

VILLAGE OF SUMMIT

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2007
AND
INDEPENDENT AUDITORS' REPORT**

VILLAGE OF SUMMIT
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INDEPENDENT AUDITOR'S REPORT

President and Board of Trustees
Village of Summit
7321 West 59th Street
Summit, IL 60501

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Summit, Illinois, as of and for the year ended December 31, 2007, which collectively comprise the Village of Summit's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Summit's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the pension trust fund, the Police Pension Fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund, is based on the report of the other auditors.

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

As described in Note IV A., 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 exceeds 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, based on our report and the report of other auditors, 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 31, 2007, 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.

President and Board of Trustees
Village of Summit

The management's discussion and analysis, the historical pension information and the budgetary comparison schedules, as listed in the table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Summit's basic financial statements. The supplementary statements and schedules and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, Village of Summit's basic financial statements for the year ended December 31, 2006, which are not presented with the accompanying financial statements. In our report dated May 9, 2007, we expressed qualified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information. In our opinion, the 2006 information included in the individual fund financial schedules is fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2006, taken as a whole.

Oak Brook, Illinois
September 29, 2008

Verchow Kraus & Company, LLP

Village of Summit

Management's Discussion and Analysis

For the Year Ended December 31, 2007

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, 2007. 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 \$5.5 million (net assets).
- In total, net assets increased by \$0.3 million. This represents a 6% increase from 2006 and is primarily the result of an increase in water collections.
- As of the close of the current fiscal year, the village's governmental funds reported combined ending fund balances of \$3,536,648, an increase of \$0.7 million in comparison with the prior year.
- General revenues accounted for \$7.1 million in revenue or 75% of all governmental revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$2.4 million or 25% of total governmental revenues of \$9.5 million.
- The village had \$9.4 million in expenses related to government activities. However, only \$2.4 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 \$602,464, or 8% of the total General Fund expenditures.
- The village's total long-term liabilities increased by \$317 thousand during the current year to \$1.6 million.

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.

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.

Village of Summit

Management's Discussion and Analysis

For the Year Ended December 31, 2007

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 three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements 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.

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 3 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, 63rd St. and Archer Avenue TIF Fund and Motor Fuel Tax Fund, all 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 the General Fund listed above. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Village of Summit

Management's Discussion and Analysis

For the Year Ended December 31, 2007

Proprietary funds

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The village's proprietary funds present the activities and balances in the water fund, which is considered to be a major fund, using the accrual basis of accounting and economic resources measurement focus. Proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary funds reflect the private-sector type operation, where the fee for service typically covers all or most of the cost of operation and maintenance including depreciation. The village adopts an annual budget for the proprietary fund. A budgetary comparison schedule has been provided to demonstrate compliance with this budget.

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 and Police Pension Fund; 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
For the Year Ended December 31, 2007**

Government-Wide Financial Analysis

Table 1 Condensed Statements of Net Assets (in thousands of dollars)						
	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2007	2006	2007	2006	2007	2006
Assets:						
Current and other assets	\$ 8,003	\$ 6,803	\$ 388	\$ 426	\$ 8,391	\$ 7,229
Capital Assets	<u>2,751</u>	<u>2,857</u>	<u>540</u>	<u>396</u>	<u>3,291</u>	<u>3,253</u>
Total assets	<u>10,754</u>	<u>9,660</u>	<u>928</u>	<u>822</u>	<u>11,682</u>	<u>10,482</u>
Liabilities:						
Long-term liabilities	1,419	1,212	149	-	1,568	1,212
Other liabilities	<u>4,336</u>	<u>3,789</u>	<u>257</u>	<u>256</u>	<u>4,593</u>	<u>4,045</u>
Total liabilities	<u>5,755</u>	<u>5,001</u>	<u>406</u>	<u>256</u>	<u>6,161</u>	<u>5,257</u>
Net assets:						
Invested in capital assets, net of related debt	2,503	2,549	391	396	2,894	2,945
Restricted	2,909	2,450	-	-	2,909	2,450
Unrestricted	<u>(413)</u>	<u>(340)</u>	<u>131</u>	<u>170</u>	<u>(282)</u>	<u>(170)</u>
Total net assets	<u>\$ 4,999</u>	<u>\$ 4,659</u>	<u>\$ 522</u>	<u>\$ 566</u>	<u>\$ 5,521</u>	<u>\$ 5,225</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
For the Year Ended December 31, 2007

Current Year Impacts

As noted earlier, net assets may serve over time as a useful indicator of a governments' financial position. Overall, the village's financial position has improved over the prior year. In the case of the village, total net assets increased by \$0.3 million from \$5.2 million to \$5.5 million. The village's total assets equal \$11,682 million. The village's total liabilities equal \$5.9 million.

The village experienced an increase in total assets due to an increase in property tax receivable. Also, the village increased its long-term liabilities by approximately \$317 thousand.

A portion of the net assets of the governmental activities is restricted for debt service, road improvements, drug prevention, emergency 911 and community development.

Table 2
Condensed Statements of Activities
(in thousands of dollars)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 1,703	\$ 1,563	\$ 1,776	\$ 1,541	\$ 3,479	\$ 3,104
Operating grants and contributions	647	583	-	-	647	583
<i>General revenues:</i>						
Property taxes	3,637	3,899	-	-	3,637	3,899
Other taxes	1,708	1,852	-	-	1,708	1,852
Intergovernmental	1,120	1,010	-	-	1,120	1,010
Other general revenues	672	714	-	-	672	714
Total revenues	<u>9,487</u>	<u>9,621</u>	<u>1,776</u>	<u>1,541</u>	<u>11,263</u>	<u>11,162</u>
Expenses:						
General government	3,028	2,973	-	-	3,028	2,973
Public safety	4,236	4,334	-	-	4,236	4,334
Public works	1,863	1,139	-	-	1,863	1,139
Community development	208	431	-	-	208	431
Interest and fees	33	35	-	-	33	35
Water	-	-	1,599	1,501	1,599	1,501
Total expenses	<u>9,368</u>	<u>8,912</u>	<u>1,599</u>	<u>1,501</u>	<u>10,967</u>	<u>10,413</u>
Transfers	221	175	(221)	(175)	-	-
Change in net assets	340	884	(44)	(135)	296	749
Net assets, beginning of year	<u>4,659</u>	<u>3,775</u>	<u>566</u>	<u>701</u>	<u>5,225</u>	<u>4,476</u>
Net assets end of year	<u>\$ 4,999</u>	<u>\$ 4,659</u>	<u>\$ 522</u>	<u>\$ 566</u>	<u>\$ 5,521</u>	<u>\$ 5,225</u>

Village of Summit

Management's Discussion and Analysis

For the Year Ended December 31, 2007

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.

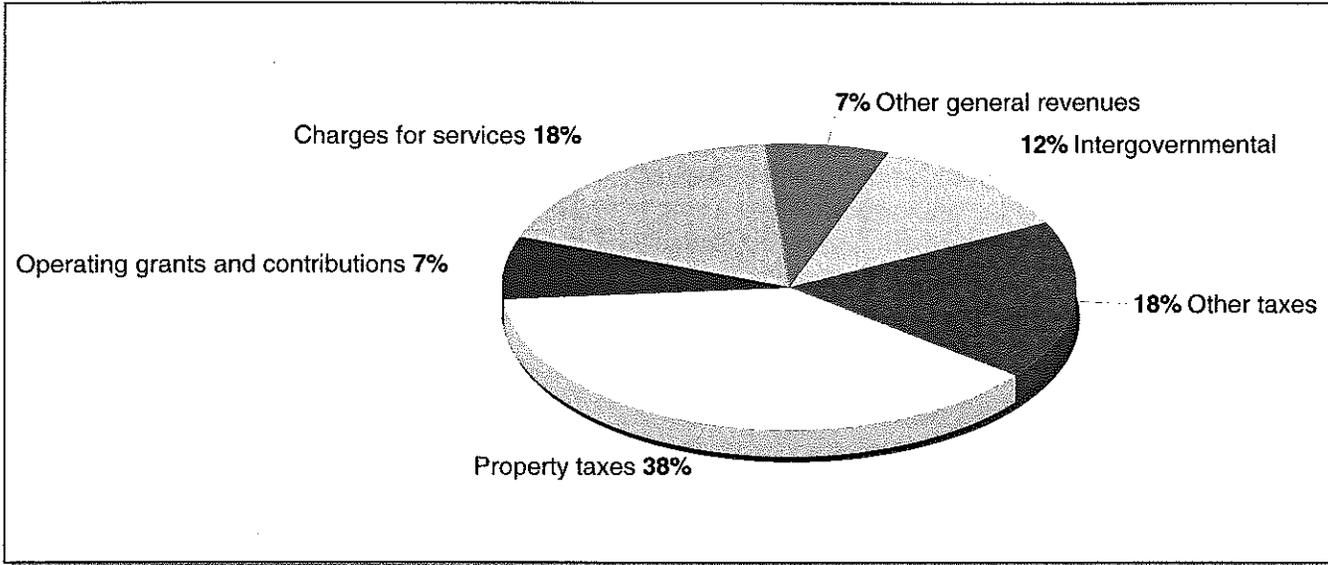
Current Year Impacts

The Governmental Activities experienced a decrease in revenue due to the closing of the West Summit TIF. Despite this decrease, an increase in water collections resulted in an increase in net assets to \$5,521 thousand compared to \$5,225 thousand in the prior fiscal year.

**Village of Summit
Management's Discussion and Analysis
For the Year Ended December 31, 2007**

Governmental Activities

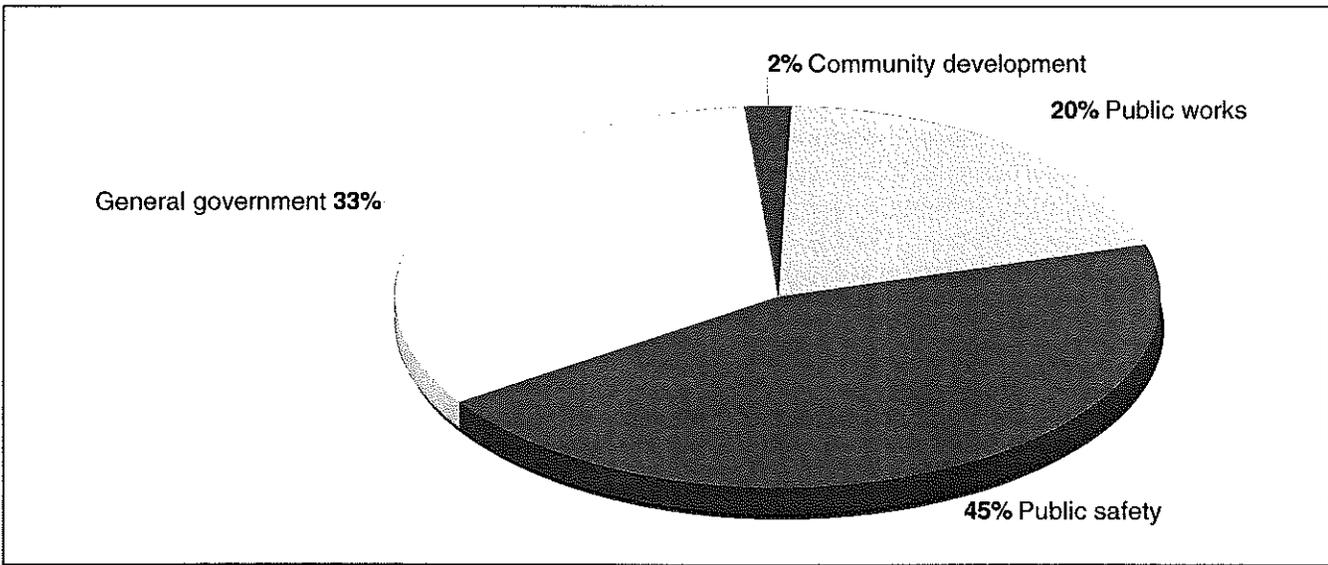
Governmental Revenues by Source



Revenues

The village experienced a decrease in governmental revenue for this fiscal year. This decrease in revenues amounted to \$134 thousand. This decrease in revenues was related to decreased property tax collections.

