

VILLAGE OF SUMMIT
Summit, IL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008
AND
INDEPENDENT AUDITORS' REPORT

VILLAGE OF SUMMIT
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FOR THE YEAR ENDED DECEMBER 31, 2008

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INDEPENDENT AUDITORS' REPORT

President and Board of Trustees
Village of Summit
7321 West 59th Street
Summit, Illinois 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, 2008, 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 Village of Summit police pension fund which represent 84%, 89% and (37)%, respectively, of the assets, equity and revenues of the aggregate remaining fund information. 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, 2008, 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.

Village of Summit

Management's Discussion and Analysis - Unaudited

For the Year Ended December 31, 2008

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, 2008. 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 \$4.8 million (net assets).
- In total, net assets decreased by \$0.6 million. This represents a 11% decrease from 2007 and is primarily the result of an increase in costs related to liability insurance and an increase in costs in the police department due to retirements and replacements.
- As of the close of the current fiscal year, the village's governmental funds reported combined ending fund balances of \$2,816,920, a decrease of \$0.7 million in comparison with the prior year.
- General revenues accounted for \$7.4 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 \$2.5 million or 25% of total governmental revenues of \$9.9 million.
- The village had \$10.6 million in expenses related to government activities. However, only \$2.5 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 \$213,094, or 3% of the total General Fund expenditures.
- The village's total long-term liabilities decreased by \$0.2 million during the current year to \$1.3 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 - Unaudited

For the Year Ended December 31, 2008

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 2 major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the 63rd St. and Archer Avenue TIF Fund, both of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The village adopts an annual budget for 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 - Unaudited

For the Year Ended December 31, 2008

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 - Unaudited
For the Year Ended December 31, 2008

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>	
	2008	2007	2008	2007	2008	2007
Assets:						
Current and other assets	\$ 7,832	\$ 8,003	\$ 473	\$ 388	\$ 8,305	\$ 8,391
Capital Assets	<u>2,636</u>	<u>2,751</u>	<u>447</u>	<u>540</u>	<u>3,083</u>	<u>3,291</u>
Total assets	<u>10,468</u>	<u>10,754</u>	<u>920</u>	<u>928</u>	<u>11,388</u>	<u>11,682</u>
Liabilities:						
Long-term liabilities	1,175	1,419	163	149	1,338	1,568
Other liabilities	<u>4,905</u>	<u>4,284</u>	<u>262</u>	<u>336</u>	<u>5,167</u>	<u>4,620</u>
Total liabilities	<u>6,080</u>	<u>5,703</u>	<u>425</u>	<u>485</u>	<u>6,505</u>	<u>6,188</u>
Net assets:						
Invested in capital assets, net of related debt	2,421	2,503	337	391	2,758	2,894
Restricted	2,312	2,909	-	-	2,312	2,909
Unrestricted	<u>(345)</u>	<u>(361)</u>	<u>158</u>	<u>52</u>	<u>(187)</u>	<u>(309)</u>
Total net assets	<u>\$ 4,388</u>	<u>\$ 5,051</u>	<u>\$ 495</u>	<u>\$ 443</u>	<u>\$ 4,883</u>	<u>\$ 5,494</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.

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 continues to deteriorate due to the harsh economic conditions. In the case of the village, total net assets decreased by \$0.6 million from \$5.5 million to \$4.8 million. The village's total assets equal \$11.4 million. The village's total liabilities equal \$6.5 million.

Village of Summit
Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2008

The village experienced a decrease in total assets of \$0.29 million. This decline is caused by a decrease in net capital assets and decrease in cash on hand. The Liabilities increased by \$0.34 million due to an increase in payables.

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>	
	2008	2007	2008	2007	2008	2007
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 1,628	\$ 1,703	\$ 2,044	\$ 1,776	\$ 3,672	\$ 3,479
Operating grants and contributions	691	647	-	-	691	647
Capital grants and contributions	213	-	-	-	213	-
<i>General revenues:</i>						
Property taxes	3,522	3,637	-	-	3,522	3,637
Other taxes	1,615	1,708	-	-	1,615	1,708
Intergovernmental	1,187	1,120	-	-	1,187	1,120
Other general revenues	763	672	-	-	763	672
Total revenues	9,619	9,487	2,044	1,776	11,663	11,263
Expenses:						
General government	3,253	3,028	-	-	3,253	3,028
Public safety	4,688	4,236	-	-	4,688	4,236
Public works	1,391	1,863	-	-	1,391	1,863
Community development	1,240	208	-	-	1,240	208
Interest and fees	61	33	-	-	61	33
Water	-	-	1,641	1,599	1,641	1,599
Total expenses	10,633	9,368	1,641	1,599	12,274	10,967
Transfers	351	221	(351)	(221)	-	-
Change in net assets	(663)	340	52	(44)	(611)	296
Net assets, beginning of year, as restated	5,051	4,711	443	487	5,494	5,198
Net assets end of year	\$ 4,388	\$ 5,051	\$ 495	\$ 443	\$ 4,883	\$ 5,494

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.

Village of Summit

Management's Discussion and Analysis - Unaudited

For the Year Ended December 31, 2008

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.

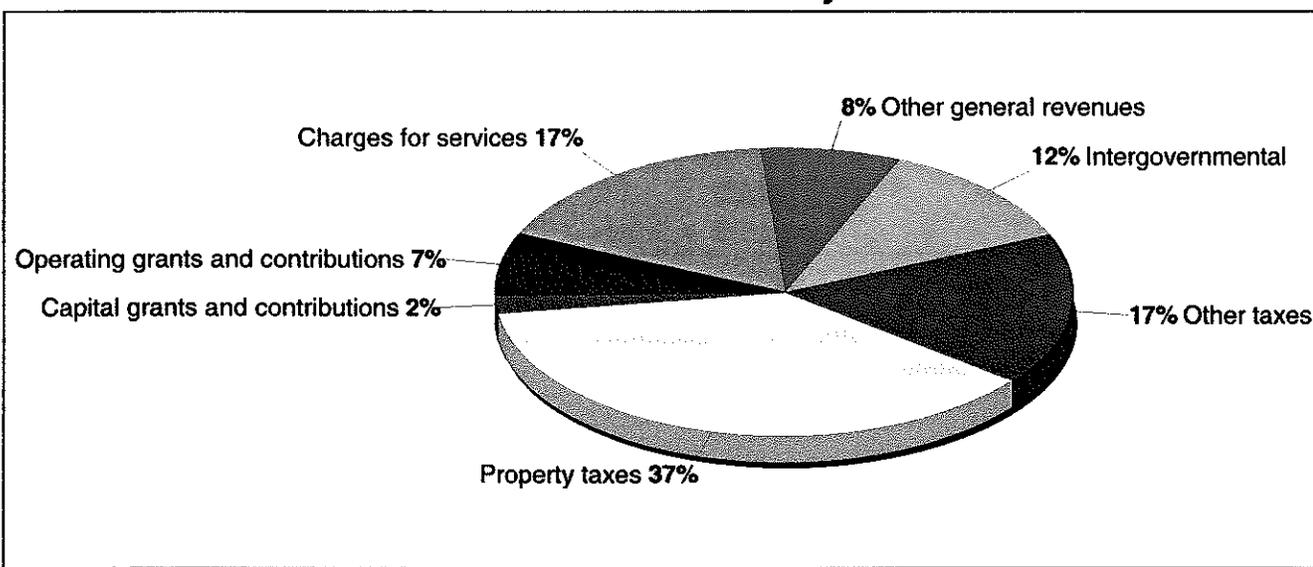
Inflation – while overall inflation appears to be reasonably modest, the village is a major consumer of certain commodities such as supplies, fuel, and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

In the current year, the village has continued its efforts to hold the line expenditures however certain items created cause for increases. The village continues to see increases in the insurances expenses and will work to make sure that the costs are maintained in the future. Due to the Tax Increment Financing District, the village had a significant increase in the spending in accordance with the redevelopment plan documents.

Governmental Activities

Governmental Revenues by Source

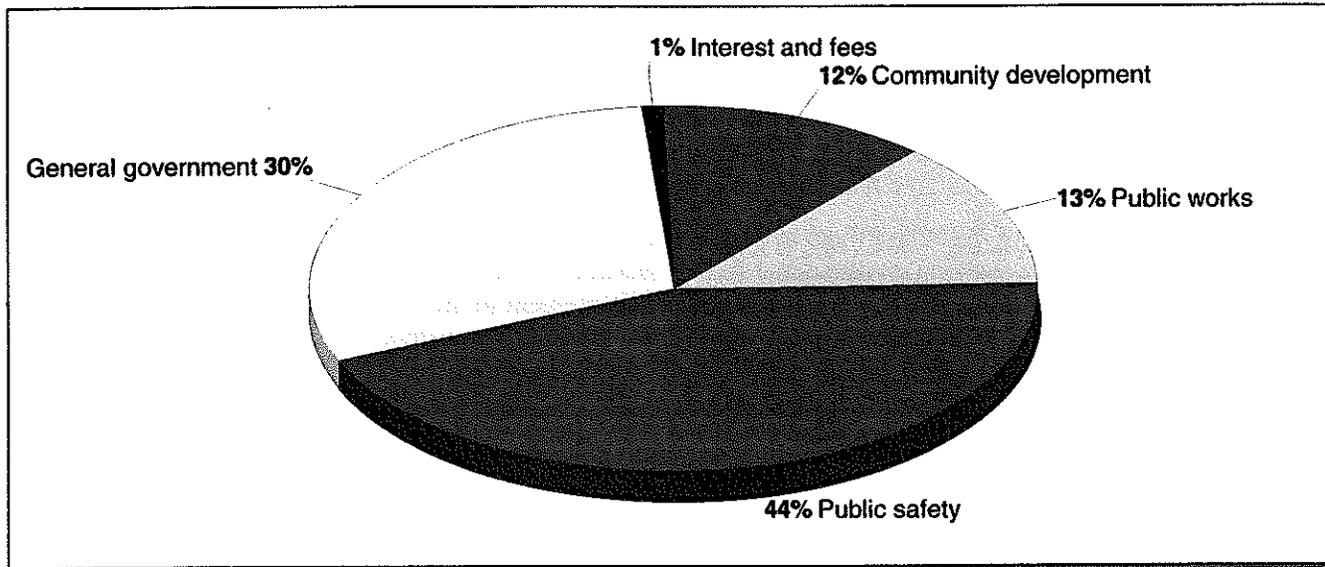


Revenues

In the current year, the village's revenue increased over prior year's due to increases in capital grants and contributions and income taxes. The village however, had declines in property tax collections and utility taxes collected due to the current downturn in the economy.

