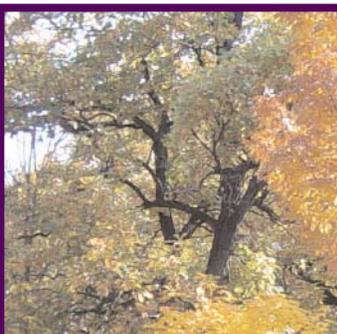
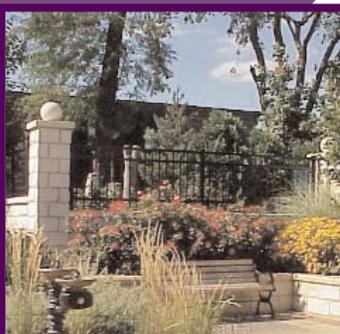


# 2009 Comprehensive Annual Financial Report

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



VILLAGE OF DOWNERS GROVE,  
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2009

Prepared by Finance Department

Judy Buttny  
Finance Director

Doug Haywood  
Assistant Finance Director

Village of Downers Grove

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# Village of Downers Grove, Illinois

## Principal Officials

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### LEGISLATIVE

Ronald Sandack, Mayor

### *Commissioners*

Marilyn Schnell

William Waldack

Sean Durkin

Geoff Neustadt

Bruce Beckman

Robert Barnett

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### 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

James Jackson, Fire Chief

Robert Porter, Police Chief

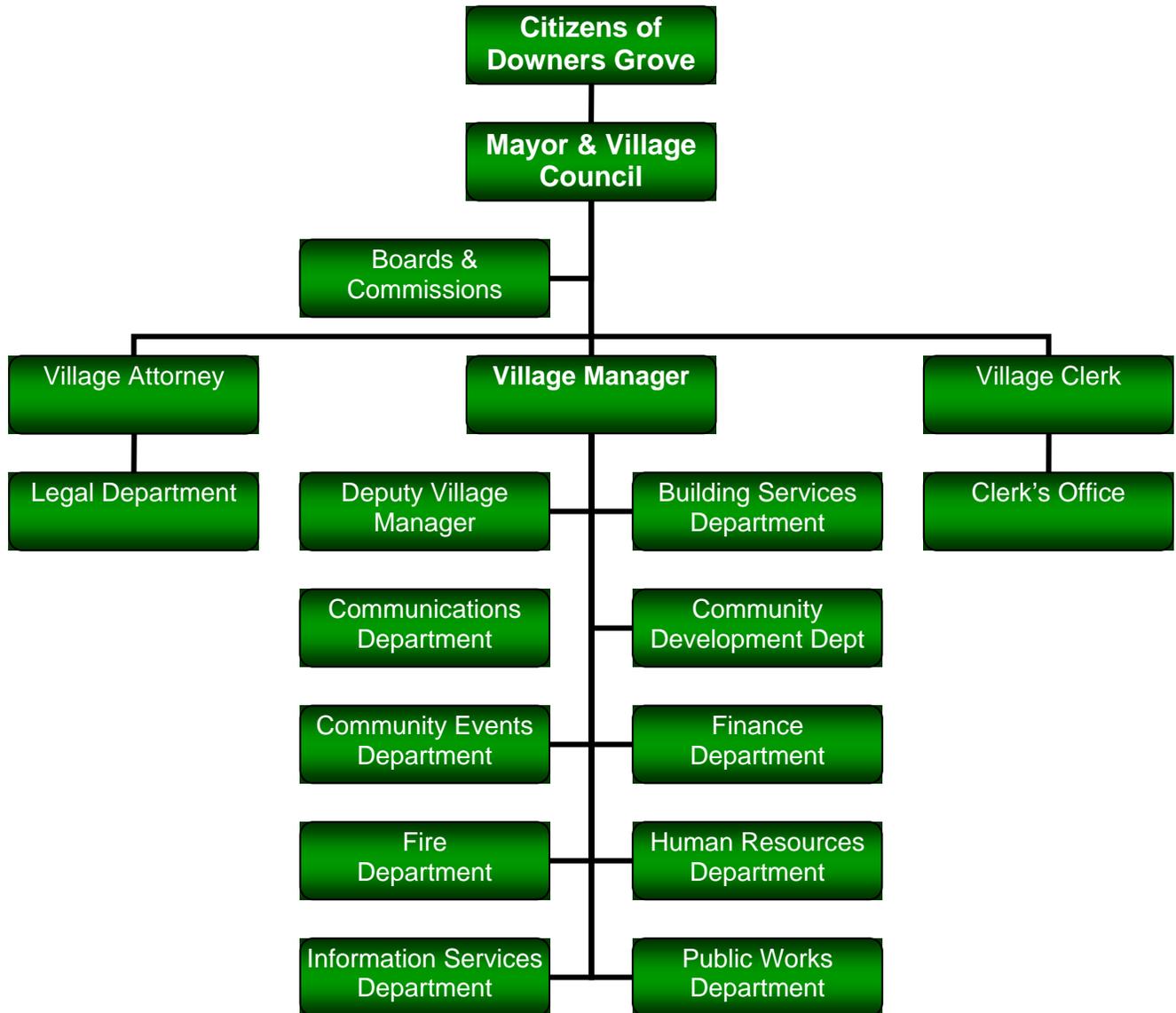
Doug Kozlowski, Communications Director

Mary Scalzetti, Community Events Director

Wesley Morgan, Human Resources Director

Dr. Liangfu Wu, Information Services Director

# 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, 2008

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.



A stylized handwritten signature in black ink, consisting of a large initial 'J' followed by several loops and a long horizontal stroke.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director



www.downers.us

May 20, 2010

COMMUNITY RESPONSE CENTER  
To: The Honorable Mayor and Commissioners  
Citizens of Downers Grove

630.434.CALL (2255)

**CIVIC CENTER**

801 Burlington Avenue  
Downers Grove  
Illinois 60515-4776  
630.434.5500

TDD 630.434.5511

FAX 630.434.5571

**FIRE DEPARTMENT**

**ADMINISTRATION**

5420 Main Street  
Downers Grove  
Illinois 60515-4834  
630.434.5980

FAX 630.434.5998

**POLICE DEPARTMENT**

825 Burlington Avenue  
Downers Grove  
Illinois 60515-4783  
630.434.5600

FAX 630.434.5690

**PUBLIC WORKS**

**DEPARTMENT**

5101 Walnut Avenue  
Downers Grove  
Illinois 60515-4074  
630.434.5460

FAX 630.434.5495

**DEPARTMENT OF**

**COUNSELING AND SOCIAL SERVICES**

842 Curtiss Street  
Downers Grove  
Illinois 60515-4761  
630.434.5595

FAX 630.434.5599

The Comprehensive Annual Financial Report (CAFR) of the Village of Downers Grove for the year ended December 31, 2009, 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, 2009, 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, 2009, 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 49,681; 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 7 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; and the construction and maintenance of streets, stormwater, and other municipal infrastructure.

## **FACTORS AFFECTING FINANCIAL CONDITION**

Local Economy: The Village of Downers Grove maintained a relative strong financial position during the year, even with a decline in the sales taxes. 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 has risen from 4.9 percent in 2007 to 10.6 percent as of December 31, 2009. The EAV for the Village was \$2,549,832,438 for the 2009 tax levy, basically flat from a year ago. EAVs are expected to diminish in the future due to the housing value declines. As revenues decline, management continually monitors their impact on the budget and makes decisions accordingly. In spite of the declining revenues, the Village continued to deliver important services to its customers in 2009. Recognizing and responding to the challenging economic conditions, the Village provided these services in a fiscally responsible manner, identifying and implementing innovative ideas throughout the organization. The customer service focus and fiscal responsibility was evident as the Village reduced General Fund expenses by \$2.2 million while maintaining the high service level expected by the residents and businesses.

Economic Development Successes: Through the joint efforts of the Village and the Downers Grove Economic Development Corporation, 2009 was a good year for economic development.

- A global provider of education service since 1931, **DeVry Inc.** is one of the largest publicly-held educational organizations in the world. In early 2010, DeVry will relocate its management team and staff to the Highland Landmark V building located near 31st Street and Highland Avenue and bring approximately 700 jobs to the Village.
- The Harold **Zeigler Automotive Group** will establish a Chrysler/Dodge/Jeep dealership at 2311 Ogden Ave., the former site of Downers Grove Dodge. The new facility will create 75 jobs within the first year of operation and generate hundreds of thousands of dollars in sales tax revenue for the Village.
- **Dover Corporation** will be moving to 3005 Highland Ave. from their current home on Park Avenue in New York. The company manufactures products ranging from garbage trucks to oil drilling equipment. The move is expected to be complete the summer of 2010 and will create 90 new jobs.
- Local grocer **Michael's Fresh Market** agreed to lease the space at 75<sup>th</sup> St. and Lemont Rd. which was vacated by Dominick's in 2007.

Long Range Financial Plan: In addition to recognizing and reacting to the economic conditions of 2009, the Village kept an eye on the future as it developed a Long Range Financial Plan (LRFP) to ensure that the Village maintains its strong financial position. The LRFP, a product of rigorous financial analysis, extensive public input and thoughtful consideration by the Village Council will be used as a guide for financial decision making, annual budget preparations and Strategic Plan updates for the next five years. The Village also prepares 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.

Bond Refunding: In April of 2009 the Village's AA+ rating was reaffirmed by Standard and Poor's (S&P) for a bond refunding of \$9.0 million which resulted in a net present value savings of \$411,000. According to the S&P report, the Village's AA+ rating reflects its participation in the deep and diverse Chicago metropolitan area economy, very strong income and extremely strong wealth levels, strong financial operations and strong reserve levels supported by strong financial management practices, and a low overall debt burden with limited capital needs.

## **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 its Mission Statement as highlighted in the Village's Strategic Plan. "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." The most significant of these projects are discussed more thoroughly below:

Total Community Development (TCD3): In 2009 the Village continued its tradition of effective public participation. The Village engaged its citizenry in TCD3, a process that allowed residents and business citizens to discuss a variety of community planning and growth issues and offer recommendations as to how the Village, as well other units of government can work most effectively to reach our goals and ensure the Village's continued success. Over 1000 citizens participated in TCD3, which will guide long-range community planning over the next 10-20 years.

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 2009 include:

- **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.

A Surface Transportation Program (STP) grant from Illinois Department of Transportation (IDOT) funded 70% of this project.

- **Rogers Street Resurfacing and Water Main Project**

This project consisted of three components:

1. New storm sewer between Highland Avenue and Elm Street
2. Replacement water main from Highland Avenue to Maple Avenue
3. A full resurfacing from Bryan Place to Maple Avenue

Late in the year, the Village was informed that the Sanitary District received federal American Recovery and Reinvestment Act (ARRA) funds to replace sewer in this area. As a result, the top layer of asphalt on Rogers St. will be placed after the completion of the Sanitary District work.

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 2009, the following two High priority WIIP multi-year projects were started:

- **McCollum Park Stormwater Improvements**

The *McCollum Park* project provides improvements to the neighborhood stormwater and drainage system and is being funded from the Village’s Stormwater Fund. Work includes excavation of a stormwater detention basin at the northeast corner of McCollum Park. Following excavation, underdrain & irrigation systems, modular block retaining walls, soccer field equipment, a new sand volleyball court, a new basketball court, and landscaping will be constructed. When completed, the basin will serve as a soccer field in addition to storing stormwater after large rain events.

- **Washington Park Stormwater Improvements**

This project provides improvements to the neighborhood stormwater and drainage system and is being funded from the Village’s Stormwater Fund. Work includes the excavation of two stormwater detention basins, plus the construction of concrete perimeter retaining walls and an under drain irrigation system. Enhanced park features include a fountain, soccer and baseball field equipment, playground equipment, and landscaping. When completed, the basins will be used as softball & soccer fields and serve to hold stormwater after large rain events. The overall project will be completed in three phases through 2011, if warranted.

Phase I operations in 2009 included the construction of a detention basin, the replacement of storm sewer on Rogers Street between Bryan Place and Elm St., and a relief storm sewer on Washington between Chicago and Prairie.

### Public Safety:

Police Department Achievements:

- By the numbers: handled 22,428 calls for service, issued 12,235 citations, 239 DUI arrests, educated 6,715 children in Crime Prevention Unit safety programs, and logged 11,762 patrol hours.
- The department participated in the 2009 Illinois Traffic Safety Challenge. This year-long initiative focuses on traffic violations that are causative factors in traffic crashes, specifically speeding, seat belt/child safety seat and DUIs. The seat belt compliance rate reached 95.4%; traffic crashes decreased by 19%, crash injuries declined by 22%, and the number of crashes in high accident locations dropped by 14%.
- In April, the police department hosted its annual 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 400 participants.