Governmental Expenses by Function



Village of Summit

Management's Discussion and Analysis

For the Year Ended December 31, 2007

Expenses

The village's overall governmental expenses in the current fiscal year increased slightly over the previous year, only \$456 thousand. This increase was primarily due to an increase in motor fuel tax expenditures such as engineering, maintenance, and repair costs.

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 a schedule set by the village and reflects increases as passed along from the village's supplier, the City of Chicago. Sales of water (revenues) can be affected by climate, at times, with warmer and drier summers bringing higher demand. The City of Chicago has annually adjusted rates and this adjustment is passed along to village customers. The operating revenues of the Water Department increased by \$235 thousand in comparison to the prior year.

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 \$3,537 thousand, an increase of \$653 thousand in comparison with the prior year. All of which is available for spending at the government's discretion (unreserved fund balance). Revenues decreased by approximately \$116 thousand. This decrease in revenues was related to decreased property tax collections. The village's overall expenses in the current fiscal year increased slightly over the previous year, only \$456 thousand. This increase was primarily due to an increase in motor fuel tax expenditures such as engineering, maintenance, and repair costs.

The Proprietary Fund is the Water Department. The operating revenues of the Water Department increased by \$235 thousand in comparison to the prior year due. Operating expenses, consisting mostly of water purchases and personnel services, increased approximately \$97 thousand. This increase was caused by an increase in the costs of water purchases of \$48 thousand. In addition, personnel costs increased by approximately \$45 thousand due to annual salary increases. The net loss for fiscal 2007 was \$44 thousand after consideration of non-operating revenues and expenses and transfers. The net assets of the proprietary fund at the end of fiscal 2007 equaled \$522 thousand, of which \$131 thousand is unrestricted.

General Fund Budgetary Highlights

Over the course of the year 2007, the original budget was not altered or amended. The increase of actual revenue from projected total revenues equaled approximately \$430 thousand in the General Fund for the fiscal year. Over the course of the year the village realized an increase in budgeted other tax and intergovernmental revenue due to the unbudgeted increase in sales tax, state income, and replacement tax receipts.

The actual expenditures for fiscal year 2007 were more than budgeted amounts by \$442 thousand. The public safety department has expenditures in excess of budget of approximately \$590 thousand due to unbudgeted contributions to the police pension funds.

Village of Summit
Management's Discussion and Analysis
For the Year Ended December 31, 2007

Capital Assets and Debt Administration

Capital assets

By the end of 2007, the village had compiled a total investment of \$8.5 million (\$3.2 million net of accumulated depreciation) in a broad range of capital assets. Total depreciation expense for the year was \$306 thousand. More detailed information about capital assets can be found in Note III C. of the basic financial statements.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2007	2006	2007	2006	2007	2006
Land	\$ 588	\$ 588	\$ 17	\$ 17	\$ 605	\$ 605
Buildings	693	615	24	-	717	615
Land improvements	63	67	-	-	63	67
Improvements other than buildings	-	-	144	160	144	160
Water system	-	-	50	60	50	60
Vehicles	892	954	-	-	892	954
Machinery	515	633	305	159	820	792
Total	\$ 2,751	\$ 2,857	\$ 540	\$ 396	\$ 3,291	\$ 3,253

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, issued a new alternative revenue bond for \$400,000 and compensated absences. During the year, the village entered into capital lease for \$21,571 to help finance the acquisition of a new vehicle and made payments of \$610,769 on existing debt. Business-type activities issued \$151,172 in capital leases and notes payable for equipment. More detailed information about debt can be found in Note III F. of the basic financial statements.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 431	\$ 527	\$ -	\$ -	\$ 431	\$ 527
Alternative revenue bonds	400	-	-	-	400	-
Notes and other long-term liabilities	588	685	149	-	737	685
Total	\$ 1,419	\$ 1,212	\$ 149	\$ -	\$ 1,568	\$ 1,212

Village of Summit

Management's Discussion and Analysis

For the Year Ended December 31, 2007

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 national economic downturn. However, the village has a small stable industrial base and is currently trying to bring new companies to the area. In addition, during 2003 the village approved a tax increment financing district within the village boundaries and during the next fiscal year, the village will receive increased revenues relating to that district. Also, the village has plans to bring in a casino to help bring in new revenues streams. The village is also planning to install new street lighting and pave the alleys within the tax increment financing district to entice new business development within the district.

The cost of insurance and retirement obligations may continue to increase.

Much of the vacant property in the village has been absorbed and will be added to the village's tax base. Also, an abandoned auto recycling center will be cleaned up and redeveloped. This should mean additional revenues for the village.

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, need additional financial information, or would like a copy of the financial statements for the Police Pension, contact the village:

Office of the Village Hall Administration
Village of Summit
7321 West 59th Street
Summit, IL 60501

VILLAGE OF SUMMIT
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
Assets			
Cash and investments	\$ 3,590,895	\$ 253,303	\$ 3,844,198
Receivables - (net of allowances for uncollectibles):			
Property taxes	3,695,665	-	3,695,665
Other taxes	409,322	-	409,322
Intergovernmental	190,293	-	190,293
Accounts	-	226,641	226,641
Other assets	24,798	-	24,798
Internal balances	91,763	(91,763)	-
Capital assets (net of depreciation)			
Land	588,120	17,117	605,237
Land improvements	62,644	-	62,644
Buildings	692,975	24,486	717,461
Water system	-	50,343	50,343
Improvements other than buildings	-	144,010	144,010
Machinery	515,289	303,599	818,888
Vehicles	892,077	-	892,077
<u>Total assets</u>	<u>10,753,841</u>	<u>927,736</u>	<u>11,681,577</u>
Liabilities			
Accounts payable	264,564	85,511	350,075
Accrued payroll	149,712	26,737	176,449
Deposits payable	86,944	144,672	231,616
Due to other governments	6,332	-	6,332
Pension contributions payable	365,436	-	365,436
Unearned revenue	3,362,335	-	3,362,335
Tax anticipation warrants	100,000	-	100,000
Noncurrent liabilities			
Due within one year	551,884	38,673	590,557
Due after one year	867,366	110,137	977,503
<u>Total liabilities</u>	<u>5,754,573</u>	<u>405,730</u>	<u>6,160,303</u>
Net assets			
Invested in capital assets, net of related debt	2,503,578	390,745	2,894,323
Restricted for:			
Debt service	152,718	-	152,718
Road improvements	460,374	-	460,374
Drug prevention	228,208	-	228,208
Emergency 911	4,451	-	4,451
Community development	2,063,433	-	2,063,433
Unrestricted (deficit)	(413,494)	131,261	(282,233)
<u>Total net assets</u>	<u>\$ 4,999,268</u>	<u>\$ 522,006</u>	<u>\$ 5,521,274</u>

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

VILLAGE OF SUMMIT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
Primary government			
Governmental activities			
General government	\$ 3,028,187	\$ 657,625	\$ -
Public safety	4,236,352	699,831	116,780
Public works	1,862,706	345,500	303,853
Community development	208,375	-	226,608
Interest and fees	33,298	-	-
Total governmental activities	<u>9,368,918</u>	<u>1,702,956</u>	<u>647,241</u>
Business-type activities			
Water	<u>1,598,805</u>	<u>1,775,749</u>	<u>-</u>
Total business-type activities	<u>1,598,805</u>	<u>1,775,749</u>	<u>-</u>
Total primary government	<u>\$ 10,967,723</u>	<u>\$ 3,478,705</u>	<u>\$ 647,241</u>
		General revenues	
		Property taxes	
		Other taxes	
		Sales	
		Local use	
		Telecommunications	
		Utility	
		Other taxes	
		Intergovernmental:	
		State income tax	
		Personal property replacement tax	
		Interest income	
		Miscellaneous	
		Transfers - internal activity	
		Total general government revenues	
		Change in net assets	
		Net assets, beginning of year	
		Net assets, end of year	

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

NET (EXPENSES) REVENUE AND CHANGES IN NET
ASSETS

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (2,370,562)	\$ -	\$ (2,370,562)
(3,419,741)	-	(3,419,741)
(1,213,353)	-	(1,213,353)
18,233	-	18,233
(33,298)	-	(33,298)
<u>(7,018,721)</u>	<u>-</u>	<u>(7,018,721)</u>
-	176,944	176,944
-	176,944	176,944
(7,018,721)	176,944	(6,841,777)
3,637,462	-	3,637,462
1,159,657	-	1,159,657
139,160	-	139,160
375,097	-	375,097
558,575	-	558,575
34,009	-	34,009
949,573	-	949,573
170,639	-	170,639
38,086	309	38,395
75,562	-	75,562
<u>221,060</u>	<u>(221,060)</u>	<u>-</u>
<u>7,358,880</u>	<u>(220,751)</u>	<u>7,138,129</u>
340,159	(43,807)	296,352
<u>4,659,109</u>	<u>565,813</u>	<u>5,224,922</u>
<u>\$ 4,999,268</u>	<u>\$ 522,006</u>	<u>\$ 5,521,274</u>

VILLAGE OF SUMMIT
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2007

	GENERAL	SPECIAL REVENUE	
		MOTOR FUEL TAX	63RD ST. AND ARCHER AVE TIF
Assets			
Cash	\$ 970,286	\$ 508,533	\$ 1,576,452
Receivables (net allowance for uncollectibles):			
Property taxes	2,852,259	-	718,986
Other taxes	409,322	-	-
Intergovernmental	165,560	24,733	-
Other assets	24,798	-	-
Due from other funds	133,533	-	366,672
Total assets	\$ 4,555,758	\$ 533,266	\$ 2,662,110
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ 124,483	\$ 72,426	\$ -
Accrued payroll	149,712	-	-
Deposits payable	86,944	-	-
Tax anticipation warrants	100,000	-	-
Due to other funds	366,672	466	-
Due to other governments	6,332	-	-
Due to component units	365,436	-	-
Deferred revenue	2,753,715	-	625,385
Total liabilities	3,953,294	72,892	625,385
Fund balance			
Unreserved, undesignated reported in			
General fund	602,464	-	-
Special revenue funds	-	460,374	2,036,725
Debt service fund	-	-	-
Capital projects fund	-	-	-
Total fund balance	602,464	460,374	2,036,725
Total liabilities and fund balance	\$ 4,555,758	\$ 533,266	\$ 2,662,110

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

NONMAJOR FUNDS	TOTAL
\$ 535,624	\$ 3,590,895
124,420	3,695,665
-	409,322
-	190,293
-	24,798
<u>23,423</u>	<u>523,628</u>
<u>\$ 683,467</u>	<u>\$ 8,434,601</u>

