

**Village of Downers Grove, Illinois**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**Eight Months Ended December 31, 2006**

Prepared by Finance Department

Judy Buttny  
Finance Director

Rita L. Kruse  
Finance Manager

# Village of Downers Grove, Illinois

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## **INTRODUCTORY SECTION**

# Village of Downers Grove, Illinois

Principal Officials  
December 31, 2006

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## LEGISLATIVE

Brian J. Krajewski, Mayor

### *Commissioners*

Ronald Sandack

Stan Urban

Sean Durkin

Marilyn Schnell

Martin Tully

William Waldack

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## ADMINISTRATIVE

Cara Pavlicek, Village Manager

David Fieldman, Deputy Village Manager

Michael Baker, Assistant Village Manager

Enza Petrarca, Village Attorney

April Holden, Village Clerk

Judy Buttny, Acting Finance Director/Treasurer

David Barber, Public Works Director

Don Scheidler, Acting Community Development Director

Phillip Ruscetti, Fire Chief

Robert Porter, Police Chief

Doug Kozlowski, Communications Director

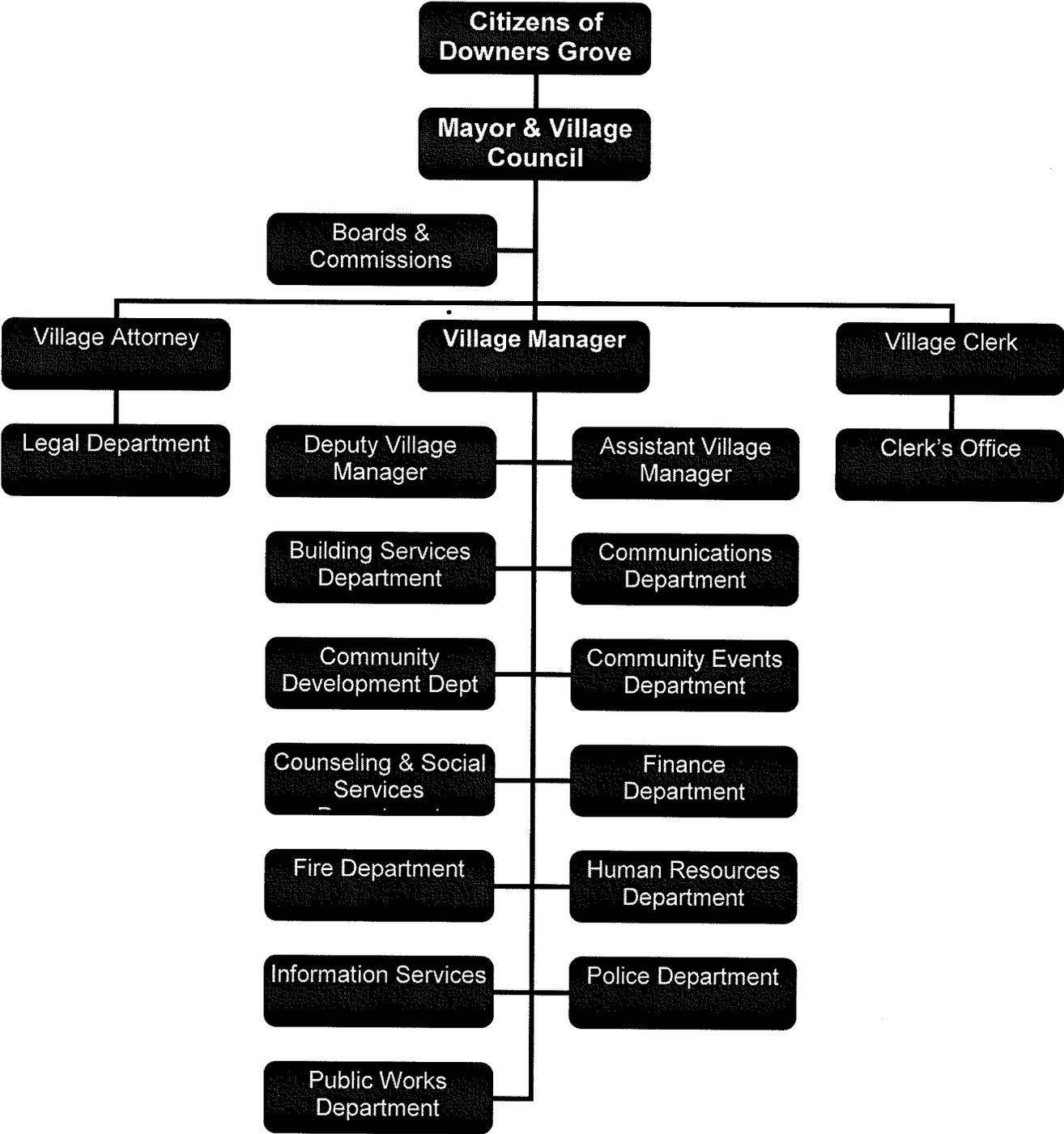
Mary Scalzetti, Community Events Director

Gregory Zimmerman, Human Resources Director

Dr. Liangfu Wu, Information Services Director

Andrew Matejcak, Counseling and Social Services Director

# Village of Downers Grove Organizational Chart



# 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  
April 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



www.downers.us

June 22, 2007

**COMMUNITY RESPONSE**

**CENTER**

630.434.CALL (2255)

To: The Honorable Mayor and Commissioners  
Downers Grove Village Council  
Citizens of Downers Grove

**CIVIC CENTER**

801 Burlington Avenue  
Downers Grove  
Illinois 60515-4776  
630.434.5500  
TDD 630.434.5511  
FAX 630.434.5571

Village of Downers Grove  
801 Burlington  
Downers Grove, IL 60515

**FIRE DEPARTMENT  
ADMINISTRATION**

6701 Main Street  
Downers Grove  
Illinois 60516-3426  
630.434.5980  
FAX 630.434.5998

The Comprehensive Annual Financial Report (CAFR) of the Village of Downers Grove, for the 8 months ended December 31, 2006 is hereby submitted. State law, as well as local ordinances, require 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 license certified public accountants.

**POLICE DEPARTMENT**

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

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.

**PUBLIC WORKS  
DEPARTMENT**

5101 Walnut Avenue  
Downers Grove  
Illinois 60515-4074  
630.434.5460  
FAX 630.434.5495

The Village's financial statements have been audited by Sikich 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 8 months ended December 31, 2006, 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 unqualified opinion that the Village's financial statements of the 8 months ended December 31, 2006, are presented fairly in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

**DEPARTMENT OF COUNSELING  
AND SOCIAL SERVICES**

842 Curtiss Street  
Downers Grove  
Illinois 60515-4761  
630.434.5595  
FAX 630.434.5599



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 20. The Police and Fire Pension Funds each have a separate Board that administers their respective fund resources and their uses. The Downers Grove Library has a separate Board that is appointed by 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 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, 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, which includes the City of Chicago. The median household income in DuPage County, \$67,314, is the second highest of all counties in Illinois. The median income for the Village is \$65,539. Along with several major arterial highways, three Burlington Northern commuter train stations are located in the Village, providing commuters about a 25-minute ride to and from Chicago and easy access to the entire metropolitan area.



The resident population is 49,094, with 18,968 households; 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 pulls residents from other surrounding communities to support the sales tax income. The property tax base is 73% residential, 24% commercial, and 3% industrial. The ten leading commercial property tax payers are from a diverse economic base and account for only 8.89% 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. It is a home-rule community, as defined by Illinois statutes, and provides a full range of municipal services to its citizens. These services include police and fire protection; building code and fire prevention inspection services; emergency 911 dispatch service; paramedic services; water services; a commuter bus transportation system; a commuter and residential parking system; community development services; social services; the construction and maintenance of streets, stormwater, and other municipal infrastructure.

### MAJOR INITIATIVES

The Village staff, following specific directives from the Mayor, Village Council and the Village Manager, have been involved in a variety of projects throughout the year; projects which reflect the Village's commitment to ensuring that its citizens are able to live and work in an enviable environment. The most significant of these projects are discussed more thoroughly below:

### Strategic Plan

The Mayor, Village Council and Village Management have developed a strategic plan. It encompasses a mission statement, core beliefs, five year plan goals and a vision of the Village of Downers Grove in the year 2021:

- Mission Statement:
  - Our Village Government provides exceptional municipal services that are valued by our citizens and businesses.
  - We are fiscally responsible, have passion for our customers and have an eye on the future.
  - We engage our citizens and partner with others to make Downers Grove a great community in which to live and do business.
- Core Beliefs:
  - Service with Pride : We produce results, we take responsibility, we act with integrity, we are dedicated, and we always strive for excellence.
- Five Year Plan Goals:
  - Exceptional municipal organization; Top quality Village infrastructure and facilities; Strong, diverse local economy; Vibrant major commercial corridors; Preservation of our residential and neighborhood character.
- Vision 2021:
  - Downers Grove is a beautiful village with unique neighborhoods and an authentic downtown. We are a technology community with hometown feeling and convenient access to the Chicagoland region. We are a great place for families to live and business to thrive.

The strategic focus for the Village is on “preserving the balance between tradition and progress.” The goal is to ensure that residents, businesses and visitors experience a high quality of life.

### Downers Grove Economic Development Corporation

The Downers Grove Economic Development Corporation (DGEDC), formed by the Village Council in December 2005, took shape in 2006 as the president and board of directors representing business, government and community leaders were selected. The role of the DGEDC is to facilitate the local economy and new development by promoting Downers Grove as the place to do business.

### Downtown Development

In 1997, the Village Council adopted a Downtown Master Plan to manage economic growth and guide future redevelopment of land, with the goal of revitalizing the Downtown District. The plan supports the Village’s vision of Downtown as a focal point of the community that offers residents an aesthetically pleasing place to live, play, shop and work. Consistent with the Master Plan, plans for several Downtown construction projects were presented in 2006:

- Acadia on the Green-The first phase of this mixed-use development, bounded by Curtiss Street, Burlington Avenue, Main Street and Washington Street, began construction in the summer. The overall project includes four buildings with a mix of 126 residential units and 35,000 square feet of commercial space to be leased for retail, dining, or other entertainment.
- Charles Place-The former site of Hart’s Garage at 5151 Mochel Drive will emerge as a three-story commercial building to support a mix of retail and office space.
- 4929 Forest Avenue- Construction of these luxury condominiums is currently underway. The five-story building features 28 maintenance-free units, with 1,2, and 3 bedroom options.

### Ogden Avenue Improvements

The plan to improve Downers Grove's stretch of Ogden Avenue made progress this year as new ornamental street identification signs were installed. The Village continued to work with Ogden Avenue property owners and developers to consolidate access points in order to improve traffic flow and pedestrian safety. As redevelopment occurs, developers will be required to install sidewalks and include a percentage of green space. Construction projects completed along Ogden Avenue in 2006 include the new Jewel/Osco and National City Bank at Ogden and Fairview Avenues.

### Infrastructure Improvements

The Mayor and Council elected to keep the Home Rule Sales Tax at .05 percent. Council directed this revenue be reserved for repairs and upgrades to streets, sidewalks and storm sewers, including equipment necessary to perform the job.

### Demolition and Site Management Ordinance

In 2006, the Village took action to minimize the impact of development on adjacent parcels and neighborhoods. The Village Council adopted An Ordinance Amending Demolition and Construction Site Management in August.

### Public Safety

In March, the Downers Grove Police Department was once again awarded accreditation status by the Commission on Accreditation for Law Enforcement Agencies (CALEA). This distinction certifies that our agency adheres to professional standards and complies with department procedures and policies.

Police Department Achievements:

- Over 955 man hours invested in patrol of residential streets
- 340 hours of foot patrol in the Downtown district between May and September
- 315 drunk driving arrests
- 4,007 speeding tickets issued
- 1,005 seat belt citations
- 7,140 children participated in safety education programs

Fire Department Achievements:

- Maintained emergency response time of 4-6 minutes
- Technical Rescue Team earned validation from the State of Illinois
- High-rise evacuation training offered to community
- New automated external defibrillators (AED) purchased for Police and Fire Department vehicles, as well as Public Works Facility
- Pak-Tracker locating devices purchased with grant money. Downers Grove is only the third department in the country to receive this technology.

Both the Fire and Police Department's education officers have made an impact on the community's safety. In 2006, the Fire Department Public Education Officer was selected as one of two representatives from Illinois to attend a safety conference in Washington D.C.

## **For the Future:**

### Fire Station 2

A new firehouse will be built on the site of the Fire Station 2 on the northwest corner of 55<sup>th</sup> Street and Main Street. In 2006, the Village began to move forward with plans after both a 1999 study and a 2006 report to the Village Council concluded that a new station was needed. The modern facility will benefit everyone with centralized administrative operations and improved response times and equipment coverage to a greater portion of the village.

### Stormwater Master Plan

The Village Council adopted a Stormwater Master Plan to address deficiencies in the operation and maintenance of the stormwater system. Key recommendations include:

- Mapping the stormwater system with the aid of GIS technology
- Constructing neighborhood stormwater storage facilities to handle water overflow.
- Implementation of a proactive maintenance program.

Recommendations regarding specific improvements will be made to the Village Council in 2007.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The Village of Downers Grove has several specific policies to guide its financial operations. Those policies relate to accounting and financial reporting, budgeting, cash management and investments, and purchasing.

The Village maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the Village Council. Activities of all Village Funds are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by the fund; however, Village management uses stricter controls on transfers between functions, requiring the approval of the Village Manager's office .

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village operates.

Local Economy: The Village of Downers Grove maintained a strong financial position during the year. Major revenue sources include property taxes, sales taxes, telecommunications taxes and state income taxes. The Village has a mixture of office, retail and industrial employment. The unemployment rate went down from 4.7% in fiscal year 05/06 to 4.1% as of December 31, 2006. The equalized assessed valuation (EAV) of property in Downers Grove continues to increase. The EAV for the Village was \$2,222,875,166 for the 2006 tax levy, \$2,057,634,957 for the 2005 tax levy year and \$1,885,248,351 for the 2004 tax levy year.

Long-Term Financial Planning: The strategic plan defines the goals and vision for the Village, which guides the preparation of the annual budget and capital plan adopted by Council. The Village also

prepares a 5 year financial plan and a 5 year capital improvement plan to identify capital resource requirements and capital needs of the Village as a part of the annual budget process.

Cash Management Policies and Practices: Cash in the Village's operating funds was invested in the Illinois State Treasurer's Pool (Illinois Funds), U.S. Agency Treasuries and certificates of deposit. The maturities of the investments range from next day (Illinois Funds) to 12 months (CDs). The average yields on the investments was 5.1%. The Police and Fire Pension funds are managed by their respective boards. Each board has a money manager, who makes recommendations to maximize the total return on the portfolio, within the constraints of the respective Pension Board's investment policy. Each board evaluates the advice of the money manager and votes on any investment changes. The two pension portfolios typically experience a higher rate of return than the operating funds of the Village because the pensions invest in long-term securities, consistent with their needs. For the eight months ended December 31, 2006, the portfolios of the Police and Fire Pension funds appreciated 6.06% and 6.02% respectively.

Budget System: The Village operates under a single-year budget program. The budget is approved as an ordinance for each fiscal year by Council. The budget process starts in July and includes resident input, staff meetings, department director requests and formal presentation of a municipal budget recommendation by the Village Manager with final budget approval by Council before the beginning of the fiscal year. Each line item has detail justifying the total expense for that line item. The budget is adopted by Council at the fund level .

Risk Management: The Village is self-insured for general and auto liability and workers compensation, and purchases excess coverage. The Village purchases property insurance. Financing is provided through interfund transfers from the operating departments in accordance with loss experience and exposure. For the 8 months ended 12/31/06 loss premiums charged to operating departments were adjusted to reflect greater than anticipated claims in prior years. Additional increases in the fee transferred from Village operating departments will be assessed as needed to amortize the negative fund balance in the Risk Management Fund.

Pension and Other Post Employment Benefits: The Village sponsors a single-employer defined benefit pension plan for its police officers and firefighters as required by state law. Each year, an independent actuary is contracted with by the Pension Boards who calculates the annual contribution to be made by the Village each year to ensure the plan will be able to fully meet its obligations to disable and retired employees. The Village fully funds each year's annual required contribution to the respective pension plans as determined by the actuarial report.

The Village also provides pension benefits for its nonpublic safety and civilian police and fire personnel. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Fund (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF.

Deferred Compensation: The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457, through the ICMA-Retirement Corporation.

Flexible Compensation: The Village provides a Section 125 Flexible Compensation Plan for all full-time employees. This plan allows tax-free deductions for premiums for health, dental, and vision insurance and for medical and dependent care reimbursement. Employees can select one or all of the tax-free deductions, which has a statutory cap of \$5,000.

Awards and Acknowledgements: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its Comprehensive Annual Financial Reporting (CAFR) for the fiscal year ended April 30, 2006. A copy of this award is located in the introductory section of the financial statements.

The award honors governments with a high standard of reporting excellence, and easy to read and efficiently organized CAFRs. This award is only valid for a one year period. We believe that our current CAFR will meet all the requirements for this award and will be submitted to the GFOA this year to determine this report's eligibility for another certificate.

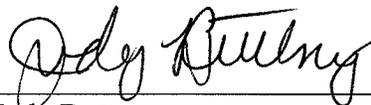
**ACKNOWLEDGEMENTS**

We want to take this opportunity to thank 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:



\_\_\_\_\_  
Cara Pavlicek  
Village Manager



\_\_\_\_\_  
Judy Buttny  
Finance Director

**FINANCIAL SECTION**



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of  
Certified Public Accountants &  
Illinois CPA Society

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor  
Members of the Village Council  
Village of Downers Grove, Illinois

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 of the Village of Downers Grove, Illinois, as of and for the eight months ended December 31, 2006, which collectively comprise the Village of Downers Grove, Illinois' basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Village of Downers Grove, Illinois' nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds in the accompanying combining and individual fund financial statements as of and for the eight months ended December 31, 2006, as listed in the table of contents. These financial statements are the responsibility of the Village of Downers Grove, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the eight months then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service, and fiduciary fund of the Village of Downers Grove, Illinois, as of December 31, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the eight months then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2007 on our consideration of Village of Downers Grove, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Downers Grove, Illinois' basic and combining and individual fund financial statements. The individual fund schedules and supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund schedules and supplemental data have been subjected to the auditing procedures applied in the audit of the basic, combining, and individual fund financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements and each of the combining and individual fund financial statements taken as a whole.

The introductory and statistical information listed in the table of contents was not audited by us, and accordingly, we do not express an opinion thereon.

A handwritten signature in black ink, appearing to read "S. L. L. P.", is positioned in the center-right of the page.

Aurora, Illinois  
June 12, 2007

## **Village of Downers Grove**

### **Management's Discussion and Analysis For the Eight Months Ended December 31, 2006**

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The Village of Downers Grove's (the 'Village') Management's Discussion and Analysis is designed to (1) assist the reader in focusing on significant issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page iv) and the Village's financial statements (beginning on page 3). All amounts are stated in thousands unless otherwise indicated.

#### **Financial Highlights**

- The Village changed from a fiscal year ending April 30, to a calendar year as of December 31, 2006. The revenues and expenses for the current period represent the eight months ended December 31, 2006.
- The Village's net assets increased from \$112.2 million as of April 30, 2006 to \$116.9 million as of December 31, 2006.
- The Village's program revenue for fiscal year 05/06 totaled \$18.5 million and for the eight months ended December 31, 2006 totaled \$14.3 million.
- The Village's total costs for fiscal year 05/06 were \$54.3 million compared to the eight months ended December 31, 2006 at \$42.3 million.

#### **Using the Financial Section of this Comprehensive Annual Report**

The focus of these financial statements is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability.

#### **Government-Wide Financial Statements**

The government-wide financial statements (see pages 3 - 5) are designed to provide readers with a broad overview of the Village of Downers Grove'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 focus of the Statement of Net Assets (the 'Unrestricted Net Assets') is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This Statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long term

## **Village of Downers Grove**

### **Management's Discussion and Analysis For the Eight Months Ended December 31, 2006**

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obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 4 - 5) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the governments' general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including public safety, public works, community development, counseling and social services, interest on debt and general government administration. Shared 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, and Parking operations where the fee for service typically covers all or most of the costs of operation, including depreciation.

#### **Fund Financial Statements**

Traditional users of governmental financial statements will find the Fund Financial Statements (pages 6 - 17) presentation more familiar. The focus is on major funds rather than fund types. All of the funds in the Village can be divided into three categories; governmental funds, proprietary funds and fiduciary funds.

##### Governmental funds (pages 6 - 11)

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 at the end of the fiscal year. 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, expenses and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

##### Proprietary funds (pages 12-15)

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 and parking operations. Internal service funds are an accounting device used to accumulate and

## **Village of Downers Grove**

### **Management's Discussion and Analysis For the Eight Months Ended December 31, 2006**

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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 and Parking funds, both 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 16-17)**

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 18-63)**

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

#### **Other Information**

In addition to the basic financial statements and notes, this report also presents required supplementary information concerning the Village of Downers Groves status in funding its obligation to provides pension benefits to its employees. (pages 64-70)

Combining and individual fund financial statements and schedules (pages 71-117) are presented following the supplementary information on pensions.

Supplemental information (pages 118-127) provides a schedule of insurance in force and schedules of long term debt requirements.

The statistical section (pages 128-147) 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.

### **Infrastructure**

Historically, a government's largest group of assets (infrastructure - roads, bridges, sidewalks, storm sewers, etc.) have not been reported nor depreciated in the Village's governmental financial statements. GASB statements require that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain

## Village of Downers Grove

### Management's Discussion and Analysis For the Eight Months Ended December 31, 2006

the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village of Downers Grove has chosen to depreciate assets over their useful lives. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its service potential - the cost of the project will be expensed. An 'overlay' of a road will be considered maintenance whereas a 'rebuild' of a road will be capitalized.

#### Financial Analysis of the Village's Funds (in thousands)

In addition to presenting current year financial information in the government-wide and fund formats, the Village also presents comparative information from the prior year in the Management's Discussion and Analysis.

#### Statement of Net Assets

The Village's combined net assets increased by \$4,729 or 4.2% from fiscal year 06, to \$116,940. The largest portion of the Village's net assets (78%) reflects its investment in capital assets (infrastructure, buildings, machinery, equipment and land), less any related debt used to acquire those assets that is still outstanding. \$4,500 of General Obligation Debt was refunded in 2006. Table one (1) reflects a consolidated Statement of Net Assets. For more detailed information see the Statement of Net Assets found on page 3.

**Table 1**  
**Statement of Net Assets (in thousands)**  
**For the Eight Months Ended December 31, 2006 and the Twelve Months ended April 30, 2006**

	Governmental Activities		Business-type Activities		Total	
	<i>Dec. 31, 2006</i>	<i>Apr. 30, 2006</i>	<i>Dec. 31, 2006</i>	<i>Apr. 30, 2006</i>	<i>Dec. 31, 2006</i>	<i>Apr. 30, 2006</i>
Current and other assets	\$ 44,114	\$ 40,350	\$ 11,619	\$ 13,741	\$ 55,733	\$ 54,091
Capital assets	104,494	104,686	27,863	28,020	132,357	132,706
Total assets	\$ 148,608	\$ 145,036	\$ 39,482	\$ 41,761	\$ 188,090	\$ 186,797
Current liabilities	\$ 18,393	\$ 16,263	\$ 2,350	\$ 3,167	\$ 20,743	\$ 19,430
Noncurrent liabilities	42,912	47,656	7,495	7,500	50,407	55,156
Total liabilities	\$ 61,305	\$ 63,919	\$ 9,845	\$ 10,667	\$ 71,150	\$ 74,586
<b>Net Assets</b>						
Invested in capital assets, net of related debt	\$ 65,925	\$ 61,598	\$ 25,213	\$ 25,370	\$ 91,138	\$ 86,968
Restricted net assets	3,847	3,697	-	-	3,847	3,697
Unrestricted net assets	17,532	15,822	4,424	5,724	21,955	21,546
Total net assets	\$ 87,304	\$ 81,117	\$ 29,637	\$ 31,094	\$ 116,940	\$ 112,211

## Village of Downers Grove

### Management's Discussion and Analysis For the Eight Months Ended December 31, 2006

#### *Changes in Net Assets*

The Village's combined changes in net assets for the primary government from fiscal year ended April 30, 2006 to the eight months ended 2006 was an increase of \$5,327. Please note that Table 2 does not include the prior period adjustment of \$598. Governmental Activities net assets increased by \$6,784 and business-type activities decreased by \$1,457. Table two (2) will focus on the changes of net assets of the governmental and business-type activities.

The change in the fiscal year ending April 30 to a calendar year makes the comparison to last year's numbers somewhat difficult. However, the primary reason for the increase is that the eight months ending December 31, 2006 includes a full year of the property tax levy, while all other revenues and expenses are eight month numbers. In addition, there is a special item of \$1,261 in general revenues for the sale of land.

