2,312</u>

VILLAGE OF SUMMIT, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation (Alternate Revenue) Bonds of 2007
December 31, 2010**

Date of Issue	October 1, 2007
Date of Maturity	October 1, 2013
Authorized Issue	\$400,000
Denomination of Bonds	\$5,000
Interest Rate	5.75%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1
Payable at	New City Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Apr. 1	Amount	Oct. 1	Amount
2011	\$ 68,000	12,248	80,248	2011	6,124	2011	6,124
2012	71,000	8,338	79,338	2012	4,169	2012	4,169
2013	74,000	4,256	78,256	2013	2,128	2013	2,128
	<u>213,000</u>	<u>24,842</u>	<u>237,842</u>		<u>12,421</u>		<u>12,421</u>

VILLAGE OF SUMMIT, ILLINOIS

Schedule of Long-Term Debt Requirements

**Notes Payable of 2007
December 31, 2010**

Date of Issue	December 18, 2007
Date of Maturity	December 18, 2012
Principal Amount	\$99,200
Interest Rate	4.75%
Interest Dates	December 18
Principal Maturity Date	December 18
Payable at	Marquette Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2011	\$ 20,738	2,017	22,755
2012	21,723	1,032	22,755
	<u>42,461</u>	<u>3,049</u>	<u>45,510</u>

VILLAGE OF SUMMIT, ILLINOIS

**Five Year Summary of Assessed Valuations, Tax Rates, Extensions and Collections - by Tax Levy Year
December 31, 2010 (Unaudited)**

	2005	2006	2007	2008	2009
Assessed Valuation	\$ 155,225,427	165,791,674	175,160,036	198,306,207	199,098,851
Rates					
Corporate	0.1943	0.2260	0.3281	0.3140	0.3140
Bond and Interest	0.0772	0.0721	0.0681	0.0605	0.0600
Garbage	0.1553	0.1552	0.1120	0.1060	0.1062
Street Lighting	0.0103	0.0103	0.0000	0.0000	0.0000
Police Pension	0.2835	0.3141	0.2941	0.2524	0.2524
IMRF	0.0392	0.0392	0.0000	0.0000	0.0000
Social Security	0.1172	0.1172	0.0000	0.0000	0.0000
Street and Bridge	0.0621	0.0621	0.0000	0.0000	0.0000
Fire Protection	0.1553	0.1552	0.1131	0.1010	0.1009
Police Protection	0.0582	0.0582	0.3750	0.3534	0.3534
Liability Insurance	0.4012	0.4011	0.3393	0.3230	0.3222
Auditing	0.0322	0.0322	0.0000	0.0000	0.0000
Crossing Guard	0.0155	0.0155	0.0000	0.0000	0.0000
Total	1.6015	1.6584	1.6297	1.5103	1.5091
Tax Extensions					
Corporate	301,603	374,689	574,700	622,681	625,170
Bond and Interest	119,784	119,614	119,337	120,002	119,370
Garbage	241,065	257,308	196,179	210,204	211,442
Street Lighting	15,988	17,076	-	-	-
Police Pension	440,064	520,751	515,145	500,524	502,525
IMRF	60,848	64,990	-	-	-
Social Security	181,924	194,307	-	-	-
Street and Bridge	96,394	102,956	-	-	-
Fire Protection	241,065	257,308	198,106	200,289	200,890
Police Protection	90,341	96,490	656,850	700,814	703,615
Liability Insurance	622,764	664,990	594,318	640,529	641,496
Auditing	49,982	53,384	-	-	-
Crossing Guard	24,059	25,697	-	-	-
Total	2,485,881	2,749,560	2,854,635	2,995,043	3,004,508
Total Collected	2,417,943	2,659,565	2,601,200	2,775,497	2,814,427
Percentage Collected	97.27%	96.73%	91.12%	92.67%	93.67%

VILLAGE OF SUMMIT, ILLINOIS

**Schedule of Legal Debt Margin
December 31, 2010 (Unaudited)**

Assessed Valuation - 2009	<u>\$ 199,098,851</u>
Legal Debt Limit - 8.625% of Assessed Valuation	17,172,276
Less Amount of Debt Applicable to Debt Limit: General Obligation Bonds	<u>(336,000)</u>
Legal Debt Margin	<u>16,836,276</u>

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. The indebtedness limitation set forth in this section shall not apply to any indebtedness of any municipality incurred to finance the cost of the acquisition, construction or improvement of water or wastewater treatment facilities mandated by an enforceable compliance schedule developed in connection with the Federal Clean Water Act or a compliance order issued by the United States Environmental Protection Agency or the Illinois Pollution Control Board."