\$ 67,655	\$ 264,564
-	149,712
-	86,944
-	100,000
64,727	431,865
-	6,332
-	365,436
<u>114,000</u>	<u>3,493,100</u>
<u>246,382</u>	<u>4,897,953</u>

-	602,464
259,367	2,756,466
152,718	152,718
<u>25,000</u>	<u>25,000</u>
<u>437,085</u>	<u>3,536,648</u>
<u>\$ 683,467</u>	<u>\$ 8,434,601</u>

VILLAGE OF SUMMIT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2007

Total fund balances - governmental funds		\$ 3,536,648
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the Village as a whole.</p>		
Cost of capital assets	\$ 5,952,921	
Depreciation expense to date	<u>(3,201,816)</u>	2,751,105
<p>Revenue is deferred in the Fund Financial Statement because it is not available and recognized as revenue in the Government-wide Financial Statements.</p>		
		130,765
<p>Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Assets.</p>		
Long-term liabilities payable	\$ <u>(1,419,250)</u>	<u>(1,419,250)</u>
Net assets of governmental activities		\$ <u>4,999,268</u>

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

VILLAGE OF SUMMIT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2007

	GENERAL	SPECIAL REVENUE	
		MOTOR FUEL TAX	63RD ST. AND ARCHER AVE TIF
Revenues			
Property taxes	\$ 2,516,965	\$ -	\$ 658,323
Other taxes	2,221,623	-	-
Intergovernmental	1,178,888	303,853	-
Licenses, permits and fees	1,033,996	-	-
Reimbursements	195,823	-	-
Charges for services	53,860	-	-
Fines and traffic violations	293,457	-	-
Interest	20,817	5,084	6,621
Miscellaneous	67,735	5,233	-
Total revenues	<u>7,583,164</u>	<u>314,170</u>	<u>664,944</u>
Expenditures			
Current:			
General government	3,032,176	-	-
Public safety	4,024,143	-	-
Public works	681,419	952,062	-
Community development	62,698	-	38,028
Debt Service:			
Principal	27,545	13,795	-
Interest	4,268	7,680	-
Capital Outlay	10,880	-	-
Total expenditures	<u>7,843,129</u>	<u>973,537</u>	<u>38,028</u>
Excess (deficiency) of revenues over expenditures	<u>(259,965)</u>	<u>(659,367)</u>	<u>626,916</u>
Other financing sources (uses)			
Sale of capital assets	2,864	-	-
Debt issued	-	400,000	-
Transfers in	450,788	-	395,534
Transfers (out)	-	(170,670)	(30,000)
Total other financing sources (uses)	<u>453,652</u>	<u>229,330</u>	<u>365,534</u>
Net change in fund balance	193,687	(430,037)	992,450
Fund balance, beginning of year	<u>408,777</u>	<u>890,411</u>	<u>1,044,275</u>
Fund balance, end of year	<u>\$ 602,464</u>	<u>\$ 460,374</u>	<u>\$ 2,036,725</u>

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

NONMAJOR FUNDS		TOTAL
\$ 462,174	\$	3,637,462
44,291		2,265,914
315,683		1,798,424
-		1,033,996
45,171		240,994
49,408		103,268
-		293,457
5,564		38,086
-		72,968
<u>922,291</u>		<u>9,484,569</u>
-		3,032,176
110,869		4,135,012
-		1,633,481
107,649		208,375
114,937		156,277
21,350		33,298
<u>313,975</u>		<u>324,855</u>
<u>668,780</u>		<u>9,523,474</u>
<u>253,511</u>		<u>(38,905)</u>
17,248		20,112
21,571		421,571
-		846,322
<u>(395,652)</u>		<u>(596,322)</u>
<u>(356,833)</u>		<u>691,683</u>
(103,322)		652,778
<u>540,407</u>		<u>2,883,870</u>
<u>\$ 437,085</u>	<u>\$</u>	<u>3,536,648</u>

VILLAGE OF SUMMIT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Net change in fund balances - total governmental funds	\$	652,778
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.		
Depreciation expense	\$ (244,208)	
Capital outlays	<u>238,449</u>	(5,759)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and trade-ins) is to (decrease) net assets.		
		(100,052)
Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Assets.		
		(21,571)
Bond proceeds are reported in the governmental funds as an "other financing source". In the government-wide financial statements, the bond issuances are not revenues in the Statement of Activities, but rather a change in long-term liabilities in the Statement of Net Assets.		
		(400,000)
Some revenues not collected as of the year end are not considered "available" revenues in the governmental funds. This is the change in amounts that were not considered available in the current year.		
		584
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
Compensated absences	\$ <u>35,992</u>	35,992
Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.		
		<u>178,187</u>
Change in net assets of governmental activities	\$	<u><u>340,159</u></u>

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

VILLAGE OF SUMMIT
PROPRIETARY FUND
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

WATER

Assets	
<u>Current assets</u>	
Cash	\$ 253,303
Receivables - (net of allowances for uncollectibles):	
Accounts	<u>226,641</u>
Total current assets	<u>479,944</u>
<u>Noncurrent Assets</u>	
<u>Capital assets</u>	
Land	17,117
Buildings	40,116
Improvements other than buildings	624,484
Waterworks and reservoir system	1,039,311
Machinery and equipment	801,943
Less accumulated depreciation	<u>(1,983,416)</u>
Total noncurrent assets	<u>539,555</u>
Total assets	<u>1,019,499</u>
Liabilities	
<u>Current liabilities</u>	
Accounts payable	85,511
Accrued payroll	26,737
Due to other funds	91,763
Deposits payable	144,672
Due within one year	<u>38,673</u>
Total current liabilities	<u>387,356</u>
<u>Noncurrent liabilities</u>	
Due after one year	<u>110,137</u>
Total noncurrent liabilities	<u>110,137</u>
Total liabilities	<u>497,493</u>
Net assets	
Invested in capital assets, net of related debt	390,745
Unrestricted	<u>131,261</u>
Total net assets	<u>\$ 522,006</u>

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

VILLAGE OF SUMMIT
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007

	WATER
Operating revenues	
Charges for services	\$ <u>1,775,749</u>
Total operating revenues	<u>1,775,749</u>
Operating expenses	
Source of water	652,918
Repairs and maintenance	711,683
Administrative	172,295
Depreciation expense	<u>61,416</u>
Total operating expenses	<u>1,598,312</u>
Operating income	<u>177,437</u>
Non operating revenues (expenses)	
Interest income	309
Interest expense	<u>(493)</u>
Total non operating revenues (expenses)	<u>(184)</u>
Income (loss) before contributions and transfers	<u>177,253</u>
Contributions and transfers	
Transfers out	(250,000)
Capital contributions	<u>28,940</u>
Total contributions and transfers	<u>(221,060)</u>
Change in net assets	(43,807)
Net assets, beginning of year	<u>565,813</u>
Net assets, end of year	<u>\$ <u>522,006</u></u>

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

VILLAGE OF SUMMIT
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

	WATER FUND TOTAL
Cash flows from operating activities	
Cash received from customers	\$ 1,802,775
Cash payments to suppliers for services	(884,885)
Cash payment to employees for services	(669,823)
Net cash provided by (used for) operating activities	248,067
Cash flows from non-capital financing activities	
Transfers to other funds	(250,000)
Net cash used for non-capital financing activities	(250,000)
Cash flows (used for) capital and related financing activities	
Issuance of long-term debt	121,110
Interest expense	(493)
Acquisition and construction of capital assets-net	(148,205)
Net cash used for capital and related financing activities	(27,588)
Cash flows from investing activities	
Interest on investments	309
Net cash provided by investing activities	309
Net (decrease) in cash and cash equivalents	(29,212)
Cash and cash equivalents, beginning of year	282,515
Cash and cash equivalents, end of year	\$ 253,303
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 177,437
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	61,416
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	22,484
Increase (decrease) in accounts payable	(7,850)
Increase (decrease) in accrued salaries	4,459
Increase (decrease) in due to other funds	(14,421)
Increase in deposits	4,542
Total adjustments	70,630
Net cash provided by operating activities	\$ 248,067
Noncash capital and related finance activities	
Capital lease financing	\$ 27,700
Capital donation from government activities	\$ 28,940

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

VILLAGE OF SUMMIT
FIDUCIARY FUND
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

PENSION TRUST

Assets	
Cash	\$ 240,143
Investments	
U.S. treasuries	257,293
U.S. agencies	3,856,112
Insurance company contracts	2,318,333
Money market mutual funds	849,367
Receivables - net of allowances:	
Accrued interest	58,405
Due from other funds	<u>365,436</u>
Total assets	<u>7,945,089</u>
Liabilities	
Accounts payable	<u>2,075</u>
Total liabilities	<u>2,075</u>
Net assets	
Net assets held in trust for pension benefits	<u>\$ 7,943,014</u>

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

VILLAGE OF SUMMIT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007

	PENSION TRUST
Additions	
Contributions	
Employer	\$ 562,032
Plan members	191,411
Total contributions	753,443
Investment Income	
Interest	88,485
Net appreciation (depreciation) in fair value of investments	383,873
Total investment income	472,358
Less investment expenses	11,296
Net investment income	461,062
Total additions	1,214,505
Deductions	
Benefits	711,161
Administration	15,925
Total deductions	727,086
Net change in fund balance	487,419
Net assets, beginning of year	7,455,595
Net assets, end of year	\$ 7,943,014

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

VILLAGE OF SUMMIT

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VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Summit, Illinois (the "village") 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 accounting policies of the Village of Summit, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the Village of Summit. The reporting entity for the village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The village's financial statements include the following pension trust fund.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Blended Component Units

The Police Pension Employees Retirement System (PPERS) is established for the village's police employees. 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 pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund. Complete financial statements for the component unit may be obtained at the entity's administrative offices.

Police Pension Board, 7321 West 59th Street, Summit, IL 60501

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. 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
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

The village reports the following major governmental funds:

General Fund - accounts for the village's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Motor Fuel Tax Fund - accounts for State shared motor fuel tax revenues that are legally restricted to maintenance and construction of streets, sidewalks, alleys and signals..

63rd St. and Archer Ave TIF 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 village reports the following major enterprise fund:

Water - accounts for operations of the water distribution system

The village reports the following non-major governmental funds:

Special Revenue Funds - used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Community Development Fund

Drug Fund

911 ETS Fund

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The village reports the following non-major governmental and enterprise funds: (cont.)

Debt Service Fund - used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Bond and Interest Fund

Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Police Station Renovation Fund

In addition, the village reports the following fund type:

Pension trust fund is used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Pension Trust Fund

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and 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. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Government-Wide Financial Statements (cont.)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the village's water and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the village has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

The enterprise fund follows all pronouncements of the Governmental Accounting Standards Board, and has elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The 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 Water Fund are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary 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.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

The village and pension has adopted an investment policy. That policy follows the state statute for allowable investments.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Interest Rate Risk

The village's and pension's investment policies seek to ensure preservation of capital in the village's and pension's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The village's and police pension's policies limit the village and police pension to investments with a maturity of no more than 20 years from the date of purchase, unless matched to a specific cash flow. All of the policies requires the village's and pension's investment portfolio to be sufficiently liquid to enable the village and pension to meet all operating requirements as they come due.

