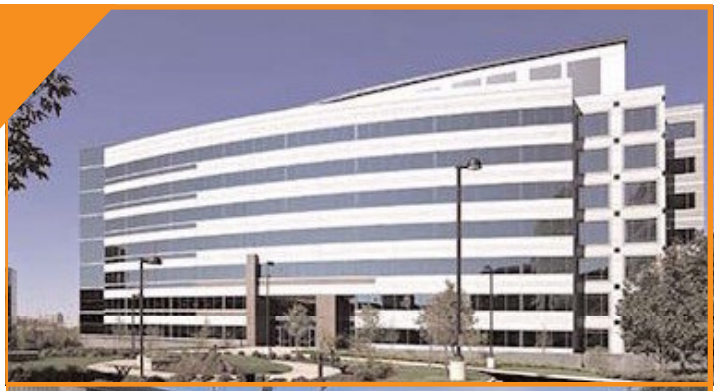


2008

Comprehensive Annual Financial Report

The Village of Downers Grove
DuPage County, Illinois
801 Burlington Avenue
Downers Grove, Illinois 60515-4776
630-434-5500

VILLAGE OF DOWNERS GROVE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2008

Prepared by Finance Department

Judy Buttny
Finance Director

Doug Haywood
Assistant Finance Director

Village of Downers Grove

Table of Contents

Page(s)

INTRODUCTORY SECTION

Principal Officials i

Organizational Chart ii

Certificate of Achievement for Excellence in Financial Reporting iii

Letter of Transmittal ..... iv-xii

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT 1-2

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

Management's Discussion and Analysis ..... MD&A 1-8

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Assets 3
Statement of Activities 4

Fund Financial Statements

Governmental Funds

Balance Sheet - Governmental Funds 5
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets 6
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 7
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities 8

Page(s)

FINANCIAL SECTION (Continued)

Basic Financial Statements (Continued)

Proprietary Funds

Statement of Net Assets 9
Statement of Revenues, Expenses, and Changes in Net Assets 10
Statement of Cash Flows 11

Fiduciary Funds

Statement of Fiduciary Net Assets 12
Statement of Changes in Fiduciary Net Assets 13

Notes to Financial Statements 14-55

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund 56
Downtown Redevelopment TIF Fund 57
Illinois Municipal Retirement Fund 58
Police Pension Fund 59
Fire Pension Fund 60
Other Post-Employment Benefits Plan 61
Notes to Required Supplementary Information 62

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Major Governmental Funds – Budget and Actual Schedules
General Fund Revenues 63-64
General Fund Expenditures 65
Capital Improvements Fund 66
Municipal Buildings Fund 67
Stormwater Improvements Fund 68
Nonmajor Governmental Funds
Combining Balance Sheet 69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 70

Page(s)

FINANCIAL SECTION (Continued)

Combining Balance Sheet - Nonmajor Special Revenue Funds 71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds 72
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Motor Fuel Tax Fund 73
Foreign Fire Insurance Fund 74
Ogden TIF Fund 75
Sales Tax Abatement Fund 76
Transportation Fund 77
Combining Balance Sheet - Nonmajor Debt Service Funds 78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds 79
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fairview Avenue Debt Service Fund 80
Downtown Redevelopment TIF Debt Service Fund 81
Stormwater/Facilities Debt Service Fund 82
Real Estate Fund 83

Major Enterprise Funds

Schedule of Operating Expenses - Budget and Actual
Waterworks Fund 84
Parking Fund 85

Internal Service Funds

Combining Statement of Net Assets 86
Combining Statement of Revenues, Expenses, and Changes in Net Assets 87
Combining Statement of Cash Flows 88
Schedule of Operating Expenses - Budget and Actual
Equipment Replacement Fund 89
Fleet Services Fund 90
Health Insurance Fund 91
Risk Management Fund 92

Page(s)

FINANCIAL SECTION (Continued)

Fiduciary Funds

Combining Statement of Net Assets - Pension Funds 93
Combining Statement of Changes in Net Assets - Pension Funds 94
Schedule of Changes in Net Assets - Budget and Actual
Police Pension Fund 95
Firefighters' Pension Fund 96
Schedule of Changes in Assets and Liabilities - Construction Deposit Fund 97

Component Unit - Downers Grove Public Library

Statement of Net Assets and Governmental Funds
Combining Balance Sheet 98
Statement of Activities and Governmental Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances/Net Assets 99
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund 100
Debt Service Fund 101
Construction Fund 102

SUPPLEMENTAL DATA

Schedule of Insurance in Force 103
Long-Term Debt Requirements
General Obligation Bonds, Series 1998 104
General Obligation Bonds, Series 1999 105
General Obligation Bonds, Series 2000 106
General Obligation Bonds, Series 2001 107
General Obligation Bonds, Series 2001A 108
General Obligation Bonds, Series 2002 109
General Obligation Refunding Bonds, Series 2003 110
General Obligation Bonds, Series 2003A 111
Taxable General Obligation Refunding Bonds, Series 2005 112
General Obligation Bonds, Series 2007 113
General Obligation Bonds, Series 2008A 114
General Obligation Refunding Bonds, Series 2008B 115

Page(s)

STATISTICAL SECTION

Financial Trends
- Net Assets by Component 117
- Change in Net Assets 118-119
- Fund Balances of Governmental Funds 120
- Changes in Fund Balances of Governmental Funds 121

Revenue Capacity
- Assessed Value and Estimated Actual Value of Taxable Property 122
- Property Tax Rates - Direct and Overlapping Governments 123
- Principal Property Taxpayers 124
- Property Tax Levies and Collections 125
- Taxable Sales by Category 126
- Direct and Overlapping Sales Tax Rates 127

Debt Capacity
- Ratios of Outstanding Debt by Type 128
- Ratios of General Bonded Debt Outstanding 129
- Direct and Overlapping Governmental Activities Debt 130
- Schedule of Legal Debt Margin 131
- Pledged Revenue Coverage 132

Demographic and Economic Information
- Demographic and Economic Information 133
- Principal Employers 134

Operating Information
- Full Time Equivalent Employees 135
- Operating Indicators 136
- Capital Asset Statistics 137

Village of Downers Grove, Illinois

Principal Officials

LEGISLATIVE
Ronald Sandack, Mayor

Commissioners

Bruce Beckman

Sean Durkin

Geoff Neustadt

Marilyn Schnell

Martin Tully

William Waldack

ADMINISTRATIVE

David Fieldman, Village Manager

Michael Baker, Deputy Village Manager

Enza Petrarca, Village Attorney

April Holden, Village Clerk

Judy Buttny, Finance Director/Treasurer

Naneil Newlon, Public Works Director

Tom Dabareiner, Community Development Director

Phillip Ruscetti, Fire Chief

Robert Porter, Police Chief

Doug Kozlowski, Communications Director

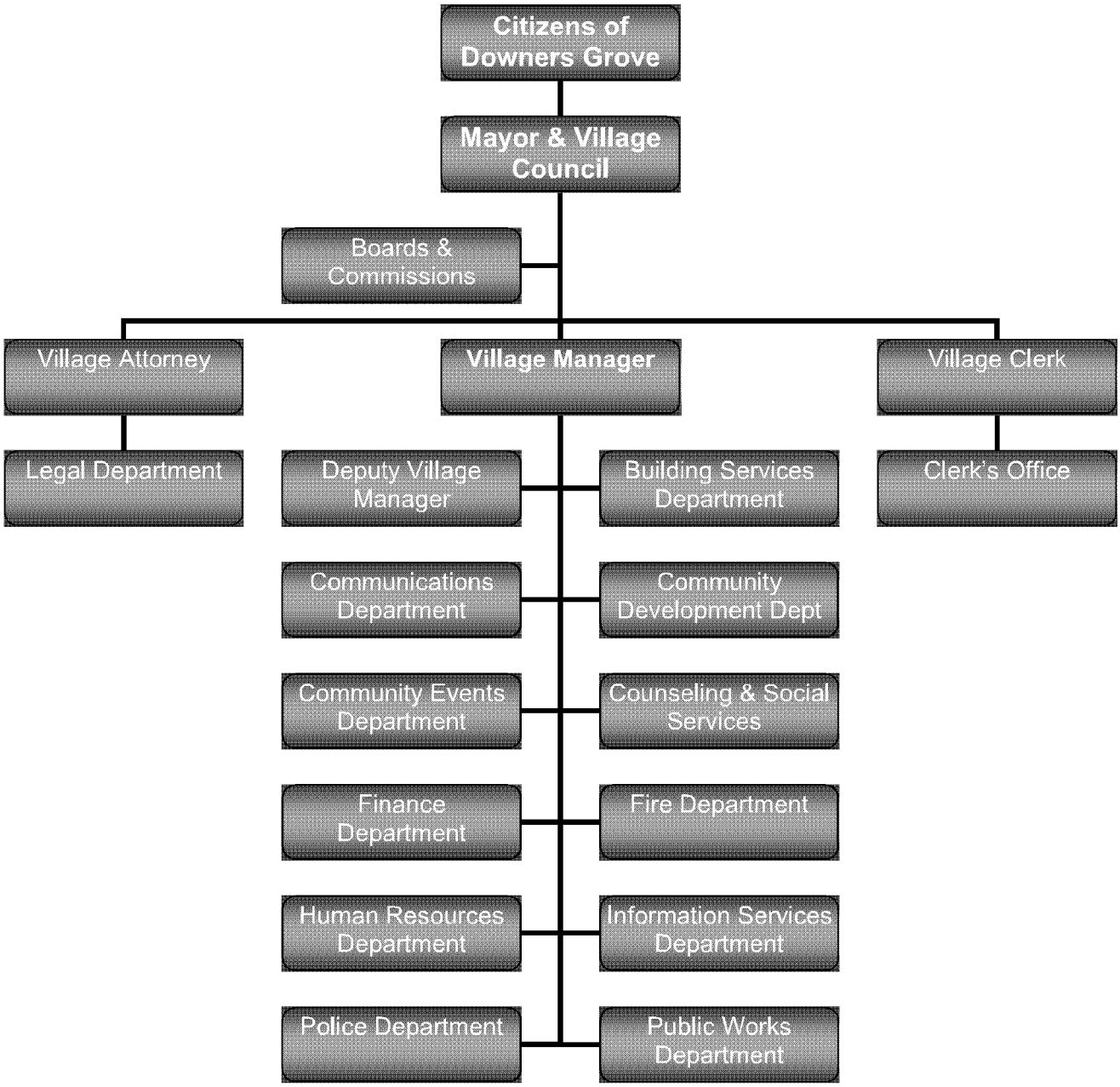
Mary Scalzetti, Community Events Director

Wesley Morgan, 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
December 31, 2007

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

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May 5, 2009

To: The Honorable Mayor and Commissioners
Citizens of Downers Grove

The Comprehensive Annual Financial Report (CAFR) of the Village of Downers Grove for the year ended December 31, 2008, is hereby submitted. State law, as well as local ordinances, requires that the Village publish within six months of the close of each fiscal year, a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

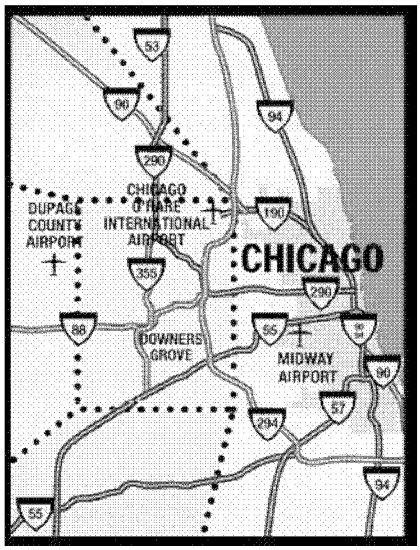
Responsibility for both the accuracy of the data presented and the fairness of the presentation, including all disclosures, rests with the Village management. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the Village's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

The Village's financial statements have been audited by 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 year ended December 31, 2008, 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 year ended December 31, 2008, are presented fairly in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

This report includes all financial activity for the funds, and departments for which the Village is financially accountable. The criteria used to determine financial accountability is defined in Note 1 of the Financial Statements, on page 14. The Police and Fire Pension Funds each have a separate Board that administers their respective fund resources and uses. The Downers Grove Library has a separate Board that is appointed by the Village Council, and is reported as a discretely presented component unit. Other local governments that serve the Downers Grove community do not qualify as entities for which the Village is accountable. These governments include the Downers Grove Park District, the Downers Grove Sanitary District, all school districts, and the Downers Grove Township. Therefore, the financial activities of these entities are not included in this report.

PROFILE OF THE VILLAGE OF DOWNERS GROVE



The Village of Downers Grove, which has a land area of about 14.4 square miles, is located in DuPage County and is 22 miles west of Chicago. DuPage County is the second most populated county in Illinois, after Cook County. The median household income in the Village is $83,300. Along with several major arterial highways, three Burlington Northern commuter train stations are located in the Village; these provide commuters about a 25-minute train ride to and from Chicago and easy access to the entire metropolitan area.

The resident population is 49,573; however, the Village's corporate business parks and shopping districts raise the daytime population and economic activity, providing the Village the benefit of a significant level of sales tax revenue. A review of the retail expenditure information suggests that the Village attracts residents from surrounding communities to support the sales tax income. The property tax base is 76 percent residential, 21 percent commercial, and 3 percent industrial. The ten leading commercial property tax payers are from a diverse economic base and account for only 8 percent of the total tax base.

The Village of Downers Grove was originally settled in 1832 and was incorporated on March 31, 1873. Today, the Village operates under the Manager form of government. As defined by Illinois statutes, the Village is a home-rule community and provides a full range of municipal services to its residential and commercial customers. These services include police and fire protection; building code and fire prevention inspection services; emergency 911 dispatch

service; paramedic services; water services; a commuter bus transportation system; a commuter and residential parking system; community development services; social services; and 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, has been involved in a variety of projects throughout the year. These projects reflect the Village's commitment to ensuring that its customers are able to live and work in an enviable environment. The most significant of these projects are discussed more thoroughly below:

Strategic Plan

The Village's Strategic Plan was adopted by the Village Council in 2006 to define the *Mission* and *Vision* of the Village over the next 15 years. The Plan identifies the Village's core customers, the *Core Services* provided to customers, and a set of Core Beliefs that define performance standards and expectations for Village employees.

Since then, the Plan has become an important tool to align the goals of the community, Village Council and staff. Council has held a series of annual discussions to update the Plan to reflect current and future Village priorities. Opportunities for the public to participate in the process have been provided through the Citizen Summit.

"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 to do business."

Grand Opening of Fire Station 2

By the summer of 2008, work had been completed on the new firehouse on the northwest corner of 55th Street and Main Street. The project was completed on schedule and under budget. The modern facility will benefit the Village with centralized administrative operations and improved response times and equipment coverage to a greater portion of the Village.

Belmont Underpass

In 2002, a partnership was formed between the Village of Downers Grove, DuPage County, Illinois Department of Transportation (IDOT), Metra, and the Burlington Northern Santa Fe Railroad (BNSF) to construct an underpass at the Belmont Road grade crossing in Downers Grove. With funding commitments finally secured from all agencies, the project broke ground on October 24, 2008.

The underpass will benefit Downers Grove and DuPage County in a number of ways:

- Improve safety conditions for motorists and pedestrians.

- Reduce the chance that response times by emergency vehicles will be affected by train delays.
- Increase the likelihood that the entire BNSF line from Chicago to Aurora will be classified as a Quiet Zone by the Federal Railroad Administration. *(Cannot currently be designated as such due to safety issues at the Belmont Road crossing.)*
- Support the local economy by improving commerce and commuter transportation.
- Improve the efficiency of north-south traffic flow throughout the area.

Community Investment Program

The Community Investment Program (CIP) provides a summary of all major capital projects planned over the next five years, including a description and cost summary for each project and the funding source.

Major projects in the CIP that were completed in 2008 include:

- **Woodward Ave. Reconstruction (63rd St., south to the Village limits)** The Village closed two lanes of Woodward Ave. in the beginning of 2008 as it became impossible to safely traverse due to winter wear. The reconstruction project began in May and included a new traffic signal at Prentiss Drive. The project was completed in September and was under budget by approximately $190,000. A *Surface Transportation Program (STP)* grant from the *Illinois Department of Transportation (IDOT)* provided nearly 70% of the funding for this work.

- **Prairie Ave. Reconstruction (Belmont Rd. to Fairview Ave.)**
  The Prairie Ave. project involves three parts:
  1. Utility improvements, including water main replacement and sanitary and storm sewer work;
  2. Road resurfacing and reconstruction;
  3. Intersection improvements at Prairie Ave. and Main St., including right-of-way acquisition.

  Construction for 2008 was completed in November and included all planned water main replacements and sanitary and storm sewer work on Prairie Ave. between Belmont Rd. and Fairview Ave. The project included the complete reconstruction of Prairie Ave. between Belmont Rd. to Lee Ave. and Montgomery Ave. to Forest Ave. Resurfacing between Lee and Montgomery Avenues will take place in the spring of 2009. An *STP* grant from *IDOT* funds 70% of this project.

Watershed Infrastructure Improvement Plan

Approved by the Village council in September of 2007, the Watershed Infrastructure Improvement Plan (WIIP) is the result of a thorough analysis of the Village's three primary watersheds to address deficiencies in the operation and maintenance of our stormwater system.

The Plan recommended solutions to problem areas of the village and assigned high, medium, or low priorities to each.

High priority projects are defined as problems that result in an immediate danger to public health and safety or complete loss of property value; structural damage (including any flooding of the first floor of a primary structure; basement flooding of more than 6" that resulted from overland flow through a window or door; or garage flooding of more than 7"). Problems that cause disruption of major traffic routes were also classified as High.

In 2008, the following High priority WIIP projects were designed and/or constructed:

- **Carpenter Street Improvements** *Construction complete.*
- **Dunham Place Storm Sewer Improvements** *Construction complete.*
- **Lacey Creek Retaining Wall Replacement** *Majority of design and engineering complete.*
- **McCollum Park Stormwater Improvements** *Phase I Construction complete.*
- **Sterling Park Stormwater Improvement** *Design and engineering underway.*
- **Washington Park Stormwater Improvements** *Design and engineering complete.*
- **Venard and Acorn Storm Sewer Replacement** *Construction complete.*
- **2nd St. and Cumnor Stormwater Improvements** *Design and engineering complete.*
- **Barneswood Ave. Storm Sewer Replacement** *Construction complete.*
- **Parrish Court Stormwater Improvements** *Construction complete.*

Public Safety

Police Department Achievements:

- By the numbers: handled 24,634 calls for service, issued 11,281 citations, 295 DUI arrests, educated 6,715 children in Crime Prevention Unit safety programs, and logged 8,581 patrol hours.
- 3 officers received the "Heartsaver Hero" award from the governor for saving a life with an automated external defibrillator.
- A comprehensive policy review was completed in 2008 to meet the standards enacted by the Commission on Accreditation for Law Enforcement Agencies (CALEA). Compliance keeps the department's accreditation status in good standing, certifying that the department adheres to professional standards and complies with department procedures and policies.
- In April, the police department hosted a free Paper-Shredding Event as a means to help residents prevent identity theft. Customers were allowed to bring one banker's box worth of personal documents to be shredded on site. The event served 275 participants and as a result of its success, the service will be offered again in 2009.

Fire Department Achievements:

- Maintained an average response time of 4:37.

- Responded to 2,075 fire calls and 3,717 Emergency medical Service (EMS) Calls in 2008.
- Firefighters completed a total of 19,989 hours of training in 2008.
- The Department was named by Good Samaritan Hospital as the First runner-up of the Joseph Hartman Award of Excellence. The award is presented by the hospital to a Department that best exhibits excellence in the delivery of emergency care.
- The Public Education Division contacted approximately 37,252 people in 2008, including pre-school and grade school "Learn Not To Burn" programs, Basic Aid Training Middle School Programs, business in-service drills and critiques, Fire Prevention Week Open House, Passport to Safety Day, Pluggies Pals, and Older Adult Programs.

Authentic Central Business District

The Village Council approved the ***Downtown Pattern Book*** to maintain Downers Grove's authentic central business district. The pattern book provides valuable insight into distinct architectural styles and features in this area, as well as site layout, building massing, streetscape and landscaping. It also provides recommendations for future actions to preserve and enhance the important architectural elements in the Downtown. As a result, staff developed the ***Downtown Design Guidelines*** and a ***Façade Improvement Program*** to ensure new development and redevelopment projects in the downtown are consistent with the Pattern Book.

Exceptional Municipal Service

Downers Grove was named best in the nation for pedestrian and bike safety by the International Association of Chiefs of Police. Excellence in the Illinois Traffic Safety Challenge program qualified the department to compete at the national level, earning top honors over 600 other agencies. These awards validate the importance of the Village's Public Education programs in making Downers Grove a safe community.

The Village Forester was honored by the American Public Works Association (APWA) as Facilities and Grounds Professional Manager of the Year. The Award recognizes leadership and excellence by those professionals serving the public sector.

For the twenty-fourth consecutive year, Downers Grove was named a Tree City USA. Only 190 other municipalities in Illinois were honored with this distinction.

The Village won a bid to host the 2009 National Ice Carving Competition. The Village's annual Heritage Festival was named "Best Festival or Fair" by West Suburban Living magazine.

In collaboration with DuPage County and several other local agencies, the Village hosted its first Recycling Extravaganza on September 20, 2008 in the parking lot of the Belmont Road Train Station. The event aimed to reduce the amount of refuse collected on Amnesty Day, reuse as many donated items as possible, and properly recycle electronics. Of particular concern was the

potential volume of televisions that might be discarded due to the impending switch from analog signals to digital. The event drew over 1,600 vehicles and saved 146,000 pounds of electronics from entering landfills.

The Village continued the practice of purchasing fuel efficient, alternative energy vehicles and took delivery of six Honda Civic GX models, which run exclusively on clean-burning, compressed natural gas (CNG). Over 50% of vehicles in the Village fleet are powered by alternative fuels.