Fire Department Achievements:

- Maintained an average response time of 5 minutes.
- Responded to 2,399 fire calls and 2,962 Emergency medical Service (EMS) Calls in 2009.
- Firefighters completed a total of 21,921 hours of training in 2009.
- The Department acquired two new ambulances to replace older medic units that were purchased in 1993 and 1994. Both ambulances are built on a larger chassis that allows for greater visibility while driving and are built for better patient comfort.
- The Public Education Division contacted approximately 36,273 people in 2009, 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.

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.

For the twenty-fifth consecutive year, Downers Grove was named a Tree City USA. Only 191 other municipalities in Illinois were honored with this distinction.

The Village hosted the 2009 National Ice Carving Competition. The Village’s 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 annual Recycling Extravaganza on September 26, 2009. 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 1,760 vehicles and saved 141,607 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.

Innovation: The Village installed a solar and wind powered street lighting system to a previously unlit neighborhood, the first of its kind in any residential area in the United States. These lights will reduce CO2 emissions drastically.

The Village also began using nitrogen for tire inflation, anti-icing chemicals ahead of snowstorms, more efficient lighting in the Downtown parking deck.

## **FINANCIAL MANAGEMENT POLICIES**

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.

Cash Management Policies and Practices: Cash in the Village's operating funds was invested in the Illinois Metropolitan Investment Fund (IMET), 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, 2009, the portfolios of the Police and Fire Pension funds increased 10.5 percent and 9.5 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.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its Comprehensive Annual Financial Reporting (CAFR) for the year ended December 31, 2008. 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. For the first time, the Village received the GFOA Distinguished Budget Presentation award for its 2010 Annual Budget.

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

Submitted by:



Dave Fieldman  
Village Manager



Judy Buttney  
Finance Director



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, 2009, 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, 2009, 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 May 20, 2010 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 stated 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.

A handwritten signature in cursive script, appearing to read "J. Hill LLP".

Aurora, Illinois  
May 20, 2010

**Village of Downers Grove  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

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

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

**Financial Highlights**

- The Village's net assets decreased from \$126.7 million as of December 31, 2008 to \$122.9 million as of December 31, 2009.
- The Village's program revenue for the year ending December 31, 2009 totaled \$17.6 million and for the year ended December 31, 2008 totaled \$20.5 million.
- The Village's total costs for the year ended fy09 were \$64.5 million compared to the year ended December 31, 2008 at \$63.8 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.

**Village of Downers Grove  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

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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

**Village of Downers Grove  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

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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 14-53)**

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 54-60)**

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 61-102) are presented following the supplementary information on pensions.

Supplemental information (pages 103-116) provides a schedule of insurance in force and schedules of long term debt requirements.

The statistical section (pages 117-137) 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

**Village of Downers Grove  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

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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 decreased by \$2,104 or 1.5% from 2008, to \$122,945. The largest portion of the Village's net assets (81%) 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, 2009 and December 31, 2008**

|  | Governmental Activities |                   | Business-type Activities |                  | Total             |                   |
|--|-------------------------|-------------------|--------------------------|------------------|-------------------|-------------------|
|  | Dec. 31, 2009           | Dec. 31, 2008     | Dec. 31, 2009            | Dec. 31, 2008    | Dec. 31, 2009     | Dec. 31, 2008     |
| Current and other assets                           | \$ 73,213               | \$ 76,635         | \$ 9,555                 | \$ 13,711        | \$ 82,768         | \$ 90,346         |
| Capital assets                                     | 123,960                 | 120,477           | 33,678                   | 31,032           | 157,638           | 151,509           |
| Total assets                                       | <u>\$ 197,173</u>       | <u>\$ 197,112</u> | <u>\$ 43,233</u>         | <u>\$ 44,743</u> | <u>\$ 240,406</u> | <u>\$ 241,855</u> |
| Current liabilities                                | \$ 26,731               | \$ 28,623         | \$ 2,920                 | \$ 4,306         | \$ 29,651         | \$ 32,929         |
| Noncurrent liabilities                             | 81,315                  | 75,851            | 6,495                    | 6,329            | 87,810            | 82,180            |
| Total liabilities                                  | <u>\$ 108,046</u>       | <u>\$ 104,474</u> | <u>\$ 9,415</u>          | <u>\$ 10,635</u> | <u>\$ 117,461</u> | <u>\$ 115,109</u> |
| Net Assets   |                         |                   |                          |                  |                   |                   |
| Invested in capital assets,<br>net of related debt | \$ 66,960               | \$ 70,743         | \$ 32,272                | \$ 29,197        | \$ 99,232         | \$ 99,940         |
| Restricted   | 31,786                  | 35,839            | -                        | -                | 31,786            | 35,839            |
| Unrestricted                                       | (9,618)                 | (13,944)          | 1,545                    | 4,911            | (8,073)           | (9,033)           |
| Total net assets                                   | <u>\$ 89,127</u>        | <u>\$ 92,638</u>  | <u>\$ 33,817</u>         | <u>\$ 34,108</u> | <u>\$ 122,945</u> | <u>\$ 126,746</u> |

**Village of Downers Grove  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

***Changes in Net Assets***

The Village's combined changes in net assets for the primary government for the year ended December 31, 2009 was a decrease of \$2,104. Governmental Activities net assets decreased by \$1,813 and business-type activities decreased by \$291. 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, 2009 and December 31, 2008**

|                                       | Governmental Activities     |                             | Business-type Activities    |                             | Total                       |                             |
|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                       | Year Ended<br>Dec. 31, 2009 | Year Ended<br>Dec. 31, 2008 | Year Ended<br>Dec. 31, 2009 | Year Ended<br>Dec. 31, 2008 | Year Ended<br>Dec. 31, 2009 | Year Ended<br>Dec. 31, 2008 |
| Revenues:                             |                             |                             |                             |                             |                             |                             |
| Program revenues:                     |                             |                             |                             |                             |                             |                             |
| Charges for services                  | \$ 6,764                    | \$ 7,073                    | \$ 8,715                    | \$ 8,581                    | \$ 15,479                   | \$ 15,654                   |
| Operating grants/contributions        | 374                         | 1,844                       | 120                         | 47                          | 494                         | 1,891                       |
| Capital grants/contributions          | 1,582                       | 2,810                       | -                           | 130                         | 1,582                       | 2,940                       |
| General revenues:                     |                             |                             |                             |                             |                             |                             |
| Property taxes                        | 14,819                      | 14,079                      | -                           | -                           | 14,819                      | 14,079                      |
| Sales taxes                           | 16,330                      | 16,917                      | -                           | -                           | 16,330                      | 16,917                      |
| Other taxes                           | 12,458                      | 14,740                      | -                           | -                           | 12,458                      | 14,740                      |
| Other                                 | 1,111                       | 1,229                       | 100                         | 250                         | 1,211                       | 1,479                       |
| Total revenues                        | \$ 53,438                   | \$ 58,692                   | \$ 8,935                    | \$ 9,008                    | \$ 62,373                   | \$ 67,700                   |
| Expenses:                             |                             |                             |                             |                             |                             |                             |
| General government                    | \$ 4,841                    | \$ 6,360                    | \$ -                        | \$ -                        | \$ 4,841                    | \$ 6,360                    |
| Public works                          | 15,701                      | 13,561                      | -                           | -                           | 15,701                      | 13,561                      |
| Community development                 | 2,805                       | 3,229                       | -                           | -                           | 2,805                       | 3,229                       |
| Public safety                         | 27,635                      | 28,591                      | -                           | -                           | 27,635                      | 28,591                      |
| Community services                    | 1,882                       | 2,036                       | -                           | -                           | 1,882                       | 2,036                       |
| Interest and fiscal charges           | 2,956                       | 2,349                       | -                           | -                           | 2,956                       | 2,349                       |
| Waterworks                            | -                           | -                           | 7,710                       | 6,777                       | 7,710                       | 6,777                       |
| Parking                               | -                           | -                           | 946                         | 940                         | 946                         | 940                         |
| Total expenses                        | \$ 55,820                   | \$ 56,126                   | \$ 8,656                    | \$ 7,717                    | \$ 64,476                   | \$ 63,843                   |
| Change in net assets before transfers | \$ (2,382)                  | \$ 2,566                    | \$ 279                      | \$ 1,291                    | \$ (2,104)                  | \$ 3,857                    |
| Transfers                             | 570                         | 208                         | (570)                       | (208)                       | -                           | -                           |
| Change in net assets                  | \$ (1,813)                  | \$ 2,774                    | \$ (291)                    | \$ 1,083                    | \$ (2,104)                  | \$ 3,857                    |

**Revenues:**

For the year ended December 31, 2009, Governmental Activities Revenues totaled \$53,438. The Village benefits from a highly diversified revenue base. Revenues from sales taxes amounted to \$16,330. The sales tax consists of a 1% state portion and .75% local home rule tax. Sales taxes decreased due to the national recession. Property tax revenues increased by 5% due to an increase in the assessed valuation of 6% and a decrease in the tax rate from .4630 in the 2007 levy year to .4430 in the 2008 levy year. Property taxes support governmental activities, including the Village's contribution to the Police Pension Fund and the Firefighters' Pension Fund. Major items included in the category other taxes are state income taxes, utility taxes and hotel taxes. Telecommunications tax was 27% lower than a year ago. Interest income was lower for

**Village of Downers Grove  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

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the year ended December 31, 2009 compared to the year ended December 31, 2008 due to a decrease in interest rates.

For the year ended December 31, 2009, Business-Type Activities revenues totaled \$8,935. Revenues in this category include charges for providing water to the residents of the village and charges for parking.

Expenses:

For the year ended December 31, 2009, Governmental Activities expenses totaled \$55,820. Public safety related to the operations of the Police and Fire departments, has the largest portion of expenses in the Village, \$27,635 or 49.5% of the total governmental activities expenses. Public works is the second largest program in the governmental activities with \$15,701 or 28.1% of the expenses. Fy09 expenses are comparable to 2008 amounts.

The expenses for the Village's business-type activities for the year ended 2009 are \$8,655.

**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 \$333. The contributing factors to the decrease in fund balance were lower sales taxes, telecommunications taxes, and building permits.

The Downtown Redevelopment Tax Increment District fund (TIF) has a fund balance of \$351 compared to December 31, 2008 of \$254 for an increase of \$97 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 \$2,595 is down \$231 from 2008 with lower sales taxes.

The Stormwater Improvement fund is used to account for capital improvements related to the watersheds and stormwater infrastructure. Fund balance decreased \$3,046 from 2008 due to the spending down of the 2008 bond proceeds.

**General Fund Budgetary Highlights**

Revenues in the general fund were 7.6% or \$3,150 under budget. This was due primarily to sales taxes (\$1,550 below budget), utility taxes (\$696 below budget), income taxes (\$620 below budget) and investment income (\$217 below budget).

Expenditures in the general fund were 5.5% or \$2,280 under the revised budget. Village wide cost savings efforts contributed to this savings.

**Village of Downers Grove  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

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**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, 2009 amounts to \$157,638 (net of accumulated depreciation). This investment in capital assets includes infrastructure, buildings, land, improvements other than buildings, intangible assets, capital equipment, and construction in progress, and is \$6,129 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
- Water main replacements

|                                       | <b>Capital Assets</b>                  |                      |                                 |                      |                      |                      |
|---------------------------------------|--|----------------------|---------------------------------|----------------------|----------------------|----------------------|
|                                       | <b>Net of Accumulated Depreciation</b> |                      |                                 |                      |                      |                      |
|                                       | <b>(\$ are in thousands)</b>           |                      |                                 |                      |                      |                      |
|                                       | <u>Governmental Activities</u>         |                      | <u>Business-type Activities</u> |                      | <u>Total</u>         |                      |
|                                       | <u>Dec. 31, 2009</u>                   | <u>Dec. 31, 2008</u> | <u>Dec. 31, 2009</u>            | <u>Dec. 31, 2008</u> | <u>Dec. 31, 2009</u> | <u>Dec. 31, 2008</u> |
| Capital assets, not being depreciated |  |                      |                                 |                      |                      |                      |
| Land                                  | \$ 14,342                              | \$ 13,051            | \$ 2,817                        | \$ 2,817             | \$ 17,159            | \$ 15,868            |
| Construction in progress              | 5,603                                  | 5,319                | 58                              | 3,536                | 5,661                | 8,855                |
|                                       | <u>19,945</u>                          | <u>18,370</u>        | <u>2,875</u>                    | <u>6,353</u>         | <u>22,820</u>        | <u>24,723</u>        |
| Capital assets, being depreciated     |  |                      |                                 |                      |                      |                      |
| Infrastructure                        | 73,975                                 | 70,873               | 19,207                          | 12,766               | 93,182               | 83,639               |
| Buildings                             | 20,966                                 | 21,448               | 4,337                           | 4,459                | 25,303               | 25,907               |
| Improvements other than buildings     | 2,777                                  | 3,441                | 7,172                           | 7,441                | 9,949                | 10,882               |
| Intangible Assets                     |  |                      | 76                              | -                    | 76                   | -                    |
| Capital equipment                     | 6,297                                  | 6,345                | 10                              | 13                   | 6,307                | 6,358                |
| Total                                 | <u>\$ 123,960</u>                      | <u>\$ 120,477</u>    | <u>\$ 33,677</u>                | <u>\$ 31,032</u>     | <u>\$ 157,638</u>    | <u>\$ 151,509</u>    |

*Long Term Debt (in thousands)*

At December 31, 2009, the Village had total bonded debt of \$71,235. Of this total, \$35,455 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.