Credit Risk

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The village's investment policy addresses this risk by limiting investments to the safest type of securities. As of December 31, 2007, the village did not own any investments which would be subject to this risk. The village's and pension's investment policy authorizes investment in any type of security allowed for in Illinois statutes regarding the investment of public funds. As of December 31, 2007 all of the pension's applicable other investments had either "AAA" or "A-1+" ratings with their applicable rating agency, with the exception of a Federal Home Loan Mortgage Corporation Bond with a par of \$50,000 due 3/21/2011. This bond was rated AA2 by Standard & Poor's and AA- by Moody's.

Concentration of Credit Risk

The village 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. The pension fund does not have a formal written policy with regards to concentration of credit risk for investments.

Custodial Credit Risk - Deposits

The village does not have a formal written policy addressing custodial credit risk. The pension's investment policy requires the entire amount of the bank balance of the deposits with financial institutions to be covered by federal deposit insurance.

Custodial Credit Risk - Investments

The village's and police pension's investment policies do not specifically address these risks.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

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

See Note III. A. for further information.

2. Receivables

Property taxes for levy year 2007 attaches as an enforceable lien on January 1, 2007, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

Tax bills for levy year 2007 are prepared by Cook County and issued on or about February 1, 2007 and September 1, 2007, and are payable in two installments, on or about March 1, 2007 and October 1, 2007 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2007 property tax levy is recognized as a receivable and deferral in fiscal 2007, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2007, the property taxes receivable and deferred tax revenue consisted of the estimated amount collectible from the 2007 levy, plus the uncollected portion of the 2006 levy.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 90 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 5 percent of outstanding property taxes at December 31, 2007.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

3. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$2,000 for general capital assets and \$2,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB No. 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but GASB No. 34 does not require the village to retroactively report all major general infrastructure assets. As of December 31, 2007, the village has not retroactively reported all infrastructure.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40-60 Years
Land improvements	20 Years
Machinery and equipment	5-15 Years
Water and reservoir system	50 Years
Improvements	30 Years
Vehicles	8-30 Years

The village does not depreciate land, land improvements and construction in progress.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

3. Capital Assets (cont.)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

4. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

5. Compensated Absences

Employees earn a specified amount of vacation and sick leave year year. The policy for compensated absences vary according to the area in which the employee works. For the public works department's employees, sick days may be accrued up to 240 days and may be paid out as severance pay upon termination of employment. Vacations should be taken in the year in which it is earned. However, unused vacation time may be carried forward to the current year with approval from the department head and can be paid out upon termination of the employee or with approval from the department head. Due to these policies, both vacation and sick leave of 5 days can be sold back at the end of the contract year. However, as the contract year is ended April 30th, the number of days accrued which will eventually be sold back is inestimable and therefore not accrued. However, vacation time for the police department is accrued as that time may be carried forward from year to year and paid out upon termination of employment. village administrative employees cannot sell back their sick days, but vacation time is carried forward from year to year and paid out upon retirement. Therefore only vacation time for administrative employees is accrued. All compensated absence accrual is considered to be a long-term obligation of the village.

6. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts is reported as an other financing source and payments of principal and interest are reported as expenditures.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

6. Long-Term Obligations (cont.)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

The village may approve the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were no IRB's outstanding at year end.

7. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

8. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. 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 (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on their 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 legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt."

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

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

8. Equity Classifications (cont.)

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual 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 at 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 of the General Fund and Proprietary Funds. As none of the major special revenue funds are required to have budget adopted for them, no budget to actual statements are presented for them.

The village is authorized to change budgeted amounts 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.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Budgeted expenditures in the general fund (including amendments) were \$7,400,631. Total expenditures were \$7,843,129. This results in excess expenditures of \$442,498.

The village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of in this pool is displayed on the statement of net assets and balance sheet as cash and investments. The village's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balance	Associated Risks
Deposits with financial institutions	\$ 3,560,257	\$ 3,659,015	Custodial
US treasuries	257,293	257,293	Custodial, Interest Rate
US agencies	3,856,112	3,856,112	Custodial, Credit, Interest Rate, Concentration of Credit
Insurance company contracts	2,318,333	2,318,333	Custodial, Credit, Concentration of Credit
Money market mutual funds	972,560	972,560	Credit, Interest Rate
Illinois funds	400,416	400,416	Credit, Interest Rate
Petty cash	475	-	N/A
Total Deposits and Investments.	<u>\$11,365,446</u>	<u>\$11,463,729</u>	
Reconciliation to financial statements			
Per statement of net assets			
Cash and investments	\$ 3,844,198		
Per statement of net assets- fiduciary funds			
Cash and cash equivalents	240,143		
US treasuries	257,293		
US agencies	3,856,112		
Insurance company contracts	2,318,333		
Money market mutual funds	849,367		
Total Deposits and Investments	<u>\$11,365,446</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 for noninterest bearing accounts.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

As of December 31, 2007, \$2,911,947 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>2,911,947</u>
Total	\$ <u><u>2,911,947</u></u>

Investments

For an investment, custodial credit risk 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. Consistent with the Pension Fund's investment policy at year end the U.S. Government Securities are categorized as uninsured and unregistered for which the securities are held by the counterparty.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Investments were all rated triple A by Standard & Poor's and by Moody's Investors Services except a Federal Home Loan Mortgage Corporation Bond with a Par of \$50,000 due 3/21/2011. This bond was rated AA2 by Standard & Poor's and AA- by Moody's.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

At December 31, 2007, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Farm Credit Bank	U.S. Agency	5.44%
Federal Home Loan Mortgage	U.S. Agency	12.99%
Federal Home Loan Bank	U.S. Agency	17.21%
Federal National Mortgage	U.S. Agency	12.90%
GE Life and Annuity Contracts	Annuity	11.79%
Pacific Life Annuity Contract	Annuity	7.96%
Prudential Life Annuity Contract	Annuity	6.62%
Equitable Annuity Contract	Annuity	2.82%

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2007, the village's investments were as follows:

Investment Type	Maturity (In Years)			
	Fair Value	Less than 1	1-5	6-10
U.S. Treasuries	\$ 257,293	\$ 40,331	\$ 216,962	\$ -
U.S. agencies	3,856,112	1,328,402	2,033,467	494,243
Insurance company contract	2,318,333	2,318,333	-	-
Money market mutual fund	972,560	972,560	-	-
Illinois funds	400,416	400,416	-	-
Totals	\$ 7,804,714	\$ 5,060,042	\$ 2,250,429	\$ 494,243

See Note I.D.1. for further information on deposit and investment policies.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Motor Fuel Tax Fund	63rd St. and Archer Ave. TIF	Water Fund	Fiduciary Fund	Nonmajor and Other Funds	Totals
Receivables							
Property taxes	\$ 2,990,309	\$ -	\$ 751,901	\$ -	\$ -	\$ 130,420	\$ 3,872,630
Utility taxes	38,238	-	-	-	-	-	38,238
Sales taxes	256,382	-	-	-	-	-	256,382
Use taxes	12,278	-	-	-	-	-	12,278
Auto rental tax	1,582	-	-	-	-	-	1,582
Telecommunication taxes	100,842	-	-	-	-	-	100,842
Income tax	133,712	-	-	-	-	-	133,712
Court fines	6,260	-	-	-	-	-	6,260
Replacement taxes	25,588	-	-	-	-	-	25,588
MFT Allocation	-	24,733	-	-	-	-	24,733
Interest	-	-	-	-	58,405	-	58,405
Accounts	-	-	-	257,686	-	-	257,686
Gross receivables	3,565,191	24,733	751,901	257,686	58,405	130,420	4,788,336
Less: Allowance for uncollectibles	(138,050)	-	(32,915)	(31,045)	-	(6,000)	(208,010)
Net Total Receivables	<u>\$ 3,427,141</u>	<u>\$ 24,733</u>	<u>\$ 718,986</u>	<u>\$ 226,641</u>	<u>\$ 58,405</u>	<u>\$ 124,420</u>	<u>\$ 4,580,326</u>

All of the receivables on the balance sheet are expected to be collected within one year.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used 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. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Totals
Property taxes receivable - General Fund	\$ -	\$ 2,622,950	\$ 2,622,950
Property taxes receivable - 63rd St. and Archer Ave. Fund	-	625,385	625,385
Property taxes receivable - Non Major Funds	-	114,000	114,000
Sales tax - General Fund	84,991	-	84,991
Auto rental tax - General Fund	485	-	485
Telecommunication tax - General Fund	45,289	-	45,289
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 130,765</u>	<u>\$ 3,362,335</u>	<u>\$ 3,493,100</u>

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Under the accrual method deferred revenue is recognized as revenue in the period earned. An exception in Illinois is real estate taxes, whereby the intent of the village is to finance the following year's operations with those monies. Therefore, these amounts will remain deferred revenue or unearned for the government-wide statements.

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 588,120	\$ -	\$ -	\$ 588,120
Total Capital Assets Not Being Depreciated	588,120	-	-	588,120
Capital assets being depreciated				
Land improvements	98,868	-	-	98,868
Buildings	1,139,993	101,488	-	1,241,481
Machinery and equipment	1,507,659	36,823	67,800	1,476,682
Vehicles	2,519,415	100,138	71,783	2,547,770
Total Capital Assets Being Depreciated	5,265,935	238,449	139,583	5,364,801
Total Capital Assets	5,854,055	238,449	139,583	5,952,921
Less: Accumulated depreciation for				
Land improvements	(31,680)	(4,544)	-	(36,224)
Buildings	(524,936)	(23,570)	-	(548,506)
Machinery and equipment	(874,578)	(103,765)	16,950	(961,393)
Vehicles	(1,565,945)	(112,329)	22,581	(1,655,693)
Total Accumulated Depreciation	(2,997,139)	(244,208)	39,531	(3,201,816)
Net Capital Assets Being Depreciated	2,268,796	(5,759)	100,052	2,162,985
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 2,856,916	\$ (5,759)	\$ 100,052	\$ 2,751,105

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 4,310
Public safety	184,400
Public works	<u>55,498</u>
Total Governmental Activities Depreciation Expense	<u>\$ 244,208</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 17,117	\$ -	\$ -	\$ 17,117
Total Capital Assets Not Being Depreciated	<u>17,117</u>	<u>-</u>	<u>-</u>	<u>17,117</u>
Capital assets being depreciated				
Buildings	15,383	24,733	-	40,116
Improvements other than buildings	624,484	-	-	624,484
Waterworks and reservoir system	1,039,311	-	-	1,039,311
Machinery and equipment	<u>621,831</u>	<u>180,112</u>	<u>-</u>	<u>801,943</u>
Total Capital Assets Being Depreciated	<u>2,301,009</u>	<u>204,845</u>	<u>-</u>	<u>2,505,854</u>
Total Capital Assets	<u>2,318,126</u>	<u>204,845</u>	<u>-</u>	<u>2,522,971</u>
Less: Accumulated depreciation for				
Buildings	(15,383)	(247)	-	(15,630)
Improvements other than buildings	(464,635)	(15,839)	-	(480,474)
Waterworks and reservoir system	(979,768)	(9,200)	-	(988,968)
Machinery and equipment	<u>(462,214)</u>	<u>(36,130)</u>	<u>-</u>	<u>(498,344)</u>
Total Accumulated Depreciation	<u>(1,922,000)</u>	<u>(61,416)</u>	<u>-</u>	<u>(1,983,416)</u>
Net Capital Assets Being Depreciated	<u>379,009</u>	<u>266,261</u>	<u>-</u>	<u>522,438</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 396,126</u>	<u>\$ 266,261</u>	<u>\$ -</u>	<u>\$ 539,555</u>

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

Business-type Activities

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ <u>61,416</u>
Total Business-type Activities Depreciation Expense	\$ <u><u>61,416</u></u>

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfunds

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund	Motor Fuel Tax Fund	\$ 466
General Fund	Non-major Fund	41,304
General Fund	Water Fund	91,763
63rd St. and Archer Avenue TIF Fund	General Fund	366,672
Bond and Interest Fund	Non-major Fund	<u>23,423</u>
Total		<u>523,628</u>

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ <u>91,763</u>
Total Government-Wide Financial Statements		\$ <u><u>91,763</u></u>

All amounts are due within one year.