**Village of Summit
Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2008**

Governmental Expenses by Function



Expenses

Total expenditures increased by \$1.3 million. The village has noticed increase in the administration department due to increases in the insurance expenses, in the public safety department due to additional costs related to changes in staffing and in the community development costs due to an increase in the tax increment financing expenditures. The village does not expect the continued increase costs related to public safety but will monitor all other expenses.

Business-Type Activities

The business-type activity of the Village of Summit's includes the Water Department. The Water Department serves the Village of Summit residents and businesses. Pricing for the water is based on analysis of total costs related to the obtaining and distribution of water. These rates include the costs related to the village's supplier, the City of Chicago. The City of Chicago has increased rates and currently is in a three year increase totaling over 40%. The current year's revenues of the Water Department increased by \$268 thousand due to the pass through of the increase in water costs from the City of Chicago to the customers of the water system.

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.

Village of Summit

Management's Discussion and Analysis - Unaudited

For the Year Ended December 31, 2008

As of the close of the current fiscal year, the village's governmental fund reported combined ending fund balances of \$2,817 thousand, a decrease of \$720 thousand in comparison with the prior year. All of which is available for spending at the government's discretion (unreserved fund balance) within their respective fund types. Revenues increased by approximately \$752 thousand. This net increase was caused by fluctuations in various revenue line items including property taxes, intergovernmental revenues, fines and traffic violations and licenses, permits and fees. The village's increased expenditures over the prior year by \$1.210 million. This increase was due to increased costs in public safety and governmental operations noted above. The village has also seen declines within the public works area that minimized the increase.

The Proprietary Fund consists only of the Water Fund of the village. In the current year, the village increased their water rates charged to its customers which accounted for the increase in the revenues compared to prior year. The fund's expenses consist of personnel, water costs and reimbursement to the General Fund for services provided. In the current year, the Water Fund's expenditures (including transfers) increased by \$42 thousand. The net increase was caused by the fluctuations in the expenses for water from the City of Chicago and amounts reimbursed to the village for administrative expenses. The Proprietary Fund has total net assets of \$494 thousand of which \$158 thousand is unrestricted.

General Fund Budgetary Highlights

The village approves its budget in December prior to the beginning of the budget year. For the 2008 year, the budget was passed in December 2007 and no amendments were approved. The village takes a conservative approach to budgeting for revenues related to sales taxes, income taxes and replacement taxes. Because of this, these line items came in positively at the end of the year with revenues exceeding the budgeted amounts. The General fund revenues, however, came in at a net deficit to budget of \$268 thousand. This was primarily due to declines in fines and fees, charges for services and licenses and permits. With the current downturn in the economy, the village is experiencing declines in business licenses and building permits.

Expenditures budget exceeded actual in the General Fund in the amount of \$82 thousand. This was due to the village working to minimize the expenses in the area of General Government. The village overbudgeted for such items as liability insurance and legal expenditures. The savings in the General Government was utilized by excess expenditures in the public safety area, as mentioned above.

Capital Assets and Debt Administration

Capital assets

By the end of 2008, the village had compiled a total investment of \$8.5 million (\$3.1 million net of accumulated depreciation) in a broad range of capital assets. Total depreciation expense for the year was \$279 thousand. More detailed information about capital assets can be found in Note III C. of the basic financial statements.

Village of Summit
Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2008

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	2008	2007	2008	2007	2008	2007
Land	\$ 588	\$ 588	\$ 17	\$ 17	\$ 605	\$ 605
Construction in progress	16	-	-	-	16	-
Buildings	669	693	24	24	693	717
Land improvements	58	63	-	-	58	63
Improvements other than buildings	-	-	128	144	128	144
Water system	-	-	14	23	14	23
Vehicles	853	892	-	-	853	892
Machinery	452	515	264	304	716	819
Total	\$ 2,636	\$ 2,751	\$ 447	\$ 512	\$ 3,083	\$ 3,263

Debt Administration

The debt administration discussion covers two types of debt reported by the village's financial statements. The village's governmental activities include general obligation bonds, notes payable, capital leases, alternative revenue bond and compensated absences. During the year, the village entered into capital lease for \$25,145 to help finance the acquisition of a new vehicle and made payments of \$649,711 on existing debt. 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</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 332	\$ 431	\$ -	\$ -	\$ 332	\$ 431
Alternative revenue bonds	340	400	-	-	340	400
Notes and other long-term liabilities	503	588	163	149	666	737
Total	\$ 1,175	\$ 1,419	\$ 163	\$ 149	\$ 1,338	\$ 1,568

Village of Summit

Management's Discussion and Analysis - Unaudited

For the Year Ended December 31, 2008

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. The village is beginning to develop their Tax Increment Financing Area that was approved in 2003. The village is planning to install new street lighting and pave the alley in this area. In 2009, the village is planning a new Tax Increment Financing area that will work to develop a new residential area.

As the village looks to the cost of operations, they continue to see increases in the health insurance costs and the liability insurance costs. The costs related to retirement will continue to increase. Due to the current economic downturn, the required contributions to both the Police Pension and the Illinois Municipal Retirement Fund will continue to increase. This will cause additional burden on the village without additional revenues streams to support these costs. The current estimate for the increase in the 2009 levy is .1 percent.

Subsequent to year end, the village issued \$500,000 in Tax Anticipation Warrants to assist the village with cash flow shortfalls. These warrants will be used to support operations of the village and stabilize cash available for operations of 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, 2008

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
Assets			
Cash and investments	\$ 3,275,160	\$ 326,519	\$ 3,601,679
Receivables - (net of allowances for uncollectibles):			
Property taxes	3,603,438	-	3,603,438
Other taxes	418,690	-	418,690
Intergovernmental	223,150	-	223,150
Accounts	193,555	263,863	457,418
Internal balances	117,976	(117,976)	-
Capital assets (net of depreciation)			
Capital assets, not being depreciated			
Land	588,120	17,117	605,237
Construction in progress	15,720	-	15,720
Capital assets, being depreciated			
Land improvements	58,100	-	58,100
Buildings	669,393	24,239	693,632
Water system	-	13,800	13,800
Improvements other than buildings	-	128,171	128,171
Machinery	451,152	263,588	714,740
Vehicles	853,353	-	853,353
Total assets	<u>10,467,807</u>	<u>919,321</u>	<u>11,387,128</u>
Liabilities			
Accounts payable	697,644	73,876	771,520
Accrued payroll	192,707	43,158	235,865
Payroll liabilities	6,259	-	6,259
Deposits payable	55,425	144,464	199,889
Tax anticipation warrants	105,230	-	105,230
Unearned revenue	3,493,424	-	3,493,424
Due to other governments	30,119	-	30,119
Pension contributions payable	323,697	-	323,697
Noncurrent liabilities			
Due within one year	515,108	87,433	602,541
Due after one year	659,970	75,711	735,681
Total liabilities	<u>6,079,583</u>	<u>424,642</u>	<u>6,504,225</u>
Net assets			
Invested in capital assets, net of related debt	2,421,295	336,778	2,758,073
Restricted for:			
Debt service	153,956	-	153,956
Drug prevention	212,420	-	212,420
Emergency 911	86,190	-	86,190
Community development	1,745,918	-	1,745,918
Capital projects	113,662	-	113,662
Unrestricted (deficit)	(345,217)	157,901	(187,316)
Total net assets	<u>\$ 4,388,224</u>	<u>\$ 494,679</u>	<u>\$ 4,882,903</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, 2008

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government				
Governmental activities				
General government	\$ 3,253,313	\$ 557,498	\$ -	\$ -
Public safety	4,687,620	652,918	195,536	-
Public works	1,391,327	417,301	325,722	212,400
Community development	1,239,615	-	170,072	-
Interest and fees	<u>60,052</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>10,631,927</u>	<u>1,627,717</u>	<u>691,330</u>	<u>212,400</u>
Business-type activities				
Water	<u>1,641,482</u>	<u>2,044,229</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>1,641,482</u>	<u>2,044,229</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 12,273,409</u>	<u>\$ 3,671,946</u>	<u>\$ 691,330</u>	<u>\$ 212,400</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, as restated

Net assets, end of year

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

NET (EXPENSE) REVENUE AND CHANGES IN NET
ASSETS

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (2,695,815)	\$ -	\$ (2,695,815)
(3,839,166)	-	(3,839,166)
(435,904)	-	(435,904)
(1,069,543)	-	(1,069,543)
(60,052)	-	(60,052)
(8,100,480)	-	(8,100,480)
-	402,747	402,747
-	402,747	402,747
(8,100,480)	402,747	(7,697,733)
3,521,941	-	3,521,941
1,079,724	-	1,079,724
156,928	-	156,928
363,645	-	363,645
631,242	-	631,242
14,454	-	14,454
1,005,760	-	1,005,760
180,904	-	180,904
28,910	145	29,055
103,054	-	103,054
350,686	(350,686)	-
7,437,248	(350,541)	7,086,707
(663,232)	52,206	(611,026)
5,051,456	442,473	5,493,929
\$ 4,388,224	\$ 494,679	\$ 4,882,903

VILLAGE OF SUMMIT
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2008

	GENERAL	SPECIAL REVENUE 63RD ST. AND ARCHER AVE TIF	NONMAJOR FUNDS	TOTAL
Assets				
Cash	\$ 738,373	\$ 1,459,935	\$ 1,076,852	\$ 3,275,160
Receivables (net allowance for uncollectibles):				
Property taxes	2,797,515	696,276	109,647	3,603,438
Other taxes	418,690	-	-	418,690
Intergovernmental	152,815	-	70,335	223,150
Accounts	-	193,555	-	193,555
Due from other funds	<u>117,976</u>	<u>436,702</u>	<u>-</u>	<u>554,678</u>
Total assets	<u>\$ 4,225,369</u>	<u>\$ 2,786,468</u>	<u>\$ 1,256,834</u>	<u>\$ 8,268,671</u>
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 116,916	\$ 394,629	\$ 186,099	\$ 697,644
Accrued payroll	192,707	-	-	192,707
Payroll liabilities	6,259	-	-	6,259
Deposits payable	55,425	-	-	55,425
Tax anticipation warrants	105,230	-	-	105,230
Deferred revenue	2,838,850	656,544	108,574	3,603,968
Due to other funds	366,672	-	70,030	436,702
Due to other governments	6,519	-	23,600	30,119
Due to component units	<u>323,697</u>	<u>-</u>	<u>-</u>	<u>323,697</u>
Total liabilities	<u>4,012,275</u>	<u>1,051,173</u>	<u>388,303</u>	<u>5,451,751</u>
Fund balance				
Unreserved, undesignated reported in				
General fund	213,094	-	-	213,094
Special revenue funds	-	1,735,295	600,913	2,336,208
Debt service fund	-	-	153,956	153,956
Capital projects fund	<u>-</u>	<u>-</u>	<u>113,662</u>	<u>113,662</u>
Total fund balance	<u>213,094</u>	<u>1,735,295</u>	<u>868,531</u>	<u>2,816,920</u>
Total liabilities and fund balance	<u>\$ 4,225,369</u>	<u>\$ 2,786,468</u>	<u>\$ 1,256,834</u>	<u>\$ 8,268,671</u>

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

VILLAGE OF SUMMIT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008

Total fund balances - governmental funds \$ 2,816,920

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

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.

