

# Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017



The Village of Downers Grove  
DuPage County  
801 Burlington Avenue  
Downers Grove, Illinois  
60515-4782  
630-434-5500



VILLAGE OF DOWNERS GROVE,  
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended December 31, 2017

Prepared by Finance Department

Judy Buttny  
Finance Director

Carol Hogan  
Assistant Finance Director

Robin Lahey  
Finance Manager

Daiva Sheldon  
Staff Accountant

VILLAGE OF DOWNERS GROVE, ILLINOIS

Table of Contents

---

	<u>Page(s)</u>
<b>SECTION 1 - INTRODUCTORY SECTION</b>	
Principal Officials .....	1-1
Organizational Chart.....	1-2
Certificate of Achievement for Excellence in Financial Reporting .....	1-3
Letter of Transmittal .....	1-4 - 1-14
<b>SECTION 2 - FINANCIAL SECTION</b>	
Independent Auditors' Report.....	2-1 - 2-3
Management's Discussion and Analysis.....	2-4 - 2-12
<b>SECTION 3 - BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Position.....	3-1
Statement of Activities .....	3-2
Fund Financial Statements	
Governmental Funds	
Balance Sheet - Governmental Funds.....	3-3
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	3-4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	3-5
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	3-6

VILLAGE OF DOWNERS GROVE, ILLINOIS

Table of Contents (Continued)

---

	<u>Page(s)</u>
<b>SECTION 3 - BASIC FINANCIAL STATEMENTS (Continued)</b>	
Proprietary Funds	
Statement of Net Position .....	3-7
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	3-8
Statement of Cash Flows .....	3-9
Fiduciary Funds	
Statement of Fiduciary Net Position .....	3-10
Statement of Changes in Fiduciary Net Position .....	3-11
Notes to Financial Statements .....	3-12 - 3-71
<b>SECTION 4 - REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
General Fund .....	4-1
Downtown Redevelopment TIF Fund .....	4-2
Schedule of Funding Progress	
Other Post-Employment Benefits Plan.....	4-3
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	4-4
Police Pension Fund .....	4-5
Firefighters' Pension Fund .....	4-6
Other Post-Employment Benefits Plan.....	4-7
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund.....	4-8
Police Pension Fund.....	4-9
Firefighters' Pension Fund .....	4-10
Schedule of Investment Returns	
Police Pension Fund.....	4-11
Firefighters' Pension Fund .....	4-12
Notes to Required Supplementary Information.....	4-13
<b>SECTION 5 - COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</b>	
Major Governmental Funds – Budget and Actual Schedules	
General Fund Revenues.....	5-1 - 5-2

VILLAGE OF DOWNERS GROVE, ILLINOIS

Table of Contents (Continued)

	<u>Page(s)</u>
<b>SECTION 5 - COMBINING AND INDIVIDUAL FUND</b>	
<b>FINANCIAL STATEMENTS AND SCHEDULES (continued)</b>	
General Fund Expenditures.....	5-3
Capital Improvements Fund.....	5-4
 Nonmajor Governmental Funds	
Combining Balance Sheet .....	5-5
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	5-6
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	5-7
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	5-8
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund .....	5-9
Foreign Fire Insurance Fund .....	5-10
Ogden TIF Fund .....	5-11
Sales Tax Rebate Fund .....	5-12
Asset Forfeiture Fund.....	5-13
Combining Balance Sheet - Nonmajor Debt Service Funds.....	5-14
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds .....	5-15
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Downtown Redevelopment TIF Debt Service Fund .....	5-16
Capital Debt Service Fund .....	5-17
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	5-18
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	5-19
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Municipal Buildings Fund.....	5-20
Real Estate Fund.....	5-21
 Major Enterprise Funds	
Non GAAP Schedule of Operating Expenses - Budget and Actual	
Waterworks Fund .....	5-22
Parking Fund.....	5-23
Stormwater Utility Fund.....	5-24

VILLAGE OF DOWNERS GROVE, ILLINOIS

Table of Contents (Continued)

	<u>Page(s)</u>
<b>COMBINING AND INDIVIDUAL FUND</b>	
<b>FINANCIAL STATEMENTS AND SCHEDULES (continued)</b>	
<b>Internal Service Funds</b>	
Combining Statement of Net Position.....	5-25
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	5-26
Combining Statement of Cash Flows.....	5-27
Non GAAP Schedule of Operating Expenses - Budget and Actual	
Equipment Replacement Fund.....	5-28
Fleet Services Fund .....	5-29
GAAP Schedule of Operating Expenses – Budget and Actual	
Health Insurance Fund.....	5-30
Risk Management Fund .....	5-31
<b>Fiduciary Funds</b>	
Combining Statement of Net Position - Pension Trust Funds .....	5-32
Combining Statement of Changes in Net Position - Pension Trust Funds.....	5-33
Schedule of Changes in Net Position - Budget and Actual	
Police Pension Fund .....	5-34
Firefighters' Pension Fund.....	5-35
Schedule of Changes in Assets and Liabilities - Construction Deposit Fund .....	5-36
<b>SECTION 6 - COMPONENT UNIT – DOWNERS GROVE LIBRARY</b>	
Statement of Net Position and Governmental Funds	
Combining Balance Sheet .....	6-1
Statement of Activities and Governmental Funds	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances/Net Position.....	6-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund.....	6-3
Library Debt Service Fund .....	6-4
Library Capital Replacement Fund .....	6-5
<b>SECTION 7 - SUPPLEMENTAL INFORMATION</b>	
Schedule of Insurance in Force .....	7-1
Long-Term Debt Requirements	
General Obligation Bonds, Series 2008A .....	7-2
General Obligation Refunding Bonds, Series 2009 .....	7-3
General Obligation Refunding Bonds, Series 2010A.....	7-4
General Obligation Refunding Bonds, Series 2010B.....	7-5

VILLAGE OF DOWNERS GROVE, ILLINOIS

Table of Contents (Continued)

---

	<u>Page(s)</u>
<b>SECTION 7 - SUPPLEMENTAL INFORMATION (continued)</b>	
General Obligation Bonds, Series 2012 Roads .....	7-6
General Obligation Bonds, Series 2012 Water .....	7-7
General Obligation Refunding Bonds Series 2013A.....	7-8
General Obligation Refunding Bonds 2014A Capital.....	7-9
General Obligation Refunding Bonds 2014B Stormwater.....	7-10
General Obligation Bonds, Series 2015A Water .....	7-11
General Obligation Refunding Bonds, Series 2015B Stormwater.....	7-12
General Obligation Refunding Bonds, Series 2016 Stormwater.....	7-13
General Obligation Refunding Bonds, Series 2017 .....	7-14
<b>SECTION 8 - STATISTICAL SECTION</b>	
Financial Trends	
Net Position by Component .....	8-1
Change in Net Position .....	8-2 - 8-3
Fund Balances of Governmental Funds.....	8-4
Changes in Fund Balances of Governmental Funds .....	8-5
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property.....	8-6
Property Tax Rates - Direct and Overlapping Governments .....	8-7
Principal Property Taxpayers.....	8-8
Property Tax Levies and Collections.....	8-9
Taxable Sales by Category.....	8-10
Direct and Overlapping Sales Tax Rates.....	8-11
Debt Capacity	
Ratios of Outstanding Debt by Type .....	8-12
Ratios of General Bonded Debt Outstanding .....	8-13
Direct and Overlapping Governmental Activities Debt.....	8-14
Demographic and Economic Information	
Demographic and Economic Information .....	8-15
Principal Employers .....	8-16
Operating Information	
Full Time Equivalent Employees .....	8-17
Operating Indicators .....	8-18
Capital Asset Statistics.....	8-19

# INTRODUCTORY SECTION

# Village of Downers Grove, Illinois

## Principal Officials

---

### LEGISLATIVE

Martin T. Tully, Mayor

#### *Commissioners*

Robert Barnett

William White

Nicole Walus

Marge Earl

Greg Hosé

William Waldack

---

### ADMINISTRATIVE

David Fieldman, Village Manager

Michael Baker, Deputy Village Manager

Enza Petrarca, Village Attorney

April Holden, Village Clerk

Judy Buttny, Finance Director/Treasurer

Naneil Newlon, Public Works Director

Stan Popovich, Community Development Director

Jeff Pindelski, Fire Chief

Shanon Gillette, Police Chief

Doug Kozlowski, Communications Director

Jenny Rizzo, Emergency Management Coordinator

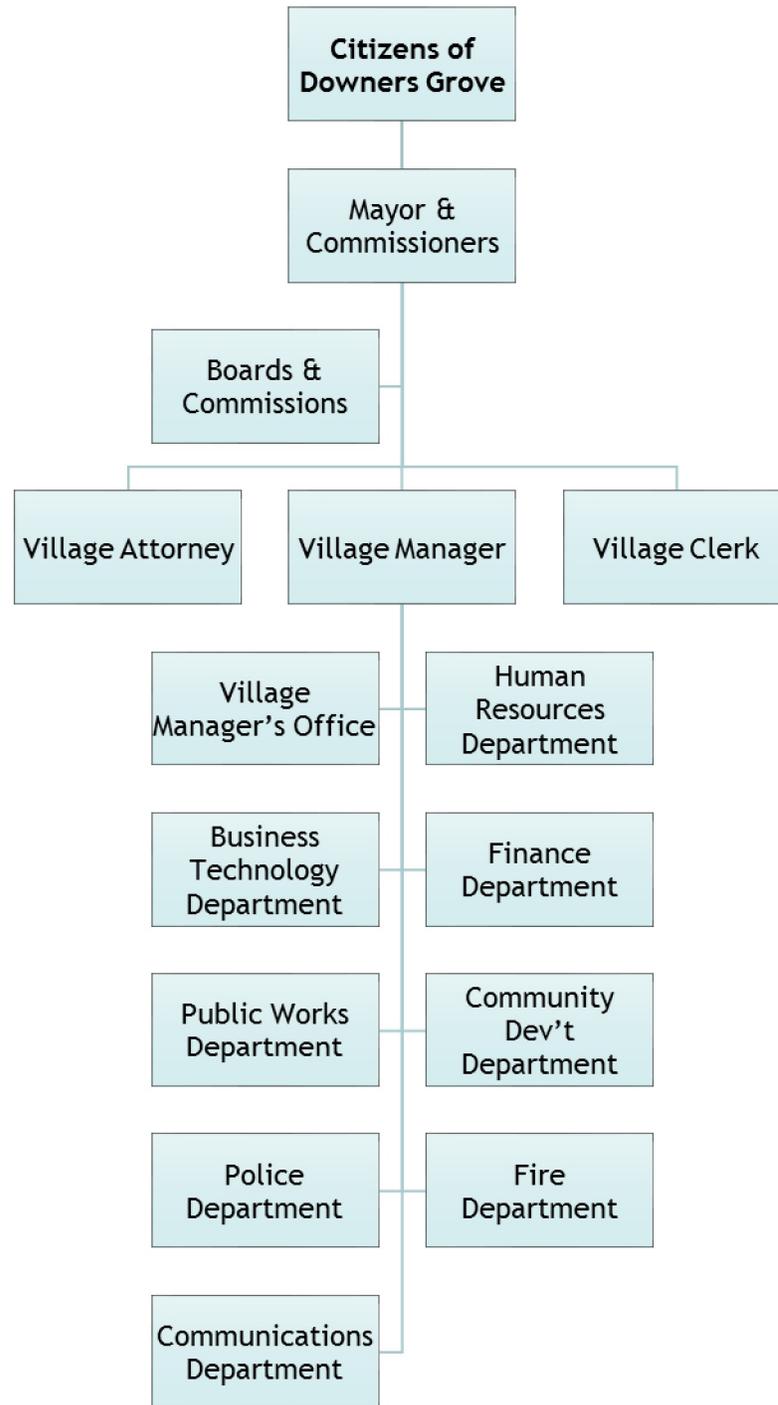
Dennis Burke, Human Resources Director

Chanay Mackey, Risk Manager

David Kenny, Business Technology Director

Theresa Tarka, Purchasing Agent

# VILLAGE ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Village of Downers Grove  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO



June 1, 2018

To: The Honorable Mayor and Commissioners  
Citizens of Downers Grove

**COMMUNITY RESPONSE  
CENTER**

630.434.CALL (2255)

**CIVIC CENTER**

801 Burlington Avenue  
Downers Grove  
Illinois 60515-4782  
630.434.5500  
TDD 630.434.5511  
FAX 630.434.5571

**FIRE DEPARTMENT**

**ADMINISTRATION**  
5420 Main Street  
Downers Grove  
Illinois 60515-4834  
630.434.5980  
FAX 630.434.5998

**POLICE DEPARTMENT**

825 Burlington Avenue  
Downers Grove  
Illinois 60515-4783  
630.434.5600  
FAX 630.434.5690

**PUBLIC WORKS  
DEPARTMENT**

5101 Walnut Avenue  
Downers Grove  
Illinois 60515-4046  
630.434.5460  
FAX 630.434.5495

The Comprehensive Annual Financial Report (CAFR) of the Village of Downers Grove for the year ended December 31, 2017, is hereby submitted. State law, as well as local ordinances, requires that the Village publish within six months of the close of each fiscal year, a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Responsibility for both the accuracy of the data presented and the fairness of the presentation, including all disclosures, rests with the Village management. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the Village's financial position and changes in financial position as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the Village's financial condition have been included. The organization and content of the report follows the standards for annual financial reporting promulgated by the Governmental Accounting Standards Board (GASB). To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework to protect the assets of the Village and to compile sufficiently reliable information for the preparation of the Village of Downers Grove's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village's internal control framework has been designed to provide reasonable rather than absolute assurance that the financial statements are free of material misstatements. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The Village's financial statements have been audited by BKD, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Downers Grove for the year ended December 31, 2017, are free of material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluation of the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements of the year ended December 31, 2017, are presented fairly in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

This report includes all financial activity for the funds, and departments for which the Village is financially accountable. The criteria used to determine financial accountability is defined in Note 1 of the Financial Statements, on page 3-13. The Police and Firefighters' Pension Funds each have a separate Board that administers their respective fund resources and uses. The Downers Grove Library has a separate Board that is appointed by the Village Council and is reported as a discretely presented component unit. Other local governments that serve the Downers Grove community do not qualify as entities for which the Village is accountable. These governments include the Downers Grove Park District, the Downers Grove Sanitary District, all school districts, and the Downers Grove Township. Therefore, the financial activities of these entities are not included in this report.

## **PROFILE OF THE VILLAGE OF DOWNERS GROVE**

The Village of Downers Grove, which has a land area of about 14.4 square miles, is located in DuPage County and is 22 miles west of Chicago. DuPage County is the second most populated county in Illinois, after Cook County. The median household income in the Village is \$83,513. Along with several major arterial highways, three Burlington Northern commuter train stations are located in the Village; these provide commuters about a 25-minute train ride to and from Chicago and easy access to the entire metropolitan area.



The resident population is 48,867; however, the Village's corporate business parks and shopping districts raise the daytime population and economic activity, providing the Village the benefit of a significant level of sales tax revenue. A review of the retail expenditure information suggests that the Village attracts residents from surrounding communities to support the sales tax income. The property tax base is 77 percent residential, 20 percent commercial, and 3 percent industrial. The ten leading commercial property tax payers are from a diverse economic base and account for about 6.5% percent of the total tax base.

The Village of Downers Grove was originally settled in 1832 and was incorporated on March 31, 1873. Today, the Village operates under the Manager form of government. As defined by Illinois statutes, the Village is a home-rule community and provides a full range of municipal services to its residential and commercial customers. These services include

police and fire protection; building code and fire prevention inspection services; emergency 911 dispatch service; paramedic services; water services; a commuter and residential parking system; community development services; and the construction and maintenance of streets, stormwater, and other municipal infrastructure.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Standard & Poor's (S&P) AAA Bond Rating:**

The Village continues to benefit from the AAA bond rating issued by Standard & Poor's. This is the agency's highest rating. Standard & Poor's acknowledged the efforts of the Village's Long Range Plan and exceptional management practices as contributing factors for the AAA rating. All Downers Grove residents and businesses benefit from this as the Village will be able to issue debt and refinance bonds at a lower cost.

### **Local Economy:**

Major revenue sources include property taxes, sales taxes, utility taxes and state income taxes. The Village has a mixture of office, retail and industrial employment. The unemployment rate in the Village has remained relatively steady, decreasing from 4.3% percent in 2016 to 3.8% percent as of December 31, 2017. The EAV for the Village was \$2,440,178,636 for the 2017 tax levy, up 5.5% from a year ago. EAVs are expected to continue to increase for the next several years.

The Village of Downers Grove maintained a strong financial position during the year. Building activity was very strong in both the commercial and residential markets with permit revenues at historic highs. Although Sales tax revenues have flattened, the Village continues to provide municipal services in a fiscally responsible manner, identifying and implementing innovative ideas throughout the organization. The Village's financial policies and programs have resulted in the retention and expansion of existing businesses in the community as well as attracting new businesses.

### **Economic Development:**

The Downers Grove Economic Development Corporation (EDC) is an independent, not-for-profit entity supported by the Village of Downers Grove and over 20 private-sector businesses. The Village is committed to strengthening and enhancing the local economy through the EDC's efforts to attract jobs and employers to Downers Grove, as well as retain established businesses.

### ***2017 Economic Development Successes***

- **3 Corners Grill & Tap** held a grand opening in May for their new restaurant at 7231 Lemont Road in the Downers Park Plaza Shopping Center.
- **Advocate Good Samaritan Hospital** held a grand opening in March for their new 110,000 sq. ft. West pavilion project, which created 96 private patient rooms and two

- progressive care units. In addition, the hospital completed the expansion of the Bhorade Cancer Center. The total investment in these new projects is \$92 million.
- **Allant Group LLC** completed the move of their corporate headquarters to Downers Grove. The marketing technology services provider leased 26,000 sq. ft. in the Corridors II tower at 2655 Warrenville Road.
  - **Ashley Furniture Homestore** held a grand opening in December for their new store in the former Savers site at 2900 Highland.
  - **BMO Harris Bank** completed the build out of their new location in the multi-tenant building on the southeast corner of Ogden Avenue and Saratoga
  - **Bridge Development Partners, Inc.** received Village approval in December for the development of a 680,000 sq. ft. industrial/office project on the west side of Finley Road, north of Warrenville Road.
  - **Catholic Charities** opened their new DuPage County office at 3130 Finley in Downers Grove.
  - **Draper & Kramer Mortgage Corporation** completed the move of their corporate headquarters to 1431 Opus Place in Downers Grove.
  - **Ensono** opened their new 84,259 sq. ft. corporate headquarters at 3333 Finley.
  - **Federal Deposit Insurance Corporation** signed a lease to move their Chicago Field Office to 1431 Opus Place in Downers Grove.
  - **Flavorchem** received Village approval in September for the creation of a corporate campus in the Oak Grove Commons Business Park. The redevelopment master plan includes the eight existing buildings totaling 220,000 sq. ft. of office, laboratories and manufacturing. Flavorchem will construct a new corporate headquarters in Downers Grove.
  - **Frontline Real Estate Partners** received approval from the Village for the development of a new Walgreens in the Meadowbrook Shopping Center.
  - **Glanbia Performance Nutrition, Inc.**, a subsidiary of Dublin, Ireland-based Glanbia PLC, completed a 27,000 expansion of their North American headquarters at 3500 Lacey Road in Esplanade at Locust Point. The company opened their North American headquarters in 2015.
  - **Greencore Group plc** completed the move of their North American headquarters to Downers Grove. The Dublin, Ireland-based food manufacturing company leased 24,000 sq. ft. at 3333 Finley in the Finley Point building.
  - **Home & Manor Design Center** held the grand opening in November for their new store at 7325 Lemont Road in the Downers Park Plaza shopping center.
  - **IRC Retail Centers** received approval from the Village for the creation of an out lot in the Downers Market shopping center, at the northwest corner of Ogden Avenue and Williams. Starbucks has signed a lease to move into one of the two lease spaces in the new building.
  - **Kirkland's** opened a new home décor store at 1552 Butterfield Road.
  - **Lincoln** began construction for their new pre-owned certified dealership in Downers

Grove. Westmont Lincoln LLC is relocating the dealership to the closed motorcycle dealership at 216 Ogden Avenue.

- **Max Holdings LLC** is constructing their new commercial project at 640 Ogden, the site of the now demolished Duellman's Motel. The company is building an 11,200 sq. ft. multi-tenant building featuring three lease spaces.
- **MedExpress** broke ground on a new medical office building at 1560 75<sup>th</sup> Street in Downers Grove. The 4,737 sq. ft. building is being built on a one acre lot, and is replacing the now demolished Pizza Hut restaurant.
- **Midwestern University** is constructing a new 62,400 sq. ft. state of the art classroom and laboratory facility on their main campus in Downers Grove.
- **Mission BBQ** is constructing a new restaurant in the Finley Square shopping center. The Maryland-based restaurant chain will be opening one of their first Illinois restaurants in Downers Grove. Mission BBQ will replace the closed Ruby Tuesday location.
- **NEC Display Solutions of America, Inc.** has leased 47,714 sq. ft. at 3250 Butterfield Road in Downers Grove for their new corporate headquarters. The company expects to open their new headquarters at Esplanade at Locust Point in May 2018. The project will include a 5,000 sq. ft. advanced research and development lab.
- **Nossa Brazilian Grill** completed the build out for their new restaurant at 1340 Butterfield Road in the Butterfield Plaza shopping center.
- **Outback Steakhouse** has begun construction of their new restaurant at 2960 Finley in the Main Street Square shopping center. Outback is remodeling the 6,882 sq. ft. building that is the former location for Cheeseburger in Paradise.
- **PLZ Aerospace Corporation** completed the move of its corporate headquarters to Downers Grove. The company leased 24,400 sq. ft. in the Corridors I office building, at 2651 Warrenville Road. PLZ Aerospace is the largest manufacturer of specialty aerosol products in North America.
- **Packey Webb Ford** opened their new dealership at 1815 Ogden at Lacey Road in November. The 53,759 sq. ft. facility was built on the 9.75-acre site that had been vacant for decades.
- **Pugi** received approval from the Village for a five year extension of their current sales tax agreement, which expires in 2023. Pugi is making improvements to the interior and exterior of their Mazda dealership on Ogden Avenue.
- **Rexnord Corporation** broke ground in October on their new 248,000 sq. ft. manufacturing facility and Aerospace Division headquarters in the Ellsworth Business Park. Rexnord is redeveloping its existing site at 2400 Curtiss.
- **Star Motors** has begun the process to redevelopment their auto dealership at the southwest corner of Ogden and Lee, 1723 Ogden Avenue. The project includes expanding the dealership onto the adjacent property at 1731 Ogden Avenue.
- **Toyota Financial Services** has leased third floor space at 2650 Warrenville Road in the Corridors III tower. Toyota Financial is moving their Central U.S. Regional

office to Downers Grove.

- **US Bank** has begun construction on their new facility at 1512 Ogden Avenue in Downers Grove. US Bank is redeveloping the former Phillips Flowers site. The new bank will replace their former location on Ogden Avenue, just west of Main Street.
- **United Healthcare** has relocated their Chicago regional office to Downers Grove. The company leased three floors totaling 90,000 sq. ft. at 2655 Warrenville Road in the Corridors II tower.
- **Vequity Real Estate** broke ground in October on Downers Grove Town Center, the redevelopment project at the northwest corner of Ogden Avenue and Main Street. Downers Grove Town Center will feature four national restaurant tenants: **Panda Express, Mod Pizza, CoreLife Eatery, and City Barbeque.**
- **Yang Ming America Corporation** has leased the 8<sup>th</sup> floor of Highland Landmark II, at 3025 Highland Parkway in Downers Grove. The Taiwan-based transportation company operates 98 vessels, mostly container ships, around the globe.

### ***Economic Incentive Agreements***

Sales tax rebate agreements are an important component of Downers Grove's economic development strategy. All retail stores generate sales tax revenue which the Village uses to pay for public services. National retailers and car dealerships generate significant tax revenues, create jobs, and serve as catalysts for other business development. Competition among local communities for new businesses is fierce and incentives often provide the edge needed to create new opportunities and revenues where there otherwise would be none.

### **Long Range Plan:**

The Village's Long Range Plan (LRP) helps to ensure the present and future financial stability of the Village organization. The plan is derived from a financial analysis of the Village's expenses, revenues and debt capacity and takes into consideration current and future economic conditions. The plan is a key component of financial decision making and planning of the annual budget. The LRP has enabled the Village to accomplish the following:

- Continue investment in needed public infrastructure improvements
- Maintain adequate financial reserves
- **Maintain AAA Bond Rating from *Standard and Poor's (S&P)*.** A high rating enables the Village to borrow money at a low cost, affirming the Village's economic stability.

### **Managed General Fund:**

In FY17, the Village added \$13,000 to the General Fund fund balance. The General Fund was budgeted to break even in 2017. Revenues from Sales Taxes, Income Taxes and Utility taxes were below budgeted levels. This was partially offset by very strong performance in

building permit activity in 2017. Net income remained positive by controlling expenses.

**Grants:**

The Village has made it a priority to seek grant funding for capital projects. A few of the grants received in 2017:

- ***Hydraulic rescue tools***  
Used by the Fire Department to disentangle vehicle crash victims, as well as perform functions in specialized rescue situations.
- ***Bulletproof Vests***
- ***Flooring Replacement at the Main Street Train Station***

**MAJOR INITIATIVES**

The Village staff, following specific directives from the Mayor, Village Council and the Village Manager, has been involved in a variety of initiatives throughout the year. The strong commitment to financial stewardship and innovation has resulted in the delivery of services in a fiscally responsible and cost-effective manner.

**Preserving Downers Grove History:**

The Village Council adopted a new Historic Preservation Ordinance in 2015. The new ordinance was the result of extensive community participation at both the Architectural Design Review Board (ADRB) / Ad Hoc Subcommittee on Historic Preservation meetings and Village Council meetings. Changes were implemented to make the preservation of historic structures easier than ever. As a result of these changes and increased public awareness, the Village landmarked 9 properties in 2017 bringing the total to 20.

**Comprehensive Plan:**

In June 2017, the Village Council updated the Comprehensive Plan which serves as the roadmap for future developments and community investment. The review process occurred over a 16-month period with valuable assistance from the Comprehensive Planning Ad Hoc Committee.

**Updated Building Codes:**

Building codes provide a basic level of safety for the homes and businesses people use every day. Better construction also makes buildings more resilient to catastrophes. This can result in less damage and potentially lower insurance costs. Having reliable construction quality standards makes the community more attractive to potential investors. The Village updated building codes to ensure that standards are up to date with current construction and safety practices. In addition, staff took the opportunity to create clearer, more user-friendly requirements.

**Mobile Food Vendors:**

In 2017, the Village engaged with mobile food vendors and other stakeholders to evaluate the Mobile Food Vendor permit process. As a result, the Village amended the ordinance to simplify the permit process and encourage more mobile food vendors to apply in Downers Grove.

**Community Response Center (CRC) App:**

This app was launched to communicate directly with the Village and report issues quickly using text or photos, with a mapping tool to pinpoint the exact location. The app also links to the Village website, Facebook, Twitter, and YouTube pages.

**Partnering With Others:**

The Village partnered with the Indian Boundary YMCA to install 3 picnic tables at the Main Street Station to be used for the Downtown Market, car show, and all other downtown activities.

**Infrastructure Investment:**

The Village's strategic goal to provide Top Quality Infrastructure requires a commitment to ongoing investment in maintenance, as well as in replacement or new infrastructure as necessary. In 2010, when revenues were impacted by the recession, the Village continued making investments in infrastructure, instead of diverting funding to cover the cost of operations.

In support of this commitment, \$10.6 million was invested in 2017:

- Streets and Sidewalks-\$5.7 million
- Stormwater Systems-\$2.3 million
- Water Systems-\$2.7 million

**Recognized Leadership:**

***One of the Greenest Fleets in North America***

For the past five years, Downers Grove has consistently won awards for having one of the TOP 50 Greenest Government Fleets in North America. Considering there are nearly 38,000 qualifying fleets, Downers Grove has set a benchmark for municipal fleets.

***Top Honors for Fire Department Educator***

Marsha Giesler, recipient of the Dr. Anne W. Phillips Award for leadership in Fire Safety Education, presented by Congressional Fire Services Institute and the International Fire Training Association.

***First Place Savvy Award***

Downers won a first place award for marketing and communications. The award honored the

work performed by the Village to educate the public about the 2016 stormwater referendum. The Village branded a Stormwater Youtility campaign comprised of a video series, an interactive utility calculator and strong social media content.

### ***100 Club Recognizes Class Act of Valor***

The 100 Club of DuPage County presented Downers Grove Firefighter Paramedics Quinn Triplett, Scott Sohn and Andrew Hoff with the Award of Valor for an interior rescue in the face of personal injury and risk of life in extreme fire conditions.

### ***American Heart Association “Mission:Lifeline” Gold Status***

Mission: Lifeline is an American Heart Association coordinated, proactive system of care that turns first responders, hospitals and other healthcare providers into a team that uses proven guidelines and best practices to treat patients suffering from acute coronary syndrome, including heart attacks. The goal: help save lives and improve patient outcomes, from symptom onset all the way through cardiac rehabilitation.

In order to achieve Gold Status, the Downers Grove Fire Department had to provide statistics for patients served that were suffering from heart attacks and strokes. The American Heart Association states that patients having a heart attack should have a 90-minute EMS to balloon time, which is the time period from when responders arrive to when the patient receives definitive treatment at the hospital. The team must meet that benchmark a certain percentage of the time to qualify and maintain Gold Status.

### ***Illinois Metropolitan Enforcement Group Director’s Award***

An officer in the Downers Grove Police Department received this prestigious honor for his contributions in wide-scale undercover investigations. The officer has received four certificates of recognition since their involvement with the DuPage Metropolitan Enforcement Group. The action of this officer and colleagues resulted in keeping illegal drugs off the streets and the incarceration of dangerous criminals.

## **RELEVANT FINANCIAL POLICIES**

The Village has established several specific policies to improve the overall well being of the residents, continue to meet immediate and long-term service objectives, and enhance the financial capability of the Village.

### **Budgeting:**

The Village adopts an annual budget. Due to careful planning, meaningful discussions and public input, Downers Grove is well-positioned for the future. The FY18 Budget was prepared and approved in 2017. The FY18 Adopted Budget demonstrates the Village’s commitment to continuous improvement and innovation as well as to the provision of exceptional municipal services at a value to residents, businesses and other stakeholders.

Key components of the FY18 Budget:

- Balanced General Fund with Recommended Fund Balance
- Revenue for newly implemented Food & Beverage Tax

- No Increase for Property Tax Levy for Operations
- Property Tax Levy Increase for Required Contributions to Public Safety Pensions
- Reduction in Staffing
- Funding to Implement the Facilities Plan Direction
- Contribution to Other Post-Employment Benefits (OPEB) Unfunded Liability
- Continued Investment in Infrastructure

### **Capital Planning:**

The Village prepares a comprehensive multi-year Capital Plan which lays out in detail all planned capital projects over a five year period. The Village Council dedicated certain revenues to fund capital projects. Because of this policy, the Village has been in a position to continue to make needed investments in Infrastructure.

### **Other Financial Policies:**

Some of the more significant policies include:

- Investment Policy-providing for market investment returns while protecting principal
- Purchasing Policy-setting forth procedures for ensuring that the best products and services are received at the lowest possible cost
- Fund Balance Policy-setting forth reserve levels to be maintained to ensure proper working capital and protect against unforeseen events

The Village's strong financial policies are in part responsible for maintaining the Village's AAA rating, allowing the Village to borrow at the lowest possible cost for infrastructure investment.

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Downers Grove for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2016. A copy of this award is located in the introductory section of the financial statements. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The Village also received the GFOA Distinguished Budget Presentation award for its 2017 Annual Budget. This is the eighth consecutive year that the Village has been honored with this significant achievement, which reflects the commitment to meeting the highest principles of governmental budgeting.

Village has been honored with this significant achievement, which reflects the commitment to meeting the highest principles of governmental budgeting.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire Finance department. We want to take this opportunity to thank Carol Hogan, Assistant Finance Director, Robin Lahey, Finance Manager, Daiva Sheldon, Accountant, and the members of the Finance team for all their efforts. We also wish to express appreciation for the policies and decisions provided by the Village Council, as reflected in this report.

Submitted by:



Dave Fieldman  
Village Manager



Judy Buttny  
Finance Director

# FINANCIAL SECTION

## Independent Auditor's Report

Honorable Mayor and Village Council  
Village of Downers Grove, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information for the Village of Downers Grove, Illinois, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Downers Grove, Illinois as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Downers Grove, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supplemental information and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 2017 combining, individual fund, capital asset financial statements and schedules, component unit – Downers Grove Library, and supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining, individual fund, capital asset financial statements and schedules, component unit – Downers

Honorable Mayor and Village Council  
Village of Downers Grove, Illinois  
Page 3

Grove Library, and supplemental information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*BKD, LLP*

Oakbrook Terrace, Illinois  
June 1, 2018

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2017**

---

This discussion and analysis of the Village of Downers Grove's (the 'Village') financial performance provides an overview of the Village's financial activities. Please read it in conjunction with the Transmittal Letter (beginning on page 1-4) and the Village's financial statements (beginning on page 3-1) and the related notes to the basic financial statements which begin on page 3-12.

**Financial Highlights**

- The Village's net position increased from \$78.1 million as of December 31, 2016 to \$80.1 million as of December 31, 2017.
- Governmental revenues increased \$.5 million. Revenue increases included property tax and permits, with decreases in telecommunications tax and income tax revenues.
- Governmental expenses increased by \$.5 million due primarily to pension expense and the sale of property in the downtown offset by decreases in snow and community development expenses.
- Revenues for business-type activities increased by \$.7 million due to an increase in revenues for stormwater and water.
- Business-type expenses were flat year on year. Increases in the Water fund in 2017 for the purchase of water were offset by decreases in Parking for deck rehabilitation done in 2016.
- No new debt was issued during the year ended December 31, 2017, however in 2017 the Village refunded \$2.3 million General Obligation Bonds issued for the Downtown TIF for a net present value savings of \$123,000.

**Using this Annual Report**

This annual report consists of a series of financial statements. The Village's basic financial statements are comprised of three components, 1) Government wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements (see pages 3-1 - 3-2) are designed to provide readers with a broad overview of the Village's finances, in a manner similar to private-sector business. All governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

The Statement of Net Position (see page 3-1) reports information on all of the Village's assets/deferred outflows of resources liabilities/deferred inflows of resources with the difference between those reported as net position. Over time, increases or decreases in net

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2017**

---

position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities (see page 3-2) presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements categorize functions of the Village that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type Activities).

The Governmental Activities reflect the Village's basic services, including public safety, public works, community development, interest on debt and general government administration. Property taxes, state sales tax, local utility tax and shared state income taxes finance the majority of these services. The Business-type Activities reflect private sector type operations, including Waterworks, Stormwater and Parking operations where the fee for service typically covers all or most of the costs of operation, including depreciation.

The government-wide financial statements include not only the Village, (or Primary government), but also the legally separate entity or component unit for which the Village is financially accountable (Downers Grove Public Library). The Downers Grove Public Library, is shown in a separate column on these statements. Financial information for the Library is also presented on page 6-1.

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds in the Village can be divided into three categories; governmental funds, proprietary funds and fiduciary funds.

***Governmental funds (page 3-3 and page 3-5)***

These funds are used to account for essentially the same functions reported as activities in the Government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2017**

---

at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of 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.