The above interfund balances exist because of the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Water Fund	\$ 250,000	For indirect general government expenses
General Fund	Motor Fuel Tax Fund	170,670	For expenses related to MFT project paid out of the General Fund
63rd St. and Archer Avenue TIF Fund	West Summit TIF Fund	395,534	To transfer funds to adjacent TIF
General Fund	West Summit TIF Fund	118	For direct government expenses
General Fund	63rd St. and Archer Avenue TIF Fund	<u>30,000</u>	For direct government expenses
Total		<u>846,322</u>	

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	\$ <u>221,060</u>
Total Government-wide Financial Statements		\$ <u><u>221,060</u></u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. SHORT-TERM DEBT ACTIVITY

The village issues short-term debt for the purpose of covering expenses in the near term while waiting for tax receipts.

Short-term debt activity for the year ended December 31, 2007, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation warrants	\$ -	\$ 100,000	\$ -	\$ 100,000
Totals	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2007, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 527,000	\$ -	\$ 96,000	\$ 431,000	\$ 99,000
Alternative revenue bonds	-	400,000	-	400,000	60,000
Sub-totals	<u>527,000</u>	<u>400,000</u>	<u>96,000</u>	<u>831,000</u>	<u>159,000</u>
Other Liabilities					
Notes payable	35,128	-	35,128	-	-
Capital leases	273,015	21,571	47,059	247,527	52,161
Compensated absences	376,715	396,590	432,582	340,723	340,723
Total Other Liabilities	<u>684,858</u>	<u>418,161</u>	<u>514,769</u>	<u>588,250</u>	<u>392,884</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,211,858</u>	<u>\$ 818,161</u>	<u>\$ 610,769</u>	<u>\$ 1,419,250</u>	<u>\$ 551,884</u>
Business-type Activities					
Other Liabilities					
Notes payable	\$ -	\$ 121,110	\$ -	\$ 121,110	\$ 31,793
Capital leases	-	30,062	2,362	27,700	6,880
Total Other Liabilities	<u>-</u>	<u>151,172</u>	<u>2,362</u>	<u>148,810</u>	<u>38,673</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ -</u>	<u>\$ 151,172</u>	<u>\$ 2,362</u>	<u>\$ 148,810</u>	<u>\$ 38,673</u>

The village is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625% of the most recent available equalized assessed valuation of the village. As of December 31, 2007, the statutory debt limit for the village was \$14,299,532, providing a debt margin of \$13,468,532.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/07</u>
Governmental Activities General Obligation Debt					
GO Bond Series 2004	1/9/2004	12/1/2012	3.4%	\$ 700,000	\$ <u>431,000</u>
Total Governmental Activities - General Obligation Debt					\$ <u>431,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 99,000	\$ 14,654
2009	103,000	11,288
2010	106,000	7,786
2011	110,000	4,182
2012	<u>13,000</u>	<u>442</u>
Totals	\$ <u>431,000</u>	\$ <u>38,352</u>

Alternative Revenue Debt

Governmental Activities Alternative Revenue Debt

Governmental activities alternative revenue bonds are payable from revenues derived from Motor Fuel tax collections.

Alternative revenue debt payable at December 31, 2007, consists of the following:

<u>Governmental Activities Alternative Revenue Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/07</u>
MFT alternate revenue bonds, Series 2007	10/1/2007	10/1/2013	5.75%	\$ 400,000	\$ <u>400,000</u>
Total Governmental Activities - Alternative Revenue Debt					\$ <u>400,000</u>

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Alternative Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities Alternative Revenue Debt	
	Principal	Interest
2008	\$ 60,000	\$ 23,000
2009	62,000	19,950
2010	65,000	15,986
2011	68,000	12,248
2012	71,000	8,338
2013	<u>74,000</u>	<u>4,256</u>
Totals	<u>\$ 400,000</u>	<u>\$ 83,778</u>

Notes Payable

Backhoe and dump truck notes are payable from the village's Water Fund.

Notes Payable at December 31, 2007 consist of the following:

Business-type Activities Notes Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/07
Dump Trucks Note	12/18/2007	12/18/2012	4.75%	\$ 99,200	\$ 99,200
Backhoe Note	7/15/2004	7/15/2009	3.95%	65,000	<u>21,910</u>
Total Business-type Activities Notes Payable					<u>\$ 121,110</u>

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F: LONG-TERM OBLIGATIONS (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Notes Payable	
	Principal	Interest
2008	\$ 31,793	\$ 5,330
2009	27,059	3,962
2010	19,797	2,957
2011	20,738	2,017
2012	<u>21,723</u>	<u>1,032</u>
Totals	\$ <u>121,110</u>	\$ <u>15,298</u>

Special Assessment Vouchers

As of December 31, 2007, 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, 2007, 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 liabilities. However, the village may be required to retire the vouchers in order to entice contractors to do future work with the village.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES

Lessee - Capital Leases

In recent years the village acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$351,263, which are included in capital assets in the governmental and business-type activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2007, are as follows:

Years	Governmental Activities			Business-type Activities		
	Principal	Interest	Totals	Principal	Interest	Totals
2008	\$ 52,161	\$ 11,784	\$ 63,945	\$ 6,880	\$ 1,684	\$ 8,564
2009	52,465	8,640	61,105	7,367	1,198	8,565
2010	32,700	6,161	38,861	7,888	677	8,565
2011	19,366	4,837	24,203	5,565	144	5,709
2012	17,468	4,007	21,475	-	-	-
2013-2017	<u>73,367</u>	<u>7,162</u>	<u>80,529</u>	-	-	-
Totals	<u>\$ 247,527</u>	<u>\$ 42,591</u>	<u>\$ 290,118</u>	<u>\$ 27,700</u>	<u>\$ 3,703</u>	<u>\$ 31,403</u>

Lessee - Operating Leases

Years	Governmental Activities Principal
2008	\$ 7,416
2009	6,039
2010	1,908
2011	<u>1,113</u>
Totals	<u>\$ 16,476</u>

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2007, includes the following:

Restricted	
Debt service	\$ 152,718
Road improvements	460,374
Drug prevention	228,208
Emergency 911	4,451
Community development	<u>2,063,433</u>
Total Restricted	<u>\$ 2,909,184</u>

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan Descriptions

The village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan does issue a separate report on the pension plan. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

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 8 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% of their final rate (average of the highest 48 consecutive months's earnings during the last 10 years) of earnings for each year thereafter. IMRF provides credited service up to 15 years and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes. Participating members are required to contribute 4.5% of their annual salary to IMRF. The village is required to contribute the remaining amounts necessary to fund the coverage of its own employees in IMRF, as specified by statute. For calendar year 2007, the village's required contribution rate was 7.85%.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The village accounts for the plan as a pension trust fund.

At December 31, 2007, the Police Pension membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	\$ 16
Active plan members	<u>31</u>
Total	<u>\$ 47</u>

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

The police pension fund provides retirement benefits as well as death and disability benefits. Participants 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 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 retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, 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 plans as actuarially determined by an enrolled actuary. Effective July 1, 1993 the village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033. For the year ended December 31, 2006, the village's contribution was 42% of covered payroll.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Summary of Significant Accounting Policies

Police Pension Plan

Basis of Accounting. The financial statements of the pension fund are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Annual Pension Cost

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

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2006	December 31, 2006
Contribution rates:		
Employer	7.85%	42.00%
Employee	4.50%	9.91%
Annual required contribution	\$121,664	\$816,835
Contributions made	\$121,664	\$485,887
Actuarial cost method	Entry-age normal 5 year smoothed market	Entry-age normal Market
Asset valuation method	Level percentage of payroll	Level percentage of payroll
Amortization method	25 years, closed	27 years
Amortization period		
Actuarial assumptions:		
Investment rate of return	7.50% Compounded annually	7.00% Compounded annually
Projected salary increases	4.00%	5.50%
Inflation rate included	4.00%	3.00%
Cost-of-living adjustments	.4 to 10.0%	3.00%

Net Pension Obligation

The village has not obtained an independent actuarial report and, as such, has not calculated a net pension obligation or its components.

VILLAGE OF SUMMIT

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual required contribution (ARC)	2006	\$ 121,664	\$ 816,835
	2005	78,790	657,066
	2004	16,778	598,420
Contributions made	2006	\$ 121,664	\$ 485,887
	2005	78,790	426,829
	2004	16,778	418,344
Percentage of APC contributed	2006	100%	59.48%
	2005	100%	64.96%
	2004	100%	69.91%

B. RISK MANAGEMENT

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. OTHER POSTEMPLOYMENT BENEFITS

The village provides postemployment health insurance benefits for all eligible employees. Eligibility is based on retiring with at least 20 years of service with the village. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the village. Funding for those costs is provided out of the current operating budget of the village. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were \$490,239. The number of participants currently eligible to receive benefits is 34.

VILLAGE OF SUMMIT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2007

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/06	\$ 121,664	100%	\$ -
12/31/05	78,790	100%	-
12/31/04	16,778	100%	-

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/06	\$ 4,061,495	\$ 3,860,800	\$ (200,695)	105.20%	\$ 1,596,635	-12.57%
12/31/05	3,865,328	3,699,944	(165,384)	104.47%	1,467,222	-11.27%
12/31/04	4,058,955	3,767,007	(291,948)	107.75%	1,433,995	-20.36%
12/31/03	4,682,590	3,832,614	(849,976)	122.18%	1,329,024	-63.95%
12/31/02	4,905,830	3,964,150	(941,680)	123.75%	1,377,001	-68.39%
12/31/01	5,024,664	4,016,471	(1,008,193)	125.10%	1,316,586	-76.58%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$5,007,262. On a market basis, the funded ratio would be 117.39%.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and more early retirements are expected to occur.