Cost of capital assets	\$ 6,050,967	
Depreciation expense to date	<u>(3,415,129)</u>	2,635,838

Revenue is deferred in the Fund Financial Statement because it is not available and recognized as revenue in the Government-wide Financial Statements.	110,544
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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.

Long-term liabilities payable	\$ <u>(1,175,078)</u>	<u>(1,175,078)</u>
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Net assets of governmental activities	\$ <u>4,388,224</u>
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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, 2008

	GENERAL	SPECIAL REVENUE 63RD ST. AND ARCHER AVE TIF	NONMAJOR FUNDS	TOTAL
Revenues				
Property taxes	\$ 2,715,978	\$ 691,071	\$ 114,892	\$ 3,521,941
Other taxes	2,266,214	-	-	2,266,214
Intergovernmental	1,292,034	-	680,443	1,972,477
Licenses, permits and fees	995,301	-	-	995,301
Reimbursements	144,218	-	-	144,218
Charges for services	52,260	-	71,548	123,808
Fines and traffic violations	269,907	-	-	269,907
Interest	8,194	5,504	15,212	28,910
Contributions from property owners	-	-	212,400	212,400
Miscellaneous	64,772	-	36,682	101,454
Total revenues	<u>7,808,878</u>	<u>696,575</u>	<u>1,131,177</u>	<u>9,636,630</u>
Expenditures				
Current:				
General government	3,249,549	-	-	3,249,549
Public safety	4,404,528	-	193,912	4,598,440
Public works	764,563	-	416,106	1,180,669
Community development	70,453	968,005	201,157	1,239,615
Debt Service:				
Principal	29,388	-	187,741	217,129
Interest	13,422	-	46,630	60,052
Capital Outlay	5,079	-	183,256	188,335
Total expenditures	<u>8,536,982</u>	<u>968,005</u>	<u>1,228,802</u>	<u>10,733,789</u>
Excess (deficiency) of revenues over expenditures	<u>(728,104)</u>	<u>(271,430)</u>	<u>(97,625)</u>	<u>(1,097,159)</u>
Other financing sources (uses)				
Sale of capital assets	1,600	-	-	1,600
Capital lease value	-	-	25,145	25,145
Transfers in	401,861	-	64,727	466,588
Transfers (out)	(64,727)	(30,000)	(21,175)	(115,902)
Total other financing sources (uses)	<u>338,734</u>	<u>(30,000)</u>	<u>68,697</u>	<u>377,431</u>
Net change in fund balance	(389,370)	(301,430)	(28,928)	(719,728)
Fund balance, beginning of year	<u>602,464</u>	<u>2,036,725</u>	<u>897,459</u>	<u>3,536,648</u>
Fund balance, end of year	<u>\$ 213,094</u>	<u>\$ 1,735,295</u>	<u>\$ 868,531</u>	<u>\$ 2,816,920</u>

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

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, 2008

Net change in fund balances - total governmental funds	\$	(719,728)
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>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.</p>		
Depreciation expense	\$	(213,313)
Capital outlays		<u>98,046</u>
		(115,267)
<p>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.</p>		
		(25,145)
<p>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.</p>		
		(20,221)
<p>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.</p>		
		<u>217,129</u>
Change in net assets of governmental activities	\$	<u><u>(663,232)</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, 2008

WATER

Assets

Current assets

Cash	\$	326,519
Receivables - (net of allowances for uncollectibles):		
Accounts		263,863
Total current assets		590,382

Noncurrent Assets

Capital assets

Land		17,117
Buildings		40,116
Improvements other than buildings		624,484
Waterworks and reservoir system		1,011,968
Machinery and equipment		801,943
Less accumulated depreciation		(2,048,713)
Total noncurrent assets		446,915
Total assets		1,037,297

Liabilities

Current liabilities

Accounts payable		73,876
Accrued payroll		43,158
Due to other funds		117,976
Deposits payable		144,464
Due within one year		87,433
Total current liabilities		466,907

Noncurrent liabilities

Due after one year		75,711
Total noncurrent liabilities		75,711
Total liabilities		542,618

Net assets

Invested in capital assets, net of related debt		336,778
Unrestricted		157,901
Total net assets	\$	494,679

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, 2008

	WATER
Operating revenues	
Charges for services	\$ <u>2,044,229</u>
Total operating revenues	<u>2,044,229</u>
Operating expenses	
Source of water	664,770
Repairs and maintenance	703,288
Administrative	201,112
Depreciation expense	<u>65,298</u>
Total operating expenses	<u>1,634,468</u>
Operating income	<u>409,761</u>
Non operating revenues (expenses)	
Interest income	145
Interest expense	<u>(7,014)</u>
Total non operating revenues (expenses)	<u>(6,869)</u>
Income (loss) before contributions and transfers	<u>402,892</u>
Contributions and transfers	
Transfers out	<u>(350,686)</u>
Total contributions and transfers	<u>(350,686)</u>
Change in net assets	52,206
Net assets, beginning of year, as restated	<u>442,473</u>
Net assets, end of year	<u>\$ 494,679</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, 2008

	WATER
Cash flows from operating activities	
Cash received from customers	\$ 2,006,799
Cash payments to suppliers for services	(825,546)
Cash payment to employees for services	<u>(712,625)</u>
Net cash provided by (used for) operating activities	<u>468,628</u>
Cash flows from non-capital financing activities	
Transfers to other funds	<u>(350,686)</u>
Net cash used for non-capital financing activities	<u>(350,686)</u>
Cash flows (used for) capital and related financing activities	
Payments of long-term debt	(37,857)
Interest expense	<u>(7,014)</u>
Net cash used for capital and related financing activities	<u>(44,871)</u>
Cash flows from investing activities	
Interest on investments	<u>145</u>
Net cash provided by investing activities	<u>145</u>
Net increase in cash and cash equivalents	73,216
Cash and cash equivalents, beginning of year	<u>253,303</u>
Cash and cash equivalents, end of year	<u>\$ 326,519</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 409,761
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	65,298
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(37,222)
Increase (decrease) in accounts payable	(11,635)
Increase (decrease) in accrued payroll	16,421
Increase (decrease) in due to other funds	26,213
Increase in deposits	<u>(208)</u>
Total adjustments	<u>58,867</u>
Net cash provided by operating activities	<u>\$ 468,628</u>

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

**VILLAGE OF SUMMIT
FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

	PENSION TRUST	SSA # 5 AGENCY
Assets		
Cash	\$ 355,806	\$ -
Investments		
Money market mutual funds	123,370	-
U.S. treasuries	215,337	-
U.S. agencies	3,915,241	-
Insurance company contracts	1,741,554	-
Stocks	119,832	-
Receivables - net of allowances:		
Accrued interest	59,941	-
Due from other funds	<u>323,697</u>	<u>23,600</u>
Total assets	<u>6,854,778</u>	<u>23,600</u>
Liabilities		
Due from bond holders	<u>-</u>	<u>23,600</u>
Total liabilities	<u>-</u>	<u>23,600</u>
Net assets		
Net assets held in trust for pension benefits	<u>\$ 6,854,778</u>	<u>\$ -</u>

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

VILLAGE OF SUMMIT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

PENSION TRUST

Additions

Contributions

Employer	\$ 575,997
Plan members	199,986
Total contributions	<u>775,983</u>

Investment Income

Interest	231,392
Net appreciation (depreciation) in fair value of investments	<u>(1,304,326)</u>
Total investment income	(1,072,934)
Less investment expenses	6,654
Net investment income	<u>(1,079,588)</u>
Total additions	<u>(303,605)</u>

Deductions

Benefits	770,017
Administration	<u>14,614</u>

Total deductions

784,631

Net change in fund balance

(1,088,236)

Net assets, beginning of year

7,943,014

Net assets, end of year

\$ 6,854,778

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

VILLAGE OF SUMMIT
INDEX TO NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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, 2008

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

A. REPORTING ENTITY (cont.)

Blended Component Unit

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, 2008

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.
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 Fund - 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

Motor Fuel Tax Fund

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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
Special Service Area #5

In addition, the village reports the following fund types:

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

Agency funds are used to account for assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Special Service Area #5

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.

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

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

Government-Wide Financial Statements (cont.)

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

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

Fund Financial Statements (cont.)

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

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, 2008

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 Statues 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, 2008, 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.

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, 2008

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 2008 attaches as an enforceable lien on January 1, 2008, 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). The tax levy, which attached as an enforceable lien on the property as of January 1, 2009, has not been recorded as a receivable as of 2008, as the tax has not yet been levied by the village and will not be levied until December 2009, and therefore, the levy is not measurable at December 31, 2008.

Tax bills for levy year 2008 are prepared by Cook County and issued on or about February 1, 2009 and September 1, 2009, and are payable in two installments, on or about March 1, 2009 and October 1, 2009 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2008 property tax levy is recognized as a receivable and deferral in fiscal 2008, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2008, the property taxes receivable and deferred tax revenue consisted of the estimated amount collectible from the 2008 levy, plus the uncollected portion of the 2007 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, 2008.

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

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

2. Receivables (cont.)

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.

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.

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 and construction in progress.

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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, 2008

NOTE 1 - 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 debt 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."

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

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

8. Equity Classifications (cont.)

Government-Wide Statements (cont.)

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.

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.

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

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.