**Village of Downers Grove  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

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The debt for the water meter devices of \$1,405 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         |               |
|--------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
|                          | Dec. 31, 2009           | Dec. 31, 2008 | Dec. 31, 2009            | Dec. 31, 2008 | Dec. 31, 2009 | Dec. 31, 2008 |
| General Obligation Bonds |                         |               |                          |               |               |               |
| Tax Increment Bonds      | \$ 35,455               | \$ 35,340     | \$ -                     | \$ -          | \$ 35,455     | \$ 35,340     |
| Stormwater               | 25,000                  | 25,000        | -                        | -             | 25,000        | 25,000        |
| Fire Station #2          | 9,150                   | 9,250         | -                        | -             | 9,150         | 9,250         |
| Fairview Resurfacing     | 225                     | 1,465         | -                        | -             | 225           | 1,465         |
| Water Meter Devices      | -                       | -             | 1,405                    | 1,835         | 1,405         | 1,835         |
| Total                    | \$ 69,830               | \$ 71,055     | \$ 1,405                 | \$ 1,835      | \$ 71,235     | \$ 72,890     |

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

The economic downturn has had a negative impact on the Village's sales tax and home rule sales tax revenue. This was considered when the budget was being developed for 2010. 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 raised its property tax rate and home rule sales tax rate for 2010. The Village reduced expenses by cutting certain programs along with finding operating efficiencies while retaining its core 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, 2009

|   | Governmental<br>Activities | Business-type<br>Activities | Total                 | Component<br>Unit    |
|---|----------------------------|-----------------------------|-----------------------|----------------------|
| <b>ASSETS</b>                                   |                            |                             |                       |                      |
| Cash and investments                            | \$ 46,597,950              | \$ 3,232,898                | \$49,830,848          | \$ 3,884,121         |
| Property tax receivable                         | 15,995,178                 | -                           | 15,995,178            | 4,661,393            |
| Sales tax receivable                            | 4,458,606                  | -                           | 4,458,606             | -                    |
| Other taxes receivable                          | 2,294,636                  | -                           | 2,294,636             | -                    |
| Accounts receivable                             | 1,049,913                  | 1,210,563                   | 2,260,476             | -                    |
| Accrued interest receivable                     | 183,600                    | 2,422                       | 186,022               | 439                  |
| Other receivables                               | 770,870                    | 73,572                      | 844,442               | -                    |
| Prepaid expenses                                | 41,928                     | -                           | 41,928                | -                    |
| Restricted cash                                 | 24,251                     | -                           | 24,251                | -                    |
| Inventory                                       | 110,602                    | 210,683                     | 321,285               | -                    |
| Deposits  | 75,000                     | -                           | 75,000                | -                    |
| Note receivable                                 | 66,153                     | 36,974                      | 103,127               | -                    |
| Loan receivable                                 | -                          | 4,788,000                   | 4,788,000             | -                    |
| Unamortized debt issuance costs                 | 494,813                    | -                           | 494,813               | 67,442               |
| Net pension asset                               | 1,049,686                  | -                           | 1,049,686             | -                    |
| Capital assets not being depreciated            | 19,944,716                 | 2,875,129                   | 22,819,845            | 222,211              |
| Capital assets net accumulated depreciation     | 104,015,225                | 30,802,200                  | 134,817,425           | 12,871,010           |
| Total assets                                    | <u>\$ 197,173,127</u>      | <u>\$ 43,232,441</u>        | <u>\$240,405,568</u>  | <u>\$ 21,706,616</u> |
| <b>LIABILITIES</b>                              |                            |                             |                       |                      |
| Accrued interest payable                        | 1,569,237                  | -                           | 1,569,237             | 76,381               |
| Due to fiduciary funds                          | 136                        | -                           | 136                   | -                    |
| Accounts payable                                | 5,215,912                  | 1,033,736                   | 6,249,648             | 47,127               |
| Accrued payroll                                 | 286,601                    | -                           | 286,601               | -                    |
| Deposits payable                                | 11,120                     | 75,750                      | 86,870                | -                    |
| Claims payable                                  | 3,606,342                  | -                           | 3,606,342             | -                    |
| Other payables                                  | 275,890                    | 181,144                     | 457,034               | -                    |
| Unearned revenue                                | 15,765,602                 | 1,628,906                   | 17,394,508            | 4,622,245            |
| Debt due within 1 year                          | 6,179,867                  | 841,044                     | 7,020,911             | 515,202              |
| Debt due in more than 1 year                    | 75,135,141                 | 5,654,533                   | 80,789,674            | 3,696,289            |
| Total liabilities                               | <u>108,045,848</u>         | <u>9,415,113</u>            | <u>117,460,961</u>    | <u>8,957,244</u>     |
| <b>NET ASSETS</b>                               |                            |                             |                       |                      |
| Invested in capital assets, net of related debt | 66,960,166                 | 32,272,328                  | 99,232,494            | 8,948,868            |
| Restricted for capital outlay                   | 27,700,886                 | -                           | 27,700,886            | 243,565              |
| Restricted for debt service                     | 855,579                    | -                           | 855,579               | 855,566              |
| Restricted for economic development             | 3,030,893                  | -                           | 3,030,893             | -                    |
| Restricted for public safety                    | 184,174                    | -                           | 184,174               | -                    |
| Restricted for public works                     | 14,079                     | -                           | 14,079                | -                    |
| Unrestricted                                    | (9,618,498)                | 1,545,000                   | (8,073,498)           | 2,701,373            |
| Total net assets                                | <u>\$ 89,127,279</u>       | <u>\$ 33,817,328</u>        | <u>\$ 122,944,607</u> | <u>\$ 12,749,372</u> |

See accompanying notes to financial statements

Village of Downers Grove  
Statement of Activities  
For the Year Ended December 31, 2009

| Functions/Programs             | Program Revenues     |                      |                                  |                                | Net (Expense) Revenue and Changes in Net Assets |                          |                       |                      |
|--------------------------------|----------------------|----------------------|----------------------------------|--------------------------------|---|--------------------------|-----------------------|----------------------|
|                                | Expenses             | Charges for Services | Operating Grants & Contributions | Capital Grants & Contributions | Governmental Activities                         | Business-type Activities | Primary Government    | Component Unit       |
| Primary government             |                      |                      |                                  |                                |   |                          |                       |                      |
| Governmental activities        |                      |                      |                                  |                                |   |                          |                       |                      |
| General government             | 4,841,080            | 2,051,863            | 6,946                            | -                              | (2,782,271)                                     | -                        | (2,782,271)           | -                    |
| Public works                   | 15,700,831           | 191,793              | 198,202                          | 1,581,512                      | (13,729,324)                                    | -                        | (13,729,324)          | -                    |
| Community development          | 2,805,057            | 955,121              | -                                | -                              | (1,849,936)                                     | -                        | (1,849,936)           | -                    |
| Public safety                  | 27,635,348           | 2,506,035            | 90,148                           | -                              | (25,039,165)                                    | -                        | (25,039,165)          | -                    |
| Community services             | 1,882,066            | 1,059,451            | 78,573                           | -                              | (744,042)                                       | -                        | (744,042)             | -                    |
| Interest and fiscal charges    | 2,956,043            | -                    | -                                | -                              | (2,956,043)                                     | -                        | (2,956,043)           | -                    |
| Total governmental activities  | <u>55,820,425</u>    | <u>6,764,263</u>     | <u>373,869</u>                   | <u>1,581,512</u>               | <u>(47,100,783)</u>                             | <u>-</u>                 | <u>(47,100,781)</u>   | <u>-</u>             |
| Business-type activities       |                      |                      |                                  |                                |   |                          |                       |                      |
| Waterworks                     | 7,709,858            | 7,472,898            | -                                | -                              | -   | (236,960)                | (236,960)             | -                    |
| Parking                        | 945,515              | 1,241,762            | 120,447                          | -                              | -   | 416,694                  | 416,694               | -                    |
| Total business-type activities | <u>8,655,373</u>     | <u>8,714,660</u>     | <u>120,447</u>                   | <u>-</u>                       | <u>-</u>  | <u>179,734</u>           | <u>179,734</u>        | <u>-</u>             |
| Total primary government       | <u>\$ 64,475,798</u> | <u>\$ 15,478,923</u> | <u>\$ 494,316</u>                | <u>\$ 1,581,512</u>            | <u>(47,100,783)</u>                             | <u>179,734</u>           | <u>(46,921,049)</u>   | <u>-</u>             |
| Component unit                 |                      |                      |                                  |                                |   |                          |                       |                      |
| Community services             | 4,193,035            | 167,625              | 70,115                           | -                              | -   | -                        | -                     | (3,955,295)          |
| Interest and fiscal charges    | 209,317              | -                    | -                                | -                              | -   | -                        | -                     | (209,317)            |
| Total Component Unit           | <u>\$ 4,402,352</u>  | <u>\$ 167,625</u>    | <u>\$ 70,115</u>                 | <u>-</u>                       | <u>-</u>  | <u>-</u>                 | <u>-</u>              | <u>(4,164,612)</u>   |
|                                |                      | General revenues     |                                  |                                |   |                          |                       |                      |
|                                |                      |                      |                                  |                                | 14,818,980                                      | -                        | 14,818,980            | 4,503,737            |
|                                |                      |                      |                                  |                                | 10,864,159                                      | -                        | 10,864,159            | -                    |
|                                |                      |                      |                                  |                                | 5,466,108                                       | -                        | 5,466,108             | -                    |
|                                |                      |                      |                                  |                                | 6,370,564                                       | -                        | 6,370,564             | -                    |
|                                |                      |                      |                                  |                                | 3,960,237                                       | -                        | 3,960,237             | -                    |
|                                |                      |                      |                                  |                                | 702,555   | -                        | 702,555               | -                    |
|                                |                      |                      |                                  |                                | 590,394   | -                        | 590,394               | -                    |
|                                |                      |                      |                                  |                                | 408,626   | -                        | 408,626               | 58,373               |
|                                |                      |                      |                                  |                                | 317,748   | -                        | 317,748               | -                    |
|                                |                      |                      |                                  |                                | 107,433   | -                        | 107,433               | -                    |
|                                |                      |                      |                                  |                                | 1,072,748                                       | 99,611                   | 1,172,359             | 27,046               |
|                                |                      |                      |                                  |                                | 37,903  | -                        | 37,903                | -                    |
|                                |                      |                      |                                  |                                | 569,930   | (569,930)                | -                     | -                    |
|                                |                      |                      |                                  |                                | <u>45,287,385</u>                               | <u>(470,319)</u>         | <u>44,817,066</u>     | <u>4,589,156</u>     |
|                                |                      |                      |                                  |                                | (1,813,398)                                     | (290,585)                | (2,103,983)           | 424,544              |
|                                |                      |                      |                                  |                                | 92,637,306                                      | 34,107,913               | 126,745,219           | 12,469,031           |
|                                |                      |                      |                                  |                                | <u>(1,696,629)</u>                              | <u>-</u>                 | <u>(1,696,629)</u>    | <u>(144,203)</u>     |
|                                |                      |                      |                                  |                                | <u>\$ 89,127,279</u>                            | <u>\$ 33,817,328</u>     | <u>\$ 122,944,607</u> | <u>\$ 12,749,372</u> |