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 (i.e., 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 relative strong financial position during the year, even with a decline in the sales taxes. As revenues decline, management continually monitors their impact on the budget and makes decisions accordingly. Major revenue sources include property taxes, sales taxes, telecommunication taxes and State income taxes. The Village has a mixture of office, retail and industrial employment. The unemployment rate went up from 4.9 percent in 2007 to 7.1 percent as of December 31, 2008. The equalized assessed valuation (EAV) of property in Downers Grove continues to increase. The EAV for the Village was $2,547,554,176 for the 2008 tax levy, increasing more than five percent from a year ago. Future EAV increases are expected to diminish due to the housing value declines.

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 five-year financial plan and a five-year capital improvement plan to identify capital resource requirements and capital needs of the Village as a part of the annual budget process. A Long Range Financial Plan was introduced in August 2008 to identify areas that will have an impact on the long term financial position of the Village.

Cash Management Polices and Practices: Cash in the Village's operating funds was invested in the Illinois State Treasurer's Pool (Illinois Funds) and other money market funds, U.S. Agency Treasuries and certificates of deposit. The maturities of the investments range from next day (money market funds) to 36 months (certificates of deposit). The average yields on the

investments were three percent. 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 year ended December 31, 2008, the portfolios of the Police and Fire Pension funds declined 11.3 percent and 10.4 percent, 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 begins 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 details justifying the total expense for that line item. The budget is adopted by the Village Council is 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. Additional increases in the fee transferred from Village operating departments will be assessed as needed to amortize the negative net assets 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, the Pension Boards contract with an independent actuary 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 disabled 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.

The Village implemented GASB Statement No. 45, Accounting and Financial Reporting by Employees for Post-Employment Benefit Plans Other than Pensions in 2008. The Village does not contribute to the cost of insurance for retirees less than 65 years of age. The Village contributes 50% of retiree health insurance premium when they 65. A significant amount of the Village's liability is due to the fact that the Village subsidizes premiums for retirees 65 and older. Additional information on the Village's pension arrangements and other post-employment benefits can be found in Notes #10 and 11 of the financial statements.

Awards: 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 year ended December 31, 2007. 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. The Village believes that the 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

I want to take this opportunity to thank the members of the Finance team for all their efforts. I also wish to express appreciation for the policies and decisions provided by the Village Council, as reflected in this report.

Submitted by:

Dave Fieldman
Village Manager

Judy Buttny
Finance Director

Certified Public Accountants & Advisors

Sikich™

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

998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the Village Council
Village of Downers Grove
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 year ended December 31, 2008, which collectively comprise the Village of Downers Grove, Illinois' basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Downers Grove, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic 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, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2009 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 financial statements. The combining and individual fund financial statements and schedules and supplemental data 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 combining and individual fund financial statements and schedules and supplemental data have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic 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.

Sikich LLP

Aurora, Illinois
April 30, 2009

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's net assets increased from $122.9 million as of December 31, 2007 to $126.7 million as of December 31, 2008.
- The Village's program revenue for the year ending December 31, 2008 totaled $20.5 million and for the year ended December 31, 2007 totaled $19.1 million.
- The Village's total costs for the year ended fy08 were $63.8 million compared to the year ended December 31, 2007 at $59.8 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 - 4) are designed to provide readers with a broad overview of the Village's finances, in a manner similar to private-sector business. All governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

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

The Statement of Activities (see page 4) 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, community services, interest on debt and general government administration. Property taxes, state sales tax, local utility tax and shared state income taxes finance the majority of these services. The Business-type Activities reflect private sector type operations, including Waterworks 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 5 - 13) 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 5-8)
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, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds (pages 9-11)
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 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 12-13)
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 14-55)
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information (pages 56-62)
In addition to the basic financial statements and notes, this report also presents required supplementary information concerning the Village's budgetary comparisons of the general and major special revenue fund and status in funding its obligations to provide pension benefits to its employees.

Combining and individual fund financial statements and schedules (pages 63-102) are presented following the supplementary information on pensions.

Supplemental information (pages 103-115) provides a schedule of insurance in force and schedules of long term debt requirements.

The statistical section (pages 116-137) 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 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 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 $3,857 or 3.1% from 2007, to $126,746. The largest portion of the Village's net assets (79%) 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. Table 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)
December 31, 2008 and December 31, 2007

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Current and other assets	$ 76,635	$ 54,425	$ 13,711	$ 15,337	$ 90,346	$ 69,762
Capital assets	120,477	112,908	31,032	27,529	151,509	140,437
Total assets	$ 197,112	$ 167,333	$ 44,743	$ 42,866	$ 241,855	$ 210,199
Current liabilities	$ 28,623	$ 25,864	$ 4,306	$ 2,743	$ 32,929	$ 28,607
Noncurrent liabilities	75,851	51,606	6,329	7,098	82,180	58,704
Total liabilities	$ 104,474	$ 77,470	$ 10,635	$ 9,841	$ 115,109	$ 87,311
Net Assets						
Invested in capital assets, net of related debt	$ 70,743	$ 66,275	$ 29,197	$ 25,279	$ 99,940	$ 91,554
Restricted	35,839	4,007	-	-	35,839	4,007
Unrestricted	(13,944)	19,581	4,911	7,746	(9,033)	27,327
Total net assets	$ 92,638	$ 89,863	$ 34,108	$ 33,025	$ 126,746	$ 122,888

Changes in Net Assets

The Village's combined changes in net assets for the primary government for the year ended December 31, 2008 was an increase of $3,857. Governmental Activities net assets increased by $2,774 and business-type activities increased by $1,083. Table 2 will focus on the changes of net assets of the governmental and business-type activities.

Table 2
Change in Net Assets (in thousands)
For the Years ended December 31, 2008 and December 31, 2007

	Governmental Activities		Business-type Activities		Total	
	Year Ended Dec. 31, 2008	Year Ended Dec. 31, 2007	Year Ended Dec. 31, 2008	Year Ended Dec. 31, 2007	Year Ended Dec. 31, 2008	Year Ended Dec. 31, 2007
Revenues:						
Program revenues:						
Charges for services	$ 7,073	$ 6,939	$ 8,581	$ 9,088	$ 15,654	$ 16,027
Operating grants/contributions	1,844	1,898	47	1	1,891	1,899
Capital grants/contributions	2,810	1,216	130	-	2,940	1,216
General revenues:						
Property taxes	14,079	10,868	-	-	14,079	10,868
Sales taxes	16,917	18,203	-	-	16,917	18,203
Other taxes	14,740	12,424	-	-	14,740	12,424
Other	1,229	1,772	250	3,317	1,479	5,089
Total revenues	$ 58,692	$ 53,320	$ 9,008	$ 12,406	$ 67,700	$ 65,726
Expenses:						
General government	$ 6,360	$ 5,276	$ -	$ -	$ 6,360	$ 5,276
Public works	13,561	10,810	-	-	13,561	10,810
Community development	3,229	4,181	-	-	3,229	4,181
Public safety	28,591	25,603	-	-	28,591	25,603
Community services	2,036	3,059	-	-	2,036	3,059
Interest and fiscal charges	2,349	2,010	-	-	2,349	2,010
Waterworks	-	-	6,777	7,863	6,777	7,863
Parking	-	-	940	977	940	977
Total expenses	$ 56,126	$ 50,939	$ 7,717	$ 8,840	$ 63,843	$ 59,779
Change in net assets before transfers	$ 2,566	$ 2,381	$ 1,291	$ 3,566	$ 3,857	$ 5,947
Transfers	208	178	(208)	(178)	-	-
Change in net assets	$ 2,774	$ 2,559	$ 1,083	$ 3,388	$ 3,857	$ 5,947

Revenues:

For the year ended December 31, 2008, Governmental Activities Revenues totaled $58,692. The Village benefits from a highly diversified revenue base. Revenues from sales taxes amounted to $16,917. The sales tax consists of a 1% state portion and .75% local home rule tax. Property tax revenues increased by 30% due to an increase in the assessed valuation of 8% and an increase in the tax rate from .3799 in the 2006 levy year to .4630 in the 2007 levy year. Property taxes support governmental activities, including the Village's contribution to the Police Pension Fund and the Firefighters' Pension Fund. Sales taxes decreased due to the national recession. Major items included in the category other taxes are state income taxes, utility taxes and hotel taxes. Interest income was

lower for the year ended December 31, 2008 compared to the year ended December 31, 2007 due to a decrease in interest rates.

For the year ended December 31, 2008, Business-Type Activities revenues totaled $9,008. Revenues in this category include charges for providing water to the residents of the village and charges for parking. The large decrease is due to a $3,012 rebate check from the DuPage Water Commission in 2007.

Expenses:
For the year ended December 31, 2008, Governmental Activities expenses totaled $56,126. Public safety related to the operations of the Police and Fire departments, has the largest portion of expenses in the Village, $28,591 or 50.9% of the total governmental activities expenses. Public works is the second largest program in the governmental activities with $13,561 or 24.2% of the expenses. Fy08 expenses are comparable to 2007 amounts.

The expenses for the Village's business-type activities for the year ended 2008 are $7,717.

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 decreased by $1,274. The contributing factors to the decrease in fund balance were lower 1% sales taxes and building permits.

The Downtown Redevelopment Tax Increment District fund (TIF) has a fund balance of $254 compared to December 31, 2007 of $229 for an increase of $26 as fund balance is being used to redevelop the downtown area, offset by increases in property tax revenue.

The Capital Improvements fund accounts for the resources provided for improvements to the Village's infrastructure. The fund balance of $2,826 is up $717 from 2007 with an increase in the telecommunications tax rate in 2008.

The Municipal Buildings fund was created in 2007 to account for the bond proceeds and capital costs for the construction of Fire Station #2. Fund balance decreased $3,934 due to the spending of the 2007 bond proceeds to complete the Fire Station in the summer of 2008.

The Stormwater Improvement fund is used to account for capital improvements related to the watersheds and stormwater infrastructure. Fund balance increased due to the $25,000 bond issue during the year to finance improvements.

General Fund Budgetary Highlights.

Revenues in the general fund were 0.8 percent or $326 under revised budget. Sales taxes and building permits were substantially lower than expected.

Expenditures in the general fund were 0.03 percent or $12 under the revised budget. Personnel expenditures 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's investment in capital; assets for its governmental and business-type activities as of December 31, 2008 amounts to $151,509 (net of accumulated depreciation). This investment in capital assets includes infrastructure, buildings, land, improvements other than buildings, capital equipment, and construction in progress, and is $11,072 over last year's total. For more detailed information, see Notes to the Financial Statements #4.

Major capital asset activity during the current period included:

- Street Reconstruction
- Watershed Improvements
- Completion of Fire Station 2
- Water main replacements

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

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Capital assets, not being depreciated						
Land	$ 13,051	$ 13,010	$ 2,817	$ 2,817	$ 15,868	$ 15,827
Construction in progress	5,319	10,154	3,536	367	8,855	10,521
	18,370	23,164	6,353	3,184	24,723	26,348
Capital assets, being depreciated						
Infrastructure	70,873	67,221	12,766	11,999	83,639	79,220
Buildings	21,448	12,835	4,459	4,580	25,907	17,415
Improvements other than buildings	3,441	3,013	7,441	7,693	10,882	10,706
Capital equipment	6,345	6,675	13	73	6,358	6,748
Total	$ 120,477	$ 112,908	$ 31,032	$ 27,529	$ 151,509	$ 140,437

Long Term Debt (in thousands)

At December 31, 2008, the Village had total bonded debt of $72,890. Of this total, $35,340 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 $1,835 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.

Outstanding General Obligation Debt (in thousands)

	Governmental Activities		Business-type Activities		Total	
General Obligation Bonds	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Tax Increment Bonds	$ 35,340	$ 36,130	$ -	$ -	$ 35,340	$ 36,130
Stormwater	25,000	-	-	-	25,000	-
Fire Station #2	9,250	9,250	-	-	9,250	9,250
Fairview Resurfacing	1,465	1,675	-	-	1,465	1,675
Water Meter Devices	-	-	1,835	2,250	1,835	2,250
Total	$ 71,055	$ 47,055	$ 1,835	$ 2,250	$ 72,890	$ 49,305

Economic Factors and Next Year's Budgets and Rates

The economy downturn has had a negative impact on the Village's sales and home rule tax. This was considered when the budget was being developed for 2009. 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. The Village avoided tax rate increases and any new fees/taxes by reducing expenses through cost saving measures and operating efficiencies while not reducing service levels.

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.

Village of Downers Grove
Statement of Net Assets
December 31, 2008

	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash and investments	$ 50,638,527	$ 7,487,769	$ 58,126,296	$ 3,592,772
Property tax receivable	14,677,554	-	14,677,554	4,510,356
Sales tax receivable	4,522,700	-	4,522,700	-
Other taxes receivable	2,608,367	-	2,608,367	-
Accounts receivable	279,849	1,158,484	1,438,333	64
Accrued interest receivable	283,800	36,364	320,164	7,581
Other receivables	1,944,315	-	1,944,315	-
Prepaid expenses	19,194	-	19,194	175
Restricted cash	20,359	-	20,359	-
Inventory	100,798	203,671	304,469	-
Deposits	75,000	-	75,000	-
Note receivable	69,729	36,974	106,703	-
Loan receivable	-	4,788,000	4,788,000	-
Unamortized debt issuance costs	401,489	-	401,489	72,911
Net pension asset	993,497	-	993,497	-
Capital assets not being depreciated	18,370,101	6,352,647	24,722,748	222,211
Capital assets net accumulated depreciation	102,106,793	24,679,141	126,785,934	13,453,211
Total assets	$197,112,071	$ 44,743,050	$241,855,121	$ 21,859,282
LIABILITIES				
Accrued interest payable	1,392,602	-	1,392,602	83,424
Due to fiduciary funds	250	-	250	-
Accounts payable	5,831,787	2,008,647	7,840,434	77,402
Accrued payroll	929,778	-	929,778	-
Deposits payable	8,645	75,510	84,155	-
Claims payable	2,631,617	-	2,631,617	-
Other payables	658,923	93,682	752,942	-
Unearned revenue	14,556,737	1,675,781	16,232,518	4,470,516
Debt due within 1 year	2,612,602	452,010	3,064,612	498,138
Debt due in more than 1 year	75,851,826	6,329,507	82,181,333	4,260,770
Total liabilities	104,474,765	10,635,136	115,110,238	9,390,251
NET ASSETS				
Invested in capital assets, net of related debt	70,742,610	29,196,788	99,939,398	9,092,154
Restricted for capital outlay	31,667,912	-	31,667,912	244,756
Restricted for debt service	714,334	-	714,334	839,243
Restricted for economic development	2,277,901	-	2,277,901	-
Restricted for public safety	150,158	-	150,158	-
Restricted for public works	1,028,416	-	1,028,416	-
Unrestricted	(13,944,025)	4,911,125	(9,032,900)	2,292,878
Total net assets	$ 92,637,306	$ 34,107,913	$ 126,745,219	$ 12,469,031

See accompanying notes to financial statements

Village of Downers Grove
Statement of Activities
For the Year Ended December 31, 2008

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Business-type Activities	Primary Government	Component Unit
Primary government								
Governmental activities								
General government	6,359,618	1,792,602	-	-	(4,567,016)	-	(4,567,016)	-
Public works	13,560,816	173,975	1,601,943	2,631,103	(9,153,795)	-	(9,153,795)	-
Community development	3,229,328	1,334,131	-	-	(1,895,197)	-	(1,895,197)	-
Public safety	28,590,806	2,727,659	156,072	178,406	(25,528,669)	-	(25,528,669)	-
Community services	2,036,389	1,044,985	85,729	-	(905,675)	-	(905,675)	-
Interest and fiscal charges	2,349,061	-	-	-	(2,349,061)	-	(2,349,061)	-
Total governmental activities	56,126,018	7,073,351	1,843,744	2,809,509	(44,399,414)	-	(44,399,412)	-
Business-type activities								
Waterworks	6,777,057	7,372,490	-	-	-	595,433	595,433	-
Parking	940,255	1,208,757	46,875	130,249	-	445,626	445,626	-
Total business-type activities	7,717,312	8,581,247	46,875	130,249	-	1,041,058	1,041,058	-
Total primary government	$ 63,843,331	$ 15,654,597	$ 1,890,619	$ 2,939,758	(44,399,414)	1,041,058	(43,358,356)	-
Component unit								
Community services	4,516,782	172,003	82,020	-	-	-	-	(4,262,759)
Interest and fiscal charges	217,933	-	-	-	-	-	-	(217,933)
Total Component Unit	$ 4,734,715	$ 172,003	$ 82,020	-	-	-	-	(4,480,692)
General revenues								
Property tax					14,079,456	-	14,079,456	4,315,038
Sales tax					11,929,581	-	11,929,581	-
Home rule sales tax					4,987,594	-	4,987,594	-
Utility tax					7,540,858	-	7,540,858	-
Income tax					4,612,408	-	4,612,408	-
Hotel tax					904,034	-	904,034	-
Local use tax					710,723	-	710,723	-
Personal property replacement tax					484,004	-	484,004	69,143
Local fuel tax					378,094	-	378,094	-
2% foreign fire tax					67,259	-	67,259	-
Auto rental tax					38,639	-	38,639	-
Pull tab tax					3,646	-	3,646	-
Investment earnings					1,222,121	249,951	1,472,072	65,270
Miscellaneous					-	-	-	4,135
Gain on disposal of capital assets					7,371	-	7,371	-
Transfers					208,005	(208,005)	-	-
Total general revenues					47,173,793	41,946	47,215,739	4,453,586
Change in net assets					2,774,379	1,083,004	3,857,384	(27,106)
Net assets - beginning					89,862,927	33,024,909	122,887,836	12,496,137
Net assets - ending					$ 92,637,306	$ 34,107,913	$ 126,745,220	$ 12,469,031

See accompanying notes to financial statements

Village of Downers Grove
Balance Sheet
Governmental Funds
December 31, 2008

	General	Downtown Redevelopment TIF	Capital Improvements	Municipal Buildings	Stormwater Improvements	Nonmajor	Total
ASSETS							
Cash and investments	$ 10,793,231	$ 235,584	$ 1,889,498	$ 1,307,023	$ 27,900,027	$ 5,110,101	$ 47,235,464
Restricted cash	20,359	-	-	-	-	-	20,359
Property taxes receivable	8,875,704	2,394,975	8,671	-	2,630,139	768,065	14,677,554
Sales taxes receivable	2,947,303	-	1,050,265	-	525,132	-	4,522,700
Other taxes receivable	2,165,150	-	284,650	-	-	158,567	2,608,367
Accounts receivable	146,993	491	-	-	-	18,306	165,790
Interest receivable	161,835	-	32,060	-	89,906	-	283,800
Due from other funds	1,800,403	-	-	-	-	-	1,800,403
Other receivables	629,593	-	1,314,722	-	-	-	1,944,315
Prepaids	19,194	-	-	-	-	-	19,194
Note receivable	69,729	-	-	-	-	-	69,729
Total assets	27,629,494	2,631,050	4,579,866	1,307,023	31,145,204	6,055,038	73,347,674
LIABILITIES & FUND BALANCES							
Liabilities							
Accounts payable	1,485,559	26,562	1,745,334	133,520	1,458,490	758,261	5,607,725
Accrued payroll	929,778	-	-	-	-	-	929,778
Due to other funds	250	-	-	-	-	1,800,403	1,800,653
Deposits payable	-	-	-	-	-	8,645	8,645
Other payables	604,813	-	-	-	-	-	604,813
Deferred property taxes	8,832,627	2,350,000	8,671	-	2,630,139	735,300	14,556,737
Total liabilities	11,853,027	2,376,562	1,754,005	133,520	4,088,629	3,302,608	23,508,352
FUND BALANCE							
Reserved							
Prepaid items	19,194	-	-	-	-	-	19,194
Note receivable	69,729	-	-	-	-	-	69,729
Unreserved, reported in							
General Fund	15,687,544	-	-	-	-	-	15,687,544
Capital Projects Funds	-	-	2,825,860	1,173,502	27,056,575	611,975	31,667,912
Special Revenue Funds	-	254,488	-	-	-	1,426,120	1,680,608
Debt Service Funds	-	-	-	-	-	714,334	714,334
Total fund balances	15,776,467	254,488	2,825,860	1,173,502	27,056,575	2,752,430	49,839,322
Total liabilities and fund balances	$ 27,629,494	$ 2,631,050	$ 4,579,866	$ 1,307,023	$ 31,145,204	$ 6,055,038	$ 73,347,674

See accompanying notes to financial statements

Village of Downers Grove

Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Assets
December 31, 2008

FUND BALANCES OF GOVERNMENTAL FUNDS	$49,839,322
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	120,476,894
Less internal service funds	(5,481,018)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(71,055,000)
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the governmental funds	(4,558,672)
Less internal service funds	128,829
The net OPEB payable is not due and payable in the current period, and, therefore, is not reported in the governmental funds	(2,440,503)
Less internal service funds	67,009
Unamortized premium is reported as a liability on the statement of net assets	(636,985)
The unamortized accounting loss is reported as a reduction of a liability in the statement of net assets	623,302
Accrued interest on long-term liabilities is reported as a liability on the statement of net assets	(1,392,602)
The net pension asset of the police pension fund is included in the governmental activities in the statement of net assets	993,497
The net pension obligation of the fire pension fund is included in the governmental activities in the statement of net assets	(396,570)
Unamortized costs of issuance on bonds are reported as a deferred charge in the statement of net assets	401,489
The net assets of the internal service funds are included in the governmental activities in the statement of net assets	6,068,312
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$92,637,306