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	12/31/2007
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed.
Remaining amortization period	25 Years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.00%
Inflation factor	4.00%
Cost of living adjustments	.4 to 10.0%

See accompanying notes to required supplementary information

VILLAGE OF SUMMIT
POLICE PENSION FUND
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2007

Actuarial Valuation Date	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Employer Contributions
12/31/07	\$ 769,992	72%	\$ 562,032
12/31/06	816,835	59%	485,887
12/31/05	657,066	64%	426,829

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/06	\$ 7,441,003	\$ 18,094,109	\$ 10,653,106	41.12%	\$ 1,839,302	579.19%
12/31/05	6,956,895	17,371,478	10,414,583	40.05%	1,900,145	548.09%
12/31/04	6,743,731	15,005,800	8,262,069	44.94%	1,804,561	457.84%
12/31/03	6,272,488	15,378,792	9,106,304	40.79%	1,777,254	512.38%
12/31/02	5,713,735	14,164,860	8,451,125	40.34%	1,638,098	515.91%
12/31/01	6,647,905	12,713,103	6,065,198	52.29%	1,498,130	404.85%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	12/31/2007
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	28 Years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	5.50%
Inflation factor	3.00%
Cost of living adjustments	3.00%

See accompanying notes to required supplementary information

VILLAGE OF SUMMIT

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2007 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2006 ACTUAL
Revenues				
Property taxes				
General	\$ 2,369,381	\$ 2,000,188	\$ (369,193)	\$ 1,879,801
Road and bridge	25,000	24,281	(719)	24,718
Police pension	-	492,496	492,496	428,691
Total property taxes	<u>2,394,381</u>	<u>2,516,965</u>	<u>122,584</u>	<u>2,333,210</u>
Other taxes	2,078,300	2,221,623	143,323	2,318,615
Intergovernmental	975,000	1,178,888	203,888	1,065,587
Licenses, permits and fees	1,114,600	1,033,996	(80,604)	985,279
Fines and traffic violations	313,000	293,457	(19,543)	239,319
Charges for services	40,000	53,860	13,860	39,735
Interest	20,000	20,817	817	14,130
Reimbursement for damage to property	125,000	195,823	70,823	210,591
Miscellaneous	93,000	67,735	(25,265)	75,407
Total revenue	<u>7,153,281</u>	<u>7,583,164</u>	<u>429,883</u>	<u>7,281,873</u>
Expenditures				
Current				
General government	3,064,470	3,032,176	(32,294)	2,962,510
Public safety	3,418,712	4,024,143	605,431	3,936,589
Public works	761,476	681,419	(80,057)	674,673
Community development	84,973	62,698	(22,275)	93,960
Debt Service				
Principal	-	27,545	27,545	24,838
Interest	-	4,268	4,268	11,413
Capital Outlay	71,000	10,880	(60,120)	77,322
Total expenditures	<u>7,400,631</u>	<u>7,843,129</u>	<u>442,498</u>	<u>7,781,305</u>
(Deficiency) of revenues over expenditures	<u>(247,350)</u>	<u>(259,965)</u>	<u>(12,615)</u>	<u>(499,432)</u>
Other financing sources				
Sale of capital assets	125,000	2,864	(122,136)	-
Debt proceeds	-	-	-	47,500
Transfers in	555,000	450,788	(104,212)	530,366
Total other financing sources	<u>680,000</u>	<u>453,652</u>	<u>(226,348)</u>	<u>577,866</u>
Net change in fund balance	<u>\$ 432,650</u>	193,687	<u>\$ (238,963)</u>	78,434
Fund balance, beginning of year		<u>408,777</u>		<u>330,343</u>
Fund balance, end of year		<u>\$ 602,464</u>		<u>\$ 408,777</u>

See accompanying notes to required supplementary information

VILLAGE OF SUMMIT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2007

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

Excess expenditures over appropriations are as follows:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>	\$ 7,400,631	\$ 7,843,129	\$ 442,498

VILLAGE OF SUMMIT
GENERAL FUND
SCHEDULE OF REVENUE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007		VARIANCE WITH FINAL BUDGET	2006 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Property Taxes				
General	\$ 2,369,381	\$ 2,000,188	\$ (369,193)	\$ 1,879,801
Police pension	-	492,496	492,496	428,691
Road and bridge	<u>25,000</u>	<u>24,281</u>	<u>(719)</u>	<u>24,718</u>
Total property taxes	<u>2,394,381</u>	<u>2,516,965</u>	<u>122,584</u>	<u>2,333,210</u>
Other taxes				
Sales	895,000	1,127,446	232,446	1,201,561
Local use	146,300	139,160	(7,140)	128,897
Utility taxes	605,000	558,575	(46,425)	582,999
Telecommunication	400,000	375,256	(24,744)	370,211
Other taxes	<u>32,000</u>	<u>21,186</u>	<u>(10,814)</u>	<u>34,947</u>
Total other taxes	<u>2,078,300</u>	<u>2,221,623</u>	<u>143,323</u>	<u>2,318,615</u>
Intergovernmental				
State income tax	800,000	949,573	149,573	871,524
Personal property replacement tax	130,000	170,639	40,639	138,781
State grants	20,000	45,220	25,220	40,737
Federal grants	<u>25,000</u>	<u>13,456</u>	<u>(11,544)</u>	<u>14,545</u>
Total intergovernmental	<u>975,000</u>	<u>1,178,888</u>	<u>203,888</u>	<u>1,065,587</u>
Licenses permits and fees				
Ambulance fees	200,000	183,951	(16,049)	167,177
Sanitation fees	330,000	345,500	15,500	341,602
Licenses, permits and fees	<u>584,600</u>	<u>504,545</u>	<u>(80,055)</u>	<u>476,500</u>
Total licenses permits and fees	<u>1,114,600</u>	<u>1,033,996</u>	<u>(80,604)</u>	<u>985,279</u>
Fines and traffic violations				
Court fines	60,000	49,409	(10,591)	38,835
Traffic violations	250,000	241,503	(8,497)	197,529
Accident reports	<u>3,000</u>	<u>2,545</u>	<u>(455)</u>	<u>2,955</u>
Total fines and traffic violations	<u>313,000</u>	<u>293,457</u>	<u>(19,543)</u>	<u>239,319</u>
Charges for service				
Security	<u>40,000</u>	<u>53,860</u>	<u>13,860</u>	<u>39,735</u>
Total charges for service	<u>40,000</u>	<u>53,860</u>	<u>13,860</u>	<u>39,735</u>
Interest	20,000	20,817	817	14,130
Reimbursement for damage to property	125,000	195,823	70,823	210,591
Miscellaneous	<u>93,000</u>	<u>67,735</u>	<u>(25,265)</u>	<u>75,407</u>
Total revenues	<u>\$ 7,153,281</u>	<u>\$ 7,583,164</u>	<u>\$ 429,883</u>	<u>\$ 7,281,873</u>

VILLAGE OF SUMMIT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007			2006 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Expenditures				
General Government				
Village president	\$ 19,550	\$ 19,225	\$ (325)	\$ 18,859
Village board	171,583	159,821	(11,762)	255,875
Legal	213,500	173,528	(39,972)	198,050
Treasurer	6,300	5,012	(1,288)	4,299
Village collector	8,200	7,306	(894)	7,829
Village clerk	65,414	64,205	(1,209)	57,938
Village administrator	61,800	62,135	335	60,000
Health and liquor	5,000	4,000	(1,000)	7,369
Fire and police commission	3,350	3,183	(167)	7,004
Zoning board	2,300	1,122	(1,178)	309
Public liability insurance	2,065,113	2,074,893	9,780	1,890,487
Telephone	35,000	24,677	(10,323)	27,134
Electricity	20,000	7,612	(12,388)	8,881
Municipal building	81,000	66,040	(14,960)	59,829
Municipal retirement	275,000	325,215	50,215	306,631
Library reimbursements	1,100	-	(1,100)	20,682
Postage meter	10,000	14,417	4,417	14,068
Community services	8,160	8,146	(14)	5,166
Enterprise zone	12,100	11,639	(461)	12,100
Improvements	12,000	630	(11,370)	2,035
Total general government	3,076,470	3,032,806	(43,664)	2,964,545
Public Safety				
Police Department				
Salaries	2,425,167	2,518,101	92,934	2,454,654
Uniform allowance	42,000	33,627	(8,373)	27,849
Office supplies	5,000	5,461	461	5,356
Prisoner meals	1,200	636	(564)	1,233
Maintenance communication system	10,000	10,518	518	6,241
Livescan equipment	2,000	1,500	(500)	-
Training and schooling	4,500	4,491	(9)	4,165
Professional dues & periodicals	1,300	774	(526)	1,261
Gas and oil	64,000	82,688	18,688	67,439
Vehicle maintenance	25,000	31,136	6,136	30,481
Contingent expense	2,500	2,344	(156)	1,896
Copiers	5,612	5,003	(609)	3,843
Operating supplies	3,300	3,553	253	2,980
Conference expense	500	-	(500)	-
Legal notices	250	386	136	100
Educational reimbursement	25,000	2,800	(22,200)	14,645
Contribution to police pension fund	-	561,183	561,183	491,460
Medical supplies	250	155	(95)	240
Municipal systems	11,000	19,930	8,930	12,029
Cellular phones	4,000	4,250	250	3,446
Computer software	2,000	638	(1,362)	1,003
Animal hospital	1,000	580	(420)	429
Film and flash equipment	100	115	15	-
DUI	-	2,183	2,183	33,980

VILLAGE OF SUMMIT

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2006 ACTUAL
Vehicle equipment	\$ 1,000	\$ 95	\$ (905)	\$ -
Grant expenses	2,500	6,333	3,833	7,864
Possession expense	-	12,709	12,709	20,112
Body armor and firearms	500	-	(500)	-
Purchase of radio equipment	1,000	279	(721)	1,000
Purchase of equipment	<u>7,000</u>	<u>2,468</u>	<u>(4,532)</u>	<u>20,293</u>
Total police department	<u>2,647,679</u>	<u>3,313,936</u>	<u>666,257</u>	<u>3,213,999</u>
Fire Department				
Salaries	68,350	68,667	317	66,392
Gas and oil	10,000	10,414	414	10,827
Dues and professional materials	1,200	366	(834)	2,707
Uniform expense	4,000	1,189	(2,811)	2,001
Fire runs	190,000	183,684	(6,316)	187,457
Fire fighting supplies	10,000	7,761	(2,239)	6,776
Fire apparatus maintenance	20,000	12,446	(7,554)	19,203
Fire prevention material	1,000	1,163	163	-
Pagers/cell phones	6,000	4,244	(1,756)	4,468
Equipment - containment	7,750	7,350	(400)	5,000
Office supply	1,700	1,494	(206)	864
Computer expense	1,200	820	(380)	583
New equipment	12,000	3,698	(8,302)	2,995
Miscellaneous expense	<u>4,000</u>	<u>1,883</u>	<u>(2,117)</u>	<u>1,971</u>
Total fire department	<u>337,200</u>	<u>305,179</u>	<u>(32,021)</u>	<u>311,244</u>
Ambulance				
Salaries	413,433	387,221	(26,212)	403,537
Gas and oil	8,000	5,483	(2,517)	5,667
Vehicle maintenance	5,000	5,068	68	3,645
Medical supplies	7,000	4,404	(2,596)	5,330
Uniform expense	6,000	2,609	(3,391)	3,055
Purchase of equipment	5,200	2,255	(2,945)	7,045
Cellular phones	3,000	1,716	(1,284)	2,717
Computer expense	1,200	-	(1,200)	729
Training	2,000	1,709	(291)	2,058
Miscellaneous	1,000	479	(521)	851
Dues	<u>1,000</u>	<u>250</u>	<u>(750)</u>	<u>-</u>
Total ambulance	<u>452,833</u>	<u>411,194</u>	<u>(41,639)</u>	<u>434,634</u>
Total public safety	<u>3,437,712</u>	<u>4,030,309</u>	<u>592,597</u>	<u>3,959,877</u>