See accompanying notes to financial statements

Village of Downers Grove

Balance Sheet

Governmental Funds

December 31, 2009

|  | General              | Downtown<br>Redevelopment<br>TIF | Capital<br>Improvements | Stormwater<br>Improvements | Nonmajor            | Total                |
|--|----------------------|----------------------------------|-------------------------|----------------------------|---------------------|----------------------|
| <b>ASSETS</b>                          |                      |                                  |                         |                            |                     |                      |
| Cash and investments                   | \$ 8,987,669         | \$ 256,572                       | \$ 3,449,297            | \$ 23,971,092              | \$ 5,953,551        | \$ 42,618,181        |
| Restricted cash                        | 24,251               | -                                | -                       | -                          | -                   | 24,251               |
| Property taxes receivable              | 10,215,311           | 2,350,359                        | 8,671                   | 2,630,139                  | 790,699             | 15,995,179           |
| Sales taxes receivable                 | 2,917,273            | -                                | 1,027,549               | 513,783                    | -                   | 4,458,605            |
| Other taxes receivable                 | 2,005,488            | -                                | 152,413                 | -                          | 136,736             | 2,294,637            |
| Accounts receivable                    | 138,578              | -                                | 16,999                  | 88,159                     | 18,331              | 262,067              |
| Other receivable                       | 603,673              | -                                | 162,737                 | -                          | 4,460               | 770,870              |
| Due from other funds                   | 1,976,067            | -                                | -                       | -                          | -                   | 1,976,067            |
| Note receivable                        | 66,153               | -                                | -                       | -                          | -                   | 66,153               |
| Interest receivable                    | 47,614               | -                                | 1,605                   | 133,950                    | 429                 | 183,598              |
| Total assets                           | <u>26,982,077</u>    | <u>2,606,931</u>                 | <u>4,819,271</u>        | <u>27,337,123</u>          | <u>6,904,206</u>    | <u>68,649,608</u>    |
| <b>LIABILITIES &amp; FUND BALANCES</b> |                      |                                  |                         |                            |                     |                      |
| <b>Liabilities</b>                     |                      |                                  |                         |                            |                     |                      |
| Accounts payable                       | 913,567              | 21,800                           | 2,215,589               | 696,022                    | 1,265,477           | 5,112,455            |
| Accrued payroll                        | 286,601              | -                                | -                       | -                          | -                   | 286,601              |
| Due to other funds                     | 372                  | -                                | -                       | -                          | 1,976,067           | 1,976,439            |
| Other payables                         | 222,706              | -                                | -                       | -                          | 8,120               | 230,826              |
| Deferred revenue                       | 10,115,621           | 2,234,073                        | 8,671                   | 2,630,139                  | 780,098             | 15,768,602           |
| Total liabilities                      | <u>11,538,867</u>    | <u>2,255,873</u>                 | <u>2,224,260</u>        | <u>3,326,161</u>           | <u>4,029,762</u>    | <u>23,374,923</u>    |
| <b>FUND BALANCE</b>                    |                      |                                  |                         |                            |                     |                      |
| Reserved for:                          |                      |                                  |                         |                            |                     |                      |
| Long-term Receivables                  | 66,153               | -                                | -                       | -                          | -                   | 66,153               |
| Unreserved, reported in                |                      |                                  |                         |                            |                     |                      |
| Capital Projects                       | -                    | -                                | 2,595,011               | 24,010,962                 | 1,094,912           | 27,700,885           |
| Debt Service                           | -                    | -                                | -                       | -                          | 855,579             | 855,579              |
| General Fund                           | 15,377,057           | -                                | -                       | -                          | -                   | 15,377,057           |
| Special Revenue                        | -                    | 351,058                          | -                       | -                          | 923,953             | 1,275,011            |
| Total fund balances                    | <u>15,443,210</u>    | <u>351,058</u>                   | <u>2,595,011</u>        | <u>24,010,962</u>          | <u>2,874,444</u>    | <u>45,274,685</u>    |
| Total liabilities and fund balances    | <u>\$ 26,982,077</u> | <u>\$ 2,606,931</u>              | <u>\$ 4,819,271</u>     | <u>\$ 27,337,123</u>       | <u>\$ 6,904,206</u> | <u>\$ 68,649,608</u> |

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, 2009

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|  |                            |
|--|----------------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS  | \$45,274,685               |
| 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                    | 123,959,941                |
| Less internal service funds  | (5,143,341)                |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds | (69,830,000)               |
| Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the governmental funds                   | (4,566,225)                |
| Less internal service funds  | 131,504                    |
| The net OPEB payable is not due and payable in the current period, and, therefore, is not reported in the governmental funds                             | (6,385,200)                |
| Less internal service funds  | 142,158                    |
| Unamortized premium is reported as a liability on the statement of net assets  | (831,680)                  |
| The unamortized accounting loss is reported as a reduction of a liability in the statement of net assets   | 693,563                    |
| Accrued interest on long-term liabilities is reported as a liability on the statement of net assets  | (1,569,237)                |
| The net pension asset of the police pension fund is included in the governmental activities in the statement of net assets                               | 1,049,686                  |
| The net pension obligation of the fire pension fund is included in the governmental activities in the statement of net assets                            | (395,466)                  |
| Unamortized costs of issuance on bonds are reported as a deferred charge in the statement of net assets  | 494,813                    |
| The net assets of the internal service funds are included in the governmental activities in the statement of net assets                                  | <u>6,102,079</u>           |
| NET ASSETS OF GOVERNMENTAL ACTIVITIES  | <u><u>\$89,127,279</u></u> |

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, 2009

|  | General              | Downtown<br>Redevelopment<br>TIF | Capital<br>Improvements | Stormwater<br>Improvements | Nonmajor            | Total                |
|--|----------------------|----------------------------------|-------------------------|----------------------------|---------------------|----------------------|
| REVENUES   |                      |                                  |                         |                            |                     |                      |
| Sales tax  | \$ 10,300,409        | \$ -                             | \$ 3,644,045            | \$ 1,822,062               | \$ 563,750          | \$ 16,330,266        |
| Property tax   | 9,174,755            | 2,229,096                        | 8,760                   | 2,630,139                  | 776,229             | 14,818,979           |
| Utility tax  | 5,694,903            | -                                | 675,661                 | -                          | -                   | 6,370,564            |
| Income tax   | 3,960,237            | -                                | -                       | -                          | -                   | 3,960,237            |
| Other taxes  | 1,738,771            | -                                | -                       | -                          | 387,985             | 2,126,756            |
| Licenses & permits                                   | 1,148,160            | -                                | -                       | -                          | -                   | 1,148,160            |
| Intergovernmental                                    | 95,997               | -                                | 433,845                 | -                          | 1,218,400           | 1,748,242            |
| Charges for services & fees                          | 4,345,198            | 16,104                           | -                       | -                          | 203,990             | 4,565,292            |
| Fines & forfeitures                                  | 1,246,286            | -                                | -                       | -                          | -                   | 1,246,286            |
| Investment income                                    | 299,304              | (273)                            | 20,306                  | 737,625                    | 15,786              | 1,072,748            |
| Contributions & donations                            | 76,521               | -                                | -                       | 130,618                    | -                   | 207,139              |
| Total revenues                                       | <u>38,080,541</u>    | <u>2,244,927</u>                 | <u>4,782,617</u>        | <u>5,320,444</u>           | <u>3,166,140</u>    | <u>53,594,670</u>    |
| EXPENDITURES   |                      |                                  |                         |                            |                     |                      |
| Current  |                      |                                  |                         |                            |                     |                      |
| General government                                   | 4,106,150            | -                                | 369                     | -                          | 429,412             | 4,535,931            |
| Public works   | 5,692,304            | 11,387                           | 312,439                 | 2,195,836                  | 2,668,753           | 10,880,719           |
| Community development                                | 2,170,863            | 62,036                           | -                       | -                          | 111,410             | 2,344,309            |
| Public safety  | 25,481,390           | -                                | -                       | -                          | 36,541              | 25,517,931           |
| Community services                                   | 1,831,063            | -                                | -                       | -                          | -                   | 1,831,063            |
| Debt service   |                      |                                  |                         |                            |                     |                      |
| Principal Retirement                                 | -                    | -                                | -                       | -                          | 1,245,000           | 1,245,000            |
| Interest   | -                    | -                                | -                       | -                          | 2,728,297           | 2,728,297            |
| Issuance costs                                       | -                    | -                                | -                       | -                          | 125,575             | 125,575              |
| Capital outlay                                       |                      |                                  |                         |                            |                     |                      |
| General government                                   | -                    | -                                | 190,717                 | -                          | -                   | 190,717              |
| Public works   | -                    | 63,796                           | 4,033,235               | 5,145,168                  | -                   | 9,242,199            |
| Total expenditures                                   | <u>39,281,770</u>    | <u>137,219</u>                   | <u>4,536,760</u>        | <u>7,341,004</u>           | <u>7,344,989</u>    | <u>58,641,741</u>    |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(1,201,229)</u>   | <u>2,107,708</u>                 | <u>245,857</u>          | <u>(2,020,560)</u>         | <u>(4,178,849)</u>  | <u>(5,047,071)</u>   |
| OTHER FINANCING SOURCES (USES)                       |                      |                                  |                         |                            |                     |                      |
| Transfers in   | 830,070              | -                                | -                       | -                          | 3,924,830           | 4,754,900            |
| Transfers out  | -                    | (2,011,139)                      | (476,708)               | (1,025,053)                | (922,070)           | (4,434,970)          |
| Proceeds from disposal of capital assets             | 37,903               | -                                | -                       | -                          | -                   | 37,903               |
| Bonds issued   | -                    | -                                | -                       | -                          | 9,030,000           | 9,030,000            |
| Payment to escrow agent                              | -                    | -                                | -                       | -                          | (9,144,258)         | (9,144,258)          |
| Bond premium   | -                    | -                                | -                       | -                          | 238,858             | 238,858              |
| Total other financing sources and uses               | <u>867,973</u>       | <u>(2,011,139)</u>               | <u>(476,708)</u>        | <u>(1,025,053)</u>         | <u>3,127,360</u>    | <u>482,433</u>       |
| NET CHANGE IN FUND BALANCE                           | (333,256)            | 96,569                           | (230,851)               | (3,045,613)                | (1,051,488)         | (4,564,639)          |
| Fund balances -- beginning                           | <u>15,776,466</u>    | <u>254,489</u>                   | <u>2,825,862</u>        | <u>27,056,575</u>          | <u>3,925,932</u>    | <u>49,839,324</u>    |
| Fund balances -- ending                              | <u>\$ 15,443,210</u> | <u>\$ 351,058</u>                | <u>\$ 2,595,011</u>     | <u>\$ 24,010,962</u>       | <u>\$ 2,874,444</u> | <u>\$ 45,274,685</u> |

See accompanying notes to financial statements

Village of Downers Grove, Illinois

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Governmental Activities in the Statement of Activities  
For the Year Ended December 31, 2009

|   |                       |
|---|-----------------------|
| NET CHANGE IN FUND BALANCES -   |                       |
| TOTAL GOVERNMENTAL FUNDS  | \$ (4,564,639)        |
| Amounts reported for governmental activities in the statement of net assets<br>are different because:   |                       |
| Governmental funds report capital outlays as expenditures, however, they are<br>capitalized and depreciated in the statement of activities  | 6,997,289             |
| Less internal service funds   | (418,708)             |
| Some expenses in the statement of activities (e.g., depreciation) do not require<br>the use of current financial resources and, therefore, are not reported<br>as expenditure in the governmental funds.  | (3,607,235)           |
| Less internal service funds   | 743,907               |
| Bond proceeds are reported as an other financing source in governmental funds   | (9,030,000)           |
| The repayment of the principal portion long-term debt is reported as an expenditure<br>when due in governmental funds but as a reduction of principal outstanding in the statement<br>of net assets; and the in-substance defeasance is reported as an other financing use. | 10,389,258            |
| The change in accrued interest payable on long-term debt is reported as an expense<br>on the statement of activities  | (176,635)             |
| The change in the compensated absences liability is reported as an expense on the<br>statement of activities  | (10,229)              |
| Less internal service funds included below  | 2,676                 |
| The increase in net pension asset is reported as a reduction of expense on the<br>statement of activities   | 32,490                |
| The increase in the net pension obligation is reported as an increase in expense on the<br>statement of activities  | (2,275)               |
| Accounting loss on bonds issued are reported as an expenditure in governmental funds  | 134,258               |
| The amortization of the accounting loss is reported as an expense in the statement<br>of activities   | (63,997)              |
| Issuance costs on bonds issued are reported as an expenditure in governmental funds   | 125,575               |
| The amortization of the deferred issuance costs on long-term debt is reported<br>as an expense on the statement of activities   | (31,276)              |
| Premiums on bonds issued are reported as an other financing source in governmental funds  | (238,858)             |
| The amortization of the premium on long-term debt is reported as a reduction of<br>expense on the statement of activities   | 44,163                |
| The increase in OPEB payable is reported as an expense on the statement of activities   | (2,248,068)           |
| Less internal service funds   | 75,139                |
| The change in net assets of certain activities of internal service funds is reported<br>in governmental funds   | 33,767                |
| CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES  | <u>\$ (1,813,398)</u> |