As of December 31, 2008, the Police Station Renovation Fund had a deficit fund balance of \$68,070, this deficit is anticipated to be funded with future contributions or long-term borrowing.

C. REMITTING OF REPLACEMENT TAXES

The village did not comply with State Law it did not remit enough replacement taxes revenue to the Police Pension. Per Illinois Department of Commerce and Community Affairs, the second lien on personal property replacement tax funds each calendar year is for pension obligations. All pension obligations must be satisfied before the funds can be used for other purposes.

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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	\$ 3,422,361	\$ 3,355,653	Custodial
U.S. treasuries	215,337	215,337	Custodial, Interest Rate
U.S. agencies	3,915,241	3,915,241	Custodial , Credit, Interest Rate, Concentration of Credit
Insurance company contracts	1,741,554	1,741,554	Custodial, Credit, Concentration of Credit
Money market mutual funds	147,749	147,749	Credit, Interest Rate
Illinois funds	510,270	510,270	Credit, Interest Rate
Common Stocks	119,832	119,832	
Petty cash	475	-	N/A
Total Deposits and Investments	<u>\$ 10,072,819</u>	<u>\$ 10,005,636</u>	
Reconciliation to financial statements			
Per statement of net assets			
Cash and investments	\$ 3,601,679		
Per statement of net assets - fiduciary funds			
Cash and cash equivalents	355,806		
U.S. treasuries	215,337		
U.S. agencies	3,915,241		
Insurance company contracts	1,741,554		
Money market mutual funds	123,370		
Common stocks	119,832		
Total Deposits and Investments	<u>\$ 10,072,819</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and \$250,000 for noninterest bearing accounts.

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

A. DEPOSITS AND INVESTMENTS (cont.)

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.

As of December 31, 2008, \$2,102,254 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>2,102,254</u>
Total	\$ <u><u>2,102,254</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, 2008

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

A. DEPOSITS AND INVESTMENTS (cont.)

At December 31, 2008, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Total of Portfolio
GE Life and Annuity Contracts	Annuity	\$604,005
Pacific Life Annuity Contract	Annuity	\$389,955
Prudential Life Annuity Contract	Annuity	\$428,153
Equitable Annuity Contract	Annuity	\$319,441

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, 2008, the village's investments were as follows:

Investment Type	Maturity (In Years)			
	Fair Value	Less than 1	1-5	6-10
U.S. Treasuries	\$ 215,337	\$ 178,418	\$ 36,919	\$ -
U.S. agencies	3,915,241	335,412	2,045,416	997,298
Money market mutual fund	123,370	123,370	-	-
Totals	\$ 4,253,948	\$ 637,200	\$ 2,082,335	\$ 997,298

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

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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	63rd St. and Archer Ave. TIF	Water Fund	Fiduciary Fund	Nonmajor and Other Funds	Totals
Receivables						
Property taxes	\$ 2,941,114	\$ 730,831	\$ -	\$ -	\$ 115,361	\$ 3,787,306
Utility taxes	64,397	-	-	-	-	64,397
Sales taxes	247,319	-	-	-	-	247,319
Use taxes	12,944	-	-	-	-	12,944
Auto rental tax	1,776	-	-	-	-	1,776
Telecommunication taxes	92,255	-	-	-	-	92,255
Income tax	125,013	-	-	-	-	125,013
Court fines	4,705	-	-	-	-	4,705
Replacement taxes	18,679	-	-	-	-	18,679
MFT Allocation	-	-	-	-	25,835	25,835
Grants	4,418	-	-	-	44,500	48,918
Interest	-	-	-	59,941	-	59,941
Accounts	-	193,555	325,957	-	-	519,512
Gross receivables	3,512,620	924,386	325,957	59,941	185,696	5,008,600
Less: Allowance for uncollectibles	(143,600)	(34,555)	(62,094)	-	(5,714)	(245,963)
Net Total Receivables	<u>\$ 3,369,020</u>	<u>\$ 889,831</u>	<u>\$ 263,863</u>	<u>\$ 59,941</u>	<u>\$ 179,982</u>	<u>\$ 4,762,637</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	\$ -	\$ 2,728,305	\$ 2,728,305
Property taxes receivable - 63rd St. and Archer Ave. Fund	-	656,545	656,545
Property taxes receivable - Non Major Funds	-	108,574	108,574
Sales tax - General Fund	81,205	-	81,205
Auto rental tax - General Fund	660	-	660
Telecommunication tax - General Fund	28,679	-	28,679
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 110,544</u>	<u>\$ 3,493,424</u>	<u>\$ 3,603,968</u>

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 588,120	\$ -	\$ -	\$ 588,120
Construction in progress	<u>-</u>	<u>15,720</u>	<u>-</u>	<u>15,720</u>
Total Capital Assets Not Being Depreciated	<u>588,120</u>	<u>15,720</u>	<u>-</u>	<u>603,840</u>
Capital assets being depreciated				
Land improvements	98,868	-	-	98,868
Buildings	1,241,481	-	-	1,241,481
Machinery and equipment	1,476,682	22,575	-	1,499,257
Vehicles	<u>2,547,770</u>	<u>59,751</u>	<u>-</u>	<u>2,607,521</u>
Total Capital Assets Being Depreciated	<u>5,364,801</u>	<u>82,326</u>	<u>-</u>	<u>5,447,127</u>
Total Capital Assets	<u>5,952,921</u>	<u>98,046</u>	<u>-</u>	<u>6,050,967</u>
Less: Accumulated depreciation for				
Land improvements	(36,224)	(4,544)	-	(40,768)
Buildings	(548,506)	(23,582)	-	(572,088)
Machinery and equipment	(961,393)	(86,712)	-	(1,048,105)
Vehicles	<u>(1,655,693)</u>	<u>(98,475)</u>	<u>-</u>	<u>(1,754,168)</u>
Total Accumulated Depreciation	<u>(3,201,816)</u>	<u>(213,313)</u>	<u>-</u>	<u>(3,415,129)</u>
Net Capital Assets Being Depreciated	<u>2,162,985</u>	<u>(130,987)</u>	<u>-</u>	<u>2,031,998</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,751,105</u>	<u>\$ (115,267)</u>	<u>\$ -</u>	<u>\$ 2,635,838</u>

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 3,764
Public safety	161,072
Public works	<u>48,477</u>
Total Governmental Activities Depreciation Expense	\$ <u>213,313</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	40,116	-	-	40,116
Improvements other than buildings	624,484	-	-	624,484
Waterworks and reservoir system	1,011,968	-	-	1,011,968
Machinery and equipment	<u>801,943</u>	<u>-</u>	<u>-</u>	<u>801,943</u>
Total Capital Assets Being Depreciated	<u>2,478,511</u>	<u>-</u>	<u>-</u>	<u>2,478,511</u>
Total Capital Assets	<u>2,495,628</u>	<u>-</u>	<u>-</u>	<u>2,495,628</u>
Less: Accumulated depreciation for				
Buildings	(15,630)	(247)	-	(15,877)
Improvements other than buildings	(480,474)	(15,839)	-	(496,313)
Waterworks and reservoir system	(988,968)	(9,200)	-	(998,168)
Machinery and equipment	<u>(498,344)</u>	<u>(40,011)</u>	<u>-</u>	<u>(538,355)</u>
Total Accumulated Depreciation	<u>(1,983,416)</u>	<u>(65,297)</u>	<u>-</u>	<u>(2,048,713)</u>
Net Capital Assets Being Depreciated	<u>495,095</u>	<u>65,297</u>	<u>-</u>	<u>429,798</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 512,212</u>	<u>\$ 65,297</u>	<u>\$ -</u>	<u>\$ 446,915</u>

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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>65,297</u>
Total Business-type Activities Depreciation Expense	\$ <u><u>65,297</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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water Fund	\$ 117,976
63rd St. and Archer Avenue TIF Fund	General Fund	366,672
63rd St. and Archer Avenue TIF Fund	Non-major Fund	<u>70,030</u>
Total		<u>554,678</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	\$ <u>117,976</u>
Total Government-Wide Financial Statements		\$ <u><u>117,976</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, 2008

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	\$ 350,686	For indirect general government expenses
General Fund	Motor Fuel Tax Fund	21,175	For expenses related to MFT project paid out of the General Fund
General Fund	63rd St. and Archer Avenue TIF Fund	30,000	For direct government expenses
E911	General	<u>64,727</u>	For direct government expenses
Total		<u>\$ 466,588</u>	

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	<u>\$ 350,686</u>
Total Government-wide Financial Statements		<u>\$ 350,686</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, 2008

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, 2008, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation warrants	\$ 100,000	\$ 105,230	\$ 100,000	\$ 105,230
Totals	<u>\$ 100,000</u>	<u>\$ 105,230</u>	<u>\$ 100,000</u>	<u>\$ 105,230</u>

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2008, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 431,000	\$ -	\$ 99,000	\$ 332,000	\$ 103,000
Alternative revenue bonds	400,000	-	60,000	340,000	62,000
Sub-totals	<u>831,000</u>	<u>-</u>	<u>159,000</u>	<u>672,000</u>	<u>165,000</u>
Other Liabilities					
Capital leases	247,527	25,145	58,129	214,543	61,573
Compensated absences	324,527	346,299	382,291	288,535	288,535
Total Other Liabilities	<u>572,054</u>	<u>371,444</u>	<u>440,420</u>	<u>503,078</u>	<u>350,108</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,403,054</u>	<u>\$ 371,444</u>	<u>\$ 599,420</u>	<u>\$ 1,175,078</u>	<u>\$ 515,108</u>
Business-type Activities					
Other Liabilities					
Notes payable	\$ 121,110	\$ -	\$ 31,793	\$ 89,317	\$ 27,059
Capital leases	27,700	-	6,880	20,820	7,367
Compensated absences	52,188	61,393	60,574	53,007	53,007
Total Other Liabilities	<u>200,998</u>	<u>61,393</u>	<u>99,247</u>	<u>163,144</u>	<u>87,433</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 200,998</u>	<u>\$ 61,393</u>	<u>\$ 99,247</u>	<u>\$ 163,144</u>	<u>\$ 87,433</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, 2008, the statutory debt limit for the village was \$15,107,553, providing a debt margin of \$14,435,553.