**Table 2**  
**Change in Net Assets (in thousands)**  
**For the Eight Months Ended December 31, 2006 and the Twelve Months ended April 30, 2006**

	Governmental Activities		Business-type Activities		Total	
	8 mths Ended 12/31/2006	Year Ended 4/30/2006	8 mths Ended 12/31/2006	Year Ended 4/30/2006	8 mths Ended 12/31/2006	Year Ended 4/30/2006
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 6,409	\$ 6,620	\$ 6,139	\$ 9,709	\$ 12,548	\$ 16,329
Operating grants/contributions	1,198	1,553	268	180	1,466	1,733
Capital grants/contributions	249	428	-	-	249	428
<b>General revenues:</b>						
Property taxes	10,648	10,237	-	-	10,648	10,237
Sales taxes	9,495	17,925	-	-	9,495	17,925
Other taxes	10,856	11,694	-	-	10,856	11,694
Special Item	1,261	(4,684)	-	-	1,261	(4,684)
Other	980	832	171	203	1,151	1,035
Total revenues	\$ 41,096	\$ 44,605	\$ 6,578	\$ 10,092	\$ 47,674	\$ 54,697
<b>Expenses:</b>						
General government	\$ 4,262	\$ 4,418	\$ -	\$ -	\$ 4,262	\$ 4,418
Public works	8,362	9,669	-	-	8,362	9,669
Community development	2,470	1,686	-	-	2,470	1,686
Public safety	17,740	23,057	-	-	17,740	23,057
Community services	2,125	4,149	-	-	2,125	4,149
Interest and fiscal charges	1,283	1,836	-	-	1,283	1,836
Waterworks	-	-	5,813	8,626	5,813	8,626
Parking	-	-	292	884	292	884
Transportation	-	-	-	-	-	-
Total expenses	\$ 36,242	\$ 44,815	\$ 6,105	\$ 9,510	\$ 42,347	\$ 54,325
Change in net assets before transfers	\$ 4,854	\$ (210)	\$ 473	\$ 582	\$ 5,327	\$ 372
Transfers	1,930	181	(1,930)	(181)	-	-
Change in net assets	\$ 6,784	\$ (29)	\$ (1,457)	\$ 401	\$ 5,327	\$ 372

## Village of Downers Grove

### Management's Discussion and Analysis For the Eight Months Ended December 31, 2006

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#### Revenues:

For the eight months ended December 31, 2006, Governmental Activities Revenues totaled \$41,096. The Village benefits from a highly diversified revenue base. Revenues from sales taxes amounted to \$9,495. The sales tax consists of a 1% state portion and .50% local home rule tax that was implemented in June 2003. Property tax revenues increased by 4.0% due to an increase in the assessed valuation of 8%. This increase was offset by a decrease in the tax rate from .4137 in 2005 to .3799 in 2006. Property taxes support governmental activities, to include the Village's contribution to the Police Pension Fund and the Firefighters' Pension Fund. Major items included in the category other taxes are state income taxes, utility taxes and hotel taxes. Interest income was higher for the eight months ended December 31, 2006 compared to the year ended April 30, 2006 due to an increase in invested funds and higher interest rates.

For the eight months ended December 31, 2006, Business-Type Activities revenues totaled \$6,578. Revenues in this category include charges for providing water to the residents of the village and charges for parking. On an annualized basis, these revenues are comparable to the April 30, 2006 numbers.

#### Expenses:

For the eight months ended December 31, 2006, Governmental Activities expenses totaled \$36,242. Public safety related to the operations of the Police and Fire departments, has the largest portion of expenses in the Village, \$17,740 or, 48.9% of the total governmental activities expenses. Public works is the second largest program in the governmental activities with \$8,362 or 23.1% of the expenses.

The expenses for the Village's business-type activities for the eight months ended 2006 are \$6,105. Annualized expenses are comparable to the April 30, 2006 numbers.

### **Major Governmental Funds**

The General Fund is the Village's primary operating fund and is the largest source of day-to-day operations. The fund balance in the General Fund increased by \$577. The contributing factors to the increase in fund balance were the increases in revenue over projections and the controlled expenditures compared to budgets.

The Downtown Development Tax Increment District (TIF) has a fund balance of \$880 compared to April 30, 2006 of \$(1,186) for an increase of \$2,066. This increase is due primarily to proceeds from the disposal of land for the Acadia on the Green project.

The G.O. Bonds Downtown Redevelopment TIF Fund has a fund balance of \$683. This fund increased by \$522 due to transfers from the Downtown Redevelopment TIF, Parking, and General Fund of \$5,045 partially offset by G.O. Bond refunding of \$4,500.

## Village of Downers Grove

### Management's Discussion and Analysis For the Eight Months Ended December 31, 2006

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The Capital Improvements fund accounts for the resources provided for improvements to Village infrastructure, buildings, and systems. The fund balance of \$2,138 is down \$782 from fiscal year 2006. This decrease is due to expenses in public works and capital outlay for Fire Station 2 design, sidewalks, streets reconstruction, signal modernization and financial software.

#### General Fund Budgetary Highlights

The General Fund's original budget was \$27,029 for the eight months ended December 31, 2009. Two budget amendments were approved which brought the final budget to \$27,379. These budget amendments were primarily due to legal fees for the Municipal Infrastructure Maintenance Fee (see Note 8 page 44 of the financial statements), and increased risk claims.

Revenues in the general fund were 3.6 percent or \$1,063 over revised budget. Investment income exceeded expectations, due to higher interest rates and invested funds. Home Rule Sales Tax, Telecommunications tax and Illinois Income Tax were also higher than expected.

Expenses in the general fund were 3.0 percent or \$818 under the revised budget. Personnel expenses were lower than anticipated since staffing levels were below budgeted levels in most departments.

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

##### *Capital Assets*

The Village of Downers Grove's investment in capital; assets for its governmental and business-type activities as of December 31, 2006 amounts to \$132,358 (net of accumulated depreciation) This investment in capital assets includes infrastructure, buildings, land, vehicles, furniture and fixtures and construction in progress, and is \$349 decrease over last year's total

Major capital asset activity during the current period included:

- Street Reconstruction
- New and replacement sidewalks
- Development and design of Fire Station 2
- Financial software purchase
- Water main replacement
- Water tank painting

For more detailed information, see the Notes to the Financial Statements #4 on page 33.

**Village of Downers Grove**

**Management's Discussion and Analysis  
For the Eight Months Ended December 31, 2006**

**Capital Assets  
Net of Accumulated Depreciation  
(\$ are in thousands)**

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2006	Apr. 30, 2006	Dec. 31, 2006	Apr. 30, 2006	Dec. 31, 2006	Apr. 30, 2006
Capital assets, not being depreciated						
Land	\$ 12,335	\$ 12,552	\$ 3,425	\$ 3,482	\$ 15,760	\$ 16,034
Construction in progress	1,368	294	76	981	1,444	1,275
	<u>13,703</u>	<u>12,846</u>	<u>3,501</u>	<u>4,463</u>	<u>17,204</u>	<u>17,309</u>
Capital assets, being depreciated						
Infrastructure	67,620	67,654	10,944	10,147	78,564	77,801
Buildings	13,138	13,431	4,760	4,842	17,898	18,273
Improvements other than buildings	3,130	3,208	8,242	7,704	11,372	10,912
Capital equipment	6,904	7,547	416	865	7,320	8,412
Total	\$ <u>104,495</u>	\$ <u>104,686</u>	\$ <u>27,863</u>	\$ <u>28,021</u>	\$ <u>132,358</u>	\$ <u>132,707</u>

*Long Term Debt (in thousands)*

At the end of the eight months ended December 31, 2006, the Village had total bonded debt of \$41,220. Of this total, \$36,695 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. For more detail, see Notes to the Financial Statements #6.

The debt for the water meter devices of \$2,650 is funded by the operations of the Waterworks Fund and guaranteed by the revenue of the Waterworks Fund.

The Village holds an underlying bond rating of AA+ with a stable outlook 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**

**Management's Discussion and Analysis  
For the Eight Months Ended December 31, 2006**

Outstanding General Obligation Debt (in thousands)

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2006	Apr. 30, 2006	Dec. 31, 2006	Apr. 30, 2006	Dec. 31, 2006	Apr. 30, 2006
General Obligation Bonds:						
Tax Increment Bonds	\$ 36,695	36,695	\$ -	-	\$ 36,695	36,695
Fairview Resurfacing	1,875	1,875	-	-	1,875	1,875
Water Meter Devices	-	-	2,650	2,650	2,650	2,650
Total	<u>38,570</u>	<u>38,570</u>	<u>2,650</u>	<u>2,650</u>	<u>41,220</u>	<u>41,220</u>
Taxable General Obligation Bonds:						
Tax Increment Bonds	\$ -	4,500	\$ -	-	\$ -	4,500
Total G.O. Bonds	\$ <u>38,570</u>	<u>43,070</u>	\$ <u>2,650</u>	<u>2,650</u>	\$ <u>41,220</u>	<u>45,720</u>

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

The economy has had a positive impact on the Village's sales and home rule tax. This was considered when the budget was being developed for the next fiscal year. The Village evaluated potential revenue sources and reviewed the property tax rates in the area and ascertained that the Village has one of the lowest property tax rates in DuPage County. After careful consideration and in the interest of addressing the needs of the Village, the Village lowered property taxes.

**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 the Judy Buttny, Finance Director/Treasurer, 801 Burlington Ave, Downers Grove, Illinois 60515.

## **BASIC FINANCIAL STATEMENTS**

Village of Downers Grove, Illinois

Statement of Net Assets  
December 31, 2006

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Downers Grove Public Library
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,311,718	\$ 3,272,803	\$ 12,584,521	\$ 2,058,315
Investments	11,288,418	1,982,908	13,271,326	915,400
Receivables (net of allowances for uncollectible, where applicable)				
Property taxes	10,592,329	-	10,592,329	4,184,546
Sales taxes	4,764,146	-	4,764,146	-
Other taxes	1,776,185	-	1,776,185	-
Accounts receivable	445,908	1,214,278	1,660,186	-
Due from developer	860,000	-	860,000	-
Accrued interest	351,318	84,415	435,733	18,661
Other	799,768	3,335	803,103	-
Due from fiduciary funds	2,501,558	-	2,501,558	-
Advances to/from other funds	(75,000)	75,000	-	-
Prepaid expenses	21,087	-	21,087	-
Restricted cash	37,051	-	37,051	-
Inventory	133,261	161,829	295,090	-
Deposits	75,000	-	75,000	-
Note receivable	78,372	36,974	115,346	-
Long-term receivable	-	4,788,000	4,788,000	-
Debt issuance costs (net)	232,372	-	232,372	83,848
Net pension asset	920,369	-	920,369	-
Capital assets not being depreciated	13,703,269	3,501,755	17,205,024	222,211
Capital assets (net of accumulated depreciation)	90,791,252	24,360,903	115,152,155	14,431,695
<b>Total assets</b>	<b>148,608,381</b>	<b>39,482,200</b>	<b>188,090,581</b>	<b>21,914,676</b>
<b>LIABILITIES</b>				
Vouchers and accounts payable	2,579,506	402,081	2,981,587	71,976
Accrued payroll	791,231	-	791,231	-
Accrued interest	827,487	-	827,487	95,534
Deposits payable	7,820	69,669	77,489	-
Claims payable	1,840,552	-	1,840,552	-
Other payables	677,288	109,668	786,956	-
Unearned revenue	11,669,578	1,769,531	13,439,109	4,156,777
Noncurrent liabilities				
Due within one year	2,090,647	416,948	2,507,595	477,719
Due in more than one year	40,820,763	7,077,545	47,898,308	4,974,111
<b>Total liabilities</b>	<b>61,304,872</b>	<b>9,845,442</b>	<b>71,150,314</b>	<b>9,776,117</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	65,924,521	25,212,659	91,137,180	8,708,906
Restricted for				
Public works	1,208,242	-	1,208,242	-
Debt service	949,659	-	949,659	785,949
Economic development	1,276,069	-	1,276,069	-
Capital outlay	142,754	-	142,754	-
Public safety	270,725	-	270,725	-
Public library	-	-	-	206,625
Unrestricted	17,531,539	4,424,099	21,955,638	2,437,079
<b>TOTAL NET ASSETS</b>	<b>\$ 87,303,509</b>	<b>\$ 29,636,758</b>	<b>\$ 116,940,267</b>	<b>\$ 12,138,559</b>

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Statement of Activities  
For the Eight Months Ended December 31, 2006

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities				
General government	\$ 4,262,761	\$ 2,151,761	\$ 746	\$ -
Public works	8,361,622	181,027	955,118	-
Community development	2,469,521	1,272,299	113,729	46,112
Public safety	17,739,843	1,940,356	54,425	203,184
Community services	2,125,434	863,140	74,194	-
Interest and fiscal charges	1,283,270	-	-	-
<b>Total governmental activities</b>	<b>36,242,451</b>	<b>6,408,583</b>	<b>1,198,212</b>	<b>249,296</b>
Business-type activities				
Waterworks	5,813,006	5,439,857	-	-
Parking	292,002	699,245	268,071	-
<b>Total business-type activities</b>	<b>6,105,008</b>	<b>6,139,102</b>	<b>268,071</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 42,347,459</b>	<b>\$ 12,547,685</b>	<b>\$ 1,466,283</b>	<b>\$ 249,296</b>
<b>COMPONENT UNIT</b>				
Downers Grove Public Library				
Community services	\$ 2,672,246	\$ 121,775	\$ -	\$ -
Interest and fiscal charges	171,945	-	-	-
<b>TOTAL DOWNERS GROVE PUBLIC LIBRARY</b>	<b>\$ 2,844,191</b>	<b>\$ 121,775</b>	<b>\$ -</b>	<b>\$ -</b>

	Net (Expense) Revenue and Change in Net Assets			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downers Grove Public Library
	\$ (2,110,254)	\$ -	\$ (2,110,254)	\$ -
	(7,225,477)	-	(7,225,477)	-
	(1,037,381)	-	(1,037,381)	-
	(15,541,878)	-	(15,541,878)	-
	(1,188,100)	-	(1,188,100)	-
	(1,283,270)	-	(1,283,270)	-
	(28,386,360)	-	(28,386,360)	-
	-	(373,149)	(373,149)	-
	-	675,314	675,314	-
	-	302,165	302,165	-
	(28,386,360)	302,165	(28,084,195)	-
	-	-	-	(2,550,471)
	-	-	-	(171,945)
	-	-	-	(2,722,416)
<b>General revenues</b>				
<b>Taxes</b>				
Property taxes	10,647,985	-	10,647,985	3,989,895
Home Rule Sales Tax	3,131,675	-	3,131,675	-
Utility tax	3,797,985	-	3,797,985	-
Hotel tax	714,378	-	714,378	-
Local fuel tax	201,733	-	201,733	-
2% foreign fire tax	59,724	-	59,724	-
Auto rental tax	25,911	-	25,911	-
Pull tab tax	3,743	-	3,743	-
<b>Intergovernmental revenue</b>				
Sales tax	9,495,359	-	9,495,359	-
Income tax	2,671,973	-	2,671,973	35,504
Personal property replacement tax	248,525	-	248,525	-
Investment earnings	887,631	170,433	1,058,064	87,997
Miscellaneous	37,014	-	37,014	3,882
Gain on disposal of capital assets	55,887	-	55,887	-
Special items	1,260,863	-	1,260,863	-
Transfers	1,930,000	(1,930,000)	-	-
<b>Total</b>	<b>35,170,386</b>	<b>(1,759,567)</b>	<b>33,410,819</b>	<b>4,117,278</b>
<b>CHANGES IN NET ASSETS</b>	<b>6,784,026</b>	<b>(1,457,402)</b>	<b>5,326,624</b>	<b>1,394,862</b>
<b>NET ASSETS, BEGINNING</b>	<b>81,117,036</b>	<b>31,094,160</b>	<b>112,211,196</b>	<b>10,751,667</b>
Prior period adjustment	(597,553)	-	(597,553)	(7,970)
<b>NET ASSETS, BEGINNING, RESTATED</b>	<b>80,519,483</b>	<b>31,094,160</b>	<b>111,613,643</b>	<b>10,743,697</b>
<b>NET ASSETS, ENDING</b>	<b>\$ 87,303,509</b>	<b>\$ 29,636,758</b>	<b>\$ 116,940,267</b>	<b>\$ 12,138,559</b>

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Governmental Funds  
Balance Sheet  
December 31, 2006

ASSETS	General	Downtown	G.O. Bond	Capital	Nonmajor	Total
		Redevelopment TIF	Downtown Redevelopment TIF			
Cash and cash equivalents	\$ 1,244,396	\$ 468,692	\$ 683,042	\$ 1,188,684	\$ 3,073,005	\$ 6,657,819
Investments	5,895,670	2,381,495	-	1,461,481	237,461	9,976,107
Restricted cash	37,051	-	-	-	-	37,051
Receivables (net of allowances for uncollectibles, where applicable)						
Property taxes	7,992,253	1,317,173	744,663	8,758	529,482	10,592,329
Sales taxes	4,764,146	-	-	-	-	4,764,146
Other taxes	1,611,209	-	-	18,357	146,619	1,776,185
Accounts receivable	143,088	-	-	44,178	-	187,266
Accrued interest	249,313	56,389	-	-	9,740	315,442
Other	785,422	-	-	-	14,346	799,768
Due from other funds	6,071,616	-	-	-	359	6,071,975
Advances to other funds	-	-	-	1,692,213	201,393	1,893,606
Prepaid items	21,087	-	-	-	-	21,087
Note receivable	78,372	-	-	-	-	78,372
Long-term receivable	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 28,893,623</b>	<b>\$ 4,223,749</b>	<b>\$ 1,427,705</b>	<b>\$ 4,413,671</b>	<b>\$ 4,212,405</b>	<b>\$ 43,171,153</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Vouchers and accounts payable	\$ 896,637	\$ 75,168	\$ -	\$ 1,120,664	\$ 176,834	\$ 2,269,303
Accrued payroll	751,888	-	-	-	-	751,888
Due to other funds	733	-	-	-	1,886,944	1,887,677
Advances from other funds	-	1,968,606	-	-	-	1,968,606
Deposits payable	-	-	-	-	7,820	7,820
Other payables	671,805	-	-	-	-	671,805
Deferred property taxes	7,926,135	1,300,000	744,663	1,155,320	525,000	11,651,118
Other deferred revenue	17,935	-	-	-	525	18,460
<b>Total liabilities</b>	<b>10,265,133</b>	<b>3,343,774</b>	<b>744,663</b>	<b>2,275,984</b>	<b>2,597,123</b>	<b>19,226,677</b>
<b>FUND BALANCES</b>						
<b>Reserved</b>						
Long-term receivables	78,372	-	-	-	-	78,372
Debt service	-	-	683,042	-	266,617	949,659
Public works	-	-	-	-	1,208,242	1,208,242
Economic development	-	-	-	-	1,276,069	1,276,069
Capital projects	-	-	-	-	142,754	142,754
Public safety	-	-	-	-	270,725	270,725
Advances to other funds	-	-	-	1,692,213	201,393	1,893,606
Prepaid items	21,087	-	-	-	-	21,087
<b>Unreserved - undesignated</b>						
General fund	18,529,031	-	-	-	-	18,529,031
Special revenue funds	-	879,975	-	-	(1,750,518)	(870,543)
Capital projects funds	-	-	-	445,474	-	445,474
<b>Total fund balances</b>	<b>18,628,490</b>	<b>879,975</b>	<b>683,042</b>	<b>2,137,687</b>	<b>1,615,282</b>	<b>23,944,476</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 28,893,623</b>	<b>\$ 4,223,749</b>	<b>\$ 1,427,705</b>	<b>\$ 4,413,671</b>	<b>\$ 4,212,405</b>	<b>\$ 43,171,153</b>

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 Assets  
December 31, 2006

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$	23,944,476
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		104,494,521
Less internal service funds included below		(4,768,981)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds		(38,570,000)
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the governmental funds		(4,294,460)
Unamortized premium is reported as a liability on the statement of net assets		(67,594)
The unamortized accounting loss is reported as a reduction of a liability in the statement of net assets		644,952
Accrued interest on long-term liabilities is reported as a liability on the statement of net assets		(827,487)
The net pension asset of the police pension fund is included in the governmental activities in the statement of net assets		920,369
Deferred revenues related to the long-term receivable in the governmental funds was recognized as revenue in the statement of activities		860,000
The net pension obligation of the fire pension fund is included in the governmental activities in the statement of net assets		(499,946)
Unamortized costs of issuance on bonds are reported as a deferred charge in the statement of net assets		232,372
The net assets of the internal service funds are included in the governmental activities in the statement of net assets		<u>5,235,287</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>87,303,509</u>

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Eight Months Ended December 31, 2006

	General	Downtown Redevelopment TIF	G.O. Bond Downtown Redevelopment TIF	Capital Improvements	Nonmajor	Total
<b>REVENUES</b>						
Taxes	\$ 13,456,271	\$ 1,118,064	\$ 873,213	\$ 2,385,142	\$ 750,444	\$ 18,583,134
Licenses and permits	1,326,107	-	-	-	-	1,326,107
Intergovernmental	12,135,528	-	-	159,841	1,525,089	13,820,458
Sales revenue	10,948	-	-	-	-	10,948
Charges for services, fees and fines	3,216,812	-	-	-	490,993	3,707,805
Investment income	519,110	75,562	16,292	61,306	119,980	792,250
Contributions and donations	4,123	-	-	-	98,398	102,521
<b>Total revenues</b>	<b>30,668,899</b>	<b>1,193,626</b>	<b>889,505</b>	<b>2,606,289</b>	<b>2,984,904</b>	<b>38,343,223</b>
<b>EXPENDITURES</b>						
<b>Current</b>						
General government	3,460,732	-	-	153,573	35,157	3,649,462
Public works	3,686,439	15,743	-	1,553,075	1,879,487	7,134,744
Community development	1,344,981	93,765	-	-	569,971	2,008,717
Public safety	17,200,025	-	-	-	52,119	17,252,144
Community services	500,043	-	-	-	1,258,067	1,758,110
Capital outlay	349,830	-	-	1,681,563	-	2,031,393
Debt service						
Principal retirement	18,333	-	4,500,000	-	-	4,518,333
Interest and fiscal charges	769	-	912,219	-	36,770	949,758
<b>Total expenditures</b>	<b>26,561,152</b>	<b>109,508</b>	<b>5,412,219</b>	<b>3,388,211</b>	<b>3,831,571</b>	<b>39,302,661</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,107,747</b>	<b>1,084,118</b>	<b>(4,522,714)</b>	<b>(781,922)</b>	<b>(846,667)</b>	<b>(959,438)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from disposal of capital assets	-	1,275,135	-	-	-	1,275,135
Transfers in	-	-	5,045,086	-	233,333	5,278,419
Transfers (out)	(2,933,333)	(293,586)	-	-	(121,500)	(3,348,419)
<b>Total other financing sources (uses)</b>	<b>(2,933,333)</b>	<b>981,549</b>	<b>5,045,086</b>	<b>-</b>	<b>111,833</b>	<b>3,205,135</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,174,414</b>	<b>2,065,667</b>	<b>522,372</b>	<b>(781,922)</b>	<b>(734,834)</b>	<b>2,245,697</b>
<b>FUND BALANCES, BEGINNING</b>	<b>18,051,629</b>	<b>(1,185,692)</b>	<b>160,670</b>	<b>2,919,609</b>	<b>2,350,116</b>	<b>22,296,332</b>
Prior period adjustment	(597,553)	-	-	-	-	(597,553)
<b>FUND BALANCES, BEGINNING, RESTATED</b>	<b>17,454,076</b>	<b>(1,185,692)</b>	<b>160,670</b>	<b>2,919,609</b>	<b>2,350,116</b>	<b>21,698,779</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 18,628,490</b>	<b>\$ 879,975</b>	<b>\$ 683,042</b>	<b>\$ 2,137,687</b>	<b>\$ 1,615,282</b>	<b>\$ 23,944,476</b>

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 Eight Months Ended December 31, 2006

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ 2,245,697
Amounts reported for governmental activities in the statement of net assets are different because:	
Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the statement of activities	2,409,595
Loss on disposal of capital assets reported as an expense on the statement of activities	(227,156)
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.	(2,873,350)
Less internal service funds included below	491,620
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of net assets	4,518,334
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	(303,289)
The change in the compensated absences liability is reported as an expense on the statement of activities	250,031
The increase in net pension asset is reported as a reduction of expense on the statement of activities	34,929
The decrease in the net pension obligation is reported as a reduction in expense on the statement of activities	752
The amortization of the accounting loss is reported as an expense in the statement of activities	(37,938)
The amortization of the deferred issuance costs on long-term debt is reported as an expense on the statement of activities	(16,002)
The amortization of the premium on long-term debt is reported as a reduction of expense on the statement of activities	7,716
The change in net assets of certain activities of internal service funds is reported in governmental funds	<u>283,087</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 6,784,026</u>

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

General Fund  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006	
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Taxes	\$ 13,210,732	\$ 13,210,732	\$ 13,456,271	\$ 17,502,815
Licenses and permits	1,350,870	1,350,870	1,326,107	1,870,577
Intergovernmental	12,077,611	12,077,611	12,135,528	17,443,543
Sales revenue	11,369	11,369	10,948	20,873
Charges for services, fees and fines	2,630,955	2,780,955	3,216,812	4,126,192
Investment income	170,000	170,000	519,110	552,725
Contributions and donations	4,582	4,582	4,123	14,422
<b>Total revenues</b>	<b>29,456,119</b>	<b>29,606,119</b>	<b>30,668,899</b>	<b>41,531,147</b>
<b>EXPENDITURES</b>				
Current				
General government	3,245,563	3,598,668	3,460,732	4,021,602
Public works	3,895,979	3,895,979	3,686,439	4,978,588
Community development	1,439,790	1,439,790	1,344,981	810,801
Public safety	17,551,522	17,548,597	17,200,025	23,071,466
Community services	576,858	576,858	500,043	2,342,377
Capital outlay	306,148	306,148	349,830	156,179
Debt service				
Principal retirement	12,222	- 12,222	18,333	18,333
Interest and fiscal charges	667	667	769	1,541
<b>Total expenditures</b>	<b>27,028,749</b>	<b>27,378,929</b>	<b>26,561,152</b>	<b>35,400,887</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,427,370</b>	<b>2,227,190</b>	<b>4,107,747</b>	<b>6,130,260</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(2,933,333)	(2,933,333)	(2,933,333)	(400,000)
<b>Total other financing sources (uses)</b>	<b>(2,933,333)</b>	<b>(2,933,333)</b>	<b>(2,933,333)</b>	<b>(400,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (505,963)</b>	<b>\$ (706,143)</b>	<b>1,174,414</b>	<b>5,730,260</b>
<b>FUND BALANCE, BEGINNING</b>			<b>18,051,629</b>	<b>12,321,369</b>
Prior period adjustment			(597,553)	-
<b>FUND BALANCE, BEGINNING, RESTATED</b>			<b>17,454,076</b>	<b>12,321,369</b>
<b>FUND BALANCE, ENDING</b>			<b>\$ 18,628,490</b>	<b>\$ 18,051,629</b>