See accompanying notes to financial statements

Village of Downers Grove  
Statement of Net Assets  
Proprietary Funds  
December 31, 2009

|   | Business-type Activities - Enterprise Funds |             |              | Internal<br>Service |
|---|---|-------------|--------------|---------------------|
|   | Waterworks                                  | Parking     | Total        |                     |
| <b>ASSETS</b>                                   |   |             |              |                     |
| Current assets                                  |   |             |              |                     |
| Cash and investments                            | 2,289,546                                   | 943,352     | 3,232,898    | 3,979,769           |
| Accounts receivable                             | 1,107,443                                   | 103,120     | 1,210,563    | 787,845             |
| Accrued interest                                | 2,422                                       | -           | 2,422        | -                   |
| Other receivable                                | -   | 73,572      | 73,572       | -                   |
| Due from other funds                            | -   | -           | -            | 236                 |
| Prepaid expenses                                | -   | -           | -            | 41,928              |
| Note receivable                                 | 36,974                                      | -           | 36,974       | -                   |
| Inventory                                       | 210,683                                     | -           | 210,683      | 110,602             |
| Deposits  | -   | -           | -            | 75,000              |
| Total Current assets                            | 3,647,068                                   | 1,120,044   | 4,767,112    | 4,995,380           |
| Noncurrent assets                               |   |             |              |                     |
| Loan receivable                                 | 4,788,000                                   | -           | 4,788,000    | -                   |
| Capital assets not being depreciated            | 2,226,891                                   | 648,238     | 2,875,129    | -                   |
| Capital assets being depreciated                | 51,518,694                                  | 3,331,447   | 54,850,141   | 10,274,851          |
| Accumulated depreciation                        | (21,312,946)                                | (2,734,995) | (24,047,941) | (5,131,510)         |
| Total Noncurrent assets                         | 37,220,639                                  | 1,244,690   | 38,465,329   | 5,143,341           |
| Total assets                                    | 40,867,707                                  | 2,364,734   | 43,232,441   | 10,138,721          |
| <b>LIABILITIES AND NET ASSETS</b>               |   |             |              |                     |
| Current liabilities                             |   |             |              |                     |
| Accounts payable                                | 1,020,457                                   | 13,279      | 1,033,736    | 103,454             |
| Deposits payable                                | 72,400                                      | 3,350       | 75,750       | -                   |
| Other payables                                  | 181,144                                     | -           | 181,144      | 53,184              |
| Compensated absences                            | 22,438                                      | 298         | 22,736       | 39,452              |
| Unearned revenue                                | -   | 1,628,906   | 1,628,906    | -                   |
| Claims payable                                  | -   | -           | -            | 1,439,426           |
| Notes payable                                   | 368,308                                     | -           | 368,308      | -                   |
| Bonds payable                                   | 450,000                                     | -           | 450,000      | -                   |
| Total Current liabilities                       | 2,114,747                                   | 1,645,833   | 3,760,580    | 1,635,516           |
| Noncurrent liabilities                          |   |             |              |                     |
| Claims payable                                  | -   | -           | -            | 2,166,915           |
| Compensated absences                            | 52,354                                      | 696         | 53,050       | 92,054              |
| Other post-employment benefits                  | 193,731                                     | 33,060      | 226,791      | 142,157             |
| Notes payable                                   | 4,419,692                                   | -           | 4,419,692    | -                   |
| Bonds payable                                   | 955,000                                     | -           | 955,000      | -                   |
| Total Noncurrent liabilities                    | 5,620,777                                   | 33,756      | 5,654,533    | 2,401,126           |
| Total liabilities                               | 7,735,524                                   | 1,679,589   | 9,415,113    | 4,036,642           |
| <b>NET ASSETS</b>                               |   |             |              |                     |
| Invested in capital assets, net of related debt | 31,027,639                                  | 1,244,689   | 32,272,328   | 5,143,340           |
| Unrestricted                                    | 2,104,544                                   | (559,544)   | 1,545,000    | 958,739             |
| Total net assets                                | 33,132,183                                  | 685,145     | 33,817,328   | 6,102,079           |

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, 2009

|   | Business-type Activities - Enterprise Funds |            |               |                     |
|---|---|------------|---------------|---------------------|
|   | Waterworks                                  | Parking    | Total         | Internal<br>Service |
| Operating revenues                                  |   |            |               |                     |
| Sales   | \$ -  | \$ -       | \$ -          | \$ 75,625           |
| Charges for services, fees, fines                   | 7,472,088                                   | 1,241,762  | 8,713,850     | -                   |
| Interfund services                                  | -   | -          | -             | 8,351,903           |
| Insurance premiums                                  | -   | -          | -             | 1,958,155           |
| Other   | -   | -          | -             | 124,846             |
| Total operating revenues                            | 7,472,088                                   | 1,241,762  | 8,713,850     | 10,510,529          |
| Operating expenses                                  |   |            |               |                     |
| Personnel services                                  | 1,186,963                                   | 174,136    | 1,361,099     | 835,160             |
| Supplies  | 3,571,355                                   | 6,182      | 3,577,537     | 612,301             |
| Contractual services                                | 314,066                                     | 102,706    | 416,772       | 1,309,875           |
| Other charges and services                          | 1,793,639                                   | 645,975    | 2,439,614     | 7,241,200           |
| Depreciation  | 780,114                                     | 16,515     | 796,629       | 743,907             |
| Total operating expenses                            | 7,646,137                                   | 945,514    | 8,591,651     | 10,742,443          |
| Operating income (loss)                             | (174,049)                                   | 296,248    | 122,199       | (231,913)           |
| Nonoperating revenues (expenses)                    |   |            |               |                     |
| Intergovernmental                                   | -   | 120,447    | 120,447       | 24,000              |
| Investment income                                   | 99,030                                      | 579        | 99,609        | 4,159               |
| Gain / (Loss) from disposals                        | 810   | -          | 810           | (12,479)            |
| Interest expense                                    | (63,720)                                    | -          | (63,720)      | -                   |
| Total nonoperating revenues                         | 36,120                                      | 121,026    | 157,146       | 15,680              |
| Income (loss) before<br>contributions and transfers | (137,929)                                   | 417,274    | 279,345       | (216,233)           |
| Transfers in  | -   | -          | -             | 250,000             |
| Transfers out                                       | (250,000)                                   | (319,930)  | (569,930)     | -                   |
| Change in net assets                                | (387,929)                                   | 97,344     | (290,585)     | 33,767              |
| Total net assets -- beginning                       | 33,520,112                                  | 587,801    | 34,107,913    | 6,068,313           |
| Total net assets -- ending                          | \$ 33,132,183                               | \$ 685,145 | \$ 33,817,328 | \$ 6,102,079        |

See accompanying notes to financial statements

Village of Downers Grove  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2009

|  | <u>Business-type Activities - Enterprise Funds</u> |                   |                     | Internal<br>Service |
|--|--|-------------------|---------------------|---------------------|
|  | Waterworks   | Parking           | Total               |                     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |                   |                     |                     |
| Receipts from interfund services   | \$ -   | \$ -              | \$ -                | \$ 8,508,302        |
| Receipts from customers  | 7,402,894  | 1,185,305         | 8,588,199           | 2,002,723           |
| Other payments   | (664,884)  | (119,727)         | (784,611)           | (6,911,917)         |
| Payments to employees  | (1,057,231)  | (159,808)         | (1,217,039)         | (762,382)           |
| Payments for interfund services  | (1,365,300)  | (526,248)         | (1,891,548)         | (180,936)           |
| Payments to suppliers  | (4,519,531)  | (129,757)         | (4,649,288)         | (1,938,535)         |
| Net cash provided (used) by operating activities                                     | <u>(204,052)</u>                                   | <u>249,765</u>    | <u>45,713</u>       | <u>717,255</u>      |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                               |  |                   |                     |                     |
| Grant proceeds   | -  | 73,572            | 73,572              | 24,000              |
| Transfers in (out)   | (250,000)  | (319,930)         | (569,930)           | 250,000             |
| Net cash provided (used) by noncapital activities                                    | <u>(250,000)</u>                                   | <u>(246,358)</u>  | <u>(422,786)</u>    | <u>274,000</u>      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                      |  |                   |                     |                     |
| Capital assets purchased   | (3,444,059)  | -                 | (3,444,059)         | (418,708)           |
| Interest paid on general obligation bonds  | (63,720)   | -                 | (63,720)            | -                   |
| Principal paid on general obligation bonds   | (430,000)  | -                 | (430,000)           | -                   |
| Net cash provided (used) by capital activities                                       | <u>(3,937,779)</u>                                 | <u>-</u>          | <u>(3,937,779)</u>  | <u>(418,708)</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |  |                   |                     |                     |
| Interest received  | 132,973  | 579               | 133,552             | 4,159               |
| Net cash provided by investing activities  | <u>132,973</u>                                     | <u>579</u>        | <u>133,552</u>      | <u>4,159</u>        |
| Net Increase (decrease) in cash and cash equivalents                                 | (4,258,858)  | 3,986             | (4,181,300)         | 576,706             |
| Cash and investments - beginning of year   | <u>6,548,404</u>                                   | <u>939,366</u>    | <u>7,487,770</u>    | <u>3,403,063</u>    |
| Cash and investments - end of year   | <u>\$ 2,289,546</u>                                | <u>\$ 943,352</u> | <u>\$ 3,306,470</u> | <u>\$ 3,979,769</u> |
| <b>Reconciliation of operating income (loss) to net cash by operating activities</b> |  |                   |                     |                     |
| Operating income (loss)  | (174,049)  | 296,248           | 122,199             | (231,913)           |
| Adjustments to reconcile operating income to net cash provided (used) by operating   |  |                   |                     |                     |
| Depreciation   | 780,114  | 16,515            | 796,629             | 743,907             |
| Change in assets and liabilities   |  |                   |                     |                     |
| Accounts payable   | (951,496)  | (20,718)          | (972,214)           | (121,533)           |
| Compensated absences   | 6,521  | (4,101)           | 2,420               | 2,677               |
| Accounts receivable  | (69,194)   | (56,457)          | (125,651)           | (673,786)           |
| Due from other funds   | -  | -                 | -                   | (236)               |
| Inventory  | (7,012)  | -                 | (7,012)             | (9,804)             |
| Prepaid expenses   | -  | -                 | -                   | (41,928)            |
| Other post-employment benefits   | 123,211  | 18,429            | 141,640             | 75,148              |
| Deposits payable   | 390  | (150)             | 240                 | -                   |
| Other payables   | 87,462   | -                 | 87,462              | 974,722             |
| Net cash provided (used) by operating activities                                     | <u>(\$ 204,052)</u>                                | <u>\$ 249,765</u> | <u>\$ 45,713</u>    | <u>\$ 717,255</u>   |

See accompanying notes to financial statements

Village of Downers Grove, Illinois  
Statement of Fiduciary Net Assets  
December 31, 2009

|  | <u>Pension<br/>Trust</u> | <u>Agency</u>           |
|--|--------------------------|-------------------------|
| <b>ASSETS</b>  |                          |                         |
| Cash and cash equivalents                                    | \$ 2,883,637             | \$ 1,757,887            |
| Investments  |                          |                         |
| U.S. Treasury obligations                                    | 31,672,162               |                         |
| U.S. Agency obligations                                      | 2,504,971                | -                       |
| Mutual funds - equity  | 22,221,045               | -                       |
| Common and preferred stocks                                  | 2,736,401                | -                       |
| Total investments  | <u>59,134,579</u>        | -                       |
| Due from general fund  | 136                      | -                       |
| Prepays  | 9,500                    | -                       |
| Interest receivable  | <u>311,709</u>           | -                       |
| <br>Total assets   | <br><u>62,339,561</u>    | <br><u>\$ 1,757,887</u> |
| <b>LIABILITIES</b>   |                          |                         |
| Accounts payable   | 23,981                   | \$ 110,863              |
| Deposits payable   | <u>-</u>                 | <u>1,647,024</u>        |
| <br>Total liabilities  | <br><u>23,981</u>        | <br><u>\$ 1,757,887</u> |
| <br><b>NET ASSETS HELD IN TRUST<br/>FOR PENSION BENEFITS</b> | <br><u>\$ 62,315,580</u> |                         |

See accompanying notes to financial statements

Village of Downers Grove  
Statement of Changes in Fiduciary Net Assets  
For the Year Ended December 31, 2009

|                                    | Pension<br>Trust |
|------------------------------------|------------------|
| <b>ADDITIONS</b>                   |                  |
| Contributions                      |                  |
| Contributions - employer           | \$ 2,856,931     |
| Contributions - employees          | 1,252,346        |
| Total contributions                | 4,109,277        |
| Investment earnings                |                  |
| Interest earned on investments     | 1,950,852        |
| Net appreciation in fair value     | 3,798,604        |
| Total investment earnings          | 5,749,456        |
| Less investment expense            | (158,313)        |
| Net investment earnings            | 5,591,143        |
| Total additions                    | 9,700,420        |
| <br><b>DEDUCTIONS</b>              |                  |
| Contractual services               | 59,791           |
| Other charges and services         | 12,912           |
| Benefits and refunds               | 3,495,159        |
| Total deductions                   | 3,567,862        |
| Change in Net Assets               | 6,132,558        |
| Net Assets-- beginning of the year | 56,183,022       |
| Net Assets -- end of the year      | \$ 62,315,580    |

See accompanying notes to financial statements

Village of Downers Grove

Notes to Financial Statements  
December 31, 2009

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The Village is a municipal corporation governed by an elected board. As required by GAAP, these financial statements present the Village (the primary government). In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the significance of their operational or financial relationships with the primary government.

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

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership 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.

Village of Downers Grove  
Notes to Financial Statements (Continued)

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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 constitute 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 Council's approval.