See accompanying notes to financial statements

Village of Downers Grove
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

REVENUES	General	Downtown Redevelopment TIF	Capital Improvements	Municipal Buildings	Stormwater Improvements	Nonmajor	Total
Sales tax	$ 11,251,420	$ -	$ 3,983,504	$ -	$ 1,004,090	$ 678,162	$ 16,917,176
Property tax	8,251,411	1,702,870	8,758	-	2,630,139	1,486,277	14,079,456
Utility tax	7,028,219	-	512,639	-	-	-	7,540,858
Income tax	4,612,408	-	-	-	-	-	4,612,408
Other taxes	2,141,046	-	-	-	-	445,354	2,586,399
Licenses & permits	1,344,934	-	-	-	-	-	1,344,934
Intergovernmental	353,103	-	1,484,656	-	-	1,346,201	3,183,960
Charges for services & fees	3,869,403	-	-	-	-	195,979	4,065,381
Fines & forfeitures	1,264,219	-	-	-	-	-	1,264,219
Investment income	636,168	1,419	87,449	78,567	330,305	88,212	1,222,121
Contributions & donations	82,411	-	-	-	1,386,883	-	1,469,293
Total revenues	40,834,742	1,704,289	6,077,006	78,567	5,351,417	4,240,184	58,286,205
EXPENDITURES							
Current							
General government	5,221,387	-	1,383	-	83,973	701,097	6,007,840
Public works	6,471,737	118,711	355,773	-	1,006,148	1,981,604	9,933,973
Community development	2,354,237	252,599	-	-	-	137,852	2,744,688
Public safety	25,986,222	-	-	-	-	67,110	26,053,332
Community services	1,966,025	-	-	-	-	-	1,966,025
Debt service							
Principal Retirement	-	-	-	-	-	1,000,000	1,000,000
Interest	-	-	-	-	-	2,056,021	2,056,021
Issuance costs	-	-	-	-	124,178	17,838	142,016
Capital outlay							
General government	-	-	100,554	-	-	-	100,554
Public works	-	53,700	4,460,094	-	2,451,301	-	6,965,096
Public safety	-	-	-	4,029,543	-	-	4,029,543
Total expenditures	41,999,607	425,010	4,917,805	4,029,543	3,665,601	5,961,523	60,999,087
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,164,865)	1,279,280	1,159,201	(3,950,976)	1,685,816	(1,721,338)	(2,712,882)
OTHER FINANCING SOURCES (USES)							
Transfers in	133,193	-	-	16,831	28,225	1,888,414	2,066,663
Transfers out	(250,000)	(1,253,640)	(441,825)	-	-	(163,193)	(2,108,658)
Proceeds from disposal of capital assets	7,371	-	-	-	-	-	7,371
Bonds issued	-	-	-	-	25,000,000	3,900,000	28,900,000
Payment to escrow agent	-	-	-	-	-	(3,992,164)	(3,992,164)
Bond premium	-	-	-	-	342,534	138,227	480,761
Total other financing sources and uses	(109,436)	(1,253,640)	(441,825)	16,831	25,370,759	1,771,284	25,353,973
NET CHANGE IN FUND BALANCE	(1,274,300)	25,640	717,376	(3,934,144)	27,056,575	49,945	22,641,090
Fund balances -- beginning	17,050,768	228,849	2,108,484	5,107,647	-	2,702,484	27,198,232
Fund balances -- ending	$ 15,776,467	$ 254,488	$ 2,825,860	$ 1,173,502	$ 27,056,575	$ 2,752,430	$ 49,839,322

See accompanying notes to financial statements

Village of Downers Grove, Illinois

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund to the Governmental Activities in the Statement of Activities
For the Year Ended December 31, 2008

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 22,641,090
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	10,029,083
Less internal service funds	(996,344)
Some expenses in the statement of activities (e.g., deprecation) do not require the use of current financial resources and, therefore, are not reported as expenditure in the governmental funds.	(3,275,927)
Less internal service funds	712,318
Bond proceeds are reported as an other financing source in governmental funds	(28,900,000)
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; and the in-substance defeasance is reported as an other financing use.	4,900,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	(244,995)
The change in the compensated absences liability is reported as an expense on the statement of activities	(73,316)
Less internal service funds included below	1,772
The increase in net pension asset is reported as a reduction of expense on the statement of activities	36,871
The increase in the net pension obligation is reported as an addition in expense on the statement of activities	(10,630)
Accounting loss on bonds issued are reported as an expenditure in governmental funds	92,164
The amortization of the accounting loss is reported as an expense in the statement of activities	(56,907)
Issuance costs on bonds issued are reported as an expenditure in governmental funds	142,016
The amortization of the deferred issuance costs on long-term debt is reported as an expense on the statement of activities	(27,548)
Premiums on bonds issued are reported as an other financing source in governmental funds	(480,761)
The amortization of the premium on long-term debt is reported as a reduction of expense on the statement of activities	10,170
The increase in OPEB payable is reported as an expense on the statement of activities	(2,440,503)
Less internal service funds	67,009
The change in net assets of certain activities of internal service funds is reported in governmental funds	648,816
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 2,774,379

See accompanying notes to financial statements

Village of Downers Grove
Statement of Net Assets
Proprietary Funds
December 31, 2008

	Business-type Activities - Enterprise Funds			
ASSETS	Waterworks	Parking	Total	Internal Service
Current assets				
Cash and investments	$ 6,548,404	$ 939,366	$ 7,487,769	$ 3,403,063
Accounts receivable	1,038,249	120,235	1,158,484	114,059
Accrued interest	36,364	-	36,364	-
Note receivable	36,974	-	36,974	-
Inventory	203,671	-	203,671	100,798
Deposits	-	-	-	75,000
Total Current assets	7,863,662	1,059,600	8,923,262	3,692,920
Noncurrent assets				
Loan receivable	4,788,000	-	4,788,000	-
Capital assets not being depreciated	5,704,409	648,238	6,352,647	-
Capital assets being depreciated	44,641,101	3,331,447	47,972,548	10,421,971
Accumulated depreciation	(20,574,926)	(2,718,480)	(23,293,406)	(4,940,954)
Total Noncurrent assets	34,558,584	1,261,204	35,819,788	5,481,018
Total assets	42,422,245	2,320,805	44,743,050	9,173,937
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	1,974,650	33,997	2,008,647	224,061
Deposits payable	72,010	3,500	75,510	-
Other payables	93,682	-	93,682	54,110
Compensated absences	20,481	1,528	22,009	38,649
Unearned revenue	-	1,675,781	1,675,781	-
Bonds payable	430,000	-	430,000	-
Claims payable	-	-	-	2,631,617
Total Current liabilities	2,590,823	1,714,806	4,305,629	2,948,436
Noncurrent liabilities				
Other post-employment benefits	70,520	14,631	85,151	67,009
Bonds payable	1,405,000	-	1,405,000	-
Compensated absences	47,790	3,566	51,356	90,180
Notes payable	4,788,000	-	4,788,000	-
Total Noncurrent liabilities	6,311,310	18,197	6,329,507	157,189
Total liabilities	8,902,133	1,733,003	10,635,136	3,105,626
NET ASSETS				
Invested in capital assets, net of related debt	27,935,584	1,261,204	29,196,788	5,481,018
Unrestricted	5,584,528	(673,403)	4,911,125	587,294
Total net assets	$33,520,112	$ 587,801	$ 34,107,913	$ 6,068,312

See accompanying notes to financial statements

Village of Downers Grove
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds			
	Waterworks	Parking	Total	Internal Service
Operating revenues				
Sales	$ -	$ -	$ -	$ 123,479
Charges for services, fees, fines	7,372,489	1,208,757	8,581,247	-
Interfund services	-	-	-	9,339,208
Insurance premiums	-	-	-	2,142,860
Other	-	-	-	101,177
Total operating revenues	7,372,489	1,208,757	8,581,247	11,706,723
Operating expenses				
Personnel services	1,080,642	185,325	1,265,967	940,369
Supplies	2,961,226	33,221	2,994,447	961,874
Contractual services	354,529	101,603	456,132	1,312,758
Other charges and services	1,407,371	603,592	2,010,963	7,472,297
Depreciation	873,435	16,515	889,950	712,318
Total operating expenses	6,677,202	940,255	7,617,457	11,399,616
Operating income (loss)	695,286	268,502	963,788	307,107
Nonoperating revenues (expenses)				
Intergovernmental	-	177,124	177,124	-
Investment Income	239,321	10,631	249,951	42,445
Gain / (Loss) from disposals	(17,645)	-	(17,645)	49,262
Interest expense	(82,210)	-	(82,210)	-
Total nonoperating revenue (expenses)	139,466	187,754	327,220	91,707
Income (loss) before transfers	834,752	456,256	1,291,008	398,814
Transfers in	-	-	-	250,000
Transfers out	-	(208,005)	(208,005)	-
Change in net assets	834,752	248,251	1,083,003	648,814
Total net assets -- beginning	32,685,359	339,550	33,024,909	5,419,497
Total net assets -- ending	$ 33,520,112	$ 587,801	$ 34,107,913	$ 6,068,311

See accompanying notes to financial statements

Village of Downers Grove
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds			
	Waterworks	Parking	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services	$ -	$ -	$ -	$ 9,366,275
Receipts from customers	7,302,199	1,187,710	8,489,910	2,327,151
Other payments	(439,398)	-	(439,398)	(6,559,730)
Payments to employees	(991,175)	(177,957)	(1,169,133)	(863,616)
Payments for interfund services	(1,242,816)	(507,972)	(1,750,788)	(174,012)
Payments to suppliers	(1,782,531)	(322,517)	(2,105,049)	(2,626,144)
Net cash provided (used) by operating activities	2,846,279	179,264	3,025,543	1,469,924
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Decrease in advances	-	75,000	75,000	-
Transfers in (out)	-	(208,005)	(208,005)	250,000
Net cash provided (used) by noncapital activities	-	(133,005)	(133,005)	250,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(4,417,692)	-	(4,417,692)	(996,344)
Grant proceeds	-	130,249	130,249	-
Interest paid on general obligation bonds	(90,821)	-	(90,821)	-
Principal paid on general obligation bonds	(415,000)	-	(415,000)	-
Proceeds from sale of capital assets	-	-	-	112,001
Net cash provided (used) by capital activities	(4,923,513)	130,249	(4,793,264)	(884,343)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	261,466	10,631	272,096	60,275
Net cash provided by investing activities	261,466	10,631	272,096	60,275
Net Increase (decrease) in cash and cash equivalents	(1,815,768)	187,138	(1,628,630)	895,855
Cash and Investments - beginning of year	8,364,172	752,227	9,116,399	2,507,208
Cash and Investments - end of year	$ 6,548,404	$ 939,366	$ 7,487,769	$ 3,403,063
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	695,286	268,502	963,788	307,107
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	873,435	16,515	889,950	712,318
Change in assets and liabilities				
Accounts payable	1,280,583	(106,283)	1,174,300	(144,371)
Compensated absences	19,501	(5,722)	13,779	(1,773)
Accounts receivable	(70,290)	(8,022)	(78,312)	(24,053)
Inventory	(21,904)	-	(21,904)	20,060
Prepaid expenses	-	-	-	286,633
Other post-employment benefits	70,520	14,631	85,151	67,009
Deposits payable	(9,179)	-	(9,179)	10,755
Other payables	8,327	(357)	7,970	236,238
Net cash provided by operating activities	$ 2,846,279	$ 179,264	$ 3,025,543	$ 1,469,924

Non-cash activity: The Village transferred governmental capital assets of $567,742 to the Equipment Replacement fund.

See accompanying notes to financial statements

Village of Downers Grove
Statement of Net Assets
Fiduciary Funds
December 31, 2008

	Pension Trust	Agency
ASSETS		
Cash and investments	$ 4,655,122	$ 2,836,953
Investments		
U.S. Obligations	33,833,157	-
Corporate Bonds	1,322,647	-
Mutual Funds - Equity	14,477,831	-
Stocks	1,525,368	-
Accounts receivable	-	5,000
Due from other funds	250	-
Prepaids	9,500	-
Interest receivable	378,073	-
Total assets	$ 56,201,949	$ 2,841,953
LIABILITIES		
Accounts payable	18,927	86,675
Deposits payable	-	2,755,278
Total Liabilities	18,927	$ 2,841,953
NET ASSETS		
Held in trust for pension benefits	$ 56,183,022	

See accompanying notes to financial statements

Village of Downers Grove
Statement of Changes in Net Assets
Fiduciary Funds
For the Year Ended December 31, 2008

	Pension Trust
ADDITIONS	
Contributions	
Contributions - employer	$ 2,175,071
Contributions - employees	1,270,009
Total contributions	3,445,080
Investment earnings	
Interest earned on investments	2,026,859
Net (depreciation) in fair value	(8,918,197)
Total investment earnings	(6,891,338)
Less investment expense	(150,662)
Net investment earnings	(7,042,001)
Total additions	(3,596,921)
DEDUCTIONS	
Contractual services	40,876
Other charges and services	12,408
Benefits and refunds	3,374,301
Total deductions	3,427,585
Change in Net Assets	(7,024,506)
Net Assets-- beginning of the year	63,207,528
Net Assets -- end of the year	$ 56,183,022

See accompanying notes to financial statements

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 constitute the pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, the PPERS is reported as if it were a part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. The PPERS is reported as a pension trust fund, because of the Village's fiduciary duties.

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 participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. The FPERS is reported as a pension trust fund because of the Village's fiduciary duties.

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.

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

B. Fund Accounting (Continued)

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.

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.

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

The *Downtown Redevelopment Tax Increment Financing District Fund* accounts for all activities related to the redevelopment of downtown Downers Grove.

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

The *Municipal Buildings Fund* accounts for major municipal building projects.

The *Stormwater Improvements Fund* accounts for capital improvements and maintenance activity related to the Village's watersheds and stormwater infrastructure.

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).

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

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

expenses and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expense are directly attributable to the operation of the proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90 day period. Expenditures, generally, are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the Village's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village reports 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

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

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. Since the Village pools its cash and investments, all investments are considered cash equivalents.

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

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.

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.

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. 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.

O. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

A. Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a $1 per share value which is equal to the participants fair value).

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

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 in the Village's name.

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2008:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Agency Obligations	$ 5,965,231	2,390,555	3,574,676	-	-
Money Market Mutual Funds	21,514,907	21,514,907	-	-	-
Illinois Funds	5,091,426	5,091,426	-	-	-
TOTAL	$32,571,564	28,996,888	3,574,676	-	-

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.

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, and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a $1 per share value which is equal to the participants fair value).

It is the policy of the 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, 2008:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	$1,196,966	-	1,196,966	-	-
U.S. Obligations	18,370,802	1,996,752	9,024,878	4,947,228	2,401,944
TOTAL	$19,567,768	1,996,752	10,221,844	4,947,228	2,401,944

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 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, and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a $1 per share value which is equal to the participants fair value).

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, 2008:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	$ 125,681	-	-	-	125,681
U.S. Obligations	15,462,355	212	6,474,593	4,190,487	4,797,063
TOTAL	$15,588,036	212	6,474,593	4,190,487	4,922,744

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 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 2008 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 2008 tax levy is intended to fund expenditures for the 2009 fiscal year, these taxes are deferred as of December 31, 2008.

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	$ 1,707,900
Utility tax	278,134
Income tax	212,982
Local use tax	188,651
Auto rental tax	8,004
Hotel tax	54,129
State motor fuel tax	119,990
Local motor fuel tax	38,577
TOTAL OTHER TAXES RECEIVABLE	$ 2,608,367
OTHER RECEIVABLES	
Ambulance fees	$ 349,978
Police tickets	18,405
Franchise fees	152,800
Court fines	23,422
Grants	1,399,710
TOTAL OTHER RECEIVABLES	$ 1,944,315

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

A. Governmental Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	$ 13,010,049	$ 40,800	$ -	$ 13,050,849
Construction in progress	10,153,778	4,214,172	9,048,698	5,319,252
Total capital assets not being depreciated	23,163,827	4,254,972	9,048,698	18,370,101
Capital assets being depreciated				
Infrastructure	80,785,907	5,265,995	-	86,051,902
Buildings	17,208,918	8,915,945	-	26,124,863
Improvements other than buildings	3,452,089	546,574	-	3,998,663
Capital equipment	15,844,288	987,895	1,190,631	15,641,552
Total capital assets being depreciated	117,291,202	15,716,409	1,190,631	131,816,980

4. CAPITAL ASSETS (Continued)

A. Governmental Activities (Continued)

	Balances January 1	Increases	Decreases	Balances December 31
Less accumulated depreciation for				
Infrastructure	$ 13,564,698	$ 1,614,655	$ -	$ 15,179,353
Buildings	4,373,860	303,031	-	4,676,891
Improvements other than buildings	439,495	117,794	-	557,289
Capital equipment	9,169,098	1,240,447	1,112,892	9,296,653
Total accumulated depreciation	27,547,152	3,275,927	1,112,892	29,710,187
Total capital assets being depreciated, Net	89,744,050	12,440,482	77,739	102,106,793
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 112,907,877	$ 16,695,454	$ 9,126,437	$ 120,476,894

B. Business-Type Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	$ 2,816,595	$ -	$ -	$ 2,816,595
Construction in progress	366,866	3,446,525	277,339	3,536,052
Total capital assets not being depreciated	3,183,461	3,446,525	277,339	6,352,647
Capital assets being depreciated				
Infrastructure	20,664,354	1,160,675	-	21,825,029
Buildings	6,101,133	-	-	6,101,133
Improvements other than buildings	15,767,464	82,473	-	15,849,937
Capital equipment	4,272,061	-	75,611	4,196,450
Total capital assets being depreciated	46,805,012	1,243,148	75,611	47,972,549
Less accumulated depreciation for				
Infrastructure	8,665,496	393,213	-	9,058,709
Buildings	1,520,666	121,631	-	1,642,297
Improvements other than buildings	8,074,366	334,822	-	8,409,188
Capital equipment	4,198,601	40,284	55,671	4,183,214
Total accumulated depreciation	22,459,129	889,950	55,671	23,293,408
Total capital assets being depreciated, Net	24,345,883	353,198	19,940	24,679,141
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 27,529,344	$ 3,799,723	$ 297,279	$ 31,031,788

4. CAPITAL ASSETS (Continued)

C. Depreciation Expense

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

GOVERNMENTAL ACTIVITIES	
General government	$ 42,461
Public works	2,072,839
Community development	351,803
Public safety	802,873
Community services	5,951
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 3,275,927
BUSINESS-TYPE ACTIVITIES	
Waterworks	$ 873,435
Parking	16,515
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	$ 889,950

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At December 31, 2008, interfund receivables and payables consist of the following:

Receivable Fund	Payable Fund	Amount
General	Transportation	$1,800,403
Firefighters' Pension	General	250
TOTAL		$1,800,653

The interfund balances reflect the interfund borrowing to offset negative cash balances, and amounts due to be repaid in 2009.

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

At December 31, 2008, interfund transfers consist of the following:

Fund	Transfer In	Transfer Out
Major Governmental		
General (1,3)	$ 133,193	$ 250,000
Downtown Redevelopment TIF (2)	-	1,253,640
Capital Improvements (2)	-	441,825
Municipal Buildings (2)	16,831	-
Stormwater (2)	28,225	-
Nonmajor Governmental		
Downtown TIF Debt Service (2)	1,433,420	-
Stormwater/Facilities Debt Service (2)	424,994	-
Community Events (1)	-	133,193
Transportation (4)	30,000	-
Fairview Avenue Debt Service (4)	-	30,000
Internal Service		
Risk Management (3)	250,000	-
Enterprise		
Parking (2)	-	208,005
TOTAL	$ 2,316,663	$ 2,316,663

The interfund transfers reflect the following transactions: (1) close out the community events fund into the general fund, (2) transfer funds for debt service, (3) increase funding to the risk management fund to reduce the deficit, and (4) use local gas tax revenues to support the Commuter Shuttle program.

6. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

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

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Compensated absences payable*	$ 4,487,128	$ 4,558,672	$ 4,487,128	$ 4,558,672	$ 1,367,602
Net pension obligation payable	385,940	10,630	-	396,570	-
Unamortized premium	166,394	480,761	10,170	636,985	-
Net OPEB payable	-	2,440,503	-	2,440,503	-
Unamortized loss on refundings	(588,045)	(92,164)	(56,907)	(623,302)	-
General obligation bonds payable	47,055,000	28,900,000	4,900,000	71,055,000	1,245,000
TOTAL GOVERNMENTAL ACTIVITIES	$ 51,506,417	$ 36,298,402	$ 9,340,391	$ 78,464,428	$ 2,612,602

*The General Fund primarily liquidates the compensated absences liabilities.

6. LONG-TERM DEBT (Continued)

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
Compensated absences payable	$ 59,586	$ 73,366	$ 59,586	$ 73,366	$ 22,010
Notes payable	4,788,000	-	-	4,788,000	-
Net OPEB payable	-	85,151	-	85,151	-
General obligation bonds payable	2,250,000	-	415,000	1,835,000	430,000
TOTAL BUSINESS-TYPE ACTIVITIES	$ 7,097,586	$ 158,516	$ 474,586	$ 6,781,517	$ 452,010

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 January 1	Additions	Refunding/ Retirements	Balances December 31	Current Portion
$3,000,000 General Obligation Bonds, Series 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.	$ 1,675,000	$ -	$ 210,000	$ 1,465,000	$ 215,000
$6,500,000 General Obligation Bonds, Series 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 and 2008.	1,645,000	-	1,200,000	445,000	195,000
$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 and 2008.	1,265,000	-	725,000	540,000	145,000
$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.	5,960,000	-	40,000	5,920,000	20,000
$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.	2,250,000	-	415,000	1,835,000	430,000

$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.	5,895,000	-	190,000	5,705,000	100,000
$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. This bond issue was partially defeased in 2008.	11,600,000	-	2,465,000	9,135,000	400,000
$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 2.30% to 3.85% due January 1, 2020.	9,765,000	-	70,000	9,695,000	70,000
$9,250,000 General Obligation Bonds, Series 2007, dated May 1, 2007, due in installments of $100,000 to $670,000 beginning January 1, 2009 plus interest ranging from 3.75% to 5.50% due January 1, 2028.	9,250,000	-	-	9,250,000	100,000
$25,000,000 General Obligation Bonds, Series 2008A, dated August 13, 2008, due in installments of $345,000 to $2,965,000 beginning January 1, 2010 plus interest ranging from 3.50% to 5.25% due January 1, 2038.	-	25,000,000	-	25,000,000	-
$3,900,000 General Obligation Refunding Bonds, Series 2008B, dated August 13, 2008, due in installments of $15,000 to $1,105,000 beginning January 1, 2010 plus interest ranging from 3.0% to 5.0% due January 1, 2021.	-	3,900,000	-	3,900,000	-
TOTAL	$ 49,305,000	$ 28,900,000	$ 5,315,000	$ 72,890,000	$ 1,675,000

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, 2008. 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, 2008, 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, 2008.