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Downtown Redevelopment TIF Fund  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
<b>REVENUES</b>			
Taxes			
Property tax	\$ 1,500,000	\$ 1,118,064	\$ 1,043,591
Investment income	16,750	75,562	42,127
Total revenues	<u>1,516,750</u>	<u>1,193,626</u>	<u>1,085,718</u>
<b>EXPENDITURES</b>			
Current			
Public works	59,500	15,743	23,354
Community development	196,700	93,765	256,335
Capital outlay	-	-	362,514
Total expenditures	<u>256,200</u>	<u>109,508</u>	<u>642,203</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,260,550</u>	<u>1,084,118</u>	<u>443,515</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from disposal of capital asset	2,295,310	1,275,135	49,337
Transfers (out)	(1,077,173)	(293,586)	(419,108)
Total other financing sources (uses)	<u>1,218,137</u>	<u>981,549</u>	<u>(369,771)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,478,687</u>	<u>2,065,667</u>	<u>73,744</u>
FUND BALANCE, BEGINNING		<u>(1,185,692)</u>	<u>(1,259,436)</u>
FUND BALANCE, ENDING		<u>\$ 879,975</u>	<u>\$ (1,185,692)</u>

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Proprietary Funds  
Statement of Net Assets  
December 31, 2006

	Business-Type Activities			Governmental
	Enterprise Funds			Internal
	Waterworks	Parking	Total	Service
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 2,867,515	\$ 405,288	\$ 3,272,803	\$ 2,653,899
Investments	1,982,908	-	1,982,908	1,312,311
Receivables				
Accounts receivable	946,287	267,991	1,214,278	258,642
Accrued interest	62,884	21,531	84,415	35,876
Other	-	3,335	3,335	-
Due from other funds	-	-	-	374
Advances to other funds	-	75,000	75,000	-
Deposits	-	-	-	75,000
Notes receivable	36,974	-	36,974	-
Inventory	161,829	-	161,829	133,261
<b>Total current assets</b>	<b>6,058,397</b>	<b>773,145</b>	<b>6,831,542</b>	<b>4,469,363</b>
<b>NONCURRENT ASSETS</b>				
Long-term receivable	4,788,000	-	4,788,000	-
Capital assets not being depreciated	2,853,517	648,238	3,501,755	-
Capital assets being depreciated				
Cost	42,140,217	3,357,312	45,497,529	9,341,070
Accumulated depreciation	(18,428,111)	(2,708,515)	(21,136,626)	(4,572,089)
<b>Total noncurrent assets</b>	<b>31,353,623</b>	<b>1,297,035</b>	<b>32,650,658</b>	<b>4,768,981</b>
<b>Total assets</b>	<b>37,412,020</b>	<b>2,070,180</b>	<b>39,482,200</b>	<b>9,238,344</b>
<b>CURRENT LIABILITIES</b>				
Vouchers and accounts payable	336,136	65,945	402,081	310,203
Accrued payroll	-	-	-	39,343
Other payables	109,668	-	109,668	5,483
Compensated absences payable	13,553	3,395	16,948	37,309
Claims payable	-	-	-	1,840,552
Due to other funds	-	-	-	1,683,114
Unearned revenue	-	1,769,531	1,769,531	-
Bonds payable - current	400,000	-	400,000	-
Deposits payable	66,139	3,530	69,669	-
<b>Total current liabilities</b>	<b>925,496</b>	<b>1,842,401</b>	<b>2,767,897</b>	<b>3,916,004</b>
<b>LONG-TERM LIABILITIES</b>				
Bonds payable	2,250,000	-	2,250,000	-
Note payable	4,788,000	-	4,788,000	-
Compensated absences payable	31,623	7,922	39,545	87,053
<b>Total long-term liabilities</b>	<b>7,069,623</b>	<b>7,922</b>	<b>7,077,545</b>	<b>87,053</b>
<b>Total liabilities</b>	<b>7,995,119</b>	<b>1,850,323</b>	<b>9,845,442</b>	<b>4,003,057</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	23,915,624	1,297,035	25,212,659	4,768,981
Unrestricted	5,501,277	(1,077,178)	4,424,099	466,306
<b>TOTAL NET ASSETS</b>	<b>\$ 29,416,901</b>	<b>\$ 219,857</b>	<b>\$ 29,636,758</b>	<b>\$ 5,235,287</b>

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Net Assets  
For the Eight Months Ended December 31, 2006

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Waterworks	Parking	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 5,439,857	\$ 699,245	\$ 6,139,102	\$ 6,784,889
OPERATING EXPENSES				
Personnel services	689,581	134,008	823,589	523,509
Supplies	2,471,528	10,877	2,482,405	528,939
Contractual services	207,719	66,421	274,140	1,000,945
Other charges and services	1,298,288	332,788	1,631,076	4,093,784
Depreciation	1,063,974	8,073	1,072,047	491,620
Total operating expenses	5,731,090	552,167	6,283,257	6,638,797
OPERATING INCOME (LOSS)	(291,233)	147,078	(144,155)	146,092
NONOPERATING REVENUES (EXPENSES)				
Investment income	134,174	36,259	170,433	95,382
Interest expense	(77,798)	-	(77,798)	-
Intergovernmental grants	-	268,071	268,071	-
Gain (loss) on disposal of capital assets	(4,118)	260,165	256,047	41,615
Total nonoperating revenues (expenses)	52,258	564,495	616,753	136,997
INCOME (LOSS) BEFORE TRANSFERS	(238,975)	711,573	472,598	283,089
TRANSFERS				
Transfers (out)	-	(1,930,000)	(1,930,000)	-
Total transfers	-	(1,930,000)	(1,930,000)	-
CHANGE IN NET ASSETS	(238,975)	(1,218,427)	(1,457,402)	283,089
NET ASSETS, BEGINNING	29,655,876	1,438,284	31,094,160	4,952,198
NET ASSETS, ENDING	\$ 29,416,901	\$ 219,857	\$ 29,636,758	\$ 5,235,287

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Proprietary Funds  
Statement of Cash Flows  
For the Eight Months Ended December 31, 2006

	Business-Type Activities			Governmental
	Enterprise Funds			Internal
	Waterworks	Parking	Total	Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interfund services	\$ -	\$ -	\$ -	\$ 6,674,033
Receipts from customers	5,465,746	396,639	5,862,385	-
Payments for interfund services	(954,694)	(351,015)	(1,305,709)	-
Payments to suppliers	(3,793,600)	(5,630)	(3,799,230)	(5,447,581)
Payments to employees	(712,219)	(138,908)	(851,127)	(531,368)
Net cash flows from operating activities	5,233	(98,914)	(93,681)	695,084
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers (out)	-	(1,930,000)	(1,930,000)	-
Increase in due from other funds	-	-	-	(39,670)
Decrease in due from other funds	-	-	-	75,000
Increase in due to other funds	-	-	-	534,713
Net cash from noncapital financing activities	-	(1,930,000)	(1,930,000)	570,043
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets purchased	(703,314)	(215,087)	(918,401)	(549,475)
Proceeds from sale of capital assets	-	260,165	260,165	91,986
Grant proceeds	-	268,071	268,071	-
Interest paid on general obligation bonds	(77,798)	-	(77,798)	-
Net cash from capital and related financing activities	(781,112)	313,149	(467,963)	(457,489)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale of investments	841,300	395,819	1,237,119	625,496
Purchase of investments	(1,172,226)	-	(1,172,226)	(712,311)
Interest received	180,351	24,510	204,861	66,543
Net cash from investing activities	(150,575)	420,329	269,754	(20,272)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(926,454)	(1,295,436)	(2,221,890)	787,366
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	3,793,969	1,700,724	5,494,693	1,866,533
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 2,867,515	\$ 405,288	\$ 3,272,803	\$ 2,653,899

(This statement is continued on the following page.)

Village of Downers Grove, Illinois

Proprietary Funds  
 Statement of Cash Flows (Continued)  
 For the Eight Months Ended December 31, 2006

	Business-Type Activities			Governmental
	Enterprise Funds			Internal
	Waterworks	Parking	Total	Service
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>				
<b>TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (291,233)	\$ 147,078	\$ (144,155)	\$ 146,092
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	1,063,974	8,073	1,072,047	491,619
Change in assets and liabilities				
Accounts receivable	56,054	(267,991)	(211,937)	(110,856)
Other receivables	11,645	(3,335)	8,310	-
Prepaid expenses	-	-	-	99,432
Notes receivable	(36,974)	-	(36,974)	-
Inventory	40,168	-	40,168	(26,582)
Vouchers and accounts payable	(804,082)	53,441	(750,641)	(41,174)
Other payables	(6,845)	-	(6,845)	-
Deferred revenue	-	(31,250)	(31,250)	-
Accrued payroll	(18,437)	(4,077)	(22,514)	(2,514)
Compensated absences payable	(4,201)	(823)	(5,024)	(5,345)
Claims payable	-	-	-	219,412
Deposits payable	(4,836)	(30)	(4,866)	(75,000)
Total adjustments	296,466	(245,992)	50,474	548,992
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 5,233</b>	<b>\$ (98,914)</b>	<b>\$ (93,681)</b>	<b>\$ 695,084</b>

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Fiduciary Funds  
Statement of Fiduciary Net Assets  
December 31, 2006

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	Pension Trust	Agency
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,065,477	\$ 1,452,603
Investments		
U.S. Treasury obligations	8,755,630	2,192,229
U.S. Agency obligations	15,911,541	-
Mutual funds - equity	21,103,639	-
Common and preferred stocks	1,918,985	-
Insurance contracts	7,363,404	-
Total investments	55,053,199	2,192,229
Prepays	9,500	-
Interest receivable	295,316	-
Total assets	60,423,492	\$ 3,644,832
<b>LIABILITIES</b>		
Vouchers payable	16,156	\$ 76,761
Due to general fund	2,501,558	-
Deposits payable	-	3,568,071
Total liabilities	2,517,714	\$ 3,644,832
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 57,905,778</u>	

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Fiduciary Funds  
Statement of Changes in Fiduciary Net Assets  
For the Eight Months Ended December 31, 2006

	<u>Pension Trust</u>
ADDITIONS	
Contributions - employer	\$ 2,665,297
Contributions - employees	<u>796,026</u>
Total contributions	<u>3,461,323</u>
Investment income	
Net appreciation in fair value of investments	2,460,889
Interest earned on investments	1,335,294
Less investment expense	<u>(92,147)</u>
Net investment income	<u>3,704,036</u>
Total additions	<u>7,165,359</u>
DEDUCTIONS	
Contractual services	26,330
Other charges and services	8,000
Benefits and refunds	<u>1,919,116</u>
Total deductions	<u>1,953,446</u>
NET INCREASE	5,211,913
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
BEGINNING	<u>52,693,865</u>
ENDING	<u>\$ 57,905,778</u>

See accompanying notes to financial statements.

## Village of Downers Grove, Illinois

Notes to Financial Statements  
December 31, 2006

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### 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. The decision to include a potential component unit in the reporting entity was made based upon the significance of their operational or financial relationships with the primary government.

The Village's financial statements include two 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 constitutes 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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 constitutes the pension board. The Village and FPERS participates 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.

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's Council 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

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). Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for enterprise 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 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 assets and the statement of activities) report information on all of the nonfiduciary 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not 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. Nonmajor funds are reported in the supplementary information.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

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 *G.O. Bond Downtown Redevelopment TIF Fund* accounts for all activities related to the retirement of TIF debt.

The *Capital Improvements Fund* accounts for all 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 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.

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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Nonoperating revenue/expenses are incidental to the operations of these 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)

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 deferred (unearned) revenue on its financial statements. Deferred or unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Village 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 Village has a legal claim to the resources, the liability for deferred 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Receivables

The recognition of receivables associated with nonexchange transactions are as follows:

- Derived tax receivables (such as: sales taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange 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. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

H. 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.

I. 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.

J. 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 estimated fair market value at the date of donation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets (Continued)

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.

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

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

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.

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 assets. Bond premiums and discounts, as well as issuance costs and gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and gains (losses) on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual proceeds received, are reported as expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balances/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the Village's net assets are restricted as a result of enabling legislation adopted by the Village. Invested in capital assets, net of related debt represents the book value of capital assets less any long-term debt outstanding issued to acquire or construct the capital assets.

N. Special Items

Certain significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence are special items. The Village has reported the cost of land provided to a developer within the tax increment financing district as a special item.

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.

Q. Change in Fiscal Year End

The Village changed its fiscal year end from April 30 to December 31, effective for the period ended December 31, 2006.

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

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. 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, 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.

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. 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 of Chicago in the Village's name.

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2006:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 1,516,053	\$ 1,516,053	\$ -	\$ -	\$ -
Illinois Funds	9,343,464	9,343,464	-	-	-
<b>TOTAL</b>	<b>\$ 10,859,517</b>	<b>\$ 10,859,517</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

2. DEPOSITS AND INVESTMENTS (Continued)

A. Village Deposits and Investments (Continued)

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.

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. 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 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.

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, excepting bond issue proceed investments; and deposits in any one public investment pool shall not exceed 50% of the Village's investment portfolio.

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

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, 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, 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 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.

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.

Investments

The following table presents the investments and maturities of the Police Pension Fund’s debt securities as of December 31, 2006:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 2,530,222	\$ -	\$ 571,979	\$ 1,958,243	\$ -
U.S. Agency Obligations	11,353,729	1,792,187	5,298,849	1,980,175	2,282,518
Insurance Contract	5,648,979	5,648,979	-	-	-
Money Market Mutual Funds	2,620,309	2,620,309	-	-	-
<b>TOTAL</b>	<b>\$ 22,153,239</b>	<b>\$ 10,061,475</b>	<b>\$ 5,870,828</b>	<b>\$ 3,938,418</b>	<b>\$ 2,282,518</b>

2. DEPOSITS AND INVESTMENTS (Continued)

B. Police Pension Fund Deposits and Investments (Continued)

Investments (Continued)

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.

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 and other obligations which are rated AA 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 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.

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 cash 3%; fixed income 55%; large cap domestic equities 25%; small cap domestic equities 10%; and international equities 10%.

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, 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, 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).

2. DEPOSITS AND INVESTMENTS (Continued)

C. Firefighters' Pension Fund Deposits and Investments (Continued)

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.

Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of December 31, 2006:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 6,225,408	\$ 118,871	\$ 2,883,362	\$ 1,869,087	\$ 1,354,088
U.S. Agency Obligations	4,557,812	1,542,428	891,728	25,293	2,098,363
Insurance Contract	1,714,425	1,714,425	-	-	-
Money Market Mutual Funds	2,445,217	2,445,217	-	-	-
<b>TOTAL</b>	<b>\$ 14,942,862</b>	<b>\$ 5,820,941</b>	<b>\$ 3,775,090</b>	<b>\$ 1,894,380</b>	<b>\$ 3,452,451</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.

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 and other obligations which are rated AA or better by a national rating agency. The U.S. Government Securities are rated AAA.

2. DEPOSITS AND INVESTMENTS (Continued)

C. Firefighters' Pension Fund Deposits and Investments (Continued)

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.

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 cash 3%; fixed income 55%; large cap domestic equities 25%; small cap domestic equities 10%; and international equities 10%.

3. RECEIVABLES

A. Property Taxes

Property taxes for 2006 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 2006 tax levy is intended to fund expenditures for the 2007 fiscal year, these taxes are deferred as of December 31, 2006.

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

3. RECEIVABLES (Continued)

B. Other Receivables

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

GOVERNMENTAL ACTIVITIES

OTHER TAXES RECEIVABLE

Telecommunications tax	\$ 877,122
Utility tax	264,355
Income tax	244,654
Local use tax	174,101
Auto rental tax	9,439
Hotel tax	59,895
Motor fuel tax	146,619
	<u>146,619</u>

TOTAL OTHER TAXES RECEIVABLE \$ 1,776,185

OTHER RECEIVABLES

Ambulance fees	\$ 305,719
Police tickets	192,462
Franchise fees	127,703
IMF settlement	131,567
Grants	23,306
Other	19,012
	<u>19,012</u>

TOTAL OTHER RECEIVABLES \$ 799,768

4. CAPITAL ASSETS

Capital asset activity for the eight months ended December 31, 2006 was as follows:

A. Governmental Activities

	Balances May 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	\$ 12,552,276	\$ 9,520	\$ 227,156	\$ 12,334,640
Construction in progress	293,536	1,082,681	7,588	1,368,629
Total capital assets not being depreciated	<u>12,845,812</u>	<u>1,092,201</u>	<u>234,744</u>	<u>13,703,269</u>
Capital assets being depreciated				
Infrastructure	78,516,852	1,099,187	-	79,616,039
Buildings	17,266,332	-	-	17,266,332
Improvements other than buildings	3,452,089	-	-	3,452,089
Capital equipment	15,683,790	775,270	1,338,191	15,120,869
Total capital assets being depreciated	<u>114,919,063</u>	<u>1,874,457</u>	<u>1,338,191</u>	<u>115,455,329</u>

**Village of Downers Grove, Illinois**  
**Notes to Financial Statements (Continued)**

4. CAPITAL ASSETS (Continued)

A. Governmental Activities (Continued)

	Balances May 1	Increases	Decreases	Balances December 31
Less accumulated depreciation for				
Infrastructure	\$ 10,862,877	\$ 1,132,968	\$ -	\$ 11,995,845
Buildings	3,834,707	293,536	-	4,128,243
Improvements other than buildings	243,874	77,827	-	321,701
Capital equipment	8,137,090	1,369,019	1,287,821	8,218,288
Total accumulated depreciation	<u>23,078,548</u>	<u>2,873,350</u>	<u>1,287,821</u>	<u>24,664,077</u>
 Total capital assets being depreciated, net	 91,840,515	 (998,893)	 50,370	 90,791,252
 GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	 <u>\$ 104,686,327</u>	 <u>\$ 93,308</u>	 <u>\$ 285,114</u>	 <u>\$ 104,494,521</u>

B. Business-Type Activities

	Balances May 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	\$ 3,481,838	\$ -	\$ 56,395	\$ 3,425,443
Construction in progress	981,041	49,679	954,408	76,312
Total capital assets not being depreciated	<u>4,462,879</u>	<u>49,679</u>	<u>1,010,803</u>	<u>3,501,755</u>
 Capital assets being depreciated				
Infrastructure	18,219,836	1,026,211	-	19,246,047
Buildings	6,186,093	-	-	6,186,093
Improvements other than buildings	14,914,148	853,316	-	15,767,464
Capital equipment	4,353,905	-	55,978	4,297,927
Total capital assets being depreciated	<u>43,673,982</u>	<u>1,879,527</u>	<u>55,978</u>	<u>45,497,531</u>
 Less accumulated depreciation for				
Infrastructure	8,073,981	229,372	-	8,303,353
Buildings	1,343,870	82,245	-	1,426,115
Improvements other than buildings	7,209,772	315,017	-	7,524,789
Capital equipment	3,488,816	445,413	51,860	3,882,369
Total accumulated depreciation	<u>20,116,439</u>	<u>1,072,047</u>	<u>51,860</u>	<u>21,136,626</u>
 Total capital assets being depreciated, net	 23,557,543	 807,480	 4,118	 24,360,905
 BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	 <u>\$ 28,020,422</u>	 <u>\$ 857,159</u>	 <u>\$ 1,014,921</u>	 <u>\$ 27,862,660</u>

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

4. CAPITAL ASSETS (Continued)

C. Depreciation Expense

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

GOVERNMENTAL ACTIVITIES		
General government		\$ 31,207
Public works		1,482,618
Community development		246,900
Public safety		744,159
Community services		368,466
		<u>368,466</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES		<u>\$ 2,873,350</u>
BUSINESS-TYPE ACTIVITIES		
Waterworks		\$ 1,063,974
Parking		8,073
		<u>8,073</u>
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES		<u>\$ 1,072,047</u>

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At December 31, 2006, interfund receivables and payables consist of the following:

Receivable Fund	Payable Fund	Amount
Major Governmental		
General	Police Pension	\$ 1,797,164
	Firefighters' Pension	704,394
	Community Events	5,000
	Transportation	1,881,944
	Health Insurance	1,454,338
	Fleet Services	228,776
		<u>228,776</u>
Total General		6,071,616
Nonmajor Governmental		
Foreign Fire	General	359
Internal Service		
Risk Management	General	374
		<u>374</u>
TOTAL		<u>\$ 6,072,349</u>

The interfund balances reflect the interfund borrowing to offset negative cash balances, and amounts due to be repaid in May 2007.

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

At December 31, 2006, advances to/from other funds consist of the following:

Fund	Advance To	Advance From
Downtown Redevelopment TIF	\$ -	\$ 1,968,606
Capital Improvements	1,692,213	-
Nonmajor Governmental		
Real Estate	201,393	-
Proprietary		
Parking	75,000	-
<b>TOTAL</b>	<b>\$ 1,968,606</b>	<b>\$ 1,968,606</b>

The advances to/from other funds reflect the amounts owed by the Downtown Redevelopment TIF fund for advances to fund the debt service payments. The advance is intended to be repaid from the Downtown Redevelopment TIF fund. As resources are available, the advances will be repaid.

At December 31, 2006, interfund transfers consist of the following:

Fund	Transfer In	Transfer Out
Major Governmental		
General	\$ -	\$ 2,933,333
Downtown Redevelopment TIF	-	293,586
General Obligation Bonds		
Downtown Redevelopment TIF	5,045,086	-
Nonmajor Governmental		
Community Events	233,333	-
Real Estate	-	121,500
Proprietary		
Parking	-	1,930,000
<b>TOTAL</b>	<b>\$ 5,278,419</b>	<b>\$ 5,278,419</b>

The interfund transfers reflect the following transactions: (1) transfer from Downtown Redevelopment TIF, Parking, and General Funds to the G. O. Bonds Downtown Redevelopment TIF Fund to pay debt service costs, (2) to fund community events projects from the General Fund.

**Village of Downers Grove, Illinois**  
**Notes to Financial Statements (Continued)**

**6. LONG-TERM DEBT**

**A. Changes in Long-Term Liabilities**

Long-term liability activity for the eight months ended December 31, 2006, was as follows:

	Balances May 1	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>					
Compensated absences payable*	\$ 4,674,198	\$ 4,418,822	\$ 4,674,198	\$ 4,418,822	\$ 1,325,647
Net pension obligation payable	500,698	-	752	499,946	-
Note payable - bank	18,334	-	18,334	-	-
Unamortized premium	75,310	-	7,716	67,594	-
Unamortized loss on refundings	(682,890)	-	(37,938)	(644,952)	-
General obligation bonds payable	43,070,000	-	4,500,000	38,570,000	765,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 47,655,650</b>	<b>\$ 4,418,822</b>	<b>\$ 9,163,062</b>	<b>\$ 42,911,410</b>	<b>\$ 2,090,647</b>

\*The General fund primarily liquidates the compensated absences liabilities.