***Proprietary funds (pages 3-7 - 3-9)***

The Village of Downers Grove maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its waterworks, stormwater and parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses internal service funds to account for its fleet service, vehicle and equipment replacement and self-insurance. Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for the Waterworks, Stormwater and Parking funds, all of which are considered to be major funds of the Village. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

***Fiduciary funds (pages 3-10 - 3-11)***

The fund financial statements also allow the government to address its Pension Funds (Police and Firefighters') and agency fund. These funds represent trust responsibilities of the government; the assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

***Notes to the Financial Statements (pages 3-12 - 3-71)***

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

***Required Supplementary Information (pages 4-1 - 4-13)***

In addition to the basic financial statements and notes, this report also presents required supplementary information concerning the Village's budgetary comparisons of the

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2017**

general and major special revenue fund and status in funding its obligations to provide pension benefits to its employees.

*Combining and individual fund financial statements and schedules (pages 5-1 - 5-36)* are presented following the supplementary information on pensions.

*Supplemental information (pages 7-1 - 7-14)* provides a schedule of insurance in force and schedules of long term debt requirements.

*The statistical section (pages 8-1 - 8-19)* presents comparative and trend data, generally presented on a multi-year basis, information concerning demographic, economic and social data about the Village, as well as its fiscal capacity. This data should assist the reader in understanding the Village's overall financial condition.

**Statement of Net Position (in thousands)**  
**December 31, 2017 and December 31, 2016**

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
Current and other assets	\$ 64,255	\$ 62,794	\$ 19,980	\$ 20,813	\$ 84,235	\$ 83,607
Capital assets	122,681	126,481	71,893	68,656	194,574	195,137
Total assets	186,936	189,275	91,873	89,469	278,809	278,744
Deferred outflows of resources	10,738	11,611	1,975	2,257	12,713	13,868
Current liabilities	14,391	15,819	5,793	5,253	20,184	21,072
Noncurrent liabilities	136,479	140,054	31,963	32,061	168,442	172,115
Total liabilities	150,870	155,873	37,756	37,314	188,626	193,187
Deferred inflows of resources	22,649	21,137	158	147	22,807	21,284
Net Position						
Net investment in capital assets	80,884	80,397	41,442	38,646	122,326	119,043
Restricted	9,830	9,156	-	-	9,830	9,156
Unrestricted	(66,559)	(65,677)	14,492	15,619	(52,067)	(50,058)
Total net position	\$ 24,155	\$ 23,876	\$ 55,934	\$ 54,265	\$ 80,089	\$ 78,141

***Statement of Net Position (in thousands)***

The Village's combined net position increased by \$1,948 or 1.8% from 2016, to \$80,089. Governmental Activities net position increased by \$279 and business-type activities increased by \$1,669. Government-wide net position increased due to revenue growth combined with continued efforts at cost containment. Business-type net position increased due to continued investment in infrastructure.

The Village continues to aggressively invest in infrastructure. The largest portion of the Village's net position reflects its investment in capital assets (infrastructure, buildings, machinery, equipment and land), less any related debt used to acquire those assets that is

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2017**

still outstanding. This total for 2017 is \$122,326. The Unrestricted portion of net position includes, Police, Fire and IMRF pension liability.

**Statement of Activities (in thousands)**  
**For the Years ended December 31, 2017 and December 31, 2016**

	Governmental Activities		Business-type Activities		Total	
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
Revenues:						
Program revenues:						
Charges for services	\$ 8,049	\$ 7,333	\$ 21,585	\$ 20,728	\$ 29,634	\$ 28,061
Operating grants/contributions	786	715	47	47	833	762
Capital grants/contributions	1,247	1,497	17	232	1,264	1,729
General revenues:						
Property taxes	17,476	16,733	-	-	17,476	16,733
Sales taxes	20,566	20,543	-	-	20,566	20,543
Other taxes	12,534	12,960	-	-	12,534	12,960
Other	298	700	164	94	462	794
Total revenues	60,956	60,481	21,813	21,101	82,769	81,582
Expenses:						
General government	7,984	6,998	-	-	7,984	6,998
Public works	13,142	13,406	-	-	13,142	13,406
Community development	2,835	3,220	-	-	2,835	3,220
Public safety	34,804	34,264	-	-	34,804	34,264
Community services	773	904	-	-	773	904
Interest and fiscal charges	1,439	1,599	1,023	955	2,462	2,554
Waterworks	-	-	14,397	13,834	14,397	13,834
Parking	-	-	1,129	1,638	1,129	1,638
Stormwater Utility	-	-	3,295	3,417	3,295	3,417
Total expenses	60,977	60,391	19,844	19,844	80,821	80,235
Change in net position before transfers	(21)	90	1,969	1,257	1,948	1,347
Transfers	300	-	(300)	-	-	-
Change in net position	\$ 279	\$ 90	\$ 1,669	\$ 1,257	\$ 1,948	\$ 1,347
Ending Net Position:	\$ 24,155	\$ 23,876	\$ 55,934	\$ 54,265	\$ 80,089	\$ 78,141

**Revenues:**

For the year ended December 31, 2017, Governmental Activities Revenues totaled \$60,956, increasing about 0.7% or \$475. Revenue categories that increased over 2016 levels include Property Taxes \$743, Charges for Services \$716 and Operating Grants/Contributions \$71. Revenues that decreased were Capital Grants/Contributions \$250, Other Taxes \$426 and Other Revenues \$402. Sales taxes were flat year on year.

The Village benefits from a highly diversified revenue base. Revenues from sales taxes amounted to \$20,566. The sales tax consists of a 1% state portion and 1% local home rule tax. Sales tax revenues declined in most categories, however Drinking & Eating Places, Lumber Building and Hardware, and Agriculture offset these decreases. Revenues from Property Taxes totaled \$17,476. Property taxes support governmental activities, including the Village's contribution to the Police Pension Fund and the Firefighters' Pension Fund. The levy for operations was flat, and the Police and Fire Pension Levy increased by \$491 due to lower than expected return on plan assets. The remainder of the increase was due primarily to increases in TIF increment in the Downtown TIF (\$168)

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2017**

---

and Ogden Avenue TIF (\$75). Charges for Service increased \$716 due primarily to increased fees from permits and inspections and an increase in revenues from asset forfeitures. Major items included in the category Other Taxes which decreased \$426 are state income tax, utility taxes and use tax. State Income Taxes decreased \$269 in 2017 and Telecommunications taxes decreased \$204. The decrease in Capital Grants/contributions of \$250 is due primarily to developer contributions for infrastructure in 2016. The decrease in Other Revenues (\$402) is due to the gain on sale of land (\$456) in 2016.

For the year ended December 31, 2017, Business-Type Activities revenues totaled \$21,813 increasing by \$712 from 2016. Revenues in this category include charges for providing water and stormwater operations to the residents of the village and charges for parking. Fees for these services increased by \$225 or 4.1%. There were rate increases in all systems in 2016. Capital grants decreased by \$215. In 2016, the Village received a Community Development Block Grant for Stormwater for \$232. Other revenue is from interest income, which increased in 2017 due to higher interest rates.

Expenses:

For the year ended December 31, 2017, Governmental Activities expenses totaled \$60,977 increasing by \$586 or 0.97%. Increases include:

- General Government (\$986)
- Public Safety (\$540)

These increases were partially offset by a decrease in:

- Community Development (\$385)
- Public Works (\$264)
- Interest and Fiscal Charges (\$160)
- Community Services (\$131)

The increase in General Government is due primarily to the sale of property on Main Street. Public Safety costs increase due to pensions. Community Development costs were lower in 2017 since 2016 included costs related to the redevelopment agreement for Main and Ogden. Public Works expenses decreased in 2017 due to lower snow removal costs.

- Expenses for the Village's business-type activities for the year ended 2017 are \$19,844 which is the same amount for the year ended 2016. Increases in the Water fund in 2017 for the purchase of water were offset by decreases in Parking for deck rehabilitation done in 2016.

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2017**

---

**Major Governmental Funds (in thousands)**

The General Fund is the Village's primary operating fund and is the largest source of day-to-day operations. Fund Balance in the General Fund increased by \$13 to \$18,895. Increases in Property Taxes for Public Safety Pensions and permits for construction activity were partially offset by decreases in Income, Telecommunications Tax. Expenses were controlled due to continued cost reduction efforts.

The Downtown Redevelopment Tax Increment District fund (TIF) has a fund balance of \$827 compared to December 31, 2016 of \$1,207 for a decrease of \$380. This fund is used to pay Downtown TIF debt and for costs in the downtown area, offset by property tax increment.

The Capital Improvements fund accounts for the resources provided for improvements to the Village's infrastructure. The fund balance of \$4,842 is up from 2016 fund balance of \$4,108. The Village continues its commitment to invest in infrastructure.

**General Fund Budgetary Highlights (in thousands)**

The General Fund was budgeted to break even in 2017, with revenues and expenses at \$46.9 million. Revenues in the general fund were \$597 under budget. The majority of the decrease is due to unfavorable budget variances in: utility tax (\$567), income taxes (\$512), state sales taxes (\$647). These unfavorable variances were partially offset by higher than expected revenues in licenses and permits (\$679), grants (\$234) and charges for services (\$181).

Expenditures in the general fund were \$589 under the budget. This was due in a large part to cost reduction efforts.

**Capital Asset and Debt Administration (in thousands)**

*Capital Assets*

The Village has investment in capital assets for its governmental and business-type activities as of December 31, 2017 of \$194,574 (net of accumulated depreciation). This investment in capital assets includes infrastructure, buildings, land, improvements other than buildings, intangible assets, capital equipment, and construction in progress. For more detailed information, see Note 4 starting on page 3-33.

Major capital asset activity during the current period included:

- Roadway maintenance
- Watershed improvements
- Water main replacements

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2017**

<b>Capital Assets</b>						
<b>Net of Accumulated Depreciation</b>						
<b>(\$ are in thousands)</b>						
	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
<b>Capital assets, not being depreciated</b>						
Land	\$9,196	\$10,284	\$8,163	\$7,829	\$17,359	\$18,113
Construction in progress	360	3,855	2,674	1,127	3,034	4,982
<b>Total Capital assets, not being depreciated</b>	<b>9,556</b>	<b>14,139</b>	<b>10,837</b>	<b>8,956</b>	<b>20,393</b>	<b>23,095</b>
<b>Capital assets, being depreciated</b>						
Infrastructure	86,346	85,633	47,816	45,865	134,162	131,498
Buildings	17,801	18,343	3,368	3,488	21,169	21,831
Improvements other than buildings	2,706	2,787	9,569	10,014	12,275	12,801
Intangible Assets	119	193	15	23	134	216
Capital equipment	6,153	5,385	288	310	6,441	5,695
<b>Total Capital assets, being depreciated</b>	<b>113,125</b>	<b>112,341</b>	<b>61,056</b>	<b>59,700</b>	<b>174,181</b>	<b>172,041</b>
<b>Total</b>	<b>\$122,681</b>	<b>\$126,480</b>	<b>\$71,893</b>	<b>\$68,656</b>	<b>\$194,574</b>	<b>\$195,136</b>

*Long Term Debt (in thousands)*

At December 31, 2017, the Village had total bonded debt of \$69,170. Of this total, \$17,055 is debt to be repaid from the proceeds of downtown tax increment redevelopment district. These redevelopment districts generate higher taxes as they develop, and those taxes are used for debt service. In the event that the incremental taxes are insufficient, the government has pledged its ad valorem property tax authority as a guarantee. The remaining debt was issued to fund infrastructure projects. These debt issuances all have dedicated revenue sources. Additional information regarding debt can be found in Note 6 starting on page 3-35.

The Village holds an underlying bond rating of AAA from Standard & Poor's. Individual bond ratings are disclosed on the face of the final official statements for the bonds. State Statutes do not limit the amount of general obligation debt a home-rule municipality may issue.

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2017**

Outstanding General Obligation Debt (in thousands)

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
General Obligation Bonds						
Tax Increment Bonds	\$17,055	\$20,195	\$0	\$0	\$17,055	\$20,195
Stormwater	-	-	15,205	15,765	15,205	15,765
Fire Station #2	6,170	6,650	-	-	6,170	6,650
Fairview Resurfacing	-	-	-	-	-	-
Road Improvements	18,225	18,830	-	-	18,225	18,830
Water System Maintenance	-	-	12,515	13,130	12,515	13,130
Total	\$41,450	\$45,675	\$27,720	\$28,895	\$69,170	\$74,570

**Economic Factors and Next Year's Budgets and Rates**

The Village has been preparing General Fund budgets per the recommendations of the Long Range Plan (LRP). Guided by the LRP, the Village has responded to flattening/declining sales taxes and income taxes by reducing expenditures and increasing revenues by implementing a Food & Beverage Tax effective January 1, 2018 to ensure that essential Village services continue to be delivered without interruption. The Village will continue to follow the LRP to operate an organization that is as efficient and lean as possible.

**Requests for Information**

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's operations. Questions concerning any of the information provided in this report or any requests for additional financial information should be addressed to Judy Buttny, Finance Director/Treasurer, 801 Burlington Ave, Downers Grove, Illinois 60515.

## SECTION 3

# BASIC FINANCIAL STATEMENTS

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

- Government-wide Financial Statements
- Fund Financial Statements:
  - > Governmental Funds
  - > Proprietary Funds
  - > Fiduciary Funds

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Net Position  
December 31, 2017

	Governmental Activities	Business-type Activities	Total	Component Unit
<b>ASSETS</b>				
Cash and investments	\$ 37,326,865	\$ 16,855,358	\$54,182,223	\$ 2,743,362
Restricted cash	234,492	-	234,492	-
Property tax receivable	18,304,899	-	18,304,899	5,182,314
Sales tax receivable	5,666,254	-	5,666,254	-
Other taxes receivable	1,470,650	-	1,470,650	-
Accounts receivable	401,826	2,665,829	3,067,655	1,072
Accrued interest receivable	128,246	46,528	174,774	-
Other receivables (net of allowance)	641,549	55,285	696,834	38,211
Internal balances	(82,214)	82,214	-	-
Prepaid expenses	118,908	-	118,908	-
Inventory	36,606	274,933	311,539	-
Note receivable	6,499	-	6,499	-
Capital assets not being depreciated	9,556,460	10,837,135	20,393,595	222,211
Capital assets net accumulated depreciation	113,124,777	61,056,042	174,180,819	12,007,666
Total assets	<u>186,935,817</u>	<u>91,873,324</u>	<u>278,809,141</u>	<u>20,194,836</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on refunding	593,381	1,125,847	1,719,228	-
Deferred outflows related to pensions	10,144,774	849,497	10,994,271	979,698
Total deferred outflows of resources	<u>10,738,155</u>	<u>1,975,344</u>	<u>12,713,499</u>	<u>979,698</u>
<b>LIABILITIES</b>				
Accrued interest payable	687,615	465,875	1,153,490	-
Accounts payable	3,617,655	2,147,637	5,765,292	143,153
Accrued payroll	1,350,727	89,841	1,440,568	105,552
Deposits payable	-	195,441	195,441	-
Claims payable	2,818,848	-	2,818,848	-
Other payables	55,812	-	55,812	-
Unearned revenue	86,316	1,700,378	1,786,694	-
Debt due within 1 year	5,774,372	1,193,751	6,968,123	8,033
Debt due in more than 1 year	136,479,149	31,963,291	168,442,440	1,742,906
Total liabilities	<u>150,870,494</u>	<u>37,756,214</u>	<u>188,626,708</u>	<u>1,999,644</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for future periods	18,304,899	-	18,304,899	5,182,314
Deferred inflows related to pensions	4,344,127	158,240	4,502,367	182,494
Total deferred inflows of resources	<u>22,649,026</u>	<u>158,240</u>	<u>22,807,266</u>	<u>5,364,808</u>
<b>NET POSITION</b>				
Net investment in capital assets	80,884,186	41,442,172	122,326,358	12,195,324
Restricted for debt service	457	-	457	-
Restricted for economic development	6,798,602	-	6,798,602	-
Restricted for public safety	2,388,179	-	2,388,179	-
Restricted for road improvements	641,524	-	641,524	-
Unrestricted	(66,558,496)	14,492,042	(52,066,454)	1,614,758
Total net position	<u>\$ 24,154,452</u>	<u>\$ 55,934,214</u>	<u>\$ 80,088,666</u>	<u>\$ 13,810,082</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Activities  
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Primary Government	Component Unit
Primary government								
Governmental activities								
General government	\$ 7,984,144	\$ 1,523,794	\$ 135,000	\$ -	\$ (6,325,350)	\$ -	\$ (6,325,350)	\$ -
Public works	13,142,194	170,215	45,159	1,246,430	(11,680,390)	-	(11,680,390)	-
Community development	2,835,341	2,204,672	6,500	-	(624,169)	-	(624,169)	-
Public safety	34,803,633	3,098,908	598,903	-	(31,105,822)	-	(31,105,822)	-
Community services	772,901	1,051,703	750	-	279,552	-	279,552	-
Interest and fiscal charges	1,439,327	-	-	-	(1,439,327)	-	(1,439,327)	-
Total governmental activities	<u>60,977,540</u>	<u>8,049,292</u>	<u>786,312</u>	<u>1,246,430</u>	<u>(50,895,506)</u>	<u>-</u>	<u>(50,895,506)</u>	<u>-</u>
Business-type activities								
Waterworks	14,809,534	15,865,916	-	-	-	1,056,382	1,056,382	-
Parking	1,129,021	1,628,957	46,875	-	-	546,811	546,811	-
Stormwater Utility	3,905,290	4,090,431	-	17,231	-	202,372	202,372	-
Total business-type activities	<u>19,843,845</u>	<u>21,585,304</u>	<u>46,875</u>	<u>17,231</u>	<u>-</u>	<u>1,805,565</u>	<u>1,805,565</u>	<u>-</u>
Total primary government	<u>\$ 80,821,385</u>	<u>\$ 29,634,596</u>	<u>\$ 833,187</u>	<u>\$ 1,263,661</u>	<u>\$ (50,895,506)</u>	<u>1,805,565</u>	<u>(49,089,941)</u>	<u>-</u>
Component unit								
Community services	5,790,989	132,933	41,175	-	-	-	-	(5,616,881)
Total Component Unit	<u>\$ 5,790,989</u>	<u>\$ 132,933</u>	<u>\$ 41,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$5,616,881)</u>
General revenues								
Property tax					17,476,504	-	17,476,504	5,083,377
Home rule sales tax					7,912,189	-	7,912,189	-
Utility tax					4,997,799	-	4,997,799	-
Hotel tax					931,567	-	931,567	-
Personal property replacement tax					494,239	-	494,239	70,606
Local fuel tax					201,974	-	201,974	-
Other taxes					155,584	-	155,584	-
Intergovernmental								
Shared income tax					4,488,393	-	4,488,393	-
Shared sales tax					12,653,969	-	12,653,969	-
Shared local use sales tax					1,264,020	-	1,264,020	-
Investment income					292,273	163,592	455,865	13,980
Gain on sale of capital assets					5,941	-	5,941	-
Transfers					300,000	(300,000)	-	-
Total general revenues					<u>51,174,452</u>	<u>(136,408)</u>	<u>51,038,044</u>	<u>5,167,963</u>
Change in net position					278,946	1,669,157	1,948,103	(448,918)
Net position - beginning					<u>23,875,506</u>	<u>54,265,057</u>	<u>78,140,563</u>	<u>14,259,000</u>
Net position - ending					<u>\$ 24,154,452</u>	<u>\$ 55,934,214</u>	<u>\$ 80,088,666</u>	<u>\$ 13,810,082</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Balance Sheet  
Governmental Funds  
December 31, 2017

ASSETS	General	Downtown Redevelopment TIF	Capital Improvements	Nonmajor	Total
Cash and investments	\$ 14,666,967	\$ 826,753	\$ 4,146,050	\$ 11,801,519	\$31,441,289
Restricted cash	160,117	-	-	-	160,117
Property taxes receivable	13,153,375	3,450,000	971,524	730,000	18,304,899
Sales taxes receivable	3,982,182	-	1,684,072	-	5,666,254
Other taxes receivable	1,232,901	-	111,065	126,684	1,470,650
Accounts receivable	257,632	-	135,000	3,084	395,716
Other receivable (net of allowance)	641,549	-	-	-	641,549
Prepaid items	107,241	-	-	-	107,241
Note receivable	6,499	-	-	-	6,499
Interest receivable	76,715	-	6,948	42,744	126,407
Total Assets	<u>34,285,178</u>	<u>4,276,753</u>	<u>7,054,659</u>	<u>12,704,031</u>	<u>58,320,621</u>
LIABILITIES					
Accounts payable	884,626	-	1,159,789	1,398,651	3,443,066
Accrued payroll	1,310,470	-	11,388	-	1,321,858
Other payables	25,173	-	-	1,426	26,599
Unearned revenue	16,316	-	70,000	-	86,316
Total Liabilities	<u>2,236,585</u>	<u>-</u>	<u>1,241,177</u>	<u>1,400,077</u>	<u>4,877,839</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for future periods	13,153,375	3,450,000	971,524	730,000	18,304,899
Total Deferred Inflows of Resources	<u>13,153,375</u>	<u>3,450,000</u>	<u>971,524</u>	<u>730,000</u>	<u>18,304,899</u>
Total Liabilities & Deferred Inflows of Resources	<u>15,389,960</u>	<u>3,450,000</u>	<u>2,212,701</u>	<u>2,130,077</u>	<u>23,182,738</u>
FUND BALANCE					
Nonspendable	113,740	-	-	-	113,740
Restricted	160,117	826,753	-	8,767,517	9,754,387
Assigned	-	-	4,841,958	1,806,437	6,648,395
Unassigned	18,621,361	-	-	-	18,621,361
Total fund balances	<u>18,895,218</u>	<u>826,753</u>	<u>4,841,958</u>	<u>10,573,954</u>	<u>35,137,883</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 34,285,178</u>	<u>\$ 4,276,753</u>	<u>\$ 7,054,659</u>	<u>\$ 12,704,031</u>	<u>\$ 58,320,621</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Reconciliation of Fund Balances of Governmental Funds to the  
Governmental Activities in the Statement of Net Position  
December 31, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$35,137,883
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	122,681,237
Less internal service funds	(5,920,986)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(41,450,000)
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the governmental funds	(3,531,241)
Less internal service funds	54,247
The net OPEB payable is not due and payable in the current period, and, therefore, is not reported in the governmental funds	(7,161,496)
Less internal service funds	206,298
Unamortized premium is reported as a liability on the statement of net position	(926,983)
The unamortized accounting loss is reported as a deferred outflow in the statement of net position	593,381
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(687,615)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the Governmental Funds Balance Sheet	
Police	2,642,093
Fire	3,135,357
IMRF	4,367,324
Less internal service funds	(303,030)
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the Governmental Funds Balance Sheet	
Police	(2,097,630)
Fire	(1,432,971)
IMRF	(813,526)
Less internal service funds	56,447
Long term liabilities applicable to the Village's governmental activities are not due and payable in the current period and, according, are not reported as fund liabilities. All liabilities - both current and long term are reported in the Statement of Net Position.	
Net Police Pension liability	(42,763,556)
Net Fire Pension liability	(39,585,949)
Net IMRF Pension liability	(6,834,296)
Less internal service funds	474,203
The net position of the internal service funds are included in the governmental activities in the statement of net position	8,397,475
Less the net position attributable to Business type activities	(82,214)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$24,154,452

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2017

REVENUES	Downtown		Capital Improvements	Nonmajor	Total
	General	Redevelopment TIF			
Property tax	\$ 12,677,308	\$ 3,115,275	\$ 971,524	\$ 712,397	\$ 17,476,504
Home rule sales tax	1,978,047	-	5,934,142	-	7,912,189
Utility tax	4,533,442	-	464,357	-	4,997,799
Other taxes	1,478,692	-	-	304,672	1,783,364
Licenses & permits	2,338,815	-	-	-	2,338,815
Intergovernmental	18,010,315	-	-	2,247,768	20,258,083
Charges for services & fees	4,513,528	-	-	629,054	5,142,582
Fines & forfeitures	567,895	-	-	-	567,895
Investment income	179,660	1,442	35,204	75,967	292,273
Contributions & donations	882	-	180,159	-	181,041
Total revenues	<u>46,278,584</u>	<u>3,116,717</u>	<u>7,585,386</u>	<u>3,969,858</u>	<u>60,950,545</u>
EXPENDITURES					
Current					
General government	4,838,628	-	-	1,071,295	5,909,923
Public works	5,518,039	-	748,939	1,195,000	7,461,978
Community development	2,338,577	58,219	-	86,758	2,483,554
Public safety	32,845,601	-	-	122,634	32,968,235
Community services	724,441	-	-	-	724,441
Debt service					
Principal Retirement	-	-	-	4,320,000	4,320,000
Interest and Other	-	-	-	1,572,555	1,572,555
Capital outlay					
General government	-	-	224,982	79,715	304,697
Public works	-	-	3,466,267	-	3,466,267
Public safety	-	-	-	118,475	118,475
Total expenditures	<u>46,265,286</u>	<u>58,219</u>	<u>4,440,188</u>	<u>8,566,432</u>	<u>59,330,125</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>13,298</u>	<u>3,058,498</u>	<u>3,145,198</u>	<u>(4,596,574)</u>	<u>1,620,420</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	6,155,925	6,155,925
Transfers out	-	(3,444,391)	(2,411,534)	-	(5,855,925)
Refunding Bonds issued	-	-	-	2,255,000	2,255,000
Payment to Escrow Agent	-	-	-	(2,214,000)	(2,214,000)
Proceeds from sale of capital assets	-	5,941	-	-	5,941
Total other financing sources and uses	<u>-</u>	<u>(3,438,450)</u>	<u>(2,411,534)</u>	<u>6,196,925</u>	<u>346,941</u>
NET CHANGE IN FUND BALANCE	13,298	(379,952)	733,664	1,600,351	1,967,361
Fund balances -- beginning	18,881,920	1,206,705	4,108,294	8,973,603	33,170,522
Fund balances -- ending	<u>\$ 18,895,218</u>	<u>\$ 826,753</u>	<u>\$ 4,841,958</u>	<u>\$ 10,573,954</u>	<u>\$ 35,137,883</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Governmental Activities in the Statement of Activities  
For the Year Ended December 31, 2017

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ 1,967,361
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the statement of activities	
Capital outlays capitalized	1,697,594
Loss on disposal of assets	(1,204,927)
Less internal service funds	(1,049,033)
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditure in the governmental funds.	
Less internal service funds	(4,197,083)
	1,141,522
The issuance of long-term debt and related costs are shown as other financing sources(uses) and current expenditures, but are recorded as long term liabilities and deferred outflows of resources on the government wide statements	
Issuance of refunding bonds	(2,255,000)
Payment to escrow agent	2,214,000
The repayment of the principal portion of long-term debt is reported as an expenditure when paid, but is a reductions of principal outstanding in the statement of net position	
	4,320,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	
	112,171
The change in the compensated absences liability is reported as an expense on the statement of activities	
Less internal service funds	201,493
	(41,383)
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, some of these items are included in the governmental funds only to the extent they require the expenditure of current financial resources. Additionally, the effect of changes in deferred inflows and deferred outflows for pensions are only recorded in the statement of activities,	
Police pension plan	(934,018)
Fire pension plan	(1,030,822)
IMRF	(621,706)
Accounting losses on refundings are deferred and amortized as an expense in the statement of activities	
	(140,261)
The amortization of the premium on long-term debt is reported as a reduction of expense on the statement of activities	
	161,318
The increase in OPEB payable is reported as a increase in expense on the statement of activities	
Less internal service funds	(57,671)
	10,267
The change in net position of certain activities of internal service funds is reported in governmental funds	
	(32,910)
Less the change in net position attributable to Business type activities	18,034
<b>CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	
	<u><u>\$ 278,946</u></u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Net Position  
Proprietary Funds  
December 31, 2017

	Business-type Activities - Enterprise Funds				Internal Service
	Waterworks	Parking	Stormwater	Total	
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and investments	\$ 10,450,046	\$ 1,788,424	\$ 4,616,888	\$ 16,855,358	\$ 5,885,576
Restricted cash	-	-	-	-	74,375
Accounts receivable	2,134,243	108,480	423,106	2,665,829	6,110
Other receivable (net of allowance)	-	38,054	17,231	55,285	-
Interest receivable	31,836	3,747	10,945	46,528	1,839
Prepaid expenses	-	-	-	-	11,667
Inventory	<u>274,933</u>	-	-	<u>274,933</u>	<u>36,606</u>
Total current assets	<u>12,891,058</u>	<u>1,938,705</u>	<u>5,068,170</u>	<u>19,897,933</u>	<u>6,016,173</u>
<b>Noncurrent assets</b>					
Capital assets not being depreciated	2,230,699	323,813	8,282,623	10,837,135	-
Capital assets being depreciated	71,557,616	4,999,168	17,343,881	93,900,665	14,140,229
Accumulated depreciation	<u>(28,195,705)</u>	<u>(2,967,709)</u>	<u>(1,681,209)</u>	<u>(32,844,623)</u>	<u>(8,219,243)</u>
Total noncurrent assets	<u>45,592,610</u>	<u>2,355,272</u>	<u>23,945,295</u>	<u>71,893,177</u>	<u>5,920,986</u>
Total assets	<u>58,483,668</u>	<u>4,293,977</u>	<u>29,013,465</u>	<u>91,791,110</u>	<u>11,937,159</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Loss on refunding	-	-	1,125,847	1,125,847	-
Deferred outflows related to pensions	<u>480,865</u>	<u>54,247</u>	<u>314,385</u>	<u>849,497</u>	<u>303,030</u>
Total deferred outflows of resources	<u>480,865</u>	<u>54,247</u>	<u>1,440,232</u>	<u>1,975,344</u>	<u>303,030</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accrued interest payable	195,525	-	270,350	465,875	-
Accounts payable	1,481,840	220,088	445,709	2,147,637	174,589
Accrued payroll	54,044	5,366	30,431	89,841	28,869
Deposits payable	195,441	-	-	195,441	-
Claims payable	-	-	-	-	1,403,452
Other payables	-	-	-	-	29,213
Unearned revenue	72,437	1,253,906	374,035	1,700,378	-
Compensated absences	26,619	780	7,286	34,685	16,274
Debt due within 1 year	<u>694,066</u>	-	<u>465,000</u>	<u>1,159,066</u>	-
Total current liabilities	<u>2,719,972</u>	<u>1,480,140</u>	<u>1,592,811</u>	<u>5,792,923</u>	<u>1,652,397</u>
<b>Noncurrent liabilities</b>					
Claims payable	-	-	-	-	1,415,396
Debt due in more than 1 year	14,400,526	-	15,650,621	30,051,147	-
Compensated absences	62,110	1,820	17,000	80,930	37,973
Other post-employment benefits	296,667	35,169	170,026	501,862	206,298
Net pension liability	<u>752,492</u>	<u>84,890</u>	<u>491,970</u>	<u>1,329,352</u>	<u>474,203</u>
Total noncurrent liabilities	<u>15,511,795</u>	<u>121,879</u>	<u>16,329,617</u>	<u>31,963,291</u>	<u>2,133,870</u>
Total liabilities	<u>18,231,767</u>	<u>1,602,019</u>	<u>17,922,428</u>	<u>37,756,214</u>	<u>3,786,267</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	<u>89,574</u>	<u>10,105</u>	<u>58,561</u>	<u>158,240</u>	<u>56,447</u>
Total deferred inflows of resources	<u>89,574</u>	<u>10,105</u>	<u>58,561</u>	<u>158,240</u>	<u>56,447</u>
<b>NET POSITION</b>					
Net investment in capital assets	30,399,868	2,355,272	8,687,032	41,442,172	5,920,986
Restricted for economic development	-	-	-	-	74,375
Unrestricted	<u>10,243,324</u>	<u>380,828</u>	<u>3,785,676</u>	<u>14,409,828</u>	<u>2,402,114</u>
Total net position	<u>\$ 40,643,192</u>	<u>\$ 2,736,100</u>	<u>\$ 12,472,708</u>	<u>\$ 55,852,000</u>	<u>\$ 8,397,475</u>

Amounts reported for business-type activities in the statement of net position are different because:

Portion of internal service fund net position reported in the business-type activities as an internal balance	82,214
	<u>\$ 55,934,214</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Internal Service
	Waterworks	Parking	Stormwater	Total	
<b>OPERATING REVENUES</b>					
Sales	\$ -	\$ -	\$ -	\$ -	\$ 113,413
Charges for services, fees, fines	15,865,916	1,628,957	4,090,431	21,585,304	-
Interfund services	-	-	-	-	10,825,580
Insurance premiums	-	-	-	-	1,831,892
Other	-	-	-	-	11,679
Total operating revenues	<u>15,865,916</u>	<u>1,628,957</u>	<u>4,090,431</u>	<u>21,585,304</u>	<u>12,782,564</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,709,371	193,360	966,000	2,868,731	1,020,997
Supplies	9,030,050	126,414	62,392	9,218,856	680,927
Contractual services	626,335	185,544	701,240	1,513,119	2,206,004
Other charges and services	1,649,989	564,864	1,277,236	3,492,089	7,804,139
Depreciation	1,381,564	64,295	332,272	1,778,131	1,141,522
Total operating expenses	<u>14,397,309</u>	<u>1,134,477</u>	<u>3,339,140</u>	<u>18,870,926</u>	<u>12,853,589</u>
Operating income	<u>1,468,607</u>	<u>494,480</u>	<u>751,291</u>	<u>2,714,378</u>	<u>(71,025)</u>
<b>NONOPERATING REVENUES(EXPENSES)</b>					
Intergovernmental	-	46,875	-	46,875	-
Investment income	92,826	8,884	61,882	163,592	37,358
Gain/loss from disposals	5,456	-	-	5,456	757
Bond interest expense	(413,298)	-	(609,471)	(1,022,769)	-
Amortization of bond premium	19,107	-	43,321	62,428	-
Total nonoperating revenues (expenses)	<u>(295,909)</u>	<u>55,759</u>	<u>(504,268)</u>	<u>(744,418)</u>	<u>38,115</u>
Income (loss) before transfers, capital contributions and donations	<u>1,172,698</u>	<u>550,239</u>	<u>247,023</u>	<u>1,969,960</u>	<u>(32,910)</u>
<b>TRANSFERS</b>					
Transfers out	-	(300,000)	-	(300,000)	-
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>					
	-	-	17,231	17,231	-
<b>CHANGE IN NET POSITION</b>	<u>1,172,698</u>	<u>250,239</u>	<u>264,254</u>	<u>1,687,191</u>	<u>(32,910)</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>39,470,494</u>	<u>2,485,861</u>	<u>12,208,454</u>		<u>8,430,385</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 40,643,192</u>	<u>\$ 2,736,100</u>	<u>\$ 12,472,708</u>		<u>\$ 8,397,475</u>

Amounts reported for business-type activities in the  
Statement of Activities are different because:

Portion of internal service funds change in net position  
reported in business-type activities

CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES

(18,034)  
1,669,157

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2017

	Business Type Activities - Enterprise Funds				Internal Service
	Waterworks	Parking	Stormwater	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from interfund services	\$ -	\$ -	\$ -	\$ -	\$10,825,580
Receipts from customers	15,895,565	2,057,388	4,329,243	22,282,196	1,969,033
Other payments	(528,223)	(210,479)	(701,240)	(1,439,942)	(7,587,339)
Payments to employees	(1,589,092)	(181,011)	(909,629)	(2,679,732)	(996,463)
Payments for interfund services	(1,649,989)	(564,864)	(1,277,236)	(3,492,089)	-
Payments to suppliers	(8,806,744)	(103,286)	145,598	(8,764,432)	(3,294,962)
Net cash provided by operating activities	<u>3,321,517</u>	<u>997,748</u>	<u>1,586,736</u>	<u>5,906,001</u>	<u>915,849</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers out	-	(300,000)	-	(300,000)	-
Net cash used by noncapital activities	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital assets purchased	(2,490,102)	(500)	(2,527,744)	(5,018,346)	(1,049,033)
Proceeds from sale of capital assets	9,356	-	-	9,356	95,643
Interest paid	(421,523)	-	(550,301)	(971,824)	-
Principal paid on general obligation bonds	(615,000)	-	(560,000)	(1,175,000)	-
IEPA loan proceeds	1,157,605	-	-	1,157,605	-
IEPA loan payments	(51,997)	-	-	(51,997)	-
Net cash used by capital activities	<u>(2,411,661)</u>	<u>(500)</u>	<u>(3,638,045)</u>	<u>(6,050,206)</u>	<u>(953,390)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	88,306	7,781	63,061	159,148	36,525
Net cash provided by investing activities	<u>88,306</u>	<u>7,781</u>	<u>63,061</u>	<u>159,148</u>	<u>36,525</u>
Net Increase (decrease) in cash and cash equivalents	998,162	705,029	(1,988,248)	(285,057)	(1,016)
Cash and investments - beginning of year	<u>9,451,884</u>	<u>1,083,395</u>	<u>6,605,136</u>	<u>17,140,415</u>	<u>5,960,967</u>
Cash and investments - end of year	<u>\$ 10,450,046</u>	<u>\$ 1,788,424</u>	<u>\$ 4,616,888</u>	<u>16,855,358</u>	<u>\$ 5,959,951</u>
<b>Reconciliation of operating income (loss) to net cash by operating activities</b>					
Operating income (loss)	\$1,468,607	\$ 494,480	\$ 751,291	\$2,714,378	\$ (71,025)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	1,381,564	64,295	332,272	1,778,131	1,141,522
Change in assets, deferred outflows, liabilities and deferred inflows					
Accounts payable	334,782	(1,807)	207,990	540,965	(971,480)
Compensated absences	7,539	1,817	(501)	8,855	(41,383)
Accounts receivable	35,197	(1,051)	(32,220)	1,926	12,049
Other accounts receivable	-	429,482	232,384	661,866	-
Deferred outflows related to pensions	123,097	13,940	75,740	212,777	92,731
Prepaid expenses	-	-	-	-	557,970
Inventory	(111,476)	-	-	(111,476)	5,479
Other post-employment benefits	11,059	114	(8,069)	3,104	10,267
Deposits payable	98,112	-	-	98,112	-
Other payables	-	-	-	-	706
Unearned revenue	(5,548)	-	38,648	33,100	-
Deferred inflows related to pensions	5,827	650	4,466	10,943	1,570
Accrued payroll payable	11,947	319	4,144	16,410	5,914
Claims payable	-	-	-	-	216,094
Net pension liability	(39,190)	(4,491)	(19,409)	(63,090)	(44,565)
Net cash provided by operating activities	<u>\$3,321,517</u>	<u>\$ 997,748</u>	<u>\$ 1,586,736</u>	<u>5,906,001</u>	<u>\$ 915,849</u>
<b>NON CASH TRANSACTIONS</b>					
Loss on disposition of capital assets	(3,900)	-	-	(3,900)	(94,886)
Amortization of a loan (unearned Metra revenue)	-	46,875	-	46,875	-
Loss on refunding	-	-	(68,770)	(68,770)	-
Amortization of bond premium	19,107	-	43,321	62,428	-
Capitalized interest on IEPA loan	(939)	-	-	(939)	-
TOTAL NON CASH TRANSACTIONS	<u>\$ 14,268</u>	<u>\$ 46,875</u>	<u>\$ (25,449)</u>	<u>\$ 35,694</u>	<u>\$ (94,886)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Fiduciary Net Position  
December 31, 2017

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,202,594	\$ 1,730,987
Investments		
U.S. and U.S. agency obligations	16,210,262	-
Corporate bonds	17,800,087	-
Foreign bonds	1,560,531	-
Negotiable CDs	1,817,701	-
Mutual funds - equity	52,997,775	-
Common and preferred stocks	5,288,778	-
Real Estate	11,492,454	-
Total investments	<u>107,167,588</u>	<u>-</u>
Prepays	14,933	-
Interest receivable	<u>280,743</u>	<u>-</u>
 Total assets	 <u>110,665,858</u>	 <u>1,730,987</u>
 Accounts payable	 34,128	 340
Deposits payable	<u>-</u>	<u>1,730,647</u>
 Total liabilities	 <u>34,128</u>	 <u>\$ 1,730,987</u>
 <b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	 <u><u>\$ 110,631,730</u></u>	

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Changes in Fiduciary Net Position  
For the Year Ended December 31, 2017

	<u>Pension Trust</u>
<b>ADDITIONS</b>	
Contributions	
Contributions - employer	\$ 6,025,296
Contributions - employees	1,374,752
Total contributions	<u>7,400,048</u>
Investment earnings	
Interest earned on investments	2,407,532
Net appreciation in fair value	10,297,148
Total investment earnings	<u>12,704,680</u>
Less investment expense	<u>(202,649)</u>
Net investment earnings	<u>12,502,031</u>
Total additions	<u>19,902,079</u>
<b>DEDUCTIONS</b>	
Contractual services	108,934
Benefits and refunds	7,978,698
Total deductions	<u>8,087,632</u>
Change in Net Position	11,814,447
Net Position-- beginning of the year	98,817,283
Net Position -- end of the year	<u><u>\$ 110,631,730</u></u>

See accompanying notes to financial statements

## NOTES TO FINANCIAL STATEMENTS

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

INDEX TO NOTES TO FINANCIAL STATEMENTS

Footnote Number	Description	Page Number(s)
1	Summary of Significant Accounting Policies	3-13
2	Deposits and Investments	3-21
3	Receivables	3-32
4	Capital Assets	3-33
5	Transfers	3-35
6	Long-Term Debt	3-35
7	Risk Management	3-40
8	Commitments	3-41
9	Contingent Liabilities	3-43
10	Postemployment Benefits	3-43
11	Employee Retirement Systems	3-45
12	Governmental Fund Balances	3-59
	Effect of New Accounting Standards on Current	
13	Period Financial Statements	3-60
14	Component Unit-Downers Grove Library	3-62

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Downers Grove, Illinois (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Village's accounting policies are described below.

A. Reporting Entity

The Village is a municipal corporation governed by an elected board. As required by GAAP, these financial statements present the Village (the primary government). In evaluating how to define the reporting entity, management has considered all potential component units. Component units are legally separate organizations for which the Village is financially accountable or other organizations for which the nature and significance of their relationship with the Village are such that their exclusion would cause the reporting entity's financial statements to be misleading.

The Village's financial statements include 2 pension trust funds:

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, the PPERS is reported as if it were a 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. The PPERS is reported as a pension trust fund, because of the Village's fiduciary duties, and the data for this component unit is included in the government's fiduciary fund financial statements.

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). The FPERS functions for the benefit of those employees and is governed by a five member pension board. Two members appointed by the Mayor, one pension beneficiary elected by the membership, and two fire employees elected by the membership constitute the pension board. The Village and FPERS

## VILLAGE OF DOWNERS GROVE, ILLINOIS

### Notes to Financial Statements

December 31, 2017

---

participants are obligated to fund all FPERs 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. The FPERs is reported as a pension trust fund because of the Village's fiduciary duties, and the data for this component unit is included in the government's fiduciary fund financial statements.

#### Discretely Presented Component Unit - Downers Grove Public Library

The component unit in the basic financial statements includes the financial data of the Village's component unit. It is reported in a separate column to emphasize that it is legally separate from the Village.

The Downers Grove Public Library (the Library) operates and maintains the public library within the Village. The Library's Board is appointed by Village Council and its annual budget and property tax levy requests are subject to the Village Council's approval.

The Library does not issue separate financial statements but more information can be obtained from the Library's offices at 1050 Curtiss, Downers Grove, Illinois, 60515.

#### B. Fund Accounting

The Village uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to determine legal compliance and to aid financial management by segregating transactions related to certain governments' functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for substantially all of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government, not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds and agency funds which are generally used to

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

---

account for assets that the Village holds in fiduciary capacity or on behalf of others as their agent.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Village. The effect of interfund activity has been removed from these statements; however interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 properly included among program revenues are reported instead as general revenues.

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

The Village reports the following major governmental funds:

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Downtown Redevelopment Tax Increment Financing District Fund* accounts for all activities related to the redevelopment of downtown Downers Grove. The revenue in this fund is from the collection of the TIF property tax increment created from the increase in the value of property within the district.

The *Capital Improvements Fund* accounts for capital projects being completed in the Village.

The Village reports the following major proprietary funds:

The *Waterworks Fund* accounts for the provision of potable water services to the residents of the Village. All activities necessary to provide such services are

# VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

December 31, 2017

---

accounted for in this fund including but not limited to administration, operations, maintenance, financing and related debt service, and billing and collection.

The *Parking Fund* accounts for the fee-based parking throughout the Village. All activities including lot maintenance, parking permits administration, parking enforcement, and collections are included in this fund.

The *Stormwater Utility Fund* accounts for projects recommended to address drainage and stormwater issues within the public system. All activities necessary to provide such services are accounted for in this fund including but not limited to administration, operations, maintenance, financing and related debt service, and billing and collection.

Additionally, the Village reports the following funds:

*Internal Service Funds* account for equipment replacement, risk management, health insurance, and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

*Pension Trust Funds* account for the activities of the accumulation of resources to pay pension costs. Resources are contributed by members at rates fixed by state statutes and by the government through an annual property tax levy.

*Agency Funds* account for the activities of the Village but are unavailable for the use of the Village due to the Village being a pass through or holder of funds (i.e., construction deposit fund).

### D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements except for agency funds which do not have a measurement focus. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expense are directly attributable to the operation of the proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales

# VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

December 31, 2017

---

taxes and telecommunication taxes which use a 90 day period. Expenditures, generally, are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Sales taxes, licenses, interest revenue, and charges for services revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Income taxes and fines collected and held by the state or county at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash. All other revenue items are considered to be measurable and available only when cash is received by the Village. The Village recognizes property taxes when they become both measurable and available in the year intended to finance.

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 enterprise funds and of the Village's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village reports unearned revenue and unavailable revenue on its financial statements. Unearned and unavailable revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue and unavailable revenues also arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of 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 unearned or unavailable revenue is removed from the financial statements and revenue is recognized.

### E. Cash and Cash Equivalents and Investments

For purposes of the statement of cash flows, the Village's enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Since the Village pools its cash and investments, all investments are considered cash equivalents.

Investments consist of certificates of deposit, treasury obligations, mutual funds, and insurance contracts with maturities greater than three months. Investments are reported at fair value except that non-negotiable certificates of deposit are stated at cost or amortized cost.

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

---

F. Receivables

The recognition of receivables associated with non-exchange transactions are as follows:

- Derived tax receivables (such as: sales taxes) are recognized when the underlying exchange has occurred.
- Imposed non-exchange receivables (such as: property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government mandates or voluntary non-exchange transaction receivables (such as: mandates or grants, income and motor fuel taxes) are recognized when all eligibility requirements have been met.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory amounts are recorded on the basis of a physical count at the fiscal year end. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

H. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of \$25,000 or more for all capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

Description	Years
Infrastructure	20 - 50
Buildings	50 - 65
Improvements other than buildings	50 - 65
Capital equipment	5 - 15
Intangible Assets	5 - 10

J. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from an advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund.

K. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. If the bargaining employee started before May 1, 1995, the Village will pay accumulated sick time when employment has ceased. If the employee started after May 1, 1995, there is no liability for unpaid accumulated sick leave. If the non-bargaining employee started before December 1, 1993, the Village will pay accumulated sick time when employment has ceased. If the employee started after December 1, 1993, there is no liability for unpaid accumulated sick leave. All pay due in the event of termination is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have been incurred, for example, as a result of employee resignations and retirements near the end of the fiscal year and the payout is actually due to them but has not yet been paid.

L. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

---

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow resource (revenue) until that future time.

N. Fund Balances/Net Position

Governmental fund equity is classified as fund balance and displayed as follows:

a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

b. Restricted – Consists of fund balances constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the Village.

c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Village through formal action of the Mayor and Village Council. Fund balance amounts are committed through an ordinance of the village. This ordinance must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require another ordinance by the Village.

d. Assigned – Represents amounts constrained by the Village's intent to use them for a specific purpose. The Village Council authorizes management to assign fund balance.

e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the Village's net position is restricted as a result of enabling legislation adopted by the Village. Net investment in

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

---

capital assets represents the book value of capital assets less any long-term debt outstanding issued to acquire or construct the capital assets.

Proprietary fund equity is classified the same as in the government-wide statements.

O. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

P. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

A. Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes except for repurchase agreements. These include 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 agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety, liquidity, and yield.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. On January 1, 2013, the temporary unlimited coverage for noninterest bearing transaction accounts expired. Therefore, demand deposit accounts (interest-bearing and noninterest-bearing) are insured for a total of \$250,000 beginning January 1, 2013. In addition, if deposits are held in an institution outside of Illinois, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Village, an independent third-party or the Federal Reserve Bank in the Village's name. The Village's management believes it is in compliance with this policy.

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 investments could be sold.

Investments

The following table presents the investments and maturities of the Village as of December 31, 2017:

Investment Type	Investment Maturities (in Years)			
	Fair Value	Less than 1	1-5	6-10
Municipal Bonds	\$6,950,335	\$2,486,469	\$4,463,866	\$ -
Federal Home Loan Bank Note	\$5,465,775	498,205	4,967,570	-
Federal Farm Credit Bank Note	\$2,424,341	448,371	1,975,970	-
Negotiable CDs	\$18,254,425	6,435,597	11,818,828	-
<b>Total</b>	<b>\$33,094,876</b>	<b>\$9,868,642</b>	<b>\$23,226,234</b>	<b>\$ -</b>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in shorter-term securities.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

Investment Type	Fair Value	Investment ratings			
		AAA	AA	A	Not Rated
Municipal Bonds	\$6,950,335	\$1,486,076	\$5,181,436	\$282,823	\$ -
Federal Home Loan Bank Note	5,465,775	-	5,465,775	-	-
Federal Farm Credit Bank Note	2,424,341	-	2,424,341	-	-
Negotiable CDs	18,254,425	-	-	-	18,254,425
Illinois Funds	2,277,094	2,277,094	-	-	-
<b>Total</b>	<b>\$35,371,970</b>	<b>\$3,763,170</b>	<b>\$13,071,552</b>	<b>\$282,823</b>	<b>\$18,254,425</b>

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk limiting investments to the safest types of securities; pre-qualifying the financial institutions, intermediaries, and advisors with which the Village will conduct business; and diversifying the investment portfolio so that potential losses on individual investments will be minimized.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by an independent third-party custodian in the Village's name and evidenced by safekeeping receipts and a written custodial agreement. Illinois Funds are not subject to custodial credit risk. The Village's management believes it is in compliance with this policy.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities); no financial institution shall hold more than 40% of the Village's investment portfolio, exclusive of U.S. Treasury securities in safekeeping; monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution; commercial paper shall not exceed 10% of the Village's investment portfolio, except bond issue proceed investments; and deposits in any one public investment pool shall not exceed 50% of the Village's investment portfolio. The Village has \$5,465,775 invested in Federal Home Loan Bank Notes and \$2,424,341 invested in Federal Farm Credit Banks which is over 5% of the Village's investment portfolio.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2017:

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

Investments Measured at Fair Value			
Investment Type	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Municipal Bonds	\$ -	\$ 6,950,335	\$ -
U.S. Agencies	-	7,890,116	-
Negotiable CDs	-	18,254,425	-
Total investments	\$ -	\$ 33,094,876	\$ -

**Level 1** includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

**Level 2** includes inputs other than quoted prices included with Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** includes unobservable inputs for an asset or liability.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

**B. Police Pension Fund Deposits and Investments**

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, real estate, interest bearing obligations of the U.S. Treasury and U.S. Agencies, interest bearing bonds of the State of Illinois or any county, township, or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. Agencies, separate accounts managed by life insurance companies, Mutual Funds, common and preferred stock, and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The police pension fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Expected Rate of Return Assumption	Real rate of Return Assumption
Fixed Income	42.50%	4.40%	2.10%
Domestic Equities	35.00%	7.90%	5.60%
International Equities	10.00%	8.10%	5.80%
Commodities	2.5%	4.30%	2.00%
Real Estate	10.00%	7.50%	5.20%
Cash and Cash Equivalents	0.00%	2.70%	0.40%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in December 2017 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are listed in the table above.

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.30 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are safety of principal, liquidity, and rate of return.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by an independent third-party or the Federal Reserve Bank, and evidenced by safekeeping receipts. The Village's management believes it is in compliance with this policy.

Investments

The following table presents the investments and maturities of the Police Pension Fund as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	\$ 10,132,834	\$ 957,089	\$3,286,087	\$5,889,658	\$ -
Foreign Bonds	913,145	-	913,145	-	-
U.S. Obligations	8,583,985	3,111,845	1,807,871	3,664,269	-
U.S. Agency Obligations	18,691	-	1,345	17,346	-
<b>TOTAL</b>	<b>\$19,648,655</b>	<b>\$4,068,934</b>	<b>\$6,008,448</b>	<b>\$9,571,273</b>	<b>\$ -</b>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Police Pension Fund's investment policy does not address this issue. The Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

Investment Type	Fair Value	Investment ratings				
		AAA	AA	A	BBB	Not Rated
Corporate Bonds	\$10,132,834	\$ -	\$720,352	\$6,021,229	\$3,391,253	\$ -
Foreign Bonds	913,145	-	-	709,985	203,160	-
U.S. Obligations	8,583,985	8,583,985	-	-	-	-
U.S. Agency Obligations	18,691	18,691	-	-	-	-
Principal U.S. Property Separate Acct	6,371,560	-	-	-	-	6,371,560
<b>TOTAL</b>	<b>\$26,020,215</b>	<b>\$8,602,676</b>	<b>\$720,352</b>	<b>\$6,731,214</b>	<b>\$3,594,413</b>	<b>\$6,371,560</b>

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Police Pension Fund limits its exposure to credit risk by primarily investing U.S. Government Securities which are rated AAA, and other obligations which are rated BBB or better by a national rating agency.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third-party custodian and evidenced by safekeeping receipts. Illinois Funds are not subject to custodial credit risk. The Village's management believes it is in compliance with this policy.

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of its investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. Target percentages are fixed income 42.5%; large cap domestic equities 25%; small cap domestic equities 10%; and international equities 10%. In the Police Pension, more than 5 percent of the plan's net position is invested in a mutual fund/insurance contract purchased through Principal Financial Group. The Police Pension holds \$6,371,560 in a real estate investment purchased through Principal Financial Group, representing 11.5% of the plan's net position.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table.

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Annuity-Real Estate Funds	\$ 6,371,560	-	N/A	N/A

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2017:

Investment Type	Investments Measured at Fair Value		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:			
U.S. Obligations	\$ -	\$ 8,583,985	\$ -
U.S. Agencies	-	18,691	-
Corporate Bonds	-	10,132,834	-
Foreign Bonds	-	913,145	-
Total debt securities	\$ -	\$ 19,648,655	\$ -

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

Equity securities:				
Common stocks	\$5,288,778	\$	-	-
Mutual Funds-Equity	22,363,404		-	-
Total equity securities	\$27,652,182	\$	-	-

---

**Level 1** includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

**Level 2** includes inputs other than quoted prices included with Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** includes unobservable inputs for an asset or liability.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

C. Firefighters' Pension Fund Deposits and Investments

The Firefighters' Pension Fund's investment policy authorizes the Firefighters' Pension Fund to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, real estate, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds (created the Illinois state legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value). The firefighters' pension fund allows funds to be invested in any type of security authorized by the Illinois Pension Code. The firefighters' pension fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

Asset Class	Target	Expected Rate of Return Assumption	Real Rate of Return Assumption
Fixed Income	35.00%	4.40%	2.10%
Domestic Equities	39.00%	7.90%	5.60%
International Equities	15.00%	8.10%	5.80%
Real Estate	10.00%	7.50%	5.20%
Cash and Cash Equivalents	1.00%	2.70%	0.40%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in December 2017 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are listed in the table above.

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.37 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

It is the policy of the Firefighters' Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Firefighters' Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are safety of principal, liquidity, and return on investment.

#### Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Firefighters' Pension Fund's deposits may not be returned to it. The Firefighters' Pension Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by an independent third-party or the Federal Reserve Bank, and evidenced by safekeeping receipts. The Village's management believes it is in compliance with this policy.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	\$ 7,667,253	\$ 697,149	\$4,074,490	\$2,793,586	\$ 102,028
Foreign Bonds	647,386	51,970	354,653	240,763	-
U.S. Obligations	5,310,593	-	3,726,013	1,584,580	-
U.S. Agency Obligations	2,296,993	-	2,037,501	259,492	-
Negotiable CDs	1,817,701	239,610	1,578,091	-	-
<b>TOTAL</b>	<b>\$17,739,926</b>	<b>\$988,729</b>	<b>\$11,770,748</b>	<b>\$4,878,421</b>	<b>\$102,028</b>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Firefighters' Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

Investment Type	Fair Value	Investment ratings				
		AAA	AA	A	BBB	Not Rated
Corporate Bonds	\$7,667,253	\$329,394	\$1,097,639	\$4,720,799	\$1,519,421	\$ -
Foreign Bonds	647,386	-	182,426	429,814	35,146	-
U.S. Obligations	5,310,593	5,310,593	-	-	-	-
U.S. Agency Obligations	2,296,993	2,296,993	-	-	-	-
Principal US Property Separate Acct	5,120,894	-	-	-	-	5,120,894
Negotiable CDs	1,817,701	-	-	-	-	1,817,701
<b>TOTAL</b>	<b>\$22,860,820</b>	<b>\$7,936,980</b>	<b>\$1,280,065</b>	<b>\$5,150,613</b>	<b>\$1,554,567</b>	<b>\$6,938,595</b>

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Firefighters' Pension Fund limits its exposure to credit risk by primarily investing U.S. Government securities which are rated AAA, and other obligations which are rated BBB or better by a national rating agency.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Firefighters' Pension Fund's requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third-party custodian and evidenced by safekeeping receipts. Illinois Funds are not subject to custodial credit risk. The Village's management believes it is in compliance with this policy.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

Concentration of credit risk is the risk that the Firefighters' Pension Fund has a high percentage of its investments invested in one type of investment. The Firefighters' Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. Target percentages are fixed income 35%; large cap domestic equities 29%; small cap domestic equities 10%; and international equities 15%. In the Fire Pension, more than 5 percent of the plan's net position is invested in a mutual fund/insurance contract purchased through Principal Financial Group. The Fire Pension holds \$5,120,894 in a real estate investment purchased through Principal Financial Group, representing 9.3% of the plan's net position.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table.

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Annuity-Real Estate Funds	\$ 5,120,894	-	N/A	N/A

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2017:

Investment Type	Investments Measured at Fair Value		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:			
U.S. Obligations	\$ -	\$ 5,310,593	\$ -
U.S. Agencies	-	2,296,993	-
Corporate Bonds	-	7,667,253	-
Foreign Bonds	-	647,386	-
Negotiable CD's	-	1,817,701	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 17,739,926</b>	<b>\$ -</b>
Equity securities:			
Mutual Funds-Equity	\$30,634,371	\$ -	\$ -
<b>Total equity securities</b>	<b>\$30,634,371</b>	<b>\$ -</b>	<b>\$ -</b>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

**Level 1** includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

**Level 2** includes inputs other than quoted prices included with Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** includes unobservable inputs for an asset or liability.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

3. RECEIVABLES

A. Property Taxes

Property taxes for 2017 attach as an enforceable lien on January 1 of the year of the levy on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are payable in two installments, on or about June 1 and September 1. Tax Increment Financing (TIF) property taxes receipts are received in two installments similar to levied taxes described above. TIF property taxes are not levied, but are paid by the County from incremental property tax receipts of all taxing bodies within a TIF District. The County collects such taxes and remits them periodically. Management has determined that an allowance for uncollectible accounts is not necessary. As the 2017 tax levy is intended to fund expenditures for the 2018 fiscal year, these taxes are deferred as of December 31, 2017.

B. Other Receivables

The following receivables are included in other receivables on the Statement of Net Position.

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES
OTHER TAXES RECEIVABLE		
Telecommunications tax	\$ 666,345	\$ -
Electricity tax	155,057	-
Natural gas tax	57,926	-
Local use tax	386,740	-

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

Auto rental tax		12,783	-
Hotel tax		65,115	-
State motor fuel tax		107,979	-
Local motor fuel tax		18,705	-
<b>TOTAL OTHER TAXES RECEIVABLE</b>	<b>\$</b>	<b>1,470,650</b>	<b>\$ -</b>
<b>OTHER RECEIVABLES</b>			
Ambulance fees (net of allowance)	\$	263,271	\$ -
Franchise fees		238,939	-
High School counselor fee		35,541	-
Grants		24,213	17,231
Parking tickets (net of allowance)		-	23,364
Passport & Parquex mobil parking fees		-	14,690
Other		79,549	-
<b>TOTAL OTHER RECEIVABLES</b>	<b>\$</b>	<b>641,549</b>	<b>\$ 55,285</b>

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

A. Governmental Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	10,283,845		1,087,518	9,196,327
Construction in progress	3,855,373	804,288	4,299,528	360,133
Total capital assets not being depreciated	14,139,218	804,288	5,387,046	9,556,460
Capital assets being depreciated				
Infrastructure	117,338,659	3,072,853	-	120,411,512
Buildings	27,046,011	-	65,600	26,980,411
	4,118,840	14,404		4,133,244
Improvements other than buildings			-	
Intangible Assets/Computers	1,261,055	-	111,098	1,149,957
Capital equipment	17,281,489	2,010,690	687,630	18,604,549
Total capital assets being depreciated	167,046,054	5,097,947	864,328	171,279,673
Less accumulated depreciation for				
Infrastructure	31,706,114	2,358,934		34,065,048
Buildings	8,703,223	519,002	43,076	9,179,149
Improvements other than buildings	1,331,331	95,586	-	1,426,917
Intangible Assets	1,068,218	74,018	111,098	1,031,138
Capital equipment	11,895,846	1,149,543	592,745	12,452,644
Total accumulated depreciation	54,704,732	4,197,083	746,919	58,154,896
Total capital assets being depreciated, net	112,341,322	900,864	117,409	113,124,777
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<b>126,480,540</b>	<b>1,705,152</b>	<b>5,504,455</b>	<b>122,681,237</b>

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

B. Business-Type Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	7,829,300	333,470	-	8,162,770
Construction in progress	1,126,753	5,252,778	3,705,166	2,674,365
Total capital assets not being depreciated	8,956,053	5,586,248	3,705,166	10,837,135
Capital assets being depreciated				
Infrastructure	61,067,650	3,171,069	59,989	64,178,730
Buildings	6,101,133	-	-	6,101,133
Improvements other than buildings	20,927,846	-	-	20,927,846
Intangible assets	104,081	-	-	104,081
Capital equipment	4,603,048	27,123	2,041,296	2,588,875
Total capital assets being depreciated	92,803,758	3,198,192	2,101,285	93,900,665
Less accumulated depreciation for				
Infrastructure	15,203,136	1,159,305	-	16,362,441
Buildings	2,612,722	120,505	-	2,733,227
Improvements other than buildings	10,914,192	445,268	-	11,359,460
Intangible Assets	81,186	7,631	-	88,817
Capital equipment	4,292,653	45,421	2,037,396	2,300,678
Total accumulated depreciation	33,103,889	1,778,130	2,037,396	32,844,623
Total capital assets being depreciated, net	59,699,869	1,420,062	63,889	61,056,042
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	68,655,922	7,006,310	3,769,055	71,893,177

C. Depreciation/Amortization Expense

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

<b>GOVERNMENT ACTIVITIES</b>	
General government	567,543
Public Works	2,547,573
Community Development	320,539
Public Safety	761,428
<b>TOTAL DEPRECIATION/AMORTIZATION EXPENSE</b>	<b>4,197,083</b>
<b>BUSINESS TYPE ACTIVITIES</b>	
Stormwater Utility	332,272
Waterworks	1,381,563
Parking	64,295
<b>TOTAL DEPRECIATION/AMORTIZATION EXPENSE</b>	<b>1,778,130</b>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

5. TRANSFERS

At December 31, 2017, interfund transfers consist of the following:

Fund	Transfer In	Transfer Out
Major Governmental		
Downtown Redevelopment TIF (1)	-	3,444,391
Capital Improvements (1)	-	1,911,530
Capital Improvements (2)	-	500,004
Non-major Governmental		
Downtown TIF Debt Service (1)	3,744,391	-
Capital Debt Service (1)	1,911,530	-
Municipal Buildings (2)	500,004	-
Enterprise		
Parking (1)	-	300,000
<b>TOTAL</b>	<b>\$6,155,925</b>	<b>\$6,155,925</b>

The interfund transfers reflect the following transactions: (1) transfer funds for debt service, (2) transfer to fund facilities projects.

6. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017, was as follows:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Compensated absences payable*	\$ 3,732,734	\$ 3,531,241	\$ 3,732,734	\$ 3,531,241	\$ 1,059,372
Net OPEB payable *	7,103,825	57,671	-	7,161,496	-
Net pension liability - Police *	41,389,771	1,373,785	-	42,763,556	-
Net pension liability – Fire *	38,842,319	743,630	-	39,585,949	-
Net pension liability– IMRF *	7,608,866	-	774,570	6,834,296	-
Unamortized premium	1,141,465	-	214,482	926,983	-
General obligation bonds payable	45,675,000	2,255,000	6,480,000	41,450,000	4,715,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$145,493,980</b>	<b>\$7,961,327</b>	<b>\$11,201,786</b>	<b>\$142,253,521</b>	<b>\$ 5,774,372</b>

\*The General Fund primarily liquidates the compensated absences liabilities, net pension liabilities and net OPEB payable.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
Compensated absences payable	\$ 106,760	\$ 115,615	\$ 106,760	\$ 115,615	\$ 34,685
Net OPEB payable	498,758	3,104	-	501,862	-
Net pension liability – IMRF	1,392,442	-	63,090	1,329,352	-
Unamortized premium	1,288,012	-	62,428	1,225,584	-
Water Fund - IEPA Loan	1,158,082	1,158,544	51,997	2,264,629	69,066
General obligation bonds payable	28,895,000	-	1,175,000	27,720,000	1,090,000
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 33,339,054</b>	<b>\$ 1,277,263</b>	<b>\$ 1,459,275</b>	<b>\$ 33,157,042</b>	<b>\$ 1,193,751</b>

**B. General Obligation Bonds**

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. All of the general obligation bonds are retired by the debt service funds, other than \$25.0 M General Obligation Stormwater Improvement Bonds, Series 2008A and \$2.9 M General Obligation Refunding Bonds, Series 2014-Refunding of Series 2008A and \$4.5 M General Obligation Refunding Bonds Series 2015-Refunding of Series 2008A and \$7.6 M General Obligation Refunding bonds, Series 2016 –Refunding of Series 20008A retired by the Stormwater fund; and \$10.0 M General Obligation Water Bonds, Series 2012 and \$5.0M Series 2015 General Obligation Water Improvement Bonds retired by the Waterworks fund. General obligation bonds currently outstanding are as follows:

	Balances Jan-2017	Additions	Refunding/ Retirements	Balances Dec-2017	Current Portion
<b>GOVERNMENTAL ACTIVITIES:</b>					
\$3,900,000 General Obligation Refunding Bonds, Series 2008B, dated August 13, 2008, due in installments of \$15,000 to \$1,105,000 beginning January 1, 2010 plus interest ranging from 3.0% to 5.0% due January 1, 2021.	2,160,000	-	2,160,000	-	-
\$9,030,000 General Obligation Refunding Bonds, Series 2009, dated April 9, 2009, due in installments of \$880,000 to \$1,005,000 beginning January 1, 2011 plus interest ranging from 2.50% to 5.00% due January 1, 2019.	2,915,000	-	940,000	1,975,000	970,000
\$5,805,000 General Obligation Refunding Bonds, Series 2010A, dated March 4, 2010, due in installments of \$175,000 to \$2,690,000 beginning January 1, 2011 plus interest ranging from 2.00% to 5.00% due January 1, 2021.	4,985,000	-	215,000	4,770,000	200,000

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Notes to Financial Statements**  
**December 31, 2017**

\$5,150,000 General Obligation Refunding Bonds, Series 2010B, dated November 10, 2010, due in installments of \$200,000 to \$1,210,000 beginning January 1, 2014 plus interest ranging from 3.00% to 4.00% due January 1, 2021.	4,330,000	-	580,000	3,750,000	705,000
\$25,000,000 General Obligation Bonds, Series 2012 - Roads, dated May 3, 2012, due in installments of \$590,000 to \$1,210,000 beginning January 1, 2013 plus interest ranging from 3.00% to 4.00% due January 1, 2038.	18,830,000	-	605,000	18,225,000	625,000
\$8,360,000 General Obligation Refunding Bonds, Series 2013A, dated October 31, 2013, due in installments of \$815,000 to \$1,775,000 beginning January 1, 2015 plus interest ranging from 2.00% to 3.00% due January 1, 2020.	5,805,000	-	1,500,000	4,305,000	1,715,000
\$6,725,000 General Obligation Refunding Bonds, Series 2014-Refunding of Series 2007, dated August 19, 2014, due in installments of \$35,000 to \$650,000 beginning January 1, 2015 plus interest ranging from 2.00% to 3.50% due January 1, 2028	6,650,000	-	480,000	6,170,000	485,000
\$2,255,000 General Obligation Refunding Bonds, Series 2017 - Refunding of Series 2008B, dated October 3, 2017, due in installments of \$15,000 to \$1,110,000 beginning January 1, 2018 plus interest of 1.720% due January 1, 2021.	-	2,255,000	-	2,255,000	15,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$45,675,000</b>	<b>\$ 2,255,000</b>	<b>\$6,480,000</b>	<b>\$41,450,000</b>	<b>\$4,715,000</b>

Balances Jan-2017	Additions	Refunding/ Retirements	Balances Dec-2017	Current Portion
----------------------	-----------	---------------------------	----------------------	-----------------

**BUSINESS-TYPE ACTIVITIES:**

\$25,000,000 General Obligation Bonds, Series 2008A, dated August 13, 2008, due in installments of \$400,000 to \$415,000 beginning January 1, 2010 plus interest of 4.00% due January 1, 2018.	815,000	-	400,000	415,000	415,000
\$10,000,000 General Obligation Bonds, Series 2012 - Water, dated May 3, 2012, due in installments of \$375,000 to \$655,000 beginning January 1, 2013 plus interest ranging from 3.00% to 3.50% due January 1, 2032.	8,365,000	-	415,000	7,950,000	425,000
\$2,935,000 General Obligation Refunding Bonds, Series 2014-Refunding portion of Series 2008A, dated August 19, 2014, due in installments of \$15,000 to \$665,000 beginning January 1, 2015 plus interest ranging from 2.00% to 4.00% due January 1, 2029	2,895,000	-	25,000	2,870,000	30,000

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

\$5,000,000 General Obligation Bonds, Series 2015-Water, dated April 15, 2015, due in installments of \$200,000 to \$330,000 beginning January 1, 2016 plus interest ranging from 2.00% to 3.50% due January 1, 2035	4,765,000	-	200,000	4,565,000	200,000
\$4,535,000 General Obligation Refunding Bonds, Series 2015-Refunding portion of Series 2008A, dated April 15, 2015, due in installments of \$20,000 to \$845,000 beginning January 1, 2016 plus interest ranging from 2.00% to 3.50% due January 1, 2034	4,470,000	-	20,000	4,450,000	20,000
\$7,585,000 General Obligation Refunding Bonds, Series 2016-Refunding portion of Series 2008A, dated March 30, 2016, due in installments of \$115,000 to \$1,045,000 beginning January 1, 2017 plus interest ranging from 2.00% to 4.00% due January 1, 2038	7,585,000	-	115,000	7,470,000	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$28,895,000</b>	<b>\$ -</b>	<b>\$1,175,000</b>	<b>\$27,720,000</b>	<b>\$1,090,000</b>
<b>TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES</b>	<b>\$74,570,000</b>	<b>\$2,255,000</b>	<b>\$7,655,000</b>	<b>\$69,170,000</b>	<b>\$ 5,805,000</b>

On October 3, 2017, the Village issued \$2,255,000 in General Obligation Refunding Bonds, Series 2017 with an interest rate of 1.720%. The proceeds were used to current refund \$2,160,000 of outstanding Series 2008B Bonds which had interest rates ranging from 3.00% to 5.00%. The net proceeds of \$2,214,000 (after payment of \$40,638 in underwriting fees, and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. The 2008B bonds were called on January 1, 2018. As a result, the above referenced bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The cash flow requirements on the refunded bonds prior to the advance refunding was \$2,485,250. The cash flow requirements on the 2017 Series refunding bonds are \$2,360,027 from January 1, 2018 through January 1, 2021, a difference of \$125,223. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$122,646 and an accounting loss of \$36,283.