VILLAGE OF SUMMIT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007			2006 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Public Works				
Streets, Bridges, and Alleys				
Salaries	\$ 280,961	\$ 218,116	\$ (62,845)	\$ 234,513
Repairs, operation, and maintenance	12,000	4,691	(7,309)	9,615
Equipment maintenance and supplies	11,000	8,882	(2,118)	10,559
Gasoline and oil	25,000	25,819	819	21,935
Alley maintenance	500	-	(500)	-
Parkway maintenance	1,000	1,023	23	911
Engineer services	6,000	-	(6,000)	2,000
Safety and training	3,000	1,303	(1,697)	937
Vermin control	2,500	2,013	(487)	1,990
Contingent expense	1,200	1,027	(173)	723
Forestry consultant	500	-	(500)	375
Speed bumps	1,000	364	(636)	677
Storage yard rental	2,255	2,765	510	2,255
Sewer maintenance	8,000	7,363	(637)	3,292
Uniforms	2,300	5,146	2,846	1,122
Purchase of equipment	40,000	4,084	(35,916)	51,999
Total streets, bridges, and alleys	397,216	282,596	(114,620)	342,903
Garbage Department				
Dumping	323,316	336,436	13,120	322,060
Total garbage department	323,316	336,436	13,120	322,060
Building Inspector				
Salaries	44,744	38,864	(5,880)	38,319
Auto expense	4,000	2,157	(1,843)	543
Office equipment and supplies	1,000	647	(353)	499
Dues and subscriptions	500	190	(310)	135
Seminar	2,000	-	(2,000)	70
Phones	2,500	2,156	(344)	1,911
Inspectors	22,200	21,790	(410)	19,910
Computer expense	500	86	(414)	-
Demolition	3,000	571	(2,429)	280
Miscellaneous	500	10	(490)	42
Total building inspector	80,944	66,471	(14,473)	61,709
Total public works	801,476	685,503	(115,973)	726,672

VILLAGE OF SUMMIT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007		VARIANCE WITH FINAL BUDGET	2006 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Community Development				
Salaries	\$ 47,973	\$ 46,128	\$ (1,845)	\$ 46,575
Publications and dues	300	-	(300)	-
Supplies	300	284	(16)	247
Conferences and seminars	300	-	(300)	-
Legal and audit	1,300	1,085	(215)	2,174
Engineering	20,000	655	(19,345)	39,954
Contingency	300	300	-	-
Village match for CDBG grant expenditures	10,000	13,475	3,475	3,375
Computer services	1,250	240	(1,010)	250
Court reporter	3,000	410	(2,590)	1,385
Travel and mileage	250	121	(129)	-
Total community development	<u>84,973</u>	<u>62,698</u>	<u>(22,275)</u>	<u>93,960</u>
Debt Service				
Debt service - principal	-	27,545	27,545	24,838
Debt service - interest and other	-	4,268	4,268	4,882
Debt service - interest	-	-	-	6,531
Total debt service	<u>-</u>	<u>31,813</u>	<u>31,813</u>	<u>36,251</u>
Total expenditures	<u>\$ 7,400,631</u>	<u>\$ 7,843,129</u>	<u>\$ 442,498</u>	<u>\$ 7,781,305</u>

VILLAGE OF SUMMIT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2007

	SPECIAL REVENUE			CAPITAL PROJECT
	COMMUNITY DEVELOPMENT	DRUG	911 ETS	POLICE STATION RENOVATION
Assets				
Cash	\$ 83,061	\$ 228,208	\$ 80,480	\$ 25,000
Receivables (net allowance for uncollectibles):				
Property taxes	-	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 83,061</u>	<u>\$ 228,208</u>	<u>\$ 80,480</u>	<u>\$ 25,000</u>
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 56,353	\$ -	\$ 11,302	\$ -
Due to other funds	-	-	64,727	-
Deferred revenue	-	-	-	-
Total liabilities	<u>56,353</u>	<u>-</u>	<u>76,029</u>	<u>-</u>
Fund balance				
Unreserved, undesignated reported in				
Special revenue funds	26,708	228,208	4,451	-
Debt service fund	-	-	-	-
Capital projects fund	-	-	-	25,000
Total fund balance	<u>26,708</u>	<u>228,208</u>	<u>4,451</u>	<u>25,000</u>
Total liabilities and fund balance	<u>\$ 83,061</u>	<u>\$ 228,208</u>	<u>\$ 80,480</u>	<u>\$ 25,000</u>

<u>DEBT SERVICE</u>	
<u>BOND & INTEREST</u>	<u>TOTAL</u>
\$ 118,875	\$ 535,624
124,420	124,420
<u>23,423</u>	<u>23,423</u>
\$ <u>266,718</u>	\$ <u>683,467</u>
\$ -	\$ 67,655
-	64,727
<u>114,000</u>	<u>114,000</u>
<u>114,000</u>	<u>246,382</u>
-	259,367
152,718	152,718
<u>-</u>	<u>25,000</u>
<u>152,718</u>	<u>437,085</u>
\$ <u>266,718</u>	\$ <u>683,467</u>

VILLAGE OF SUMMIT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2007

	SPECIAL REVENUE			CAPITAL PROJECT
	COMMUNITY DEVELOPMENT	DRUG	911 ETS	WEST SUMMIT TIF
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 351,243
Other taxes	-	-	-	44,291
Intergovernmental	226,608	89,075	-	-
Charges for services	-	-	49,408	-
Reimbursements	-	45,171	-	-
Interest	-	5,071	375	118
Total revenues	<u>226,608</u>	<u>139,317</u>	<u>49,783</u>	<u>395,652</u>
Expenditures				
Current:				
Public safety	-	49,372	61,497	-
Community development	107,649	-	-	-
Debt Service:				
Principal	-	18,937	-	-
Interest	-	3,432	-	-
Capital Outlay	<u>101,488</u>	<u>203,758</u>	<u>8,729</u>	<u>-</u>
Total expenditures	<u>209,137</u>	<u>275,499</u>	<u>70,226</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>17,471</u>	<u>(136,182)</u>	<u>(20,443)</u>	<u>395,652</u>
Other financing sources (uses)				
Debt issued	-	21,571	-	-
Sale of capital assets	-	17,248	-	-
Transfers (out)	-	-	-	(395,652)
Total other financing sources (uses)	<u>-</u>	<u>38,819</u>	<u>-</u>	<u>(395,652)</u>
Net change in fund balance	17,471	(97,363)	(20,443)	-
Fund balance, beginning of year	<u>9,237</u>	<u>325,571</u>	<u>24,894</u>	<u>-</u>
Fund balance, end of year	<u>\$ 26,708</u>	<u>\$ 228,208</u>	<u>\$ 4,451</u>	<u>\$ -</u>

CAPITAL PROJECT DEBT SERVICE

POLICE STATION		
RENOVATION	BOND & INTEREST	TOTAL
\$ -	\$ 110,931	\$ 462,174
-	-	44,291
-	-	315,683
-	-	49,408
-	-	45,171
-	-	5,564
<u>-</u>	<u>110,931</u>	<u>922,291</u>
-	-	110,869
-	-	107,649
-	96,000	114,937
-	17,918	21,350
-	-	313,975
<u>-</u>	<u>113,918</u>	<u>668,780</u>
<u>-</u>	<u>(2,987)</u>	<u>253,511</u>
-	-	21,571
-	-	17,248
<u>-</u>	<u>-</u>	<u>(395,652)</u>
<u>-</u>	<u>-</u>	<u>(356,833)</u>
-	(2,987)	(103,322)
<u>25,000</u>	<u>155,705</u>	<u>540,407</u>
<u>\$ 25,000</u>	<u>\$ 152,718</u>	<u>\$ 437,085</u>

**VILLAGE OF SUMMIT
WATER FUND**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007			2006 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Operating revenues				
Charges for services				
Charges for services	\$ 1,683,000	\$ 1,772,656	\$ 89,656	\$ 1,537,864
Miscellaneous	<u>5,000</u>	<u>3,093</u>	<u>(1,907)</u>	<u>3,115</u>
Total operating revenues	<u>1,688,000</u>	<u>1,775,749</u>	<u>87,749</u>	<u>1,540,979</u>
Operating expenses				
Source of water				
Water purchases	650,000	618,342	(31,658)	570,693
Electricity - water pumps	<u>25,000</u>	<u>34,576</u>	<u>9,576</u>	<u>49,411</u>
Total source of water	<u>675,000</u>	<u>652,918</u>	<u>(22,082)</u>	<u>620,104</u>
Repairs and maintenance				
Salaries - assistant foreman, equipment operators	506,155	535,355	29,200	489,834
Maintenance and repairs				
Building	45,000	2,427	(42,573)	32,505
Trucks	10,000	8,442	(1,558)	7,015
Equipment	12,500	5,950	(6,550)	6,527
Gas and oil	9,000	10,813	1,813	7,248
Engineering	5,000	4,442	(558)	2,849
Leak detection	22,000	25,930	3,930	17,780
Purchase of water meters	26,000	23,074	(2,926)	18,738
Equipment	65,000	14,687	(50,313)	(1,197)
Contingency and testing	5,000	3,498	(1,502)	3,290
Supplies	111,200	75,565	(35,635)	75,651
Tower maintenance	5,000	1,500	(3,500)	-
Refunds	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>	<u>(455)</u>
Total repairs and maintenance	<u>824,855</u>	<u>711,683</u>	<u>(113,172)</u>	<u>659,785</u>
Administrative				
Salaries - superintendent, clerk, meter readers	135,532	138,927	3,395	132,358
Office Supplies	2,000	837	(1,163)	1,519
Telephone	5,700	5,501	(199)	4,648
Pagers/radios	1,500	1,112	(388)	1,210
Computer software/training	1,000	900	(100)	2,300
Training	5,000	2,967	(2,033)	1,405
Dues	5,000	5,000	-	-
Accounting	25,000	16,575	(8,425)	21,575
Permits	<u>1,200</u>	<u>476</u>	<u>(724)</u>	<u>-</u>
Total administrative	<u>181,932</u>	<u>172,295</u>	<u>(9,637)</u>	<u>165,015</u>
Depreciation expense	<u>6,000</u>	<u>61,416</u>	<u>55,416</u>	<u>56,487</u>
Total operating expenses	<u>1,687,787</u>	<u>1,598,312</u>	<u>(89,475)</u>	<u>1,501,391</u>
Operating income	<u>213</u>	<u>177,437</u>	<u>177,224</u>	<u>39,588</u>

**VILLAGE OF SUMMIT
WATER FUND**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007		VARIANCE WITH FINAL BUDGET	2006 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Non operating revenues (expenses)				
Interest income	\$ 1,500	\$ 309	\$ (1,191)	\$ 182
Interest expense	<u>-</u>	<u>(493)</u>	<u>(493)</u>	<u>-</u>
Total non operating revenues (expenses)	<u>1,500</u>	<u>(184)</u>	<u>(1,684)</u>	<u>182</u>
Income before transfers	<u>1,713</u>	<u>177,253</u>	<u>175,540</u>	<u>39,770</u>
Contributions and transfers				
Transfers out	(425,000)	(250,000)	175,000	(175,000)
Capital contributions	<u>-</u>	<u>28,940</u>	<u>28,940</u>	<u>-</u>
Total contributions and transfers	<u>(425,000)</u>	<u>(221,060)</u>	<u>203,940</u>	<u>(175,000)</u>
Change in net assets	<u>\$ (423,287)</u>	<u>(43,807)</u>	<u>\$ 379,480</u>	<u>(135,230)</u>
Net assets, beginning of year		<u>565,813</u>		<u>701,043</u>
Net assets, end of year		<u>\$ 522,006</u>		<u>\$ 565,813</u>