	Balances May 1	Additions	Reductions	Balances December 31	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
Compensated absences payable	\$ 61,517	\$ 56,493	\$ 61,517	\$ 56,493	\$ 16,948
Notes payable	4,788,000	-	-	4,788,000	-
General obligation bonds payable	2,650,000	-	-	2,650,000	400,000
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 7,499,517</b>	<b>\$ 56,493</b>	<b>\$ 61,517</b>	<b>\$ 7,494,493</b>	<b>\$ 416,948</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 fund, other than \$4.0 M General Obligation Water Bond, Series 2001A retired by the Waterworks fund. General obligation bonds currently outstanding are as follows:

	Balances May 1	Additions	Refunding/ Retirements	Balances December 31	Current Portion
\$3,000,000 General Obligation Bonds, Series of 1998 dated October 1, 1998, due in installments of \$175,000 to \$275,000 plus interest at 3.70% to 4.00% due January 1, 2014.	\$ 1,875,000	\$ -	\$ -	\$ 1,875,000	\$ 200,000

**Village of Downers Grove, Illinois**  
**Notes to Financial Statements (Continued)**

6. LONG-TERM DEBT (Continued)

B. General Obligation Bonds (Continued)

	Balances May 1	Additions	Refunding/ Retirements	Balances December 31	Current Portion
\$6,500,000 General Obligation Bonds, Series of 1999 dated July 1, 1999 due in installments of \$50,000 to \$1,000,000 plus interest at 4.70% to 6.00% due January 1, 2019. This bond issue was partially defeased in 2005.	\$ 1,740,000	\$ -	\$ -	\$ 1,740,000	\$ 95,000
\$6,200,000 General Obligation Bonds, Series 2000 dated May 1, 2000, due in installments of \$35,000 to \$905,000 plus interest ranging from 5.38% to 6.00% due January 1, 2020. This bond issue was partially defeased in 2005.	1,300,000	-	-	1,300,000	35,000
\$6,000,000 General Obligation Bonds, Series 2001 dated August 1, 2001, due in installments of \$20,000 to \$2,690,000 plus interest ranging from 4.5% to 5.125% due January 1, 2021.	6,000,000	-	-	6,000,000	40,000
\$4,000,000 General Obligation Water Bonds, Series 2001A dated December 27, 2001, due in installments of \$365,000 to \$485,000 plus interest ranging from 2.75% to 4.60% due January 1, 2012.	2,650,000	-	-	2,650,000	400,000
\$6,000,000 General Obligation Bonds, Series 2002 dated August 1, 2002, due in installments of \$105,000 to \$1,205,000 plus interest ranging from 3.5% to 4.75% due January 1, 2021.	6,000,000	-	-	6,000,000	105,000
\$12,000,000 General Obligation Bonds, Series 2003A, dated November 1, 2003 due in installments of \$175,000 to \$1,120,000 plus interest ranging from 3.0% to 5.0% due January 1, 2021.	11,825,000	-	-	11,825,000	225,000
\$4,500,000 Taxable General Obligation Variable Rate Bonds, Series 2005 dated February 2, 2005, due in one payment of \$4,500,000 plus interest of six months LIBOR plus .65% due February 1, 2007 (subject to prior redemption).	4,500,000	-	4,500,000	-	-
\$9,950,000 General Obligation Refunding Bonds, Series 2005, dated March 1, 2005, due in installments of \$120,000 to \$1,820,000 plus interest ranging from 3.5% to 3.85% due January 1, 2020.	9,830,000	-	-	9,830,000	65,000
<b>TOTAL</b>	<b>\$ 45,720,000</b>	<b>\$ -</b>	<b>\$ 4,500,000</b>	<b>\$ 41,220,000</b>	<b>\$ 1,165,000</b>

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

6. LONG-TERM DEBT (Continued)

C. Note Payable

During the fiscal year ended April 30, 2004, the DuPage Water Commission awarded the Village a new loan for providing water service to residents of a contaminated area in an unincorporated area bordering the Village. The maximum amount of the loan is \$10,000,000. The loan is to be repaid within 20 years with interest at 2%. The Village drew down a total of \$4,788,000 as of December 31, 2006. The potentially responsible parties (PRPs) of the contaminated area are legally obligated to provide funding for the repayment of the loan. As of December 31, 2006, no formal repayment schedule from the PRPs has been established and the Village has recorded a long-term receivable for the full loan balance as payable by the Village. Interest payments of \$95,760 were made and no principal payments were made on the loan as of December 31, 2006.

D. Debt Service Requirements and Maturities

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

Year Ending December 31	Governmental Activities		Business-Type Activities			
	General Obligation Bonds		Notes Payable		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 765,000	\$ 1,644,445	\$ -	\$ 95,760	\$ 400,000	\$ 107,433
2008	1,000,000	1,615,644	-	95,760	415,000	90,821
2009	1,145,000	1,572,091	-	95,760	430,000	72,965
2010	1,625,000	1,517,920	368,308	95,760	450,000	53,708
2011	1,790,000	1,458,120	368,308	88,394	470,000	33,003
2012	1,995,000	1,378,418	368,308	81,028	485,000	11,155
2013	2,245,000	1,277,383	368,308	73,662	-	-
2014	2,535,000	1,170,045	368,308	66,295	-	-
2015	2,555,000	1,056,214	368,308	58,929	-	-
2016	2,635,000	954,906	368,308	51,563	-	-
2017	3,210,000	838,740	368,308	44,197	-	-
2018	3,590,000	700,790	368,308	36,831	-	-
2019	4,000,000	542,986	368,308	29,465	-	-
2020	4,465,000	353,270	368,308	22,098	-	-
2021	5,015,000	123,869	368,308	14,732	-	-
2022	-	-	368,308	7,366	-	-
<b>TOTAL</b>	<b>\$38,570,000</b>	<b>\$ 16,204,841</b>	<b>\$ 4,788,000</b>	<b>\$ 957,600</b>	<b>\$ 2,650,000</b>	<b>\$ 369,085</b>

6. LONG-TERM DEBT (Continued)

E. 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 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.

F. Noncommitment Debt - Industrial Development Revenue Bonds

The issuance of industrial 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.

Industrial development revenue 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 industrial development revenue bonds, the transactions relating to the bonds and property do not appear in the Village's financial statements.

The Village has authorized the issuance of one bond issue with a current outstanding balance of \$4,000,000.

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

6. LONG-TERM DEBT (Continued)

G. Advance Refundings - General Obligation Bonds

On March 1, 2005, the Village issued \$9,950,000 General Obligation Refunding Bonds, Series 2005 to advance refund, through an in-substance defeasance, \$4,480,000 of General Obligation Bonds, Series 1999 and \$4,620,000 of the General Obligation Bonds, Series 2000. The advance refunding portion of the proceeds of the 2005 bonds were placed in an irrevocable trust to provide all future debt service payments for the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. The balance of the defeased bonds outstanding at December 31, 2006 is as follows:

Principal Due January 1	Series 1999	Series 2000
2014	\$ 450,000	\$ 310,000
2015	600,000	500,000
2016	710,000	600,000
2017	800,000	670,000
2018	920,000	800,000
2019	1,000,000	835,000
2020	-	905,000
<b>TOTAL DEFEASED</b>	<b>\$ 4,480,000</b>	<b>\$ 4,620,000</b>

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 internal service fund and a Health Insurance fund ("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, \$400,000 for each workers' compensation claim, \$100,000 for each property damage claim, and \$65,000 for each health claim. The Village purchases commercial insurance for claims in excess of the coverages provided by the Funds up to \$50,000,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

7. RISK MANAGEMENT (Continued)

All funds of the Village participate 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 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. Changes in the balances of aggregate claims liabilities during the past two fiscal years are as follows:

	Eight Months Ended December 31, 2006	Fiscal Year Ended April 30, 2006
CLAIMS PAYABLE, BEGINNING	\$ 1,626,623	\$ 1,973,366
Incurred Claims (including IBNR)	4,001,653	5,117,623
Less Claims Paid	(3,787,724)	(5,464,366)
CLAIMS PAYABLE, ENDING	<u>\$ 1,840,552</u>	<u>\$ 1,626,623</u>

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
2007	\$ 267,473
2008	267,473
2009	267,473
2010	267,473
2011	267,473
2012-2016	1,337,365
2017-2021	1,337,365
2022-2024	802,419

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.

8. COMMITMENTS (Continued)

B. Sales Tax Rebates

The Village has a sales tax rebate agreement dated June 5, 2001 with a local retailer to develop and expand its business in the Village. Under the terms of the agreement, the Village has agreed 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. The sales tax rebate is payable to the vendor quarterly based on information received by the Village from the State of Illinois Department of Revenue. 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. As of December 31, 2006, sales tax rebates of \$70,587 were collected but not yet remitted to the vendor. The Village has recorded the liability in the Sales Tax Abatement Fund.

The Village has a sales tax rebate agreement dated December 20, 2005 with a local auto dealership to develop and expand its business in the Village. Under the terms of the agreement, the Village has agreed to rebate sales taxes on annual sales generated in excess of a base amount of \$285,000. The sales tax rebate is payable to the vendor quarterly (February, May, August, November) based on information received by the Village from the State of Illinois Department of Revenue. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than five years commencing December 31, 2005. As of December 31, 2006, sales tax rebates of \$83,393 were collected but not yet remitted to the vendor. The Village has recorded the liability in the Sales Tax Abatement Fund.

9. CONTINGENT LIABILITIES

A. Litigation

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

B. DuPage Water Commission (DWC)

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

9. CONTINGENT LIABILITIES (Continued)

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.

D. Municipal Infrastructure Maintenance Fee

Effective January 1, 1998, the Village imposed a municipal telecommunications infrastructure maintenance fee (IMF) on persons in the business of transmitting, supplying, or furnishing telecommunications and all associated services (e.g., telecommunication retailers) in Illinois for the "use of public right-of-ways." The fee was authorized by state statute (35 ILCS 635). In March 2001, wireless telecommunications providers brought action against an Illinois government challenging the constitutionality of the municipal telecommunication infrastructure maintenance fee. The Illinois Supreme Court (the Court) found the IMF to be unconstitutional as applied to wireless carriers. The Court's decision held upon appeal. The municipal IMF was eliminated effective December 31, 2002. Potential damages to the Village under this case precedent could aggregate the total of amounts remitted to the Village for IMF for all carriers during the period from January 1, 1998 to December 31, 2002. The Village reached a settlement in this case during the fiscal period ended December 31, 2006. The Village's settled liability in the amount of \$328,759 has been recorded as a liability in the General Fund at December 31, 2006.

10. POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the Village provides post employment health care and life insurance benefits, in accordance with the personnel policy manual, all employees who meet the eligibility requirements under the applicable retirement system. Currently, 73 retirees meet those eligibility requirements. The employee pays 100% of the cost of the health and life insurance premiums for the post employment benefits. Expenditures, if any, for post employment health care and life insurance benefits are recognized as insurance premiums as paid.

11. EMPLOYEE RETIREMENT SYSTEMS

A. 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. 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 plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in amount equal to 1 2/3% of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amount necessary to fund the coverage of its own employees in IMRF, as specified by statute; for 2006 the rate was 13.01%.

For December 31, 2006, the Village's annual pension cost of \$1,527,163 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.40% to 11.60% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increase of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

A. Plan Descriptions and Provisions (Continued)

Illinois Municipal Retirement Fund (Continued)

Fiscal Year Ended December 31	Employer Contributions	Annual Pension Cost	Percentage Contributed
2006	\$ 1,527,163	\$ 1,527,163	100.00%
2005	1,187,439	1,187,439	100.00%
2004	970,781	970,781	100.00%

Police Pension

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

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset)
April 30, 2006	\$ 841,711	104.1%	\$ (920,369)
April 30, 2005	855,642	104.0%	(885,440)
April 30, 2004	607,131	105.1%	(851,507)

At April 30, 2006, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated	45
Terminated plan members entitled to benefits but not yet receiving them	2
Current employees	
Vested	50
Nonvested	30
	80
<b>TOTAL</b>	<b>127</b>

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

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

A. Plan Descriptions and Provisions (Continued)

Police Pension (Continued)

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

Funding Policy - Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033.

Firefighters' Pension

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 as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (Chapter 40-Article 5/4) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
April 30, 2006	\$ 1,449,004	100.1%	\$ 499,946
April 30, 2005	1,310,695	99.9%	500,698
April 30, 2004	1,177,273	99.2%	499,024

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

A. Plan Descriptions and Provisions (Continued)

Firefighters' Pension (Continued)

At April 30, 2006, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated	25
Terminated plan members entitled to benefits but not yet receiving them	2
Current employees	
Vested	59
Nonvested	23
	<hr/>
TOTAL	<u>109</u>

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. 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 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching 55, by 3% of the original pension and 3% annually thereafter.

Funding Policy - Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded by the year 2033.

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

A. Plan Descriptions and Provisions (Continued)

Funding Policy and Annual Pension Cost

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution rates			
Village	13.01%	16.10%	24.92%
Members	4.50%	9.91%	9.46%
Annual pension cost	\$ 1,527,163	\$ 841,711	\$ 1,449,004
Contributions made	1,527,163	876,640	1,449,756
Actuarial valuation date	December 31, 2004	April 30, 2006	April 30, 2006
Actuarial method	Entry-age	Entry-age	Entry-age
Amortization method	Level percentage of pay, closed	Level percentage of pay, closed	Level percentage of pay, closed
Amortization period	26 years, closed	27 years, closed	27 years, closed
Asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market
Actuarial assumptions			
Investment rate of return*	7.50%	8.00%	8.00%
Projected salary	.40% to 11.60%	5.00%	5.00%
* Includes inflation at	3.00%	3.00%	3.00%

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

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11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

A. Plan Descriptions and Provisions (Continued)

The Village's annual pension cost and net pension obligation to the pension funds for the April 30, 2006 valuation (most recent data available) were as follows:

	Police Pension	Firefighters' Pension
Annual required contribution	\$ 866,178	\$ 1,435,168
Interest on net pension obligation	(70,835)	40,056
Adjustment to annual required contribution	46,368	(26,220)
Annual pension cost	841,711	1,449,004
Contributions made	876,640	1,449,756
Increase (decrease) in net pension obligation	(34,929)	(752)
Net pension obligation (asset), beginning of year	(885,440)	500,698
<b>NET PENSION OBLIGATION (ASSET), END OF YEAR</b>	<b>\$ (920,369)</b>	<b>\$ 499,946</b>

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due. Benefits and refunds are recognized when due and payable.

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Administrative Costs

Administrative costs for the Police and Firefighters' pension plans are financed primarily through investment earnings.

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

11. EMPLOYEE RETIREMENT SYSTEMS (Continued)

B. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Significant Investments

The Police Pension has the following significant investments that are greater than 5% of the plan's assets:

VanGuard 500 Index Fund	\$ 8,492,754
Keyport Life Annuity	2,165,320
The Jensen Portfolio	1,694,199
Sun Life Financial Annuity	572,817

The Firefighters' Pension has the following significant investments that are greater than 5% of the plan's assets:

Fidelity Diversified	\$ 2,815,035
VanGuard Fund	6,246,849

12. DEFICIT FUND BALANCES (NET ASSETS)

The following funds had a deficit in fund balances (net assets) as of the date of this report.

Fund	Deficit
Transportation	\$ 1,883,711
Risk Management	1,093,658

13. PRIOR PERIOD ADJUSTMENTS

The Village has restated fund balances/net assets as of May 1, 2006. The effects of the restatements on individual funds are as follows:

	<u>General</u>
FUND BALANCE/NET ASSETS, BEGINNING (AS PREVIOUSLY REPORTED)	<u>\$ 18,051,629</u>
Restated for:	
a) Change in intergovernmental revenue recognition	(541,759)
b) Change in personal property replacement tax revenue recognition	<u>(55,794)</u>
Subtotal restatements	<u>(597,553)</u>
FUND BALANCE/NET ASSETS, BEGINNING, RESTATED	<u>\$ 17,454,076</u>

14. SUBSEQUENT EVENTS

In May 2007, the Village passed an ordinance authorizing the issuance of General Obligation Bonds, Series 2007 in the amount of \$9,250,000. The DuPage Water Commission declared a rebate payable to the Village in fiscal year 2007 of \$3,012,957.

15. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY

A. Summary of Significant Accounting Policies

The statements for the component unit, Downers Grove Public Library (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 Village's 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.

15. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY (Continued)

A. Summary of Significant Accounting Policies (Continued)

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not 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.

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 Construction Fund* is used to account for capital improvements at the Library.

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

15. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY (Continued)

A. Summary of Significant Accounting Policies (Continued)

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.

15. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY (Continued)

A. Summary of Significant Accounting Policies (Continued)

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

The Library reports deferred (unearned) revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received 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 deferred 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 nonexchange transactions is as follows:

- Imposed nonexchange 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.

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

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15. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY (Continued)

A. Summary of Significant Accounting Policies (Continued)

6. Capital Assets (Continued)

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

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

7. 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.

8. 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, as well as issuance costs and gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and gains (losses) on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

9. Fund Balances/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the Library's net assets are restricted as a result of enabling legislation adopted by the Library. Invested in capital assets, net of related debt represents the book value of capital assets less any long-term debt outstanding issued to acquire or construct the capital assets.

15. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY (Continued)

A. Summary of Significant Accounting Policies (Continued)

10. 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, 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.

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.

15. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY (Continued)

B. Deposits and Investments (Continued)

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.

Investments

The following table presents the investments and maturities of the Library's debt securities as of December 31, 2006:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 2,044,394	\$ 2,044,394	\$ -	\$ -	\$ -

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.

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 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.

15. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY (Continued)

B. Deposits and Investments (Continued)

Investments (Continued)

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 2006 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 2006 tax levy is intended to fund expenditures for the 2007 fiscal year, these taxes are deferred as of December 31, 2006.

D. Capital Assets

Capital asset activity for the eight months ended December 31, 2006 was as follows:

	Balances May 1	Increases	Decreases	Balances December 31
<b>GOVERNMENTAL ACTIVITIES</b>				
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	9,479,919	-	-	9,479,919
Capital equipment	7,289,341	317,092	252,855	7,353,578
Total capital assets being depreciated	16,769,260	317,092	252,855	16,833,497

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

15. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY (Continued)

D. Capital Assets (Continued)

	Balances May 1	Increases	Decreases	Balances December 31
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>(Continued)</b>				
Less accumulated depreciation for				
Buildings	\$ 568,795	\$ 126,175	\$ -	\$ 694,970
Capital equipment	1,416,406	355,297	64,871	1,706,832
Total accumulated depreciation	1,985,201	481,472	64,871	2,401,802
 Total capital assets being depreciated, net	 14,784,059	 (164,380)	 187,984	 14,431,695
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<u>\$ 15,006,270</u>	<u>\$ (164,380)</u>	<u>\$ 187,984</u>	<u>\$ 14,653,906</u>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
Community services	<u>\$ 481,472</u>

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the eight months ended December 31, 2006, was as follows:

	Balances May 1	Additions	Reductions	Balances December 31	Current Portion
Compensated absences payable*	\$ 42,698	\$ 25,730	\$ 42,698	\$ 25,730	\$ 7,719
Unamortized premium	25,425	-	997	24,428	-
Unamortized loss on refundings	(578,381)	-	(35,053)	(543,328)	-
General obligation bonds payable	5,945,000	-	-	5,945,000	470,000
<b>TOTAL</b>	<u>\$ 5,434,742</u>	<u>\$ 25,730</u>	<u>\$ 8,642</u>	<u>\$ 5,451,830</u>	<u>\$ 477,719</u>

\* The General Fund primarily liquidates the compensated absences liabilities.

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

15. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY (Continued)

E. Long-Term Debt (Continued)

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 May 1	Additions	Refunding/ Retirements	Balances December 31	Current Portion
\$6,265,000 General Obligation Refunding Bonds, Series 2003, dated June 1, 2003, due in installments of \$160,000 to \$630,000 plus interest ranging from 2.5% to 3.75% due January 1, 2017.	\$ 5,945,000	\$ -	\$ -	\$ 5,945,000	\$ 470,000
<b>TOTAL</b>	<b>\$ 5,945,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,945,000</b>	<b>\$ 470,000</b>

Debt Service Requirements and Maturities

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

Fiscal Year Ending December 31	Governmental Activities	
	Principal	Interest
2007	\$ 470,000	\$ 185,193
2008	475,000	173,083
2009	490,000	159,805
2010	505,000	144,871
2011	520,000	128,660
2012	535,000	111,780
2013	555,000	94,340
2014	570,000	75,913
2015	585,000	56,128
2016	610,000	34,758
2017	630,000	11,813
<b>TOTAL</b>	<b>\$ 5,945,000</b>	<b>\$ 1,176,344</b>

15. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY (Continued)

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.

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 Library (through the Village) provides post employment health care and life insurance benefits, in accordance with the personnel policy manual, to all employees who meet the eligibility requirements under the applicable retirement system. Currently, 3 retirees meet those eligibility requirements. The employee pays 100% of the cost of the health and life insurance premiums for the post employment benefits. Expenditures, if any, for post employment health care and life insurance benefits are recognized as insurance premiums are paid.

I. 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.

**Village of Downers Grove, Illinois**  
Notes to Financial Statements (Continued)

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15. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY (Continued)

J. Prior Period Adjustments

The Library has restated fund balances/net assets as of May 1, 2006 to account for a change in intergovernmental tax revenue recognition. The effect of the restatement on the Library's general operating fund is as follows:

	<u>General</u>
FUND BALANCE/NET ASSETS, BEGINNING (AS PREVIOUSLY REPORTED)	\$ 665,684
Restated for:	
Change in intergovernmental revenue recognition	<u>(7,970)</u>
FUND BALANCE/NET ASSETS, BEGINNING, RESTATED	<u>\$ 657,714</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

Village of Downers Grove, Illinois

Illinois Municipal Retirement Fund  
 Schedule of Funding Progress  
 December 31, 2006

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry-Age (b)	Unfunded (Overfunded) AAL (UAAL) (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (OAAL) as a Percentage of Covered Payroll ((b-a)/c)
12/31/2001	\$ 26,990,771	\$ 25,895,500	\$ (1,095,271)	104.23%	\$ 11,724,498	\$ (9.34)%
12/31/2002	27,958,475	27,570,468	(388,007)	101.41%	11,473,696	(3.38)%
12/31/2003	25,662,381	27,922,017	2,259,636	91.91%	11,672,643	19.36%
12/31/2004	22,274,657	27,990,818	5,716,161	79.58%	11,696,157	48.87%
12/31/2005	24,749,324	30,237,833	5,488,509	81.85%	11,641,556	47.15%
12/31/2006	26,394,027	31,198,058	4,804,031	84.60%	11,738,379	40.93%

Digest of changes

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 experience study.

The principal changes were:

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

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

Police Pension Fund  
Schedule of Funding Progress  
December 31, 2006

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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)
4/30/2001	\$ 24,559,214	\$ 28,805,030	\$ 4,245,816	85.3%	\$ 4,182,491	101.5%
4/30/2002	24,612,657	31,530,814	6,918,157	78.1%	4,484,461	154.3%
4/30/2003	24,204,160	33,636,977	9,432,817	72.0%	4,865,306	193.9%
4/30/2004	27,130,429	36,930,159	9,799,730	73.5%	5,008,049	195.7%
4/30/2005	28,298,190	41,163,348	12,865,158	68.7%	5,207,916	247.0%
4/30/2006	31,013,258	43,683,525	12,670,267	71.0%	5,445,595	232.7%

(See independent auditor's report.)

Village of Downers Grove, Illinois

Firefighters' Pension Fund  
 Schedule of Funding Progress  
 December 31, 2006

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)
4/30/2001	\$ 14,046,387	\$ 23,020,725	\$ 8,974,338	61.0%	\$ 4,483,304	200.2%
4/30/2002	14,756,325	25,033,747	10,277,422	58.9%	4,687,638	219.2%
4/30/2003	15,864,372	28,178,148	12,313,776	56.3%	4,977,241	247.4%
4/30/2004	17,725,022	31,208,845	13,483,823	56.8%	5,416,261	249.0%
4/30/2005	19,773,346	33,783,756	14,010,410	58.5%	5,638,490	248.5%
4/30/2006	22,026,939	37,523,071	15,496,132	58.7%	5,817,029	266.4%

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
December 31, 2006**

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<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contributions (ARC)</u>	<u>Percentage Contributed</u>
2001	\$ 870,227	\$ 870,227	100.00%
2002	956,906	956,906	100.00%
2003	870,779	870,779	100.00%
2004	970,781	970,781	100.00%
2005	1,187,439	1,187,439	100.00%
2006	1,527,163	1,527,163	100.00%

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

Police Pension Fund  
Schedule of Employer Contributions  
December 31, 2006

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contributions (ARC)</u>	<u>Percentage Contributed</u>
4/30/2001	\$ 258,887	\$ 256,404	100.97%
4/30/2002	275,792	272,918	101.05%
4/30/2003	610,985	604,699	101.04%
4/30/2004	637,856	632,453	100.85%
4/30/2005	889,575	880,982	100.98%
4/30/2006	876,640	866,178	101.21%

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

**Firefighters' Pension Fund  
Schedule of Employer Contributions  
December 31, 2006**

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contributions (ARC)</u>	<u>Percentage Contributed</u>
4/30/2001	\$ 866,250	\$ 857,941	100.97%
4/30/2002	936,147	926,396	101.05%
4/30/2003	1,075,993	1,066,412	100.90%
4/30/2004	1,168,048	1,158,602	100.82%
4/30/2005	1,309,021	1,296,314	100.98%
4/30/2006	1,449,756	1,435,168	101.02%

(See independent auditor's report.)

Village of Downers Grove, Illinois

Notes to Required Supplementary Information  
December 31, 2006

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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. 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. Two budget amendments were completed during the fiscal year with Village Council's approval.

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

2. EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN  
INDIVIDUAL FUNDS

The following fund had an excess of actual expenditure/expenses over budget exclusive of depreciation for the eight months ended December 31, 2006:

Fund	Excess
Risk Management	\$ 213,802

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

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

Village of Downers Grove, Illinois

General Fund  
 Schedule of Revenues - Budget and Actual  
 For the For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006			Year Ended April 30, 2006
	Original Budget	Final Budget	Actual	Actual
<b>Taxes</b>				
Property taxes - current				
General	\$ 4,946,650	\$ 4,946,650	\$ 4,946,052	\$ 4,945,682
Pension	2,638,755	2,638,755	2,665,297	2,326,396
Special service areas	241,500	241,500	238,536	241,136
Township road and bridge	303,600	303,600	309,089	-
Home rule sales tax	733,333	733,333	825,907	4,334,791
Hotel tax	626,250	626,250	714,378	876,076
Natural gas use tax	234,900	234,900	145,131	347,834
Electricity tax	1,368,684	1,368,684	1,287,015	1,568,120
Telecommunications tax	2,090,000	2,090,000	2,295,212	2,821,335
Other local taxes	27,060	27,060	29,654	41,445
	<u>13,210,732</u>	<u>13,210,732</u>	<u>13,456,271</u>	<u>17,502,815</u>
<b>Licenses and permits</b>				
Building and related	1,066,800	1,066,800	1,051,142	1,526,517
Alcoholic beverage	140,000	140,000	156,401	140,054
Professional and occupational	73,600	73,600	74,058	98,225
Other licenses and permits	70,470	70,470	44,506	105,781
	<u>1,350,870</u>	<u>1,350,870</u>	<u>1,326,107</u>	<u>1,870,577</u>
<b>Intergovernmental</b>				
Sales tax	8,540,000	8,540,000	8,483,995	12,381,489
Illinois income tax	2,546,000	2,546,000	2,671,973	3,768,877
Personal property replacement tax	290,780	290,780	248,525	412,283
Local use tax	440,000	440,000	441,394	587,102
Grant revenue	242,731	242,731	270,538	276,910
State reimbursements	18,100	18,100	19,103	16,882
	<u>12,077,611</u>	<u>12,077,611</u>	<u>12,135,528</u>	<u>17,443,543</u>
Sales revenue	<u>11,369</u>	<u>11,369</u>	<u>10,948</u>	<u>20,873</u>

(This schedule is continued on the following page.)