The Village defeased \$14,320,000 of the General Obligation Series 2008A debt by Refunding Debt in years 2014, 2015 and 2016. The new debt was issued and the proceeds have been used to purchase U.S. government securities that were placed in escrow accounts. The investments and fixed earnings for the investment are sufficient to fully service the defeased debt until the debt matures. For financial reporting purposes, the debt has been considered defeased; therefore, the above listed debt was removed from the Village's financial statements. The outstanding balance as of December 31, 2017 for the Series 2008A bonds was \$14,320,000.

**C. Debt Service Requirements and Maturities**

Annual debt service requirements to maturity for general obligation bonds are as follows:

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

Year Ending December 31	Governmental Activities		Business-Type Activities	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2018	4,715,000	1,317,852	1,090,000	914,575
2019	5,135,000	1,179,684	1,160,000	881,275
2020	5,615,000	1,011,040	1,190,000	848,450
2021	6,205,000	804,265	1,225,000	814,550
2022	1,240,000	666,743	1,265,000	777,050
2023	1,280,000	628,943	1,305,000	737,175
2024 - 2028	7,015,000	2,524,781	7,185,000	3,028,800
2029 - 2033	4,645,000	1,557,628	7,850,000	1,725,113
2034 - 2038	5,600,000	577,400	5,450,000	520,237
<b>TOTAL</b>	<b>\$41,450,000</b>	<b>\$10,268,336</b>	<b>\$27,720,000</b>	<b>\$10,247,225</b>

Business-Type Activities

Other bonds or notes or loans payable	Date of Issue	Final Maturity	Interest rates	Original Indebtedness	December 31, 2017
Water Fund-IEPA Loan Preliminary Series 2016, Due in Bi-annual installments of \$35,541	12/8/2016	6/8/2036	1.86%	\$ 1,158,082	\$ 1,206,973
Water Fund-IEPA Loan Preliminary Series 2017, Due in Bi-annual installments of \$19,162	9/29/2017	9/28/2037	1.64%	\$ 1,057,656	\$ 1,057,656
Total Business-Type activities other bonds or notes or loans payable					<u>\$ 2,264,629</u>

D. Legal Debt Margin

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

---

receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts.”

To date, the General Assembly has set no limits for home rule municipalities.

The Village qualifies as a Home Rule Unit under Section 6(a) of Article VII of the 1970 Constitution of Illinois and, under the powers granted by this Section, can exercise any power and perform any function pertaining to its village and affairs which is not prohibited by the Illinois State Statutes.

E. Industrial, Commercial and Housing Revenue Bonds and Notes

The issuance of industrial, commercial and housing development revenue bonds by the Village is to finance in whole or in part the cost of the acquisition, purchase, construction, reconstruction, improvement, equipping, betterment, or extension of any economic development project in order to encourage economic development within or near the Village.

The bonds are not a debt of the Village. The entity using the bond proceeds to finance a construction or improvement project is liable for the bonds. Since the Village does not act as an agent for the bonds, the transactions relating to the bonds and property do not appear in the Village’s financial statements.

As of December 31, 2017, outstanding industrial, commercial and housing revenue bonds and notes approximated \$25,142,451.

7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Village is self-insured for all risks and has established a risk financing fund, Risk Management Fund and a Health Insurance Fund (the Funds), for all risks. They are accounted for as internal service funds where assets are set aside for claim settlements. Under this program, the Funds provides coverage up to a maximum of \$1,000,000 for each general liability claim, \$650,000 for each public safety workers’ compensation claim, \$600,000 each for all other workers’ compensation claims, \$10,000 for each property damage claim, and \$150,000 for each health claim. The Village purchases commercial insurance for claims in excess of the coverage provided by the Funds up to \$35,000,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the Village participate in and make payments to the Funds based upon actuarial estimates of the amounts needed to pay prior and current-year claims. Liabilities of the Funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and societal factors. Non-incremental costs are not allocated to the claims liabilities. Changes in the balances of aggregate claims liabilities during the past two fiscal years are as follows:

	Fiscal Year Ended December 31, 2016	Fiscal Year Ended December 31, 2017
CLAIMS PAYABLE, BEGINNING	\$ 2,976,280	\$ 2,602,754
Incurred claims (including IBNR)	5,594,443	7,127,902
Less claims paid	(5,967,969)	(6,911,808)
CLAIMS PAYABLE, ENDING	\$ 2,602,754	\$ 2,818,848

8. COMMITMENTS

A. DuPage Water Commission (DWC)

The Village has committed to purchase water from the DuPage Water Commission. The Village is required to purchase 6.479 million gallons daily, which is 194.37 million monthly. The Village expects to pay the following minimum amounts:

Fiscal Year Ending December 31	Amount
2018	267,473
2018	267,473
2019	267,473
2020	267,473
2022	267,473
2023-2024	534,946

These amounts have been calculated using the Village's current allocation percentage of 7.38%. In future years, this allocation percentage will be subject to change.

B. Sales Tax rebates

The Village has 8 sales tax rebate agreements with local businesses to develop and expand their business in the Village. According to 65 ILCS 5/8-11-20 the Village may enter into an economic incentive agreement relating to the development or redevelopment of land within the corporate limits of the municipality. The agreement is made to rebate any portion of retailer's occupational taxes received by the Village that were generated by the development or redevelopment over a finite period of time. Each sales tax rebate agreement was negotiated on an individual basis and approved by Council Resolution. The tax rebates

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

---

are payable to the vendors tri-annually based on information received by the Village from the State of Illinois Department of Revenue.

All of the Village's liability as of December 31, 2017 amounted to \$621,211 and has been reported in the Tax Rebate Fund. The Village has elected to disclose all such agreements below.

The Village has a sales tax rebate agreement dated June 5, 2001 with a local retailer to rebate sales taxes on annual sales generated from \$10,000,000 to \$20,000,000. Fifty percent of sales tax on sales generated by the vendor in excess of \$20,000,000 will be rebated to the vendor, subject to a project cap of \$8,000,000 in rebated sales tax. In consideration of the agreement, the retailer will continue to operate its business in the Village for a period of not less than nine years from the date of the agreement. Total sales tax rebates for 2017 amounted to \$143,970. As of December 31, 2017, the Village has zero liability with this vendor.

The Village has a sales tax rebate agreement dated March 1, 2005 with a local auto dealership to rebate sales taxes on annual sales generated in excess of a base amount of \$27,000,000. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than seven years commencing October 31, 2007. Total sales tax rebates for 2017 amounted to \$171,306. As of December 31, 2017, sales tax rebates of \$93,467 were not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated September 1, 2009 with a local auto dealership to rebate sales taxes on annual sales beginning in 2010. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than ten years. Total sales tax rebates for 2017 amounted to \$246,606. As of December 31, 2017, sales tax rebates of \$69,911 were not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated January 1, 2011 with a local auto dealership to rebate sales taxes on annual sales beginning in 2011. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than ten years. Total sales tax rebates for 2017 amounted to \$144,295. As of December 31, 2017, sales tax rebates of \$178,986 were not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated December 1, 2011 with a local auto dealership to rebate sales taxes on annual sales beginning in 2012. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than ten years. Total sales tax rebates for 2017 amounted to \$85,415. As of December 31, 2017, sales tax rebates of \$88,497 were not yet remitted to the retailer.

The Village has a sales tax rebate agreement dated November 6, 2012 with a local auto dealership to rebate sales taxes on annual sales beginning in 2013. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than fifteen years. Total sales tax rebates for 2017 amounted to \$41,676. As of December 31, 2017, sales tax rebates of \$47,700 were not yet remitted to the retailer.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

The Village has a sales tax rebate agreement dated October 29, 2014 with a local retailer to rebate sales taxes on annual sales beginning in 2015. In consideration of the agreement, the retailer will continue to operate its business in the Village for a period of not less than twenty years. Total sales tax rebates for 2017 amounted to \$232,205. As of December 31, 2017, the sales tax rebates of \$142,649 were not yet remitted to the retailer.

9. CONTINGENT LIABILITIES

A. Litigation

The Village is a defendant in various lawsuits arising out of the normal course of business. It is rigorously defending these suits, as it believes it has a meritorious defense against the claims. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the village attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the Village. The Village's possible exposure under these lawsuits is approximately \$100,000.

B. DuPage Water Commission (DWC)

The Village's water supply agreement with DWC provides that each customer is liable for its proportionate share of any costs arising from defaults in payment obligations by other customers.

C. Grants

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

10. POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the Village provides post employment health care and life insurance benefits (OPEB), in accordance with the personnel policy manual, to all employees who meet the eligibility requirements under the applicable retirement system. Currently, 106 retirees and spouses meet those eligibility requirements with 272 active members. The employee pays 100% of the cost of the health and life insurance premiums for the post employment benefits with the exception of health benefits for retirees that have reached 65. Once an employee reached 65 years of age, the Village subsidized 50% of the health insurance premium. For new retirees after September 1, 2009, the retiree pays 100% of the cost of the health and life insurance premiums. All health care benefits are provided through the Village's self-insured health plan. The benefit levels are the same as those afforded to active employees. The Village first had an actuarial valuation as of December 31, 2007. The Village's net OPEB obligation was \$7,663,358 as of December 31, 2017.

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

In the actuarial valuations, the entry-age normal actuarial cost method was used. The amortization method used was percent of pay. The actuarial assumptions included 3.5% investment rate of return and an annual healthcare cost trend rate of 0%, a reduction from 4.4% a year ago. Both rates include a 3% inflation assumption. The remaining open amortization period at December 31, 2017 was 30 years. The funded status of the plan was as follows:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	\$ 578,157
Interest on Net OPEB Obligation	266,091
Adjustment to Annual Required Contribution	<u>(243,422)</u>
Annual OPEB Cost	590,826
Contributions Made	<u>(530,051)</u>
Increase in Net OPEB Obligation	60,775
Net OPEB Obligation, Beginning of Year	<u>7,602,583</u>
Net OPEB Obligation, End of Year	<u>\$7,663,358</u>

Fiscal Year Ended December 31	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2017	590,826	89.71%	\$7,663,358
2016	582,879	70.62%	7,602,583
2015	763,644	51.30%	7,431,343

Actuarial valuations include estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. The Village does not issue a separate report for OPEB. The funded status of the plan as of December 31, 2017 was as follows:

Actuarial Accrued Liability (AAL)	\$11,885,761
Actuarial Value of Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	11,885,761
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll	\$25,159,981
UAAL as a Percentage of Covered Payroll	47.2%

Effective January 1, 2014 the Village implemented a fully insured policy for 65 and older retirees resulting in the decrease in the Actuarial Accrued Liability.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

11. EMPLOYEE RETIREMENT SYSTEMS

Plan Descriptions and Provisions

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan which is also a single-employer pension plan (collectively the Pension Plans). The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the Pension Plans issue separate reports on the Pension Plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the IMRF plan as a whole, but not for individual employers. That report can be obtained at [www.IMRF.org](http://www.IMRF.org).

A. Illinois Municipal Retirement Fund

**Plan description.** All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, 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 of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 2% for each year thereafter.

For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at or after age 67 with 10 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 of earnings (average of the highest 96 consecutive months' earnings during the last 10 years, capped at \$112,408) for credited service up to 15 years and 2% for each year thereafter. However, an employee's total pension cannot exceed 75% of their final rate of earnings. If an employee retires after 10 years of service between the ages of 62 and 67, and has less than 30 years of service credit, the pension will be reduced by 1/2% for each month that the employee is under the age of 67. If an employee retires after 10 years of service between the ages of 62 and 67, and has between 30 and 35 years of service credit, the pension will be reduced by the lesser of 1/2% for each month that the employee is under the age of 67 or 1/2% for each month of service credit less than 35 years. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

Under the employer number within IMRF, both the Village and Library contribute to the plan. As a result, IMRF is considered to be an agent multiple-employer plan through which cost-sharing occurs between the Village and Library.

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

**Plan membership.** At December 31, 2016, the measurement date, membership in the plans were as follows:

Retirees and beneficiaries	275
Inactive, non-retired members	195
Active members	207
Total	677

**Contributions.** As set by statute, Village and Library employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Village and Library to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's and Library's actuarially determined contribution rate for calendar year 2016 was 11.77% of annual covered payroll. For the year ended December 31, 2017 the Village contributed \$1,603,981 to the plan (\$1,350,385 for the Village and \$253,596 for the Library). The Village and Library also contribute for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability.** The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Summary of Significant Accounting Policies.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Actuarial Assumptions.** The total pension liability for IMRF was determined by an actuarial valuation performed as of December 31, 2016 using the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Actuarial assumptions	
Investment rate of return	7.50%
Wage growth	3.50%
Salary increases	3.75% to 14.50%, Including inflation
Price inflation	2.75%

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

**Mortality.** For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Long-Term Expected Real Rate of Return.** The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	38.00%	8.30%	6.85%
International equities	17.00%	8.45%	6.75%
Fixed income	27.00%	3.05%	3.00%
Real estate	8.00%	6.90%	5.75%
Alternatives	9.00%		
Private equity		12.45%	7.35%
Hedge funds		5.35%	5.25%
Commodities		4.25%	2.65%
Cash equivalents	1.00%	2.25%	2.25%

**Discount rate.** The discount rates used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2015 measurement date was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village and Library contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.78% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2016

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

to arrive at a discount rate of 7.50% used to determine the total pension liability. The year ending December 31, is the last year in the 2017 to 2116 projection period for which projected benefit payments are fully funded.

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village and Library calculated using the discount rate of 7.50% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount rate 7.50%	1% Increase 8.50%
<b>Village:</b>			
Total pension liability	89,662,913	79,336,372	70,865,603
Plan fiduciary net position	71,161,938	71,161,938	71,161,938
Net pension liability/(asset)	18,500,975	8,174,434	(296,335)
<b>Library:</b>			
Total pension liability	15,751,937	13,937,775	12,449,634
Plan fiduciary net position	12,415,460	12,415,460	12,415,460
Net pension liability/(asset)	3,336,477	1,522,315	34,174
<b>Total:</b>			
Total pension liability	105,414,850	93,274,147	83,315,237
Plan fiduciary net position	83,577,398	83,577,398	83,577,398
Net pension liability/(asset)	21,837,452	9,696,749	(262,161)

**Changes in net pension liability.** The Village's and Library's changes in net pension liability for the calendar year ended December 31, 2017 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
<b>Village:</b>			
Balances at December 31, 2016	\$76,208,831	\$67,207,523	\$9,001,308
Service cost	1,273,409	-	1,273,409
Interest on total pension liability	5,574,540	-	5,574,540
Differences between expected and actual experience of the total pension liability	(510,690)	-	(510,690)
Change of assumptions	(189,119)	-	(189,119)
Benefit payments, including refunds of employee contributions	(3,020,599)	(3,020,599)	-
Contributions – employer	-	1,409,766	(1,409,766)

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

Contributions – employee	-	572,935	(572,935)
Net investment income	-	4,608,713	(4,608,713)
Other (net transfer)	-	394,386	(394,386)
Balances at December 31, 2017	<u>\$79,336,372</u>	<u>\$71,172,724</u>	<u>\$8,163,648</u>

**Library:**

Balances at December 31, 2016	\$13,350,436	\$11,672,838	\$1,677,598
Service cost	239,141	-	239,141
Interest on total pension liability	1,046,877	-	1,046,877
Differences between expected and actual experience of the total pension liability	(95,906)	-	(95,906)
Change of assumptions	(35,516)	-	(35,516)
Benefit payments, including refunds of employee contributions	(567,257)	(567,257)	-
Contributions – employer	-	264,748	(264,748)
Contributions – employee	-	107,595	(107,595)
Net investment income	-	865,498	(865,498)
Other (net transfer)	-	61,252	(61,252)
Balances at December 31, 2017	<u>\$13,937,775</u>	<u>\$12,404,674</u>	<u>\$1,533,101</u>

**Total:**

Balances at December 31, 2016	\$89,559,267	\$78,880,361	\$10,678,906
Service cost	1,512,550	-	1,512,550
Interest on total pension liability	6,621,417	-	6,621,417
Differences between expected and actual experience of the total pension liability	(606,596)	-	(606,596)
Change of assumptions	(224,635)	-	(224,635)
Benefit payments, including refunds of employee contributions	(3,587,856)	(3,587,856)	-
Contributions – employer	-	1,674,514	(1,674,514)
Contributions – employee	-	680,530	(680,530)
Net investment income	-	5,474,211	(5,474,211)
Other (net transfer)	-	455,638	(455,638)
Balances at December 31, 2017	<u>\$93,274,147</u>	<u>\$83,577,398</u>	<u>\$9,696,749</u>

***Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.*** For the year ended December 31, 2017, the Village recognized pension expense of \$2,177,412 and the Library recognized pension expense of \$408,588 for a total pension expense of \$2,586,000. The Village and Library reported deferred outflows and inflows of resources related to pension from the following sources:

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Village:</b>		
Difference between expected and actual experience	\$ -	\$ 839,184
Assumption changes	409,026	132,582
Net difference between projected and actual earnings on pension plan investments	3,457,410	-
Contributions subsequent to the Measurement date	1,350,385	-
<b>Total</b>	<b>\$5,216,821</b>	<b>\$971,766</b>
<b>Library:</b>		
Difference between expected and actual experience	\$ -	\$ 157,596
Assumption changes	76,813	24,898
Net difference between projected and actual earnings on pension plan investments	649,288	-
Contributions subsequent to the Measurement date	253,597	-
<b>Total</b>	<b>\$979,698</b>	<b>\$182,494</b>
<b>Total:</b>		
Difference between expected and actual experience	\$ -	\$996,780
Assumption changes	485,839	157,480
Net difference between projected and actual Earnings on pension plan investments	4,106,698	-
Contributions subsequent to the Measurement date	1,603,982	-
<b>Total</b>	<b>\$6,196,519</b>	<b>\$1,154,260</b>

The amounts reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending December 31, 2017. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$3,438,277) will be recognized in pension expense as follows:

Year Ending December 31,	Village	Library	Total
2018	998,378	187,492	1,185,870
2019	889,570	167,057	1,056,627
2020	937,235	176,009	1,113,244
2021	69,487	13,049	82,536
<b>Total</b>	<b>\$2,894,670</b>	<b>\$543,607</b>	<b>\$3,438,277</b>

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

---

**B. Police Pension Plan**

**Plan description.** 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.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

*Tier 1* – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank 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.

*Tier 2* – Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$112,408 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

**Plan membership.** At December 31, 2017, the Police Pension Plan membership consisted of:

Retirees and beneficiaries	65
Inactive, non-retired members	3
Active members	<u>69</u>
Total	<u>137</u>

**Contributions.** 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

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

---

interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending December 31, 2017 was 36.89% of annual covered payroll. For the year ended December 31, 2017 the Village contributed \$2,938,808 to the plan.

**Net pension liability.** The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

**Summary of significant accounting policies.** The financial statements of the Police Pension Plan 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. 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.

**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation performed as of December 31, 2016 using the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Asset valuation method	Market value
Actuarial assumptions	
Interest rate	7.00%
Salary increases	4.00%-8.61%
Inflation	2.50%
Cost-of-living adjustments	Tier 1: 3.00% per year, compounded Tier 2: 2.00% per year, simple

Mortality rates are based on rates developed in the L&A 2016 Mortality Table for Illinois Police Officers. The actuarial assumptions used in the December 31, 2016 valuation were based on the results of actuarial experience studies conducted by the Illinois Department of Insurance dated September 26, 2012.

**Long-term expected real rate of return.** See Note 2 for further information on long-term expected real rates of return.

**Discount rate.** The discount rate used to measure the total pension liability for the Police Pension Plan was reduced from 7.25% to 7.00% comparing to last year. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability calculated using the discount rates of 7.00% for the Police Pension Plan as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 112,939,420	\$ 98,372,229	\$86,540,579
Plan fiduciary net position	55,608,673	55,608,673	55,608,673
Net pension liability/(asset)	\$ 57,330,747	\$ 42,763,556	\$30,931,906

**Changes in net pension liability.** The Village's changes in net pension liability for the year ended December 31, 2017 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balances at December 31, 2016	\$ 91,476,813	\$ 50,087,042	\$ 41,389,771
Changes for the year:			
Service cost	1,274,496	-	1,274,496
Interest on total pension liability	6,482,777	-	6,482,777
Differences between expected and actual experience of the total pension liability	69,531	-	69,531
Change of assumptions	3,187,004	-	3,187,004
Benefit payments, including refunds of employee contributions	(4,118,392)	(4,118,392)	-
Contributions – employer	-	2,938,808	(2,938,808)
Contributions – employee	-	703,712	(703,712)
Net investment income	-	6,060,635	(6,060,635)
Administrative expense	-	(63,132)	63,132
Other (net transfer)	-	-	-
Net changes for the year	6,895,416	5,521,631	1,373,785
Balances at December 31, 2017	\$ 98,372,229	\$ 55,608,673	\$ 42,763,556

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended December 31, 2017, the Village recognized pension expense of \$3,872,826. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 56,411	\$ 1,569,088
Assumption changes	2,585,682	293,949
Net difference between projected and actual earnings on pension plan investments	-	234,593
<b>Total</b>	<b>\$ 2,642,093</b>	<b>\$ 2,097,630</b>

The amounts reported as deferred outflows and inflows of resources related to pension of \$544,463 will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2018	243,361
2019	243,361
2020	(205,853)
2021	(79,269)
2022	184,325
<b>Total</b>	<b>\$ 544,463</b>

### C. Firefighters' Pension Plan

**Plan description.** Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/4) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

*Tier 1* – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 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 firefighter who retired with 20 or more years of service after January

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

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.

*Tier 2* - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$112,408 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

**Plan membership.** At December 31, 2017, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	77
Inactive, non-retired members	5
Active members	75
Total	157

**Contributions.** Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2017, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant 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 January 1, 2011, the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending December 31, 2017 was 37.1% of annual covered payroll. For the year ending December 31, 2017 the Village contributed \$3,086,488 to the plan.

**Net pension liability.** The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

**Summary of significant accounting policies.** The financial statements of the Firefighters' Pension Plan 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.

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

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.

**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation performed as of December 31, 2016 using the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Asset valuation method	Market value
Actuarial assumptions	
Interest rate	7.00%
Salary increases	4.00%-9.96%
Inflation	2.50%
Cost-of-living adjustments	Tier 1: 3.00% per year, compounded Tier 2: 2.00% per year, simple

Mortality rates are based on the L&A 2016 study for Illinois Firefighters. The actuarial assumptions used in the December 31, 2016 valuation were based on the results of actuarial experience studies conducted by the Illinois Department of Insurance dated September 26, 2012.

**Long-term expected real rate of return.** See Note 2 for further information on long-term expected real rates of return.

**Discount rate.** The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was reduced from 7.25% to 7.00% comparing to last year. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability calculated using the discount rates of 7.00% for the Firefighters' Pension Plan as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total pension liability	\$108,624,445	\$ 94,609,006	\$83,217,544
Plan fiduciary net position	55,023,057	55,023,057	55,023,057
Net pension liability/(asset)	\$ 53,601,388	\$ 39,585,949	\$28,194,487

**Changes in net pension liability.** The Village's changes in net pension liability for the year ended December 31, 2017 was as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) – (b)
Balances at December 31, 2016	\$ 87,572,560	\$ 48,730,241	\$ 38,842,319
Changes for the year:			
Service cost	1,479,064	-	1,479,064
Interest on total pension liability	6,209,074	-	6,209,074
Differences between expected and actual experience of the total pension liability	140,903	-	140,903
Change of assumptions	3,067,711	-	3,067,711
Benefit payments, including refunds of employee contributions	(3,860,306)	(3,860,306)	-
Contributions – employer	-	3,086,488	(3,086,488)
Contributions – employee	-	671,040	(671,040)
Net investment income	-	6,441,396	(6,441,396)
Administrative expense	-	(45,802)	45,802
Other (net transfer)	-	-	-
Net Changes for the year	7,036,446	6,292,816	743,630
Balances at December 31, 2017	\$ 94,609,006	\$ 55,023,057	\$ 39,585,949

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended December 31, 2017, the Village recognized pension expense of \$4,117,310. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 307,360	\$ 235,200
Assumption changes	2,827,997	94,199

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

Net difference between projected and actual earnings on pension plan investments	-	1,103,572
Total	<u>\$ 3,135,357</u>	<u>\$ 1,432,971</u>

The amounts reported as deferred outflows and inflows of resources related to pension (\$1,702,386) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2018	460,327
2019	460,326
2020	(118,007)
2021	(174,054)
2022	507,322
Thereafter	566,472
Total	<u>\$ 1,702,386</u>

**D. Schedules for the Police and Firefighters' Plans**

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,788,140	\$ 1,414,454	\$ 3,202,594
Investments			
U.S. obligations	8,602,676	7,607,586	16,210,262
Corporate bonds	10,132,834	7,667,253	17,800,087
Foreign bonds	913,145	647,386	1,560,531
Negotiable CDs	-	1,817,701	1,817,701
Mutual funds - equity	22,363,404	30,634,371	52,997,775
Common and Preferred Stocks	5,288,778	-	5,288,778
Real Estate	6,371,560	5,120,894	11,492,454
Prepays	8,367	6,566	14,933
Interest receivable	166,894	113,849	280,743
Total assets	<u>55,635,798</u>	<u>55,030,060</u>	<u>110,665,858</u>
<b>LIABILITIES</b>			
Accounts payable	<u>27,125</u>	<u>7,003</u>	<u>34,128</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

	27,125	7,003	34,128
<b>NET POSITION</b>			
Restricted for pension benefits	\$ 55,608,673	\$ 55,023,057	\$ 110,631,730
	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Contributions - employer	\$ 2,938,808	\$ 3,086,488	\$ 6,025,296
Contributions - employees	703,712	671,040	1,374,752
Total contributions	3,642,520	3,757,528	7,400,048
Investment earnings			
Net appreciation in fair value of investments	5,026,450	5,270,698	10,297,148
Interest earned on investments	1,156,589	1,250,943	2,407,532
Less investment expense	(122,404)	(80,245)	(202,649)
Net investment earnings	6,060,635	6,441,396	12,502,031
Total additions	9,703,155	10,198,924	19,902,079
<b>DEDUCTIONS</b>			
Contractual services	63,132	45,802	108,934
Benefits and refunds	4,118,392	3,860,306	7,978,698
Total deductions	4,181,524	3,906,108	8,087,632
Change in Net Position	5,521,631	6,292,816	11,814,447

12. GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the Balance Sheet for the Governmental Funds at December 31, 2017, include the following:

	General	Downtown Redevelopment TIF	Capital Improvements	Nonmajor	Total
Fund Balances					
Nonspendable:					
Note receivable	\$ 6,499	-	-	-	\$ 6,499
Prepaid items	107,241	-	-	-	107,241
Total Nonspendable	113,740	-	-	-	113,740
Restricted for:					
Economic Development	160,117	826,753	-	5,737,357	6,724,227
Road Improvements	-	-	-	641,524	641,524
Public Safety	-	-	-	2,388,179	2,388,179

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

Debt Service	-	-	-	457	457
Total Restricted	160,117	826,753	-	8,767,517	9,754,387
Assigned to:					
Capital Projects	-	-	4,841,958	1,806,437	6,648,395
Debt Service	-	-	-	-	-
Total Assigned	-	-	4,841,958	1,806,437	6,648,395
Unassigned:	18,621,361	-	-	-	18,621,361
Total Fund Balances	\$ 18,895,218	\$ 826,753	\$ 4,841,958	\$ 10,573,954	\$ 35,137,883

13. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

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

- Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the other postemployment benefits (OPEB) that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB benefits. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The provisions of this statement are effective for financial statements for the Village's fiscal year ending December 31, 2018.
- GASB Statement No. 83, Certain Asset Retirement Obligations (GASB 83), addresses accounting and financial reporting for certain asset retirement obligations (ARO). This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. This statement requires that recognition occurs when the liability is both incurred and reasonably estimable, and it also requires the measurement of an ARO be based on the best estimate of the current value of outlays expected to be incurred. This statement also requires disclosure about the nature of a government's AROs, the methods and assumptions used for the estimated of the liabilities, and the estimated remaining useful life of the associated tangible capital asset. The provisions of this statement are effective for financial statements for the Village's fiscal year ending December 31, 2019.
- GASB Statement No. 84, Fiduciary Activities, establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

---

- GASB Statement No. 84, Fiduciary Activities, establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The provisions of this statement are effective for financial statements for the Village's fiscal year ending December 31, 2019.
- GASB Statement No. 85, Omnibus 2017, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The provisions of this statement are effective for financial statements for the Village's fiscal year ending December 31, 2018.
- GASB Statement No. 86, Certain Debt Extinguishment Issues, establishes accounting and financial reporting guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt), are placed in an irrevocable trust for the sole purpose of extinguishing debt. When debt is defeased in substance, the debt, cash, and other monetary assets placed in trust are no longer reported in the financial statements. But governments are required to disclose information in the notes to the financial statements about debt that has been defeased in substance. Statement 86 also provides guidance relating to prepaid insurance on debt that is extinguished. When governments extinguish debt, whether through a legal extinguishment or through an in substance defeasance, this statement will require that any remaining prepaid insurance related to the extinguished debt be included in the net carrying amount of that debt for the purpose of calculating the difference between the reacquisition price and the net carrying amount of the debt. The provisions of this statement are effective for financial statements for the Village's fiscal year ending December 31, 2018.
- GASB Statement No. 87, Leases, establishes a single approach to accounting for and reporting leases by state and local governments. The standard addresses the reporting for governments that are lessors or lessees. The provisions of this statement are effective for financial statements for the Village's fiscal year ending December 31, 2020.

When they become effective, application of these standards may restate portions of these financial statements.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

14. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY

A. Summary of Significant Accounting Policies

The statements for the component unit, Downers Grove Public Library (the Library), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Library accounting policies are described below.

1. Fund Accounting

The Library uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to determine legal compliance and to aid financial management by segregating transactions related to certain governments functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for substantially all of the Library's general activities, including, the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the Library, not accounted for in some other fund.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Library. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 properly included among program revenues are reported instead as general revenues.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

The Library reports the following major governmental funds:

The *General Fund* is the Library's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Library Debt Service Fund* is used for the payment of the Library's debt service.

The *Library Capital Replacement Fund* is used to provide for capital needs or emergency expenditures.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Charges for services revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Fine revenues are not susceptible to accrual because generally they are not measurable until received in cash. The Library recognizes property taxes when they become both measurable and available in the year intended to finance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

---

The Library reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned and unavailable revenues also arise when resources are received by the Library before it 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 Library has a legal claim to the resources, the liability for unearned or unavailable revenue is removed from the financial statements and revenue is recognized.

4. Cash and Cash Equivalents and Investments

Investments consist of certificates of deposit and treasury obligations with maturities greater than three months. Investments are reported at fair value, except that non-negotiable certificates of deposit are stated at cost.

5. Receivables

The recognition of receivables associated with non-exchange transactions is as follows:

- Imposed non-exchange receivables (such as: property taxes and fines) are recognized when an enforceable legal claim has arisen.

6. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of \$25,000 or more for all capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Years
Buildings	50 – 65
Capital equipment	5 – 15

7. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. The Library has one item that

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

---

qualifies for reporting in this category: the deferred outflows related to pensions, which represents pension items that will be recognized as pension expense in future periods.

8. Compensated Absences

It is the Library's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All pay due in the event of termination is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have been incurred, for example, as a result of employee resignations and retirements near the end of the fiscal year and the payout is actually due to them but has not yet been paid.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

10. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow resource (revenue) until that future time.

11. Fund Balances/Net Position

Governmental fund equity is classified as fund balance and displayed as follows:

a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

b. Restricted – Consists of fund balances 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. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Library through formal action of the Library Board. Fund balance amounts are committed through a motion of the Library Board. This motion must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require another motion of the Library Board.

d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) the Village Council and Library Board assign amounts for a specific purpose. 2) All remaining positive spendable amounts

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

---

in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The Library considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending.

Net investment in capital assets represents the book value of capital assets less any long-term debt outstanding issued to acquire or construct the capital assets.

12. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Deposits and Investments

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

Library Deposits and Investments

The Library's investment policy authorizes the Library to invest in all investments allowed by Illinois Compiled Statutes. These include 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 agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

The Library's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety, liquidity, and yield.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Library’s deposits may not be returned to it. The Library’s investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Library, an independent third-party or the Federal Reserve Bank of Chicago.

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 investments could be sold.

Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in shorter-term securities.

Investment Type	Fair Value	Investment ratings			
		AAA	AA	A	Not Rated
Illinois Funds	\$1,406,081	\$1,406,081	-	-	-

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Library limits its exposure to credit risk limiting investments to the safest types of securities; pre-qualifying the financial institutions, intermediaries, and advisors with which the Library will conduct business; and diversifying the investment portfolio so that potential losses on individual investments will be minimized. Illinois Funds are rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Library’s

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Financial Statements

December 31, 2017

investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts and a written custodial agreement. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Library has a high percentage of its investments invested in one type of investment. The Library's investment policy requires diversification of investments to avoid unreasonable risk by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities); no financial institution shall hold more than 40% of the Library's investment portfolio, exclusive of U.S. Treasury securities in safekeeping; monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution; commercial paper shall not exceed 10% of the Library's investment portfolio, excepting bond issue proceed investments; and deposits in any one public investment pool shall not exceed 50% of the Library's investment portfolio.

C. Receivables

Property taxes for 2016 attach as an enforceable lien on January 1 of the year of the levy on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. Management has determined that an allowance for uncollectible accounts is not necessary. As the 2017 tax levy is intended to fund expenditures for the 2018 fiscal year, these taxes are deferred as of December 31, 2017.

D. Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balances January 1	Increases	Decreases	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 222,211	\$ -	\$ -	\$ 222,211
Total capital assets not being depreciated	222,211	-	-	222,211
Capital assets being depreciated				
Buildings	11,890,936	-	-	11,890,936
Capital equipment	5,855,770	522,078	1,284,897	5,092,951
Total capital assets being depreciated	17,746,706	522,078	1,284,897	16,983,887
Less accumulated depreciation for				
Buildings	2,670,512	238,105	-	2,908,617
Capital equipment	2,493,429	428,010	853,835	2,067,604
Total accumulated depreciation	5,163,941	666,115	853,835	4,976,221
Total capital assets being depreciated, net	12,582,765	(144,037)	431,062	12,007,666
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 12,804,976	\$ (144,037)	\$ 431,062	\$ 12,229,877

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

Depreciation expense was charged to functions/programs of the component unit as follows:

GOVERNMENTAL ACTIVITIES	
Community services	\$ 666,115

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017, was as follows:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
Compensated absences payable*	\$ 63,930	\$ 26,776	\$ 63,930	\$ 26,776	\$ 8,033
Net OPEB payable *	194,127	-	3,065	191,062	-
General obligation bonds payable	615,000	-	615,000	-	-
Net Pension liability –IMRF*	1,677,598	-	144,497	1,533,101	-
<b>TOTAL</b>	<b>\$ 2,550,655</b>	<b>\$26,776</b>	<b>\$ 826,492</b>	<b>\$ 1,750,939</b>	<b>\$ 8,033</b>

\* The Library General Fund liquidates the compensated absences, Net OPEB and Net Pension IMRF liabilities.

General Obligation Bonds

The Village issues general obligation bonds for the Library to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. All of the general obligation bonds are retired by the debt service fund. General obligation bonds currently outstanding are as follows:

	Balances January 1	Additions	Refunding/ Retirements	Balances December 31	Current Portion
\$2,430,000 General Obligation Refunding Bonds, Series 2013, dated January 22, 2013, due in installments of \$600,000 to \$615,000 plus interest at .920% due January 1, 2017.	615,000	\$ -	\$ 615,000	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 615,000</b>	<b>\$ -</b>	<b>\$ 615,000</b>	<b>\$ -</b>	<b>\$ -</b>

F. Risk Management

The Library is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Library purchases insurance in the open market.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

G. Contingent Liabilities

The Library is not aware of any current or potential litigation.

H. Post Employment Benefits

In addition to providing pension benefits, the Village provides post employment health care and life insurance benefits (OPEB), in accordance with the personnel policy manual, to all employees who meet the eligibility requirements under the applicable retirement system. Currently, 25 active members with 3 retirees and spouses are participating in the Village's health care plan. The employee pays 100% of the cost of the health and life insurance premiums for the post employment benefits with the exception of health benefits for retirees that have reached 65. Once an employee reaches 65 years of age, the Village subsidizes 50% of the health insurance premium. For new retirees after September 1, 2009, the retiree pays 100% of the cost of the health and life insurance premiums. The annual required contribution for 2017 was \$20,127. All health care benefits are provided through the Village's self-insured health plan. The benefit levels are the same as those afforded to active employees. The Village first had an actuarial valuation as of December 31, 2007. The Library's Net OPEB obligation as of December 31, 2017 was \$191,062.

In the actuarial valuations, the entry-age normal actuarial cost method was used. The actuarial assumptions included 3.5% investment rate of return and an annual healthcare cost trend rate of 0%, a reduction from 4.4% a year ago. Both rates include a 3% inflation assumption. The remaining amortization period at December 31, 2017 was 30 years.

The net OPEB obligation as of December 31, 2017 was calculated as follows:

Annual Required Contribution	\$ 20,127
Interest on Net OPEB Obligation	6,794
Adjustment to Annual Required Contribution	<u>(6,471)</u>
Annual OPEB Cost	20,450
Contributions Made	<u>(23,515)</u>
Increase (Decrease) in Net OPEB Obligation	(3,065)
Net OPEB Obligation, Beginning of Year	<u>194,127</u>
Net OPEB Obligation, End of Year	\$ <u>191,062</u>

Actuarial valuations include estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The funded status of the plan as of December 31, 2017 was as follows:

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2017

---

Actuarial Accrued Liability (AAL)	\$ 274,434
Actuarial Value of Assets	0
Unfunded Actuarial Accrued Liability (UAAL)	274,434
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll	\$ 1,639,836
UAAL as a Percentage of Covered Payroll	16.7%

I. Stewardship, Legal Compliance and Accountability - Budgets

All departments of the Library submit requests for budgets to the Library Director so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested budgets for the next fiscal year.

The proposed budget is presented to the Library Board for review.

The Library Director is authorized to transfer budgeted amounts between programs within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Library Board and Village Council.

## SECTION 4

### REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedule-General Fund
- Budgetary Comparison Schedule-Downtown Redevelopment TIF Fund
- Schedule of Funding Progress
  - > Other Post-Employment Benefit Plan
- Schedule of Employer Contributions
  - > Illinois Municipal Retirement Fund (IMRF)
  - > Police Pension Fund
  - > Firefighters' Pension Fund
  - > Other Post-Employment Benefit Plan
- Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
  - > Illinois Municipal Retirement Fund (IMRF)
  - > Police Pension Fund
  - > Firefighters' Pension Fund
- Schedule of Investment Returns
  - > Police Pension Fund
  - > Firefighters' Pension Fund

#### Notes to the Required Supplementary Information

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Required Supplementary Information  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Home Rule Sales Tax	\$ 2,050,000	\$ 2,050,000	\$ 1,978,047	\$ (71,953)
Property tax	12,580,460	12,580,460	12,677,308	96,848
Utility tax	5,100,000	5,100,000	4,533,442	(566,558)
Other taxes	1,440,000	1,440,000	1,478,692	38,692
Licenses & permits	1,659,950	1,659,950	2,338,815	678,865
Intergovernmental				
Income tax	5,000,000	5,000,000	4,488,393	(511,607)
Sales tax	12,300,000	12,300,000	11,652,631	(647,369)
Local use tax	1,200,000	1,200,000	1,264,020	64,020
Grants	371,291	371,291	605,271	233,980
Charges for services & fees	4,332,700	4,332,700	4,513,528	180,828
Fines & forfeitures	650,700	650,700	567,895	(82,805)
Investment income	190,000	190,000	179,660	(10,340)
Contributions and donations	-	-	882	882
Total revenues	<u>46,875,101</u>	<u>46,875,101</u>	<u>46,278,584</u>	<u>(596,517)</u>
<b>EXPENDITURES</b>				
Current				
General government	5,106,622	5,106,622	4,838,628	(267,994)
Public works	6,078,078	6,078,078	5,518,039	(560,039)
Community development	2,490,483	2,490,483	2,338,577	(151,906)
Public safety	32,332,114	32,332,114	32,845,601	513,487
Community services	846,811	846,811	724,441	(122,370)
Total expenditures	<u>46,854,108</u>	<u>46,854,108</u>	<u>46,265,286</u>	<u>(588,822)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>20,993</u>	<u>20,993</u>	<u>13,298</u>	<u>(7,695)</u>
Net change in fund balance	20,993	20,993	13,298	<u>\$ (7,695)</u>
Fund balance -- beginning	<u>18,881,920</u>	<u>18,881,920</u>	<u>18,881,920</u>	
Fund balance -- ending	<u>\$ 18,902,913</u>	<u>\$ 18,902,913</u>	<u>\$ 18,895,218</u>	

(See independent auditor's report and notes to required supplementary information)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Downtown Redevelopment TIF Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 3,151,869	\$ 3,151,869	\$ 3,115,275	\$ (36,594)
Investment income	-	-	1,442	1,442
Total revenues	<u>3,151,869</u>	<u>3,151,869</u>	<u>3,116,717</u>	<u>(35,152)</u>
<b>EXPENDITURES</b>				
Current				
Community Development	77,200	77,200	58,219	(18,981)
Total expenditures	<u>77,200</u>	<u>77,200</u>	<u>58,219</u>	<u>(18,981)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,074,669</u>	<u>3,074,669</u>	<u>3,058,498</u>	<u>(16,171)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(3,445,353)	(3,445,353)	(3,444,391)	962
Proceeds from sale of capital assets	-	-	5,941	5,941
Total other financing sources (uses)	<u>(3,445,353)</u>	<u>(3,445,353)</u>	<u>(3,438,450)</u>	<u>6,903</u>
Net change in fund balance	(370,684)	(370,684)	(379,952)	<u>\$ (9,268)</u>
Fund balance -- beginning	1,206,705	1,206,705	1,206,705	
Fund balance -- ending	<u>\$ 836,021</u>	<u>\$ 836,021</u>	<u>\$ 826,753</u>	

(See independent auditor's report and notes to required supplementary information)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Other Post-Employment Benefits Plan  
 Schedule of Funding Progress  
 Last Six Calendar Years

Schedule of Funding Progress

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)
12/31/2012	-	15,149,883	15,149,883	0.00%	25,284,695	59.9%
12/31/2013	-	7,887,553	7,887,553	0.00%	26,148,495	30.2%
12/31/2014	-	7,887,553	7,887,553	0.00%	25,755,962	30.6%
12/31/2015	-	11,818,551	11,818,551	0.00%	26,628,733	44.4%
12/31/2016	-	11,565,434	11,565,434	0.00%	26,598,815	43.5%
12/31/2017	-	11,885,761	11,885,761	0.00%	26,799,817	44.4%

Note: This schedule includes the Library.

(See independent auditor's report and notes to required supplementary information)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Required Supplementary Information  
Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
Last Three Calendar Years

	2015			2016			2017		
	Primary Government	Library	Total	Primary Government	Library	Total	Primary Government	Library	Total
Actuarially Determined Contribution	\$ 1,493,437	\$ 260,976	\$ 1,754,413	\$ 1,411,629	\$ 262,886	\$ 1,674,515	\$ 1,350,385	\$ 253,596	\$ 1,603,981
Contributions in Relation to the Actuarially determined Contribution	(1,496,165)	(261,453)	(1,757,618)	(1,409,766)	(264,748)	(1,674,514)	(1,350,385)	(253,596)	(1,603,981)
Contribution Deficiency (Excess)	\$ (2,728)	\$ (477)	\$ (3,205)	\$ 1,863	\$ (1,862)	\$ 1	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 12,005,119	\$ 2,097,880	\$ 14,102,999	\$ 11,977,627	\$ 2,249,347	\$ 14,226,974	\$ 11,621,210	\$ 2,133,339	\$ 13,754,549
Contributions as a Percentage of Covered-Employee Payroll	12.46%	12.46%	12.46%	11.77%	11.77%	11.77%	11.62%	11.89%	11.66%

**Notes to Schedule**

The Village implemented GASB Statement No. 68 in fiscal year 2015. Additional years information will be displayed as it becomes available.

**Valuation date:**

Actuarially determined contribution rates are calculated as of December 31 of the year prior to the fiscal year in which contributions are reported.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Aggregate entry age normal
Amortization period	Level percentage of payroll, closed
Remaining amortization period	27 years
Asset valuation period	5-Year smoothed market; 20% corridor
Inflation	3.50%
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility
Mortality	RP-2014 and MP-2014 Mortality Tables

**Other information:**

There were no benefit changes during the year.

(See independent auditor's report and notes to required supplementary information)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Police Pension Fund  
 Schedule of Employer Contributions  
 Last Ten Calendar Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 1,145,653	\$ 1,262,129	\$ 1,705,508	\$ 1,880,508	\$ 1,567,925	\$ 1,943,836	\$ 2,303,858	\$ 2,261,516	\$ 2,664,454	\$ 2,915,699
Contributions in relation to the Actuarially determined contribution	1,144,537	1,271,750	1,719,379	1,893,250	1,594,098	1,948,188	2,328,358	2,274,955	2,689,713	2,938,808
Contribution deficiency (excess)	\$ 1,116	\$ (9,621)	\$ (13,871)	\$ (12,742)	\$ (26,173)	\$ (4,352)	\$ (24,500)	\$ (13,439)	\$ (25,259)	\$ (23,109)
Covered-employee payroll	\$ 6,305,357	\$ 6,649,392	\$ 6,237,227	\$ 6,536,221	\$ 6,541,826	\$ 6,678,953	\$ 6,736,518	\$ 6,569,302	\$ 7,696,273	\$ 7,965,643
Contributions as a percentage of covered employee payroll	18.2%	19.1%	27.6%	29.0%	24.4%	29.2%	34.6%	34.6%	34.9%	36.9%

**Notes to Schedule:**

The information is formatted to comply with the requirements of GASB Statement 67.

Valuation date: Actuarially determined contribution rates are calculated as of January 1 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years (The funding schedule was reset to end in 2040 in 2011)
Asset valuation method	Market
Inflation	2.5%
Salary increases	4.00%-8.61% (Tier 1: 3% per year, compounded; Tier2: 2% per year, simple), including inflation
Investment rate of return	7.00%
Retirement age	See Note 11 in the Notes to Financial Statements
Mortality	Mortality rates are based on rates developed in the L&A 2016 Mortality Table for Illinois Police Officers.

(See independent auditor's report and notes to required supplementary information)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Firefighters' Pension Fund  
 Schedule of Employer Contributions  
 Last Ten Calendar Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 1,017,249	\$ 1,578,223	\$ 1,979,952	\$ 2,203,343	\$ 1,995,726	\$ 2,183,670	\$ 2,467,520	\$ 2,330,108	\$ 2,820,461	\$ 3,060,616
Contributions in relation to the Actuarially determined contribution	1,030,534	1,585,181	1,997,659	2,216,722	2,155,369	2,249,893	2,494,658	2,344,190	2,847,524	3,086,488
Contribution deficiency (excess)	\$ (13,285)	\$ (6,958)	\$ (17,707)	\$ (13,379)	\$ (159,643)	\$ (66,223)	\$ (27,138)	\$ (14,082)	\$ (27,063)	\$ (25,872)
Covered-employee payroll	\$ 6,266,722	\$ 6,230,701	\$ 6,564,530	\$ 6,416,127	\$ 6,443,319	\$ 6,695,413	\$ 7,029,608	\$ 6,981,874	\$ 8,034,062	\$ 8,315,255
Contributions as a percentage of covered-employee payroll	16.4%	25.4%	30.4%	34.5%	33.5%	33.6%	35.5%	33.6%	35.4%	37.1%

**Notes to Schedule:**

The information is formatted to comply with the requirements of GASB Statement 67.

Valuation date: Actuarially determined contribution rates are calculated as of January 1 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years (The funding schedule was reset to end in 2040 in 2011)
Asset valuation method	Market
Inflation	2.5%
Salary increases	4.00%-9.96% (Tier 1: 3% per year, compounded; Tier2: 2% per year, simple), including inflation
Investment rate of return	7.00%
Retirement age	See Note 11 in the Notes to Financial Statements
Mortality	Mortality rates are based on the L&A 2016 study for Illinois Firefighters.

(See independent auditor's report and notes to required supplementary information)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Other Post-Employment Benefits Plan  
 Schedule of Employer Contributions  
 Last Six Calendar Years

---

Calendar Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage of ARC Contributed
2012	\$ 420,609	\$ 729,362	57.67%
2013	479,178	452,255	105.95%
2014	382,857	471,615	81.18%
2015	426,581	534,170	79.86%
2016	417,730	555,537	75.19%
2017	553,566	598,284	92.53%

Note: This schedule includes the Library.

(See independent auditor's report and notes to required supplementary information)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Required Supplementary Information  
Illinois Municipal Retirement Fund  
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios  
Last Three Calendar Years

	2015			2016			2017		
	Primary Government	Library	Total	Primary Government	Library	Total	Primary Government	Library	Total
<b>Total Pension Liability</b>									
Service Cost	1,399,755	244,605	1,644,360	1,292,677	240,920	1,533,597	1,273,409	239,141	1,512,550
Interest on Total Pension Liability	5,048,517	882,220	5,930,737	5,381,059	1,002,882	6,383,941	5,574,540	1,046,877	6,621,417
Differences Between Expected and Actual Experience of the Total Pension Liability	(704,694)	(123,144)	(827,838)	(924,724)	(172,343)	(1,097,067)	(510,690)	(95,906)	(606,596)
Change of Assumptions	2,393,221	418,211	2,811,432	183,725	34,241	217,966	(189,119)	(35,516)	(224,635)
Benefit Payments, Including Refunds of Employee Contributions	(2,773,367)	(484,641)	(3,258,008)	(3,087,703)	(575,464)	(3,663,167)	(3,020,599)	(567,257)	(3,587,856)
<b>Net Change in Total Pension Liability</b>	<b>5,363,432</b>	<b>937,251</b>	<b>6,300,683</b>	<b>2,845,034</b>	<b>530,236</b>	<b>3,375,270</b>	<b>3,127,541</b>	<b>587,339</b>	<b>3,714,880</b>
<b>Total Pension Liability - Beginning</b>	<b>68,000,365</b>	<b>11,882,949</b>	<b>79,883,314</b>	<b>73,363,797</b>	<b>12,820,200</b>	<b>86,183,997</b>	<b>76,208,831</b>	<b>13,350,436</b>	<b>89,559,267</b>
<b>Total Pension Liability - Ending</b>	<b>73,363,797</b>	<b>12,820,200</b>	<b>86,183,997</b>	<b>76,208,831</b>	<b>13,350,436</b>	<b>89,559,267</b>	<b>79,336,372</b>	<b>13,937,775</b>	<b>93,274,147</b>
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	1,880,820	328,670	2,209,490	1,481,506	276,112	1,757,618	1,409,766	264,748	1,674,514
Contributions - Employee	539,585	94,292	633,877	549,971	102,500	652,471	572,935	107,595	680,530
Net Investment Income	3,989,810	697,213	4,687,023	339,210	63,220	402,430	4,608,713	865,498	5,474,211
Benefit Payments, Including Refunds of Employee Contributions	(2,773,367)	(484,641)	(3,258,008)	(3,087,703)	(575,464)	(3,663,167)	(3,020,599)	(567,257)	(3,587,856)
Other (Net Transfer)	(173,248)	(30,275)	(203,523)	(1,122,264)	(259,343)	(1,381,607)	394,386	61,252	455,638
<b>Net Change in Plan Fiduciary Net Position</b>	<b>3,463,600</b>	<b>605,259</b>	<b>4,068,859</b>	<b>(1,839,280)</b>	<b>(392,975)</b>	<b>(2,232,255)</b>	<b>3,965,201</b>	<b>731,836</b>	<b>4,697,037</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>65,583,203</b>	<b>11,460,554</b>	<b>77,043,757</b>	<b>69,046,803</b>	<b>12,065,813</b>	<b>81,112,616</b>	<b>67,207,523</b>	<b>11,672,838</b>	<b>78,880,361</b>
<b>Plan Fiduciary Net Position - Ending</b>	<b>69,046,803</b>	<b>12,065,813</b>	<b>81,112,616</b>	<b>67,207,523</b>	<b>11,672,838</b>	<b>78,880,361</b>	<b>71,172,724</b>	<b>12,404,674</b>	<b>83,577,398</b>
<b>Employer's Net Pension Liability - Ending</b>	<b>4,316,994</b>	<b>754,387</b>	<b>5,071,381</b>	<b>9,001,308</b>	<b>1,677,598</b>	<b>10,678,906</b>	<b>8,163,648</b>	<b>1,533,101</b>	<b>9,696,749</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>94.12%</b>	<b>94.12%</b>	<b>94.12%</b>	<b>88.19%</b>	<b>87.43%</b>	<b>88.08%</b>	<b>89.71%</b>	<b>89.00%</b>	<b>89.60%</b>
<b>Covered-Employee Payroll</b>	<b>11,919,013</b>	<b>2,082,827</b>	<b>14,001,840</b>	<b>12,005,119</b>	<b>2,097,880</b>	<b>14,102,999</b>	<b>11,977,627</b>	<b>2,249,347</b>	<b>14,226,974</b>
<b>Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	<b>36.22%</b>	<b>36.22%</b>	<b>36.22%</b>	<b>74.98%</b>	<b>79.97%</b>	<b>75.72%</b>	<b>68.16%</b>	<b>68.16%</b>	<b>68.16%</b>

**Notes to Schedule**

The Village implemented GASB Statement No. 68 in fiscal year 2015. Additional years information will be displayed as it becomes available.

Changes in assumptions related to retirement age, discount rate and mortality were made since the prior measurement date.

(See independent auditor's report and notes to required supplementary information)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Required Supplementary Information  
Police Pension Fund  
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios  
Last Four Calendar Years

	2014	2015	2016	2017
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 1,393,865	\$ 1,101,137	\$ 1,188,341	\$ 1,274,496
Interest Changes of benefit terms	5,622,939	6,244,771	6,255,335	6,482,777
Differences between expected and actual experience	141,731	(3,247,820)	(113,300)	69,531
Changes of assumptions	4,756,031	(301,276)	(248,849)	3,187,004
Benefit payments, including refunds of member contributions	(3,143,338)	(3,531,805)	(3,770,391)	(4,118,392)
Net change in total pension liability	8,771,228	265,007	3,311,136	6,895,416
Total pension liability - beginning	79,129,442	87,900,670	88,165,677	91,476,813
<b>TOTAL PENSION LIABILITY-ENDING</b>	<u>\$ 87,900,670</u>	<u>\$ 88,165,677</u>	<u>\$ 91,476,813</u>	<u>\$ 98,372,229</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Employer contributions	\$ 2,328,358	\$ 2,274,955	\$ 2,689,713	\$ 2,938,808
Employee contributions	723,877	669,478	772,223	703,712
Net investment income	1,527,392	(159,155)	2,811,623	6,060,635
Benefit payments, including refunds of member contributions	(3,143,338)	(3,531,805)	(3,770,391)	(4,118,392)
Administrative expense	(37,674)	(45,154)	(68,989)	(63,132)
Net change in plan fiduciary net position	1,398,615	(791,681)	2,434,179	5,521,631
Plan fiduciary net position - beginning	47,045,929	48,444,544	47,652,863	50,087,042
<b>PLAN FIDUCIARY NET POSITION-ENDING</b>	<u>\$ 48,444,544</u>	<u>\$ 47,652,863</u>	<u>\$ 50,087,042</u>	<u>\$ 55,608,673</u>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<u>\$ 39,456,126</u>	<u>\$ 40,512,814</u>	<u>\$ 41,389,771</u>	<u>\$ 42,763,556</u>
Plan fiduciary net position as a percentage of the total pension liability	55.11%	54.05%	54.75%	56.53%
Covered-employee payroll	\$ 6,736,518	\$ 6,569,302	\$ 7,696,273	7,965,643
Village's net pension liability as a percentage of covered-employee payroll	585.71%	616.70%	537.79%	536.85%

**Notes to Schedule:**

The Village implemented GASB Statement No. 68 in fiscal year 2014. Additional years information will be displayed as it becomes available.

Changes in assumptions related to salary increases, discount rate, inflation, retirement age, disability rates, termination and mortality were made since the prior measurement date.

(See independent auditor's report and notes to required supplementary information)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Required Supplementary Information  
Firefighters' Pension Fund  
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios  
Last Four Calendar Years

	2014	2015	2016	2017
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 1,590,174	\$ 1,366,967	\$ 1,379,081	\$ 1,479,064
Interest Changes of benefit terms	4,954,245	5,676,970	5,908,905	6,209,074
Differences between expected and actual experience	2,431,084	(408,144)	256,883	140,903
Changes of assumptions	4,037,822	(163,463)	254,235	3,067,711
Benefit payments, including refunds of member contributions	(3,000,329)	(3,089,065)	(3,457,378)	(3,860,306)
Net change in total pension liability	10,012,996	3,383,265	4,341,726	7,036,446
Total pension liability - beginning	69,834,573	79,847,569	83,230,834	87,572,560
<b>TOTAL PENSION LIABILITY-ENDING</b>	<u>\$ 79,847,569</u>	<u>\$ 83,230,834</u>	<u>\$ 87,572,560</u>	<u>\$ 94,609,006</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Employer contributions	\$ 2,494,658	\$ 2,344,190	\$ 2,847,524	\$ 3,086,488
Employee contributions	654,851	658,542	662,633	671,040
Net investment income	2,265,575	370,944	3,032,688	6,441,396
Benefit payments, including refunds of member contributions	(3,000,329)	(3,089,065)	(3,457,378)	(3,860,306)
Administrative expense	(48,593)	(58,394)	(48,801)	(45,802)
Net change in plan fiduciary net position	2,366,162	226,217	3,036,666	6,292,816
Plan fiduciary net position - beginning	43,101,196	45,467,358	45,693,575	48,730,241
<b>PLAN FIDUCIARY NET POSITION-ENDING</b>	<u>\$ 45,467,358</u>	<u>\$ 45,693,575</u>	<u>\$ 48,730,241</u>	<u>\$ 55,023,057</u>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<u>\$ 34,380,211</u>	<u>\$ 37,537,259</u>	<u>\$ 38,842,319</u>	<u>\$ 39,585,949</u>
Plan fiduciary net position as a percentage of the total pension liability	56.94%	54.90%	55.65%	58.16%
Covered-employee payroll	\$ 7,029,608	\$ 6,981,874	\$ 8,034,062	\$ 8,315,255
Village's net pension liability as a percentage of covered-employee payroll	489.08%	537.64%	483.47%	476.06%

**Notes to Schedule:**

The Village implemented GASB Statement No. 68 in fiscal year 2014. Additional years information will be displayed as it becomes available.

Changes in assumptions related to salary increases, discount rate, inflation, retirement age, disability rates, termination and mortality were made since the prior measurement date.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Required Supplementary Information  
Police Pension Fund  
Schedule of Investment Returns  
Last Four Calendar Years

---

	2014	2015	2016	2017
Annual money-weighted rate of return, net of investment expense	3.40%	-0.24%	6.02%	12.30%

**Notes to Schedule:**

The Village implemented GASB Statement No. 67 in fiscal year 2014.  
Additional years information will be displayed as it becomes available.

(See independent auditor's report and notes to required supplementary information)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Required Supplementary Information  
Firefighters' Pension Fund  
Schedule of Investment Returns  
Last Four Calendar Years

---

	2014	2015	2016	2017
Annual money-weighted rate of return, net of investment expense	5.40%	0.91%	6.73%	13.37%

**Notes to Schedule:**

The Village implemented GASB Statement No. 67 in fiscal year 2014.  
Additional years information will be displayed as it becomes available.

(See independent auditor's report and notes to required supplementary information)

VILLAGE OF DOWNERS GROVE, ILLINOIS

Notes to Required Supplementary Information

December 31, 2017

---

1. BUDGETS

All departments of the Village submit requests for budgets to the Village Manager so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested budgets for the next fiscal year. All governmental funds have legally adopted annual budgets. Budgets are prepared in accordance with generally accepted accounting principles, except for depreciation.

The proposed budget is presented to the Village Council for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The manager is authorized to transfer budgeted amounts between programs within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Three budget amendments were completed during the fiscal year with Village Council's approval.

Expenditures may not legally exceed budgeted appropriations at the fund level.

## SECTION 5

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

- Major Governmental Funds
  - > Detailed Budgetary Comparison Schedules - General Fund
  - > Budgetary Comparison Schedules - Capital Improvements Fund
  
- Nonmajor Governmental Funds
  - > Combining Statements - Nonmajor Governmental Funds
    - Special Revenue Funds
    - Debt Service Funds
    - Capital Projects Funds
  
  - > Combining Statements - Nonmajor Special Revenue Funds
  - > Budgetary Comparison Schedules - Nonmajor Special Revenue Funds
  - > Combining Statements - Nonmajor Debt Service Funds
  - > Budgetary Comparison Schedules - Nonmajor Debt Service Funds
  - > Combining Statements - Nonmajor Capital Projects Funds
  - > Budgetary Comparison Schedules - Nonmajor Capital Projects Funds
  
- Major Enterprise Funds
  - > Budgetary Comparison Schedules - Waterworks Fund
  - > Budgetary Comparison Schedules - Parking Fund
  - > Budgetary Comparison Schedules - Stormwater Fund
  
- Internal Service Funds
  - > Combining Statements - Internal Service Funds
  - > Budgetary Comparison Schedules - Internal Service Funds
  
- Pension Trust Funds
  - > Combining Statements - Pension Trust Funds
  - > Budgetary Comparison Schedules - Pension Trust Funds
  
- Agency Fund
  - > Combining Statement - Construction Deposit Fund

## MAJOR GOVERNMENTAL FUNDS

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 General Fund  
 Schedule of Revenues - Budget and Actual  
 For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance
Home rule sales tax	\$ 2,050,000	\$ 2,050,000	\$ 1,978,047	\$ (71,953)
Property taxes				
General	5,847,145	5,847,145	5,903,486	56,341
Pension	5,976,315	5,976,315	6,024,761	48,446
Special service areas	322,000	322,000	317,305	(4,695)
Township road and bridge	435,000	435,000	431,756	(3,244)
Total property taxes	12,580,460	12,580,460	12,677,308	96,848
Utility taxes				
Natural gas use tax	500,000	500,000	442,296	(57,704)
Electricity tax	1,900,000	1,900,000	1,769,407	(130,593)
Telecommunications tax	2,700,000	2,700,000	2,321,739	(378,261)
Total utility taxes	5,100,000	5,100,000	4,533,442	(566,558)
Other taxes				
Hotel tax	1,050,000	1,050,000	931,567	(118,433)
Personal property replacement tax	350,000	350,000	494,239	144,239
Other local taxes	40,000	40,000	52,886	12,886
Total other taxes	1,440,000	1,440,000	1,478,692	38,692
Licenses & permits				
Building and related	1,305,000	1,305,000	1,874,437	569,437
Alcoholic beverage	245,000	245,000	270,749	25,749
Professional and occupational	27,000	27,000	46,144	19,144
Other licenses and permits	82,950	82,950	147,485	64,535
Total licenses & permits	1,659,950	1,659,950	2,338,815	678,865
Intergovernmental				
Income tax	5,000,000	5,000,000	4,488,393	(511,607)
Sales tax	12,300,000	12,300,000	11,652,631	(647,369)
Local use tax	1,200,000	1,200,000	1,264,020	64,020
Grants	371,291	371,291	605,271	233,980
Total intergovernmental	18,871,291	18,871,291	18,010,315	(860,976)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
General Fund  
Schedule of Revenues - Budget and Actual (Continued)  
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance
Charges for services & fees				
Ambulance user fee - resident	\$ 880,000	\$ 880,000	\$ 803,922	\$ (76,078)
Ambulance user fee - nonresident	385,000	385,000	322,237	(62,763)
Review and inspection fees	269,000	269,000	325,898	56,898
Cable franchise fees	945,000	945,000	995,853	50,853
Cellular antenna rental	1,100,000	1,100,000	1,112,947	12,947
Other fees & charges	753,700	753,700	952,671	198,971
Total charges for services & fees	4,332,700	4,332,700	4,513,528	180,828
Fines & forfeitures				
Administrative booking and towing fees	150,000	150,000	123,350	(26,650)
Fines	500,700	500,700	444,545	(56,155)
Total fines & forfeitures	650,700	650,700	567,895	(82,805)
Investment income	190,000	190,000	179,660	(10,340)
Contributions and donations	-	-	882	882
<b>TOTAL REVENUES</b>	<b>\$ 46,875,101</b>	<b>\$ 46,875,101</b>	<b>\$ 46,278,584</b>	<b>\$ (596,517)</b>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance
<b>General government</b>				
Personnel services	\$ 3,565,855	\$ 3,565,855	\$ 3,550,932	\$ (14,923)
Supplies	100,791	100,791	78,107	(22,684)
Contractual services	825,350	825,350	612,655	(212,695)
Other charges and services	614,626	614,626	596,934	(17,692)
<b>Total general government</b>	<b>5,106,622</b>	<b>5,106,622</b>	<b>4,838,628</b>	<b>(267,994)</b>
<b>Public works</b>				
Personnel services	3,109,478	3,109,478	2,991,994	(117,484)
Supplies	583,070	583,070	356,732	(226,338)
Contractual services	1,127,368	1,127,368	875,752	(251,616)
Other charges and services	1,258,162	1,258,162	1,293,561	35,399
<b>Total public works</b>	<b>6,078,078</b>	<b>6,078,078</b>	<b>5,518,039</b>	<b>(560,039)</b>
<b>Community development</b>				
Personnel services	1,688,667	1,688,667	1,600,515	(88,152)
Supplies	15,850	15,850	10,155	(5,695)
Contractual services	80,600	80,600	60,960	(19,640)
Other charges and services	705,366	705,366	666,947	(38,419)
<b>Total community development</b>	<b>2,490,483</b>	<b>2,490,483</b>	<b>2,338,577</b>	<b>(151,906)</b>
<b>Public safety</b>				
Personnel services	26,791,157	26,791,157	27,251,565	460,408
Supplies	348,100	348,100	295,050	(53,050)
Contractual services	1,730,164	1,730,164	1,756,420	26,256
Other charges and services	3,462,693	3,462,693	3,542,566	79,873
<b>Total public safety</b>	<b>32,332,114</b>	<b>32,332,114</b>	<b>32,845,601</b>	<b>513,487</b>
<b>Community services</b>				
Personnel services	577,905	577,905	511,552	(66,353)
Supplies	23,264	23,264	6,065	(17,199)
Contractual services	227,552	227,552	199,144	(28,408)
Other charges and services	18,090	18,090	7,680	(10,410)
<b>Total community services</b>	<b>846,811</b>	<b>846,811</b>	<b>724,441</b>	<b>(122,370)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 46,854,108</b>	<b>\$ 46,854,108</b>	<b>\$ 46,265,286</b>	<b>\$ (588,822)</b>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Capital Improvements Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 971,524	\$ 971,524	\$ 971,524	\$ -
Home rule sales tax	6,150,000	6,150,000	5,934,142	(215,858)
Utility tax	540,000	540,000	464,357	(75,643)
Intergovernmental	1,017,750	1,017,750	-	(1,017,750)
Investment income	10,000	10,000	35,204	25,204
Contributions and donations	30,000	30,000	180,159	150,159
Total revenues	<u>8,719,274</u>	<u>8,719,274</u>	<u>7,585,386</u>	<u>(1,133,888)</u>
<b>EXPENDITURES</b>				
Current				
Public works	990,279	990,279	748,939	(241,340)
Total current	<u>990,279</u>	<u>990,279</u>	<u>748,939</u>	<u>(241,340)</u>
Capital outlay				
General government	-	-	224,982	224,982
Public works	6,416,850	6,416,850	3,466,267	(2,950,583)
Total capital outlay	<u>6,416,850</u>	<u>6,416,850</u>	<u>3,691,249</u>	<u>(2,725,601)</u>
Total expenditures	<u>7,407,129</u>	<u>7,407,129</u>	<u>4,440,188</u>	<u>(2,966,941)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,312,145</u>	<u>1,312,145</u>	<u>3,145,198</u>	<u>1,833,053</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,411,531)	(2,411,531)	(2,411,534)	(3)
Total other financing sources (uses)	<u>(2,411,531)</u>	<u>(2,411,531)</u>	<u>(2,411,534)</u>	<u>(3)</u>
Net change in fund balance	(1,099,386)	(1,099,386)	733,664	<u>\$ 1,833,050</u>
Fund balance -- beginning	<u>4,108,294</u>	<u>4,108,294</u>	<u>4,108,294</u>	
Fund balance -- ending	<u>\$ 3,008,908</u>	<u>\$ 3,008,908</u>	<u>\$ 4,841,958</u>	

NONMAJOR GOVERNMENTAL FUNDS

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL SERVICE FUNDS

**The Motor Fuel Tax (MFT) Fund** exists to account for the activities related to street maintenance and construction. Financing is provided by the Village's share of state gasoline taxes. State restricts the use of these gasoline taxes for street-related purposes.

**Foreign Fire Insurance Fund** exists to account for monies from a 2% state tax imposed on fire insurance policies written by insurance companies located outside of the state of Illinois. These funds are intended to provide for the needs of the department.