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

B. Fund Accounting

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

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided

Village of Downers Grove  
Notes to Financial Statements (Continued)

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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 non-fiduciary activities of the Village. The effect of interfund activity has been removed from these statements; however interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

The Village reports the following major governmental funds:

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

Village of Downers Grove  
Notes to Financial Statements (Continued)

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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 *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 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

Village of Downers Grove  
Notes to Financial Statements (Continued)

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

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 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.

Village of Downers Grove  
Notes to Financial Statements (Continued)

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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

Village of Downers Grove  
Notes to Financial Statements (Continued)

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

Village of Downers Grove  
Notes to Financial Statements (Continued)

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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

Village of Downers Grove  
Notes to Financial Statements (Continued)

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, 2009:

| Investment Type           | Fair Value          | Investment Maturities (in Years) |                  |          |                 |
|---------------------------|---------------------|----------------------------------|------------------|----------|-----------------|
|                           |                     | Less than 1                      | 1-5              | 6-10     | Greater than 10 |
| U.S. Agency Obligations   | \$ 2,400,000        | -                                | 2,400,000        | -        | -               |
| Money Market Mutual Funds | 7,258,518           | 7,258,518                        | -                | -        | -               |
| Illinois Funds/IMET       | 8,252,322           | 8,252,322                        | -                | -        | -               |
| <b>TOTAL</b>              | <b>\$17,910,840</b> | <b>15,510,840</b>                | <b>2,400,000</b> | <b>-</b> | <b>-</b>        |

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

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

Village of Downers Grove  
Notes to Financial Statements (Continued)

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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.

**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.

Village of Downers Grove  
Notes to Financial Statements (Continued)

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of December 31, 2009:

| Investment Type  | Fair Value          | Investment Maturities (in Years) |                   |                |                  |
|------------------|---------------------|----------------------------------|-------------------|----------------|------------------|
|                  |                     | Less than 1                      | 1-5               | 6-10           | Greater than 10  |
| Corporate Bonds  | \$1,187,520         | -                                | 1,187,520         | -              | -                |
| U.S. Obligations | 17,338,496          | 3,086                            | 14,691,182        | 430,569        | 2,213,659        |
| <b>TOTAL</b>     | <b>\$18,526,016</b> | <b>3,086</b>                     | <b>15,878,702</b> | <b>430,569</b> | <b>2,213,659</b> |

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

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

Village of Downers Grove  
Notes to Financial Statements (Continued)

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 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, 2009:

| Investment Type  | Fair Value          | Investment Maturities (in Years) |                  |                  |                  |
|------------------|---------------------|----------------------------------|------------------|------------------|------------------|
|                  |                     | Less than 1                      | 1-5              | 6-10             | Greater than 10  |
| Corporate Bonds  | \$ 1,317,451        | -                                | 974,892          | 112,823          | 229,736          |
| U.S. Obligations | 14,333,666          | 288,830                          | 5,573,441        | 3,500,478        | 4,970,917        |
| <b>TOTAL</b>     | <b>\$15,651,117</b> | <b>288,830</b>                   | <b>6,548,333</b> | <b>3,613,301</b> | <b>5,200,653</b> |

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

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

Village of Downers Grove  
Notes to Financial Statements (Continued)

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 2009 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 2009 tax levy is intended to fund expenditures for the 2010 fiscal year, these taxes are deferred as of December 31, 2009.

B. Other Receivables

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

GOVERNMENTAL ACTIVITIES

OTHER TAXES RECEIVABLE

|                        |              |
|------------------------|--------------|
| Telecommunications tax | \$ 914,476   |
| State income tax       | 810,538      |
| Electricity tax        | 165,019      |
| Natural gas tax        | 58,491       |
| Local use tax          | 152,353      |
| Auto rental tax        | 7,997        |
| Hotel tax              | 49,027       |
| State motor fuel tax   | 101,626      |
| Local motor fuel tax   | 35,109       |
|                        | \$ 2,294,636 |

TOTAL OTHER TAXES RECEIVABLE

OTHER RECEIVABLES

|                |            |
|----------------|------------|
| Ambulance fees | \$ 282,539 |
| Police tickets | 17,375     |
| Franchise fees | 159,699    |
| Grants         | 187,832    |
| Miscellaneous  | 123,425    |
|                | \$ 770,870 |

TOTAL OTHER RECEIVABLES

\$ 770,870

Village of Downers Grove  
Notes to Financial Statements (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

A. Governmental Activities

|  | Balances<br>January 1 | Increases           | Decreases           | Balances<br>December 31 |
|--|-----------------------|---------------------|---------------------|-------------------------|
| Capital assets not being depreciated           |                       |                     |                     |                         |
| Land   | \$ 13,050,849         | \$ 1,291,025        | \$ -                | \$ 14,341,874           |
| Construction in progress                       | 5,319,252             | 3,677,212           | 3,393,622           | 5,602,842               |
| Total capital assets not being depreciated     | <u>18,370,101</u>     | <u>4,968,237</u>    | <u>3,393,622</u>    | <u>19,944,716</u>       |
| Capital assets being depreciated               |                       |                     |                     |                         |
| Infrastructure                                 | 86,051,902            | 4,813,529           | -                   | 90,865,431              |
| Buildings                                      | 26,124,863            | -                   | -                   | 26,124,863              |
| Improvements other than buildings              | 3,998,663             | -                   | 546,574             | 3,452,089               |
| Capital equipment                              | 15,641,552            | 1,285,576           | 590,214             | 16,336,914              |
| Total capital assets being depreciated         | <u>131,816,980</u>    | <u>6,099,105</u>    | <u>1,136,788</u>    | <u>136,779,297</u>      |
| Less accumulated depreciation for              |                       |                     |                     |                         |
| Infrastructure                                 | 15,179,353            | 1,711,146           | -                   | 16,890,499              |
| Buildings                                      | 4,676,891             | 481,351             | -                   | 5,158,242               |
| Improvements other than buildings              | 557,289               | 117,795             | -                   | 675,084                 |
| Capital equipment                              | 9,296,653             | 1,296,943           | 553,350             | 10,040,246              |
| Total accumulated depreciation                 | <u>29,710,187</u>     | <u>3,607,235</u>    | <u>553,350</u>      | <u>32,764,072</u>       |
| Total capital assets being depreciated,<br>Net | <u>102,106,793</u>    | <u>2,491,870</u>    | <u>583,438</u>      | <u>104,015,225</u>      |
| GOVERNMENTAL ACTIVITIES<br>CAPITAL ASSETS, NET | <u>\$ 120,476,894</u> | <u>\$ 7,460,107</u> | <u>\$ 3,977,060</u> | <u>\$ 123,959,941</u>   |

B. Business-Type Activities

|  | Balances<br>January 1 | Increases        | Decreases        | Balances<br>December 31 |
|--|-----------------------|------------------|------------------|-------------------------|
| Capital assets not being depreciated       |                       |                  |                  |                         |
| Land                                       | \$ 2,816,595          | \$ -             | \$ -             | \$ 2,816,595            |
| Construction in progress                   | 3,536,052             | 758              | 3,478,276        | 58,533                  |
| Total capital assets not being depreciated | <u>6,352,647</u>      | <u>758</u>       | <u>3,478,276</u> | <u>2,875,129</u>        |
| Capital assets being depreciated           |                       |                  |                  |                         |
| Infrastructure                             | 21,825,029            | 6,845,265        | -                | 28,670,294              |
| Buildings                                  | 6,101,133             | -                | -                | 6,101,133               |
| Improvements other than buildings          | 15,849,937            | -                | -                | 15,849,937              |
| Intangible assets                          | -                     | 76,312           | -                | 76,312                  |
| Capital equipment                          | 4,196,450             | -                | 43,985           | 4,152,465               |
| Total capital assets being depreciated     | <u>47,972,549</u>     | <u>6,921,577</u> | <u>43,985</u>    | <u>54,850,141</u>       |

Village of Downers Grove  
Notes to Financial Statements (Continued)

|  | Balances<br>January 1 | Increases            | Decreases           | Balances<br>December 31 |
|--|-----------------------|----------------------|---------------------|-------------------------|
| Less accumulated depreciation for                  |                       |                      |                     |                         |
| Infrastructure                                     | 9,058,709             | 404,664              | -                   | 9,463,372               |
| Buildings  | 1,642,297             | 121,488              | -                   | 1,763,785               |
| Improvements other than buildings                  | 8,409,188             | 268,729              | -                   | 8,677,915               |
| Capital equipment                                  | 4,183,214             | 1,749                | 42,095              | 4,142,868               |
| Total accumulated depreciation                     | <u>23,293,408</u>     | <u>796,629</u>       | <u>42,095</u>       | <u>24,047,940</u>       |
| <br>Total capital assets being depreciated,<br>Net | <br><u>24,679,141</u> | <br><u>6,124,947</u> | <br><u>1,890</u>    | <br><u>30,802,200</u>   |
| <br>BUSINESS-TYPE ACTIVITIES                       |                       |                      |                     |                         |
| CAPITAL ASSETS, NET                                | <u>\$ 31,031,788</u>  | <u>\$ 6,125,705</u>  | <u>\$ 3,480,166</u> | <u>\$ 33,677,329</u>    |

C. Depreciation Expense

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

GOVERNMENTAL ACTIVITIES

|                       |              |
|-----------------------|--------------|
| General government    | \$ 25,042    |
| Public works          | 2,578,580    |
| Community development | 351,803      |
| Public safety         | 649,926      |
| Community services    | <u>1,884</u> |

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 3,607,235

BUSINESS-TYPE ACTIVITIES

|            |               |
|------------|---------------|
| Waterworks | \$ 780,114    |
| Parking    | <u>16,515</u> |

TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES \$ 796,629

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At December 31, 2009, interfund receivables and payables consist of the following:

| Receivable Fund       | Payable Fund   | Amount                  |
|-----------------------|----------------|-------------------------|
| General               | Transportation | \$ 1,976,067            |
| Firefighters' Pension | General        | 136                     |
| Health Insurance      | General        | <u>236</u>              |
| <br>TOTAL             |                | <br><u>\$ 1,976,439</u> |

The interfund balances reflect the interfund borrowing to offset negative cash balances, and amounts due to be repaid in 2010.

Village of Downers Grove  
Notes to Financial Statements (Continued)

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

At December 31, 2009, interfund transfers consist of the following:

| Fund                           | Transfer In         | Transfer Out        |
|--------------------------------|---------------------|---------------------|
| Major Governmental             |                     |                     |
| General (3, 4)                 | \$ 830,070          | -                   |
| Downtown Redevelopment TIF (1) | -                   | 2,011,139           |
| Capital Improvements (1)       | -                   | 476,708             |
| Stormwater (1)                 | -                   | 1,025,053           |
| Non-major Governmental         |                     |                     |
| Downtown TIF Debt Service (1)  | 2,423,069           | -                   |
| Real Estate (1)                | -                   | 200,000             |
| Municipal Buildings (3)        | -                   | 350,000             |
| Facilities Debt Service (1)    | 1,501,761           | -                   |
| Tax Rebate (4)                 | -                   | 372,070             |
| Internal Service               |                     |                     |
| Risk Management (2)            | 250,000             | -                   |
| Enterprise                     |                     |                     |
| Parking (1)                    | -                   | 319,930             |
| Water (2)                      | -                   | 250,000             |
| <b>TOTAL</b>                   | <b>\$ 5,004,900</b> | <b>\$ 5,004,900</b> |

The interfund transfers reflect the following transactions: (1) transfer funds for debt service, (2) increase funding to the risk management fund to reduce the net assets deficit, (3) transfer interest earnings from the 2007 bond issue, and (4) retain sales taxes per an auto dealership not meeting its contractual obligations for the tax rebate.

6. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2009, was as follows:

|  | Balances<br>January 1 | Additions            | Reductions           | Balances<br>December 31 | Current<br>Portion  |
|--|-----------------------|----------------------|----------------------|-------------------------|---------------------|
| GOVERNMENTAL ACTIVITIES                  |                       |                      |                      |                         |                     |
| Compensated absences payable*            | \$ 4,558,672          | \$ 4,566,225         | \$ 4,558,672         | \$ 4,566,225            | \$ 1,369,867        |
| Net pension obligation payable           | 393,191               | 2,275                | -                    | 395,466                 | -                   |
| Unamortized premium                      | 636,985               | 238,858              | 44,163               | 831,680                 | -                   |
| Net OPEB payable (restated)              | 4,137,132             | 2,248,068            | -                    | 6,385,200               | -                   |
| Unamortized loss on refundings           | (623,302)             | (134,258)            | (63,997)             | (693,563)               | -                   |
| General obligation bonds payable         | 71,055,000            | 9,030,000            | 10,255,000           | 69,830,000              | 4,810,000           |
| <b>TOTAL GOVERNMENTAL<br/>ACTIVITIES</b> | <b>\$ 80,157,678</b>  | <b>\$ 15,951,168</b> | <b>\$ 14,793,838</b> | <b>\$ 81,315,008</b>    | <b>\$ 6,179,867</b> |

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

Village of Downers Grove  
Notes to Financial Statements (Continued)

6. LONG-TERM DEBT (Continued)

|   | Balances<br>January 1 | Additions         | Reductions        | Balances<br>December 31 | Current<br>Portion |
|---|-----------------------|-------------------|-------------------|-------------------------|--------------------|
| <b>BUSINESS-TYPE ACTIVITIES</b>           |                       |                   |                   |                         |                    |
| Compensated absences payable              | \$ 73,366             | \$ 75,786         | \$ 73,366         | \$ 75,786               | \$ 22,736          |
| Notes payable                             | 4,788,000             | -                 | -                 | 4,788,000               | 368,308            |
| Net OPEB payable (restated)               | 146,944               | 79,847            | -                 | 226,791                 | -                  |
| General obligation bonds payable          | 1,835,000             | -                 | 430,000           | 1,405,000               | 450,000            |
| <b>TOTAL BUSINESS-TYPE<br/>ACTIVITIES</b> | <b>\$ 6,843,310</b>   | <b>\$ 155,633</b> | <b>\$ 503,366</b> | <b>\$ 6,495,577</b>     | <b>\$ 841,044</b>  |

**B. General Obligation Bonds**

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. All of the general obligation bonds are retired by the debt service fund, other than \$4.0 M General Obligation Water Bond, Series 2001A retired by the Waterworks fund. General obligation bonds currently outstanding are as follows:

|   | Balances<br>January 1 | Additions | Refunding/<br>Retirements | Balances<br>December 31 | Current<br>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. This bond issue was partially defeased in 2009.               | \$ 1,465,000          | \$ -      | \$ 1,240,000              | \$ 225,000              | \$ 225,000         |
| \$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.         | 445,000               | -         | 195,000                   | 250,000                 | 250,000            |
| \$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. | 540,000               | -         | 145,000                   | 395,000                 | 170,000            |
| \$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.   | 5,920,000             | -         | 20,000                    | 5,900,000               | 60,000             |

Village of Downers Grove  
Notes to Financial Statements (Continued)

|  | Balances<br>January 1 | Additions           | Refunding/<br>Retirements | Balances<br>December 31 | Current<br>Portion  |
|--|-----------------------|---------------------|---------------------------|-------------------------|---------------------|
| \$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.   | 1,835,000             | -                   | 430,000                   | 1,405,000               | 450,000             |
| \$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.  | 5,705,000             | -                   | 100,000                   | 5,605,000               | 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 and 2009. | 9,135,000             | -                   | 8,385,000                 | 750,000                 | 750,000             |
| \$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.   | 9,695,000             | -                   | 70,000                    | 9,625,000               | 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             | -                   | 100,000                   | 9,150,000               | 335,000             |
| \$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              | 2,835,000           |
| \$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               | 15,000              |
| \$9,030,000 General Obligation Refunding Bonds, Series 2009, dated April 9, 2009, due in installments of \$880,000 to \$1,130,000 beginning January 1, 2011 plus interest ranging from 2.50% to 5.00% due January 1, 2019.                         | -                     | 9,030,000           | -                         | 9,030,000               | -                   |
| <b>TOTAL</b>   | <b>\$ 72,890,000</b>  | <b>\$ 9,030,000</b> | <b>\$ 10,685,000</b>      | <b>\$ 71,235,000</b>    | <b>\$ 5,260,000</b> |

Village of Downers Grove  
Notes to Financial Statements (Continued)

C. Note Payable

During the fiscal year ended April 30, 2004, the DuPage Water Commission awarded the Village a new loan for providing water service to residents of a contaminated area in an unincorporated area bordering the Village. The maximum amount of the loan is \$10,000,000. The loan is to be repaid within 20 years with interest at 2%. The Village drew down a total of \$4,788,000 as of December 31, 2008. The potentially responsible parties (PRPs) of the contaminated area are legally obligated to provide funding for the repayment of the loan. Only interest payments have been made annually on the loan as of December 31, 2009.

D. Debt Service Requirements and Maturities

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

| Year Ending<br>December 31 | Governmental Activities  |                      | Business-Type Activities |                   |                          |                  |
|----------------------------|--------------------------|----------------------|--------------------------|-------------------|--------------------------|------------------|
|                            | General Obligation Bonds |                      | Notes Payable            |                   | General Obligation Bonds |                  |
|                            | Principal                | Interest             | Principal                | Interest          | Principal                | Interest         |
| 2010                       | \$ 4,810,000             | \$ 2,961,285         | \$ 368,308               | \$ 95,760         | \$ 450,000               | \$ 53,708        |
| 2011                       | 5,135,000                | 2,668,209            | 368,308                  | 88,394            | 470,000                  | 33,003           |
| 2012                       | 5,000,000                | 2,459,810            | 368,308                  | 81,028            | 485,000                  | 11,155           |
| 2013                       | 2,990,000                | 2,317,679            | 368,308                  | 73,662            | -                        | -                |
| 2014                       | 3,280,000                | 2,209,941            | 368,308                  | 66,295            | -                        | -                |
| 2015 - 2019                | 20,110,000               | 8,975,041            | 1,841,538                | 220,984           | -                        | -                |
| 2020 - 2024                | 14,590,000               | 4,449,410            | 1,104,922                | 44,197            | -                        | -                |
| 2025 - 2029                | 5,730,000                | 2,682,707            | -                        | -                 | -                        | -                |
| 2030 - 2034                | 4,100,000                | 1,553,750            | -                        | -                 | -                        | -                |
| 2035 - 2038                | 4,085,000                | 420,621              | -                        | -                 | -                        | -                |
| <b>TOTAL</b>               | <b>\$ 69,830,000</b>     | <b>\$ 30,698,453</b> | <b>\$ 4,788,000</b>      | <b>\$ 670,320</b> | <b>\$ 1,405,000</b>      | <b>\$ 97,866</b> |

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.”

Village of Downers Grove  
Notes to Financial Statements (Continued)

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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. Refundings - General Obligation Bonds

On April 9, 2009, the Village issued \$9,030,000 General Obligation Refunding Bonds, Series 2009 to current refund \$1,020,000 of 1998 General Obligation Bonds and \$8,010,000 of 2003 General Obligation Bonds. As a result of the refunding, the Village achieved a cash flow savings of \$409,730 and a present value savings of \$410,858. The balance of the Village's defeased bonds outstanding at December 31, 2009 is \$6,045,000.

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 coverage provided by the Funds up to \$35,000,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Village of Downers Grove  
Notes to Financial Statements (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<br>Ended<br>December 31,<br>2008 | Fiscal Year<br>Ended<br>December 31,<br>2009 |
|----------------------------------|--|--|
| CLAIMS PAYABLE, BEGINNING        | \$ 2,395,380                                 | \$ 2,631,617                                 |
| Incurred claims (including IBNR) | 6,644,319                                    | 7,211,660                                    |
| Less claims paid                 | (6,408,082)                                  | (6,236,935)                                  |
| CLAIMS PAYABLE, ENDING           | \$ 2,631,617                                 | \$ 3,606,342                                 |

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<br>December 31 | Amount     |
|-----------------------------------|------------|
| 2010                              | \$ 267,473 |
| 2011                              | 267,473    |
| 2012                              | 267,473    |
| 2013                              | 267,473    |
| 2014                              | 267,473    |
| 2015-2019                         | 1,337,365  |
| 2020-2024                         | 1,337,365  |

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.

Village of Downers Grove  
Notes to Financial Statements (Continued)

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B. Tax Rebates

The Village has many tax rebate agreements with local businesses to develop and expand their business in the Village. The 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, 2009, has been reported in the 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, 2009 sales tax rebates of \$66,522 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, 2009, sales tax rebates of \$83,356 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, 2009, sales tax rebates of \$71,312 were collected but not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated September 1, 2009 with a local auto dealership to rebate sales taxes on annual sales beginning in 2010. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than ten years. As of December 31, 2009, sales tax rebates of \$0 were collected but not yet remitted to the vendor.

The Village has a sales and utility tax rebate agreement dated December 2, 2008 with a corporation to relocate to the Village. In consideration of the agreement, the corporate headquarters will continue to reside in the Village for a period of not less than fifteen years. As of December 31, 2009, taxes of \$0 were collected.

The Village has a sales tax rebate agreement dated June 16, 2009 with a local retailer to rebate sales taxes on annual sales beginning in 2010. In consideration of the agreement, the retailer will continue to operate its business in the Village for a period of not less than ten years. As of December 31, 2009, sales tax rebates of \$0 were collected but not yet remitted to the retailer.

9. CONTINGENT LIABILITIES

A. Litigation

The Village is a defendant in various lawsuits arising out of the normal course of business. It is rigorously defending these suits, as it believes it has a meritorious defense against the claims. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the village attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the Village. The Village's possible exposure under these lawsuits is approximately \$665,000.

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, 138 retirees and spouses meet those eligibility requirements with 312 active members. The employee pays 100% of the cost of the health and life insurance premiums for the post employment benefits with the exception of health benefits for retirees that have reached 65. Once an employee reached 65 years of age, the Village subsidized 50% of the health insurance premium. For new retirees after September 1, 2009, the retiree pays 100% of the cost of the health and life insurance premiums. All health care benefits are provided through the Village's self-insured health plan. The benefit levels are the same as those afforded to active employees. The Village first had an actuarial valuation as of December 31, 2007. The Village's net OPEB obligation was \$6,611,991 of December 31, 2009.

In the actuarial valuations, the entry-age actuarial cost method was used. The actuarial assumptions included 5% investment rate of return and an annual healthcare cost trend rate of 6%, a reduction from 8% a year ago. Both rates include a 3% inflation assumption.

Village of Downers Grove  
Notes to Financial Statements (Continued)

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The remaining amortization period at December 31, 2009 was 30 years. The funded status of the plan was as follows:

The net OPEB obligation was calculated as follows:

|  |                     |
|--|---------------------|
| Annual Required Contribution               | \$2,850,251         |
| Interest on Net OPEB Obligation            | \$ 219,312          |
| Adjustment to Annual Required Contribution | <u>\$ (146,208)</u> |
| Annual OPEB Cost                           | \$2,923,355         |
| Contributions Made                         | <u>\$ 595,440</u>   |
| Increase (Decrease) in Net OPEB Obligation | \$2,327,915         |
| Net OPEB Obligation, Beginning of Year     | \$4,284,076         |
| Net OPEB Obligation, End of Year           | \$6,611,991         |

Actuarial valuations include estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. The funded status of the plan as of December 31, 2009 was as follows:

|   |              |
|---|--------------|
| Actuarial Accrued Liability (AAL)                 | \$13,301,040 |
| Actuarial Value of Assets                         | \$ 0         |
| Unfunded Actuarial Accrued Liability (UAAL)       | \$13,301,040 |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0.0%         |
| Covered Payroll                                   | \$22,810,182 |
| UAAL as a Percentage of Covered Payroll           | 58.3%        |

## 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.

Village of Downers Grove  
Notes to Financial Statements (Continued)

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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 2009 the rate was 12.08%.

For December 31, 2009, the Village's annual pension cost of \$1,565,930 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% 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<br>Ended<br>December 31 | Employer<br>Contributions | Annual Pension<br>Cost | Percentage<br>Contributed |
|-------------------------------------|---------------------------|------------------------|---------------------------|
| 2009                                | \$ 1,565,930              | \$ 1,565,930           | 100%                      |
| 2008                                | 1,581,409                 | 1,581,409              | 100%                      |
| 2007                                | 1,537,454                 | 1,537,454              | 100%                      |

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.

Village of Downers Grove  
Notes to Financial Statements (Continued)

| Fiscal Year<br>Ended<br>December 31 | Annual Pension<br>Cost (APC) | Percentage of<br>APC Contributed | Net Pension<br>(Asset) |
|-------------------------------------|------------------------------|----------------------------------|------------------------|
| 2009                                | \$ 1,239,260                 | 102.6%                           | \$ (1,049,686)         |
| 2008                                | 1,120,838                    | 102.1%                           | (1,017,196)            |
| 2007                                | 1,065,675                    | 103.5%                           | (993,497)              |

At December 31, 2008, the Police Pension Plan membership consisted of:

|   |            |
|---|------------|
| Retirees and beneficiaries currently receiving benefits and terminated  | 48         |
| Terminated plan members entitled to benefits but not yet receiving them | 0          |
| Current employees   |            |
| Vested  | 56         |
| Non-vested  | 25         |
| <b>TOTAL</b>  | <u>129</u> |

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.