Village of Downers Grove, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)

For the For the Eight Months Ended December 31, 2006

(With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006			Year Ended April 30, 2006
	Original Budget	Final Budget	Actual	Actual
Charges for services, fees and fines				
Ambulance user fee - resident	\$ 308,000	\$ 308,000	\$ 391,858	\$ 533,331
Ambulance user fee - nonresident	105,000	105,000	198,141	216,642
Review and inspection fees	282,100	282,100	288,828	446,081
Administrative booking and tow fees	211,452	211,452	236,980	277,650
Fines	584,500	584,500	636,884	870,595
Cable franchise fees	337,500	337,500	375,482	459,165
Cellular antenna rental	350,000	350,000	405,494	525,262
Heritage Fest fees	-	-	340	2,075
Other fees, charges and fines	452,403	602,403	682,805	795,391
	<u>2,630,955</u>	<u>2,780,955</u>	<u>3,216,812</u>	<u>4,126,192</u>
Investment income	<u>170,000</u>	<u>170,000</u>	<u>519,110</u>	<u>552,725</u>
Contributions and donations	<u>4,582</u>	<u>4,582</u>	<u>4,123</u>	<u>14,422</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 29,456,119</u></u>	<u><u>\$ 29,606,119</u></u>	<u><u>\$ 30,668,899</u></u>	<u><u>\$ 41,531,147</u></u>

(See independent auditor's report.)

Village of Downers Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual

For the Eight Months Ended December 31, 2006

(With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006			Year Ended April 30, 2006
	Original Budget	Final Budget	Actual	Actual
<b>General government</b>				
Personnel services	\$ 1,921,300	\$ 2,041,255	\$ 1,989,445	\$ 2,877,775
Supplies	114,912	114,912	104,496	151,888
Contractual services	625,828	1,010,007	929,190	846,434
Other charges and services	583,523	432,494	437,601	145,505
	<u>3,245,563</u>	<u>3,598,668</u>	<u>3,460,732</u>	<u>4,021,602</u>
<b>Public works</b>				
Personnel services	2,080,924	2,080,924	1,887,099	2,567,704
Supplies	318,974	318,974	294,772	449,591
Contractual services	731,375	731,375	689,866	861,233
Other charges and services	764,706	764,706	814,702	1,100,060
	<u>3,895,979</u>	<u>3,895,979</u>	<u>3,686,439</u>	<u>4,978,588</u>
<b>Community development</b>				
Personnel services	936,736	936,736	871,534	428,582
Supplies	11,749	11,749	8,667	2,513
Contractual services	83,365	83,365	63,682	41,814
Other charges and services	407,940	407,940	401,098	337,892
	<u>1,439,790</u>	<u>1,439,790</u>	<u>1,344,981</u>	<u>810,801</u>
<b>Public safety</b>				
Personnel services	14,639,635	14,594,265	14,627,846	19,099,454
Supplies	313,102	330,437	286,596	340,819
Contractual services	587,927	587,927	452,536	825,094
Other charges and services	2,010,858	2,035,968	1,833,047	2,806,099
	<u>17,551,522</u>	<u>17,548,597</u>	<u>17,200,025</u>	<u>23,071,466</u>
<b>Community services</b>				
Personnel services	425,462	425,462	387,472	1,656,075
Supplies	15,106	15,106	9,272	22,535
Contractual services	89,676	89,676	56,682	521,152
Other charges and services	46,614	46,614	46,617	142,615
	<u>576,858</u>	<u>576,858</u>	<u>500,043</u>	<u>2,342,377</u>

(This schedule is continued on the following page.)

Village of Downers Grove, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

For the Eight Months Ended December 31, 2006

(With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006			Year Ended April 30, 2006
	Original Budget	Final Budget	Actual	Actual
Capital outlay	\$ 306,148	\$ 306,148	\$ 349,830	\$ 156,179
Debt service				
Principal	12,222	12,222	18,333	18,333
Interest and fiscal charges	667	667	769	1,541
Total debt service	12,889	12,889	19,102	19,874
<b>TOTAL EXPENDITURES</b>	<b>\$ 27,028,749</b>	<b>\$ 27,378,929</b>	<b>\$ 26,561,152</b>	<b>\$ 35,400,887</b>

(See independent auditor's report.)

Village of Downers Grove, Illinois

Downtown Redevelopment TIF Fund  
 Schedules of Expenditures - Budget and Actual  
 For the For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
Public works			
Public works administration			
Personnel services	\$ -	\$ -	\$ (277)
Contractual Services	-	-	1,200
Total public works administration	-	-	923
Public works streets			
Supplies	10,000	9,381	9,474
Sidewalk construction			
Other charges and services	49,500	6,362	6,623
Public works stormwater			
Other charges and services	-	-	6,334
Total public works	59,500	15,743	23,354
Community development			
Planning			
Contractual services	196,700	93,765	256,421
Redevelopment			
Personnel services	-	-	(86)
Total community development	196,700	93,765	256,335
Capital outlay	-	-	362,514
<b>TOTAL EXPENDITURES</b>	<b>\$ 256,200</b>	<b>\$ 109,508</b>	<b>\$ 642,203</b>

(See independent auditor's report.)

Village of Downers Grove, Illinois

G.O. Bonds Downtown Redevelopment TIF Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006			Year Ended April 30, 2006
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Property taxes	\$ 874,263	\$ 874,263	\$ 873,213	\$ 981,428
Investment income	4,130	4,130	16,292	16,769
<b>Total revenues</b>	<b>878,393</b>	<b>878,393</b>	<b>889,505</b>	<b>998,197</b>
<b>EXPENDITURES</b>				
Debt service				
Principal	4,500,000	4,500,000	4,500,000	460,000
Interest and fiscal charges	882,184	917,184	912,219	1,727,049
<b>Total expenditures</b>	<b>5,382,184</b>	<b>5,417,184</b>	<b>5,412,219</b>	<b>2,187,049</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(4,503,791)</b>	<b>(4,538,791)</b>	<b>(4,522,714)</b>	<b>(1,188,852)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,829,126	5,829,126	5,045,086	783,266
<b>Total other financing sources (uses)</b>	<b>5,829,126</b>	<b>5,829,126</b>	<b>5,045,086</b>	<b>783,266</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 1,325,335</b>	<b>\$ 1,290,335</b>	<b>522,372</b>	<b>(405,586)</b>
<b>FUND BALANCE, BEGINNING</b>			<b>160,670</b>	<b>431,252</b>
Prior period adjustment			-	135,004
<b>FUND BALANCE, BEGINNING, RESTATED</b>			<b>160,670</b>	<b>566,256</b>
<b>FUND BALANCE, ENDING</b>			<b>\$ 683,042</b>	<b>\$ 160,670</b>

(See independent auditor's report.)

Village of Downers Grove, Illinois

G.O. Bonds Downtown Redevelopment TIF Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006	
	Original Budget	Final Budget	Actual	Actual
<b>G.O. Bond Series</b>				
1999 Downtown Redevelopment TIF				
Principal	\$ -	\$ -	\$ -	\$ 90,000
Interest and fiscal charges	42,763	42,763	42,763	90,475
	<u>42,763</u>	<u>42,763</u>	<u>42,763</u>	<u>180,475</u>
<b>G.O. Bond Series</b>				
2000 Downtown Redevelopment TIF				
Principal	-	-	-	75,000
Interest and fiscal charges	37,438	37,438	37,438	79,375
	<u>37,438</u>	<u>37,438</u>	<u>37,438</u>	<u>154,375</u>
<b>G.O. Bond Series</b>				
2001 Downtown Redevelopment TIF				
Interest and fiscal charges	150,381	150,381	150,381	300,763
	<u>150,381</u>	<u>150,381</u>	<u>150,381</u>	<u>300,763</u>
<b>G.O. Bond Series</b>				
2002 Downtown Redevelopment TIF				
Interest and fiscal charges	132,366	132,366	132,366	264,733
	<u>132,366</u>	<u>132,366</u>	<u>132,366</u>	<u>264,733</u>
<b>G.O. Bond Series</b>				
2003 Downtown Redevelopment TIF				
Principal	-	-	-	175,000
Interest and fiscal charges	248,458	248,458	248,458	505,666
	<u>248,458</u>	<u>248,458</u>	<u>248,458</u>	<u>680,666</u>
<b>Taxable G.O. Bond Series of 2005</b>				
Principal	4,500,000	4,500,000	4,500,000	-
Interest and fiscal charges	91,465	126,465	121,500	183,683
	<u>4,591,465</u>	<u>4,626,465</u>	<u>4,621,500</u>	<u>183,683</u>
<b>G.O. Bond Refunding Series</b>				
2005 Downtown Redevelopment TIF				
Principal	-	-	-	120,000
Interest and fiscal charges	179,313	179,313	179,313	302,354
	<u>179,313</u>	<u>179,313</u>	<u>179,313</u>	<u>422,354</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,382,184</b>	<b>\$ 5,417,184</b>	<b>\$ 5,412,219</b>	<b>\$ 2,187,049</b>

(See independent auditor's report.)

## Village of Downers Grove, Illinois

Capital Improvements Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 For the For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
<b>REVENUES</b>			
Taxes			
Utility tax	\$ 257,900	\$ 70,627	\$ 1,530,658
Property tax	8,750	8,748	299,099
Home rule sales tax	2,456,667	2,305,767	-
Intergovernmental grants	349,200	159,841	152,630
Investment income	50,000	61,306	76,578
Donations and contributions	75,000	-	-
Total revenues	3,197,517	2,606,289	2,058,965
<b>EXPENDITURES</b>			
Current			
General government	95,000	153,573	349,634
Public works	1,984,989	1,553,075	1,132,028
Capital outlay	2,549,600	1,681,563	1,101,986
Total expenditures	4,629,589	3,388,211	2,583,648
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	(1,432,072)	(781,922)	(524,683)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	30,000	-	400,000
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,402,072)</u>	(781,922)	(124,683)
<b>FUND BALANCE, BEGINNING</b>		<u>2,919,609</u>	<u>3,044,292</u>
<b>FUND BALANCE, ENDING</b>		<u>\$ 2,137,687</u>	<u>\$ 2,919,609</u>

(See independent auditor's report.)

Village of Downers Grove, Illinois

Capital Improvements Fund  
 Schedule of Expenditures - Budget and Actual  
 For the For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
General government			
Building services			
Other charges and services	\$ 95,000	\$ 153,573	\$ 349,634
Total general government	95,000	153,573	349,634
Public works			
Sidewalk construction			
Other charges and services	125,000	119,215	116,021
Public works streets			
Personnel services	177,213	175,056	168,585
Materials and supplies	60,000	5,744	-
Contractual services	93,080	17,158	2,154
Other charges and services	829,696	827,363	666,099
	1,159,989	1,025,321	836,838
Public works stormwater			
Contractual services	195,000	113,986	14,676
Other charges and services	345,000	199,053	130,650
	540,000	313,039	145,326
Traffic signals			
Other charges and services	160,000	95,500	33,843
Total public works	1,984,989	1,553,075	1,132,028
Capital outlay	2,549,600	1,681,563	1,101,986
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,629,589</b>	<b>\$ 3,388,211</b>	<b>\$ 2,583,648</b>

(See independent auditor's report.)

Village of Downers Grove, Illinois

Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2006

	Special Revenue Funds	G.O. Bond Series of 1998 Fairview Avenue	Real Estate	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,797,592	\$ 240,151	\$ 35,262	\$ 3,073,005
Investments	-	-	237,461	237,461
Receivables				
Property taxes	529,482	-	-	529,482
Other taxes	120,153	26,466	-	146,619
Accrued interest	-	-	9,740	9,740
Other	14,346	-	-	14,346
Due from other funds	359	-	-	359
Advances to other funds	-	-	201,393	201,393
<b>TOTAL ASSETS</b>	<b>\$ 3,461,932</b>	<b>\$ 266,617</b>	<b>\$ 483,856</b>	<b>\$ 4,212,405</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers and accounts payable	\$ 172,916	\$ -	\$ 3,918	\$ 176,834
Due to other funds	1,886,944	-	-	1,886,944
Deposits payable	-	-	7,820	7,820
Deferred property taxes	525,000	-	-	525,000
Other deferred revenue	525	-	-	525
<b>Total liabilities</b>	<b>2,585,385</b>	<b>-</b>	<b>11,738</b>	<b>2,597,123</b>
<b>FUND BALANCES</b>				
<b>Reserved</b>				
Debt service	-	266,617	-	266,617
Public works	1,208,242	-	-	1,208,242
Economic development	1,276,069	-	-	1,276,069
Public safety	142,754	-	-	142,754
Capital projects	-	-	270,725	270,725
Advances to other funds	-	-	201,393	201,393
<b>Unreserved</b>				
Undesignated	(1,750,518)	-	-	(1,750,518)
<b>Total fund balances</b>	<b>876,547</b>	<b>266,617</b>	<b>472,118</b>	<b>1,615,282</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,461,932</b>	<b>\$ 266,617</b>	<b>\$ 483,856</b>	<b>\$ 4,212,405</b>

See accompanying notes to financial statements.

**Village of Downers Grove, Illinois**

Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Eight Months Ended December 31, 2006

	Special Revenue Funds	G.O. Bond Series of 1998 Fairview Avenue	Real Estate	Total
<b>REVENUES</b>				
Taxes	\$ 548,711	\$ 201,733	\$ -	\$ 750,444
Intergovernmental	1,525,089	-	-	1,525,089
Charges for services	425,444	-	65,549	490,993
Investment income	111,111	-	8,869	119,980
Miscellaneous	98,398	-	-	98,398
<b>Total revenues</b>	<b>2,708,753</b>	<b>201,733</b>	<b>74,418</b>	<b>2,984,904</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	35,157	35,157
Public works	1,879,487	-	-	1,879,487
Community development	-	-	-	-
Community development	569,971	-	-	569,971
Public safety	52,119	-	-	52,119
Community services	1,258,067	-	-	1,258,067
Debt service				
Interest and fiscal charges	-	36,770	-	36,770
<b>Total expenditures</b>	<b>3,759,644</b>	<b>36,770</b>	<b>35,157</b>	<b>3,831,571</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,050,891)</b>	<b>164,963</b>	<b>39,261</b>	<b>(846,667)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	233,333	-	-	233,333
Transfers out	-	-	(121,500)	(121,500)
<b>Total other financing sources (uses)</b>	<b>233,333</b>	<b>-</b>	<b>(121,500)</b>	<b>111,833</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(817,558)</b>	<b>164,963</b>	<b>(82,239)</b>	<b>(734,834)</b>
<b>FUND BALANCE, BEGINNING</b>	<b>1,694,105</b>	<b>101,654</b>	<b>554,357</b>	<b>2,350,116</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 876,547</b>	<b>\$ 266,617</b>	<b>\$ 472,118</b>	<b>\$ 1,615,282</b>

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Nonmajor Special Revenue Funds  
 Combining Balance Sheet  
 December 31, 2006

	Motor Fuel Tax	Foreign Fire Insurance	Community Events
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,088,089	\$ 142,395	\$ 141,541
Investments	-	-	-
Receivables			
Property taxes	-	-	-
Other taxes	120,153	-	-
Other	-	-	-
Due from other funds	-	359	-
<b>TOTAL ASSETS</b>	<b>\$ 1,208,242</b>	<b>\$ 142,754</b>	<b>\$ 141,541</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Vouchers and accounts payable	\$ -	\$ -	\$ 2,823
Deferred property taxes	-	-	-
Other deferred revenue	-	-	525
Due to other funds	-	-	5,000
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>8,348</b>
<b>FUND BALANCES</b>			
Reserved			
Public works	1,208,242	-	-
Economic development	-	-	-
Public safety	-	142,754	-
Unreserved			
Undesignated	-	-	133,193
<b>Total fund balances</b>	<b>1,208,242</b>	<b>142,754</b>	<b>133,193</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,208,242</b>	<b>\$ 142,754</b>	<b>\$ 141,541</b>

Ogden Avenue			
Corridor TIF	Sales Tax Abatement	Transportation	Total
\$ 1,271,587	\$ 153,980	\$ -	\$ 2,797,592
-	-	-	-
529,482	-	-	529,482
-	-	-	120,153
-	-	14,346	14,346
-	-	-	359
<u>\$ 1,801,069</u>	<u>\$ 153,980</u>	<u>\$ 14,346</u>	<u>\$ 3,461,932</u>
\$ -	\$ 153,980	\$ 16,113	\$ 172,916
525,000	-	-	525,000
-	-	-	525
-	-	1,881,944	1,886,944
<u>525,000</u>	<u>153,980</u>	<u>1,898,057</u>	<u>2,585,385</u>
-	-	-	1,208,242
1,276,069	-	-	1,276,069
-	-	-	142,754
-	-	(1,883,711)	(1,750,518)
<u>1,276,069</u>	<u>-</u>	<u>(1,883,711)</u>	<u>876,547</u>
<u>\$ 1,801,069</u>	<u>\$ 153,980</u>	<u>\$ 14,346</u>	<u>\$ 3,461,932</u>

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Nonmajor Special Revenue Funds  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 For the Eight Months Ended December 31, 2006

	Motor Fuel Tax	Foreign Fire Insurance	Community Events
<b>REVENUES</b>			
Taxes	\$ -	\$ 59,724	\$ -
Intergovernmental	955,118	-	-
Charges for services	-	-	301,456
Investment income	69,587	3,748	2,942
Miscellaneous	-	-	57,888
<b>Total revenues</b>	<b>1,024,705</b>	<b>63,472</b>	<b>362,286</b>
<b>EXPENDITURES</b>			
Current			
Public works	1,880,000	-	-
Community development	-	-	-
Public safety	-	52,119	-
Community services	-	-	669,419
<b>Total expenditures</b>	<b>1,880,000</b>	<b>52,119</b>	<b>669,419</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(855,295)</b>	<b>11,353</b>	<b>(307,133)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	233,333
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>233,333</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(855,295)</b>	<b>11,353</b>	<b>(73,800)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>2,063,537</b>	<b>131,401</b>	<b>206,993</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 1,208,242</b>	<b>\$ 142,754</b>	<b>\$ 133,193</b>

Ogden Avenue Corridor TIF	Sales Tax Abatement	Transportation	Total
\$ 488,987	\$ -	\$ -	\$ 548,711
-	569,971	-	1,525,089
-	-	123,988	425,444
34,834	-	-	111,111
-	-	40,510	98,398
523,821	569,971	164,498	2,708,753
(513)	-	-	1,879,487
-	569,971	-	569,971
-	-	-	52,119
36,250	-	552,398	1,258,067
35,737	569,971	552,398	3,759,644
488,084	-	(387,900)	(1,050,891)
-	-	-	233,333
-	-	-	233,333
488,084	-	(387,900)	(817,558)
787,985	-	(1,495,811)	1,694,105
\$ 1,276,069	\$ -	\$ (1,883,711)	\$ 876,547

See accompanying notes to financial statements.

# Village of Downers Grove, Illinois

Motor Fuel Tax Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
<b>REVENUES</b>			
Intergovernmental			
Allotments	\$ 958,100	\$ 955,118	\$ 1,424,347
Investment income	47,500	69,587	71,791
Total revenues	1,005,600	1,024,705	1,496,138
<b>EXPENDITURES</b>			
Public works			
Other charges and services	1,880,000	1,880,000	1,535,000
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (874,400)</u></u>	(855,295)	(38,862)
<b>FUND BALANCE, BEGINNING</b>		2,063,537	2,102,399
<b>FUND BALANCE, ENDING</b>		<u><u>\$ 1,208,242</u></u>	<u><u>\$ 2,063,537</u></u>

(See independent auditor's report.)

Village of Downers Grove, Illinois

Foreign Fire Insurance Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
<b>REVENUES</b>			
Taxes			
Foreign fire insurance tax	\$ 53,690	\$ 59,724	\$ 54,693
Investment income	200	3,748	1,086
Total revenues	<u>53,890</u>	<u>63,472</u>	<u>55,779</u>
<b>EXPENDITURES</b>			
Public Safety			
Supplies	12,833	20,159	11,419
Contractual services	20,333	13,765	24,501
Other charges and services	65,333	18,195	33,645
Total expenditures	<u>98,499</u>	<u>52,119</u>	<u>69,565</u>
NET CHANGE IN FUND BALANCE	<u>\$ (44,609)</u>	11,353	(13,786)
FUND BALANCE, BEGINNING		<u>131,401</u>	<u>145,187</u>
FUND BALANCE, ENDING		<u>\$ 142,754</u>	<u>\$ 131,401</u>

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

Community Events Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
<b>REVENUES</b>			
Charges for services	\$ 360,100	\$ 301,456	\$ 341,207
Investment income	4,050	2,942	8,338
Miscellaneous	79,000	57,888	53,293
<b>Total revenues</b>	<b>443,150</b>	<b>362,286</b>	<b>402,838</b>
<b>EXPENDITURES</b>			
Community services			
Personnel services	277,174	313,158	147,696
Supplies	17,816	18,776	13,127
Contractual services	376,648	333,123	290,256
Other charges and services	8,362	4,362	-
<b>Total expenditures</b>	<b>680,000</b>	<b>669,419</b>	<b>451,079</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(236,850)</b>	<b>(307,133)</b>	<b>(48,241)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	233,333	233,333	-
<b>NET CHANGE IN FUND BALANCE</b>	<b><u><u>\$ (3,517)</u></u></b>	<b>(73,800)</b>	<b>(48,241)</b>
<b>FUND BALANCE, BEGINNING</b>		<b>206,993</b>	<b>255,234</b>
<b>FUND BALANCE, ENDING</b>		<b><u><u>\$ 133,193</u></u></b>	<b><u><u>\$ 206,993</u></u></b>

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

Ogden Avenue Corridor TIF Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 409,177	\$ 488,987	\$ 400,574
Investment income	20,000	34,834	27,764
	<u>429,177</u>	<u>523,821</u>	<u>428,338</u>
<b>EXPENDITURES</b>			
Public works			
Personnel services	-	(513)	24,500
Other charges and services	20,000	-	-
	<u>20,000</u>	<u>(513)</u>	<u>24,500</u>
Community development			
Personnel services	-	-	(158)
Contractual services	16,250	1,250	7,160
Other charges and services	40,000	35,000	35,000
	<u>56,250</u>	<u>36,250</u>	<u>42,002</u>
Capital outlay	<u>388,000</u>	<u>-</u>	<u>35,005</u>
Total expenditures	<u>464,250</u>	<u>35,737</u>	<u>101,507</u>
NET CHANGE IN FUND BALANCE	<u>\$ (35,073)</u>	488,084	326,831
FUND BALANCE, BEGINNING		<u>787,985</u>	461,154
FUND BALANCE, ENDING		<u>\$ 1,276,069</u>	<u>\$ 787,985</u>

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

Sales Tax Abatement Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
<b>REVENUES</b>			
Intergovernmental	\$ 600,000	\$ 569,971	\$ 621,560
Total revenues	600,000	569,971	621,560
<b>EXPENDITURES</b>			
Intergovernmental			
Other charges and services	600,000	569,971	621,560
Total expenditures	600,000	569,971	621,560
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	-	-
<b>FUND BALANCE, BEGINNING</b>		-	-
<b>FUND BALANCE, ENDING</b>		<u>\$ -</u>	<u>\$ -</u>

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

**Transportation Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Eight Months Ended December 31, 2006**  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006			Year Ended April 30, 2006
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Charges for services	\$ 129,459	\$ 129,459	\$ 123,988	\$ 127,229
Intergovernmental revenue	45,333	45,333	40,510	62,822
<b>Total revenues</b>	<b>174,792</b>	<b>174,792</b>	<b>164,498</b>	<b>190,051</b>
<b>EXPENDITURES</b>				
Community services				
Personnel services	128,231	128,231	137,721	201,459
Supplies	700	700	251	223
Contractual services	132,315	157,315	147,687	17,360
Other charges and services	266,739	266,739	266,739	420,892
<b>Total expenditures</b>	<b>527,985</b>	<b>552,985</b>	<b>552,398</b>	<b>639,934</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (353,193)</b>	<b>\$ (378,193)</b>	<b>(387,900)</b>	<b>(449,883)</b>
<b>FUND BALANCE, BEGINNING</b>			<b>(1,495,811)</b>	<b>(1,045,928)</b>
<b>FUND BALANCE, ENDING</b>			<b>\$ (1,883,711)</b>	<b>\$ (1,495,811)</b>

(See independent auditor's report.)