**Ogden TIF Fund** exists to account for all financial activity related to the Ogden Avenue Tax Increment Financing District. TIF revenues are provided through the collection of property taxes, or TIF increment, created from the increasing value of property within the district. The revenues are used to facilitate redevelopment along the corridor in accordance with applicable Illinois TIF statutes.

**Sales Tax Rebate Fund** exists to account for revenues and expenditures related as part of the Village's economic development efforts. The Village has entered into tax rebate agreements with local businesses. These agreements assist in the attraction and retention of retail businesses. Each of the agreements includes performance standards that must be met prior to the payment of any tax rebate.

**Asset Forfeiture Fund** exists to account for the revenues and expenditures of proceeds from asset seizures.

### DEBT SERVICE FUNDS

**Downtown Redevelopment TIF Fund** exists to account for the principal and interest payments associated with all of the Village's outstanding debt series related to the improvements in the downtown TIF.

**Capital Debt Service Fund** exists to account for the principal and interest payments associated with all of the Village's outstanding debt related to the Fire Station 2 and the roadway improvements.

### CAPITAL PROJECTS FUNDS

**Municipal Buildings Fund** exists to account for planned, project-oriented maintenance activities related to the Village's facilities. The projects included in this fund help to ensure that the following facilities are maintained and serve the employees and general public.

**Real Estate Fund** tracks property management activities for all non-operational Village owned parcels including the Fairview and Main Street train stations and commercial property within the Central Business District that was purchased for redevelopment purposes.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 December 31, 2017

	Special Revenue	Debt Service	Capital Projects	Total
<b>ASSETS</b>				
Cash and investments	\$ 10,007,175	\$ 457	\$1,793,887	\$ 11,801,519
Property taxes receivable	730,000	-	-	730,000
Other taxes receivable	107,979	-	18,705	126,684
Interest receivable	42,744	-	-	42,744
Accounts receivable	2,078	-	1,006	3,084
Total Assets	<u>10,889,976</u>	<u>457</u>	<u>1,813,598</u>	<u>12,704,031</u>
<b>LIABILITIES</b>				
Accounts payable	1,392,916	-	5,735	1,398,651
Deposits payable	-	-	1,426	1,426
Total Liabilities	<u>1,392,916</u>	<u>-</u>	<u>7,161</u>	<u>1,400,077</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for future periods	<u>730,000</u>	<u>-</u>	<u>-</u>	<u>730,000</u>
Total Liabilities & Deferred Inflows of Resources	<u>2,122,916</u>	<u>-</u>	<u>7,161</u>	<u>2,130,077</u>
<b>FUND BALANCE</b>				
Restricted	8,767,060	457	-	8,767,517
Assigned	-	-	1,806,437	1,806,437
Total fund balance	<u>8,767,060</u>	<u>457</u>	<u>1,806,437</u>	<u>10,573,954</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 10,889,976</u>	<u>\$ 457</u>	<u>\$ 1,813,598</u>	<u>\$ 12,704,031</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended December 31, 2017

	Special Revenue	Debt Service	Capital Projects	Total
<b>REVENUES</b>				
Property tax	\$ 712,397	\$ -	\$ -	\$ 712,397
Other taxes	102,698	-	201,974	304,672
Intergovernmental	2,247,768	-	-	2,247,768
Charges for services & fees	609,738	-	19,316	629,054
Investment income	64,760	-	11,207	75,967
Total revenues	<u>3,737,361</u>	<u>-</u>	<u>232,497</u>	<u>3,969,858</u>
<b>EXPENDITURES</b>				
Current				
General government	1,001,338	-	69,957	1,071,295
Public works	1,195,000	-	-	1,195,000
Community development	86,758	-	-	86,758
Public safety	122,634	-	-	122,634
Capital outlay				
General government	-	-	79,715	79,715
Public safety	118,475	-	-	118,475
Debt service				
Principal retirement	-	4,320,000	-	4,320,000
Interest and other	-	1,531,918	-	1,531,918
Issuance costs	-	40,637	-	40,637
Total expenditures	<u>2,524,205</u>	<u>5,892,555</u>	<u>149,672</u>	<u>8,566,432</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,213,156</u>	<u>(5,892,555)</u>	<u>82,825</u>	<u>(4,596,574)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	5,655,921	500,004	6,155,925
Refunding bonds issued	-	2,255,000	-	2,255,000
Payment to Escrow Agent	-	(2,214,000)	-	(2,214,000)
Total other financing sources (uses)	<u>-</u>	<u>5,696,921</u>	<u>500,004</u>	<u>6,196,925</u>
Net change in fund balance	1,213,156	(195,634)	582,829	1,600,351
Fund balance -- beginning	<u>7,553,904</u>	<u>196,091</u>	<u>1,223,608</u>	<u>8,973,603</u>
Fund balance -- ending	<u>\$ 8,767,060</u>	<u>\$ 457</u>	<u>\$ 1,806,437</u>	<u>\$10,573,954</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2017

	Motor Fuel Tax	Foreign Fire	Ogden TIF	Sales Tax Rebate	Asset Forfeiture	Total
<b>ASSETS</b>						
Cash and investments	\$1,299,329	\$ 326,344	\$5,694,651	\$621,211	\$ 2,065,640	\$10,007,175
Property taxes receivable	-	-	730,000	-	-	730,000
Other taxes receivable	107,979	-	-	-	-	107,979
Interest receivable	-	38	42,706	-	-	42,744
Accounts receivable	-	-	-	-	2,078	2,078
Total assets	<u>1,407,308</u>	<u>326,382</u>	<u>6,467,357</u>	<u>621,211</u>	<u>2,067,718</u>	<u>10,889,976</u>
<b>LIABILITIES</b>						
Accounts payable	<u>765,784</u>	<u>2,116</u>	-	<u>621,211</u>	<u>3,805</u>	<u>1,392,916</u>
Total liabilities	<u>765,784</u>	<u>2,116</u>	-	<u>621,211</u>	<u>3,805</u>	<u>1,392,916</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes levied for future periods	-	-	730,000	-	-	730,000
Total Liabilities & Deferred Inflows of Resources	<u>765,784</u>	<u>2,116</u>	<u>730,000</u>	<u>621,211</u>	<u>3,805</u>	<u>2,122,916</u>
<b>FUND BALANCE</b>						
Restricted	<u>641,524</u>	<u>324,266</u>	<u>5,737,357</u>	-	<u>2,063,913</u>	<u>8,767,060</u>
Total fund balance	<u>641,524</u>	<u>324,266</u>	<u>5,737,357</u>	-	<u>2,063,913</u>	<u>8,767,060</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 1,407,308</u>	<u>\$ 326,382</u>	<u>\$ 6,467,357</u>	<u>\$ 621,211</u>	<u>\$ 2,067,718</u>	<u>\$ 10,889,976</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2017

	Motor Fuel Tax	Foreign Fire	Odgen TIF	Sales Tax Rebate	Asset Forfeiture	Total
<b>REVENUES</b>						
Property tax	\$ -	\$ -	\$ 712,397	\$ -	\$ -	\$ 712,397
Other taxes	-	102,698	-	-	-	102,698
Intergovernmental	1,246,430	-	-	1,001,338	-	2,247,768
Charges for services & fees	-	-	-	-	609,738	609,738
Investment income	9,972	370	49,731	-	4,687	64,760
Total revenues	<u>1,256,402</u>	<u>103,068</u>	<u>762,128</u>	<u>1,001,338</u>	<u>614,425</u>	<u>3,737,361</u>
<b>EXPENDITURES</b>						
<b>Current</b>						
General government	-	-	-	1,001,338	-	1,001,338
Public works	1,195,000	-	-	-	-	1,195,000
Community development	-	-	86,758	-	-	86,758
Public safety	-	48,346	-	-	74,288	122,634
<b>Capital Outlay</b>						
Public safety	-	33,993	-	-	84,482	118,475
Total expenditures	<u>1,195,000</u>	<u>82,339</u>	<u>86,758</u>	<u>1,001,338</u>	<u>158,770</u>	<u>2,524,205</u>
Net Change in fund balances	61,402	20,729	675,370	-	455,655	1,213,156
Fund balances (deficit) -- beginning	580,122	303,537	5,061,987	-	1,608,258	7,553,904
Fund balances -- ending	<u>\$ 641,524</u>	<u>\$ 324,266</u>	<u>\$ 5,737,357</u>	<u>-</u>	<u>\$ 2,063,913</u>	<u>\$ 8,767,060</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Motor Fuel Tax Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,150,000	\$ 1,150,000	\$ 1,246,430	\$ 96,430
Investment income	100	100	9,972	9,872
Total revenues	<u>1,150,100</u>	<u>1,150,100</u>	<u>1,256,402</u>	<u>106,302</u>
<b>EXPENDITURES</b>				
Public works	<u>1,195,000</u>	<u>1,195,000</u>	<u>1,195,000</u>	-
Total current	<u>1,195,000</u>	<u>1,195,000</u>	<u>1,195,000</u>	-
Total expenditures	<u>1,195,000</u>	<u>1,195,000</u>	<u>1,195,000</u>	-
Net change in fund balance	(44,900)	(44,900)	61,402	<u>\$ 106,302</u>
Fund balance -- beginning	<u>580,122</u>	<u>580,122</u>	<u>580,122</u>	
Fund balance -- ending	<u>\$ 535,222</u>	<u>\$ 535,222</u>	<u>\$ 641,524</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Foreign Fire Insurance Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Foreign fire insurance tax	\$ 80,000	\$ 80,000	\$ 102,698	\$ 22,698
Investment income	-	-	370	370
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>103,068</u>	<u>23,068</u>
<b>EXPENDITURES</b>				
Current				
Public safety	<u>164,450</u>	<u>164,450</u>	<u>48,346</u>	<u>116,104</u>
Total current	<u>164,450</u>	<u>164,450</u>	<u>48,346</u>	<u>116,104</u>
Capital Outlay				
Public safety	<u>30,000</u>	<u>30,000</u>	<u>33,993</u>	<u>(3,993)</u>
Total capital outlay	<u>30,000</u>	<u>30,000</u>	<u>33,993</u>	<u>(3,993)</u>
Total expenditures	<u>194,450</u>	<u>194,450</u>	<u>82,339</u>	<u>112,111</u>
Net change in fund balance	(114,450)	(114,450)	20,729	<u>\$ 135,179</u>
Fund balance -- beginning	<u>303,537</u>	<u>303,537</u>	<u>303,537</u>	
Fund balance -- ending	<u>\$ 189,087</u>	<u>\$ 189,087</u>	<u>\$ 324,266</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Odgen TIF Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 645,000	\$ 645,000	\$ 712,397	\$ 67,397
Investment income	-	-	49,731	49,731
Intergovernmental	360,000	360,000	-	(360,000)
Total revenues	<u>1,005,000</u>	<u>1,005,000</u>	<u>762,128</u>	<u>(242,872)</u>
<b>EXPENDITURES</b>				
Current				
Public works	455,000	455,000	-	455,000
Community development	836,313	836,313	86,758	749,555
Total current	<u>1,291,313</u>	<u>1,291,313</u>	<u>86,758</u>	<u>1,204,555</u>
Total expenditures	<u>1,291,313</u>	<u>1,291,313</u>	<u>86,758</u>	<u>1,204,555</u>
Net change in fund balance	(286,313)	(286,313)	675,370	<u>\$ 961,683</u>
Fund balance -- beginning	<u>5,061,987</u>	<u>5,061,987</u>	<u>5,061,987</u>	
Fund balance -- ending	<u>\$ 4,775,674</u>	<u>\$ 4,775,674</u>	<u>\$ 5,737,357</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Sales Tax Rebate Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sales tax	\$ 1,500,000	\$ 1,500,000	\$ 1,001,338	\$ (498,662)
Total revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,001,338</u>	<u>(498,662)</u>
<b>EXPENDITURES</b>				
Current				
General government	1,500,000	1,500,000	1,001,338	498,662
Total current	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,001,338</u>	<u>498,662</u>
Total expenditures	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,001,338</u>	<u>498,662</u>
Net change in fund balance	-	-	-	<u>\$ -</u>
Fund balance -- beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Asset Forfeiture  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		Actual	Variance
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for srvcs, fees, fines	\$ 310,000	\$ 310,000	\$ 609,738	\$ 299,738
Investment Income	-	-	4,687	4,687
Total revenues	<u>310,000</u>	<u>310,000</u>	<u>614,425</u>	<u>304,425</u>
<b>EXPENDITURES</b>				
Current				
Public safety	35,000	35,000	74,288	(39,288)
Total current	<u>35,000</u>	<u>35,000</u>	<u>74,288</u>	<u>(39,288)</u>
Capital Outlay				
Public safety	1,775,000	1,775,000	84,482	1,690,518
Total capital outlay	<u>1,775,000</u>	<u>1,775,000</u>	<u>84,482</u>	<u>1,690,518</u>
Total expenditures	<u>1,810,000</u>	<u>1,810,000</u>	<u>158,770</u>	<u>1,651,230</u>
Net change in fund balance	(1,500,000)	(1,500,000)	455,655	<u>\$ 1,955,655</u>
Fund balance -- beginning	<u>1,608,258</u>	<u>1,608,258</u>	<u>1,608,258</u>	
Fund balance -- ending	<u>\$ 108,258</u>	<u>\$ 108,258</u>	<u>\$ 2,063,913</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2017

	Downtown TIF	Capital/ Facilities	Total
<b>ASSETS</b>			
Cash and investments	\$ 457	\$ -	\$ 457
Total assets	457	-	457
 <b>LIABILITIES</b>			
Total liabilities	-	-	-
 <b>FUND BALANCES</b>			
Restricted for debt service	457	-	457
Total fund balances	457	-	457
Total liabilities and fund balances	\$ 457	\$ -	\$ 457

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2017

	Downtown TIF	Capital/ Facilities	Total
<b>REVENUES</b>			
Local fuel tax	\$ -	\$ -	\$ -
Investment income	-	-	-
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Debt service			
Principal retirement	3,235,000	1,085,000	4,320,000
Interest and other	704,100	827,818	1,531,918
Issuance costs	40,637	-	40,637
Total expenditures	3,979,737	1,912,818	5,892,555
Excess (deficiency) of revenues over (under) expenditures	(3,979,737)	(1,912,818)	(5,892,555)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,744,391	1,911,530	5,655,921
Refunding bonds issued	2,255,000	-	2,255,000
Payment to escrow agent	(2,214,000)	-	(2,214,000)
Total other financing sources (uses)	3,785,391	1,911,530	5,696,921
Net change in fund balances	(194,346)	(1,288)	(195,634)
Fund balances -- beginning	194,803	1,288	196,091
Fund balances -- ending	\$ 457	\$ -	\$ 457

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Downtown Redevelopment TIF Debt Service Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	\$ 3,235,000	\$ 3,235,000	\$ 3,235,000	\$ -
Interest and other	704,101	704,101	704,100	(1)
Issuance costs	-	86,000	40,637	(45,363)
Total debt service	<u>3,939,101</u>	<u>4,025,101</u>	<u>3,979,737</u>	<u>(45,364)</u>
Total expenditures	<u>3,939,101</u>	<u>4,025,101</u>	<u>3,979,737</u>	<u>(45,364)</u>
Excess (deficiency) of revenues (under) expenditures	<u>(3,939,101)</u>	<u>(4,025,101)</u>	<u>(3,979,737)</u>	<u>45,364</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,745,353	3,745,353	3,744,391	(962)
Refunding bonds issued	-	-	2,255,000	2,255,000
Payment to escrow agent	-	(2,214,000)	(2,214,000)	-
Total other financing sources (uses)	<u>3,745,353</u>	<u>1,531,353</u>	<u>3,785,391</u>	<u>2,254,038</u>
Net change in fund balance	(193,748)	(2,493,748)	(194,346)	<u>\$ 2,299,402</u>
Fund balance -- beginning	<u>194,803</u>	<u>194,803</u>	<u>194,803</u>	
Fund balance -- ending	<u>\$ 1,055</u>	<u>(\$ 2,298,945)</u>	<u>\$ 457</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Capital Debt Service Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		Actual	Variance
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	\$ 1,085,000	\$ 1,085,000	\$ 1,085,000	\$ -
Interest and other	<u>827,819</u>	<u>827,819</u>	<u>827,818</u>	<u>(1)</u>
Total debt service	<u>1,912,819</u>	<u>1,912,819</u>	<u>1,912,818</u>	<u>(1)</u>
Total expenditures	<u>1,912,819</u>	<u>1,912,819</u>	<u>1,912,818</u>	<u>(1)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>1,911,531</u>	<u>1,911,531</u>	<u>1,911,530</u>	<u>(1)</u>
Total other financing sources	<u>1,911,531</u>	<u>1,911,531</u>	<u>1,911,530</u>	<u>(1)</u>
Net change in fund balance	(1,288)	(1,288)	(1,288)	<u>\$ -</u>
Fund balance -- beginning	<u>1,288</u>	<u>1,288</u>	<u>1,288</u>	
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2017

---

	Municipal Buildings	Real Estate	Total
<b>ASSETS</b>			
Cash and investments	\$ 1,753,652	\$ 40,235	\$ 1,793,887
Accounts receivable	-	1,006	1,006
Local fuel tax receivable	18,705	-	18,705
Total assets	1,772,357	41,241	1,813,598
<b>LIABILITIES</b>			
Accounts payable	4,410	1,325	5,735
Deposits payable	-	1,426	1,426
Total liabilities	4,410	2,751	7,161
<b>FUND BALANCES</b>			
Assigned for Capital Projects	1,767,947	38,490	1,806,437
 Total liabilities and fund balances	\$ 1,772,357	\$ 41,241	\$ 1,813,598

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Nonmajor Capital Projects Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended December 31, 2017

	Municipal Buildings	Real Estate	Total
<b>REVENUES</b>			
Charges for services & fees	\$ -	\$ 19,316	\$ 19,316
Local fuel tax	201,974	-	201,974
Investment income	10,830	377	11,207
Total revenues	<u>212,804</u>	<u>19,693</u>	<u>232,497</u>
<b>EXPENDITURES</b>			
Current			
General government	38,832	31,125	69,957
Total current	<u>38,832</u>	<u>31,125</u>	<u>69,957</u>
Capital Outlay			
General government	79,715	-	79,715
Total capital outlay	<u>79,715</u>	<u>-</u>	<u>79,715</u>
Total expenditures	<u>118,547</u>	<u>31,125</u>	<u>149,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>94,257</u>	<u>(11,432)</u>	<u>82,825</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	500,004	-	500,004
Total Other Financing Sources	<u>500,004</u>	<u>-</u>	<u>500,004</u>
Net change in fund balance	594,261	(11,432)	582,829
Fund balances -- beginning	<u>1,173,686</u>	<u>49,922</u>	<u>1,223,608</u>
Fund balances -- ending	<u>\$ 1,767,947</u>	<u>\$ 38,490</u>	<u>\$ 1,806,437</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Municipal Buildings Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		Actual	Variance
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local fuel tax	\$ 200,000	\$ 200,000	\$ 201,974	\$ 1,974
Investment income	-	-	10,830	10,830
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>212,804</u>	<u>12,804</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	38,832	38,832
Total current	<u>-</u>	<u>-</u>	<u>38,832</u>	<u>38,832</u>
Capital outlay				
General government	374,500	374,500	79,715	(294,785)
Total capital outlay	<u>374,500</u>	<u>374,500</u>	<u>79,715</u>	<u>(294,785)</u>
Total expenditures	<u>374,500</u>	<u>374,500</u>	<u>118,547</u>	<u>(255,953)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(174,500)</u>	<u>(174,500)</u>	<u>94,257</u>	<u>268,757</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	500,000	500,000	500,004	4
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>500,004</u>	<u>4</u>
Net change in fund balance	325,500	325,500	594,261	<u>\$ 268,761</u>
Fund balance -- beginning	<u>1,173,686</u>	<u>1,173,686</u>	<u>1,173,686</u>	
Fund balance -- ending	<u>\$ 1,499,186</u>	<u>\$ 1,499,186</u>	<u>\$ 1,767,947</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Real Estate Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for services & fees	\$ 20,712	\$ 20,712	\$ 19,316	\$ (1,396)
Investment income	-	-	377	377
Total revenues	<u>20,712</u>	<u>20,712</u>	<u>19,693</u>	<u>(1,019)</u>
<b>EXPENDITURES</b>				
Current				
General government	40,000	40,000	31,125	(8,875)
Total current	<u>40,000</u>	<u>40,000</u>	<u>31,125</u>	<u>(8,875)</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>31,125</u>	<u>(8,875)</u>
Net change in fund balance	(19,288)	(19,288)	(11,432)	<u>\$ 7,856</u>
Fund balance -- beginning	<u>49,922</u>	<u>49,922</u>	<u>49,922</u>	
Fund balance -- ending	<u>\$ 30,634</u>	<u>\$ 30,634</u>	<u>\$ 38,490</u>	

## MAJOR PROPRIETARY FUNDS

## **MAJOR PROPRIETARY FUNDS**

**Waterworks Fund** accounts for the provision of potable water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including but not limited to administration, operations, maintenance, financing and related debt service, and billing and collection.

**Parking Fund** accounts for the fee-based parking throughout the Village. All activities including lot maintenance, parking permits administration, parking enforcement, and collections are included in this fund.

**Stormwater Utility Fund** accounts for projects recommended to address drainage and stormwater issues within the public system. All activities necessary to provide such services are accounted for in this fund including but not limited to administration, operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Waterworks Fund  
Non GAAP Schedule of Operating Expenses - Budget and Actual  
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING EXPENSES</b>				
Water financial services				
Personnel services	\$ 113,786	\$ 113,786	\$ 120,162	\$ 6,376
Supplies	2,000	2,000	151	(1,849)
Contractual services	77,200	77,200	80,484	3,284
Total	<u>192,986</u>	<u>192,986</u>	<u>200,797</u>	<u>7,811</u>
Water administration				
Personnel services	507,977	507,977	522,774	14,797
Supplies	8,695	8,695	5,027	(3,668)
Contractual services	29,755	29,755	18,871	(10,884)
Other charges and services	1,394,740	1,394,740	1,394,736	(4.00)
Total	<u>1,941,167</u>	<u>1,941,167</u>	<u>1,941,408</u>	<u>241</u>
Water pumping and treatment				
Personnel services	117,216	117,216	121,355	4,139
Supplies	8,632	8,632	8,954	322
Contractual services	176,140	176,140	123,335	(52,805)
Other charges and services	15,212	15,212	15,216	4
Capital outlay	16,500	16,500	65,423	48,923
Total	<u>333,700</u>	<u>333,700</u>	<u>334,283</u>	<u>583</u>
Water transmission and distribution				
Personnel services	818,816	818,816	945,080	126,264
Supplies	248,225	248,225	267,216	18,991
Contractual services	627,873	627,873	403,645	(224,228)
Other charges and services	66,575	66,575	66,480	(95)
Capital Outlay	13,200	13,200	6,081	(7,119)
Total	<u>1,774,689</u>	<u>1,774,689</u>	<u>1,688,502</u>	<u>(86,187)</u>
DuPage Water Commission				
Capital outlay	8,418,814	8,418,814	8,748,702	329,888
Total	<u>5,668,000</u>	<u>5,668,000</u>	<u>2,607,764</u>	<u>(3,060,236)</u>
Total Non-GAAP operating expenses	18,329,356	18,329,356	15,521,456	(2,807,900)
Depreciation	-	-	1,381,564	1,381,564
Less assets capitalized	-	-	(2,505,711)	(2,505,711)
Total GAAP operating expenses	<u>\$ 18,329,356</u>	<u>\$ 18,329,356</u>	<u>\$ 14,397,309</u>	<u>\$ (3,932,047)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Parking Fund  
Non GAAP Schedule of Operating Expenses - Budget and Actual  
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING EXPENSES</b>				
Non-deck parking operations				
Supplies	\$ 3,000	\$ 3,000	\$ 3,040	\$ 40
Contractual services	65,225	65,225	62,970	(2,255)
Capital outlay	20,000	20,000	-	(20,000)
Total	<u>88,225</u>	<u>88,225</u>	<u>66,010</u>	<u>(22,215)</u>
Parking deck operations				
Supplies	8,900	8,900	26,289	17,389
Contractual services	140,942	140,942	122,206	(18,736)
Capital outlay	205,000	205,000	96,350	(108,650)
Total	<u>354,842</u>	<u>354,842</u>	<u>244,845</u>	<u>(109,997)</u>
Enforcement				
Personnel services	183,643	183,643	193,360	9,717
Supplies	1,188	1,188	1,235	47
Contractual services	-	-	368	368
Other charges and services	564,859	564,859	564,864	5
Total	<u>749,690</u>	<u>749,690</u>	<u>759,827</u>	<u>10,137</u>
Total Non-GAAP operating expenses	1,192,757	1,192,757	1,070,682	(122,075)
Depreciation	-	-	64,295	64,295
Less assets capitalized	-	-	(500)	(500)
Total GAAP operating expenses	<u>\$ 1,192,757</u>	<u>\$ 1,192,757</u>	<u>\$ 1,134,477</u>	<u>\$ (58,280)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Stormwater Utility Fund  
Non GAAP Schedule of Operating Expenses - Budget and Actual  
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING EXPENSES</b>				
Stormwater financial services				
Personnel services	\$ 43,523	\$ 43,523	\$ 40,842	\$ (2,681)
Contractual services	38,500	38,500	29,272	(9,228)
Other charges and services	10,000	10,000	7,120	(2,880)
Total	<u>92,023</u>	<u>92,023</u>	<u>77,234</u>	<u>(14,789)</u>
Stormwater Design Engineering				
Personnel services	380,075	380,075	357,110	(22,965)
Supplies	800	800	-	(800)
Contractual services	47,805	47,805	22,670	(25,135)
Total	<u>428,680</u>	<u>428,680</u>	<u>379,780</u>	<u>(48,900)</u>
Stormwater Maintenance				
Personnel services	497,486	497,486	568,048	70,562
Supplies	68,395	68,395	62,392	(6,003)
Contractual services	338,280	338,280	649,298	311,018
Other charges and services	401,608	401,608	1,126,604	724,996
Capital outlay	3,835,000	3,835,000	2,749,260	(1,085,740)
Total	<u>5,140,769</u>	<u>5,140,769</u>	<u>5,155,602</u>	<u>14,833</u>
Total Non-GAAP operating expenses	5,661,472	5,661,472	5,612,616	(48,856)
Depreciation	-	-	332,272	332,272
Less assets capitalized	-	-	(2,605,748)	(2,605,748)
Total GAAP operating expenses	<u>\$ 5,661,472</u>	<u>\$ 5,661,472</u>	<u>\$ 3,339,140</u>	<u>\$ (2,322,332)</u>

## INTERNAL SERVICE FUNDS

## INTERNAL SERVICE FUNDS

**Equipment Replacement Fund** provides a dedicated funding source for equipment that is replaced on a routine basis. It allows for items to be replaced when they need to be versus when funds are available. Village departments “pre-fund” for equipment purchases by making payments to this fund for equipment that they use. This fund is used to purchase vehicles, computer equipment and fire equipment.

**Fleet Service Fund** provides services that require the use of vehicles and equipment. From fire and police to watermain repairs, services cannot be provided without a well-maintained and efficient fleet. To ensure this occurs, Public Works operates a garage for vehicle and equipment maintenance and repair. The Public Works facility also has a fueling station with pumps for Bio-Diesel, E-85, unleaded gas, and Compressed Natural Gas

**Health Insurance Fund** accounts for financial activity related to the Village’s self-insured medical, dental, vision and life insurance plans.

**Risk Management Fund** accounts for financial activity related to the Village’s workers’ compensation and liability insurance program, management of all Village liability claims, and employee safety training programs.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Statement of Net Position  
Internal Service Funds  
December 31, 2017

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
<b>ASSETS</b>					
Current assets					
Cash and investments	\$ 1,976,893	\$ 471,987	\$ 1,828,401	\$ 1,608,295	\$ 5,885,576
Restricted cash	74,375	-	-	-	74,375
Prepays	-	-	-	11,667	11,667
Accounts receivable	-	1,243	4,867	-	6,110
Interest receivable	687	-	552	600	1,839
Inventory	-	36,606	-	-	36,606
Total Current assets	<u>2,051,955</u>	<u>509,836</u>	<u>1,833,820</u>	<u>1,620,562</u>	<u>6,016,173</u>
Noncurrent assets					
Capital assets being depreciated	13,112,531	1,027,698	-	-	14,140,229
Accumulated depreciation	(7,321,597)	(897,646)	-	-	(8,219,243)
Total Noncurrent assets	<u>5,790,934</u>	<u>130,052</u>	<u>-</u>	<u>-</u>	<u>5,920,986</u>
Total Assets	<u>7,842,889</u>	<u>639,888</u>	<u>1,833,820</u>	<u>1,620,562</u>	<u>11,937,159</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	-	218,024	39,320	45,686	303,030
Total Deferred Outflows of Resources	<u>-</u>	<u>218,024</u>	<u>39,320</u>	<u>45,686</u>	<u>303,030</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	24,700	82,463	16,242	51,184	174,589
Accrued payroll	-	24,643	-	4,226	28,869
Other payables	-	-	29,213	-	29,213
Compensated absences	-	15,006	698	570	16,274
Claims payable	-	-	796,854	606,598	1,403,452
Total Current liabilities	<u>24,700</u>	<u>122,112</u>	<u>843,007</u>	<u>662,578</u>	<u>1,652,397</u>
Noncurrent liabilities					
Claims payable	-	-	-	1,415,396	1,415,396
Other post-employment benefits	-	136,403	14,174	55,721	206,298
Compensated absences	-	35,013	1,629	1,331	37,973
Net pension liability	-	341,180	61,530	71,493	474,203
Total Noncurrent liabilities	<u>-</u>	<u>512,596</u>	<u>77,333</u>	<u>1,543,941</u>	<u>2,133,870</u>
Total Liabilities	<u>24,700</u>	<u>634,708</u>	<u>920,340</u>	<u>2,206,519</u>	<u>3,786,267</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	-	40,613	7,324	8,510	56,447
Total Deferred Inflows of Resources	<u>-</u>	<u>40,613</u>	<u>7,324</u>	<u>8,510</u>	<u>56,447</u>
<b>NET POSITION</b>					
Net investment in capital assets	5,790,934	130,052	-	-	5,920,986
Restricted	74,375	-	-	-	74,375
Unrestricted (deficit)	1,952,880	52,539	945,476	(548,781)	2,402,114
Total Net Position	<u>\$ 7,818,189</u>	<u>\$ 182,591</u>	<u>\$ 945,476</u>	<u>\$ (548,781)</u>	<u>\$ 8,397,475</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
For the Year Ended December 31, 2017

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
Operating revenues					
Sales	\$ -	\$ 113,413	\$ -	\$ -	\$ 113,413
Interfund services	1,400,412	1,322,012	5,145,880	2,957,276	10,825,580
Insurance premiums	-	-	1,831,892	-	1,831,892
Other	-	-	9,198	2,481	11,679
Total operating revenues	<u>1,400,412</u>	<u>1,435,425</u>	<u>6,986,970</u>	<u>2,959,757</u>	<u>12,782,564</u>
Operating expenses					
Personnel services	-	746,732	122,419	151,846	1,020,997
Supplies	150,297	530,341	-	289	680,927
Contractual services	-	186,267	1,361,697	658,040	2,206,004
Other charges and services	-	180,743	5,880,493	1,742,903	7,804,139
Depreciation	1,117,081	24,441	-	-	1,141,522
Total operating expenses	<u>1,267,378</u>	<u>1,668,524</u>	<u>7,364,609</u>	<u>2,553,078</u>	<u>12,853,589</u>
Operating Income (loss)	<u>133,034</u>	<u>(233,099)</u>	<u>(377,639)</u>	<u>406,679</u>	<u>(71,025)</u>
Nonoperating revenues					
Investment income	15,567	3,934	10,987	6,870	37,358
Gain from disposals	757	-	-	-	757
Total non operating revenues (expenses)	<u>16,324</u>	<u>3,934</u>	<u>10,987</u>	<u>6,870</u>	<u>38,115</u>
Change in net position	149,358	(229,165)	(366,652)	413,549	(32,910)
Total net position -- beginning	7,668,831	411,756	1,312,128	(962,330)	8,430,385
Total net position -- ending	<u>\$ 7,818,189</u>	<u>\$ 182,591</u>	<u>\$ 945,476</u>	<u>(\$ 548,781)</u>	<u>\$ 8,397,475</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2017

	Equipment Replacement	Fleet	Health	Risk Management	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from interfund services	\$1,400,412	1,322,012	\$5,145,880	\$2,957,276	\$10,825,580
Receipts from customers	10,000	116,558	1,839,994	2,481	1,969,033
Other payments	-	(180,743)	(5,655,300)	(1,751,296)	(7,587,339)
Payments to employees	-	(710,544)	(155,690)	(130,229)	(996,463)
Payments to suppliers	(1,080,639)	(784,148)	(1,353,035)	(77,140)	(3,294,962)
Net cash provided (used) by operating activities	<u>329,773</u>	<u>(236,865)</u>	<u>(178,151)</u>	<u>1,001,092</u>	<u>915,849</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital assets purchased	(1,049,033)	-	-	-	(1,049,033)
Proceeds from sale of capital assets	95,643	-	-	-	95,643
Net cash provided (used) by capital activities	<u>(953,390)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(953,390)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	15,567	3,934	10,754	6,270	36,525
Net cash provided by investing activities	<u>15,567</u>	<u>3,934</u>	<u>10,754</u>	<u>6,270</u>	<u>36,525</u>
Net Increase (decrease) in cash and cash equivalents	<u>(608,050)</u>	<u>(232,931)</u>	<u>(167,397)</u>	<u>1,007,362</u>	<u>(1,016)</u>
Cash and investments - beginning of year	<u>2,659,318</u>	<u>704,918</u>	<u>1,995,798</u>	<u>600,933</u>	<u>5,960,967</u>
Cash and investments - end of year	<u>2,051,268</u>	<u>471,987</u>	<u>1,828,401</u>	<u>1,608,295</u>	<u>5,959,951</u>
<b>Reconciliation of operating income (loss) to net cash by operating activities</b>					
Operating income (loss)	133,034	(233,099)	(377,639)	406,679	(71,025)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	1,117,081	24,441	-	-	1,141,522
Change in assets, deferred outflows, liabilities and deferred inflows					
Accounts payable	(931,867)	(73,019)	8,662	24,744	(971,480)
Accrued payroll	-	5,555	-	359	5,914
Compensated absences	-	819	(41,674)	(528)	(41,383)
Accounts receivable	10,000	3,145	(1,096)	-	12,049
Inventory	-	5,479	-	-	5,479
Prepaid expenses	1,525	-	-	556,445	557,970
Deferred outflows related to pensions	-	72,742	8,902	11,087	92,731
Other post-employment benefits	-	(3,264)	544	12,987	10,267
Other payables	-	-	706	-	706
Claims payable	-	-	224,487	(8,393)	216,094
Deferred inflows related to pensions	-	295	637	638	1,570
Net pension liability	-	(39,959)	(1,680)	(2,926)	(44,565)
Net cash provided (used) by operating activities	<u>\$329,773</u>	<u>(\$236,865)</u>	<u>(\$178,151)</u>	<u>\$1,001,092</u>	<u>\$915,849</u>
<b>NON CASH TRANSACTIONS</b>					
Loss on disposition of capital asset	<u>\$ (94,886)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (94,886)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Equipment Replacement Fund  
 Non GAAP Schedule of Operating Expenses - Budget and Actual  
 For the Year Ended December 31, 2017

---

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING EXPENSES</b>				
Capital outlay	\$ 2,207,800	\$ 2,207,800	\$ 1,199,330	\$(1,008,470)
Less assets capitalized	-	-	(1,049,033)	(1,049,033)
Total Non GAAP operating expenses	2,207,800	2,207,800	150,297	(2,057,503)
Depreciation	-	-	1,117,081	1,117,081
Total GAAP operating expenses	\$ 2,207,800	\$ 2,207,800	\$ 1,267,378	\$ (940,423)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Fleet Services Fund  
 Non GAAP Schedule of Operating Expenses - Budget and Actual  
 For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING EXPENSES</b>				
Personnel services	\$ 738,602	\$ 738,602	\$ 746,732	\$ 8,130
Supplies	755,776	755,776	530,341	(225,435)
Contractual services	214,956	214,956	186,267	(28,689)
Other charges and services	184,130	184,130	180,743	(3,387)
<b>Total Non GAAP expenses</b>	<b>1,893,464</b>	<b>1,893,464</b>	<b>1,644,083</b>	<b>(249,381)</b>
Depreciation	-	-	24,441	24,441
<b>Total GAAP operating expenses</b>	<b>\$ 1,893,464</b>	<b>\$ 1,893,464</b>	<b>\$ 1,668,524</b>	<b>\$ (224,940)</b>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Health Insurance Fund  
Schedule of Operating Expenses - Budget and Actual  
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING EXPENSES</b>				
Health administration				
Personnel services	\$ 120,949	\$ 120,949	\$ 122,419	\$ 1,470
Contractual services	116,300	116,300	109,459	(6,841)
Other charges and services	1,920	1,920	1,988	68
Total	<u>239,169</u>	<u>239,169</u>	<u>233,866</u>	<u>(5,303)</u>
Vision insurance				
Contractual services	36,000	36,000	31,612	(4,388)
Total	<u>36,000</u>	<u>36,000</u>	<u>31,612</u>	<u>(4,388)</u>
Medical insurance				
Contractual services	1,078,432	1,078,432	1,200,816	122,384
Other charges and services	5,600,509	5,600,509	5,486,907	(113,602)
Total	<u>6,678,941</u>	<u>6,678,941</u>	<u>6,687,723</u>	<u>8,782</u>
Dental insurance				
Contractual services	21,221	21,221	19,810	(1,411)
Other charges and services	470,649	470,649	391,598	(79,051)
Total	<u>491,870</u>	<u>491,870</u>	<u>411,408</u>	<u>(80,462)</u>
Total operating expenses	<u>\$ 7,445,980</u>	<u>\$ 7,445,980</u>	<u>\$ 7,364,609</u>	<u>\$ (81,371)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Risk Management Fund  
 Schedule of Operating Expenses - Budget and Actual  
 For the Year Ended December 31, 2017

---

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING EXPENSES</b>				
Personnel services	\$ 130,801	\$ 130,801	\$ 151,846	\$ 21,045
Supplies	800	800	289	(511)
Contractual services	802,427	802,427	658,040	(144,387)
Other charges and services	1,831,066	1,831,066	1,742,903	(88,163)
Total operating expenses	\$ 2,765,094	\$ 2,765,094	\$ 2,553,078	\$ (212,016)

## FIDUCIARY FUNDS

## **FIDUCIARY FUNDS**

**Police Pension Fund** accounts for resources necessary to provide retirement and disability benefits to sworn personnel of the Downers Grove Police Department. Revenues are provided by Village contributions (made possible primarily by property tax levy), employee payroll withholdings and investment income.