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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 12/31/08</u>
Governmental Activities General Obligation Debt					
GO Bond Series 2004	1/9/2004	12/1/2012	3.4%	\$ 700,000	\$ <u>332,000</u>
Total Governmental Activities - General Obligation Debt					\$ <u><u>332,000</u></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>
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><u>332,000</u></u>	\$ <u><u>23,698</u></u>

Alternative Revenue Debt

Governmental Activities Alternative Revenue Debt

The MFT Alternative Revenue Debt payable at December 31, 2008 is backed by the full faith and credit of the village and 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 12/31/08</u>
MFT alternate revenue bonds, Series 2007	10/1/2007	10/1/2013	5.75%	\$ 400,000	\$ <u>340,000</u>
Total Governmental Activities - Alternative Revenue Debt					\$ <u><u>340,000</u></u>

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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:

<u>Years</u>	Governmental Activities Alternative Revenue Debt	
	<u>Principal</u>	<u>Interest</u>
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>\$ 340,000</u>	<u>\$ 60,778</u>

Notes Payable

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

Notes Payable at December 31, 2008 consist of the following:

<u>Business-type Activities Notes Payable</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/08</u>
Dump Trucks Note	12/18/2007	12/18/2012	4.75%	\$ 99,200	\$ 81,157
Backhoe Note	7/15/2004	7/15/2009	3.95%	65,000	<u>8,160</u>
Total Business-type Activities Notes Payable					<u>\$ 89,317</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Notes Payable	
	<u>Principal</u>	<u>Interest</u>
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>\$ 89,317</u>	<u>\$ 9,968</u>

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

F. LONG-TERM OBLIGATIONS (cont.)

Capital Leases

Refer to Note III. G.

Special Assessment Vouchers

As of December 31, 2008, 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, 2008, 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.

As of December 31, 2008, the village had special assessment vouchers payable outstanding for assessment #5 in the amount of \$236,000 with an interest rate of 6.50%. The vouchers are due in annual installments beginning December 23, 2009 with a final maturity on December 23, 2018. At December 31, 2008 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.

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 \$376,408, 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, 2008, are as follows:

Years	Governmental Activities			Business-type Activities		
	Principal	Interest	Totals	Principal	Interest	Totals
2009	\$ 61,572	\$ 9,616	\$ 71,188	\$ 7,367	\$ 1,198	\$ 8,565
2010	41,957	6,589	48,546	7,888	677	8,565
2011	21,626	4,859	26,485	5,565	144	5,709
2012	17,468	4,007	21,475	-	-	-
2013	18,313	3,162	21,475	-	-	-
2014-2018	53,607	4,000	57,607	-	-	-
Totals	\$ 214,543	\$ 32,233	\$ 246,776	\$ 20,820	\$ 2,019	\$ 22,839

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

G. LEASE DISCLOSURES (cont.)

Lessee - Operating Leases

<u>Years</u>	<u>Governmental Activities Principal</u>
2009	\$ 4,131
2010	1,908
2011	1,908
2012	<u>1,113</u>
Totals	<u>\$ 9,060</u>

H. RESTATEMENT OF NET ASSETS

Net assets has been restated due to

Governmental Activities Net Assets - December 31, 2007 (as reported)	\$ 4,999,268
Add: Change in compensated absences	<u>52,188</u>
Net Assets - January 01, 2008 (as restated)	<u>\$ 5,051,456</u>
Business-Type Activities Net Assets - December 31, 2007 (as reported)	\$ 522,006
Less: Change in compensated absences	(52,188)
Change in fixed assets	<u>(27,345)</u>
Net Assets - January 01, 2008 (as restated)	<u>\$ 442,473</u>

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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 2008, the village's required contribution rate was 7.64%.

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, 2008, the Police Pension membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	18
Active plan members	<u>30</u>
Total	<u><u>48</u></u>

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

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, 2007, the village's contribution was 40% of covered payroll.

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.

VILLAGE OF SUMMIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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, 2007	December 31, 2007
Contribution rates:		
Employer	7.85%	40.22%
Employee	4.50%	9.91%
Annual required contribution	\$127,946	\$769,992
Contributions made	\$127,946	\$562,032
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	26 years
Amortization period		
Actuarial assumptions:		
Investment rate of return	7.50%	7.00%
	Compounded annually	Compounded annually
Projected salary increases	4.00%	5.50%
Inflation rate included	4.00%	3.00%
Cost-of-living adjustments	0.4 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, 2008

NOTE IV - OTHER INFORMATION (cont.)

D. SUBSEQUENT EVENTS

Subsequent to December 31, 2008, the investment markets have experienced significant volatility. It is highly likely that the values of the village's investments have changed by material amounts since year end.

The village issued General Obligation Tax Anticipation Warrants in the amount of \$500,000 on January 30, 2009. The Warrants are due on December 31, 2010 and are issued against the tax levy for general corporate and special purposes for the 2009 tax year.

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. Application of these standards may restate portions of these financial statements.

VILLAGE OF SUMMIT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2008

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 127,946	100%	\$ -
12/31/06	121,664	100%	-
12/31/05	78,790	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)
12/31/07	\$ 4,602,187	\$ 4,265,369	\$ (336,818)	107.90%	\$ 1,629,885	-20.67%
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%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$2,354,135. On a market basis, the funded ratio would be 50.62%.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2008 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	24 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	0.4 to 11.6%

VILLAGE OF SUMMIT
POLICE PENSION FUND
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2008

Date	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Employer Contributions
12/31/08	\$ 838,340	69%	\$ 575,997
12/31/07	769,992	73%	562,032
12/31/06	816,835	59%	485,887

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)
12/31/07	\$ 7,853,602	\$ 19,525,172	\$ 11,671,570	40.22%	\$ 2,691,065	433.72%
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%

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	27 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%

VILLAGE OF SUMMIT

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2007

	2008		VARIANCE WITH FINAL BUDGET	2007 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Property taxes				
General	\$ 2,519,392	\$ 2,133,558	\$ (385,834)	\$ 2,000,188
Road and bridge	25,000	30,888	5,888	24,281
Police pension	-	551,532	551,532	492,496
Total property taxes	<u>2,544,392</u>	<u>2,715,978</u>	<u>171,586</u>	<u>2,516,965</u>
Other taxes	2,331,000	2,266,214	(64,786)	2,221,623
Intergovernmental	1,263,000	1,292,034	29,034	1,178,888
Licenses, permits and fees	1,206,100	995,301	(210,799)	1,033,996
Fines and traffic violations	313,000	269,907	(43,093)	293,457
Charges for services	50,000	52,260	2,260	53,860
Interest	20,000	8,194	(11,806)	20,817
Reimbursement for damage to property	180,000	144,218	(35,782)	195,823
Miscellaneous	169,100	64,772	(104,328)	67,735
Total revenue	<u>8,076,592</u>	<u>7,808,878</u>	<u>(267,714)</u>	<u>7,583,164</u>
Expenditures				
Current				
General government	3,654,216	3,249,549	(404,667)	3,032,176
Public safety	4,055,737	4,404,528	348,791	4,024,143
Public works	764,289	764,563	274	681,419
Community development	86,543	70,453	(16,090)	62,698
Debt Service				
Principal	-	29,388	29,388	27,545
Interest	-	13,422	13,422	4,268
Capital Outlay	58,000	5,079	(52,921)	10,880
Total expenditures	<u>8,618,785</u>	<u>8,536,982</u>	<u>(81,803)</u>	<u>7,843,129</u>
(Deficiency) of revenues over expenditures	<u>(542,193)</u>	<u>(728,104)</u>	<u>(185,911)</u>	<u>(259,965)</u>
Other financing sources (uses)				
Sale of capital assets	175,000	1,600	(173,400)	2,864
Transfers in	463,000	401,861	(61,139)	450,788
Transfers (out)	-	(64,727)	(64,727)	-
Total other financing sources (uses)	<u>638,000</u>	<u>338,734</u>	<u>(299,266)</u>	<u>453,652</u>
Net change in fund balance	\$ <u>95,807</u>	(389,370)	\$ <u>(485,177)</u>	193,687
Fund balance, beginning of year		<u>602,464</u>		<u>408,777</u>
Fund balance, end of year		\$ <u>213,094</u>		\$ <u>602,464</u>

See auditors' report and accompanying notes to required supplementary information

VILLAGE OF SUMMIT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2008

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.

VILLAGE OF SUMMIT
GENERAL FUND
SCHEDULE OF REVENUE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2007

	2008		VARIANCE WITH FINAL BUDGET	2007 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Property Taxes				
General	\$ 2,519,392	\$ 2,133,558	\$ (385,834)	\$ 2,000,188
Police pension	-	551,532	551,532	492,496
Road and bridge	<u>25,000</u>	<u>30,888</u>	<u>5,888</u>	<u>24,281</u>
Total property taxes	<u>2,544,392</u>	<u>2,715,978</u>	<u>171,586</u>	<u>2,516,965</u>
Other taxes				
Sales	1,300,000	1,083,510	(216,490)	1,127,446
Local use	-	156,928	156,928	139,160
Utility taxes	617,000	631,242	14,242	558,575
Telecommunication	400,000	380,255	(19,745)	375,256
Other taxes	<u>14,000</u>	<u>14,279</u>	<u>279</u>	<u>21,186</u>
Total other taxes	<u>2,331,000</u>	<u>2,266,214</u>	<u>(64,786)</u>	<u>2,221,623</u>
Intergovernmental				
State income tax	860,000	1,005,760	145,760	949,573
Personal property replacement tax	183,000	180,904	(2,096)	170,639
State grants	195,000	87,952	(107,048)	45,220
Federal grants	<u>25,000</u>	<u>17,418</u>	<u>(7,582)</u>	<u>13,456</u>
Total intergovernmental	<u>1,263,000</u>	<u>1,292,034</u>	<u>29,034</u>	<u>1,178,888</u>
Licenses permits and fees				
Ambulance fees	200,000	155,255	(44,745)	183,951
Sanitation fees	400,000	417,301	17,301	345,500
Licenses, permits and fees	<u>606,100</u>	<u>422,745</u>	<u>(183,355)</u>	<u>504,545</u>
Total licenses permits and fees	<u>1,206,100</u>	<u>995,301</u>	<u>(210,799)</u>	<u>1,033,996</u>
Fines and traffic violations				
Court fines	60,000	53,660	(6,340)	49,409
Traffic violations	250,000	213,514	(36,486)	241,503
Accident reports	<u>3,000</u>	<u>2,733</u>	<u>(267)</u>	<u>2,545</u>
Total fines and traffic violations	<u>313,000</u>	<u>269,907</u>	<u>(43,093)</u>	<u>293,457</u>
Charges for service				
Security	<u>50,000</u>	<u>52,260</u>	<u>2,260</u>	<u>53,860</u>
Total charges for service	<u>50,000</u>	<u>52,260</u>	<u>2,260</u>	<u>53,860</u>