Village of Downers Grove, Illinois

G.O. Bond Series of 1998 Fairview Avenue Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
REVENUES			
Taxes			
Local fuel tax	\$ 183,000	\$ 201,733	\$ 273,855
Total revenues	183,000	201,733	273,855
EXPENDITURES			
Debt service			
Principal	-	-	190,000
Interest	36,770	36,770	80,570
Total expenditures	36,770	36,770	270,570
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	146,230	164,963	3,285
OTHER FINANCING SOURCES (USES)			
Transfers out	(30,000)	-	-
NET CHANGE IN FUND BALANCE	\$ 116,230	164,963	3,285
FUND BALANCE, BEGINNING		101,654	98,369
FUND BALANCE, ENDING		\$ 266,617	\$ 101,654

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

Real Estate Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final		Actual
	Budget	Actual	
<b>REVENUES</b>			
Charges for services			
Rental income	\$ 67,000	\$ 65,549	\$ 130,849
Investment Interest	5,000	8,869	16,614
Total revenues	<u>72,000</u>	<u>74,418</u>	<u>147,463</u>
<b>EXPENDITURES</b>			
General government			
Personnel services	1,667	-	6,534
Supplies	1,000	399	6,313
Contractual services	12,867	10,554	33,441
Other charges and services	23,340	24,204	56,848
Total expenditures	<u>38,874</u>	<u>35,157</u>	<u>103,136</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	33,126	39,261	44,327
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>(121,953)</u>	<u>(121,500)</u>	<u>(183,683)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (88,827)</u>	<u>(82,239)</u>	<u>(139,356)</u>
<b>FUND BALANCE, BEGINNING</b>		<u>554,357</u>	<u>693,713</u>
<b>FUND BALANCE, ENDING</b>		<u>\$ 472,118</u>	<u>\$ 554,357</u>

(See independent auditor's report.)

Village of Downers Grove, Illinois

Waterworks Fund  
 Schedule of Operating Expenses - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
<b>OPERATING EXPENSES</b>			
Water financial services			
Personnel services	\$ 56,704	\$ 61,373	\$ 65,383
Supplies	506	79	120
Contractual services	109,345	39,499	50,843
Other charges and services	667	-	2,658
Capital outlay	-	-	23,766
Total water financial services	167,222	100,951	142,770
Water administration			
Personnel services	187,066	190,942	266,312
Supplies	6,179	1,963	7,582
Contractual services	31,284	29,983	51,500
Other charges and services	815,035	813,833	1,270,400
Total water administration	1,039,564	1,036,721	1,595,794
Water pumping and treatment			
Personnel services	60,423	59,520	88,859
Supplies	43,013	11,726	104,465
Contractual services	58,421	42,014	66,130
Other charges and services	556,897	408,926	215,831
Capital outlay	-	-	312,229
Total water pumping and treatment	718,754	522,186	787,514
Water transmission and distribution			
Personnel services	400,661	377,746	552,152
Supplies	117,416	175,346	156,350
Contractual services	108,954	96,223	98,336
Other charges and services	910,563	75,529	91,905
Capital outlay	-	-	640,691
Total water transmission and distribution	1,537,594	724,844	1,539,434
DuPage water commission			
Supplies	2,389,800	2,282,414	3,470,491
Depreciation	-	1,063,974	1,942,107
Less assets capitalized	-	-	(949,686)
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,852,934</b>	<b>\$ 5,731,090</b>	<b>\$ 8,528,424</b>

(See independent auditor's report.)

Village of Downers Grove, Illinois

Parking Fund  
 Schedule of Operating Expenses - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006			Year Ended April 30, 2006
	Original Budget	Final Budget	Actual	Actual
<b>OPERATING EXPENSES</b>				
<b>Non-deck parking operations and maintenance</b>				
Personnel services	\$ -	\$ -	\$ (12,141)	\$ 12,141
Supplies	4,810	4,810	2,914	1,557
Contractual services	3,333	3,333	5,266	-
Other charges and services	2,133	2,133	1,699	34,958
Capital outlay	255,000	311,667	271,483	235,371
<b>Total non-deck parking operations and maintenance</b>	<b>265,276</b>	<b>321,943</b>	<b>269,221</b>	<b>284,027</b>
<b>Deck parking operations and maintenance</b>				
Supplies	3,613	3,613	6,538	5,439
Contractual services	53,586	53,586	54,866	78,896
<b>Total deck parking operations and maintenance</b>	<b>57,199</b>	<b>57,199</b>	<b>61,404</b>	<b>84,335</b>
<b>Parking enforcement</b>				
Personnel services	132,755	132,755	146,149	194,531
Supplies	1,583	1,583	1,425	1,644
Contractual services	9,466	9,466	6,289	7,750
Other charges and services	331,089	331,089	331,089	510,311
<b>Total parking enforcement</b>	<b>474,893</b>	<b>474,893</b>	<b>484,952</b>	<b>714,236</b>
Depreciation	-	-	8,073	11,657
Less assets capitalized	-	-	(271,483)	(235,371)
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 797,368</b>	<b>\$ 854,035</b>	<b>\$ 552,167</b>	<b>\$ 858,884</b>

(See independent auditor's report.)

Village of Downers Grove, Illinois

Internal Service Funds  
 Combining Statement of Net Assets  
 December 31, 2006

	Fleet Services	Risk Management	Health Insurance	Equipment Replacement	Totals
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 445,015	\$ 819,419	\$ 1,389,465	\$ 2,653,899
Investments	-	-	1,286,003	26,308	1,312,311
Receivables					
Accounts receivable	9,053	-	249,589	-	258,642
Accrued interest	-	-	35,118	758	35,876
Due from other funds	-	374	-	-	374
Deposits	-	-	75,000	-	75,000
Inventory	133,261	-	-	-	133,261
<b>Total current assets</b>	<b>142,314</b>	<b>445,389</b>	<b>2,465,129</b>	<b>1,416,531</b>	<b>4,469,363</b>
Capital assets being depreciated					
Cost	973,666	-	-	8,367,404	9,341,070
Accumulated depreciation	(483,877)	-	-	(4,088,212)	(4,572,089)
<b>Net capital assets being depreciated</b>	<b>489,789</b>	<b>-</b>	<b>-</b>	<b>4,279,192</b>	<b>4,768,981</b>
<b>Total assets</b>	<b>632,103</b>	<b>445,389</b>	<b>2,465,129</b>	<b>5,695,723</b>	<b>9,238,344</b>
<b>CURRENT LIABILITIES</b>					
Vouchers and accounts payable	48,190	13,187	-	248,826	310,203
Accrued payroll	-	-	39,343	-	39,343
Other payables	-	-	5,483	-	5,483
Due to other funds	228,776	-	1,454,338	-	1,683,114
Compensated absences payable	13,753	14,637	8,919	-	37,309
Claims payable	-	1,477,069	363,483	-	1,840,552
<b>Total current liabilities</b>	<b>290,719</b>	<b>1,504,893</b>	<b>1,871,566</b>	<b>248,826</b>	<b>3,916,004</b>
<b>LONG-TERM LIABILITIES</b>					
Compensated absences payable	32,089	34,154	20,810	-	87,053
<b>Total liabilities</b>	<b>322,808</b>	<b>1,539,047</b>	<b>1,892,376</b>	<b>248,826</b>	<b>4,003,057</b>
<b>NET ASSETS</b>					
Invested in capital assets	489,789	-	-	4,279,192	4,768,981
Unrestricted (deficit)	(180,494)	(1,093,658)	572,753	1,167,705	466,306
<b>TOTAL NET ASSETS</b>	<b>\$ 309,295</b>	<b>\$ (1,093,658)</b>	<b>\$ 572,753</b>	<b>\$ 5,446,897</b>	<b>\$ 5,235,287</b>

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Internal Service Funds  
 Combining Statement of Revenues, Expenses, and  
 Changes in Net Assets  
 For the Eight Months Ended December 31, 2006

	Fleet Services	Risk Management	Health Insurance	Equipment Replacement	Totals
<b>OPERATING REVENUES</b>					
Charges for services					
Interfund services	\$ 1,138,006	\$ 1,129,880	\$ 2,474,800	\$ 769,571	\$ 5,512,257
Insurance premiums	-	-	1,243,160	-	1,243,160
Other	-	11,384	6,188	-	17,572
Miscellaneous	11,900	-	-	-	11,900
<b>Total operating revenues</b>	<b>1,149,906</b>	<b>1,141,264</b>	<b>3,724,148</b>	<b>769,571</b>	<b>6,784,889</b>
<b>OPERATING EXPENSES</b>					
Personnel services	358,082	89,825	75,602	-	523,509
Supplies	528,792	147	-	-	528,939
Contractual services	61,029	390,030	549,886	-	1,000,945
Other charges and services	102,575	1,251,885	2,609,633	129,691	4,093,784
Depreciation	23,373	-	-	468,247	491,620
<b>Total operating expenses</b>	<b>1,073,851</b>	<b>1,731,887</b>	<b>3,235,121</b>	<b>597,938</b>	<b>6,638,797</b>
<b>OPERATING INCOME (LOSS)</b>	<b>76,055</b>	<b>(590,623)</b>	<b>489,027</b>	<b>171,633</b>	<b>146,092</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	-	16,552	62,834	15,996	95,382
Gain (loss) on sale of capital assets	-	-	-	41,615	41,615
<b>Total nonoperating revenues (expenses)</b>	<b>-</b>	<b>16,552</b>	<b>62,834</b>	<b>57,611</b>	<b>136,997</b>
<b>CHANGE IN NET ASSETS</b>	<b>76,055</b>	<b>(574,071)</b>	<b>551,861</b>	<b>229,244</b>	<b>283,089</b>
<b>NET ASSETS (DEFICIT), BEGINNING</b>	<b>233,240</b>	<b>(519,587)</b>	<b>20,892</b>	<b>5,217,653</b>	<b>4,952,198</b>
<b>NET ASSETS (DEFICIT), ENDING</b>	<b>\$ 309,295</b>	<b>\$ (1,093,658)</b>	<b>\$ 572,753</b>	<b>\$ 5,446,897</b>	<b>\$ 5,235,287</b>

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Internal Service Funds  
 Combining Statement of Cash Flows  
 For the Eight Months Ended December 31, 2006

	Fleet Services	Risk Management	Health Insurance	Equipment Replacement	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from interfund services	\$ 1,147,847	\$ 1,141,264	\$ 3,615,351	\$ 769,571	\$ 6,674,033
Payments to suppliers	(734,526)	(1,354,120)	(3,294,807)	(64,128)	(5,447,581)
Payments to employees	(374,025)	(98,662)	(58,681)	-	(531,368)
Net cash from operating activities	39,296	(311,518)	261,863	705,443	695,084
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Increase in due from other funds	(39,296)	(374)	-	-	(39,670)
Decrease in due from other funds	-	-	75,000	-	75,000
Decrease in due to other funds	-	-	534,713	-	534,713
Net cash from noncapital financing activities	(39,296)	(374)	609,713	-	570,043
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital assets purchased	-	-	-	(549,475)	(549,475)
Proceeds from sale of capital assets	-	-	-	91,986	91,986
Net cash from capital and related financing activities	-	-	-	(457,489)	(457,489)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Sale of investments	-	-	600,000	25,496	625,496
Purchase of investments	-	-	(686,003)	(26,308)	(712,311)
Interest received	-	16,552	33,846	16,145	66,543
Net cash from investing activities	-	16,552	(52,157)	15,333	(20,272)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	-	(295,340)	819,419	263,287	787,366
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	-	740,355	-	1,126,178	1,866,533
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ -	\$ 445,015	\$ 819,419	\$ 1,389,465	\$ 2,653,899

(This statement is continued on the following page.)

Village of Downers Grove, Illinois

Internal Service Funds  
 Combining Statement of Cash Flows (Continued)  
 For the Eight Months Ended December 31, 2006

	Fleet Services	Risk Management	Health Insurance	Equipment Replacement	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 76,055	\$ (590,623)	\$ 489,027	\$ 171,633	\$ 146,092
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	23,372	-	-	468,247	491,619
Change in assets and liabilities					
Accounts receivable	(2,059)	-	(108,797)	-	(110,856)
Prepaid expenses	-	-	-	99,432	99,432
Deposits	-	-	(75,000)	-	(75,000)
Inventory	(26,582)	-	-	-	(26,582)
Vouchers and accounts payable	(15,547)	8,242	-	(33,869)	(41,174)
Accrued payroll	(10,471)	(6,925)	14,882	-	(2,514)
Compensated absences payable	(5,472)	(1,912)	2,039	-	(5,345)
Claims payable	-	279,700	(60,288)	-	219,412
Total adjustments	(36,759)	279,105	(227,164)	533,810	548,992
NET CASH FROM OPERATING ACTIVITIES	\$ 39,296	\$ (311,518)	\$ 261,863	\$ 705,443	\$ 695,084

See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Fleet Services Fund  
 Schedule of Operating Expenses - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006			Year Ended April 30, 2006
	Original Budget	Final Budget	Actual	Actual
<b>OPERATING EXPENSES</b>				
Personnel services	\$ 368,463	\$ 368,463	\$ 358,082	\$ 510,523
Supplies	484,104	514,104	528,792	826,992
Contractual services	104,098	104,098	61,029	154,509
Other charges and services	107,914	107,914	102,575	155,601
	<u>1,064,579</u>	<u>1,094,579</u>	<u>1,050,478</u>	<u>1,647,625</u>
Depreciation	-	-	23,373	34,584
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 1,064,579</u>	<u>\$ 1,094,579</u>	<u>\$ 1,073,851</u>	<u>\$ 1,682,209</u>

(See independent auditor's report.)

# Village of Downers Grove, Illinois

Risk Management Fund  
Schedule of Operating Expenses - Budget and Actual  
For the Eight Months Ended December 31, 2006  
(With Comparative Actual Amounts for the Year Ended April 30, 2006)

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	Eight Months Ended December 31, 2006		Year Ended April 30, 2006	
	Original Budget	Final Budget	Actual	Actual
<b>OPERATING EXPENSES</b>				
Personnel services	\$ 88,286	\$ 88,286	\$ 89,825	\$ 129,495
Supplies	382	382	147	-
Contractual services	400,567	400,567	390,030	391,166
Other charges and services	740,850	1,028,850	1,251,885	1,104,497
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,230,085</b>	<b>\$ 1,518,085</b>	<b>\$ 1,731,887</b>	<b>\$ 1,625,158</b>

(See independent auditor's report.)

Village of Downers Grove, Illinois

Health Insurance Fund  
 Schedule of Operating Expenses - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
<b>OPERATING EXPENSES</b>			
<b>Health administration</b>			
Personnel services	\$ 72,240	\$ 75,602	\$ 82,175
Supplies	400	-	394
Contractual services	77,666	66,288	112,415
Other charges and services	300	300	413
	<u>150,606</u>	<u>142,190</u>	<u>195,397</u>
<b>Vision insurance</b>			
Other charges and services	47,164	27,622	58,836
	<u>47,164</u>	<u>27,622</u>	<u>58,836</u>
<b>Medical insurance</b>			
Personnel services	-	-	27,690
Contractual services	569,148	474,077	735,344
Other charges and services	2,758,598	2,343,574	3,651,458
	<u>3,327,746</u>	<u>2,817,651</u>	<u>4,414,492</u>
<b>Dental insurance</b>			
Contractual services	3,168	3,020	4,285
Other charges and services	97,254	97,892	144,299
	<u>100,422</u>	<u>100,912</u>	<u>148,584</u>
<b>Dental insurance, managed</b>			
Contractual services	8,057	6,501	12,190
Other charges and services	142,475	140,245	212,675
	<u>150,532</u>	<u>146,746</u>	<u>224,865</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 3,776,470</u>	<u>\$ 3,235,121</u>	<u>\$ 5,042,174</u>

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

Equipment Replacement Fund  
 Schedule of Operating Expenses - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
	<b>OPERATING EXPENSES</b>		
Other charges and services	\$ 72,126	\$ 129,691	\$ 180,325
Capital outlay	801,644	937,361	937,361
Depreciation	-	468,247	483,908
Less assets capitalized	-	(937,361)	(937,361)
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 873,770</b>	<b>\$ 597,938</b>	<b>\$ 664,233</b>

(See independent auditor's report.)

Village of Downers Grove, Illinois

Pension Funds  
Combining Statement of Net Assets  
December 31, 2006

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	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,620,259	\$ 2,445,218	\$ 5,065,477
Investments			
U.S. Treasury obligations	2,530,222	6,225,408	8,755,630
U.S. Agency obligations	11,353,729	4,557,812	15,911,541
Mutual funds - equity	10,186,954	10,916,685	21,103,639
Common and preferred stock	1,783,355	135,630	1,918,985
Insurance contracts	5,648,979	1,714,425	7,363,404
Total investments	31,503,239	23,549,960	55,053,199
Prepays	4,250	5,250	9,500
Interest receivable	156,307	139,009	295,316
Total assets	34,284,055	26,139,437	60,423,492
<b>LIABILITIES</b>			
Vouchers payable	7,452	8,704	16,156
Due to general fund	1,797,164	704,394	2,501,558
Total liabilities	1,804,616	713,098	2,517,714
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 32,479,439</b>	<b>\$ 25,426,339</b>	<b>\$ 57,905,778</b>

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See accompanying notes to financial statements.

Village of Downers Grove, Illinois

Pension Funds  
 Combining Schedule of Changes in Net Assets  
 For the Eight Months Ended December 31, 2006

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions - employer	\$ 1,093,264	\$ 1,572,033	\$ 2,665,297
Contributions - employees	391,262	404,764	796,026
Total contributions	1,484,526	1,976,797	3,461,323
<b>Investment income</b>			
Net appreciation in fair value of investments	866,231	1,594,658	2,460,889
Interest earned on investments	553,201	782,093	1,335,294
Less investment expense	(50,609)	(41,538)	(92,147)
Net investment income	1,368,823	2,335,213	3,704,036
Total additions	2,853,349	4,312,010	7,165,359
<b>DEDUCTIONS</b>			
Contractual services	12,112	14,218	26,330
Other charges and services	4,000	4,000	8,000
Benefits and refunds	1,179,765	739,351	1,919,116
Total deductions	1,195,877	757,569	1,953,446
NET INCREASE	1,657,472	3,554,441	5,211,913
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
BEGINNING	30,821,967	21,871,898	52,693,865
ENDING	\$ 32,479,439	\$ 25,426,339	\$ 57,905,778

(See independent auditor's report.)

Village of Downers Grove, Illinois

Police Pension Fund

Schedule of Changes in Net Assets - Budget and Actual

For the Eight Months Ended December 31, 2006

(With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months December 31, 2006		Year Ended April 30, 2006	
	Original Budget	Final Budget	Actual	Actual
<b>ADDITIONS</b>				
Contributions - employer	\$ 811,830	\$ 811,830	\$ 1,093,264	\$ 876,640
Contributions - employees	388,700	388,700	391,262	652,299
<b>Total contributions</b>	<b>1,200,530</b>	<b>1,200,530</b>	<b>1,484,526</b>	<b>1,528,939</b>
Investment income				
Net appreciation in fair value of investments	330,000	330,000	866,231	2,149,424
Interest earned on investments	415,800	415,800	553,201	737,703
Less investment expense	(48,000)	(48,000)	(50,609)	(69,337)
<b>Net investment income</b>	<b>697,800</b>	<b>697,800</b>	<b>1,368,823</b>	<b>2,817,790</b>
<b>Total additions</b>	<b>1,898,330</b>	<b>1,898,330</b>	<b>2,853,349</b>	<b>4,346,729</b>
<b>DEDUCTIONS</b>				
Supplies	100	100	-	-
Contractual services	15,599	15,599	12,112	18,879
Other charges and services	4,000	4,000	4,000	6,000
Benefits and refunds	1,284,667	1,303,667	1,179,765	1,798,073
<b>Total deductions</b>	<b>1,304,366</b>	<b>1,323,366</b>	<b>1,195,877</b>	<b>1,822,952</b>
<b>NET INCREASE</b>	<b>\$ 593,964</b>	<b>\$ 574,964</b>	<b>1,657,472</b>	<b>2,523,777</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>				
<b>BEGINNING</b>			<b>30,821,967</b>	<b>28,298,190</b>
<b>ENDING</b>			<b>\$ 32,479,439</b>	<b>\$ 30,821,967</b>

(See independent auditor's report.)

Village of Downers Grove, Illinois

Firefighters' Pension Fund  
 Schedule of Changes in Net Assets - Budget and Actual  
 For the Eight Months Ended December 31, 2006  
 (With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006			Year Ended April 30, 2006
	Original Budget	Final Budget	Actual	Actual
<b>ADDITIONS</b>				
Contributions - employer	\$ 1,431,810	\$ 1,431,810	\$ 1,572,033	\$ 1,449,756
Contributions - employees	367,250	367,250	404,764	552,852
Total contributions	1,799,060	1,799,060	1,976,797	2,002,608
Investment income				
Net appreciation in fair value of investments	275,000	275,000	1,594,658	555,198
Interest earned on investments	299,000	299,000	782,093	638,177
Less investment expense	(36,000)	(36,000)	(41,538)	(54,218)
Net investment income	538,000	538,000	2,335,213	1,139,157
Total additions	2,337,060	2,337,060	4,312,010	3,141,765
<b>DEDUCTIONS</b>				
Supplies	33	33	-	-
Contractual services	7,367	7,367	14,218	9,026
Other charges and services	4,000	4,000	4,000	6,000
Benefits and refunds	770,000	840,500	739,351	1,028,188
Total deductions	781,400	851,900	757,569	1,043,214
NET INCREASE IN NET ASSETS	\$ 1,555,660	\$ 1,485,160	3,554,441	2,098,551
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>				
BEGINNING			21,871,898	19,773,347
ENDING			\$ 25,426,339	\$ 21,871,898

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

**Construction Deposit Fund  
Schedule of Changes in Assets and Liabilities  
For the Eight Months Ended December 31, 2006**

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	Balances		Balances	
	May 1	Additions	Deductions	December 31
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,661,371	\$ 1,083,725	\$ 1,292,493	\$ 1,452,603
Investments	1,567,529	1,723,549	1,098,849	2,192,229
Receivables				
Accrued interest	35,717	-	35,717	-
<b>TOTAL ASSETS</b>	<b>\$ 3,264,617</b>	<b>\$ 2,807,274</b>	<b>\$ 2,427,059</b>	<b>\$ 3,644,832</b>
<b>LIABILITIES</b>				
Vouchers payable	\$ 5,000	\$ 76,761	\$ 5,000	\$ 76,761
Deposits payable	3,259,617	1,006,965	698,511	3,568,071
<b>TOTAL LIABILITIES</b>	<b>\$ 3,264,617</b>	<b>\$ 1,083,726</b>	<b>\$ 703,511</b>	<b>\$ 3,644,832</b>

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(See independent auditor's report.)

**COMPONENT UNIT  
DOWNERS GROVE PUBLIC LIBRARY**

**Downers Grove Public Library  
Component Unit**

Statement of Net Assets and Governmental Funds  
Combining Balance Sheet  
December 31, 2006

	General	Debt Service	Construction
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,472,504	\$ 585,811	\$ -
Investments	436,497	196,632	282,271
Receivables			
Property taxes	3,522,129	662,417	-
Accrued interest	8,198	3,506	6,957
Debt issuance costs (net)	-	-	-
Capital assets not being depreciated	-	-	-
Capital assets net of accumulated depreciation	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 5,439,328</b>	<b>\$ 1,448,366</b>	<b>\$ 289,228</b>
<b>LIABILITIES AND FUND BALANCES/NET ASSETS</b>			
<b>LIABILITIES</b>			
Vouchers and accounts payable	\$ 71,976	\$ -	\$ -
Accrued Interest	-	-	-
Deferred property taxes	3,494,360	662,417	-
Noncurrent liabilities			
Due within one year	-	-	-
Due in more than one year	-	-	-
<b>Total liabilities</b>	<b>3,566,336</b>	<b>662,417</b>	<b>-</b>
<b>FUND BALANCE/NET ASSETS</b>			
Invested in capital assets, net of related debt	-	-	-
Reserved			
Debt service	-	785,949	-
Unreserved			
Designated	206,625	-	-
Undesignated	1,666,367	-	289,228
<b>Total fund balances/net assets</b>	<b>1,872,992</b>	<b>785,949</b>	<b>289,228</b>
<b>TOTAL LIABILITIES AND FUND BALANCE/ NET ASSETS</b>	<b>\$ 5,439,328</b>	<b>\$ 1,448,366</b>	<b>\$ 289,228</b>

Total	Adjustments	Statement of Net Assets
\$ 2,058,315	\$ -	\$ 2,058,315
915,400	-	915,400
4,184,546	-	4,184,546
18,661	-	18,661
-	83,848	83,848
-	222,211	222,211
-	14,431,695	14,431,695
<u>\$ 7,176,922</u>	<u>\$ 14,737,754</u>	<u>\$ 21,914,676</u>
\$ 71,976	\$ -	\$ 71,976
-	95,534	95,534
4,156,777	-	4,156,777
-	477,719	477,719
-	4,974,111	4,974,111
<u>4,228,753</u>	<u>5,547,364</u>	<u>9,776,117</u>
-	8,708,906	8,708,906
785,949	-	785,949
206,625	-	206,625
1,955,595	481,484	2,437,079
<u>2,948,169</u>	<u>9,190,390</u>	<u>12,138,559</u>
<u>\$ 7,176,922</u>	<u>\$ 14,737,754</u>	<u>\$ 21,914,676</u>

See accompanying notes to financial statements.