**Firefighters' Pension Fund** accounts for resources necessary to provide retirement and disability benefits to sworn personnel of the Downers Grove Fire Department. Revenues are provided by Village contributions (made possible primarily by property tax levy), employee payroll withholdings and investment income.

**Construction Deposit Fund** accounts for construction and site management bonds, which are being paid back after work is done.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Pension Trust Funds  
Combining Statement of Net Position  
December 31, 2017

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,788,140	\$ 1,414,454	\$ 3,202,594
Investments			
U.S. obligations	8,602,676	7,607,586	16,210,262
Corporate bonds	10,132,834	7,667,253	17,800,087
Foreign bonds	913,145	647,386	1,560,531
Negotiable CDs	-	1,817,701	1,817,701
Mutual funds - equity	22,363,404	30,634,371	52,997,775
Common and Preferred Stocks	5,288,778	-	5,288,778
Real Estate	6,371,560	5,120,894	11,492,454
Prepays	8,367	6,566	14,933
Interest receivable	166,894	113,849	280,743
<b>Total assets</b>	<b>55,635,798</b>	<b>55,030,060</b>	<b>110,665,858</b>
<b>LIABILITIES</b>			
Accounts payable	27,125	7,003	34,128
<b>Total liabilities</b>	<b>27,125</b>	<b>7,003</b>	<b>34,128</b>
<b>NET POSITION</b>			
Restricted for pension benefits	\$ 55,608,673	\$ 55,023,057	\$ 110,631,730

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Statement of Changes in Net Position  
Pension Trust Funds  
For the Year Ended December 31, 2017

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
<b>Contributions</b>			
Contributions - employer	\$ 2,938,808	\$ 3,086,488	\$ 6,025,296
Contributions - employees	703,712	671,040	1,374,752
Total contributions	<u>3,642,520</u>	<u>3,757,528</u>	<u>7,400,048</u>
<b>Investment earnings</b>			
Net appreciation in fair value of investments	5,026,450	5,270,698	10,297,148
Interest earned on investments	1,156,589	1,250,943	2,407,532
Less investment expense	(122,404)	(80,245)	(202,649)
Net investment earnings (loss)	<u>6,060,635</u>	<u>6,441,396</u>	<u>12,502,031</u>
Total additions	<u>9,703,155</u>	<u>10,198,924</u>	<u>19,902,079</u>
<b>DEDUCTIONS</b>			
Contractual services	63,132	45,802	108,934
Benefits and refunds	4,118,392	3,860,306	7,978,698
Total deductions	<u>4,181,524</u>	<u>3,906,108</u>	<u>8,087,632</u>
Change in Net Position	5,521,631	6,292,816	11,814,447
Net Position - beginning of the year	<u>50,087,042</u>	<u>48,730,241</u>	<u>98,817,283</u>
Net Position - end of the year	<u>\$ 55,608,673</u>	<u>\$ 55,023,057</u>	<u>\$ 110,631,730</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Police Pension Fund  
Schedule of Changes in Net Position - Budget and Actual  
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance
<b>ADDITIONS</b>				
Contributions - employer	\$ 2,915,699	\$ 2,915,699	\$ 2,938,808	\$ 23,109
Contributions - employees	719,999	719,999	703,712	(16,287)
Total contributions	<u>3,635,698</u>	<u>3,635,698</u>	<u>3,642,520</u>	<u>6,822</u>
Investment earnings				
Net appreciation in fair value of investments	500,000	500,000	5,026,450	4,526,450
Interest earned on investments	943,606	943,606	1,156,589	212,983
Less investment expense	(126,665)	(126,665)	(122,404)	4,261
Net investment earnings (loss)	<u>1,316,941</u>	<u>1,316,941</u>	<u>6,060,635</u>	<u>4,743,694</u>
Total additions	<u>4,952,639</u>	<u>4,952,639</u>	<u>9,703,155</u>	<u>4,750,516</u>
<b>DEDUCTIONS</b>				
Administrative expense	66,010	66,010	63,132	2,878
Benefits and refunds	4,267,676	4,267,676	4,118,392	149,284
Total deductions	<u>4,333,686</u>	<u>4,333,686</u>	<u>4,181,524</u>	<u>152,162</u>
Net Change in Net Position	<u>\$ 618,953</u>	<u>\$ 618,953</u>	<u>5,521,631</u>	<u>\$ 4,902,678</u>
Net position restricted for pension benefits				
Beginning			<u>50,087,042</u>	
Ending			<u>\$ 55,608,673</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Firefighters' Pension Fund  
 Schedule of Changes in Net Position - Budget and Actual  
 For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance
<b>ADDITIONS</b>				
Contributions - employer	\$ 3,060,616	\$ 3,060,616	\$ 3,086,488	\$ 25,872
Contributions - employees	676,195	676,195	671,040	(5,155)
<b>Total contributions</b>	<b>3,736,811</b>	<b>3,736,811</b>	<b>3,757,528</b>	<b>20,717</b>
Investment earnings				
Net appreciation in fair value of investments	700,000	700,000	5,270,698	4,570,698
Interest earned on investments	824,000	824,000	1,250,943	426,943
Less investment expense	(87,615)	(87,615)	(80,245)	7,370
<b>Net investment earnings</b>	<b>1,436,385</b>	<b>1,436,385</b>	<b>6,441,396</b>	<b>5,005,011</b>
<b>Total additions</b>	<b>5,173,196</b>	<b>5,173,196</b>	<b>10,198,924</b>	<b>5,025,728</b>
<b>DEDUCTIONS</b>				
Contractual services	74,942	74,942	45,802	29,140
Benefits and refunds	3,993,478	3,993,478	3,860,306	133,172
<b>Total deductions</b>	<b>4,068,420</b>	<b>4,068,420</b>	<b>3,906,108</b>	<b>162,312</b>
<b>Net Change in Net Position</b>	<b>\$ 1,104,776</b>	<b>\$ 1,104,776</b>	<b>6,292,816</b>	<b>\$ 5,188,040</b>
Net position restricted for pension benefits				
Beginning			<u>48,730,241</u>	
Ending			<u>\$ 55,023,057</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Construction Deposit Fund  
 Schedule of Changes in Assets and Liabilities  
 For the Year Ended December 31, 2017

---

	Balances January 1	Additions	Deductions	Balances December 31
<b>ASSETS</b>				
Cash and investments	\$ 1,613,419	\$ 3,637,384	\$ 3,519,816	\$ 1,730,987
Total assets	<u>1,613,419</u>	<u>3,637,384</u>	<u>3,519,816</u>	<u>1,730,987</u>
<b>LIABILITIES</b>				
Accounts payable	82,284	1,878,810	1,960,754	340
Deposits payable	1,531,135	2,166,241	1,966,729	1,730,647
Total liabilities	<u>\$ 1,613,419</u>	<u>\$ 4,045,051</u>	<u>\$ 3,927,483</u>	<u>\$ 1,730,987</u>

**SECTION 6**

**COMPONENT UNIT  
DOWNERS GROVE PUBLIC LIBRARY**

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS  
Component Unit  
Statement of Net Position and Governmental Funds Combining Balance Sheet  
December 31, 2017

	General	Debt Service	Capital Replacement	Total	Adjustments	Statement of Net Position
<b>Assets</b>						
Cash and investments	\$1,339,869	-	\$1,403,493	\$ 2,743,362	-	\$ 2,743,362
Property tax receivable	5,182,314	-	-	5,182,314	-	5,182,314
Accounts receivable	1,072	-	-	1,072	-	1,072
Other receivables (net of allowance)	38,211	-	-	38,211	-	38,211
Capital assets not being depreciated	-	-	-	-	222,211	222,211
Capital assets net accumulated depreciation	-	-	-	-	12,007,666	12,007,666
<b>Total Assets</b>	<b>6,561,466</b>	<b>-</b>	<b>1,403,493</b>	<b>7,964,959</b>	<b>12,229,877</b>	<b>20,194,836</b>
<b>Deferred outflow of resources</b>						
Deferred outflows related to pensions	-	-	-	-	979,698	979,698
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>979,698</b>	<b>979,698</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accrued payroll	105,552	-	-	105,552	-	105,552
Accounts payable	143,153	-	-	143,153	-	143,153
Debt due within 1 year	-	-	-	-	8,033	8,033
<b>Total Current liabilities</b>	<b>248,705</b>	<b>-</b>	<b>-</b>	<b>248,705</b>	<b>8,033</b>	<b>256,738</b>
Debt due in more than 1 year	-	-	-	-	1,742,906	1,742,906
<b>Deferred inflow of resources</b>						
Property taxes levied for future periods	5,182,314	-	-	5,182,314	-	5,182,314
Deferred inflows related to pensions	-	-	-	-	182,494	182,494
<b>Total Deferred Inflows of Resources</b>	<b>5,182,314</b>	<b>-</b>	<b>-</b>	<b>5,182,314</b>	<b>182,494</b>	<b>5,364,808</b>
<b>Fund Balance / Net Position</b>						
Net investment in capital assets	-	-	-	-	12,195,324	12,195,324
Restricted for Debt Service	-	-	-	-	-	-
Assigned for Construction	-	-	1,403,493	1,403,493	(1,403,493)	-
Unassigned/Unrestricted	1,130,447	-	-	1,130,447	484,311	1,614,758
<b>Total fund balances/net position</b>	<b>\$1,130,447</b>	<b>\$ -</b>	<b>\$1,403,493</b>	<b>\$ 2,533,940</b>	<b>\$11,276,142</b>	<b>\$ 13,810,082</b>

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS  
 Component Unit  
 Statement of Activities and Governmental Funds  
 Combining Statement of Revenues, Expenditures & Changes in Fund Balances/Net Position  
 For the Year Ended December 31, 2017

	General	Debt Service	Capital Replacement	Total	Adjustments	Statement of Activities
<b>REVENUES</b>						
Property taxes	\$ 5,083,377	\$ -	\$ -	\$ 5,083,377	\$ -	\$ 5,083,377
Personal property repl tax	70,606	-	-	70,606	-	70,606
Intergovernmental	38,211	-	-	38,211	-	38,211
Charges for services	70,983	-	-	70,983	-	70,983
Fines	61,950	-	-	61,950	-	61,950
Investment income	10,479	8	3,493	13,980	-	13,980
Contributions & donations	2,964	-	-	2,964	-	2,964
Total revenues	<u>5,338,570</u>	<u>8</u>	<u>3,493</u>	<u>5,342,071</u>	<u>-</u>	<u>5,342,071</u>
<b>EXPENDITURES</b>						
Current						
Community services	4,195,169	-	-	4,195,169	1,569,271	5,764,440
Capital outlay	873,738	-	-	873,738	(873,738)	-
Debt service	-	-	-	-	-	-
Principal retirement	-	615,000	-	615,000	(615,000)	-
Interest and fiscal charges	-	2,829	-	2,829	23,720	26,549
Total expenditures	<u>5,068,907</u>	<u>617,829</u>	<u>-</u>	<u>5,686,736</u>	<u>104,253</u>	<u>5,790,989</u>
Excess (deficiency) of revenues (under) expenditures	<u>269,663</u>	<u>(617,821)</u>	<u>3,493</u>	<u>(344,665)</u>	<u>(104,253)</u>	<u>(448,918)</u>
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	1,400,000	1,400,000	(1,400,000)	-
Transfers out	(1,398,240)	(1,760)	-	(1,400,000)	1,400,000	-
Total other financing sources (uses)	<u>(1,398,240)</u>	<u>(1,760)</u>	<u>1,400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance/net position	(1,128,577)	(619,581)	1,403,493	(344,665)	(104,253)	(448,918)
Fund balance/net position, beginning	<u>2,259,024</u>	<u>619,581</u>	<u>-</u>	<u>2,878,605</u>	<u>11,380,395</u>	<u>14,259,000</u>
Fund balance/net position, ending	<u>\$ 1,130,447</u>	<u>\$ -</u>	<u>\$ 1,403,493</u>	<u>\$ 2,533,940</u>	<u>\$ 11,276,142</u>	<u>\$ 13,810,082</u>

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS  
 Component Unit  
 General Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 5,043,615	\$ 5,043,615	\$ 5,083,377	\$ 39,762
Personal property repl tax	55,000	55,000	70,606	15,606
Intergovernmental	36,910	36,910	38,211	1,301
Charges for services & fees	88,000	88,000	70,983	(17,017)
Fines	85,000	85,000	61,950	(23,050)
Investment income	2,000	2,000	10,479	8,479
Contributions & donations	5,000	5,000	2,964	(2,036)
Total revenues	<u>5,315,525</u>	<u>5,315,525</u>	<u>5,338,570</u>	<u>23,045</u>
<b>EXPENDITURES</b>				
Current				
Community services	4,424,445	4,424,445	4,195,169	(229,276)
Total current	<u>4,424,445</u>	<u>4,424,445</u>	<u>4,195,169</u>	<u>(229,276)</u>
Capital outlay	889,700	889,700	873,738	(15,962)
Total expenditures	<u>5,314,145</u>	<u>5,314,145</u>	<u>5,068,907</u>	<u>(245,238)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,380</u>	<u>1,380</u>	<u>269,663</u>	<u>268,283</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(1,400,000)	(1,400,000)	(1,398,240)	1,760
Total other financing uses	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>(1,398,240)</u>	<u>1,760</u>
Net change in fund balance	(1,398,620)	(1,398,620)	(1,128,577)	<u>\$ 270,043</u>
Fund balance -- beginning	<u>2,259,024</u>	<u>2,259,024</u>	<u>2,259,024</u>	
Fund balance -- ending	<u>\$ 860,404</u>	<u>\$ 860,404</u>	<u>\$ 1,130,447</u>	

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS  
 Component Unit  
 Library Debt Service Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 8	\$ 8
Total revenues	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	615,000	615,000	615,000	-
Interest	<u>2,829</u>	<u>2,829</u>	<u>2,829</u>	<u>-</u>
Total debt service	<u>617,829</u>	<u>617,829</u>	<u>617,829</u>	<u>-</u>
Total expenditures	<u>617,829</u>	<u>617,829</u>	<u>617,829</u>	<u>-</u>
Excess (Deficiency) of revenues (under) expenditures	<u>(617,829)</u>	<u>(617,829)</u>	<u>(617,821)</u>	<u>8</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers out	<u>-</u>	<u>(1,760)</u>	<u>(1,760)</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>(1,760)</u>	<u>(1,760)</u>	<u>-</u>
Net change in fund balance	<u>(617,829)</u>	<u>(619,589)</u>	<u>(619,581)</u>	<u>\$ (1,752)</u>
Fund balance -- beginning	<u>619,581</u>	<u>619,581</u>	<u>619,581</u>	
Fund balance -- ending	<u>\$ 1,752</u>	<u>(\$ 8)</u>	<u>-</u>	

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS  
 Component Unit  
 Library Capital Replacement Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 3,493	\$ 3,493
Total revenues	<u>-</u>	<u>-</u>	<u>3,493</u>	<u>3,493</u>
<b>EXPENDITURES</b>				
Capital outlay				
Capital outlay	600,000	600,000	-	(600,000)
Total capital outlay	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>(600,000)</u>
Total expenditures	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>(600,000)</u>
Excess (Deficiency) of revenues (under) expenditures	<u>(600,000)</u>	<u>(600,000)</u>	<u>3,493</u>	<u>603,493</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,400,000	1,400,000	1,400,000	-
Total other financing sources	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>-</u>
Net change in fund balance	<u>800,000</u>	<u>800,000</u>	<u>1,403,493</u>	<u>\$ 603,493</u>
Fund balance -- beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance -- ending	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 1,403,493</u>	

## SECTION 7

# SUPPLEMENTAL INFORMATION

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

Such statements and schedules include:

- Schedule of Insurance in Force
- Schedules of Debt Service Requirements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Schedule of Insurance in Force  
December 31, 2017

---

Insurance Company	Term	Description of Coverage
Chubb	12/31/16 - 12/31/17	All Risk Property \$101,336,427 Insured Value, Excess of \$10,000
Safety National	12/31/16 - 12/31/17	Excess GL/Auto/Public Officials & Employment Practice Excess up to \$10,000,000, Retained Limit of \$1,000,000
Markel Insurance	12/31/16 - 12/31/17	Umbrella GL/Auto/Public Officials & Employment Practice Excess up to \$25,000,000, Retained Limit of \$10,000,000
Safety National	12/31/16 - 12/31/17	Workers' Compensation Full Statutory Benefits Excess of \$600,000 - \$650,000
Travelers Insurance	12/31/16 - 12/31/17	Crime Coverage Limit \$1,000,000
Ace	12/31/16 - 12/31/17	Pollution Liability Limit \$2,000,000

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Bonds, Series 2008A  
 December 31, 2017

Date of Issue	August 13, 2008
Date of Maturity	January 1, 2038
Authorized Issue	\$25,000,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% to 5.00%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To fund stormwater improvements

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	415,000	8,300	423,300	2018	8,300	2018	-
	<u>\$ 415,000</u>	<u>\$ 8,300</u>	<u>\$ 423,300</u>		<u>\$ 8,300</u>		<u>\$ -</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2009  
 December 31, 2017

Date of Issue	April 9, 2009
Date of Maturity	January 1, 2019
Authorized Issue	\$9,030,000
Denomination of Bonds	\$5,000
Interest Rates	2.50% to 5.00%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To refund G.O. Bonds, Series 1998; and G.O. Bonds, Series 2003A

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	970,000	58,388	1,028,388	2018	38,288	2018	20,100
2019	1,005,000	20,100	1,025,100	2019	20,100	2019	-
	<u>\$ 1,975,000</u>	<u>\$ 78,488</u>	<u>\$ 2,053,488</u>		<u>\$ 58,388</u>		<u>\$ 20,100</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2010A  
 December 31, 2017

Date of Issue	March 4, 2010
Date of Maturity	January 1, 2021
Authorized Issue	\$5,805,000
Denomination of Bonds	\$5,000
Interest Rates	2.0% to 5.0%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable at	The Northern Trust Company
Purpose of Issuance	To refund G.O. Bonds, Series 2000; and G.O. Bonds, Series 2001

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	200,000	213,200	413,200	2018	108,350	2018	104,850
2019	335,000	203,000	538,000	2019	104,850	2019	98,150
2020	1,545,000	165,400	1,710,400	2020	98,150	2020	67,250
2021	2,690,000	67,250	2,757,250	2021	67,250	2021	-
	<u>\$ 4,770,000</u>	<u>\$ 648,850</u>	<u>\$ 5,418,850</u>		<u>\$ 378,600</u>		<u>\$ 270,250</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2010B  
 December 31, 2017

Date of Issue	November 10, 2010
Date of Maturity	January 1, 2021
Authorized Issue	\$5,150,000
Denomination of Bonds	\$5,000
Interest Rates	3.0% to 4.0%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable at	The Northern Trust Company
Purpose of Issuance	To refund G.O. Bonds, Series 2002

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	705,000	135,900	840,900	2018	75,000	2018	60,900
2019	845,000	104,900	949,900	2019	60,900	2019	44,000
2020	990,000	68,200	1,058,200	2020	44,000	2020	24,200
2021	1,210,000	24,200	1,234,200	2021	24,200	2021	-
	<u>\$ 3,750,000</u>	<u>\$ 333,200</u>	<u>\$ 4,083,200</u>		<u>\$ 204,100</u>		<u>\$ 129,100</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Bonds, Series 2012 Roads  
 December 31, 2017

Date of Issue	May 3, 2012
Date of Maturity	January 1, 2038
Authorized Issue	\$25,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 4.00%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To fund road improvements

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	625,000	624,494	1,249,494	2018	316,935	2018	307,559
2019	640,000	605,519	1,245,519	2019	307,560	2019	297,959
2020	660,000	586,019	1,246,019	2020	297,960	2020	288,059
2021	680,000	565,919	1,245,919	2021	288,060	2021	277,859
2022	700,000	545,218	1,245,218	2022	277,859	2022	267,359
2023	720,000	523,918	1,243,918	2023	267,359	2023	256,559
2024	745,000	501,943	1,246,943	2024	256,559	2024	245,384
2025	765,000	479,293	1,244,293	2025	245,384	2025	233,909
2026	790,000	455,475	1,245,475	2026	233,909	2026	221,566
2027	815,000	429,888	1,244,888	2027	221,566	2027	208,322
2028	840,000	402,994	1,242,994	2028	208,322	2028	194,672
2029	870,000	374,663	1,244,663	2029	194,672	2029	179,991
2030	895,000	344,878	1,239,878	2030	179,991	2030	164,887
2031	925,000	313,587	1,238,587	2031	164,887	2031	148,700
2032	960,000	280,600	1,240,600	2032	148,700	2032	131,900
2033	995,000	243,900	1,238,900	2033	131,900	2033	112,000
2034	1,035,000	203,300	1,238,300	2034	112,000	2034	91,300
2035	1,075,000	161,100	1,236,100	2035	91,300	2035	69,800
2036	1,120,000	117,200	1,237,200	2036	69,800	2036	47,400
2037	1,160,000	71,600	1,231,600	2037	47,400	2037	24,200
2038	1,210,000	24,200	1,234,200	2038	24,200	2038	-
	<u>\$ 18,225,000</u>	<u>\$ 7,855,708</u>	<u>\$ 26,080,708</u>		<u>\$ 4,086,323</u>		<u>\$ 3,769,385</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Bonds, Series 2012 Water  
 December 31, 2017

Date of Issue	May 3, 2012
Date of Maturity	January 1, 2032
Authorized Issue	\$10,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 3.50%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To fund watermain improvements

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	425,000	246,575	671,575	2018	126,475	2018	120,100
2019	440,000	233,600	673,600	2019	120,100	2019	113,500
2020	450,000	220,250	670,250	2020	113,500	2020	106,750
2021	465,000	206,525	671,525	2021	106,750	2021	99,775
2022	480,000	192,350	672,350	2022	99,775	2022	92,575
2023	495,000	177,725	672,725	2023	92,575	2023	85,150
2024	510,000	162,650	672,650	2024	85,150	2024	77,500
2025	525,000	147,125	672,125	2025	77,500	2025	69,625
2026	540,000	130,812	670,812	2026	69,625	2026	61,187
2027	555,000	113,356	668,356	2027	61,187	2027	52,169
2028	575,000	94,994	669,994	2028	52,169	2028	42,825
2029	590,000	75,694	665,694	2029	42,825	2029	32,869
2030	610,000	55,444	665,444	2030	32,869	2030	22,575
2031	635,000	34,038	669,038	2031	22,575	2031	11,463
2032	655,000	11,462	666,462	2032	11,462	2032	-
	<u>\$ 7,950,000</u>	<u>\$ 2,102,600</u>	<u>\$ 10,052,600</u>		<u>\$ 1,114,537</u>		<u>\$ 988,063</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2013A  
 December 31, 2017

Date of Issue	October 31, 2013
Date of Maturity	January 1, 2020
Authorized Issue	\$8,360,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.00%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To refund G.O. Refunding Bonds, Series 2005

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	1,715,000	81,900	1,796,900	2018	49,525	2018	32,375
2019	1,775,000	42,563	1,817,563	2019	32,375	2019	10,188
2020	815,000	10,187	825,187	2020	10,187	2020	
	<u>\$ 4,305,000</u>	<u>\$ 134,650</u>	<u>\$ 4,439,650</u>		<u>\$ 92,087</u>		<u>\$ 42,563</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2014A  
 December 31, 2017

Date of Issue August 19, 2014  
 Date of Maturity January 1, 2028  
 Authorized Issue \$6,725,000  
 Denomination of Bonds \$5,000  
 Interest Rates 2.00% to 3.50%  
 Interest Dates January 1 and July 1  
 Principal Maturity Dates January 1  
 Payable At The Northern Trust Company  
 Purpose of Issuance Portion that Refunded 2007 FS#2 Bonds

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	485,000	175,225	660,225	2018	90,038	2018	85,187
2019	500,000	165,375	665,375	2019	85,188	2019	80,187
2020	510,000	152,725	662,725	2020	80,188	2020	72,537
2021	515,000	137,350	652,350	2021	72,538	2021	64,812
2022	540,000	121,525	661,525	2022	64,813	2022	56,712
2023	560,000	105,025	665,025	2023	56,713	2023	48,312
2024	575,000	88,000	663,000	2024	48,313	2024	39,687
2025	595,000	70,450	665,450	2025	39,688	2025	30,762
2026	610,000	52,375	662,375	2026	30,763	2026	21,612
2027	630,000	32,988	662,988	2027	21,613	2027	11,375
2028	650,000	11,375	661,375	2028	11,375	2028	-
	<u>\$ 6,170,000</u>	<u>\$ 1,112,413</u>	<u>\$ 7,282,413</u>		<u>\$ 601,230</u>		<u>\$ 511,183</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2014B  
 December 31, 2017

Date of Issue	August 19, 2014
Date of Maturity	January 1, 2029
Authorized Issue	\$2,935,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.00%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	Portion that Refunded 2008A Bonds for Stormwater Improvements

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	30,000	91,150	121,150	2018	45,725	2018	45,425
2019	30,000	90,550	120,550	2019	45,425	2019	45,125
2020	30,000	89,800	119,800	2020	45,125	2020	44,675
2021	30,000	88,900	118,900	2021	44,675	2021	44,225
2022	30,000	88,000	118,000	2022	44,225	2022	43,775
2023	30,000	87,100	117,100	2023	43,775	2023	43,325
2024	30,000	86,200	116,200	2024	43,325	2024	42,875
2025	615,000	76,525	691,525	2025	42,875	2025	33,650
2026	630,000	57,850	687,850	2026	33,650	2026	24,200
2027	650,000	37,837	687,837	2027	24,200	2027	13,637
2028	665,000	15,638	680,638	2028	13,638	2028	2,000
2029	100,000	2,000	102,000	2029	2,000	2029	-
	<u>\$ 2,870,000</u>	<u>\$ 811,550</u>	<u>\$ 3,681,550</u>		<u>\$ 428,638</u>		<u>\$ 382,912</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Bonds, Series 2015A  
 December 31, 2017

Date of Issue	April 15, 2015
Date of Maturity	January 1, 2035
Authorized Issue	\$5,000,000
Denomination of Bonds	\$5,000
Interest Rates	2% to 3.5%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To fund Water projects

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	200,000	136,100	336,100	2018	69,050	2018	67,050
2019	205,000	132,050	337,050	2019	67,050	2019	65,000
2020	210,000	127,900	337,900	2020	65,000	2020	62,900
2021	215,000	123,650	338,650	2021	62,900	2021	60,750
2022	220,000	119,300	339,300	2022	60,750	2022	58,550
2023	225,000	113,725	338,725	2023	58,550	2023	55,175
2024	230,000	106,900	336,900	2024	55,175	2024	51,725
2025	235,000	99,925	334,925	2025	51,725	2025	48,200
2026	245,000	92,725	337,725	2026	48,200	2026	44,525
2027	250,000	85,300	335,300	2027	44,525	2027	40,775
2028	260,000	77,000	337,000	2028	40,775	2028	36,225
2029	265,000	67,813	332,813	2029	36,225	2029	31,588
2030	275,000	58,362	333,362	2030	31,587	2030	26,775
2031	285,000	48,563	333,563	2031	26,775	2031	21,788
2032	295,000	38,412	333,412	2032	21,787	2032	16,625
2033	305,000	27,913	332,913	2033	16,625	2033	11,288
2034	315,000	17,062	332,062	2034	11,287	2034	5,775
2035	330,000	5,775	335,775	2035	5,775	2035	\$ -
Total	<u>\$ 4,565,000</u>	<u>\$ 1,478,475</u>	<u>\$ 6,043,475</u>		<u>\$ 773,761</u>		<u>\$ 704,714</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2015B  
 December 31, 2017

Date of Issue	April 15, 2015
Date of Maturity	January 01, 2034
Authorized Issue	\$4,535,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.5%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To refund a portion of 2008 Stormwater bonds

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	20,000	153,350	173,350	2018	76,775	2018	76,575
2019	20,000	152,950	172,950	2019	76,575	2019	76,375
2020	20,000	152,550	172,550	2020	76,375	2020	76,175
2021	20,000	152,150	172,150	2021	76,175	2021	75,975
2022	25,000	151,700	176,700	2022	75,975	2022	75,725
2023	25,000	151,075	176,075	2023	75,725	2023	75,350
2024	25,000	150,325	175,325	2024	75,350	2024	74,975
2025	25,000	149,575	174,575	2025	74,975	2025	74,600
2026	25,000	148,825	173,825	2026	74,600	2026	74,225
2027	25,000	148,075	173,075	2027	74,225	2027	73,850
2028	25,000	147,263	172,263	2028	73,850	2028	73,413
2029	620,000	135,975	755,975	2029	73,412	2029	62,563
2030	760,000	111,825	871,825	2030	62,562	2030	49,263
2031	790,000	84,700	874,700	2031	49,262	2031	35,438
2032	820,000	56,525	876,525	2032	35,437	2032	21,088
2033	845,000	27,387	872,387	2033	21,087	2033	6,300
2034	360,000	6,300	366,300	2034	6,300	2034	-
<b>Total</b>	<b>\$ 4,450,000</b>	<b>\$ 2,080,550</b>	<b>\$ 6,530,550</b>		<b>\$ 1,078,660</b>		<b>\$ 1,001,890</b>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2016  
 December 31, 2017

Date of Issue	March 16, 2016
Date of Maturity	January 01, 2038
Authorized Issue	\$7,585,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.00%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To refund a portion of 2008 Stormwater bonds

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	-	279,100	279,100	2018	139,550	2018	139,550
2019	465,000	272,125	737,125	2019	139,550	2019	132,575
2020	480,000	257,950	737,950	2020	132,575	2020	125,375
2021	495,000	243,325	738,325	2021	125,375	2021	117,950
2022	510,000	225,700	735,700	2022	117,950	2022	107,750
2023	530,000	207,550	737,550	2023	107,750	2023	99,800
2024	545,000	188,700	733,700	2024	99,800	2024	88,900
2025	-	177,800	177,800	2025	88,900	2025	88,900
2026	-	177,800	177,800	2026	88,900	2026	88,900
2027	-	177,800	177,800	2027	88,900	2027	88,900
2028	-	177,800	177,800	2028	88,900	2028	88,900
2029	-	177,800	177,800	2029	88,900	2029	88,900
2030	-	177,800	177,800	2030	88,900	2030	88,900
2031	-	177,800	177,800	2031	88,900	2031	88,900
2032	-	177,800	177,800	2032	88,900	2032	88,900
2033	-	177,800	177,800	2033	88,900	2033	88,900
2034	500,000	167,800	667,800	2034	88,900	2034	78,900
2035	930,000	139,200	1,069,200	2035	78,900	2035	60,300
2036	965,000	101,300	1,066,300	2036	60,300	2036	41,000
2037	1,005,000	61,900	1,066,900	2037	41,000	2037	20,900
2038	1,045,000	20,900	1,065,900	2038	20,900	2038	-
<b>Total</b>	<b>\$ 7,470,000</b>	<b>\$ 3,765,750</b>	<b>\$ 11,235,750</b>		<b>\$ 1,952,650</b>		<b>\$ 1,813,100</b>

Village of Downers Grove  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2017  
 December 31, 2017

Date of Issue	October 3, 2017
Date of Maturity	January 1, 2021
Authorized Issue	\$2,255,000
Denomination of Bonds	\$5,000
Interest Rates	1.720%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	PNC
Purpose of Issuance	Portion that refunded 2008B Refunding Bonds

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2018	15,000	28,745	43,745	2018	9,481	2018	19,264
2019	35,000	38,227	73,227	2019	19,264	2019	18,963
2020	1,095,000	28,509	1,123,509	2020	18,963	2020	9,546
2021	1,110,000	9,546	1,119,546	2021	9,546	2021	-
	<u>\$ 2,255,000</u>	<u>\$ 105,027</u>	<u>\$ 2,360,027</u>		<u>\$ 57,254</u>		<u>\$ 47,773</u>

## SECTION 8

### STATISTICAL SECTION (Unaudited)

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	8-1 - 8-5
Revenue Capacity These schedules contain information to help the reader assess significant local revenue sources, the property tax and sales tax.	8-6 - 8-11
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	8-12 - 8-14
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	8-15 - 8-16
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	8-17 - 18-19

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
NET POSITION BY COMPONENT (in thousands)  
Last Ten Years

	as restated for pensions									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 70,743	\$ 66,960	\$ 64,610	\$ 69,272	\$ 67,608	\$ 70,277	\$ 71,753	\$ 80,121	\$ 80,397	\$ 80,897
Restricted	35,838	31,785	4,795	6,051	6,806	7,473	8,127	10,516	9,156	9,830
Unrestricted	(13,944)	(9,618)	24,820	25,138	27,814	16,372	(58,519)	(66,851)	(65,677)	(66,572)
<b>Total Governmental Activities</b>	<b>92,637</b>	<b>89,127</b>	<b>94,225</b>	<b>100,461</b>	<b>102,228</b>	<b>94,122</b>	<b>21,361</b>	<b>23,786</b>	<b>23,876</b>	<b>24,155</b>
<b>Business-type Activities</b>										
Net investment in capital assets	29,197	32,272	32,691	32,663	32,169	33,734	38,495	37,868	38,646	41,809
Unrestricted	4,911	1,545	1,304	2,192	3,861	13,469	11,116	15,140	15,619	14,125
<b>Total Business-type Activities</b>	<b>34,108</b>	<b>33,817</b>	<b>33,995</b>	<b>34,855</b>	<b>36,030</b>	<b>47,203</b>	<b>49,611</b>	<b>53,008</b>	<b>54,265</b>	<b>55,934</b>
<b>Primary Government</b>										
Net investment in capital assets	99,939	99,232	97,301	101,935	99,777	104,010	110,248	117,989	119,043	122,706
Restricted	35,838	31,785	4,795	6,051	6,806	7,472	8,127	10,516	9,156	9,830
Unrestricted	(9,033)	(8,073)	26,124	27,330	31,675	29,842	(47,403)	(51,711)	(50,058)	(52,447)
<b>Total Primary Government</b>	<b>\$ 126,744</b>	<b>\$ 122,944</b>	<b>\$ 128,220</b>	<b>\$ 135,316</b>	<b>\$ 138,258</b>	<b>\$ 141,324</b>	<b>\$ 70,972</b>	<b>\$ 76,794</b>	<b>\$ 78,141</b>	<b>\$ 80,089</b>

Notes

2013 and prior years have not been restated for the implementation of GASB 68.