VILLAGE OF SUMMIT
GENERAL FUND
SCHEDULE OF REVENUE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2007

	2008			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2007 ACTUAL
Interest	\$ 20,000	\$ 8,194	\$ (11,806)	\$ 20,817
Reimbursement for damage to property	180,000	144,218	(35,782)	195,823
Miscellaneous	<u>169,100</u>	<u>64,772</u>	<u>(104,328)</u>	<u>67,735</u>
Total revenues	<u>\$ 8,076,592</u>	<u>\$ 7,808,878</u>	<u>\$ (267,714)</u>	<u>\$ 7,583,164</u>

VILLAGE OF SUMMIT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2007

	2008		VARIANCE WITH FINAL BUDGET	2007 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Expenditures				
General Government				
Village president	\$ 19,550	\$ 19,498	\$ (52)	\$ 19,225
Village board	189,031	213,951	24,920	159,821
Legal	217,500	160,055	(57,445)	173,528
Treasurer	8,400	5,245	(3,155)	5,012
Village collector	7,000	7,087	87	7,306
Village clerk	67,012	64,459	(2,553)	64,205
Village administrator	66,963	67,715	752	62,135
Health and liquor	5,000	5,396	396	4,000
Fire and police commission	9,950	3,214	(6,736)	3,183
Zoning board	2,300	25	(2,275)	1,122
Public liability insurance	2,552,750	2,166,988	(385,762)	2,074,893
Telephone	35,000	25,028	(9,972)	24,677
Electricity	20,000	7,646	(12,354)	7,612
Municipal building	97,000	95,339	(1,661)	66,040
Municipal retirement	313,000	349,658	36,658	325,215
Library reimbursements	6,000	24,283	18,283	-
Postage meter	15,000	15,047	47	14,417
Community services	10,160	6,409	(3,751)	8,146
Enterprise zone	12,600	12,506	(94)	11,639
Improvements	2,000	-	(2,000)	630
Total general government	<u>3,656,216</u>	<u>3,249,549</u>	<u>(406,667)</u>	<u>3,032,806</u>
Public Safety				
Police Department				
Salaries	2,541,675	2,791,301	249,626	2,518,101
Uniform allowance	43,150	25,557	(17,593)	33,627
Office supplies	7,000	7,665	665	5,461
Prisoner meals	1,200	850	(350)	636
Maintenance communication system	7,500	5,482	(2,018)	10,518
Livescan equipment	2,000	2,000	-	1,500
Training and schooling	5,000	3,135	(1,865)	4,491
Professional dues & periodicals	1,000	383	(617)	774
Gas and oil	68,000	84,851	16,851	82,688
Vehicle maintenance	35,000	28,491	(6,509)	31,136
Contingent expense	2,500	1,520	(980)	2,344
Copiers	5,000	6,281	1,281	5,003
Operating supplies	8,300	7,871	(429)	3,553
Conference expense	1,000	-	(1,000)	-
Legal notices	250	127	(123)	386
Educational reimbursement	25,000	1,050	(23,950)	2,800
Contribution to police pension fund	500,000	575,999	75,999	561,183
Medical supplies	250	-	(250)	155
Municipal systems	18,000	25,029	7,029	19,930
Cellular phones	4,000	4,081	81	4,250
Computer software	2,000	1,562	(438)	638
Animal hospital	1,000	623	(377)	580
Film and flash equipment	100	-	(100)	115
DUI	-	52,040	52,040	2,183

VILLAGE OF SUMMIT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2007

	2008			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2007 ACTUAL
Vehicle equipment	\$ 1,500	\$ 1,500	\$ -	\$ 95
Grant expenses	5,000	602	(4,398)	6,333
Possession expense	-	-	-	12,709
Body armor and firearms	500	-	(500)	-
Contingent	-	8,442	8,442	-
Purchase of radio equipment	1,500	863	(637)	279
Purchase of equipment	17,000	2,398	(14,602)	2,468
Total police department	<u>3,304,425</u>	<u>3,639,703</u>	<u>335,278</u>	<u>3,313,936</u>
Fire Department				
Salaries	60,204	60,898	694	68,667
Gas and oil	15,000	12,136	(2,864)	10,414
Dues and professional materials	1,000	581	(419)	366
Uniform expense	3,000	938	(2,062)	1,189
Fire runs	200,000	201,436	1,436	183,684
Fire fighting supplies	10,000	7,714	(2,286)	7,761
Fire apparatus maintenance	15,000	13,515	(1,485)	12,446
Fire prevention material	1,500	1,140	(360)	1,163
Pagers/cell phones	5,000	2,487	(2,513)	4,244
Equipment - containment	8,000	7,781	(219)	7,350
Office supply	1,700	1,897	197	1,494
Computer expense	1,200	114	(1,086)	820
New equipment	9,000	1,572	(7,428)	3,698
Training expenses	-	1,500	1,500	-
Miscellaneous expense	3,000	3,266	266	1,883
Total fire department	<u>333,604</u>	<u>316,975</u>	<u>(16,629)</u>	<u>305,179</u>
Ambulance				
Salaries	406,508	423,459	16,951	387,221
Gas and oil	8,000	7,628	(372)	5,483
Vehicle maintenance	7,000	7,160	160	5,068
Medical supplies	6,000	5,748	(252)	4,404
Uniform expense	3,000	1,345	(1,655)	2,609
Purchase of equipment	5,700	2,776	(2,924)	2,255
Cellular phones	3,000	1,299	(1,701)	1,716
Computer expense	1,000	-	(1,000)	-
Training	1,500	1,444	(56)	1,709
Miscellaneous	1,000	911	(89)	479
Dues	1,000	50	(950)	250
Total ambulance	<u>443,708</u>	<u>451,820</u>	<u>8,112</u>	<u>411,194</u>
Total public safety	<u>4,081,737</u>	<u>4,408,498</u>	<u>326,761</u>	<u>4,030,309</u>

VILLAGE OF SUMMIT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2007

	2008		VARIANCE WITH FINAL BUDGET	2007 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Public Works				
Streets, Bridges, and Alleys				
Salaries	\$ 254,790	\$ 239,377	\$ (15,413)	\$ 218,116
Repairs, operation, and maintenance	12,000	14,761	2,761	4,691
Equipment maintenance and supplies	14,000	11,641	(2,359)	8,882
Gasoline and oil	30,000	36,321	6,321	25,819
Parkway maintenance	1,000	5,515	4,515	1,023
Safety and training	-	-	-	1,303
Vermin control	2,500	1,748	(752)	2,013
Contingent expense	1,800	1,005	(795)	1,027
Forestry consultant	500	252	(248)	-
Speed bumps	-	-	-	364
Storage yard rental	2,765	2,765	-	2,765
Sewer maintenance	8,000	6,372	(1,628)	7,363
Uniforms	2,500	2,901	401	5,146
Purchase of equipment	30,000	1,109	(28,891)	4,084
Total streets, bridges, and alleys	<u>359,855</u>	<u>323,767</u>	<u>(36,088)</u>	<u>282,596</u>
Garbage Department				
Dumping	<u>330,000</u>	<u>359,474</u>	<u>29,474</u>	<u>336,436</u>
Total garbage department	<u>330,000</u>	<u>359,474</u>	<u>29,474</u>	<u>336,436</u>
Building Inspector				
Salaries	47,934	39,815	(8,119)	38,864
Auto expense	1,000	997	(3)	2,157
Office equipment and supplies	1,000	602	(398)	647
Dues and subscriptions	500	220	(280)	190
Seminar	1,000	-	(1,000)	-
Phones	2,500	2,299	(201)	2,156
Inspectors	22,500	22,935	435	21,790
Computer expense	500	-	(500)	86
Demolition	3,000	1,668	(1,332)	571
Community Service Officer	24,000	13,650	(10,350)	-
Miscellaneous	500	245	(255)	10
Total building inspector	<u>104,434</u>	<u>82,431</u>	<u>(22,003)</u>	<u>66,471</u>
Total public works	<u>794,289</u>	<u>765,672</u>	<u>(28,617)</u>	<u>685,503</u>
Community Development				
Salaries	49,893	49,504	(389)	46,128
Publications and dues	300	-	(300)	-
Supplies	500	155	(345)	284
Conferences and seminars	300	-	(300)	-
Legal and audit	1,500	797	(703)	1,085
Engineering	20,000	18,888	(1,112)	655
Contingency	300	-	(300)	300
Village match for CDBG grant expenditures	10,000	-	(10,000)	13,475
Computer services	500	50	(450)	240
Court reporter	3,000	1,059	(1,941)	410
Travel and mileage	250	-	(250)	121
Total community development	<u>86,543</u>	<u>70,453</u>	<u>(16,090)</u>	<u>62,698</u>

VILLAGE OF SUMMIT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2007

	2008			2007 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Debt Service				
Principal	\$ -	\$ 29,388	\$ 29,388	\$ 27,545
Interest	-	<u>13,422</u>	<u>13,422</u>	<u>4,268</u>
Total debt service	<u>-</u>	<u>42,810</u>	<u>42,810</u>	<u>31,813</u>
 Total expenditures	 <u>\$ 8,618,785</u>	 <u>\$ 8,536,982</u>	 <u>\$ (81,803)</u>	 <u>\$ 7,843,129</u>

VILLAGE OF SUMMIT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2008

	SPECIAL REVENUE			
	COMMUNITY DEVELOPMENT	DRUG	911 ETS	MOTOR FUEL TAX
Assets				
Cash	\$ 5,917	\$ 212,420	\$ 94,913	\$ 372,707
Receivables (net allowance for uncollectibles):				
Property taxes	-	-	-	-
Intergovernmental	<u>44,500</u>	<u>-</u>	<u>-</u>	<u>25,835</u>
Total assets	<u>\$ 50,417</u>	<u>\$ 212,420</u>	<u>\$ 94,913</u>	<u>\$ 398,542</u>
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 39,794	\$ -	\$ 8,723	\$ 106,862
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>39,794</u>	<u>-</u>	<u>8,723</u>	<u>106,862</u>
Fund balance				
Unreserved, undesignated reported in				
Special revenue funds	10,623	212,420	86,190	291,680
Debt service fund	-	-	-	-
Capital projects fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>10,623</u>	<u>212,420</u>	<u>86,190</u>	<u>291,680</u>
Total liabilities and fund balance	<u>\$ 50,417</u>	<u>\$ 212,420</u>	<u>\$ 94,913</u>	<u>\$ 398,542</u>