D. Debt Service Requirements and Maturities

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

Year Ending	Governmental Activities		Business-Type Activities			
	General Obligation Bonds		Notes Payable		General Obligation Bonds	
December 31	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 1,245,000	$ 2,914,195	$ -	$ 95,760	$ 430,000	$ 72,965
2010	4,795,000	2,939,083	368,308	95,760	450,000	53,708
2011	4,785,000	2,725,489	368,308	88,394	470,000	33,003
2012	4,365,000	2,523,977	368,308	81,028	485,000	11,155
2013	2,580,000	2,374,595	368,308	73,662	-	-
2014 - 2018	19,880,000	9,851,524	1,841,538	257,815	-	-
2019 - 2023	18,370,000	5,214,958	1,473,230	73,661	-	-
2024 - 2028	6,145,000	2,956,555	-	-	-	-
2029 - 2033	3,905,000	1,753,875	-	-	-	-
2034 - 2038	4,985,000	647,375	-	-	-	-
TOTAL	$ 71,055,000	$ 33,901,626	$ 4,788,000	$ 766,080	$ 1,835,000	$ 170,831

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.

G. Advance Refundings - General Obligation Bonds

On August 13, 2008, the Village issued $3,900,000 General Obligation Refunding Bonds, Series 2008B to advance refund, through an in–substance defeasance, $1,070,000 of 1999 General Obligation Bonds, $640,000 of 2000 General Obligation Bonds, and $2,190,000 of 2003 General Obligation Bonds. As a result of the refunding, the Village achieved a cash flow savings of $150,528 and a present value savings of $127,605. The balance of the Village's defeased bonds outstanding at December 31, 2008 is $13,000,000.

7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Village is self-insured for all risks and has established a risk financing fund, Risk Management Fund and a Health Insurance Fund (the Funds), for all risks. They are accounted for as internal service funds where assets are set aside for claim settlements. Under this program, the Funds provides coverage up to a maximum of $1,000,000 for each general liability claim, $450,000 for each workers' compensation claim, $10,000 for each property damage claim, and $100,000 for each health claim. The Village purchases commercial insurance for claims in excess of the coverages provided by the Funds up to $35,000,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

7. RISK MANAGEMENT (Continued)

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

	Fiscal Year Ended December 31, 2007	Fiscal Year Ended December 31, 2008
CLAIMS PAYABLE, BEGINNING	$ 1,840,552	$ 2,395,380
Incurred claims (including IBNR)	6,420,394	6,644,319
Less claims paid	(5,865,566)	(6,408,082)
CLAIMS PAYABLE, ENDING	$ 2,395,380	$ 2,631,617

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
2009	$ 267,473
2010	267,473
2011	267,473
2012	267,473
2013	267,473
2014-2018	1,337,365
2019-2023	1,337,365
2024	267,473

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

B. Sales Tax Rebates

The Village has many sales tax rebate agreements with local businesses to develop and expand their business in the Village. The sales tax rebates are payable to the vendors quarterly based on information received by the Village from the State of Illinois Department of Revenue. All of the Village's liability as of December 31, 2008, has been reported in the Sales Tax Abatement Fund.

The Village has a sales tax rebate agreement dated June 5, 2001 with a local retailer to rebate sales taxes on annual sales generated from $10,000,000 to $20,000,000. Fifty percent of sales tax on sales generated by the vendor in excess of $20,000,000 will be rebated to the vendor, subject to a project cap of $8,000,000 in rebated sales tax. In consideration of the agreement, the retailer will continue to operate its business in the Village for a period of not less than nine years from the date of the agreement. As of December 31, 2008 sales tax rebates of $159,192 were collected but not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated December 20, 2005 with a local auto dealership to rebate sales taxes on annual sales generated in excess of a base amount of $2,500,000. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than five years commencing December 31, 2005. As of December 31, 2008, sales tax rebates of $372,070 were collected but not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated April 5, 2005 with a local auto dealership to rebate sales taxes on annual sales generated in excess of a base amount of $12,000,000. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than seven years commencing December 31, 2005. As of December 31, 2008, sales tax rebates of $39,945 were collected but not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated March 1, 2005 with a local auto dealership to rebate sales taxes on annual sales generated in excess of a base amount of $27,000,000. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than seven years commencing October 31, 2007. As of December 31, 2008, sales tax rebates of $16,084 were collected but not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated February 15, 2005 with a local auto dealership to rebate sales taxes on annual sales generated in excess of a base amount of $25,000,000. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than twelve years commencing April 6, 2007. As of December 31, 2008, sales tax rebates of $66,622 were collected but not yet remitted to the vendor.

9. CONTINGENT LIABILITIES

A. Litigation

The Village is a defendant in various lawsuits arising out of the normal course of business. It is rigorously defending these suits, as it believes it has a meritorious defense against the claims. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the village attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the Village. The Village's possible exposure under these lawsuits is approximately $585,000.

B. DuPage Water Commission (DWC)

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

C. Grants

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

10. POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the Village provides post employment health care and life insurance benefits (OPEB), in accordance with the personnel policy manual, to all employees who meet the eligibility requirements under the applicable retirement system. Currently, 122 retirees and spouses meet those eligibility requirements with 407 active members. The employee pays 100% of the cost of the health and life insurance premiums for the post employment benefits with the exception of health benefits for retirees that have reached 65. Once an employee reaches 65 years of age, the Village subsidizes 50% of the health insurance premium. The annual required contribution for 2008 was $2,777,644. All health care benefits are provided through the Village's self-insured health plan. The benefit levels are the same as those afforded to active employees. The Village first had an actuarial valuation as of December 31, 2007. The Village's annual OPEB expense of $2,525,654 was equal to the annual required contribution (ARC) for 2008 of $2,777,644 less contributions of $252,000, as the transition liability was set at $0 as of December 31, 2007.

In the actuarial valuations, the entry-age actuarial cost method was used. The actuarial assumptions included 5.0% investment rate of return and an annual healthcare cost trend

rate of 8%. Both rates include a 3.0% inflation assumption. The remaining amortization period at December 31, 2008 was 29 years. The funded status of the plan was as follows:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	$2,777,654
Interest on Net OPEB Obligation	$ 0
Adjustment to Annual Required Contribution	$ 0
Annual OPEB Cost	$2,777,654
Contributions Made	$ 252,000
Increase (Decrease) in Net OPEB Obligation	$2,525,654
Net OPEB Obligation, Beginning of Year	$ 0
Net OPEB Obligation, End of Year	$2,525,654

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

Actuarial Accrued Liability (AAL)	$28,781,004
Actuarial Value of Assets	$ 0
Unfunded Actuarial Accrued Liability (UAAL)	$28,781,004
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll	$22,721,934
UAAL as a Percentage of Covered Payroll	126.7%

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 Fire Pension Plan which is also a single-employer pension plan (collectively the Pension Plans). The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the Pension Plans issue separate reports on the Pension Plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the IMRF plan as a whole, but not for individual employers. That report can be obtained 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 2008 the rate was 12.34%.

For December 31, 2008, the Village's annual pension cost of $1,581,409 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2006 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 10.00% 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 2008 actuarial valuation were based on the 2005-2007 experience study.

Fiscal Year Ended December 31	Employer Contributions	Annual Pension Cost	Percentage Contributed
2008	$ 1,581,409	$ 1,581,409	100.00%
2007	1,537,454	1,537,454	100.00%
2006	1,527,163	1,527,163	100.00%

Police Pension Plan

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 Police Pension Plan as a pension trust fund.

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset)
December 31, 2007	$ 1,065,675	103.5%	$ (993,497)
December 31, 2006	1,057,007	103.4%	(956,626)
April 30, 2006	841,711	104.1%	(920,369)

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

Retirees and beneficiaries currently receiving benefits and terminated	47
Terminated plan members entitled to benefits but not yet receiving them	1
Current employees	
Vested	54
Nonvested	25
TOTAL	127

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

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 Police Pension 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.

Fire Pension Plan

Fire sworn personnel are covered by the Fire 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 Fire Pension Plan as a pension trust fund.

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
December 31, 2007	$ 1,576,035	99.3%	$ 396,570
December 31, 2006	1,458,027	107.8%	385,940
April 30, 2006	1,449,004	100.1%	499,946

At December 31, 2007, the Fire Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated	34
Terminated plan members entitled to benefits but not yet receiving them	2
Current employees	
Vested	58
Nonvested	22
TOTAL	116

The following is a summary of the Fire Pension Plan as provided for in Illinois Compiled Statutes. The Fire 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 Fire 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 Fire Pension 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 Fire Pension Plan is fully funded by the year 2033.

Funding Policy and Annual Pension Cost

	Illinois Municipal Retirement	Police Pension	Fire Pension
Contribution rates			
Village	12.34%	18.58%	25.48%
Members	4.50%	9.91%	9.46%
Annual pension cost	$ 1,581,409	$ 1,065,675	$ 1,576,035
Contributions made	1,581,409	1,102,546	1,565,405
Actuarial valuation date	December 31, 2006	December 31, 2007	December 31, 2007
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	24 years, closed	26 years, closed	26 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%	7.75%	8.00%
Projected salary	.40% to 11.6%	5.00%	5.00%
* Includes inflation at	4.00%	3.00%	3.00%

The Village's annual pension cost and net pension obligation to the pension trust funds for the December 31, 2007 valuation (most recent data available) were as follows:

	Police Pension	Fire Pension
Annual required contribution	$ 1,090,889	$ 1,565,863
Interest on net pension obligation	(76,530)	30,875
Adjustment to annual required contribution	51,316	(20,703)
Annual pension cost	1,065,675	1,576,035
Contributions made	1,102,546	1,565,405
Increase (decrease) in net pension obligation	(36,871)	10,630
Net pension obligation (asset), beginning of year	(956,626)	385,940
NET PENSION OBLIGATION (ASSET), END OF YEAR	$ (993,497)	$ 396,570

B. Funded Status and Funding Progress

The funded status and funding progress of the plans were as follows:

	Illinois Municipal Retirement *	Police Pension	Fire Pension
Actuarial accrued liability (AAL)	$32,632,179	$ 49,340,130	$ 43,279,281
Actuarial value of plan assets	21,604,380	35,082,022	28,125,505
Unfunded actuarial accrued liability (UAAL)	11,027,799	14,258,108	15,153,776
Funded ratio (actuarial value of plan assets/AAL)	66%	71%	65%
Covered payroll (active plan members)	12,815,309	5,933,899	6,143,206
UAAL as a percentage of covered payroll	86%	240%	247%

* Includes both the Village and the Library

C. 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 Pension Plan and Fire Pension Plan are financed primarily through investment earnings.

Significant Investments

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

VanGuard Institutional Index Fund 94	$4,759,715

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

Fidelity Diversified	$1,638,739
VanGuard Fund	4,335,700
First America Government Obligation Fund	1,750,985

D. Schedules for the Police and Fire Plans

Assets	Police	Fire	Total
Cash and cash equivalents	$2,055,911	$2,599,211	$4,655,122
U.S. Obligations	18,370,802	15,462,355	33,833,157
Corporate Bonds	1,196,966	125,681	1,322,647
Mutual Funds – Equity	7,426,606	7,051,225	14,477,831
Stocks	1,525,368	-	1,525,368
Prepaids	5,250	4,250	9,500
Interest Receivable	204,621	173,453	378,074
Due from General Fund		250	250
Total Assets	$30,785,524	$25,416,425	56,201,949
Liabilities			
Accounts Payable	6,531	12,396	18,927
Total Liabilities	$6,531	$12,396	$18,927
Net Assets Held in Trust	$30,778,993	$25,404,029	$56,183,022

Additions	Police	Fire	Total
Contributions – employer	$1,144,537	$1,030,534	$2,175,071
Contributions – employees	666,830	603,179	1,270,009
Investment Income (Loss)	(4,050,104)	(2,991,896)	(7,042,001)
Total Additions	(2,238,737)	(1,358,184)	(3,596,921)
Deductions			
Contractual Services	23,637	17,239	40,876
Other Charges and Services	6,204	6,204	12,408
Benefits and Refunds	2,034,449	1,339,852	3,374,301
Total Deductions	2,064,290	1,363,295	3,427,585
Net Increase (Decrease)	$(4,303,028)	$(2,721,479)	$(7,024,506)

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	$ 1,775,866
Risk Management	1,543,879

13. SUBSEQUENT EVENT

On April 9, 2009, the Village issued $9,030,000 in general obligation refunding bonds.

14. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY

A. Summary of Significant Accounting Policies

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

The more significant of the 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.

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.

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

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.

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.

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

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.

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

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

Description	Years
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.

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.

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

B. Deposits and Investments

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

Library Deposits and Investments

The Library's investment policy authorizes the Library to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a $1 per share value which is equal to the participants fair value).

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

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

Deposits with Financial Institutions

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

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

Investments

The following table presents the investments and maturities of the Library's debt securities as of December 31, 2008:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Money Market Mutual Funds	$ 330,281	330,281			
Illinois Funds	2,379,340	2,379,340			
TOTAL	$ 2,709,621	2,709,621	-	-	-

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.

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.

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

C. Receivables

Property taxes for 2008 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 2008 tax levy is intended to fund expenditures for the 2009 fiscal year, these taxes are deferred as of December 31, 2008.

D. Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows:

	Balances May 1	Increases	Decreases	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 222,211	$ -	$ -	$ 222,211
Total capital assets not being depreciated	222,211	-	-	222,211
Capital assets being depreciated				
Buildings	9,479,919	-	-	9,479,919
Capital equipment	7,502,625	545,530	493,440	7,554,716
Total capital assets being depreciated	16,982,544	545,530	493,440	17,034,635
Less accumulated depreciation for				
Buildings	871,814	189,885	-	1,061,700
Capital equipment	2,143,013	575,074	198,363	2,519,724
Total accumulated depreciation	3,014,827	764,959	198,363	3,581,424
Total capital assets being depreciated, net	13,967,717	(219,430)	295,077	13,453,211
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 14,189,928	$ (219,430)	$ 295,077	$ 13,675,422

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

GOVERNMENTAL ACTIVITIES	
Community services	$ 764,959

E. Long-Term Debt

Changes in Long-Term Liabilities

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

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

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
Compensated absences payable*	$ 24,643	$ 27,128	$ 24,643	$ 27,128	$ 8,138
Unamortized premium	22,932	-	1,496	21,436	-
Unamortized loss on refundings	(490,748)	-	(52,580)	(438,168)	-
Net OPEB payable	-	148,512	-	148,512	-
General obligation bonds payable	5,475,000	-	475,000	5,000,000	490,000
TOTAL	$ 5,031,827	$ 175,640	$ 448,559	$ 4,758,908	$ 498,138

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

General Obligation Bonds

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

	Balances January 1	Additions	Refunding/ Retirements	Balances December 31	Current Portion
$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.	$ 5,475,000	$ -	$ 475,000	$ 5,000,000	$ 490,000
TOTAL	$ 5,475,000	$ -	$ 475,000	$ 5,000,000	$ 490,000

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
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
TOTAL	$ 5,000,000	$ 818,068

14. 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 Village provides post employment health care and life insurance benefits (OPEB), in accordance with the personnel policy manual, to all employees who meet the eligibility requirements under the applicable retirement system. Currently, 22 active members are participating in the Village's health care plan. The employee pays 100% of the cost of the health and life insurance premiums for the post employment benefits with the exception of health benefits for retirees that have reached 65. Once an employee reaches 65 years of age, the Village subsidizes 50% of the health insurance premium. The annual required contribution for 2008 was $148,512. All health care benefits are provided through the Village's self-insured health plan. The benefit levels are the same as those afforded to active employees. The Village first had an actuarial valuation as of December 31, 2007. The Village's annual OPEB expense of $148,512 was equal to the annual required contribution (ARC) for 2008, as the transition liability was set at $0 as of December 31, 2007.

In the actuarial valuations, the entry-age actuarial cost method was used. The actuarial assumptions included 5.0% investment rate of return and an annual healthcare cost trend rate of 8%. Both rates include a 3.0% inflation assumption. The remaining amortization period at December 31, 2008 was 29 years. The funded status of the plan as of December 31, 2008 was as follows:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	$ 148,512
Interest on Net OPEB Obligation	$ 0
Adjustment to Annual Required Contribution	$ 0
Annual OPEB Cost	$ 148,512
Contributions Made	$ 0
Increase (Decrease) in Net OPEB Obligation	$ 148,512
Net OPEB Obligation, Beginning of Year	$ 0
Net OPEB Obligation, End of Year	$ 148,512

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

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

Actuarial Accrued Liability (AAL)	$ 1,237,451
Actuarial Value of Assets	$ 0
Unfunded Actuarial Accrued Liability (UAAL)	$ 1,237,451
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll	$ 1,125,701
UAAL as a Percentage of Covered Payroll	109.9%

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
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Sales tax	$ 12,500,000	$12,500,000	$ 11,251,420	($1,248,580)
Property tax	8,224,799	8,224,799	8,251,411	26,612
Utility tax	6,210,500	6,210,500	7,028,219	817,719
Income tax	4,819,164	4,819,164	4,612,408	(206,756)
Other taxes	2,162,352	2,162,352	2,141,046	(21,306)
Licenses & permits	1,541,295	1,541,295	1,344,934	(196,361)
Intergovernmental	328,007	328,007	353,103	25,096
Charges for services & fees	3,332,738	3,332,738	3,869,403	536,665
Fines & forfeitures	1,357,500	1,357,500	1,264,219	(93,281)
Investment income	601,000	601,000	636,168	35,168
Contributions & donations	83,200	83,200	82,411	(789)
Total revenues	41,160,555	41,160,555	40,834,742	(325,813)
EXPENDITURES				
Current				
General government	6,390,904	6,330,604	5,221,387	(1,109,217)
Public works	5,940,702	5,956,302	6,471,737	515,435
Community development	2,384,103	2,495,803	2,354,237	(141,566)
Public safety	25,158,354	25,178,354	25,986,222	807,868
Community services	2,137,940	2,050,940	1,966,025	(84,915)
Total expenditures	42,012,003	42,012,003	41,999,607	(12,394)
(Deficiency) of revenues (under) expenditures	(851,448)	(851,448)	(1,164,865)	(313,419)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	7,371	7,371
Transfers in	133,193	133,193	133,193	-
Transfer out	(250,000)	(250,000)	(250,000)	-
Total other financing sources and uses	(116,807)	(116,807)	(109,436)	7,371
Net change in fund balances	(968,255)	(968,255)	(1,274,301)	
Fund balances -- beginning	17,050,768	17,050,768	17,050,768	
Fund balances -- ending	$ 16,082,514	$ 16,082,514	$ 15,776,467	

(See independent auditor's report)

Village of Downers Grove
Required Supplementary Information
Downtown Redevelopment TIF Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 1,381,992	$ 1,381,992	$ 1,702,870	$ 320,878
Investment income	75,100	75,100	1,419	(73,681)
Total revenues	1,457,092	1,457,092	1,704,289	247,197
EXPENDITURES				
Current				
Public works	151,940	151,940	118,711	(33,229)
Community development	244,655	244,655	252,599	7,944
Total current	396,595	396,595	371,310	(25,285)
Capital outlay				
Public works	564,500	564,500	53,700	(510,800)
Total capital outlay	564,500	564,500	53,700	(510,800)
Total expenditures	961,095	961,095	425,010	(536,085)
Excess of revenues over expenditures	495,997	495,997	1,279,280	783,283
OTHER FINANCING SOURCES (USES)				
Transfer out	(1,253,641)	(1,253,641)	(1,253,640)	1
Total other financing sources and uses	(1,253,641)	(1,253,641)	(1,253,640)	1
Net change in fund balances	(757,644)	(757,644)	25,640	
Fund balances -- beginning	228,849	228,849	228,849	
Fund balances -- ending	($ 528,795)	($ 528,795)	$ 254,488	

(See independent auditors report)

Village of Downers Grove

Required Supplementary Information
Illinois Municipal Retirement Fund
December 31, 2008

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry-Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2003	$ 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%
12/31/2007	26,568,893	30,841,977	4,273,084	86.15%	12,299,631	34.74%
12/31/2008	21,604,380	32,632,179	11,027,799	66.21%	12,815,309	86.05%

Schedule of Employer Contributions

Calendar Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
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%
2007	1,537,454	1,537,454	100.00%
2008	1,581,409	1,581,409	100.00%

(See independent auditor's report)

Village of Downers Grove

Required Supplementary Information
Police Pension Fund
December 31, 2008

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry-Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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%
12/31/2006	32,479,439	45,803,580	13,324,141	70.9%	5,725,199	232.7%
12/31/2007	35,082,022	49,340,130	14,258,108	71.1%	5,933,899	240.3%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage of ARC Contributed
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%
12/31/2006	1,093,264	1,082,440	101.00%
12/31/2007	1,102,546	1,090,889	101.07%

Note: The Village of Downers Grove changed its fiscal year end to December 31 in 2006.

(See independent auditor's report)

Village of Downers Grove

Required Supplementary Information
Fire Pension Fund
December 31, 2008

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry-Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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%
12/31/2006	25,426,339	39,731,499	14,305,160	64.0%	6,055,797	236.2%
12/31/2007	28,125,505	43,279,281	15,153,776	65.0%	6,143,206	246.7%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
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%
12/31/2006	1,572,033	1,444,212	108.85%
12/31/2007	1,565,405	1,565,863	99.97%

Note: The Village of Downers Grove changed its fiscal year end to December 31 in 2006.

(See independent auditor's report)

Village of Downers Grove

Required Supplementary Information
Other Post-Employment Benefits
December 31, 2008

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry-Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2007	$ 0	$ 28,781,004	$ 28,781,004	0.00%	$ 22,721,934	126.67%

Schedule of Employer Contributions

Date	Annual Required Contribution (ARC)	Actual Contributions	Percentage of ARC Contributed
12/31/2007	$ 2,777,644	$ 252,000	9.1%

Note: The Village adopted GASB Statement No. 45 in the current year.

(See independent auditor's report)

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.