**Downers Grove Public Library  
Component Unit**

Statement of Activities and Governmental Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances/Net Assets  
For the Eight Months Ended December 31, 2006

	General	Debt Service	Construction
<b>REVENUES</b>			
Taxes	\$ 3,328,828	\$ 661,067	\$ -
Intergovernmental	35,504	-	-
Charges for services	57,139	-	-
Fines and forfeits	64,636	-	-
Investment income	62,139	18,496	7,362
Miscellaneous	3,882	-	-
<b>Total revenues</b>	<b>3,552,128</b>	<b>679,563</b>	<b>7,362</b>
<b>EXPENDITURES</b>			
Current			
Community services	2,101,444	-	-
Capital outlay	235,406	-	-
Debt service			
Interest and fiscal charges	-	95,534	-
<b>Total expenditures</b>	<b>2,336,850</b>	<b>95,534</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES/NET ASSETS</b>	<b>1,215,278</b>	<b>584,029</b>	<b>7,362</b>
<b>FUND BALANCE/NET ASSETS, BEGINNING</b>	<b>665,684</b>	<b>201,920</b>	<b>281,866</b>
Prior period adjustment	(7,970)	-	-
<b>FUND BALANCES/NET ASSETS, BEGINNING, RESTATED</b>	<b>657,714</b>	<b>201,920</b>	<b>281,866</b>
<b>FUND BALANCES/NET ASSETS, ENDING</b>	<b>\$ 1,872,992</b>	<b>\$ 785,949</b>	<b>\$ 289,228</b>

Total	Adjustments	Statement of Activities
\$ 3,989,895	\$ -	\$ 3,989,895
35,504	-	35,504
57,139	-	57,139
64,636	-	64,636
87,997	-	87,997
3,882	-	3,882
4,239,053	-	4,239,053
2,101,444	570,802	2,672,246
235,406	(235,406)	-
95,534	76,411	171,945
2,432,384	411,807	2,844,191
1,806,669	(411,807)	1,394,862
1,149,470	9,602,197	10,751,667
(7,970)	-	(7,970)
1,141,500	9,602,197	10,743,697
\$ 2,948,169	\$ 9,190,390	\$ 12,138,559

See accompanying notes to financial statements.

**Downers Grove Public Library  
Component Unit**

General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the Eight Months Ended December 31, 2006  
(With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 3,293,601	\$ 3,328,828	\$ 3,170,452
Intergovernmental revenue			
Personal property replacement tax	36,000	35,504	58,898
Grants	30,000	-	60,004
Charges for services	85,050	57,139	118,420
Fines and forfeits	94,000	64,636	107,498
Investment income	25,962	62,139	53,180
Miscellaneous			
Donations	11,000	3,666	6,053
Other	-	216	312
Total revenues	<u>3,575,613</u>	<u>3,552,128</u>	<u>3,574,817</u>
<b>EXPENDITURES</b>			
Current			
Community services	3,198,332	2,101,444	2,988,015
Capital outlay	411,657	235,406	509,290
Total expenditures	<u>3,609,989</u>	<u>2,336,850</u>	<u>3,497,305</u>
NET CHANGE IN FUND BALANCE	<u>\$ (34,376)</u>	1,215,278	77,512
FUND BALANCE/NET ASSETS, BEGINNING		665,684	588,172
Prior period adjustment		<u>(7,970)</u>	-
FUND BALANCES/NET ASSETS, BEGINNING, RESTATED		<u>657,714</u>	588,172
FUND BALANCES/NET ASSETS, ENDING		<u>\$ 1,872,992</u>	<u>\$ 665,684</u>

(See independent auditor's report.)

**Downers Grove Public Library  
Component Unit**

General Fund

Schedules of Expenditures - Budget and Actual  
For the Eight Months Ended December 31, 2006

(With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final		Actual
	Budget	Actual	
<b>Administrative services</b>			
Personnel services	\$ 393,384	\$ 261,041	\$ 368,128
Supplies	22,213	19,574	53,886
Contractual services	288,191	187,133	253,030
Other charges and services	139,827	80,714	86,424
	<u>843,615</u>	<u>548,462</u>	<u>761,468</u>
<b>Reference and information services</b>			
Personnel services	613,603	400,945	593,475
Supplies	3,748	3,159	7,955
Contractual services	7,620	1,285	6,271
	<u>624,971</u>	<u>405,389</u>	<u>607,701</u>
<b>Junior services</b>			
Personnel services	377,898	259,354	363,643
Supplies	12,868	9,067	13,255
Contractual services	7,706	4,125	9,407
	<u>398,472</u>	<u>272,546</u>	<u>386,305</u>
<b>Circulation services</b>			
Personnel services	429,657	288,951	443,479
Supplies	20,258	6,130	17,374
Contractual services	25,518	11,406	19,862
Other charges and services	2,036	1,871	1,680
	<u>477,469</u>	<u>308,358</u>	<u>482,395</u>
<b>Technical services</b>			
Personnel services	196,682	110,054	185,463
Supplies	28,469	20,845	27,928
Contractual services	19,937	19,638	18,634
	<u>245,088</u>	<u>150,537</u>	<u>232,025</u>

(This schedule is continued on the following page.)

**Downers Grove Public Library  
Component Unit**

General Fund  
Schedules of Expenditures - Budget and Actual  
For the Eight Months Ended December 31, 2006  
(With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
Literature and audio visual services			
Personnel services	\$ 340,270	\$ 240,195	\$ 339,144
Supplies	125,383	82,584	40,438
Contractual services	6,667	3,820	7,311
	<u>472,320</u>	<u>326,599</u>	<u>386,893</u>
Programs and community awareness			
Personnel services	93,680	61,440	85,555
Supplies	5,676	3,570	4,447
Contractual services	37,041	24,543	41,226
	<u>136,397</u>	<u>89,553</u>	<u>131,228</u>
Capital outlay	<u>411,657</u>	<u>235,406</u>	<u>509,290</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 3,609,989</u></u>	<u><u>\$ 2,336,850</u></u>	<u><u>\$ 3,497,305</u></u>

(See independent auditor's report.)

**Downers Grove Public Library  
Component Unit**

Debt Service Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the Eight Months Ended December 31, 2006  
(With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 661,068	\$ 661,067	\$ 655,953
Investment income	11,000	18,496	14,843
<b>Total revenues</b>	<b>672,068</b>	<b>679,563</b>	<b>670,796</b>
<b>EXPENDITURES</b>			
Debt service - 96 library bonds			
Principal	-	-	365,000
Interest and fiscal charges	-	-	17,885
	-	-	382,885
Debt service - refunding bonds			
Principal	470,000	95,534	80,000
Interest and fiscal charges	191,068	-	193,068
	661,068	95,534	273,068
<b>Total expenditures</b>	<b>661,068</b>	<b>95,534</b>	<b>655,953</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 11,000</b>	584,029	14,843
<b>FUND BALANCE, BEGINNING</b>		201,920	187,077
<b>FUND BALANCE, ENDING</b>		<b>\$ 785,949</b>	<b>\$ 201,920</b>

(See independent auditor's report.)

**Downers Grove Public Library  
Component Unit**

Construction Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the Eight Months Ended December 31, 2006  
(With Comparative Actual Amounts for the Year Ended April 30, 2006)

	Eight Months Ended December 31, 2006		Year Ended April 30, 2006
	Original and Final Budget	Actual	Actual
REVENUES			
Investment interest	\$ 5,000	\$ 7,362	\$ 14,297
EXPENDITURES			
Community services	-	-	75,000
NET CHANGE IN FUND BALANCE	<u>\$ 5,000</u>	7,362	(60,703)
FUND BALANCE, BEGINNING		<u>281,866</u>	<u>342,569</u>
FUND BALANCE, ENDING		<u>\$ 289,228</u>	<u>\$ 281,866</u>

(See independent auditor's report.)

**SUPPLEMENTAL INFORMATION**

**Village of Downers Grove, Illinois**

Schedule of Insurance in Force  
December 31, 2006

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<u>Insurance Company</u>	<u>Term</u>	<u>Description of Coverage</u>
Chubb	05/01/06- 04/30/07	All Risk Property \$53,000,000 Excess of \$25,000
C.V. Star Insurance	05/01/06- 04/30/07	Excess GL/Auto/Crime/Fidelity/Terrorism Excess up to \$10,000,000
Westchester Insurance	05/01/06- 04/30/07	Excess GL/Auto \$20,000,000 Excess after the 1st Layer \$10,000,000
Safety National	05/01/06- 04/30/07	Workers' Compensation Full Statutory Benefits \$2,000,000 Excess of \$750,000

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

Long-Term Debt Requirements  
General Obligation Bonds, Series 1998  
December 31, 2006

Date of Issue	October 1, 1998
Date of Maturity	January 1, 2014
Authorized Issue	\$3,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.70% to 4.00%
Interest Dates	July 1 and January 1
Principal Maturity Dates	January 1
Payable at	Bank One
Purpose of issue	To fund the widening of the Fairview Avenue

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	July 1	Amount	January 1	Amount
2005	\$ 200,000	\$ 36,770	\$ 236,770			2007	\$ 36,770
2006	210,000	66,140	276,140	2007	\$ 33,070	2008	33,070
2007	215,000	58,160	273,160	2008	29,080	2009	29,080
2008	225,000	49,776	274,776	2009	24,888	2010	24,888
2009	240,000	41,000	281,000	2010	20,500	2011	20,500
2010	250,000	31,400	281,400	2011	15,700	2012	15,700
2011	260,000	21,400	281,400	2012	10,700	2013	10,700
2012	275,000	11,000	286,000	2013	5,500	2014	5,500
	<u>\$ 1,875,000</u>	<u>\$ 315,646</u>	<u>\$ 2,190,646</u>		<u>\$ 139,438</u>		<u>\$ 176,208</u>

**Village of Downers Grove, Illinois**

Long-Term Debt Requirements  
General Obligation Bonds, Series 1999  
December 31, 2006

Date of Issue	July 1, 1999
Date of Maturity	January 1, 2019
Authorized Issue	\$6,500,000
Denomination of Bonds	\$5,000
Interest Rates	4.70% to 6.00%
Interest Dates	July 1 and January 1
Principal Maturity Dates	January 1
Payable at	The Northern Trust Company
Purpose of issuance	To finance the redevelopment of the Central Business District

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	July 1	Amount	January 1	Amount
2005	\$ 95,000	\$ 42,763	\$ 137,763			2007	\$ 42,763
2006	130,000	81,060	211,060	2007	\$ 40,530	2008	40,530
2007	195,000	74,950	269,950	2008	37,475	2009	37,475
2008	250,000	65,590	315,590	2009	32,795	2010	32,795
2009	320,000	56,158	376,158	2010	26,670	2011	29,488
2010	350,000	45,420	395,420	2011	18,750	2012	26,670
2011	400,000	28,750	428,750	2012	10,000	2013	18,750
	<u>\$ 1,740,000</u>	<u>\$ 394,691</u>	<u>\$ 2,134,691</u>		<u>\$ 166,220</u>		<u>\$ 228,471</u>

Bonds due January 1, 2014 through January 1, 2019 totaling \$4,480,000 were defeased in fiscal year 2005 from a portion of the proceeds of the G. O. Refunding Bonds, Series 2005.

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

Long-Term Debt Requirements  
General Obligation Bonds, Series 2000  
December 31, 2006

Date of Issue	May 1, 2000
Date of Maturity	January 1, 2020
Authorized Issue	\$6,200,000
Denomination of Bonds	\$5,000
Interest Rates	5.38% to 6.00%
Interest Dates	July 1 and January 1
Principal Maturity Dates	January 1
Payable at	The Northern Trust Company
Purpose of Issuance	To finance the redevelopment of the Central Business District

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	July 1	Amount	January 1	Amount
2005	\$ 35,000	\$ 37,438	\$ 72,438			2007	\$ 37,438
2006	85,000	72,776	157,776	2007	\$ 36,388	2008	36,388
2007	145,000	67,676	212,676	2008	33,838	2009	33,838
2008	170,000	58,976	228,976	2009	29,488	2010	29,488
2009	225,000	58,976	283,976	2010	29,488	2011	29,488
2010	265,000	48,776	313,776	2011	24,388	2012	24,388
2011	320,000	35,276	355,276	2012	17,638	2013	17,638
2012	55,000	20,170	75,170	2013	10,085	2014	10,085
	<u>\$ 1,300,000</u>	<u>\$ 400,064</u>	<u>\$ 1,700,064</u>		<u>\$ 181,313</u>		<u>\$ 218,751</u>

Bonds due January 1, 2015 through January 1, 2020 totaling \$4,620,000 were defeased in fiscal year 2005 from a portion of the proceeds of the G. O. Refunding Bonds, Series 2005.

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

Long-Term Debt Requirements  
General Obligation Bonds, Series 2001  
December 31, 2006

Date of Issue	August 1, 2001
Date of Maturity	January 1, 2021
Authorized Issue	\$6,000,000
Denomination of Bonds	\$5,000
Interest Rates	4.500% to 5.125%
Interest Dates	July 1 and January 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To finance the redevelopment of the Central Business District

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	July 1	Amount	January 1	Amount
2005	\$ 40,000	\$ 150,381	\$ 190,381			2007	\$ 150,381
2006	40,000	298,962	338,962	2007	\$ 149,481	2008	149,481
2007	20,000	297,162	317,162	2008	148,581	2009	148,581
2008	60,000	296,262	356,262	2009	148,131	2010	148,131
2009	65,000	293,412	358,412	2010	146,706	2011	146,706
2010	135,000	290,326	425,326	2011	145,163	2012	145,163
2011	185,000	283,912	468,912	2012	141,956	2013	141,956
2012	255,000	274,662	529,662	2013	137,331	2014	137,331
2013	150,000	261,912	411,912	2014	130,956	2015	130,956
2014	135,000	254,414	389,414	2015	127,207	2016	127,207
2015	195,000	247,662	442,662	2016	123,831	2017	123,831
2016	180,000	237,916	417,916	2017	118,958	2018	118,958
2017	320,000	228,914	548,914	2018	114,457	2019	114,457
2018	1,530,000	212,912	1,742,912	2019	106,456	2020	106,456
2019	2,690,000	134,500	2,824,500	2020	67,250	2021	67,250
	<u>\$ 6,000,000</u>	<u>\$ 3,763,309</u>	<u>\$ 9,763,309</u>		<u>\$ 1,806,464</u>		<u>\$ 1,956,845</u>

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

Long-Term Debt Requirements  
General Obligation Bonds, Series 2001A  
December 31, 2006

Date of Issue	December 27, 2001
Date of Maturity	January 1, 2012
Authorized Issue	\$4,000,000
Denomination of Bonds	\$5,000
Interest Rates	2.75% to 4.60%
Interest Dates	July 1 and January 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To finance the installation of the AMR system

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	July 1	Amount	January 1	Amount
2005	\$ 400,000	\$ 57,716	\$ 457,716			2007	\$ 57,716
2006	415,000	99,433	514,433	2007	\$ 49,716	2008	49,716
2007	430,000	82,210	512,210	2008	41,105	2009	41,105
2008	450,000	63,720	513,720	2009	31,860	2010	31,860
2009	470,000	43,695	513,695	2010	21,848	2011	21,848
2010	485,000	22,310	507,310	2011	11,155	2012	11,155
	<u>\$ 2,650,000</u>	<u>\$ 369,084</u>	<u>\$ 3,019,084</u>		<u>\$ 155,684</u>		<u>\$ 213,400</u>

(See independent auditor's report.)

**Village of Downers Grove, Illinois**

Long-Term Debt Requirements  
General Obligation Bonds, Series 2002  
December 31, 2006

Date of Issue	August 1, 2002
Date of Maturity	January 1, 2021
Authorized Issue	\$6,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.50% to 4.75%
Interest Dates	July 1 and January 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To finance the redevelopment of the Central Business District

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	July 1	Amount	January 1	Amount
2005	\$ 105,000	\$ 132,366	\$ 237,366			2007	\$ 132,366
2006	190,000	261,058	451,058	2007	\$ 130,529	2008	130,529
2007	100,000	264,407	364,407	2008	132,203	2009	132,204
2008	100,000	250,408	350,408	2009	125,204	2010	125,204
2009	100,000	246,407	346,407	2010	123,204	2011	123,203
2010	120,000	242,408	362,408	2011	121,204	2012	121,204
2011	185,000	237,007	422,007	2012	118,503	2013	118,504
2012	265,000	229,608	494,608	2013	114,804	2014	114,804
2013	355,000	219,007	574,007	2014	109,504	2015	109,503
2014	220,000	204,275	424,275	2015	102,137	2016	102,138
2015	560,000	194,925	754,925	2016	97,463	2017	97,462
2016	685,000	170,565	855,565	2017	85,282	2018	85,283
2017	830,000	140,083	970,083	2018	70,042	2019	70,041
2018	980,000	102,317	1,082,317	2019	51,158	2020	51,159
2019	1,205,000	57,238	1,262,238	2020	28,619	2021	28,619
	<u>\$ 6,000,000</u>	<u>\$ 2,952,079</u>	<u>\$ 8,952,079</u>		<u>\$ 1,409,856</u>		<u>\$ 1,542,223</u>

(See independent auditor's report.)

Village of Downers Grove, Illinois

Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2003  
 December 31, 2006

Date of Issue	June 1, 2003
Date of Maturity	January 1, 2017
Authorized Issue	\$6,265,000
Denomination of Bonds	\$5,000
Interest Rates	2.5 % to 3.75%
Interest Dates	July 1 and January 1
Principal Maturity Dates	January 1
Payable at	The Northern Trust Company
Purpose of Issuance	To refund Library G. O. Bonds, Series 1996

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	July 1	Amount	January 1	Amount
2005	\$ 470,000	\$ 95,534	\$ 565,534			2007	\$ 95,534
2006	475,000	179,318	654,318	2007	\$ 89,659	2008	89,659
2007	490,000	166,850	656,850	2008	83,425	2009	83,425
2008	505,000	152,761	657,761	2009	76,381	2010	76,380
2009	520,000	136,980	656,980	2010	68,490	2011	68,490
2010	535,000	120,340	655,340	2011	60,170	2012	60,170
2011	555,000	103,220	658,220	2012	51,610	2013	51,610
2012	570,000	85,460	655,460	2013	42,730	2014	42,730
2013	585,000	66,365	651,365	2014	33,182	2015	33,183
2014	610,000	45,890	655,890	2015	22,945	2016	22,945
2015	630,000	23,625	653,625	2016	11,813	2017	11,812
	<u>\$ 5,945,000</u>	<u>\$ 1,176,343</u>	<u>\$ 7,121,343</u>		<u>\$ 540,405</u>		<u>\$ 635,938</u>

(See independent auditor's report.)

# Village of Downers Grove, Illinois

Long-Term Debt Requirements  
General Obligation Bonds, Series 2003A  
December 31, 2006

Date of Issue	November 1, 2003
Date of Maturity	January 1, 2021
Authorized Issue	\$12,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 5.00%
Interest Dates	July 1 and January 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To finance the redevelopment of the Central Business District

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	July 1	Amount	January 1	Amount
2005	\$ 225,000	\$ 248,457	\$ 473,457			2007	\$ 248,457
2006	275,000	490,166	765,166	2007	\$ 245,083	2008	245,083
2007	400,000	480,540	880,540	2008	240,270	2009	240,270
2008	750,000	466,540	1,216,540	2009	233,270	2010	233,270
2009	770,000	440,290	1,210,290	2010	220,145	2011	220,145
2010	795,000	411,414	1,206,414	2011	205,707	2012	205,707
2011	815,000	379,616	1,194,616	2012	189,808	2013	189,808
2012	845,000	347,014	1,192,014	2013	173,507	2014	173,507
2013	875,000	313,216	1,188,216	2014	156,608	2015	156,608
2014	915,000	278,214	1,193,214	2015	139,107	2016	139,107
2015	950,000	239,784	1,189,784	2016	119,892	2017	119,892
2016	990,000	199,410	1,189,410	2017	99,705	2018	99,705
2017	1,030,000	155,850	1,185,850	2018	77,925	2019	77,925
2018	1,070,000	109,500	1,179,500	2019	54,750	2020	54,750
2019	1,120,000	56,000	1,176,000	2020	28,000	2021	28,000
	<u>\$ 11,825,000</u>	<u>\$ 4,616,011</u>	<u>\$ 16,441,011</u>		<u>\$ 2,183,777</u>		<u>\$ 2,432,234</u>

(See independent auditor's report.)

# Village of Downers Grove, Illinois

## Long-Term Debt Requirements Taxable General Obligation Refunding Bonds, Series 2005 December 31, 2006

Date of Issue	March 1, 2005
Date of Maturity	January 1, 2020
Authorized Issue	\$9,950,000
Denomination of Bonds	\$5,000
Interest Rates	2.30% to 3.85%
Interest Dates	July 1 and January 1
Principal Maturity Dates	January 1
Payable at	The Northern Trust Company
Purpose of Issuance	To refund G. O. Bonds, Series 1999 and G. O. Bonds, Series 2000

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	July 1	Amount	January 1	Amount
2005	\$ 65,000	\$ 179,313	\$ 244,313			2007	\$ 179,313
2006	70,000	356,350	426,350	2007	\$ 178,175	2008	178,175
2007	70,000	353,900	423,900	2008	176,950	2009	176,950
2008	70,000	351,450	421,450	2009	175,725	2010	175,725
2009	70,000	349,000	419,000	2010	174,500	2011	174,500
2010	80,000	346,550	426,550	2011	173,275	2012	173,275
2011	80,000	343,750	423,750	2012	171,875	2013	171,875
2012	840,000	340,950	1,180,950	2013	170,475	2014	170,475
2013	1,175,000	311,550	1,486,550	2014	155,775	2015	155,775
2014	1,365,000	269,838	1,634,838	2015	134,919	2016	134,919
2015	1,505,000	220,698	1,725,698	2016	110,349	2017	110,349
2016	1,735,000	166,518	1,901,518	2017	83,259	2018	83,259
2017	1,820,000	102,323	1,922,323	2018	51,161	2019	51,162
2018	885,000	34,073	919,073	2019	17,037	2020	17,036
	<u>\$ 9,830,000</u>	<u>\$ 3,726,263</u>	<u>\$ 13,556,263</u>		<u>\$ 1,773,475</u>		<u>\$ 1,952,788</u>

(See independent auditor's report.)

**STATISTICAL SECTION**  
**(Unaudited)**

## STATISTICAL SECTION

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>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	128-132
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue sources, the property tax and sales tax.	133-138
<b>Debt Capacity</b> 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.	139-143
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	144-145
<b>Operating Information</b> 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.	146-147

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

**Village of Downers Grove, Illinois**

Net Assets by Component (in thousands)  
Last Four Fiscal Years

	Fiscal Year			
	2004	2005	2006	2006(A)
<b>GOVERNMENTAL ACTIVITIES</b>				
Invested in capital assets, net of related debt	\$ 62,467	\$ 63,898	\$ 61,598	\$ 65,925
Restricted	4,815	5,982	3,697	3,847
Unrestricted	8,171	11,963	15,822	17,532
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 75,453</b>	<b>\$ 81,843</b>	<b>\$ 81,117</b>	<b>\$ 87,304</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Invested in capital assets, net of related debt	\$ 24,031	\$ 25,531	\$ 25,370	\$ 25,213
Restricted	-	-	-	-
Unrestricted	4,614	4,465	5,724	4,424
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 28,645</b>	<b>\$ 29,996</b>	<b>\$ 31,094</b>	<b>\$ 29,637</b>
<b>PRIMARY GOVERNMENT</b>				
Invested in capital assets, net of related debt	\$ 86,498	\$ 89,429	\$ 86,968	\$ 91,137
Restricted	4,815	5,982	3,697	3,847
Unrestricted	12,785	16,428	21,546	21,956
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 104,098</b>	<b>\$ 111,839</b>	<b>\$ 112,211</b>	<b>\$ 116,940</b>

Notes

In fiscal year 2006, the transportation fund was reclassified to a governmental activity.  
(A) The Village changed its fiscal year end from April 30 to December 31.

Data Source

Audited Financial Statements

**Village of Downers Grove, Illinois**

Change in Net Assets (in thousands)  
Last Four Fiscal Years

	Fiscal Year			
	2004	2005	2006	2006(A)
<b>EXPENSES</b>				
<b>Governmental Activities</b>				
General government	\$ 3,939	\$ 626	\$ 4,418	\$ 4,263
Public works	8,478	9,717	9,669	8,362
Community development	1,452	1,565	1,686	2,469
Public safety	22,757	22,139	23,057	17,740
Community services	6,044	2,747	4,149	2,125
Interest and fiscal charges	2,657	1,881	1,836	1,283
<b>Total governmental activities expenses</b>	<b>45,327</b>	<b>38,675</b>	<b>44,815</b>	<b>36,242</b>
<b>Business-Type Activities</b>				
Waterworks	9,112	8,459	8,626	5,813
Parking	1,212	793	884	292
Transportation	671	540	-	-
<b>Total business-type activities expenses</b>	<b>10,995</b>	<b>9,792</b>	<b>9,510</b>	<b>6,105</b>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 56,322</b>	<b>\$ 48,467</b>	<b>\$ 54,325</b>	<b>\$ 42,347</b>
<b>PROGRAM REVENUES</b>				
<b>Governmental Activities</b>				
<b>Charges for services</b>				
General government	\$ 2,765	\$ 762	\$ 1,006	\$ 2,152
Public works	203	202	372	181
Community development	25	19	1,831	1,272
Public safety	2,627	1,804	2,533	1,941
Community services	3,016	2,506	878	863
Operating grants and contributions	2,038	1,708	1,552	1,198
Capital grants and contributions	170	617	428	249
<b>Total governmental activities program revenues</b>	<b>10,844</b>	<b>7,618</b>	<b>8,600</b>	<b>7,856</b>
<b>Business-Type Activities</b>				
<b>Charges for services</b>				
Waterworks	\$ 8,696	\$ 10,134	\$ 8,696	5,440
Parking	756	856	1,013	699
Transportation	391	213	-	-
Operating grants and contributions	-	-	179	268
Capital grants and contributions	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>9,843</b>	<b>11,203</b>	<b>9,888</b>	<b>6,407</b>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 20,687</b>	<b>\$ 18,821</b>	<b>\$ 18,488</b>	<b>\$ 14,263</b>
<b>NET (EXPENSE) REVENUE</b>				
Governmental activities	\$ (34,483)	\$ (31,057)	\$ (36,215)	\$ (28,386)
Business-type activities	(1,152)	1,411	378	302
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<b>\$ (35,635)</b>	<b>\$ (29,646)</b>	<b>\$ (35,837)</b>	<b>\$ (28,084)</b>

**Village of Downers Grove, Illinois**

Change in Net Assets (in thousands) (Continued)  
Last Four Fiscal Years

	Fiscal Year			
	2004	2005	2006	2006(A)
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET ASSETS</b>				
Governmental activities				
Taxes				
Property	\$ 12,679	\$ 8,993	\$ 10,237	\$ 10,648
Sales	3,183	17,195	17,925	12,627
Utility	4,659	6,363	876	714
Intergovernmental	15,125	3,994	6,268	3,798
Other	1,080	1,432	4,551	3,212
Investment earnings	243	291	814	888
Miscellaneous	332	79	18	92
Special item			(4,684)	1,261
Transfers	100	100	181	1,930
<b>Total governmental activities</b>	<b>37,401</b>	<b>38,447</b>	<b>36,186</b>	<b>35,170</b>
Business-type activities				
Investment earnings	39	39	203	170
Miscellaneous	(5)	-	-	-
Transfers	(100)	(100)	(181)	(1,930)
<b>Total business-type activities</b>	<b>(66)</b>	<b>(61)</b>	<b>22</b>	<b>(1,760)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 37,335</b>	<b>\$ 38,386</b>	<b>\$ 36,208</b>	<b>\$ 33,410</b>
<b>CHANGE IN NET ASSETS</b>				
Governmental activities	\$ 2,918	\$ 7,390	\$ (29)	\$ 6,784
Business-type activities	(1,218)	1,350	400	(1,457)
<b>TOTAL PRIMARY GOVERNMENT</b>				
<b>CHANGE IN NET ASSETS</b>	<b>\$ 1,700</b>	<b>\$ 8,740</b>	<b>\$ 371</b>	<b>\$ 5,327</b>

Notes

In fiscal year 2006, the transportation fund was reclassified to a governmental activity.  
The Village of Downers Grove implemented GASB S-34 in 2004.  
(A) The Village changed its fiscal year end from April 30 to December 31.