DEBT SERVICE		CAPITAL PROJECTS		
BOND & INTEREST	POLICE STATION RENOVATION	SSA#5 CAPITAL PROJECT	TOTAL	
\$ 152,883	\$ 1,960	\$ 236,052	\$ 1,076,852	
109,647	-	-	109,647	
-	-	-	70,335	
<u>\$ 262,530</u>	<u>\$ 1,960</u>	<u>\$ 236,052</u>	<u>\$ 1,256,834</u>	
\$ -	\$ -	\$ 30,720	\$ 186,099	
108,574	-	-	108,574	
-	70,030	-	70,030	
-	-	23,600	23,600	
<u>108,574</u>	<u>70,030</u>	<u>54,320</u>	<u>388,303</u>	
-	-	-	600,913	
153,956	-	-	153,956	
-	(68,070)	181,732	113,662	
<u>153,956</u>	<u>(68,070)</u>	<u>181,732</u>	<u>868,531</u>	
<u>\$ 262,530</u>	<u>\$ 1,960</u>	<u>\$ 236,052</u>	<u>\$ 1,256,834</u>	

VILLAGE OF SUMMIT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2008

	SPECIAL REVENUE			
	COMMUNITY DEVELOPMENT	DRUG	911 ETS	MOTOR FUEL TAX
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	170,072	184,649	-	325,722
Charges for services	-	-	71,548	-
Interest	-	4,222	280	10,658
Contributions from property owners	-	-	-	-
Miscellaneous	-	-	-	36,682
Total revenues	<u>170,072</u>	<u>188,871</u>	<u>71,828</u>	<u>373,062</u>
Expenditures				
Current:				
Public safety	-	77,512	23,330	-
Community development	186,157	-	-	-
Public works	-	-	-	416,106
Debt Service:				
Principal	-	14,279	-	74,462
Interest	-	1,963	-	30,013
Capital Outlay	-	136,050	31,486	-
Total expenditures	<u>186,157</u>	<u>229,804</u>	<u>54,816</u>	<u>520,581</u>
Excess (deficiency) of revenues over expenditures	<u>(16,085)</u>	<u>(40,933)</u>	<u>17,012</u>	<u>(147,519)</u>
Other financing sources (uses)				
Capital lease value	-	25,145	-	-
Transfers in	-	-	64,727	-
Transfers (out)	-	-	-	(21,175)
Total other financing sources (uses)	<u>-</u>	<u>25,145</u>	<u>64,727</u>	<u>(21,175)</u>
Net change in fund balance	(16,085)	(15,788)	81,739	(168,694)
Fund balance, beginning of year	<u>26,708</u>	<u>228,208</u>	<u>4,451</u>	<u>460,374</u>
Fund balance, end of year	<u>\$ 10,623</u>	<u>\$ 212,420</u>	<u>\$ 86,190</u>	<u>\$ 291,680</u>

DEBT SERVICE		CAPITAL PROJECT		
BOND & INTEREST	POLICE STATION RENOVATION	SSA#5 CAPITAL PROJECT		TOTAL
\$ 114,892	\$ -	\$ -	\$	114,892
-	-	-		680,443
-	-	-		71,548
-	-	52		15,212
-	-	212,400		212,400
-	-	-		36,682
<u>114,892</u>	<u>-</u>	<u>212,452</u>		<u>1,131,177</u>
-	93,070	-		193,912
-	-	15,000		201,157
-	-	-		416,106
99,000	-	-		187,741
14,654	-	-		46,630
-	-	15,720		183,256
<u>113,654</u>	<u>93,070</u>	<u>30,720</u>		<u>1,228,802</u>
<u>1,238</u>	<u>(93,070)</u>	<u>181,732</u>		<u>(97,625)</u>
-	-	-		25,145
-	-	-		64,727
-	-	-		(21,175)
-	-	-		68,697
1,238	(93,070)	181,732		(28,928)
<u>152,718</u>	<u>25,000</u>	<u>-</u>		<u>897,459</u>
<u>\$ 153,956</u>	<u>\$ (68,070)</u>	<u>\$ 181,732</u>	<u>\$</u>	<u>868,531</u>

VILLAGE OF SUMMIT

WATER FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2007

	2008			2007 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Operating revenues				
Charges for services				
Charges for services	\$ 2,015,000	\$ 2,041,627	\$ 26,627	\$ 1,772,656
Miscellaneous	<u>5,000</u>	<u>2,602</u>	<u>(2,398)</u>	<u>3,093</u>
Total operating revenues	<u>2,020,000</u>	<u>2,044,229</u>	<u>24,229</u>	<u>1,775,749</u>
Operating expenses				
Source of water				
Water purchases	747,500	627,996	(119,504)	618,342
Electricity - water pumps	<u>25,000</u>	<u>36,774</u>	<u>11,774</u>	<u>34,576</u>
Total source of water	<u>772,500</u>	<u>664,770</u>	<u>(107,730)</u>	<u>652,918</u>
Repairs and maintenance				
Salaries - assistant foreman, equipment operators	536,473	581,508	45,035	587,543
Maintenance and repairs				
Building	35,000	1,215	(33,785)	2,427
Trucks	10,000	2,289	(7,711)	8,442
Equipment	12,500	2,162	(10,338)	5,950
Gas and oil	10,000	13,171	3,171	10,813
Engineering	-	8,940	8,940	4,442
Leak detection	25,000	18,440	(6,560)	25,930
Purchase of water meters	26,000	16,710	(9,290)	23,074
Equipment	67,000	2,565	(64,435)	42,032
Contingency and testing	5,000	4,909	(91)	3,498
Supplies	110,000	50,264	(59,736)	75,565
Tower maintenance	3,000	1,115	(1,885)	1,500
Refunds	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>	<u>-</u>
Total repairs and maintenance	<u>841,473</u>	<u>703,288</u>	<u>(138,185)</u>	<u>791,216</u>
Administrative				
Salaries - superintendent, clerk, meter readers	140,964	147,538	6,574	138,927
Office Supplies	1,500	666	(834)	837
Telephone	5,700	12,166	6,466	5,501
Pagers/radios	1,500	1,310	(190)	1,112
Computer software/training	1,000	1,000	-	900
Training	5,000	2,021	(2,979)	2,967
Dues	5,000	5,000	-	5,000
Accounting	25,000	30,811	5,811	16,575
Permits	<u>1,000</u>	<u>600</u>	<u>(400)</u>	<u>476</u>
Total administrative	<u>186,664</u>	<u>201,112</u>	<u>14,448</u>	<u>172,295</u>
Depreciation expense	<u>-</u>	<u>65,298</u>	<u>65,298</u>	<u>61,416</u>
Total operating expenses	<u>1,800,637</u>	<u>1,634,468</u>	<u>(166,169)</u>	<u>1,677,845</u>
Operating income	<u>219,363</u>	<u>409,761</u>	<u>190,398</u>	<u>97,904</u>

**VILLAGE OF SUMMIT
WATER FUND**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2007

	2008		VARIANCE WITH FINAL BUDGET	2007 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Non operating revenues (expenses)				
Interest income	\$ 1,500	\$ 145	\$ (1,355)	\$ 309
Interest expense	<u>-</u>	<u>(7,014)</u>	<u>(7,014)</u>	<u>(493)</u>
Total non operating revenues (expenses)	<u>1,500</u>	<u>(6,869)</u>	<u>(8,369)</u>	<u>(184)</u>
Income before transfers	<u>220,863</u>	<u>402,892</u>	<u>182,029</u>	<u>97,720</u>
Contributions and transfers				
Transfers out	(425,000)	(350,686)	74,314	(250,000)
Capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,940</u>
Total contributions and transfers	<u>(425,000)</u>	<u>(350,686)</u>	<u>74,314</u>	<u>(221,060)</u>
Change in net assets	\$ <u>(204,137)</u>	52,206	\$ <u>256,343</u>	(123,340)
Net assets, beginning of year		<u>442,473</u>		<u>565,813</u>
Net assets, end of year		<u>\$ 494,679</u>		<u>\$ 442,473</u>

VILLAGE OF SUMMIT
FIVE YEAR SUMMARY OF ASSESSED VALUATIONS, TAX RATES,
EXTENSIONS AND COLLECTIONS
DECEMBER 31, 2008

	2003	2004	2005	2006	2007
Assessed valuation					
Total	<u>\$ 124,571,986</u>	<u>\$ 129,718,612</u>	<u>\$ 155,225,427</u>	<u>\$ 165,791,674</u>	<u>\$ 175,160,036</u>
Rates					
Corporate	0.2377	0.2341	0.1943	0.2260	0.3281
Bond and Interest	0.0965	0.0926	0.0772	0.0721	0.0681
Garbage	0.0628	0.0610	0.1553	0.1552	0.1120
Street Lighting	0.0110	0.0107	0.0103	0.0103	0.0000
Police Pension	0.3073	0.2982	0.2835	0.3141	0.2941
I.M.R.F.	0.1477	0.1434	0.0392	0.0392	0.0000
Social Security	0.0000	0.0000	0.1172	0.1172	0.0000
Street and Bridge	0.0550	0.0562	0.0621	0.0621	0.0000
Fire Protection	0.1895	0.1457	0.1553	0.1552	0.1131
Police Protection	0.0707	0.0687	0.0582	0.0582	0.3750
Liability Insurance	0.6053	0.6695	0.4012	0.4011	0.3393
Auditing	0.0550	0.0381	0.0322	0.0322	0.0000
Crossing Guard	0.0094	0.0153	0.0155	0.0155	0.0000
Total	<u>1.8479</u>	<u>1.8335</u>	<u>1.6015</u>	<u>1.6584</u>	<u>1.6297</u>
Tax extensions					
Corporate	\$ 296,107	\$ 303,671	\$ 301,603	\$ 374,689	\$ 574,700
Bond and Interest	120,269	120,089	119,784	119,614	119,337
Garbage	78,231	79,128	241,065	257,308	196,179
Street Lighting	13,702	13,879	15,988	17,076	-
Police Pension	382,809	386,820	440,064	520,751	515,145
I.M.R.F.	183,992	186,016	60,848	64,990	-
Social Security	-	-	181,924	194,307	-
Street and Bridge	68,514	72,901	96,394	102,956	-
Fire Protection	236,063	189,000	241,065	257,308	198,106
Police Protection	88,072	89,116	90,341	96,490	656,850
Liability Insurance	754,034	868,466	622,764	664,990	594,318
Auditing	68,514	49,422	49,982	53,384	-
Crossing Guard	11,709	19,846	24,059	25,697	-
Total	<u>\$ 2,302,016</u>	<u>\$ 2,378,354</u>	<u>\$ 2,485,881</u>	<u>\$ 2,749,560</u>	<u>\$ 2,854,635</u>
Total collected at December 31, 2008	<u>\$ 2,038,751</u>	<u>\$ 2,155,195</u>	<u>\$ 2,417,943</u>	<u>\$ 2,659,565</u>	<u>\$ 2,601,200</u>
Percentage collected	<u>88.6%</u>	<u>90.6%</u>	<u>97.3%</u>	<u>96.7%</u>	<u>91.1%</u>