Village of Downers Grove

General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2008

	Year Ended December 31, 2008			
	Original Budget	Final Budget	Actual	Variance
Sales tax	12,500,000	12,500,000	11,251,420	(1,248,580)
Property taxes				
General	$ 5,538,067	$ 5,538,067	$ 5,510,942	$ (27,125)
Pension	2,162,382	2,162,382	2,180,466	18,084
Special service areas	234,000	234,000	236,174	2,174
Township road and bridge	290,000	290,000	323,829	33,829
Total property taxes	8,224,449	8,224,449	8,251,411	26,962
Utility taxes				
Natural gas use tax	450,000	450,000	490,415	40,415
Electricity tax	1,919,000	1,919,000	1,928,484	9,484
Telecommunications tax	3,841,500	3,841,500	4,609,320	767,820
Total utility taxes	6,210,500	6,210,500	7,028,219	817,719
Income tax	4,819,164	4,819,164	4,612,408	(206,756)
Other taxes				
Hotel tax	950,000	950,000	904,034	(45,966)
Personal property replacement tax	561,006	561,006	484,004	(77,002)
Local use tax	600,295	600,295	710,723	110,428
Other local taxes	51,051	51,051	42,285	(8,766)
Total other taxes	2,162,352	2,162,352	2,141,046	(21,306)
Licenses & permits				
Building and related	1,305,000	1,305,000	1,074,158	(230,842)
Alcoholic beverage	160,000	160,000	165,201	5,201
Professional and occupational	60,145	60,145	76,925	16,780
Other licenses and permits	16,150	16,150	28,650	12,500
Total licenses & permits	1,541,295	1,541,295	1,344,934	(196,361)
Intergovernmental	328,007	328,007	353,103	25,096

(See independent auditor's report)

Village of Downers Grove

General Fund
Schedule of Revenues - Budget and Actual (Continued)
For the Year Ended December 31, 2008

	Year Ended December 31, 2008			
	Original Budget	Final Budget	Actual	Variance
Charges for services & fees				
Ambulance user fee - resident	$ 575,000	$ 575,000	$ 664,473	89,473
Ambulance user fee - nonresident	190,000	190,000	228,632	38,632
Review and inspection fees	292,000	292,000	390,765	98,765
Cable franchise fees	520,000	520,000	585,998	65,998
Cellular antenna rental	657,873	657,873	773,016	115,143
Heritage fest fees	325,000	325,000	331,771	6,771
Other fees & charges	772,865	772,865	894,748	121,883
Total charges for services & fees	3,332,738	3,332,738	3,869,403	536,665
Fines & forfeitures				
Administrative booking and tow fees	475,000	475,000	326,376	(148,624)
Fines	882,500	882,500	937,843	55,343
Total fines & forfeitures	1,357,500	1,357,500	1,264,219	(93,281)
Investment income	601,000	601,000	636,168	35,168
Contributions and donations	83,200	83,200	82,411	(789)
TOTAL REVENUES	$ 41,160,555	$ 41,160,555	$ 40,834,742	(325,813)

(See independent auditor's report)

Village of Downers Grove

General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2008

	Year Ended December 31, 2008			
	Original Budget	Final Budget	Actual	Variance
General government				
Personnel services	$ 3,319,189	$ 3,258,889	$ 3,165,088	$ (93,801)
Supplies	171,556	171,556	117,083	(54,473)
Contractual services	1,322,268	1,322,268	1,135,287	(186,981)
Other charges and services	1,577,891	1,577,891	803,929	(773,962)
Total general government	6,390,904	6,330,604	5,221,387	(1,109,217)
Public works				
Personnel services	2,715,395	2,730,995	3,293,742	562,747
Supplies	548,302	548,302	747,618	199,316
Contractual services	1,454,443	1,454,443	1,180,092	(274,351)
Other charges and services	1,222,562	1,222,562	1,250,285	27,723
Total public works	5,940,702	5,956,302	6,471,737	515,435
Community development				
Personnel services	1,438,436	1,450,136	1,561,574	111,438
Supplies	34,825	34,825	9,659	(25,166)
Contractual services	107,850	207,850	84,733	(123,117)
Other charges and services	802,992	802,992	698,271	(104,721)
Total community development	2,384,103	2,495,803	2,354,237	(141,566)
Public safety				
Personnel services	20,111,683	20,131,683	21,399,832	1,268,149
Supplies	387,511	387,511	355,154	(32,357)
Contractual services	862,440	862,440	698,384	(164,056)
Other charges and services	3,796,720	3,796,720	3,532,852	(263,868)
Total public safety	25,158,354	25,178,354	25,986,222	807,868
Community services				
Personnel services	1,100,636	1,113,636	1,072,818	(40,818)
Supplies	39,168	39,168	39,914	746
Contractual services	938,236	838,236	787,326	(50,910)
Other charges and services	59,900	59,900	65,967	6,067
Total community services	2,137,940	2,050,940	1,966,025	(84,915)
TOTAL EXPENDITURES	$ 42,012,003	$ 42,012,003	$ 41,999,607	$ (12,394)

(See independent auditor's report)

Village of Downers Grove
Capital Improvements Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Sales tax	$ 4,600,000	$ 4,600,000	$ 3,983,504	$ (616,496)
Property tax	8,671	8,671	8,758	87
Utility tax	410,000	410,000	512,639	102,639
Intergovernmental	443,600	443,600	1,484,656	1,041,056
Investment income	50,000	50,000	87,449	37,449
Total revenues	5,512,271	5,512,271	6,077,006	564,735
EXPENDITURES				
Current				
General government	-	-	1,383	1,383
Public works	371,212	371,212	355,773	(15,439)
Total current	371,212	371,212	357,156	(14,056)
Capital outlay				
General government	301,000	301,000	100,554	(200,446)
Public works	4,795,445	4,795,445	4,460,094	(335,351)
Total capital outlay	5,096,445	5,096,445	4,560,649	(535,796)
Total expenditures	5,467,657	5,467,657	4,917,805	(549,852)
Excess of revenues over expenditures	44,614	44,614	1,159,201	1,114,587
OTHER FINANCING SOURCES (USES)				
Transfers out	(441,825)	(441,825)	(441,825)	-
Total other financing sources (uses)	(441,825)	(441,825)	(441,825)	-
Net change in fund balances	(397,211)	(397,211)	717,376	$ 1,114,587
Fund balances -- beginning	2,108,485	2,108,485	2,108,485	
Fund balances -- ending	$ 1,711,274	$ 1,711,274	$ 2,825,860	

See independent auditor's report

Village of Downers Grove
Municipal Buildings Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment income	$ 70,000	$ 70,000	$ 78,567	$ 8,567
Total revenues	70,000	70,000	78,567	8,567
EXPENDITURES				
Capital outlay				
Public safety	2,365,000	4,085,000	4,029,543	(55,457)
Total capital outlay	2,365,000	4,085,000	4,029,543	(55,457)
Total expenditures	2,365,000	4,085,000	4,029,543	(55,457)
Excess (deficiency) of revenues over (under) expenditures	(2,295,000)	(4,015,000)	(3,950,976)	64,024
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	16,831	16,831
Total other financing sources (uses)	-	-	16,831	16,831
Net change in fund balances	(2,295,000)	(4,015,000)	(3,934,144)	$ 80,856
Fund balances -- beginning	5,107,647	5,107,647	5,107,647	
Fund balances -- ending	$ 2,812,647	$ 1,092,647	$ 1,173,502	

(See independent auditor's report)

Village of Downers Grove
Stormwater Improvements Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 2,604,098	$ 2,604,098	$ 2,630,139	$ 26,041
Sales tax	1,150,000	1,150,000	1,004,090	(145,910)
Investment income	-	-	330,305	330,305
Contributions & donations	1,300,000	1,300,000	1,386,883	86,883
Total revenues	5,054,098	5,054,098	5,351,417	297,319
EXPENDITURES				
Current				
General government	321,000	321,000	208,151	(112,849)
Public works	1,251,106	1,251,106	1,006,148	(244,958)
Total current	1,572,106	1,572,106	1,214,300	(357,806)
Capital outlay				
Public works	5,935,000	5,935,000	2,451,301	(3,483,699)
Total capital outlay	5,935,000	5,935,000	2,451,301	(3,483,699)
Total expenditures	7,507,106	7,507,106	3,665,601	(3,841,505)
Excess (deficiency) of revenues over (under) expenditures	(2,453,008)	(2,453,008)	1,685,816	4,138,824
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	28,225	28,225
Bonds issued	25,000,000	25,000,000	25,000,000	-
Bond premium	-	-	342,534	342,534
Total other financing sources (uses)	25,000,000	25,000,000	25,370,759	370,759
Net change in fund balances	22,546,992	22,546,992	27,056,575	4,509,583
Fund balances -- beginning	-	-	-	
Fund balances -- ending	$ 22,546,992	$ 22,546,992	$ 27,056,575	

(See independent auditor's report)

Village of Downers Grove
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Special Revenue	Debt Service	Real Estate	Total
ASSETS				
Cash and investments	$ 3,804,096	$ 691,187	$ 614,817	$ 5,110,101
Property taxes receivable	768,065	-	-	768,065
Other taxes receivable	135,420	23,147	-	158,567
Accounts receivable	9,619	-	8,687	18,306
Total assets	4,717,200	714,334	623,504	6,055,038
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	755,377	-	2,884	758,261
Due to other funds	1,800,403	-	-	1,800,403
Deposits payable	-	-	8,645	8,645
Deferred property taxes	735,300	-	-	735,300
Total liabilities	3,291,080	-	11,529	3,302,608
FUND BALANCES				
Unreserved	1,426,120	714,334	611,975	2,752,430
Total fund balances	1,426,120	714,334	611,975	2,752,430
Total liabilities and fund balances	$ 4,717,200	$ 714,334	$ 623,504	$ 6,055,038

(See independent auditor's report)

Village of Downers Grove
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2008

	Special Revenue	Debt Service	Real Estate	Total
REVENUES				
Sales tax	$ 678,162	$ -	$ -	$ 678,162
Property tax	690,086	796,191	-	1,486,277
Other taxes	218,498	226,855	-	445,353
Intergovernmental	1,346,201	-	-	1,346,201
Charges for services & fees	117,054	-	78,925	195,979
Investment income	71,627	13,296	3,290	88,212
Total revenues	3,121,627	1,036,343	82,214	4,240,184
EXPENDITURES				
Current				
General government	678,162	-	22,936	701,097
Public works	1,981,604	-	-	1,981,604
Community development	137,852	-	-	137,852
Public safety	67,110	-	-	67,110
Debt service				
Principal retirement	-	1,000,000	-	1,000,000
Interest	-	2,056,021	-	2,056,021
Issuance costs	-	17,838	-	17,838
Total expenditures	2,864,727	3,073,859	22,936	5,961,523
Excess (deficiency) of revenues over (under) expenditures	256,900	(2,037,517)	59,279	(1,721,338)
OTHER FINANCING SOURCES (USES)				
Transfers in	30,000	1,858,414	-	1,888,414
Transfers out	(133,193)	(30,000)	-	(163,193)
Refunding bonds issued	-	3,900,000	-	3,900,000
Payment to escrow agent	-	(3,992,164)	-	(3,992,164)
Bond premium	-	138,227	-	138,227
Total other financing sources (uses)	(103,193)	1,874,477	-	1,771,284
Net change in fund balance	153,707	(163,040)	59,279	49,945
Fund balances -- beginning	1,272,414	877,374	552,697	2,702,484
Fund balances -- ending	$ 1,426,120	$ 714,334	$ 611,975	$ 2,752,430

(See independent auditor's report)

Village of Downers Grove
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Motor Fuel Tax	Foreign Fire	Ogden TIF	Sales Tax Rebate	Transportation	Total
ASSETS						
Cash and investments	$ 908,425	$ 150,158	$ 2,091,601	$ 653,912	$ -	$ 3,804,096
Property taxes receivable	-	-	768,065	-	-	768,065
Other taxes receivable	119,990	-	-	-	15,430	135,420
Accounts receivable	-	-	-	-	9,619	9,619
Total assets	1,028,416	150,158	2,859,666	653,912	25,049	4,717,200
LIABILITIES AND FUND BALANCES						
Accounts payable	-	-	100,953	653,912	512	755,377
Due to other funds	-	-	-	-	1,800,403	1,800,403
Deferred property taxes	-	-	735,300	-	-	735,300
Total liabilities	-	-	836,253	653,912	1,800,915	3,291,080
FUND BALANCES						
Unreserved	1,028,416	150,158	2,023,413	-	(1,775,866)	1,426,120
Total fund balances	1,028,416	150,158	2,023,413	-	(1,775,866)	1,426,120
Total liabilities and fund balances	$ 1,028,416	$ 150,158	$ 2,859,666	-	$ 25,049	$ 4,717,200

(See independent auditor's report)

Village of Downers Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008

	Motor Fuel Tax	Foreign Fire	Odgen TIF	Sales Tax Rebate	Transportation	Community Events	Total
REVENUES							
Sales tax	$ -	$ -	$ -	$ 678,162	$ -	$ -	$ 678,162
Property tax	-	-	690,086	-	-	-	690,086
Other taxes	-	67,259	-	-	151,239	-	218,498
Intergovernmental	1,297,445	-	209	-	48,548	-	1,346,201
Charges for services & fees	-	-	-	-	117,054	-	117,054
Investment income	31,488	2,960	37,178	-	-	-	71,627
Total revenues	1,328,933	70,220	727,473	678,162	316,840	-	3,121,627
EXPENDITURES							
Current							
General government	-	-	-	678,162	-	-	678,162
Public works	1,505,000	-	232	-	476,372	-	1,981,604
Community development	-	-	137,852	-	-	-	137,852
Public safety	-	67,110	-	-	-	-	67,110
Total expenditures	1,505,000	67,110	138,084	678,162	476,372	-	2,864,727
Excess (deficiency) of revenues over (under) expenditures	(176,067)	3,110	589,389	-	(159,532)	-	256,900
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	30,000	-	30,000
Transfers out	-	-	-	-	-	(133,193)	(133,193)
Total other financing sources (uses)	-	-	-	-	30,000	(133,193)	(103,193)
Net Change in fund balances	(176,067)	3,110	589,389	-	(129,532)	(133,193)	153,707
Fund balances -- beginning	1,204,483	147,048	1,434,024	-	(1,646,334)	133,193	1,272,414
Fund balances -- ending	$ 1,028,416	$ 150,158	$ 2,023,413	-	$ (1,775,866)	-	$ 1,426,120

(See independent auditor's report)

Village of Downers Grove
Motor Fuel Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	$ 1,455,000	$ 1,455,000	$ 1,297,445	$ (157,555)
Investment income	50,000	50,000	31,488	(18,512)
Total revenues	1,505,000	1,505,000	1,328,933	(176,067)
EXPENDITURES				
Public works	1,505,000	1,505,000	1,505,000	-
Total current	1,505,000	1,505,000	1,505,000	-
Total expenditures	1,505,000	1,505,000	1,505,000	-
(Deficiency) of revenues (under) expenditures	-	-	(176,067)	(176,067)
Net change in fund balances	-	-	(176,067)	(176,067)
Fund balances -- beginning	1,204,483	1,204,483	1,204,483	
Fund balances -- ending	$ 1,204,483	$ 1,204,483	$ 1,028,416	

(See independent auditor's report)

Village of Downers Grove
Foreign Fire Insurance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Foreign fire insurance tax	$ 60,623	$ 60,623	$ 67,259	$ 6,636
Investment income	4,000	4,000	2,960	(1,040)
Total revenues	64,623	64,623	70,220	5,597
EXPENDITURES				
Current				
Public safety	81,100	81,100	67,110	(13,990)
Total current	81,100	81,100	67,110	(13,990)
Total expenditures	81,100	81,100	67,110	(13,990)
Excess (deficiency) of revenues over (under) expenditures	(16,477)	(16,477)	3,110	19,587
Net change in fund balances	(16,477)	(16,477)	3,110	19,587
Fund balances -- beginning	147,048	147,048	147,048	
Fund balances -- ending	$ 130,571	$ 130,571	$ 150,158	

(See independent auditor's report)

Village of Downers Grove
Odgen TIF Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 680,833	$ 680,833	$ 690,086	$ 9,253
Intergovernmental	-	-	209	209
Investment income	65,850	65,850	37,178	(28,672)
Total revenues	746,683	746,683	727,473	(19,210)
EXPENDITURES				
Current				
Public works	535,000	535,000	232	(534,768)
Community development	1,057,850	1,057,850	137,852	(919,998)
Total current	1,592,850	1,592,850	138,084	(1,454,766)
Total expenditures	1,592,850	1,592,850	138,084	(1,454,766)
Excess (deficiency) of revenues over (under) expenditures	(846,167)	(846,167)	589,389	1,435,556
Net change in fund balances	(846,167)	(846,167)	589,389	1,435,556
Fund balances -- beginning	1,434,024	1,434,024	1,434,024	
Fund balances -- ending	$ 587,857	$ 587,857	$ 2,023,413	

(See independent auditor's report)

Village of Downers Grove
Sales Tax Rebate Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Sales tax	$ 750,000	$ 750,000	$ 678,162	$ (71,838)
Total revenues	750,000	750,000	678,162	(71,838)
EXPENDITURES				
Current				
General government	750,000	750,000	678,162	(71,838)
Total current	750,000	750,000	678,162	(71,838)
Total expenditures	750,000	750,000	678,162	(71,838)
Net change in fund balances	-	-	-	$ -
Fund balances -- beginning	-	-	-	
Fund balances -- ending	$ -	$ -	$ -	

(See independent auditor's report)

Village of Downers Grove
Transportation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Local fuel tax	$ 184,032	$ 184,032	$ 151,239	$ (32,793)
Intergovernmental	-	-	48,548	48,548
Charges for services & fees	85,900	85,900	117,054	31,154
Total revenues	269,932	269,932	316,840	46,908
EXPENDITURES				
Current				
Public works	464,559	484,559	476,372	(8,187)
Total current	464,559	484,559	476,372	(8,187)
Total expenditures	464,559	484,559	476,372	(8,187)
Excess (deficiency) of revenues over (under) expenditures	(194,627)	(214,627)	(159,532)	55,096
OTHER FINANCING SOURCES (USES)				
Transfers in	30,000	30,000	30,000	-
Total other financing sources and uses	30,000	30,000	30,000	-
Net change in fund balances	(164,627)	(184,627)	(129,532)	$ 55,096
Fund balances -- beginning	(1,646,334)	(1,646,334)	(1,646,334)	
Fund balances -- ending	($ 1,810,961)	($ 1,830,961)	($ 1,775,866)	

(See independent auditor's report)

Village of Downers Grove
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2008

	Fairview Avenue	Downtown TIF	Stormwater/ Facilities	Total
ASSETS				
Cash and investments	$ 125,069	$ 566,119	$ -	$ 691,187
Local fuel tax receivable	23,147	-	-	23,147
Total assets	148,215	566,119	-	714,334
LIABILITIES AND FUND BALANCES				
Total liabilities	-	-	-	-
FUND BALANCES				
Unreserved	148,215	566,119	-	714,334
Total fund balances	148,215	566,119	-	714,334
Total liabilities and fund balances	$ 148,215	$ 566,119	-	$ 714,334

(See independent auditor's report)

Village of Downers Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2008

	Fairview Avenue	Downtown TIF	Stormwater/ Facilities	Total
REVENUES				
Property tax	$ -	$ 796,191	$ -	$ 796,191
Local fuel tax	226,855	-	-	226,855
Investment income	604	12,692	-	13,296
Total revenues	227,460	808,883	-	1,036,343
EXPENDITURES				
Debt service				
Principal retirement	210,000	790,000	-	1,000,000
Interest	62,150	1,568,878	424,994	2,056,021
Issuance costs	-	17,838	-	17,838
Total expenditures	272,150	2,376,715	424,994	3,073,859
Deficiency of revenues (under) expenditures	(44,690)	(1,567,832)	(424,994)	(2,037,517)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,433,420	424,994	1,858,414
Transfers out	(30,000)	-	-	(30,000)
Refunding bonds issued	-	3,900,000	-	3,900,000
Payment to escrow agent	-	(3,992,164)	-	(3,992,164)
Bond premium	-	138,227	-	138,227
Total other financing sources (uses)	(30,000)	1,479,483	424,994	1,874,477
Net change in fund balances	(74,690)	(88,350)	-	(163,040)
Fund balances -- beginning	222,906	654,468	-	877,374
Fund balances -- ending	$ 148,215	$ 566,119	-	$ 714,334

(See independent auditor's report)

Village of Downers Grove
Fairview Avenue Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Local fuel tax	$ 276,048	$ 276,048	$ 226,855	$ (49,193)
Investment income	-	-	604	604
Total revenues	276,048	276,048	227,460	(48,588)
EXPENDITURES				
Debt service				
Principal retirement	210,000	210,000	210,000	-
Interest	62,150	62,150	62,150	-
Total debt service	272,150	272,150	272,150	-
Total expenditures	272,150	272,150	272,150	-
Excess (deficiency) of revenues over (under) expenditures	3,898	3,898	(44,690)	(48,588)
OTHER FINANCING SOURCES (USES)				
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources (uses)	(30,000)	(30,000)	(30,000)	-
Net change in fund balances	(26,102)	(26,102)	(74,690)	(48,588)
Fund balances -- beginning	222,906	222,906	222,906	
Fund balances -- ending	$ 196,804	$ 196,804	$ 148,215	

(See independent auditor's report)

Village of Downers Grove
Downtown Redevelopment TIF Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 788,307	$ 788,307	$ 796,191	$ 7,884
Interest earned on investments	6,000	6,000	12,692	6,692
Total revenues	794,307	794,307	808,883	14,576
EXPENDITURES				
Debt service				
Principal retirement	790,000	790,000	790,000	-
Interest	1,549,503	1,549,503	1,568,878	19,375
Issuance costs	-	-	24,375	24,375
Total debt service	2,339,503	2,339,503	2,376,715	37,212
Total expenditures	2,339,503	2,339,503	2,376,715	37,212
(Deficiency) of revenues (under) expenditures	(1,545,196)	(1,545,196)	(1,567,832)	(22,636)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,461,646	1,461,646	1,433,420	(28,226)
Refunding bonds issued	-	-	3,900,000	3,900,000
Bond premium	-	-	138,227	138,227
Payment to escrow agent	-	(4,039,000)	(3,992,164)	46,836
Total other financing sources and uses	1,461,646	(2,577,354)	1,479,483	4,056,837
Net change in fund balances	(83,550)	(4,122,550)	(88,350)	$ 4,034,200
Fund balances -- beginning	654,468	654,468	654,468	
Fund balances -- ending	$ 570,918	$ (3,468,082)	$ 566,119	