Data Source

Audited Financial Statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
CHANGE IN NET POSITION (in thousands)  
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities</b>										
General government	\$ 6,360	\$ 4,841	\$ 5,362	\$ 5,971	\$ 6,222	\$ 6,573	\$ 6,980	\$ 6,688	\$ 6,998	\$ 7,984
Public works	13,561	15,701	11,855	13,867	18,272	13,409	13,992	11,319	13,406	13,142
Community development	3,229	2,805	2,539	2,458	2,635	2,996	2,681	3,067	3,220	2,835
Public safety	28,591	27,635	26,768	27,317	27,663	28,747	30,271	33,749	34,264	34,804
Community services	2,036	1,882	836	745	756	773	799	737	904	773
Interest and fiscal charges	2,349	2,956	2,774	2,514	2,735	2,691	1,898	1,650	1,599	1,439
<b>Total Governmental Activities Expenses</b>	<b>56,126</b>	<b>55,820</b>	<b>50,134</b>	<b>52,872</b>	<b>58,283</b>	<b>55,189</b>	<b>56,621</b>	<b>57,210</b>	<b>60,391</b>	<b>60,977</b>
<b>Business-type Activities</b>										
Waterworks	6,777	7,710	8,248	8,765	11,256	11,726	12,752	14,157	14,241	14,810
Parking	940	946	847	966	952	945	1,045	994	1,639	1,129
Stormwater Utility	-	-	-	-	-	5,285	2,667	3,266	3,964	3,905
<b>Total Business-type Activities Expenses</b>	<b>7,717</b>	<b>8,656</b>	<b>9,095</b>	<b>9,731</b>	<b>12,208</b>	<b>17,956</b>	<b>16,464</b>	<b>18,417</b>	<b>19,844</b>	<b>19,844</b>
<b>Total Primary Government Expenses</b>	<b>63,843</b>	<b>64,476</b>	<b>59,229</b>	<b>62,603</b>	<b>70,491</b>	<b>73,145</b>	<b>73,085</b>	<b>75,627</b>	<b>80,235</b>	<b>80,821</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Charges for Services</b>										
General government	1,793	2,052	1,576	1,567	1,614	1,643	1,679	1,576	1,443	1,524
Public works	174	192	220	383	292	313	139	108	220	170
Community development	1,334	955	1,123	1,187	1,546	1,339	1,477	1,548	1,692	2,205
Public safety	2,728	2,506	2,606	2,655	2,793	3,434	2,920	2,854	2,895	3,099
Community services	1,045	1,059	793	848	883	914	979	1,003	1,083	1,052
Operating Grants and Contributions	1,844	374	206	617	1,073	1,020	969	702	715	786
Capital Grants and Contributions	2,810	1,582	1,611	2,976	2,010	1,405	1,731	1,228	1,497	1,246
<b>Total Governmental Activities Program Revenues</b>	<b>11,728</b>	<b>8,720</b>	<b>8,135</b>	<b>10,233</b>	<b>10,211</b>	<b>10,068</b>	<b>9,894</b>	<b>9,019</b>	<b>9,545</b>	<b>10,082</b>
<b>Business-type Activities</b>										
<b>Charges for Services</b>										
Waterworks	7,372	7,473	8,143	9,475	12,271	13,197	13,787	15,153	15,286	15,866
Parking	1,209	1,242	1,287	1,298	1,265	1,425	1,469	1,579	1,617	1,629
Stormwater Utility	-	-	-	-	-	3,375	3,853	3,771	3,825	4,090
Operating Grants and Contributions	47	120	47	47	47	47	47	47	47	47
Capital Grants and Contributions	130	-	30	10	80	(10)	1	1,493	232	17
<b>Total Business-type Activities Program Revenues</b>	<b>8,758</b>	<b>8,835</b>	<b>9,507</b>	<b>10,830</b>	<b>13,663</b>	<b>18,034</b>	<b>19,157</b>	<b>22,043</b>	<b>21,007</b>	<b>21,649</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 20,486</b>	<b>\$ 17,555</b>	<b>\$ 17,642</b>	<b>\$ 21,063</b>	<b>\$ 23,874</b>	<b>\$ 28,102</b>	<b>\$ 29,051</b>	<b>\$ 31,062</b>	<b>\$ 30,552</b>	<b>\$ 31,731</b>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
CHANGE IN NET POSITION (in thousands) (Continued)  
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Revenue (Expense)										
Governmental activities	\$ (44,398)	\$ (47,100)	\$ (41,999)	\$ (42,639)	\$ (48,072)	\$ (45,121)	\$ (46,727)	\$ (48,191)	\$ (50,846)	\$ (50,895)
Business-type activities	1,041	180	412	1,099	1,455	78	2,693	3,626	1,163	1,805
<b>Total Primary Government Net Revenue (Expense)</b>	<b>(43,357)</b>	<b>(46,920)</b>	<b>(41,587)</b>	<b>(41,540)</b>	<b>(46,617)</b>	<b>(45,043)</b>	<b>(44,034)</b>	<b>(44,565)</b>	<b>(49,683)</b>	<b>(49,090)</b>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	14,079	14,819	16,609	17,298	17,208	15,088	15,775	15,632	16,733	17,477
Sales	16,917	16,330	17,374	18,560	19,019	19,762	20,961	21,898	20,543	20,566
Utility	7,541	6,371	6,001	6,209	6,366	5,841	5,711	5,635	5,292	4,998
Income	4,612	3,960	3,835	3,787	4,203	4,558	4,580	5,200	4,757	4,488
Other	2,588	2,127	2,285	2,330	2,434	2,569	1,836	1,771	2,912	3,047
Investment earnings	1,222	1,073	737	416	234	203	(287)	180	243	292
Miscellaneous	7	38	-	24	74	18	-	-	456	6
Special items	-	-	-	-	-	-	-	-	-	-
Transfers	208	570	256	250	300	(11,024)	300	300	-	300
<b>Total Governmental Activities</b>	<b>47,174</b>	<b>45,288</b>	<b>47,097</b>	<b>48,874</b>	<b>49,838</b>	<b>37,015</b>	<b>48,876</b>	<b>50,616</b>	<b>50,936</b>	<b>51,174</b>
Business-type Activities										
Investment earnings	250	99	22	10	21	70	57	71	94	164
Transfers	(208)	(570)	(256)	(250)	(300)	11,024	(300)	(300)	-	(300)
<b>Total Business-type Activities</b>	<b>42</b>	<b>(471)</b>	<b>(234)</b>	<b>(240)</b>	<b>(279)</b>	<b>11,094</b>	<b>(243)</b>	<b>(229)</b>	<b>94</b>	<b>(136)</b>
<b>Total Primary Government</b>	<b>47,216</b>	<b>44,817</b>	<b>46,863</b>	<b>48,634</b>	<b>49,559</b>	<b>48,109</b>	<b>48,633</b>	<b>50,387</b>	<b>51,030</b>	<b>51,038</b>
Change in net position										
Governmental activities	2,774	(1,813)	5,098	6,235	1,766	(8,106)	2,149	2,425	90	279
Business-type activities	1,083	(291)	178	859	1,176	11,172	2,450	3,397	1,257	1,669
<b>Total Primary Government Change in Net Position</b>	<b>\$ 3,857</b>	<b>\$ (2,104)</b>	<b>\$ 5,276</b>	<b>\$ 7,094</b>	<b>\$ 2,942</b>	<b>\$ 3,066</b>	<b>\$ 4,599</b>	<b>\$ 5,822</b>	<b>\$ 1,347</b>	<b>\$ 1,948</b>

Data Source  
Audited Financial Statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)  
 Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 89	\$ 66	\$ 2,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	15,688	15,377	13,656	-	-	-	-	-	-	-
Nonspendable	-	-	-	2,043	2,009	2,574	48	39	29	114
Restricted	-	-	-	-	-	-	-	163	126	160
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	15,141	17,193	17,858	17,165	18,498	18,727	18,621
<b>Total General Fund</b>	<b>15,776</b>	<b>15,443</b>	<b>15,682</b>	<b>17,184</b>	<b>19,202</b>	<b>20,432</b>	<b>17,213</b>	<b>18,700</b>	<b>18,882</b>	<b>18,895</b>
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in										
Debt Service Funds	714	856	259	-	-	-	-	-	-	-
Special Revenue Funds	1,681	1,275	2,850	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	31,668	27,701	23,031	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	6,051	22,243	15,251	8,127	10,353	8,956	9,595
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	19,534	21,335	8,917	9,430	3,042	5,333	6,648
Unassigned	-	-	-	(1,922)	(1,905)	(1,840)	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 34,063</b>	<b>\$ 29,832</b>	<b>\$ 26,140</b>	<b>\$ 23,663</b>	<b>\$ 41,673</b>	<b>\$ 22,328</b>	<b>\$ 17,557</b>	<b>\$ 13,395</b>	<b>\$ 14,289</b>	<b>\$ 16,243</b>
<b>Total Governmental Funds</b>	<b>\$ 49,839</b>	<b>\$ 45,275</b>	<b>\$ 41,822</b>	<b>\$ 40,847</b>	<b>\$ 60,875</b>	<b>\$ 42,760</b>	<b>\$ 34,770</b>	<b>\$ 32,095</b>	<b>\$ 33,171</b>	<b>\$ 35,138</b>

Notes

In 2011, the Village adopted GASB Statement No. 54.

Data Source

Audited Financial Statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)  
 Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Sales tax	\$ 16,917	\$ 16,330	\$ 17,374	\$ 18,559	\$ 19,019	\$ 19,762	\$ 20,020	\$ 20,811	\$ 20,543	\$ 20,566
Property tax	14,079	14,819	16,609	17,298	17,209	15,088	15,775	15,632	16,733	17,477
Utility tax	7,541	6,371	6,001	6,209	6,367	5,841	5,711	5,635	5,292	4,998
Income tax	4,612	3,960	3,835	3,787	4,203	4,558	4,580	5,200	4,757	4,488
Other taxes	2,586	2,127	2,284	2,331	2,434	2,569	2,777	2,858	2,912	3,047
Licenses and permits	1,345	1,148	1,439	1,518	1,863	1,731	1,689	1,769	1,796	2,339
Intergovernmental	3,184	1,748	1,754	3,513	2,907	2,422	2,696	1,930	1,915	1,851
Charges for services & fees	4,065	4,565	3,773	4,096	4,276	4,868	4,593	4,660	4,869	5,143
Fines & forfeitures	1,264	1,246	1,106	1,027	988	1,044	911	660	668	568
Investment income	1,222	1,073	737	416	234	203	(287)	180	243	292
Miscellaneous	1,469	207	63	79	176	3	5	-	297	181
<b>Total revenues</b>	<b>58,286</b>	<b>53,595</b>	<b>54,976</b>	<b>58,833</b>	<b>59,676</b>	<b>58,089</b>	<b>58,470</b>	<b>59,335</b>	<b>60,025</b>	<b>60,950</b>
<b>Expenditures</b>										
General government	6,008	4,536	4,662	5,296	5,646	5,884	8,108	5,887	6,008	5,910
Public works	9,934	10,881	7,816	8,902	8,805	8,102	8,446	7,456	7,883	7,462
Community development	2,745	2,344	2,158	2,109	2,329	2,687	2,372	2,695	2,646	2,484
Public safety	26,053	25,518	26,826	27,244	27,970	28,621	29,392	31,172	32,018	32,968
Community services	1,966	1,831	865	750	750	767	794	708	821	724
Capital outlay	11,095	9,433	8,347	7,939	12,571	9,384	11,112	7,771	4,634	3,889
Debt service										
Principal	1,000	1,245	4,810	5,140	4,865	12,750	4,630	4,865	3,740	4,320
Interest and fiscal charges	2,198	2,854	3,175	2,502	2,372	2,661	1,993	1,756	1,655	1,573
<b>Total expenditures</b>	<b>60,999</b>	<b>58,642</b>	<b>58,660</b>	<b>59,882</b>	<b>65,308</b>	<b>70,856</b>	<b>66,847</b>	<b>62,310</b>	<b>59,405</b>	<b>59,330</b>
<b>Excess of Revenues over (under)</b>										
Expenditures	(2,713)	(5,047)	(3,684)	(1,049)	(5,632)	(12,767)	(8,377)	(2,975)	620	1,620
<b>Other Financing Sources (Uses)</b>										
Transfers in	2,067	4,755	7,260	7,442	7,102	6,797	8,722	6,921	5,762	6,156
Transfers out	(2,109)	(4,435)	(7,204)	(7,392)	(7,002)	(20,755)	(8,422)	(6,621)	(5,762)	(5,856)
Issuance of debt	28,900	9,030	10,955	-	25,000	8,360	6,725	-	-	2,255
Payment to the refunded bond escrow agent	(3,992)	(9,144)	(11,790)	-	-	-	(6,888)	-	-	(2,214)
Bond issue premium	481	239	1,009	-	284	233	249	-	-	-
Proceeds from disposal of capital assets	7	38	-	24	277	18	-	-	456	6
<b>Total other financing sources (uses)</b>	<b>25,354</b>	<b>483</b>	<b>230</b>	<b>74</b>	<b>25,661</b>	<b>(5,347)</b>	<b>386</b>	<b>300</b>	<b>456</b>	<b>347</b>
<b>Net Change in Fund Balances</b>	<b>\$ 22,641</b>	<b>\$ (4,564)</b>	<b>\$ (3,454)</b>	<b>\$ (975)</b>	<b>\$ 20,029</b>	<b>\$ (18,114)</b>	<b>\$ (7,991)</b>	<b>\$ (2,675)</b>	<b>\$ 1,076</b>	<b>\$ 1,967</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>6.53%</b>	<b>8.43%</b>	<b>15.46%</b>	<b>14.23%</b>	<b>12.28%</b>	<b>25.20%</b>	<b>11.08%</b>	<b>12.23%</b>	<b>9.90%</b>	<b>10.00%</b>

Notes

Data Source

Audited Financial Statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Market
2008	1,928,792,310	542,102,539	76,659,327	2,547,554,176	0.44	7,642,662,528	33.33%
2009	1,938,204,827	535,619,097	76,008,514	2,549,832,438	0.50	7,649,497,314	33.33%
2010	1,831,191,815	503,177,630	71,922,788	2,406,292,233	0.56	7,218,876,699	33.33%
2011	1,702,783,589	498,605,787	68,214,898	2,269,604,274	0.58	6,808,812,822	33.33%
2012	1,608,931,001	467,319,340	65,562,355	2,141,812,696	0.52	6,425,438,088	33.33%
2013	1,546,924,741	434,267,904	61,357,602	2,042,550,247	0.57	6,127,650,741	33.33%
2014	1,553,364,667	430,761,743	61,395,006	2,045,521,416	0.56	6,136,564,248	33.33%
2015	1,642,853,974	458,391,227	62,480,383	2,163,725,584	0.58	6,491,176,752	33.33%
2016	1,765,196,431	481,187,314	67,023,809	2,313,407,554	0.56	6,940,222,662	33.33%
2017	1,873,549,481	496,966,573	69,662,582	2,440,178,636	0.56	7,320,535,908	33.33%

Data Source

Office of the County Clerk

Note : Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
Last Ten Levy Years

Tax Levy Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Village Direct Rates</b>										
Corporate	0.1068	0.1264	0.1601	0.1697	0.1414	0.1482	0.1470	0.1399	0.1309	0.1241
Firefighter's Pension	0.0626	0.0785	0.0925	0.0945	0.1059	0.1221	0.1151	0.1317	0.1337	0.1408
Police Pension	0.0501	0.0676	0.0790	0.0698	0.0917	0.1140	0.1117	0.1244	0.1273	0.1296
Fire Protection	0.1138	0.1137	0.1205	0.1277	0.1354	0.1419	0.1417	0.1339	0.1253	0.1187
Stormwater	0.1090	0.1090	0.1104	0.1170	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Capital					0.0458	0.0481	0.0490	0.0453	0.0424	0.0402
<b>Total Direct Rate</b>	<b>0.4423</b>	<b>0.4952</b>	<b>0.5625</b>	<b>0.5787</b>	<b>0.5202</b>	<b>0.5743</b>	<b>0.5645</b>	<b>0.5752</b>	<b>0.5596</b>	<b>0.5534</b>
<b>Overlapping Rates</b>										
Library District	0.1773	0.1832	0.1966	0.2136	0.2324	0.2502	0.2612	0.2407	0.2202	0.2145
Downers Grove Park District	0.2781	0.2699	0.2900	0.3077	0.3434	0.3691	0.3765	0.3624	0.3425	0.3360
Downers Grove Sanitary District	0.0301	0.0305	0.0336	0.0363	0.0405	0.0436	0.0448	0.0434	0.0413	0.0404
Special Service Area #1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Special Service Area #2	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Special Service Area #3	0.3140	0.3151	0.3366	0.3345	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Special Service Area #6						0.2950	0.2680	0.2430	0.2477	0.2461
Downers Grove Township	0.0254	0.0256	0.0281	0.0307	0.0343	0.0368	0.0378	0.0368	0.0350	0.0331
Downers Grove Township Road	0.0379	0.0382	0.0420	0.0439	0.0512	0.0549	0.0564	0.0550	0.0524	0.0512
DuPage County	0.1557	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848	0.1749
DuPage County Forest Preserve	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622	0.1514	0.1306
Dupage Airport Authority	0.0160	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176	0.0166
College of DuPage	0.1858	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626	0.2431
Grade School District No. 58	1.5713	1.6304	1.6991	1.8851	2.0981	2.2613	2.3051	2.2175	2.0984	2.0489
High School District No. 99	1.4214	1.4679	1.6105	1.7271	1.9209	2.0729	2.1079	2.0666	1.9648	1.9184

Data Source  
Office of the County Clerk  
Per \$100 of assessed value

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 PRINCIPAL PROPERTY TAXPAYERS  
 Current Year and Nine Years Ago

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value
Esplanade I SPE LLC	\$ 23,151,200	1	0.95			
BRE COH IL LLC	20,526,030	2	0.84			
PTA - K 225	19,738,610	3	0.81	23,701,470	3	0.97
Hamilton Partners Inc	17,573,972	4	0.72	47,113,358	1	1.93
Grove Residential LLC	14,458,870	5	0.59			
Bristol Club LP	14,154,720	6	0.58			
James Campbell Co LLC	12,974,210	7	0.53			
PBH Prentiss Creek LLC	12,711,340	8	0.52			
Highland Owner LLC	12,533,870	9	0.51	15,500,000	5	0.64
LSREF4 Turtle LLC	11,192,290	10	0.46			
Real Estate Advisors			-	30,805,000	2	1.26
MJH Downers Grove LLC			-	16,661,290	4	0.68
GLL BVK Properties			-	15,333,330	6	0.63
Wells REIT II/Lincoln			-	14,488,260	7	0.59
TA Associates Realty			-	13,412,460	8	0.55
Corridors I & II			-	13,369,000	9	0.55
Arun Enterprises			-	13,108,180	10	0.54
Total	\$ 159,015,112		6.52%	\$ 203,492,348		7.99%

Note

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Data Source

Office of the County Clerk

VILLAGE OF DOWNERS GROVE, ILLINOIS  
PROPERTY TAX LEVIES AND COLLECTIONS (in thousands)  
Last Ten Levy Years

---

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Subsequent Collections	Total Amount	Percentage
		Amount	Percentage of Levy			
2008	11,133	11,133	100%	-	11,133	100%
2009	12,478	12,478	100%	-	12,478	100%
2010	13,376	13,376	100%	-	13,376	100%
2011	12,983	12,983	100%	-	12,983	100%
2012	11,007	11,007	100%	-	11,007	100%
2013	11,590	11,590	100%	-	11,590	100%
2014	11,410	11,410	100%	-	11,410	100%
2015	12,304	12,304	100%	-	12,304	100%
2016	12,795	12,795	100%	-	12,795	100%
2017	13,349	13,349	100%	-	13,349	100%

Note

\* First installment of property taxes due June 1, 2018  
Excludes library

Data Source

Office of the County Clerk

VILLAGE OF DOWNERS GROVE, ILLINOIS  
TAXABLE SALES BY CATEGORY (in thousands)  
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General merchandise	\$ 45,551	\$ 45,421	\$ 45,838	\$ 46,226	\$ 46,460	\$ 44,477	\$ 44,570	\$ 44,612	\$ 45,285	\$ 44,724
Food	108,175	117,287	119,168	117,780	116,207	122,457	134,094	143,285	125,871	113,296
Drinking and eating places	120,557	117,822	119,328	125,270	128,369	132,809	137,168	143,236	150,194	153,040
Apparel	25,415	26,835	26,010	25,538	24,759	24,595	29,118	29,393	34,732	33,817
Furniture and H.H. and radio	149,089	131,925	140,830	129,562	123,362	118,549	102,900	129,848	142,386	140,262
Lumber, building hardware	72,964	56,650	51,722	52,924	51,282	60,109	56,928	60,716	62,990	69,184
Automobile and filling stations	302,593	241,735	243,306	255,657	287,058	314,197	328,130	326,191	299,589	295,252
Drugs and miscellaneous retail	225,512	229,575	220,676	234,131	242,003	252,471	269,609	256,501	268,686	254,442
Agriculture and all others	122,317	99,973	111,240	111,100	124,306	130,917	128,014	147,793	99,656	136,626
Manufacturers	20,785	19,192	13,263	15,852	13,029	11,706	10,474	10,725	15,084	13,138
<b>TOTAL</b>	<b>\$ 1,192,958</b>	<b>\$ 1,086,415</b>	<b>\$ 1,091,381</b>	<b>\$ 1,114,040</b>	<b>\$ 1,156,835</b>	<b>\$ 1,212,287</b>	<b>\$ 1,241,005</b>	<b>\$ 1,292,300</b>	<b>\$ 1,244,473</b>	<b>\$ 1,253,780</b>

Data Source

Illinois Department of Revenue

VILLAGE OF DOWNERS GROVE, ILLINOIS  
DIRECT AND OVERLAPPING SALES TAX RATES  
Last Ten Years

---

Year	Village Direct Rate	Total Sales Tax Rate
2008	1.75%	8.00%
2009	1.75%	8.00%
2010	2.00%	8.25%
2011	2.00%	8.25%
2012	2.00%	8.25%
2013	2.00%	8.25%
2014	2.00%	8.25%
2015	2.00%	8.25%
2016	2.00%	8.00%
2017	2.00%	8.00%

Data Source

IL Department of Revenue and County Records

VILLAGE OF DOWNERS GROVE, ILLINOIS  
RATIOS OF OUTSTANDING DEBT BY TYPE (in thousands)  
Last Ten Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income*		Per Capita*
	General Obligation Bonds	Note Payable	Special Assessment Payable	General Obligation Bonds	Note Payable		Personal Income*	Per Capita*	
2008	71,691	-	-	1,835	4,788	78,314	5.00%	2,479.86	
2009	70,662	-	-	1,405	4,788	76,855	4.90%	2,433.66	
2010	66,418	-	-	955	4,788	72,161	3.59%	1,716.16	
2011	61,132	-	-	485	-	61,617	3.06%	1,465.40	
2012	81,400	-	-	10,149	-	91,549	4.47%	2,177.25	
2013	60,201	-	-	26,204	-	86,405	4.16%	2,054.91	
2014	55,783	-	-	25,818	-	81,601	3.79%	1,884.46	
2015	50,737	-	-	30,758	-	81,495	3.85%	1,915.82	
2016	46,816	-	-	30,183	1,158	78,157	3.64%	1,809.57	
2017	42,377	-	-	28,946	2,265	73,588	3.36%	1,661.05	

Notes

Details of the Village's outstanding debt can be found in the notes to the financial statements.  
The Per Capita column is not in thousands.

\* See the Schedule of Demographic and Economic Statistics on page 8-15 for personal income and population data.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING (in thousands)  
Last Ten Years

---

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Taxable Assessed Value of Property*	Per Capita
2008	73,526	714	72,812	2.86%	2,305.64
2009	72,067	856	71,211	2.79%	2,254.94
2010	67,373	259	67,114	2.79%	1,596.13
2011	61,617	747	60,870	2.68%	1,447.63
2012	91,549	549	91,000	4.25%	2,164.19
2013	86,405	387	86,018	4.21%	2,045.71
2014	81,601	411	81,190	3.97%	1,874.97
2015	81,495	419	81,076	3.50%	1,905.97
2016	76,999	196	76,803	3.32%	1,778.22
2017	71,323	-	71,323	2.92%	1,609.93

Notes

Details of the Village's outstanding debt can be found in the notes to the financial statements.  
The Per Capita column is not in thousands.

\* See the Schedule of Assessed Value and estimated Actual Value of Taxable Property on  
page 8-6 for property value data.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITES DEBT (in thousands)  
December 31, 2017

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of Downers Grove (1)	Village of Downers Grove Share of Debt
Village of Downers Grove	\$ 42,377	100.00%	\$ 42,377
DuPage County	199,572	6.47%	12,912
Dupage County Forest Preserve	126,911	6.47%	8,211
Dupage Water Commission	-	7.16%	-
Downers Grove Park District	13,165	99.66%	13,120
Downers Grove Public Library	-	100.00%	-
Schools			
Grade School			
District No. 44	12,229	4.91%	600
District No. 58	9,870	81.82%	8,076
District No. 61	4,230	11.58%	490
District No. 66	5,605	3.94%	221
District No. 68	-	5.39%	-
High School			
District No. 87	67,650	1.05%	710
District No. 99	21,525	53.57%	11,531
Unit School District			
District No. 201	11,665	0.55%	64
District No. 202	2,730	5.28%	144
Total Overlapping	<u>475,152</u>		<u>56,079</u>
Total Direct and Overlapping	<u>\$ 517,529</u>		<u>\$ 98,456</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village of Downers Grove to valuation of property subject to taxation in overlapping unit.

Data Source

Each applicable overlapping government

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 DEMOGRAPHIC AND ECONOMIC INFORMATION  
 Last Ten Years

Calendar Year	(1) Population	Total Personal Income	(1) Per Capita Personal Income	(2) Unemployment Rate
2008	49,573	1,565,515,340	31,580	7.1%
2009	49,681	1,568,925,980	31,580	10.6%
2010	47,833	2,011,281,984	42,048	9.4%
2011	47,833	2,011,281,984	42,048	8.5%
2012	48,665	2,046,265,920	42,048	7.5%
2013	49,399	2,077,129,152	42,048	6.6%
2014	49,670	2,150,810,340	43,302	4.4%
2015	49,715	2,114,776,670	42,538	4.4%
2016	49,732	2,147,974,812	43,191	4.3%
2017	49,473	2,191,752,846	44,302	3.8%

Data Source

(1) U.S. Census, Census of population

(2) Bureau of Labor Statistics

VILLAGE OF DOWNERS GROVE, ILLINOIS  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago

Employer	2017			2008		
	Rank	% of Total City Population	# of Employees	Rank	% of Total City Population	# of Employees
Advocate Good Samaritan Hospital	1	5.05%	2,500	1	5.10%	2,525
GCA Services	2	3.03%	1,500	2	3.03%	1,500
University Subscription Services/ Unique Mailing Svc Inc.	3	2.12%	1,050	3	2.02%	1,000
Midwestern University	4	2.02%	1,000	3	2.02%	1,000
State Farm	4	2.02%	1,000			
Acxiom/May & Speh Inc.	5	1.62%	800	4	1.61%	800
Aramark Servicemaster				4	1.61%	800
Sara Lee Corporation				4	1.61%	800
First Health Corporation/Coventry Health Care	5	1.62%	800	5	1.41%	700
Adtalem Education Group formerly DeVry	6	1.41%	700			
Ambitech Engineering Corp.	6	1.41%	700			
RR Donnelly and Sons Co				6	1.06%	527
Invesco	7	1.21%	600			
FTD Inc.	8	1.01%	500	7	1.01%	500
Downers Grove South High School				8	0.81%	400
Advocate Health Care	9	0.91%	450			
Downers Grove North High School				9	0.66%	325
SAP America, Inc	10	0.86%	425			
Hub Group, Inc				10	0.61%	300
HMOs of Blue Cross Blue Shield of Illinois	11	0.85%	420			
Havi Global Solutions, LLC	12	0.81%	400			
Pepperidge Farm, Inc.	13	0.76%	375			
JP Morgan Chase	14	0.61%	300			

Data Source

Downers Grove Economic Development Corporation

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 FULL-TIME EQUIVALENT EMPLOYEES  
 Last Ten Years

Program #	Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government											
111	Clerk's Office	2.50	2.50	2.50	2.75	2.75	2.75	2.75	2.75	2.00	2.00
121	Manager's Office	7.60	6.60	4.60	5.60	4.60	4.60	5.00	6.00	5.00	4.50
131	Legal	3.75	3.75	3.00	3.50	3.75	3.75	4.00	4.00	4.00	4.00
142	Building services	9.25	9.25	8.25	8.00	8.00	8.25	8.25	8.25	8.25	8.25
151	Human resources	4.50	4.50	3.50	3.50	3.60	3.60	3.00	3.00	3.00	3.00
171	Information services	8.75	8.00	8.00	8.00	8.00	8.50	8.50	8.50	8.50	8.75
200	Finance	13.18	13.18	12.18	12.18	12.20	12.20	12.20	12.00	11.00	10.50
300	Public Works										
	Public works administrative	5.00	5.00	5.50	5.50	6.00	5.35	5.35	5.75	6.00	5.90
	Engineering/Stormwater	13.00	14.00	12.00	12.00	15.00	16.00	17.00	10.50	9.50	9.75
	Forestry and grounds	7.00	6.00	10.75	6.00	6.00	7.00	7.00	8.50	8.50	8.50
	Streets	36.00	30.75	26.00	26.00	22.50	23.50	23.50	24.10	24.10	23.60
	Water	10.00	12.00	10.00	11.00	10.00	10.50	10.50	14.25	14.75	14.25
	Fleet	7.50	10.00	10.00	7.50	10.00	10.00	10.00	6.85	6.25	6.25
Community Development											
411	Planning	2.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00	4.00	4.00
421	Economic Development	-	-	-	-	-	-	-	-	-	-
411	Code services	17.50	15.50	13.50	12.50	12.50	12.50	13.50	11.50	11.50	13.00
Public Safety											
600	Police										
	Officers	81.00	81.00	79.00	74.00	74.00	74.00	74.00	74.00	74.00	74.00
	Civilians	23.60	23.60	20.60	19.60	19.60	19.60	19.60	19.60	19.23	19.23
	Voc	16.00	16.00	15.00	17.00	17.00	17.00	17.00	17.00	17.00	1.00
700	Fire										
	Firefighters and officers	82.00	79.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00
	Civilians	9.75	9.75	8.75	8.00	7.00	6.50	6.50	6.50	6.50	6.50
Community Services											
821	Counseling and social services	3.90	3.90	1.00	1.00	-	-	-	-	-	-
823	Alcohol and tobacco control	0.25	0.25	0.25	0.25	0.25	0.25	0.25	-	-	-
840	Public information	3.25	2.25	1.75	2.25	3.25	3.25	3.00	3.25	2.50	2.50
841	Cable television	4.50	3.75	3.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00
864	Tourism and events	3.00	3.00	1.00	-	-	-	-	-	-	-
Grand Total		374.78	366.53	340.88	329.13	329.00	332.10	332.90	329.30	325.58	309.48

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 OPERATING INDICATORS  
 Last Nine Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety									
Police									
Physical arrests	1,922	1,881	1,743	1,792	1,491	1,342	1,190	1,060	1,014
Parking violations	7,830	8,743	10,002	6,530	9,144	2,387	8,686	7,665	7,110
Traffic violations	12,235	11,811	10,684	10,898	10,811	9,406	9,454	8,082	6,502
Fire									
EMS calls	2,605	2,350	2,253	3,599	2,307	3,561	3,994	4,125	4,319
Fire calls	2,399	3,064	3,383	5,696	3,585	2,332	1,858	1,928	2,033
Fires extinguished	39	47	62	71	77	76	51	43	69
Community Development									
Permits issued	1,339	1,634	1,861	1,853	2,097	2,154	2,056	2,199	2,205
Inspections conducted	2,677	2,932	3,335	4,414	3,668	4,317	4,452	3,972	4,757
Water									
Water main breaks	62	67	78	81	77	85	55	59	61
Water pumped (gallons)	1,940,962,000	1,919,117,000	1,926,075,800	2,044,068,000	1,831,568,000	1,775,020,000	1,753,318,000	1,720,147,000	1,749,224,000
Average daily consumption	5,317,704	5,257,855	5,276,920	5,600,000	5,017,000	4,863,000	4,800,000	4,698,000	4,789,000
Peak daily consumption	7,358,000	8,974,000	9,465,000	9,003,000	7,615,000	6,699,000	7,242,000	6,787,000	7,563,000

Data Source

Village budget office

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 CAPITAL ASSETS STATISTICS  
 Last Eight Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017
General Government								
Vehicles	8	8	8	7	9	7	5	5
Community Development								
Vehicles	5	5	5	5	5	5	5	5
Public Safety								
Police								
Stations	1	1	1	1	1	1	1	1
Vehicles/Equipment	48	43	43	44	43	44	45	46
Fire								
Fire stations	4	4	4	4	4	4	4	4
Vehicles/Equipment	36	34	34	33	33	34	31	31
Public Works								
Traffic signals	66	66	64	64	64	64	75	75
Vehicles/Equipment	81	84	84	82	80	83	84	84
Buses	7	6	6	1	1	-	0	0
Water								
Water mains (miles)	213	215	207	208	233	217	233	233
Fire hydrants	3,183	3,145	3,180	3,126	3,280	2,776	2,776	2,798
Vehicles/Equipment	11	10	10	9	9	9	9	10

Data Source

Various village departments