VILLAGE OF SUMMIT
FIVE YEAR SUMMARY OF ASSESSED VALUATIONS, TAX RATES,
EXTENSIONS AND COLLECTIONS
DECEMBER 31, 2007

	2002	2003	2004	2005	2006
Assessed valuation					
Total	<u>\$ 128,218,272</u>	<u>\$ 124,571,986</u>	<u>\$ 129,718,612</u>	<u>\$ 155,225,427</u>	<u>\$ 165,791,674</u>
Rates					
Corporate	0.1933	0.2377	0.2341	0.1943	0.2260
Bond and Interest	0.0872	0.0965	0.0926	0.0772	0.0721
Garbage	0.0788	0.0628	0.0610	0.1553	0.1552
Street Lighting	0.0053	0.0110	0.0107	0.0103	0.0103
Police Pension	0.3477	0.3073	0.2982	0.2835	0.3141
I.M.R.F.	0.1517	0.1477	0.1434	0.0392	0.0392
Social Security	0.0000	0.0000	0.0000	0.1172	0.1172
Street and Bridge	0.0341	0.0550	0.0562	0.0621	0.0621
Fire Protection	0.1274	0.1895	0.1457	0.1553	0.1552
Police Protection	0.0402	0.0707	0.0687	0.0582	0.0582
Civil Defense	0.0016	0.0000	0.0000	0.0000	0.0000
Liability Insurance	0.6481	0.6053	0.6695	0.4012	0.4011
Auditing	0.0265	0.0550	0.0381	0.0322	0.0322
Crossing Guard	0.0079	0.0094	0.0153	0.0155	0.0155
Total	<u>1.7498</u>	<u>1.8479</u>	<u>1.8335</u>	<u>1.6015</u>	<u>1.6584</u>
Tax extensions					
Corporate	\$ 247,845	\$ 296,107	\$ 303,671	\$ 301,603	\$ 374,689
Bond and Interest	111,887	120,269	120,089	119,784	119,614
Garbage	101,035	78,231	79,128	241,065	257,308
Street Lighting	6,795	13,702	13,879	15,988	17,076
Police Pension	445,814	382,809	386,820	440,064	520,751
I.M.R.F.	194,507	183,992	186,016	60,848	64,990
Social Security	-	-	-	181,924.00	194,307
Street and Bridge	43,722	68,514	72,901	96,394	102,956
Fire Protection	163,350	236,063	189,000	241,065	257,308
Police Protection	51,543	88,072	89,116	90,341	96,490
Civil Defense	2,051	0	-	-	-
Liability Insurance	830,982	754,034	868,466	622,764	664,990
Auditing	33,977	68,514	49,422	49,982	53,384
Crossing Guard	10,129	11,709	19,846	24,059	25,697
Total	<u>\$ 2,243,637</u>	<u>\$ 2,302,016</u>	<u>\$ 2,378,354</u>	<u>\$ 2,485,881</u>	<u>\$ 2,749,560</u>
Total collected at December 31, 2007	<u>\$ 2,122,104</u>	<u>\$ 2,038,751</u>	<u>\$ 2,155,195</u>	<u>\$ 2,417,943</u>	<u>\$ 2,291,241</u>
Percentage collected	<u>94.6%</u>	<u>88.6%</u>	<u>90.6%</u>	<u>97.3%</u>	<u>83.3%</u>

VILLAGE OF SUMMIT
BOND PAYMENT REQUIREMENTS
GENERAL OBLIGATION BOND ISSUE DATED JANUARY 9, 2004
DECEMBER 31, 2007

FISCAL ASSESSED VALUATION	BONDS ISSUED	BONDS OUTSTANDING	INTEREST PAYABLE IN FUTURE YEARS	LEVY PROVISIONS
2008	\$ 99,000	\$ 99,000	\$ 14,654	\$ 113,654
2009	103,000	103,000	11,288	114,288
2010	106,000	106,000	7,786	113,786
2011	110,000	110,000	4,182	114,182
2012	13,000	13,000	442	13,442
Total	<u>\$ 431,000</u>	<u>\$ 431,000</u>	<u>\$ 38,352</u>	

Rates

Interest Rate: 3.40%

Interest Date: December and June 1st of each year

Bonds Payable: December 1st

Paying Agent: Bridgeview Bank and Trust
Summit, Illinois

Purpose: Working Cash

VILLAGE OF SUMMIT
SCHEDULE OF BONDS OUTSTANDING AND LEGAL DEBT MARGIN
DECEMBER 31, 2007

YEAR ENDING	BONDS OUTSTANDING
Bonds outstanding:	
2008	\$ 159,000
2009	165,000
2010	171,000
2011	178,000
2012	84,000
2013	<u>74,000</u>
Total bonds outstanding	<u>\$ 831,000</u>
 Legal Debt Margin	
2006 assessed valuation	<u>\$ 165,791,674</u>
Rates	14,299,532
General obligation bonds outstanding	<u>831,000</u>
Legal debt margin	<u>\$ 13,468,532</u>

VILLAGE OF SUMMIT
SUMMARY OF CASH AND INVESTMENTS
DECEMBER 31, 2007

Cash

General Fund	\$ 569,870
Motor Fuel Tax Fund	106,245
Community Development Fund	83,061
E911 Fund	80,480
Drug Fund	53,778
63rd St. and Archer Ave. TIF Fund	1,576,452
Bond and Interest Fund	118,875
Police Station Renovation Fund	25,000
Water Fund	<u>253,303</u>

Total cash 2,867,064

Total cash and cash equivalents 2,867,064

Investments

Drug Fund	174,430
Motor Fuel Tax Fund	402,288
General Fund	<u>400,416</u>

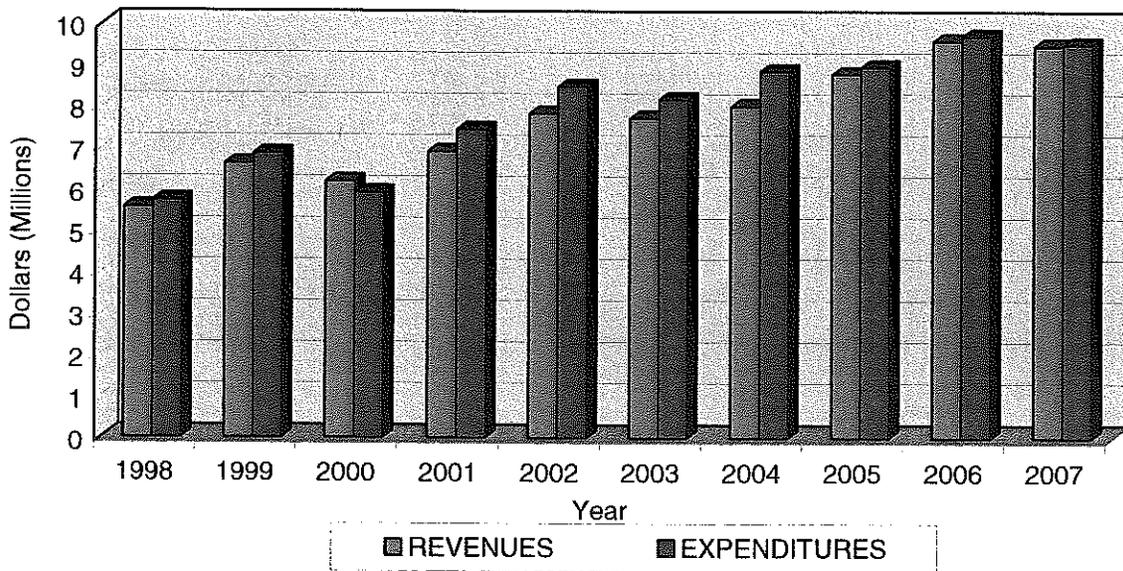
Total investments 977,134

Total cash and investments \$ 3,844,198

VILLAGE OF SUMMIT
REVENUES AND EXPENDITURES -
ALL GOVERNMENTAL FUNDS
FOR THE FISCAL PERIODS ENDED

YEAR	TOTAL REVENUES	TOTAL EXPENDITURES
1998	\$ 5,571,731	\$ 5,729,419
1999	6,624,975	6,870,746
2000	6,191,932	5,921,338
2001 **	6,921,614	7,460,338
2002	7,838,516	8,487,925
2003	7,730,439	8,182,772
2004	8,021,785	8,866,154
2005	8,798,040	8,967,636
2006	9,600,499	9,711,198
2007	9,484,569	9,523,474

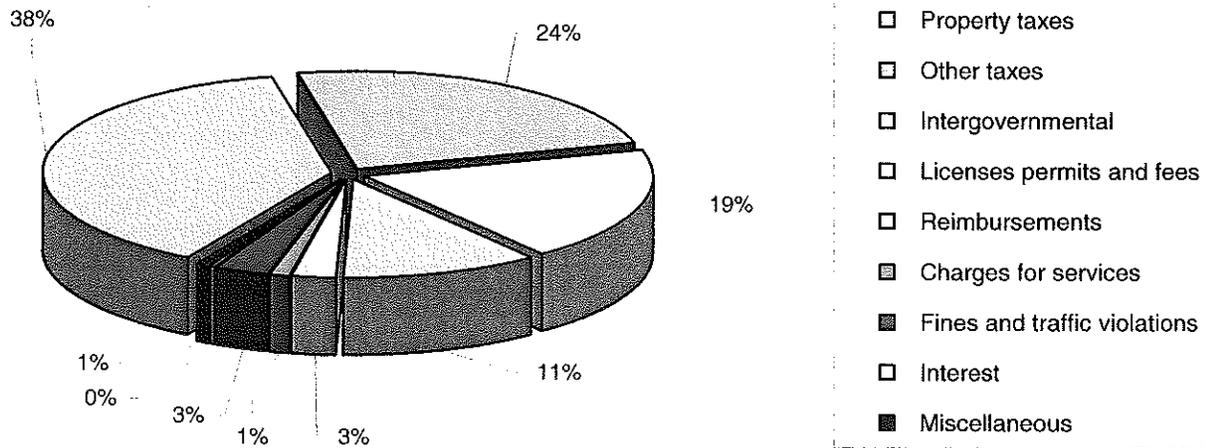
Fiscal Periods 1998 Through 2007



** Fiscal year 2001 includes the Special Tax Allocation and Drug Funds for the first time.

VILLAGE OF SUMMIT
GOVERNMENTAL REVENUES BY OBJECT TYPE
FOR THE YEAR ENDED DECEMBER 31, 2007

REVENUES	TOTAL
Property taxes	\$ 3,637,462
Other taxes	2,265,914
Intergovernmental	1,798,424
Licenses permits and fees	1,033,996
Reimbursements	240,994
Charges for services	103,268
Fines and traffic violations	293,457
Interest	38,086
Miscellaneous	<u>72,968</u>
 Total revenue	 <u>\$ 9,484,569</u>



VILLAGE OF SUMMIT
GOVERNMENTAL EXPENDITURES BY FUNCTION TYPE
FOR THE YEAR ENDED DECEMBER 31, 2007

EXPENDITURES

TOTAL

Current:	
General government	\$ 3,032,176
Public safety	4,135,012
Public works	1,633,481
Community development	208,375
Debt service	189,575
Capital outlay	<u>324,855</u>
 Total expenditures	 <u>\$ 9,523,474</u>