(See independent auditor's report)

Village of Downers Grove
Stormwater/Facilities Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service				
Interest	441,825	441,825	424,994	(16,831)
Total debt service	441,825	441,825	424,994	(16,831)
Total expenditures	441,825	441,825	424,994	(16,831)
Excess (deficiency) of revenues over (under) expenditures	(441,825)	(441,825)	(424,994)	16,831
OTHER FINANCING SOURCES (USES)				
Transfers in	441,825	441,825	424,994	(16,831)
Total other financing sources and uses	441,825	441,825	424,994	(16,831)
Net change in fund balances	-	-	-	$ -
Fund balances -- beginning	-	-	-	
Fund balances -- ending	$ -	$ -	$ -	

(See independent auditor's report)

Village of Downers Grove
Real Estate Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for services & fees	$ 29,867	$ 29,867	$ 78,925	$ 49,058
Investment income	5,000	5,000	3,290	(1,710)
Total revenues	34,867	34,867	82,214	47,347
EXPENDITURES				
Current				
General government	23,306	23,306	22,936	(370)
Total current	23,306	23,306	22,936	(370)
Total expenditures	23,306	23,306	22,936	(370)
Excess of revenues over expenditures	11,561	11,561	59,279	47,718
Net change in fund balances	11,561	11,561	59,279	47,718
Fund balances -- beginning	552,697	552,697	552,697	
Fund balances -- ending	$ 564,258	$ 564,258	$ 611,975	

(See independent auditor's report)

Village of Downers Grove
Waterworks Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Water financial services				
Personnel services	$ 69,856	$ 69,856	$ 107,207	$ 37,351
Supplies	150	150	85	(65)
Contractual services	95,000	95,000	71,407	(23,593)
Other charges and services	1,000	1,000	-	(1,000)
Total	166,006	166,006	178,699	12,693
Water administration				
Personnel services	295,286	295,286	342,372	47,086
Supplies	9,555	9,555	5,181	(4,374)
Contractual services	52,836	52,836	61,384	8,548
Other charges and services	1,160,305	1,160,305	1,161,244	939
Total	1,517,982	1,517,982	1,570,181	52,199
Water pumping and treatment				
Personnel services	90,207	90,207	87,866	(2,341)
Supplies	13,225	13,225	8,527	(4,698)
Contractual services	84,331	84,331	64,913	(19,418)
Other charges and services	10,753	10,753	10,752	(1)
Capital outlay	275,000	275,000	82,473	(192,527)
Total	473,516	473,516	254,531	(218,985)
Water transmission and distribution				
Personnel services	577,435	577,435	543,197	(34,238)
Supplies	269,927	269,927	173,318	(96,609)
Contractual services	569,690	569,690	320,439	(249,251)
Other charges and services	84,463	84,463	71,760	(12,703)
Capital Outlay	4,588,497	4,588,497	4,319,647	(268,850)
Total	6,090,012	6,090,012	5,428,361	(661,651)
DuPage Water Commission				
Supplies	2,924,055	2,924,055	2,774,116	(149,939)
Depreciation	-	-	873,435	873,435
Less assets capitalized	-	-	(4,402,120)	(4,402,120)
Total operating expenses	$ 11,171,571	$ 11,171,571	$ 6,677,202	$ (4,494,367)

(See independent auditor's report)

Village of Downers Grove
Parking Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Non-deck parking operations				
Supplies	$ 9,000	$ 9,000	$ 6,217	(2,783)
Contractual services	-	-	-	-
Other charges and services	80,700	80,700	69,935	(10,765)
Total	89,700	89,700	76,152	(13,548)
Parking deck operations				
Supplies	17,710	17,710	25,137	7,427
Contractual services	115,430	115,430	93,230	(22,200)
Other charges and services	4,500	4,500	1,185	(3,315)
Total	137,640	137,640	119,552	(18,088)
Enforcement				
Personnel services	206,487	206,487	185,324	(21,163)
Supplies	2,375	2,375	1,866	(509)
Contractual services	10,800	10,800	8,373	(2,427)
Other charges and services	539,276	539,276	532,473	(6,803)
Total	758,938	758,938	728,036	(30,902)
Depreciation	-	-	16,515	16,515
Total operating expenses	$ 986,278	$ 986,278	$ 940,255	$ (46,023)

(See independent auditor's report)

Village of Downers Grove
Combining Statement of Net Assets
Internal Service Funds
December 31, 2008

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
ASSETS					
Current assets					
Cash and investments	$885,860	$27,781	$1,818,716	$670,706	$3,403,063
Accounts receivable	-	6,189	107,870	-	114,059
Inventory	-	100,798	-	-	100,798
Deposits	-	-	75,000	-	75,000
Total Current assets	885,860	134,768	2,001,586	670,706	3,692,920
Noncurrent assets					
Capital assets being depreciated	9,394,274	1,027,698	-	-	10,421,971
Accumulated depreciation	(4,380,600)	(560,354)	-	-	(4,940,954)
Total Noncurrent assets	5,013,674	467,344	-	-	5,481,018
Total assets	5,899,534	602,112	2,001,586	670,706	9,173,937
LIABILITIES					
Current liabilities					
Accounts payable	115,721	93,561	29	14,750	224,061
Other payables	-	-	54,110	-	54,110
Compensated absences	-	13,599	10,031	15,019	38,649
Claims payable	-	-	493,551	2,138,066	2,631,617
Total Current liabilities	115,721	107,160	557,720	2,167,836	2,948,436
Noncurrent liabilities					
Other post-employment benefits	-	46,526	8,778	11,705	67,009
Compensated absences	-	31,731	23,404	35,045	90,181
Total Noncurrent liabilities	-	78,257	32,183	46,750	157,190
Total liabilities	115,721	185,417	589,903	2,214,585	3,105,626
NET ASSETS					
Invested in capital assets, net of related debt	5,013,674	467,344	-	-	5,481,018
Unrestricted	770,139	(50,649)	1,411,683	(1,543,879)	587,294
Total net assets	$5,783,813	$416,695	$1,411,683	($1,543,879)	$6,068,312

(See independent auditor's report)

Village of Downers Grove
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2008

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
Operating revenues					
Sales	$ -	$ 123,479	$ -	$ -	$ 123,479
Interfund services	1,469,280	1,755,816	4,370,656	1,743,456	9,339,208
Insurance premiums	-	-	2,142,860	-	2,142,860
Other	42,485	-	47,944	10,748	101,177
Total operating revenues	1,511,765	1,879,295	6,561,459	1,754,204	11,706,723
Operating expenses					
Personnel services	-	661,871	124,096	154,402	940,369
Supplies	-	960,720	521	633	961,874
Contractual services	-	109,189	794,676	408,893	1,312,758
Other charges and services	611,507	148,857	5,176,217	1,535,716	7,472,297
Depreciation	672,867	39,451	-	-	712,318
Total operating expenses	1,284,374	1,920,087	6,095,510	2,099,645	11,399,616
Operating Income (loss)	227,391	(40,793)	465,950	(345,440)	307,107
Nonoperating revenues (expenses)					
Investment income	12,106	-	19,228	11,111	42,445
Gain / (Loss) from disposals	49,262	-	-	-	49,262
Total non operating revenue (expenses)	61,368	-	19,228	11,111	91,707
Income (loss) before transfers	288,759	(40,793)	485,177	(334,329)	398,815
Transfers in	-	-	-	250,000	250,000
Change in net assets	288,759	(40,793)	485,177	(84,329)	648,815
Total net assets -- beginning	5,495,054	457,489	926,505	(1,459,551)	5,419,497
Total net assets -- ending	$ 5,783,813	$ 416,695	$ 1,411,683	($ 1,543,879)	$ 6,068,311

(See independent auditor's report)

Village of Downers Grove
Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2008

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services	$ 1,469,280	$ 1,755,816	$ 4,396,796	$ 1,744,383	$ 9,366,275
Receipts from customers	42,485	126,066	2,148,779	9,821	2,327,151
Other payments	-	(155,242)	(5,071,920)	(1,332,568)	(6,559,730)
Payments to employees	-	(620,992)	(98,497)	(144,126)	(863,616)
Payments for interfund services	-	(102,804)	(70,752)	(456)	(174,012)
Payments to suppliers	(432,374)	(990,675)	(795,341)	(407,754)	(2,626,144)
Net cash provided (used) by operating activities	1,079,391	12,168	509,064	(130,700)	1,469,924
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	-	250,000	250,000
Net cash provided (used) by non-capital activities	-	-	-	250,000	250,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(996,344)	-	-	-	(996,344)
Proceeds from sale of capital assets	112,001	-	-	-	112,001
Net cash provided (used) by capital activities	(884,343)	-	-	-	(884,343)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	12,845	-	36,318	11,111	60,275
Net cash provided (used) by investing activities	12,845	-	36,318	11,111	60,275
Net Increase in cash and cash equivalents	207,893	12,168	545,383	130,411	895,855
Balances - beginning of year	677,967	15,613	1,273,333	540,295	2,507,208
Balances - end of the year	$ 885,860	$ 27,781	$ 1,818,716	$ 670,706	$ 3,403,063
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	227,391	(40,793)	465,950	(345,440)	307,108
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	672,867	39,451	-	-	712,318
Change in assets and liabilities					
Accounts payable	(107,500)	(54,779)	16,137	1,772	(144,371)
Compensated absences	-	(883)	539	(1,429)	(1,773)
Accounts receivable	-	2,587	(26,640)	-	(24,053)
Other post-employment benefits	-	46,526	8,778	11,705	67,009
Prepaids	286,633	-	-	-	286,633
Inventory	-	20,060	-	-	20,060
Claims payable	-	-	33,545	202,693	236,238
Deposits	-	-	10,755	-	10,755
Net cash provided by operating activities	$ 1,079,391	$ 12,168	$ 509,064	($ 130,700)	$ 1,469,924

Non-cash activity: The Village transferred governmental capital assets of $567,742 to the Equipment Replacement Fund.

(See independent auditor's report)

Village of Downers Grove
Equipment Replacement Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Other charges and services	$ 417,264	$ 567,264	$ 611,507	$ 44,243
Capital outlay	1,011,250	1,011,250	937,361	(73,889)
Depreciation	-	-	672,867	672,867
Less assets capitalized	-	-	(937,361)	(937,361)
Total operating expenses	$ 1,428,514	$ 1,578,514	$ 1,284,374	$ (294,140)

(See independent auditor's report)

Village of Downers Grove
Fleet Services Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	$ 586,814	$ 586,814	$ 661,871	$ 75,057
Supplies	921,584	921,584	960,720	39,136
Contractual services	157,602	157,602	109,189	(48,413)
Other charges and services	143,165	143,165	148,857	5,692
Subtotal	1,809,165	1,809,165	1,880,637	71,472
Depreciation	-	-	39,451	39,451
Total operating expenses	$ 1,809,165	$ 1,809,165	$ 1,920,087	$ 110,922

(See independent auditor's report)

Village of Downers Grove
Health Insurance Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Health administration				
Personnel services	$ 111,975	$ 111,975	$ 124,095	$ 12,120
Supplies	650	650	521	(129)
Contractual services	154,500	154,500	126,494	(28,006)
Other charges and services	450	450	456	6
Total	267,575	267,575	251,566	(16,009)
Vision insurance				
Other charges and services	48,895	48,895	49,753	858
Total	48,895	48,895	49,753	858
Medical insurance				
Contractual services	663,495	663,495	648,257	(15,238)
Other charges and services	4,598,466	4,728,466	4,692,501	(35,965)
Total	5,261,961	5,391,961	5,340,758	(51,203)
Dental insurance				
Contractual services	15,730	15,730	19,925	4,195
Other charges and services	417,830	417,830	433,508	15,678
Total	433,560	433,560	453,433	19,873
Total operating expenses	$ 6,011,991	$ 6,141,991	$ 6,095,510	$ (46,481)

(See independent auditor's report)

Village of Downers Grove
Risk Management Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	$ 137,402	$ 137,402	$ 154,402	$ 17,000
Supplies	600	600	633	33
Contractual services	431,667	431,667	408,893	(22,774)
Other charges and services	1,311,282	1,686,282	1,535,716	(150,566)
Total operating expenses	$ 1,880,951	$ 2,255,951	$ 2,099,644	$ (156,307)

(See independent auditor's report)

Village of Downers Grove
Combining Statement of Net Assets
Pension Trust Funds
December 31, 2008

	Police Pension	Fire Pension	Total
ASSETS			
Cash and investments	$ 2,055,911	$ 2,599,211	$ 4,655,122
Investments			
U.S. Obligations	18,370,802	15,462,355	33,833,157
Corporate Bonds	1,196,966	125,681	1,322,647
Mutual Funds - Equity	7,426,606	7,051,225	14,477,831
Stocks	1,525,368	-	1,525,368
Due from other funds	-	250	250
Prepaids	5,250	4,250	9,500
Interest receivable	204,621	173,453	378,073
Total assets	30,785,524	25,416,425	56,201,949
LIABILITIES			
Accounts payable	6,531	12,396	18,927
Total liabilities	6,531	12,396	18,927
NET ASSETS			
Held in trust for pension benefits	$ 30,778,993	$ 25,404,029	$ 56,183,022

(See independent auditor's report)

Village of Downers Grove
Combining Statement of Changes in Net Assets
Pension Trust Funds
For the Year Ended December 31, 2008

	Police Pension	Fire Pension	Total
ADDITIONS			
Contributions			
Contributions - employer	$ 1,144,537	$ 1,030,534	$ 2,175,071
Contributions - employees	666,830	603,179	1,270,009
Total contributions	1,811,367	1,633,713	3,445,080
Investment earnings			
Interest earned on investments	1,113,196	913,663	2,026,859
Net depreciation in value	(5,077,199)	(3,840,998)	(8,918,197)
Total investment earnings	(3,964,003)	(2,927,335)	(6,891,338)
Less investment expense	(86,101)	(64,561)	(150,662)
Net investment earnings(loss)	(4,050,104)	(2,991,896)	(7,042,001)
Total additions	(2,238,737)	(1,358,184)	(3,596,921)
DEDUCTIONS			
Contractual services	23,637	17,239	40,876
Other charges and services	6,204	6,204	12,408
Benefits and refunds	2,034,449	1,339,852	3,374,301
Total deductions	2,064,290	1,363,295	3,427,585
Change in Net Assets	(4,303,027)	(2,721,479)	(7,024,506)
Net Assets-- beginning of the year	35,082,021	28,125,507	63,207,528
Net Assets -- end of the year	$ 30,778,993	$ 25,404,029	$ 56,183,022

(See independent auditor's report)

Village of Downers Grove
Police Pension Fund
Schedule of Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance
ADDITIONS				
Contributions - employer	$ 1,145,433	$ 1,145,433	$ 1,144,537	$ (896)
Contributions - employees	618,675	618,675	666,830	48,155
Total contributions	1,764,108	1,764,108	1,811,367	47,259
Investment earnings				
Net appreciation in fair value of investments	250,000	250,000	(5,077,199)	(5,327,199)
Interest earned on investments	750,000	750,000	1,113,196	363,196
Less investment expense	(72,000)	(72,000)	(86,101)	(14,101)
Net investment earnings(loss)	928,000	928,000	(4,050,104)	(4,978,104)
Total additions	2,692,108	2,692,108	(2,238,737)	(4,930,845)
DEDUCTIONS				
Supplies	650	650	-	(650)
Contractual services	18,000	18,000	23,637	5,637
Other charges and services	6,210	6,210	6,204	(6)
Benefits and refunds	2,015,000	2,115,000	2,034,449	(80,551)
Total deductions	2,039,860	2,139,860	2,064,290	(75,570)
Net increase (decrease)	$ 652,248	$ 552,248	(4,303,027)	(4,855,275)
Net assets held in trust for pension benefits				
Beginning			35,082,021	
Ending			$ 30,778,993	

(See independent auditor's report)

Village of Downers Grove
Fire Pension Fund
Schedule of Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance
ADDITIONS				
Contributions - employer	$ 1,017,249	$ 1,017,249	$ 1,030,534	$ 13,285
Contributions - employees	618,675	618,675	603,179	(15,496)
Total contributions	1,635,924	1,635,924	1,633,713	(2,211)
Investment earnings				
Net appreciation in fair value of investments	300,000	300,000	(3,840,998)	(4,140,998)
Interest earned on investments	650,000	650,000	913,663	263,663
Less investment expense	(62,500)	(62,500)	(64,561)	(2,061)
Net investment earnings(loss)	887,500	887,500	(2,991,896)	(3,879,396)
Total additions	2,523,424	2,523,424	(1,358,184)	(3,881,608)
DEDUCTIONS				
Supplies	20	20	-	(20)
Contractual services	18,650	18,650	17,239	(1,411)
Other charges and services	6,210	6,210	6,204	(6)
Benefits and refunds	1,368,000	1,368,000	1,339,852	(28,148)
Total deductions	1,392,880	1,392,880	1,363,295	(29,585)
Net increase (decrease)	$ 1,130,544	$ 1,130,544	(2,721,479)	(3,852,023)
Net assets held in trust for pension benefits				
Beginning			28,125,507	
Ending			$ 25,404,028	

(See independent auditor's report)

Village of Downers Grove
Construction Deposit Fund
Schedule of Changes in Assets and Liabilities
For the Year Ended December 31, 2008

	Balances January 1	Additions	Deductions	Balances December 31
ASSETS				
Cash and investments	$ 3,663,751	$ -	$ 945,634	$ 2,718,117
Accounts receivable	-	5,000	-	5,000
Total assets	3,663,751	5,000	945,634	2,723,117
LIABILITIES				
Accounts payable	85,098	86,735	85,098	86,735
Deposits payable	3,578,653	1,387,315	2,329,586	2,636,382
Total liabilities	$ 3,663,751	$ 1,474,050	$ 2,414,684	$ 2,723,117

(See independent auditor's report)

Village of Downers Grove
Statement of Net Assets and Governmental Funds Combining Balance Sheet
Library Component Unit
December 31, 2008

	General	Debt Service	Construction	Total	Adjustments	Statement of Net Assets
ASSETS						
Cash and investments	$ 2,508,773	$ 839,243	$ 244,756	$ 3,592,772	$ -	$ 3,592,772
Property tax receivable	3,852,595	657,761	-	4,510,356	-	4,510,356
Accounts receivable	64	-	-	64	-	64
Accrued interest receivable	7,581	-	-	7,581	-	7,581
Prepaids	175	-	-	175	-	175
Unamortized debt issuance costs	-	-	-	-	72,911	72,911
Capital assets not being depreciated	-	-	-	-	222,211	222,211
Capital assets net accumulated depreciation	-	-	-	-	13,453,211	13,453,211
Total assets	6,369,188	1,497,004	244,756	8,110,949	13,675,422	21,859,282
LIABILITIES AND FUND BALANCES						
Current liabilities						
Accrued interest payable	-	-	-	-	83,424	83,424
Accounts payable	77,402	-	-	77,402	-	77,402
Deferred property taxes	3,812,755	657,761	-	4,470,516	-	4,470,516
Debt due within 1 year	-	-	-	-	498,138	498,138
Total Current liabilities	3,890,157	657,761	-	4,547,918	581,563	5,129,481
Noncurrent liabilities						
Debt due in more than 1 year	-	-	-	-	4,260,770	4,260,770
Total Noncurrent liabilities	-	-	-	-	4,260,770	4,260,770
Total liabilities	3,890,157	657,761	-	4,547,918	4,842,333	9,390,251
FUND BALANCE/NET ASSETS						
Unreserved Fund Balance	2,479,031	839,243	244,756	3,563,030	-	-
Restricted for Debt Service	-	-	-	-	-	839,243
Restricted for Capital Outlay	-	-	-	-	-	244,756
Invested in Capital Assets, Net of Related Debt	-	-	-	-	9,092,154	9,092,154
Unrestricted	-	-	-	-	(259,065)	2,292,878
Total fund balances/net assets	$ 2,479,031	$ 839,243	$ 244,756	$ 3,563,030	$ 8,833,089	$ 12,469,031

See accompanying notes to financial statements

Downers Grove Public Library
Component Unit
Statement of Activities and Governmental Fund
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances/Net Assets
For the Year Ended December 31, 2008

	General	Debt Service	Construction	Total	Adjustments	Statement of Activities
REVENUES						
Taxes	$ 3,651,619	$ 663,419	$ -	$ 4,315,038	$ -	$ 4,315,038
Intergovernmental	151,163	-	-	151,163	-	151,163
Charges for services	52,971	-	-	52,971	-	52,971
Fines	119,032	-	-	119,032	-	119,032
Investment income	50,509	10,162	4,599	65,270	-	65,270
Miscellaneous	4,135	-	-	4,135	-	4,135
Total revenues	4,029,429	673,581	4,599	4,707,609	-	4,707,609
EXPENDITURES						
Current						
Community services	3,223,259	-	-	3,223,259	1,293,523	4,516,782
Capital outlay	559,095	-	63,457	622,552	(622,552)	-
Debt service						
Principal retirement	-	475,000	-	475,000	(475,000)	-
Interest and fiscal charges	-	173,083	-	173,083	44,850	217,933
Total expenditures	3,782,354	648,083	63,457	4,493,894	240,821	4,734,715
Net change in fund balance/net assets	247,075	25,498	(58,858)	213,715	(240,821)	(27,106)
Fund balance/net assets, beginning	2,231,956	813,745	303,615	3,349,316	9,146,821	12,496,137
Fund balance/net assets, ending	$ 2,479,031	$ 839,243	$ 244,756	$ 3,563,030	$ 8,906,000	$ 12,469,031