VILLAGE OF SUMMIT
BOND PAYMENT REQUIREMENTS
GENERAL OBLIGATION BOND ISSUE DATED JANUARY 9, 2004
DECEMBER 31, 2008

FISCAL ASSESSED VALUATION	BONDS ISSUED	BONDS OUTSTANDING	INTEREST PAYABLE IN FUTURE YEARS	LEVY PROVISIONS
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	<u>13,000</u>	<u>13,000</u>	<u>442</u>	<u>13,442</u>
Total	<u>\$ 332,000</u>	<u>\$ 332,000</u>	<u>\$ 23,698</u>	<u>\$ 355,698</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
BOND PAYMENT REQUIREMENTS
GENERAL OBLIGATION BOND ISSUE DATED OCTOBER 15, 2007
DECEMBER 31, 2008

FISCAL ASSESSED VALUATION	BONDS ISSUED	BONDS OUTSTANDING	INTEREST PAYABLE IN FUTURE YEARS
2009	\$ 62,000	\$ 62,000	\$ 19,950
2010	65,000	65,000	15,986
2011	68,000	68,000	12,248
2012	71,000	71,000	8,338
2013	<u>74,000</u>	<u>74,000</u>	<u>4,256</u>
Total	<u>\$ 340,000</u>	<u>\$ 340,000</u>	<u>\$ 60,778</u>

Rates

Interest Rate: 5.75%

Interest Date: October and April 1st of each year

Bonds Payable: October 1st

Paying Agent: New City Bank
Chicago, Illinois

Purpose: Motor Fuel Tax Alternate Revenue Source

VILLAGE OF SUMMIT
SCHEDULE OF BONDS OUTSTANDING AND LEGAL DEBT MARGIN
DECEMBER 31, 2008

YEAR ENDING	BONDS OUTSTANDING
Bonds outstanding:	
2009	\$ 165,000
2010	171,000
2011	178,000
2012	84,000
2013	<u>74,000</u>
Total bonds outstanding	<u>\$ 672,000</u>
 Legal Debt Margin	
2007 assessed valuation	<u>\$ 175,160,036</u>
Rates	15,107,553
General obligation bonds outstanding	<u>672,000</u>
Legal debt margin	<u>\$ 14,435,553</u>

VILLAGE OF SUMMIT
SUMMARY OF CASH AND INVESTMENTS
DECEMBER 31, 2008

Cash

General Fund	\$ 228,103
Motor Fuel Tax Fund	372,707
Community Development Fund	5,917
E911 Fund	94,913
Drug Fund	212,420
63rd St. and Archer Ave. TIF Fund	1,459,935
Special Services Area #5	236,052
Bond and Interest Fund	152,883
Police Station Renovation Fund	1,960
Water Fund	<u>326,519</u>
 Total cash	 <u>3,091,409</u>
 Total cash and cash equivalents	 <u>3,091,409</u>

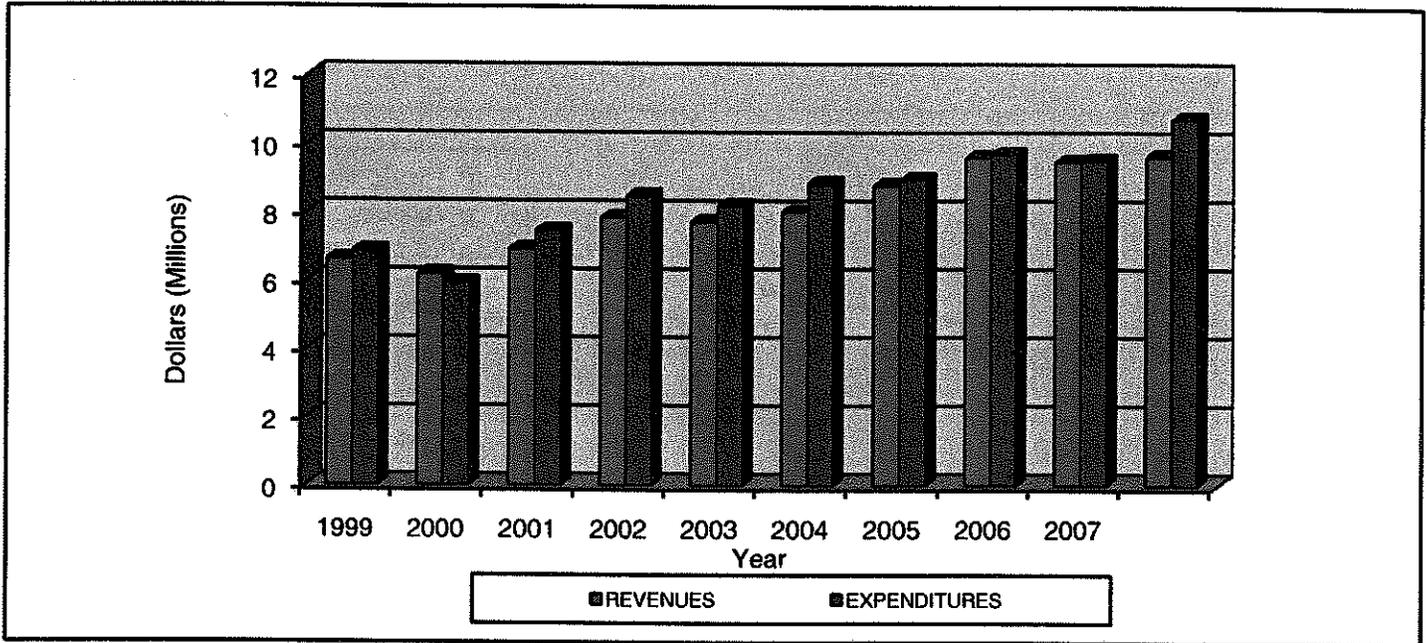
Investments

General Fund	<u>510,270</u>
 Total investments	 <u>510,270</u>
 Total cash and investments	 <u>\$ 3,601,679</u>

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

YEAR	TOTAL REVENUES	TOTAL EXPENDITURES
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
2008	9,636,630	10,733,789

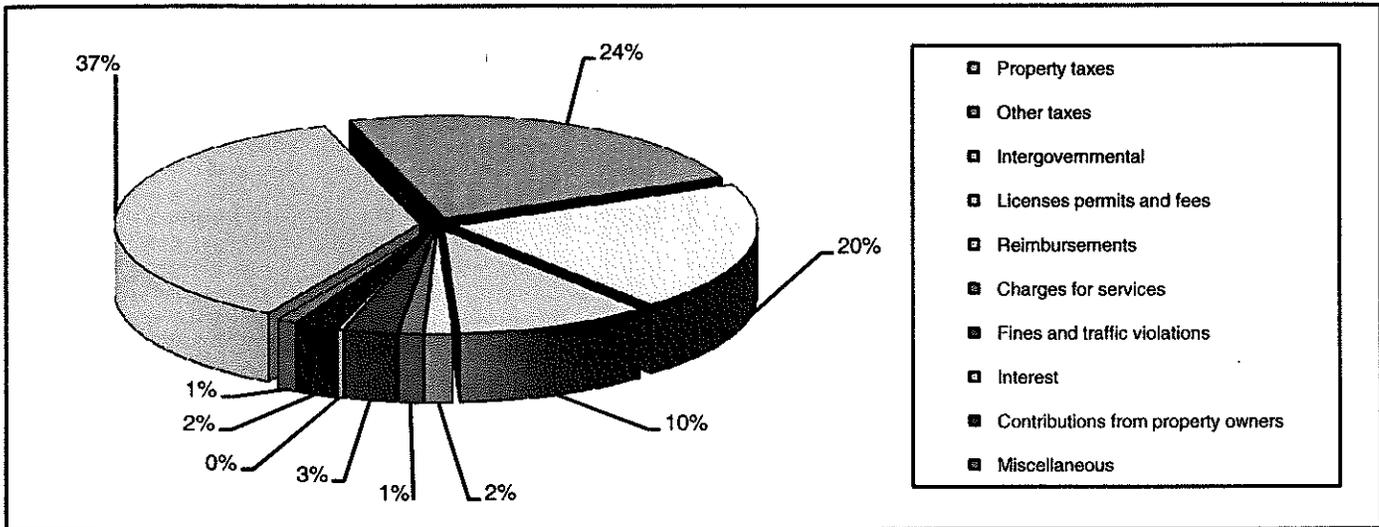
Fiscal Periods 1999 Through 2008



** 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, 2008

REVENUES	TOTAL
Property taxes	\$ 3,521,941
Other taxes	2,266,214
Intergovernmental	1,972,477
Licenses permits and fees	995,301
Reimbursements	144,218
Charges for services	123,808
Fines and traffic violations	269,907
Interest	28,910
Contributions from property owners	212,400
Miscellaneous	<u>101,454</u>
 Total revenue	 <u>\$ 9,636,630</u>



VILLAGE OF SUMMIT
GOVERNMENTAL EXPENDITURES BY FUNCTION TYPE
FOR THE YEAR ENDED DECEMBER 31, 2008

EXPENDITURES

TOTAL

Current:	
General government	\$ 3,249,549
Public safety	4,598,440
Public works	1,180,669
Community development	1,239,615
Debt service	277,181
Capital outlay	<u>188,335</u>
 Total expenditures	 \$ <u>10,733,789</u>