Data Source

Audited Financial Statements

Village of Downers Grove, Illinois

Fund Balances of Governmental Funds (in thousands)  
Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2006(A)
<b>GENERAL FUND</b>										
Reserved	\$ 253	\$ 174	\$ 9	\$ 132	\$ 125	\$ 127	\$ 121	\$ 104	\$ 194	\$ 99
Unreserved	9,981	10,590	10,889	10,082	7,268	5,486	6,378	12,217	17,858	18,530
<b>TOTAL GENERAL FUND</b>	<b>\$ 10,234</b>	<b>\$ 10,764</b>	<b>\$ 10,898</b>	<b>\$ 10,214</b>	<b>\$ 7,393</b>	<b>\$ 5,613</b>	<b>\$ 6,499</b>	<b>\$ 12,321</b>	<b>\$ 18,052</b>	<b>\$ 18,629</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved	\$ 33,492	\$ 36,201	\$ 38,035	\$ 139	\$ 39,459	\$ 40,150	\$ 4,113	\$ 5,479	\$ 5,493	\$ 5,741
Unreserved, reported in										
Special Revenue Funds	2,609	409	1,919	3,484	2,877	4,726	-	(724)	(2,476)	(871)
Capital Project Funds	6,110	3,690	4,002	2,948	3,942	2,861	-	1,352	1,227	445
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 42,211</b>	<b>\$ 40,300</b>	<b>\$ 43,956</b>	<b>\$ 6,571</b>	<b>\$ 46,278</b>	<b>\$ 47,737</b>	<b>\$ 4,113</b>	<b>\$ 6,107</b>	<b>\$ 4,244</b>	<b>\$ 5,315</b>

Notes

In fiscal year 2006, the transportation fund was reclassified to a governmental activity.  
(A) The Village changed its fiscal year end from April 30 to December 31.

Data Source

Audited Financial Statements

Village of Downers Grove, Illinois

Changes in Fund Balances of Governmental Funds (in thousands)  
Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2006(A)
<b>REVENUES</b>										
Taxes	22,244	25,290	25,160	26,338	25,060	26,653	33,275	20,766	22,086	18,583
Licenses and permits	490	534	543	1,069	1,296	1,882	2,254	1,708	2,036	1,326
Intergovernmental	4,511	4,886	6,867	6,487	6,307	6,143	5,262	18,819	19,642	13,820
Sales revenue	-	-	-	-	-	-	-	-	-	11
Charges for services	2,491	2,261	2,965	3,519	3,712	4,346	5,100	3,026	3,737	3,708
Fines and forfeitures	714	602	573	606	701	751	1,391	559	871	-
Investment income	1,147	940	851	1,163	545	268	243	291	814	792
Miscellaneous	987	874	1,375	25	188	334	445	279	104	103
<b>Total revenues</b>	<b>32,584</b>	<b>35,387</b>	<b>38,334</b>	<b>39,207</b>	<b>37,809</b>	<b>40,377</b>	<b>47,970</b>	<b>45,448</b>	<b>49,290</b>	<b>38,343</b>
<b>EXPENDITURES</b>										
General government	7,254	8,846	8,432	10,600	6,903	6,599	5,805	2,222	4,474	3,649
Public works	5,251	5,371	5,675	6,206	8,523	7,966	8,304	8,182	7,693	7,135
Community development	-	-	-	-	-	-	-	1,524	1,689	2,009
Public safety	12,738	13,757	14,707	15,741	18,809	19,233	23,381	22,043	23,139	17,252
Community services	2,476	2,672	2,714	2,738	4,201	4,665	4,598	2,728	3,475	1,758
Capital outlay	5,161	10,015	9,329	12,141	7,590	5,565	9,159	7,048	1,659	2,031
Debt service	405	270	380	440	465	5,145	631	4,828	668	4,518
Principal	506	414	684	1,045	1,485	1,654	1,698	2,164	1,809	950
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>33,791</b>	<b>41,345</b>	<b>41,921</b>	<b>48,911</b>	<b>47,976</b>	<b>50,827</b>	<b>53,576</b>	<b>50,739</b>	<b>44,606</b>	<b>39,302</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,207)</b>	<b>(5,958)</b>	<b>(3,587)</b>	<b>(9,704)</b>	<b>(10,167)</b>	<b>(10,450)</b>	<b>(5,606)</b>	<b>(5,291)</b>	<b>4,684</b>	<b>(959)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	368	300	1,867	554	948	1,510	(84)	6,811	1,184	5,278
Transfers out	(518)	(600)	(1,792)	(643)	(815)	(1,295)	184	(6,711)	(1,003)	(3,348)
Issuance of debt	-	3,000	6,500	10,700	6,000	10,500	5,922	14,450	-	-
Payment to the refunded bond escrow agent	-	-	-	-	-	-	-	(9,840)	-	-
Bond issue premium	-	-	-	-	-	-	-	35	-	-
Proceeds from disposal of capital assets	-	-	-	-	-	-	-	-	49	1,275
<b>Total other financing sources (uses)</b>	<b>(150)</b>	<b>2,700</b>	<b>6,575</b>	<b>10,611</b>	<b>6,133</b>	<b>10,715</b>	<b>6,022</b>	<b>4,745</b>	<b>230</b>	<b>3,205</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,357)</b>	<b>\$ (3,258)</b>	<b>\$ 2,988</b>	<b>\$ 907</b>	<b>\$ (4,034)</b>	<b>\$ 265</b>	<b>\$ 416</b>	<b>\$ (546)</b>	<b>\$ 4,914</b>	<b>\$ 2,246</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>2.70%</b>	<b>1.65%</b>	<b>3.25%</b>	<b>3.04%</b>	<b>3.10%</b>	<b>13.38%</b>	<b>4.35%</b>	<b>13.78%</b>	<b>5.55%</b>	<b>13.91%</b>

Notes

In fiscal year 2006, the transportation fund was reclassified to a governmental activity (A) The Village changed its fiscal year end from April 30 to December 31.

Data Source

## Village of Downers Grove, Illinois

### Assessed Value And Actual Value Of Taxable Property Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio of Equalized Assessed Value to Estimated Actual Value
1997	\$ 849,780,636	\$ 305,471,218	\$ 58,980,140	\$ 1,214,231,994	0.28	\$ 3,642,695,982	33.3333%
1998	878,243,353	333,742,065	59,182,410	1,271,167,828	0.27	3,813,503,484	33.3333%
1999	908,570,562	368,807,495	59,627,430	1,337,005,487	0.28	4,011,016,461	33.3333%
2000	946,421,391	401,202,390	62,509,950	1,410,133,731	0.20	4,230,401,193	33.3333%
2001	1,018,660,526	421,897,362	65,942,155	1,506,500,043	0.29	4,519,500,129	33.3333%
2002	1,102,277,929	469,463,965	63,794,320	1,635,536,214	0.37	4,906,608,642	33.3333%
2003	1,215,329,035	467,952,910	64,409,960	1,747,691,905	0.44	5,243,075,715	33.3333%
2004	1,323,442,153	495,011,598	66,794,600	1,885,248,351	0.44	5,655,745,053	33.3333%
2005	1,483,717,879	505,593,618	68,323,460	2,057,634,957	0.41	6,172,904,871	33.3333%
2006	1,624,870,481	526,745,115	71,259,570	2,222,875,166	0.38	6,668,625,498	33.3333%

Data Source

Office of the County Clerk

## Village of Downers Grove, Illinois

### Property Tax Rates - Direct And Overlapping Governments Last Ten Levy Years

Tax Levy Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>VILLAGE DIRECT RATES</b>										
Corporate	0.1082	0.1033	0.1032	0.0620	0.0916	0.0911	0.1341	0.1350	0.1237	0.1156
Firefighter's Pension	0.0501	0.0544	0.0649	0.0664	0.0715	0.0716	0.0749	0.0769	0.0764	0.0712
Police Pension	0.0206	0.0204	0.0194	0.0196	0.0406	0.0391	0.0509	0.0465	0.0532	0.0496
Debt service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0812	0.0494	0.0526	0.0429	0.0335
Fire Protection	0.1005	0.0960	0.0958	0.0548	0.0850	0.0845	0.1274	0.1283	0.1175	0.1100
Total Village direct rates	0.2794	0.2741	0.2833	0.2028	0.2887	0.3675	0.4367	0.4393	0.4137	0.3799
<b>OVERLAPPING RATES</b>										
Library District	0.2424	0.2403	0.2371	0.2338	0.2275	0.2179	0.2109	0.2033	0.1942	0.1870
Special Service Area #1	0.1331	0.1288	0.1175	0.1100	0.1006	0.0940	0.0813	0.0728	0.0619	0.0573
Special Service Area #2	1.2478	0.0000	1.3156	1.2847	1.3275	1.4089	1.5000	1.5000	1.5000	1.5000
Special Service Area #3	N/A	0.7612	0.7012	0.6599	0.6212	0.5737	0.5071	0.4605	0.3655	0.3379
DuPage County	*	*	*	*	*	*	*	*	0.1797	0.1713
DuPage County Forest Preserve	*	*	*	*	*	*	*	*	0.1271	0.1303
DuPage Water Commission	*	*	*	*	*	*	*	*	0.0000	0.0000
Grade School District No. 44	*	*	*	*	*	*	*	*	2.8909	2.8473
Grade School District No. 58	*	*	*	*	*	*	*	*	1.7049	1.6523
Grade School District No. 61	*	*	*	*	*	*	*	*	2.5340	2.3962
Grade School District No. 66	*	*	*	*	*	*	*	*	1.9495	1.9357
Grade School District No. 68	*	*	*	*	*	*	*	*	3.4365	3.5335
Grade School District No. 89	*	*	*	*	*	*	*	*	2.6104	2.5370
High School District No. 87	*	*	*	*	*	*	*	*	1.7716	1.7210
High School District No. 99	*	*	*	*	*	*	*	*	1.5365	1.4884
Unit School District No. 201	*	*	*	*	*	*	*	*	3.6613	3.5126
Unit School District No. 202	*	*	*	*	*	*	*	*	3.8609	3.7764

\* Data is unavailable for the past years due to availability of data from other governments.

Data Source

Office of the County Clerk

## Village of Downers Grove, Illinois

Principal Property Taxpayers  
Current Year And Nine Years Ago

Taxpayer	2006(A)			1997		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Hamilton Partners	\$ 46,926,627	1	2.11%	\$ 44,123,670	1	3.63%
Duke Realty Corp	29,940,060	2	1.35%	-	-	0.00%
PTA - K 225	22,066,430	3	0.99%	-	-	0.00%
Controller/DGOP	-	-	0.00%	22,315,630	2	1.84%
MJH Downers Grove LLC	15,511,140	4	0.70%	-	-	0.00%
C B Richards	15,470,810	5	0.70%	-	-	-
CB Commercial	-	-	0.00%	7,416,660	3	0.61%
Highland Owner LLC	15,034,040	6	0.68%	-	-	0.00%
Wells REIT II/Lincoln	14,316,670	7	0.64%	-	-	0.00%
Corridors I & II	13,428,670	8	0.60%	-	-	0.00%
Arun Enterprises	12,469,720	9	0.56%	-	-	0.00%
TA Associates Realty	12,392,990	10	0.56%	-	-	0.00%
WMF/Hunton Page	-	-	0.00%	6,316,870	4	0.52%
US Brass	-	-	0.00%	6,258,390	5	0.52%
Service Master	-	-	0.00%	5,736,390	6	0.47%
Federal Realty Investment	-	-	0.00%	5,366,430	7	0.44%
LaSalle National Bank	-	-	0.00%	5,265,060	8	0.43%
Advantage R.E. Services	-	-	0.00%	5,104,860	9	0.42%
Marriot Suites, Ltd.	-	-	0.00%	4,830,240	10	0.40%
	<u>\$ 197,557,157</u>		<u>8.89%</u>	<u>\$ 107,903,960</u>		<u>8.89%</u>

### Notes

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.

(A) The Village changed its fiscal year end from April 30 to December 31.

### Data Source

Office of the County Clerk

## Village of Downers Grove, Illinois

### Property Tax Levies And Collections (in thousands) Last Ten Levy Years

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Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
1997	\$ 3,611	\$ 3,597	99.62%
1998	3,705	3,735	100.80%
1999	4,007	4,001	99.85%
2000	3,083	3,081	99.95%
2001	4,570	4,584	100.30%
2002	6,243	6,389	102.34%
2003	7,867	7,855	99.85%
2004	8,595	8,504	98.94%
2005	8,745	8,731	99.84%
2006	8,679	*	*

#### Notes

\* First installment of property taxes due June 1, 2007.

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

#### Data Source

Office of the County Clerk

**Village of Downers Grove, Illinois**

Taxable Sales By Category (in thousands)  
Last Ten Calendar Years

Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General merchandise	\$ 4,625	\$ 3,400	\$ 3,264	\$ 2,917	\$ 2,732	\$ 2,642	\$ 2,352	\$ 2,451	\$ 2,386	\$ 2,722
Food	1,188	1,321	1,499	1,637	1,811	1,754	1,481	1,435	1,435	1,559
Drinking and eating places	4,202	4,219	4,294	4,487	4,458	4,682	4,799	5,588	5,786	6,146
Apparel	1,239	844	722	476	778	793	797	1,175	1,224	1,245
Furniture & H.H. & radio	5,340	8,763	10,507	10,702	10,606	9,890	9,909	10,353	9,289	9,200
Lumber, building hardware	4,675	3,454	4,196	4,466	4,739	5,395	4,536	4,101	4,066	4,487
Automobile and filling stations	13,971	14,560	17,660	17,728	17,967	15,752	15,367	16,378	17,962	17,462
Drugs and miscellaneous retail	7,787	6,041	6,414	6,334	6,052	6,331	6,901	9,175	10,770	10,596
Agriculture and all others	1,627	7,525	7,618	6,555	5,562	4,328	4,130	4,672	4,317	5,198
Manufacturers	3,828	554	649	559	508	529	637	759	877	885
<b>TOTAL</b>	<b>\$ 48,482</b>	<b>\$ 50,681</b>	<b>\$ 56,823</b>	<b>\$ 55,861</b>	<b>\$ 55,213</b>	<b>\$ 52,096</b>	<b>\$ 50,909</b>	<b>\$ 56,087</b>	<b>\$ 58,112</b>	<b>\$ 59,500</b>

VILLAGE DIRECT SALES TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.50%	1.50%	1.50%
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Data Source

Illinois Department of Revenue

## Village of Downers Grove, Illinois

### Direct And Overlapping Sales Tax Rates Last Ten Fiscal Years

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Fiscal Year	Village Direct Rate	State Rate
1998	1.00%	6.75%
1999	1.00%	6.75%
2000	1.00%	6.75%
2001	1.00%	6.75%
2002	1.00%	6.75%
2003	1.00%	6.75%
2004	1.50%	7.25%
2005	1.50%	7.25%
2006	1.50%	7.25%
2006(A)	1.50%	7.25%

#### Notes

(A) The Village changed its fiscal year end from April 30 to December 31.

#### Data Source

Village and County Records

## Village of Downers Grove, Illinois

### Ratios of Outstanding Debt by Type (in thousands) Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Note Payable	General Obligation Bonds	Note Payable			
1998	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
1999	3,000	-	-	-	3,000	0.29%	61.24
2000	9,400	-	-	-	9,400	0.61%	191.30
2001	19,950	-	-	-	19,950	1.30%	409.45
2002	29,790	-	-	-	29,790	1.91%	603.81
2003	35,240	-	-	-	35,240	2.27%	716.86
2004	43,180	55	3,410	2,550	49,195	3.16%	998.78
2005	43,720	37	3,035	4,788	51,580	3.33%	1,050.64
2006	43,070	18	2,650	4,788	50,526	3.26%	1,029.17
2006(A)	38,570	-	2,650	4,788	46,008	2.97%	937.14

#### Notes

Details of the City's outstanding debt can be found in the notes to the financial statements.

(A) The Village changed its fiscal year end from April 30 to December 31.

\* See the Schedule of Demographic and Economic Statistics on page 144 for personal income and population data.

Personal income is the largest sole source income type, usually either property or sales tax. In the case of special districts, it may be fees.

## Village of Downers Grove, Illinois

### Ratios Of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
1998	\$ -	\$ -	\$ -	0.00%	\$ -
1999	3,000	-	3,000	0.24%	61.24
2000	9,400	-	9,400	0.70%	191.30
2001	19,950	-	19,950	1.42%	409.45
2002	29,790	-	29,790	1.98%	603.81
2003	35,240	-	35,240	2.16%	716.86
2004	43,180	103	43,077	2.47%	874.57
2005	43,720	529	43,191	2.29%	879.76
2006	43,070	263	42,807	2.08%	871.94
2006(A)	38,570	949	37,621	1.69%	766.31

#### Notes

Details of the City's outstanding debt can be found in the notes to the financial statements.

(A) The Village changed its fiscal year end from April 30 to December 31.

\* See the Schedule of Assessed Value and estimated Actual Value of Taxable Property on page 133 for property value data.

## Village of Downers Grove, Illinois

### Direct And Overlapping Governmental Activities Debt December 31, 2006

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	\$ 38,570	100.00%	\$ 38,570
DuPage County	195,630	5.88%	11,503
DuPage County Forest Preserve	209,596	5.88%	12,324
DuPage Water Commission	165,964	6.53%	10,837
Downers Grove Park District	8,300	97.72%	8,111
<b>Schools</b>			
<b>Grade School</b>			
District No. 44	20,924	4.53%	948
District No. 58	5,830	77.88%	4,540
District No. 61	2,120	10.15%	215
District No. 66	6,320	4.06%	257
District No. 68	12,641	5.08%	642
District No. 89	6,855	5.00%	343
<b>High School</b>			
District No. 87	42,860	98.00%	42,003
District No. 99	69,193	49.54%	34,278
<b>Unit School District</b>			
District No. 201	1,890	0.57%	11
District No. 202	20,697	5.75%	1,190
	768,820		127,202
	\$ 807,390		\$ 165,772

(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.

## **Village of Downers Grove, Illinois**

Schedule Of Legal Debt Margin  
December 31, 2006

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Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.

**Village of Downers Grove, Illinois**

Pledged-Revenue Coverage  
Last Ten Fiscal Years

Fiscal Year	Water Revenue Bonds						Coverage
	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service *			
				Principal	Interest		
1998	\$ 6,350,784	\$ 4,936,079	\$ 1,414,705	\$ -	\$ -	-	
1999	6,573,287	5,839,145	734,142	-	-	-	
2000	6,582,998	5,797,588	785,410	-	-	-	
2001	6,352,454	6,226,186	126,268	-	-	-	
2002	6,582,327	6,068,815	513,512	-	-	-	
2003	6,356,352	6,603,954	(247,602)	225,000	171,863	(0.62)	
2004	8,695,750	7,178,009	1,517,741	365,000	152,455	2.93	
2005	10,134,330	6,415,319	3,719,011	375,000	142,053	7.19	
2006	8,695,900	6,559,317	2,136,583	385,000	129,676	4.15	
2006(A)	5,439,857	4,667,116	772,741	400,000	107,433	1.52	

Notes

Details of the Village's outstanding debt can be found in the notes to the financial statements.

Water Charges and Other includes investment earnings but not tap on fees.

Operating expenses do not include interest or depreciation.

(A) The Village changed its fiscal year end from April 30 to December 31.

\* Debt was issued December 27, 2001

# Village of Downers Grove, Illinois

## Demographic and Economic Information Last Ten Fiscal Years

Fiscal Year	(1) Population	Total Personal Income	(2) Per Capita Personal Income	(3) Unemployment Rate
1998	48,832	\$ 1,020,149,312	\$ 20,891	a 2.7%
1999	48,984	1,023,324,744	20,891	a 2.5%
2000	49,137	1,551,746,460	31,580	b 2.7%
2001	48,724	1,538,703,920	31,580	b 3.4%
2002	49,337	1,558,062,460	31,580	b 4.7%
2003	49,159	1,552,441,220	31,580	b 4.3%
2004	49,255	1,555,472,900	31,580	b 5.2%
2005	49,094	1,550,388,520	31,580	b 4.8%
2006	49,094	1,550,388,520	31,580	b 4.9%
2006(A)	49,094	1,550,388,520	31,580	b 4.1%

### Notes

(A) The Village changed its fiscal year end from April 30 to December 31.

### Data Source

- (1) Community Development Director, Village of Downers Grove
- (2) U.S. Census, Census of population
  - (a) 1990 Census of population and housing
  - (b) 2000 Census of population and housing
- (3) Bureau of Labor Statistics

**Village of Downers Grove, Illinois**

Principal Employers  
Current Year and Nine Years Ago

2006			1997		
Employer	Rank	% of Total Village Population	Employer	Rank	% of Total Village Population
Advocate Good Samaritan Hospital	1	5.09%			
Aramark Servicemaster Facility	2	1.73%			
Loyalty Life Insurance	3	1.43%			
Axion Corp.	4	1.63%			
Armour Swift Eckrich	5	1.59%			
Midwestern University	6	1.32%			
Sentinel Technologies Inc.	7	1.22%			
RR Donnelly and Sons Co.	8	1.07%			
Ftd., Inc.	9	1.02%			
Global Gear Inc.	9	1.02%			
Florists Transworld Delivery	9	1.02%			
Rexnord Inc.	10	0.87%			

Notes

Comparable data not available.

## Village of Downers Grove, Illinois

### Full-Time Equivalent Employees Last Three Fiscal Years

Function/Program	2005	2006	2006(A)
<b>General Government</b>			
Legislative Support	1.50	1.50	2.00
General Management	4.50	4.80	7.00
Legal	3.75	3.75	2.75
Building Services	8.75	8.75	8.75
Human Resources	2.00	2.00	2.00
Information Services	8.50	8.50	9.00
Finance	12.00	11.50	11.95
<b>Public Works</b>			
Public Works Administrative	3.75	5.00	5.00
Permits/Inspections	3.00	7.48	8.00
Engineering	5.50	5.50	5.50
Supplies	2.00	2.00	2.00
Public Service Response	3.50	4.00	4.00
Forestry and Grounds	8.50	8.50	8.75
Street Constriction	9.50	9.50	7.50
Stormwater Management	11.00	5.50	5.50
Traffic	3.50	4.75	4.75
Transportation	-	4.40	-
<b>Community Development</b>			
Planning	6.00	7.38	5.00
Economic Development	1.00	-	-
Code Services	11.50	12.75	15.00
<b>Public Safety</b>			
<b>Police</b>			
Sworn	76.60	81.00	81.00
Civilians	32.20	32.20	35.58
<b>Fire</b>			
Sworn	84.00	82.00	83.00
Civilians	9.50	9.50	9.50
<b>Community Services</b>			
Counseling and Social Services	3.60	3.35	4.13
Alcohol and Tobacco control	0.25	0.25	0.25
Public Information	2.50	2.50	2.50
Cable Television	3.50	3.50	5.25
Tourism and Events	4.00	4.00	3.00

#### Notes

Data from 1997 to 2004 not available but the Village will collect the data going forward.  
(A) The Village changed its fiscal year end from April 30 to December 31.

#### Data Source

Village budget office

Village of Downers Grove, Illinois

Operating Indicators  
Last Two Fiscal Years

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Function/Program	2006	2006(A)
Public Safety		
Police		
Physical arrests	2,106	1,399
Parking violations	9,595	5,606
Traffic violations	12,414	11,827
Fire		
EMS Calls	3,307	2,282
Fire Calls	2,058	1,381
Fires Extinguished	130	57
Water		
Water main breaks	133	47
Water pumped (Gallons)	2,316,377,000	1,445,309,000
Average daily consumption	6,346,000	6,452,000
Peak daily consumption	11,754,000	8,820,000

Notes

Data from 1997 to 2005 not available but the Village will collect the data going forward.  
(A) The Village changed its fiscal year end from April 30 to December 31.

Data Source

Village budget office