See accompanying notes to financial statements

Downers Grove Public Library Component Unit
Library General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	3,631,195	3,631,195	3,651,619	20,424
Intergovernmental	111,260	111,260	151,163	39,903
Charges for services & fees	52,000	52,000	52,971	971
Fines	123,000	123,000	119,032	(3,968)
Contributions & donations	10,000	10,000	4,135	(5,865)
Investment income	40,000	40,000	50,509	10,509
Total revenues	3,967,455	3,967,455	4,029,429	61,974
EXPENDITURES				
Current				
Community services	3,353,270	3,353,270	3,223,259	(130,011)
Total current	3,353,270	3,353,270	3,223,259	(130,011)
Capital outlay	587,092	587,092	559,095	(27,996)
Total expenditures	3,940,362	3,940,362	3,782,354	(158,008)
Excess of revenues over expenditures	27,093	27,093	247,075	219,982
Net change in fund balances	27,093	27,093	247,075	219,982
Fund balances -- beginning	2,231,956	2,231,956	2,231,956	
Fund balances -- ending	$ 2,259,049	$ 2,259,049	$ 2,479,031	

(See independent auditor's report)

Downers Grove Public Library Component Unit
Library Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	656,850	656,850	663,419	6,569
Investment income	5,000	5,000	10,162	5,162
Total revenues	661,850	661,850	673,581	11,731
EXPENDITURES				
Debt service				
Principal retirement	475,000	475,000	475,000	-
Interest	173,084	173,084	173,083	(1)
Total debt service	648,084	648,084	648,083	(1)
Total expenditures	648,084	648,084	648,083	(1)
Excess of revenues over expenditures	13,766	13,766	25,498	11,732
Net change in fund balances	13,766	13,766	25,498	11,732
Fund balances -- beginning	813,745	813,745	813,745	
Fund balances -- ending	$ 827,511	$ 827,511	$ 839,243	

(See independent auditor's report)

Downers Grove Public Library Component Unit
Library Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment income	5,000	5,000	4,599	(401)
Total revenues	5,000	5,000	4,599	(401)
EXPENDITURES				
Capital outlay				
Community services	70,000	70,000	63,457	(6,543)
Total capital outlay	70,000	70,000	63,457	(6,543)
Total expenditures	70,000	70,000	63,457	(6,543)
Excess (deficiency) of revenues over (under) expenditures	(65,000)	(65,000)	(58,858)	6,142
Net change in fund balances	(65,000)	(65,000)	(58,858)	6,142
Fund balances -- beginning	303,615	303,615	303,615	
Fund balances -- ending	$ 238,615	$ 238,615	$ 244,756	

(See independent auditor's report)

Village of Downers Grove

Schedule of Insurance in Force
December 31, 2008

Insurance Company	Term	Description of Coverage
Chubb	05/01/08- 04/30/09	All Risk Property $35,000,000 Excess of $25,000
Illinois National Insurance Co.	05/01/08- 04/30/09	Excess GL/Auto/Crime/Fidelity/Terrorism Excess up to $15,000,000, Retained Limit of $1,000,000
Westchester Insurance	05/01/08- 04/30/09	Excess GL/Auto $20,000,000 Excess after the 1st Layer $10,000,000
Safety National	05/01/08- 04/30/09	Workers' Compensation Full Statutory Benefits $2,000,000 Excess of $450,000

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 1998
December 31, 2008

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	January 1 and July 1
Principal Maturity Dates	January 1
Payable at	Bank One
Purpose of Issuance	To finance the widening of the Fairview Avenue

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2009	$ 215,000	$ 53,968	$ 268,968	2009	$ 29,080	2009	$ 24,888
2010	225,000	45,388	270,388	2010	24,888	2010	20,500
2011	240,000	36,200	276,200	2011	20,500	2011	15,700
2012	250,000	26,400	276,400	2012	15,700	2012	10,700
2013	260,000	16,200	276,200	2013	10,700	2013	5,500
2014	275,000	5,500	280,500	2014	5,500	2014	-
	$ 1,465,000	$ 183,656	$ 1,648,656		$ 106,368		$ 77,288

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 1999
December 31, 2008

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	January 1 and July 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

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2009	$ 195,000	$ 16,930	$ 211,930	2009	$ 10,805	2009	$ 6,125
2010	250,000	6,125	256,125	2010	$ 6,125	2010	-
	$ 445,000	$ 23,055	$ 468,055		$ 16,930		$ 6,125

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.

Bonds due January 1, 2011 through January 1, 2013 totaling $1,070,000 were refunded in fiscal year 2008 from the proceeds of the G. O. Refunding Bonds, Series 2008B.

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2000
December 31, 2008

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	January 1 and July 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

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2009	$ 145,000	$ 28,050	$ 173,050	2009	$ 16,200	2009	$ 11,850
2010	170,000	18,600	188,600	2010	11,850	2010	6,750
2011	225,000	6,750	231,750	2011	6,750	2011	
	$ 540,000	$ 53,400	$ 593,400		$ 34,800		$ 18,600

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.

Bonds due January 1, 2012 through January 1, 2013 totaling $640,000 were refunded in fiscal year 2008 from the proceeds of the G. O. Refunding Bonds, Series 2008B.

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2001
December 31, 2008

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	January 1 and July 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

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2009	$ 20,000	$ 296,712	$ 316,712	2009	$ 148,581	2009	$ 148,131
2010	60,000	294,837	354,837	2010	148,131	2010	146,706
2011	65,000	291,869	356,869	2011	146,706	2011	145,163
2012	135,000	287,119	422,119	2012	145,163	2012	141,956
2013	185,000	279,287	464,287	2013	141,956	2013	137,331
2014	255,000	268,287	523,287	2014	137,331	2014	130,956
2015	150,000	258,163	408,163	2015	130,956	2015	127,207
2016	135,000	251,038	386,038	2016	127,207	2016	123,831
2017	195,000	242,789	437,789	2017	123,831	2017	118,958
2018	180,000	233,415	413,415	2018	118,958	2018	114,457
2019	320,000	220,913	540,913	2019	114,457	2019	106,456
2020	1,530,000	173,706	1,703,706	2020	106,456	2020	67,250
2021	2,690,000	67,250	2,757,250	2021	67,250	2021	
	$ 5,920,000	$ 3,165,385	$ 9,085,385		$ 1,656,983		$ 1,508,402

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2001A
December 31, 2008

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	January 1 and July 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

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2009	$ 430,000	$ 72,965	$ 502,965	2009	$ 41,105	2009	$ 31,860
2010	450,000	53,708	503,708	2010	31,860	2010	21,848
2011	470,000	33,003	503,003	2011	21,848	2011	11,155
2012	485,000	11,155	496,155	2012	11,155	2012	
	$ 1,835,000	$ 170,831	$ 2,005,831		$ 105,968		$ 64,863

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2002
December 31, 2008

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	January 1 and July 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

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2009	$ 100,000	$ 252,408	$ 352,408	2009	$ 127,204	2009	$ 125,204
2010	100,000	248,408	348,408	2010	125,204	2010	123,204
2011	100,000	244,408	344,408	2011	123,204	2011	121,204
2012	120,000	239,708	359,708	2012	121,204	2012	118,504
2013	185,000	233,308	418,308	2013	118,504	2013	114,804
2014	265,000	224,308	489,308	2014	114,804	2014	109,504
2015	355,000	211,642	566,642	2015	109,504	2015	102,138
2016	220,000	199,601	419,601	2016	102,138	2016	97,463
2017	560,000	182,746	742,746	2017	97,463	2017	85,283
2018	685,000	155,325	840,325	2018	85,283	2018	70,042
2019	830,000	121,201	951,201	2019	70,042	2019	51,159
2020	980,000	79,778	1,059,778	2020	51,159	2020	28,619
2021	1,205,000	28,619	1,233,619	2021	28,619	2021	
	$ 5,705,000	$ 2,421,460	$ 8,126,460		$ 1,274,332		$ 1,147,128

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2003
December 31, 2008

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	January 1 and July 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

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2009	$ 490,000	$ 159,805	$ 649,805	2009	$ 83,424	2009	$ 76,381
2010	505,000	144,871	649,871	2010	76,381	2010	68,490
2011	520,000	128,660	648,660	2011	68,490	2011	60,170
2012	535,000	111,780	646,780	2012	60,170	2012	51,610
2013	555,000	94,340	649,340	2013	51,610	2013	42,730
2014	570,000	75,913	645,913	2014	42,730	2014	33,183
2015	585,000	56,128	641,128	2015	33,183	2015	22,945
2016	610,000	34,758	644,758	2016	22,945	2016	11,813
2017	630,000	11,813	641,813	2017	11,813	2017	
	$ 5,000,000	$ 818,068	$ 5,818,068		$ 450,746		$ 367,322

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2003A
December 31, 2008

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	January 1 and July 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

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2009	$ 400,000	$ 364,040	$ 764,040	2009	$ 185,520	2009	$ 178,520
2010	750,000	343,915	1,093,915	2010	178,520	2010	165,395
2011	770,000	316,353	1,086,353	2011	165,395	2011	150,958
2012	795,000	286,016	1,081,016	2012	150,958	2012	135,058
2013	815,000	253,816	1,068,816	2013	135,058	2013	118,758
2014	845,000	220,616	1,065,616	2014	118,758	2014	101,858
2015	875,000	186,216	1,061,216	2015	101,858	2015	84,358
2016	915,000	149,501	1,064,501	2016	84,358	2016	65,143
2017	950,000	110,098	1,060,098	2017	65,143	2017	44,955
2018	990,000	68,130	1,058,130	2018	44,955	2018	23,175
2019	1,030,000	23,175	1,053,175	2019	23,175	2019	-
	$ 9,135,000	$ 2,321,876	$ 11,456,876		$ 1,253,698		$ 1,068,178

Bonds due January 1, 2020 through January 1, 2021 totaling $2,190,000 were refunded in fiscal year 2008 from the proceeds of the G. O. Refunding Bonds, Series 2008B.

Village of Downers Grove

Long-Term Debt Requirements
Taxable General Obligation Refunding Bonds, Series 2005
December 31, 2008

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	January 1 and July 1
Principal Maturity Dates	January 1
Payable at	The Northern Trust Company
Purpose of Issuance	To refund G. O. Bonds, Series 1999 and G. O. Bonds, Series 2000

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2009	$ 70,000	$ 352,675	$ 422,675	2009	$ 176,950	2009	$ 175,725
2010	70,000	350,225	420,225	2010	175,725	2010	174,500
2011	70,000	347,775	417,775	2011	174,500	2011	173,275
2012	80,000	345,150	425,150	2012	173,275	2012	171,875
2013	80,000	342,350	422,350	2013	171,875	2013	170,475
2014	840,000	326,250	1,166,250	2014	170,475	2014	155,775
2015	1,175,000	290,694	1,465,694	2015	155,775	2015	134,919
2016	1,365,000	245,268	1,610,268	2016	134,919	2016	110,349
2017	1,505,000	193,608	1,698,608	2017	110,349	2017	83,259
2018	1,735,000	134,420	1,869,420	2018	83,259	2018	51,161
2019	1,820,000	68,197	1,888,197	2019	51,161	2019	17,036
2020	885,000	17,036	902,036	2020	17,036	2020	
	$ 9,695,000	$ 3,013,648	$ 12,708,648		$ 1,595,299		$ 1,418,349

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2007
December 31, 2008

Date of Issue	May 1, 2007
Date of Maturity	January 1, 2028
Authorized Issue	$9,250,000
Denomination of Bonds	$5,000
Interest Rates	3.75% to 5.50%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To finance the building of Fire Station # 2.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2009	$ 100,000	$ 376,708	$ 476,708	2009	$ 189,354	2009	187,354
2010	335,000	368,008	703,008	2010	187,354	2010	180,654
2011	350,000	354,308	704,308	2011	180,654	2011	173,654
2012	360,000	340,108	700,108	2012	173,654	2012	166,454
2013	375,000	325,408	700,408	2013	166,454	2013	158,954
2014	390,000	310,108	700,108	2014	158,954	2014	151,154
2015	400,000	291,308	691,308	2015	151,154	2015	140,154
2016	420,000	268,758	688,758	2016	140,154	2016	128,604
2017	435,000	249,051	684,051	2017	128,604	2017	120,447
2018	450,000	232,345	682,345	2018	120,447	2018	111,898
2019	470,000	214,748	684,748	2019	111,898	2019	102,850
2020	490,000	196,268	686,268	2020	102,850	2020	93,418
2021	500,000	177,085	677,085	2021	93,418	2021	83,667
2022	525,000	156,835	681,835	2022	83,667	2022	73,168
2023	550,000	135,335	685,335	2023	73,168	2023	62,167
2024	570,000	112,935	682,935	2024	62,167	2024	50,768
2025	595,000	89,635	684,635	2025	50,768	2025	38,867
2026	620,000	65,335	685,335	2026	38,867	2026	26,468
2027	645,000	40,035	685,035	2027	26,468	2027	13,567
2028	670,000	13,568	683,568	2028	13,568	2028	
	$ 9,250,000	$ 4,317,889	$ 13,567,889		$ 2,253,622		$ 2,064,267

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2008A
December 31, 2008

Date of Issue	August 13, 2008
Date of Maturity	January 1, 2038
Authorized Issue	$25,000,000
Denomination of Bonds	$5,000
Interest Rates	3.50% to 5.25%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To fund watershed improvements

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2009		$ 1,025,053	$ 1,025,053	2009	$ 444,834	2009	$ 580,219
2010	$ 2,835,000	1,096,650	3,931,650	2010	580,219	2010	516,431
2011	2,965,000	966,150	3,931,150	2011	516,431	2011	449,719
2012	2,610,000	853,763	3,463,763	2012	449,719	2012	404,044
2013	345,000	802,050	1,147,050	2013	404,044	2013	398,006
2014	355,000	789,800	1,144,800	2014	398,006	2014	391,794
2015	370,000	776,188	1,146,188	2015	391,794	2015	384,394
2016	385,000	761,088	1,146,088	2016	384,394	2016	376,694
2017	400,000	745,388	1,145,388	2017	376,694	2017	368,694
2018	415,000	729,088	1,144,088	2018	368,694	2018	360,394
2019	430,000	710,038	1,140,038	2019	360,394	2019	349,644
2020	455,000	687,913	1,142,913	2020	349,644	2020	338,269
2021	475,000	664,663	1,139,663	2021	338,269	2021	326,394
2022	500,000	640,288	1,140,288	2022	326,394	2022	313,894
2023	525,000	614,663	1,139,663	2023	313,894	2023	300,769
2024	550,000	587,788	1,137,788	2024	300,769	2024	287,019
2025	580,000	559,538	1,139,538	2025	287,019	2025	272,519
2026	605,000	529,157	1,134,157	2026	272,519	2026	256,638
2027	640,000	496,476	1,136,476	2027	256,638	2027	239,838
2028	670,000	462,088	1,132,088	2028	239,838	2028	222,250
2029	705,000	426,875	1,131,875	2029	222,250	2029	204,625
2030	740,000	390,750	1,130,750	2030	204,625	2030	186,125
2031	780,000	352,750	1,132,750	2031	186,125	2031	166,625
2032	820,000	312,750	1,132,750	2032	166,625	2032	146,125
2033	860,000	270,750	1,130,750	2033	146,125	2033	124,625
2034	900,000	226,750	1,126,750	2034	124,625	2034	102,125
2035	950,000	180,500	1,130,500	2035	102,125	2035	78,375
2036	995,000	131,875	1,126,875	2036	78,375	2036	53,500
2037	1,045,000	80,875	1,125,875	2037	53,500	2037	27,375
2038	1,095,000	27,375	1,122,375	2038	27,375	2038	
	$ 25,000,000	$ 16,899,080	$ 41,899,080		$ 8,671,957		$ 8,227,123

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2008B
December 31, 2008

Date of Issue	August 13, 2008
Date of Maturity	January 1, 2021
Authorized Issue	$3,900,000
Denomination of Bonds	$5,000
Interest Rates	3.00% to 5.00%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To refund G. O. Bonds, Series 1999, G. O. Bonds, Series 2000 and G. O. Bonds, Series 2003A

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2009		$ 147,649	$ 147,649	2009	$ 64,074	2009	$ 83,575
2010	$ 15,000	166,925	181,925	2010	83,575	2010	83,350
2011	335,000	161,675	496,675	2011	83,350	2011	78,325
2012	625,000	145,713	770,713	2012	78,325	2012	67,388
2013	720,000	122,176	842,176	2013	67,388	2013	54,788
2014	45,000	108,788	153,788	2014	54,788	2014	54,000
2015		108,000	108,000	2015	54,000	2015	54,000
2016		108,000	108,000	2016	54,000	2016	54,000
2017		108,000	108,000	2017	54,000	2017	54,000
2018		108,000	108,000	2018	54,000	2018	54,000
2019		108,000	108,000	2019	54,000	2019	54,000
2020	1,055,000	81,624	1,136,624	2020	54,000	2020	27,624
2021	1,105,000	27,624	1,132,624	2021	27,624	2021	
	$ 3,900,000	$ 1,502,174	$ 5,402,174		$ 783,124		$ 719,050

(See independent auditor's report)

STATISTICAL SECTION

This part of the Village of Statistical'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.

Contents | Pages

Financial Trends 117-121
These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity 122-127
These schedules contain information to help the reader assess significant local revenue sources, the property tax and sales tax.

Debt Capacity 128-132
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.

Demographic and Economic Information 133-134
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information 135-137
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.

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
NET ASSETS BY COMPONENT(in thousands)
Last Six Fiscal Years

	Fiscal Year					
	2004	2005	2006	2006(A)	2007	2008
Governmental Activities						
Invested in capital assets, net of related debt	$ 62,467	$ 63,898	$ 61,598	$ 65,925	$ 66,275	$ 70,743
Restricted	4,815	5,982	3,697	3,847	4,007	35,839
Unrestricted	8,171	11,963	15,822	17,532	19,581	(13,944)
Total Governmental Activities	$ 75,453	$ 81,843	$ 81,117	$ 87,304	$ 89,863	$ 92,637
Business-type Activities						
Invested in capital assets, net of related debt	$ 24,031	$ 25,531	$ 25,370	$ 25,213	$ 25,279	$ 29,197
Unrestricted	4,614	4,465	5,724	4,424	7,746	4,911
Total Business-type Activities	$ 28,645	$ 29,996	$ 31,094	$ 29,637	$ 33,025	$ 34,108
Primary Government						
Invested in capital assets, net of related debt	$ 86,498	$ 89,429	$ 86,968	$ 91,137	$ 91,554	$ 99,939
Restricted	4,815	5,982	3,697	3,847	4,007	35,839
Unrestricted	12,785	16,428	21,546	21,956	27,327	(9,033)
Total Primary Government	$ 104,098	$ 111,839	$ 112,211	$ 116,940	$ 122,888	$ 126,745

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

Data Source
Audited Financial Statements

VILLAGE OF DOWNERS GROVE
CHANGE IN NET ASSETS (in thousands)
Last Six Fiscal Years

	2004	2005	2006	2006(A)	2007	2008
Expenses						
Governmental Activities						
General government	$ 3,939	$ 626	$ 4,418	$ 4,263	$ 5,637	$ 6,360
Public works	8,478	9,717	9,669	8,362	11,041	13,561
Community development	1,452	1,565	1,686	2,469	4,200	3,229
Public safety	22,757	22,139	23,057	17,740	26,588	28,591
Community services	6,044	2,747	4,149	2,125	2,991	2,036
Interest and fiscal charges	2,657	1,881	1,836	1,283	2,010	2,349
Total Governmental Activities Expenses	45,327	38,675	44,815	36,242	52,467	56,126
Business-type Activities						
Waterworks	$ 9,112	$ 8,459	$ 8,626	$ 5,813	$ 7,863	$ 6,777
Parking	1,212	793	884	292	977	940
Transportation	671	540	-	-	-	-
Total Business-type Activities Expenses	10,995	9,792	9,510	6,105	8,840	7,717
Total Primary Government Expenses	$ 56,322	$ 48,467	$ 54,325	$ 42,347	$ 61,307	$ 63,843
Program Revenues						
Governmental Activities						
Charges for Services						
General government	$ 2,765	$ 762	$ 1,006	$ 2,152	$ 1,577	$ 1,793
Public works	203	202	372	181	249	174
Community development	25	19	1,831	1,272	2,107	1,334
Public safety	2,627	1,804	2,533	1,941	2,181	2,728
Community services	3,016	2,506	878	863	825	1,045
Operating Grants and Contributions	2,038	1,708	1,552	1,198	1,898	1,844
Capital Grants and Contributions	170	617	428	249	1,216	2,810
Total Governmental Activities Program Revenues	10,844	7,618	8,600	7,856	10,053	11,728
Business-type Activities						
Charges for Services						
Waterworks	$ 8,696	$ 10,134	$ 8,696	$ 5,440	$ 7,799	$ 7,372
Parking	756	856	1,013	699	1,289	1,209
Transportation	391	213	-	-	-	-
Operating Grants and Contributions	-	-	179	268	1	47
Capital Grants and Contributions	-	-	-	-	-	130
Total Business-type Activities Program Revenues	9,843	11,203	9,888	6,407	9,089	8,758
Total Primary Government Program Revenues	$ 20,687	$ 18,821	$ 18,488	$ 14,263	$ 19,142	$ 20,486

VILLAGE OF DOWNERS GROVE
CHANGE IN NET ASSETS (in thousands) (Continued)
Last Six Fiscal Years

	2004	2005	2006	2006(A)	2007	2008
Net Revenue (Expense)						
Governmental activities	$ (34,483)	$ (31,057)	$ (36,215)	$ (28,386)	$ (42,414)	$ (44,399)
Business-type activities	(1,152)	1,411	378	302	249	1,041
Total Primary Government Net Revenue (Expense)	$ (35,635)	$ (29,646)	$ (35,837)	$ (28,084)	$ (42,165)	$ (43,358)
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Taxes						
Property	$ 12,679	$ 8,993	$ 10,237	$ 10,648	$ 10,868	$ 14,079
Sales	14,797	17,195	16,716	12,627	17,549	16,917
Utility	6,175	6,363	6,268	3,798	6,269	7,541
Income	2,901	3,434	3,769	2,672	4,313	4,612
Other	174	1,992	2,867	1,254	2,496	2,588
Investment earnings	243	291	814	888	1,730	1,222
Miscellaneous	332	79	18	92	43	7
Special items	-	-	(4,684)	1,261	-	-
Transfers	100	100	181	1,930	178	208
Total Governmental Activities	37,401	38,447	36,186	35,170	43,446	47,174
Business-type Activities						
Investment earnings	39	39	203	170	304	250
Miscellaneous	(5)	-	-	-	3,013	-
Transfers	(100)	(100)	(181)	(1,930)	(178)	(208)
Total Business-type Activities	(66)	(61)	22	(1,760)	3,139	42
Total Primary Government	$ 37,335	$ 38,386	$ 36,208	$ 33,410	$ 46,585	$ 47,216
Change in net assets						
Governmental activities	$ 2,918	$ 7,390	$ (29)	$ 6,784	$ 1,031	$ 2,773
Business-type activities	(1,218)	1,350	400	(1,457)	3,388	1,083
Total Primary Government Change in Net Assets	$ 1,700	$ 8,740	$ 371	$ 5,327	$ 4,419	$ 3,856

Notes
(A) The Village changed its fiscal year end from April 30 to December 31.
The Village of Downers Grove implemented GASB S-34 in 2004

Data Source
Audited Financial Statements

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

	2000	2001	2002	2003	2004	2005	2006	2006(A)	2007	2008
General Fund										
Reserved	$ 9	$ 132	$ 125	$ 127	$ 121	$ 104	$ 194	$ 99	$ 89	$ 89
Unreserved	10,889	10,082	7,268	5,486	6,378	12,217	17,858	18,530	16,962	15,688
Total General Fund	$ 10,898	$ 10,214	$ 7,393	$ 5,613	$ 6,499	$ 12,321	$ 18,052	$ 18,629	$ 17,051	$ 15,776
All Other Governmental Funds										
Reserved	$ 185	$ 139	$ 90	$ 81	$ 4,113	$ 5,479	$ 5,493	$ 5,741	$ 5,908	$ -
Unreserved, reported in										
Debt Service Funds	-	-	-	-	-	-	-	-	-	714
Special Revenue Funds	1,919	3,484	2,877	4,726	-	(724)	(2,476)	(871)	(1,284)	1,681
Capital Project Funds	4,002	2,948	3,942	2,861	-	1,352	1,227	445	5,524	31,668
Total All Other Governmental Funds	$ 6,106	$ 6,571	$ 6,909	$ 7,668	$ 4,113	$ 6,107	$ 4,244	$ 5,315	$ 10,148	$ 34,063

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
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2006(A)	2007	2008
Revenues										
Sales tax	$ 12,533	$ 12,425	$ 12,205	$ 11,532	$ 14,797	$ 17,195	$ 16,716	$ 12,627	$ 17,549	$ 16,917
Property tax	6,844	8,343	8,773	8,611	10,357	8,993	10,237	10,648	10,868	14,079
Utility tax	3,944	4,421	4,857	5,427	6,175	6,363	6,268	3,798	6,269	7,541
Income tax	3,464	3,462	3,359	3,169	2,901	3,434	3,769	2,672	4,313	4,612
Other taxes	1,840	1,149	789	1,083	1,660	1,483	1,917	1,434	2,839	2,586
Licenses and permits	543	1,069	1,296	1,882	2,254	1,708	2,036	1,326	2,091	1,345
Intergovernmental	3,402	3,025	1,384	2,974	2,647	2,117	2,821	1,224	2,098	3,184
Charges for services & fees	2,965	3,519	3,712	4,346	5,100	3,026	3,737	3,071	4,123	4,065
Fines & forfeitures	573	606	701	751	1,391	559	871	637	676	1,264
Investment income	851	1,163	545	268	243	291	814	792	1,569	1,222
Miscellaneous	1,375	25	188	334	445	279	104	114	99	1,469
Total revenues	38,334	39,207	37,809	40,377	47,970	45,448	49,290	38,343	52,494	58,286
Expenditures										
General government	8,432	10,600	6,903	6,599	5,805	2,222	4,474	3,649	5,027	6,008
Public works	5,675	6,206	8,523	7,966	8,304	8,182	7,693	7,135	8,920	9,934
Community development	-	-	-	-	-	1,524	1,689	2,009	3,842	2,745
Public safety	14,707	15,741	18,809	19,233	23,381	22,043	23,139	17,252	25,060	26,053
Community services	2,714	2,738	4,201	4,665	4,598	2,728	3,475	1,758	3,042	1,966
Capital outlay	9,329	12,141	7,590	5,565	9,159	7,048	1,659	2,031	10,216	11,095
Debt service										
Principal	380	440	465	5,145	631	4,828	668	4,518	765	1,000
Interest and fiscal charges	684	1,045	1,485	1,654	1,698	2,164	1,809	950	1,728	2,198
Total expenditures	41,921	48,911	47,976	50,827	53,576	50,739	44,606	39,302	58,600	60,999
Excess of Revenues over (under) Expenditures	(3,587)	(9,704)	(10,167)	(10,450)	(5,606)	(5,291)	4,684	(959)	(6,106)	(2,713)
Other Financing Sources (Uses)										
Transfers in	1,867	554	948	1,510	(84)	6,811	1,184	5,278	3,074	2,067
Transfers out	(1,792)	(643)	(815)	(1,295)	184	(6,711)	(1,003)	(3,348)	(3,096)	(2,109)
Issuance of debt	6,500	10,700	6,000	10,500	5,922	14,450	-	-	9,250	28,900
Payment to the refunded bond escrow agent	-	-	-	-	-	(9,840)	-	-	-	(3,992)
Bond issue premium	-	-	-	-	-	35	-	-	106	481
Proceeds from disposal of capital assets	-	-	-	-	-	-	49	1,275	26	7
Total other financing sources (uses)	6,575	10,611	6,133	10,715	6,022	4,745	230	3,205	9,360	25,354
Net Change in Fund Balances	$ 2,988	$ 907	$ (4,034)	$ 265	$ 416	$ (546)	$ 4,914	$ 2,246	$ 3,254	$ 22,641
Debt Service as a Percentage of Noncapital Expenditures	3.25%	3.04%	3.10%	13.38%	4.35%	13.78%	5.55%	13.91%	5.15%	6.54%

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

Data Source
Audited Financial Statements

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

Levy Year	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
1999	$ 908,570,562	$ 368,807,495	$ 59,627,430	$ 1,337,005,487	0.28	$ 4,011,016,461	33.33%
2000	946,421,391	401,202,390	62,509,950	1,410,133,731	0.20	4,230,401,193	33.33%
2001	1,018,660,526	421,897,362	65,942,155	1,506,500,043	0.29	4,519,500,129	33.33%
2002	1,102,277,929	469,463,965	63,794,320	1,635,536,214	0.37	4,906,608,642	33.33%
2003	1,215,329,035	467,952,910	64,409,960	1,747,691,905	0.44	5,243,075,715	33.33%
2004	1,323,442,153	495,011,598	66,794,600	1,885,248,351	0.44	5,655,745,053	33.33%
2005	1,483,717,879	505,593,618	68,323,460	2,057,634,957	0.41	6,172,904,871	33.33%
2006	1,624,870,481	526,745,115	71,259,570	2,222,875,166	0.38	6,668,625,498	33.33%
2007	1,801,439,088	539,361,723	72,243,603	2,413,044,414	0.46	7,239,133,242	33.33%
2008	1,928,792,310	542,102,539	76,659,327	2,547,554,176	0.44	7,642,662,528	33.33%

Data Source
Office of the County Clerk

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

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

Tax Levy Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Village Direct Rates										
Corporate	0.1032	0.0620	0.0916	0.0911	0.1341	0.1350	0.1237	0.1156	0.1146	0.1068
Firefighter's Pension	0.0649	0.0664	0.0715	0.0716	0.0749	0.0769	0.0764	0.0712	0.0427	0.0626
Police Pension	0.0194	0.0196	0.0406	0.0391	0.0509	0.0465	0.0532	0.0496	0.0479	0.0501
Debt Service	0.0000	0.0000	0.0000	0.0812	0.0494	0.0526	0.0429	0.0335	0.0330	0.0000
Fire Protection	0.0958	0.0548	0.0850	0.0845	0.1274	0.1283	0.1175	0.1100	0.1158	0.1138
Stormwater	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1090	0.1090
Total Direct Rate	0.2833	0.2028	0.2887	0.3675	0.4367	0.4393	0.4137	0.3799	0.4630	0.4423
Overlapping Rates										
Library District	0.2371	0.2338	0.2275	0.2179	0.2109	0.2033	0.1942	0.1870	0.1795	0.1773
Downers Grove Park District	*	0.4400	0.4311	0.3828	0.3489	0.3322	0.3188	0.3062	0.2932	0.2781
Downers Grove Sanitary District	*	0.0387	0.0383	0.0366	0.0355	0.0339	0.0326	0.0316	0.0303	0.0301
Special Service Area #1	0.1175	0.1100	0.1006	0.0940	0.0813	0.0728	0.0619	0.0573	0.0000	0.0000
Special Service Area #2	1.3156	1.2847	1.3275	1.4089	1.5000	1.5000	1.5000	1.5000	1.4161	1.5000
Special Service Area #3	0.7012	0.6599	0.6212	0.5737	0.5071	0.4605	0.3655	0.3379	0.3315	0.3140
Downers Grove Township	*	0.0352	0.0340	0.0324	0.0306	0.0290	0.0278	0.0268	0.0256	0.0254
Downers Grove Township Road	*	0.0521	0.0510	0.0486	0.0459	0.0434	0.0416	0.0401	0.0382	0.0379
DuPage County	*	0.2536	0.2353	0.2154	0.1999	0.1850	0.1797	0.1713	0.1651	0.1557
DuPage County Forest Preserve	*	0.1742	0.1654	0.1534	0.1419	0.1358	0.1271	0.1303	0.1187	0.1206
Dupage Airport Authority	*	0.0291	0.0271	0.0248	0.0230	0.0213	0.0198	0.0183	0.0170	0.0160
College of DuPage	*	0.1966	0.1930	0.2179	0.2097	0.1972	0.1874	0.1929	0.1888	0.1858
Grade School District No. 58	*	2.1783	2.0881	1.9765	1.8523	1.7721	1.7049	1.6523	1.5816	1.5713
High School District No. 99	*	1.8280	1.7972	1.7204	1.6696	1.5914	1.5365	1.4884	1.4269	1.4214

* 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
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

	2008			1999		
Taxpayer	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value
Hamilton Partners	$ 47,113,358	1	1.95	$ 53,111,460	1	4.67
Real Estate Advisors	30,805,000	2	1.28			
PTA - K 225	23,701,470	3	0.98			
MJH Downers Grove LLC	16,661,290	4	0.69			
Highland Owner LLC	15,500,000	5	0.64			
GLL BVK Properties	15,333,330	6	0.64			
Wells REIT II/Lincoln	14,488,260	7	0.60			
TA Associates Realty	13,412,460	8	0.56			
Corridors I & II	13,369,000	9	0.55	8,586,280	5	
Arun Enterprises	13,108,180	10	0.54			
Duke Realty Corp				26,393,750	2	2.10
BF Real Estate USILP				12,000,000	3	0.60
L & B Highland Oaks, Inc.				9,475,330	4	0.58
WMF Hunton Paige Assoc.				7,129,900	6	0.53
CNC				6,874,820	7	0.46
Service Master Co.				6,219,120	8	0.46
Federal Realty Investment				5,965,890	9	0.43
Robin Realty & Management				5,562,480	10	0.41
Total	$ 203,492,348			$ 141,319,030		

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

Data Source
Office of the County Clerk

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

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Subsequent Collections	Total Amount	Percentage
		Amount	Percentage of Levy			
1999	$ 4,007	$ 4,001	99.85%	-	-	-
2000	3,083	3,081	99.94%	-	-	-
2001	4,570	4,584	100.31%	-	-	-
2002	6,243	6,389	102.34%	-	-	-
2003	7,867	7,855	99.85%	$ 40	$ 7,895	100.36%
2004	8,595	8,504	98.94%	54	8,558	99.57%
2005	8,745	8,731	99.84%	59	8,790	100.51%
2006	8,679	8,679	100%	63	8,706	100.31%
2007	11,148	11,116	99.71%	38	11,154	100.05%
2008	11,133	*	*	*	*	*

Note
* First installment of property taxes due June 1, 2009
Subsequent collection data for levy years 1999-2002 are unavailable.
Excludes library

Data Source
Office of the County Clerk

VILLAGE OF DOWNERS GROVE
TAXABLE SALES BY CATERGORY (in thousands)
Last Ten Calendar Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General merchandise	$ 65,510	$ 58,545	$ 54,810	$ 53,116	$ 47,459	$ 49,578	$ 48,252	$ 55,103	$ 47,422	$ 45,551
Food	111,245	108,253	115,453	113,092	103,275	101,978	101,077	105,643	108,625	108,175
Drinking and eating places	87,506	90,324	89,692	94,350	97,309	113,074	117,225	124,178	124,257	120,557
Apparel	14,436	9,524	15,557	15,866	15,946	23,499	24,471	24,913	23,659	25,415
Furniture and H.H. and radio	210,194	214,110	212,151	197,934	198,323	207,179	185,883	184,146	175,640	149,089
Lumber, building hardware	83,989	89,384	94,836	107,940	90,758	82,043	81,346	89,762	86,289	72,964
Automobile and filling stations	353,633	362,065	360,075	315,731	308,039	328,468	360,001	350,137	330,411	302,593
Drugs and miscellaneous retail	155,326	156,050	155,951	159,503	172,081	218,586	249,403	252,614	262,424	225,512
Agriculture and all others	164,694	151,163	126,583	100,193	97,199	110,567	102,824	121,891	131,947	122,317
Manufacturers	14,309	12,208	11,740	11,938	14,052	16,398	18,534	19,147	20,027	20,785
TOTAL	$ 1,260,842	$ 1,251,626	$ 1,236,848	$ 1,169,663	$ 1,144,441	$ 1,251,370	$ 1,289,016	$ 1,327,534	$ 1,310,701	$ 1,192,958

Data Source
Illinois Department of Revenue

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

Year	Village Direct Rate	Total Sales Tax Rate
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%
2007	1.50%	7.25%
2008	1.75%	8.00%

Data Source
Village and County Records

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

Fiscal Year Ended	Governmental Activities General Obligation Bonds	Governmental Activities Note Payable	Business-Type Activities General Obligation Bonds	Business-Type Activities Note Payable	Total Primary Government	Percentage of Personal Income*	Per Capita*
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
2007	47,055	-	2,250	4,788	54,093	3.46%	1,091.84
2008	71,055	-	1,835	4,788	77,678	4.96%	1,566.94

Notes
Details of the Village'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 133 for personal income and population data.

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Taxable Assessed Value of Property*	Per Capita
2000	$ 9,400	-	$ 9,400	0.23%	$ 191.30
2001	19,950	-	19,950	0.47%	409.45
2002	29,790	-	29,790	0.66%	603.81
2003	35,240	-	35,240	0.72%	716.86
2004	43,180	$ 103	43,077	0.82%	874.57
2005	43,720	529	43,191	0.76%	879.76
2006	43,070	263	42,807	0.69%	871.94
2006(A)	38,570	949	37,621	1.69%	766.31
2007	47,055	877	46,178	1.92%	930.63
2008	71,055	714	70,341	2.76%	1,418.94

Notes
Details of the Village'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 122 for property value data.

VILLAGE OF DOWNERS GROVE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITES DEBT (in thousands)
December 31, 2008

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	$ 71,055	100.00%	$ 71,055
DuPage County	181,915	5.88%	10,697
Dupage County Forest Preserve	243,228	5.88%	14,302
Dupage Water Commission	127,230	6.53%	8,308
Downers Grove Park District	9,395	97.72%	9,181
Schools			
Grade School			
District No. 44	20,031	4.53%	907
District No. 58	3,870	77.88%	3,014
District No. 61	5,120	10.15%	520
District No. 66	6,550	4.06%	266
District No. 68	10,975	5.08%	558
District No. 89	14,160	5.00%	708
High School			
District No. 87	48,348	98.00%	47,381
District No. 99	75,263	49.54%	37,285
Unit School District			
District No. 201	6,900	0.57%	39
District No. 202	12,735	5.75%	732
Total Overlapping	765,720		133,898
Total Direct and Overlapping	$ 836,775		$ 204,953

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village of Downers Grove to valuation of property subject to taxation in overlapping unit.

Data Source
Each applicable overlapping government

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
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

	Water Revenue Bonds					
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service * Principal	Debt Service * Interest	Coverage
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	8,525,190	170,710	385,000	129,676	0.33
2006(A)	5,439,857	4,667,116	772,741	400,000	107,433	1.52
2007	11,005,489	6,406,952	4,598,537	400,000	99,433	9.21
2008	7,497,600	5,803,767	1,693,833	415,000	82,210	3.41

Note
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
DEMOGRAPHIC AND ECONOMIC INFORMATION
Last Ten Years

Calendar Year	(1) Population		Total Personal Income	(2) Per Capita Personal Income		(3) Unemployment Rate
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	4.1%
2007	49,543		1,564,517,486	31,579	b	4.9%
2008	49,573		1,565,515,340	31,580	b	7.1%

Data Source
(1) Director of Community Development, 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
PRINCIPAL EMPLOYERS
Current Year and Two Years Ago

	2008			2006		
Employer	Rank	% of Total City Population	# of Employees	Rank	% of Total City Population	# of Employees
Advocate Good Samaritan Hospital	1	5.10%	2,525	1	5.09%	2,500
GCA Services	2	3.03%	1,500			
Midwestern University	3	2.02%	1,000	6	1.32%	650
University Subscription Services	3	2.02%	1,000			
Sara Lee Corp.	4	1.61%	800			
Aramark Servicemaster	4	1.61%	800	2	1.73%	850
Acxion/may & Speh Inc.	4	1.61%	800	4	1.63%	800
First Health Group Corp.	5	1.41%	700			
RR Donnelly and Sons Co.	6	1.06%	527	8	1.07%	525
Ftd. Inc.	7	1.01%	500	9	1.02%	500
Downers Grove South High School	8	0.81%	400			
Downers Grove North High School	9	0.66%	325			
Hub Group, Inc.	10	0.61%	300			
Sentinel Technologies Inc.				7	1.22%	600
Loyalty Life Insurance				3	1.43%	850
Armour Swift Eckrich				5	1.59%	775
Global Gear				10	1.02%	500

Note
1999 data not available

Data Source
Downers Grove Economic Development Corporation

VILLAGE OF DOWNERS GROVE
FULL-TIME EQUIVALENT EMPLOYEES
Last Six Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008
General Government						
Legislative support	1.50	1.50	1.50	1.50	2.00	2.50
General management	6.00	5.50	4.50	4.80	5.50	6.00
Legal	3.75	3.75	3.75	3.75	3.75	3.75
Building services	9.00	9.00	8.75	8.75	9.25	9.25
Human resources	4.50	4.50	2.00	2.00	4.50	4.50
Information services	8.50	8.50	8.50	8.50	8.75	8.00
Finance	12.00	12.00	12.00	11.50	13.18	13.18
Public Works						
Public works administrative	5.50	4.50	3.75	5.00	5.00	4.00
Permits/Inspections	2.00	3.00	3.00	7.48	8.00	8.00
Engineering	5.50	5.50	5.50	5.50	5.50	5.50
Supplies	2.00	2.00	2.00	2.00	2.00	2.00
Public service response	3.50	3.50	3.50	4.00	4.00	4.00
Forestry and grounds	9.50	8.50	8.50	8.50	8.75	8.75
Street construction	5.50	5.50	9.50	9.50	7.50	7.50
Stormwater management	7.50	10.50	11.00	5.50	7.50	7.50
Traffic	5.50	4.50	3.50	4.75	4.75	4.75
Transportation	4.00	4.40	-	4.40	4.40	4.40
Community Development						
Planning	8.00	8.66	6.00	7.38	5.00	5.00
Economic development	-	-	1.00	-	-	-
Code services	11.50	11.25	11.50	12.75	13.75	12.75
Public Safety						
Police						
Officers	76.60	76.60	76.60	81.00	81.00	81.00
Civilians	32.20	32.20	32.20	32.20	39.60	39.60
Fire						
Firefighters and officers	79.00	81.00	84.00	82.00	83.00	80.00
Civilians	8.50	9.00	9.50	9.50	9.50	9.50
Community Services						
Counseling and social services	4.10	4.10	3.60	3.35	4.13	4.13
Alcohol and tobacco control	0.25	0.25	0.25	0.25	0.25	0.25
Public information	2.50	2.50	2.50	2.50	2.50	2.50
Cable television	3.50	3.00	3.50	3.50	5.25	5.25
Tourism and events	4.40	3.48	4.00	4.00	3.00	3.00

Note
Data from 1999 to 2002 not available but the Village will collect the data going forward.

Data Source
Village budget office

VILLAGE OF DOWNERS GROVE
OPERATING INDICATORS
Last Three Years

Function/Program	2006	2007	2008
Public Safety			
Police			
Physical arrests	2,106	1,936	1,632
Parking violations	9,595	10,427	10,427
Traffic violations	12,414	11,133	11,335
Fire			
EMS calls	3,307	3,542	3,736
Fire calls	2,058	2,086	2,075
Fires extinguished	130	95	71
Community Development			
Permits issued		1,160	1,545
Inspections conducted		3,648	3,850
Water			
Water main breaks	133	87	70
Water pumped (gallons)	2,316,377,000	2,078,808,000	1,972,314,000
Average daily consumption	6,346,000	5,695,364	5,403,600
Peak daily consumption	11,754,000	10,761,000	8,403,000

Note
Data from 1999 to 2005 not available but the Village will collect the data going forward.

Data Source
Village budget office

VILLAGE OF DOWNERS GROVE
CAPITAL ASSETS STATISTICS
Last Two Years

Function/Program	2007	2008
General Government		
Vehicles	8	7
Community Development		
Vehicles	9	7
Public Safety		
Police		
Stations	1	1
Vehicles/Equipment	55	53
Fire		
Fire stations	4	4
Vehicles/Equipment	35	35
Public Works		
Traffic signals	60	60
Vehicles/Equipment	84	86
Buses	8	7
Water		
Water mains (miles)	207	207
Fire hydrants	2,881	2,881
Vehicles/Equipment	10	10

Data Source

Various village departments
Prior year information is unavailable
The Village will obtain this information going forward