Village of Downers Grove  
Notes to Financial Statements (Continued)

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<br>Ended<br>December 31 | Annual Pension<br>Cost (APC) | Percentage of<br>APC Contributed | Net Pension<br>Obligation |
|-------------------------------------|------------------------------|----------------------------------|---------------------------|
| 2009                                | \$ 1,587,486                 | 99.9%                            | \$ 395,466                |
| 2008                                | 1,027,155                    | 100.3%                           | 393,191                   |
| 2007                                | 1,576,035                    | 99.3%                            | 396,570                   |

At December 31, 2008, the Fire Pension Plan membership consisted of:

|   |                   |
|---|-------------------|
| Retirees and beneficiaries currently receiving benefits and terminated  | 37                |
| Terminated plan members entitled to benefits but not yet receiving them | 2                 |
| Current employees   |                   |
| Vested  | 57                |
| Non-vested  | 21                |
| <b>TOTAL</b>  | <u><u>117</u></u> |

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

Village of Downers Grove  
Notes to Financial Statements (Continued)

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<br>Municipal<br>Retirement | Police<br>Pension                  | Fire<br>Pension                    |
|----------------------------|-------------------------------------|------------------------------------|------------------------------------|
| Contribution rates         |                                     |                                    |                                    |
| Village                    | 12.08%                              | 18.15%                             | 16.45%                             |
| Members                    | 4.50%                               | 9.91%                              | 9.46%                              |
| Annual pension cost        | \$ 1,565,930                        | \$ 1,239,260                       | \$ 1,587,456                       |
| Contributions made         | 1,565,930                           | 1,271,750                          | 1,585,181                          |
| Actuarial valuation date   | December 31,<br>2007                | December 31,<br>2008               | December 31,<br>2008               |
| Actuarial method           | Entry-age                           | Entry-age                          | Entry-age                          |
| Amortization method        | Level percentage<br>of pay, closed  | Level percentage<br>of pay, closed | Level percentage<br>of pay, closed |
| Amortization period        | 23 years, closed                    | 25 years, closed                   | 25 years, closed                   |
| Asset valuation method     | 5-year smoothed<br>market           | Market                             | Market                             |
| Actuarial assumptions      |                                     |                                    |                                    |
| Investment rate of return* | 7.5%                                | 7.75%                              | 8%                                 |
| Projected salary           | .40% to 10%                         | 5%                                 | 5%                                 |
| * Includes inflation at    | 4%                                  | 3%                                 | 3%                                 |

The Village's annual pension cost and net pension obligation to the pension trust funds for the December 31, 2009 were as follows:

|  | Police<br>Pension     | Fire<br>Pension   |
|--|-----------------------|-------------------|
| Annual required contribution                           | \$ 1,262,129          | \$ 1,578,223      |
| Interest on net pension obligation                     | (78,833)              | 31,455            |
| Adjustment to annual required contribution             | 55,964                | (22,222)          |
| Annual pension cost                                    | 1,239,260             | 1,587,456         |
| Contributions made                                     | 1,271,750             | 1,585,181         |
| Increase (decrease) in net pension obligation          | (32,490)              | 2,275             |
| Net pension obligation (asset), beginning of year      | (1,017,196)           | 393,191           |
| <b>NET PENSION OBLIGATION (ASSET),<br/>END OF YEAR</b> | <b>\$ (1,049,686)</b> | <b>\$ 395,466</b> |

Village of Downers Grove  
Notes to Financial Statements (Continued)

B. Funded Status and Funding Progress

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

|   | Illinois<br>Municipal<br>Retirement * | Police<br>Pension | Fire<br>Pension |
|---|---------------------------------------|-------------------|-----------------|
| Actuarial valuation date                          | 12/31/09                              | 12/31/08          | 12/31/08        |
| Actuarial accrued liability (AAL)                 | \$ 34,833,921                         | \$ 52,429,478     | \$ 46,699,698   |
| Actuarial value of plan assets                    | 23,168,914                            | 30,778,993        | 25,404,029      |
| Unfunded actuarial accrued liability (UAAL)       | 11,665,007                            | 21,650,485        | 21,295,669      |
| Funded ratio (actuarial value of plan assets/AAL) | 67%                                   | 59%               | 54%             |
| Covered payroll (active plan members)             | 12,962,994                            | 6,305,357         | 6,266,722       |
| UAAL as a percentage of covered payroll           | 90%                                   | 343%              | 340%            |

\* 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 in accordance with the terms of the plan.

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             | \$6,906,199 |
| VanGuard Total International Stock Index Fund | \$2,624,109 |
| Jensen Portfolio                              | \$1,809,288 |

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

|   |             |
|---|-------------|
| Fidelity Diversified International Fund | \$2,336,465 |
| VanGuard Institutional Index Fund       | \$6,837,631 |

Village of Downers Grove  
Notes to Financial Statements (Continued)

D. Schedules for the Police and Fire Plans

| Assets                     | <u>Police</u>       | <u>Fire</u>         | <u>Total</u>        |
|----------------------------|---------------------|---------------------|---------------------|
| Cash and cash equivalents  | \$1,127,662         | 1,755,975           | 2,883,637           |
| U.S. Obligations           | 17,338,496          | 14,333,666          | 31,672,162          |
| Corporate Bonds            | 1,187,520           | 1,317,451           | 2,504,971           |
| Mutual Funds – Equity      | 11,339,596          | 10,881,449          | 22,221,045          |
| Stocks                     | 2,736,401           | -                   | 2,736,401           |
| Prepays                    | 5,250               | 4,250               | 9,500               |
| Interest Receivable        | 156,776             | 154,933             | 311,709             |
| Due from General Fund      | <u>-</u>            | <u>136</u>          | <u>136</u>          |
| Total Assets               | \$33,891,701        | 28,447,860          | 62,339,561          |
| Liabilities                |                     |                     |                     |
| Accounts Payable           | <u>9,451</u>        | <u>14,531</u>       | <u>23,981</u>       |
| Total Liabilities          | <u>\$ 9,451</u>     | <u>14,531</u>       | <u>23,981</u>       |
| Net Assets Held in Trust   | <u>\$33,882,250</u> | <u>\$28,433,330</u> | <u>\$62,315,580</u> |
| Additions                  |                     |                     |                     |
| Contributions – employer   | \$1,271,750         | 1,585,181           | 2,856,931           |
| Contributions – employees  | 657,981             | 594,365             | 1,252,346           |
| Investment Income (Loss)   | <u>3,181,300</u>    | <u>2,409,843</u>    | <u>5,591,143</u>    |
| Total Additions            | 5,111,031           | 4,589,389           | 9,700,420           |
| Deductions                 |                     |                     |                     |
| Contractual Services       | 23,888              | 35,903              | 59,791              |
| Other Charges and Services | 6,456               | 6,456               | 12,912              |
| Benefits and Refunds       | <u>1,977,429</u>    | <u>1,517,730</u>    | <u>3,495,159</u>    |
| Total Deductions           | <u>2,007,773</u>    | <u>1,560,089</u>    | <u>3,567,862</u>    |
| Net Increase (Decrease)    | <u>\$3,103,257</u>  | <u>\$3,029,301</u>  | <u>\$6,132,558</u>  |

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  | \$ 1,954,136 |
| Risk Management | 1,821,937    |

13. SUBSEQUENT EVENT

On March 4, 2010, the Village issued \$5,805,000 in general obligation refunding bonds to refund Series 2000 and 2001. Installments ranging from \$230,000 to \$2,690,000 plus interest ranging from 2% to 5% are due beginning January 1, 2011. Final payment is due January 1, 2021.

14. RESTATEMENTS

The Village has restated its net assets for its governmental activities (\$1,696,269) and component unit (\$144,203) for the Other Postemployment Benefits to properly reflect the liability for these benefits as of the beginning of the year.

15. 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 non-fiduciary activities of the Library. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who

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

purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

The Library reports the following major governmental funds:

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

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

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

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

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

Library recognizes property taxes when they become both measurable and available in the year intended to finance.

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

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

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

Village of Downers Grove  
Notes to Financial Statements (Continued)

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

market value at the date of donation. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| Description       | Years   |
|-------------------|---------|
| Buildings         | 50 – 65 |
| Capital equipment | 5 – 15  |

7. 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

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

statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Deposits and Investments

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

Library Deposits and Investments

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

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

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.

Village of Downers Grove  
Notes to Financial Statements (Continued)

15. 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, 2009:

| Investment Type | Fair Value          | Investment Maturities (in Years) |          |          |                    |
|-----------------|---------------------|----------------------------------|----------|----------|--------------------|
|                 |                     | Less than<br>1                   | 1-5      | 6-10     | Greater than<br>10 |
| Illinois Funds  | \$ 2,972,119        | 2,972,119                        |          |          |                    |
| <b>TOTAL</b>    | <b>\$ 2,972,119</b> | <b>2,972,119</b>                 | <b>-</b> | <b>-</b> | <b>-</b>           |

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the 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.

Village of Downers Grove  
Notes to Financial Statements (Continued)

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

C. Receivables

Property taxes for 2009 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 2009 tax levy is intended to fund expenditures for the 2010 fiscal year, these taxes are deferred as of December 31, 2009.

D. Capital Assets

Capital asset activity for the year ended December 31, 2009 was as follows:

|   | Balances<br>December 31 | Increases    | Decreases  | Balances<br>December 31 |
|---|-------------------------|--------------|------------|-------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>              |                         |              |            |                         |
| Capital assets not being depreciated        |                         |              |            |                         |
| Land  | \$ 222,211              | \$ -         | \$ -       | \$ 222,211              |
| Total capital assets not being depreciated  | 222,211                 | -            | -          | 222,211                 |
| Capital assets being depreciated            |                         |              |            |                         |
| Buildings                                   | 9,479,919               | -            | -          | 9,479,919               |
| Capital equipment                           | 7,554,716               | 413,665      | 435,770    | 7,532,611               |
| Total capital assets being depreciated      | 17,034,635              | 413,665      | 435,770    | 17,012,530              |
| Less accumulated depreciation for           |                         |              |            |                         |
| Buildings                                   | 1,061,700               | 214,989      | -          | 1,276,689               |
| Capital equipment                           | 2,519,724               | 566,646      | 221,538    | 2,864,832               |
| Total accumulated depreciation              | 3,581,424               | 781,635      | 221,538    | 4,141,521               |
| Total capital assets being depreciated, net | 13,453,211              | (367,970)    | 214,232    | 12,871,010              |
| <b>GOVERNMENTAL ACTIVITIES</b>              |                         |              |            |                         |
| <b>CAPITAL ASSETS, NET</b>                  | \$ 13,675,422           | \$ (367,970) | \$ 214,232 | \$ 13,093,221           |

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

|                                |            |
|--------------------------------|------------|
| <b>GOVERNMENTAL ACTIVITIES</b> |            |
| Community services             | \$ 781,635 |

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2009, was as follows:

Village of Downers Grove  
Notes to Financial Statements (Continued)

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

|                                  | Balances<br>January 1 | Additions        | Reductions        | Balances<br>December 31 | Current<br>Portion |
|----------------------------------|-----------------------|------------------|-------------------|-------------------------|--------------------|
| Compensated absences payable*    | \$ 27,128             | \$ 34,006        | \$ 27,128         | \$ 34,006               | \$ 10,202          |
| Unamortized premium              | 21,436                | -                | 1,496             | 19,941                  | -                  |
| Unamortized loss on refundings   | (438,168)             | -                | (52,580)          | (385,588)               | -                  |
| Net OPEB payable (restated)      | 292,715               | -                | 259,583           | 33,132                  | -                  |
| General obligation bonds payable | 5,000,000             | -                | 490,000           | 4,510,000               | 505,000            |
| <b>TOTAL</b>                     | <b>\$ 4,903,111</b>   | <b>\$ 34,006</b> | <b>\$ 725,627</b> | <b>\$ 4,211,491</b>     | <b>\$ 515,202</b>  |

\* The Library General Fund 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<br>January 1 | Additions   | Refunding/<br>Retirements | Balances<br>December 31 | Current<br>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. | \$ 5,000,000          | \$ -        | \$ 490,000                | \$ 4,510,000            | \$ 505,000         |
| <b>TOTAL</b>   | <b>\$ 5,000,000</b>   | <b>\$ -</b> | <b>\$ 490,000</b>         | <b>\$ 4,510,000</b>     | <b>\$ 505,000</b>  |

**Debt Service Requirements and Maturities**

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

| Fiscal<br>Year Ending<br>December 31 | Governmental Activities |                   |
|--------------------------------------|-------------------------|-------------------|
|                                      | Principal               | Interest          |
| 2010                                 | \$ 505,000              | \$ 144,871        |
| 2011                                 | 520,000                 | 128,660           |
| 2012                                 | 535,000                 | 111,780           |
| 2013                                 | 555,000                 | 94,340            |
| 2014                                 | 570,000                 | 75,913            |
| 2015                                 | 585,000                 | 56,128            |
| 2016                                 | 610,000                 | 34,758            |
| 2017                                 | 630,000                 | 11,813            |
| <b>TOTAL</b>                         | <b>\$ 4,510,000</b>     | <b>\$ 658,263</b> |

Village of Downers Grove  
Notes to Financial Statements (Continued)

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

F. Risk Management

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

G. Contingent Liabilities

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

H. Post Employment Benefits

In addition to providing pension benefits, the 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, 23 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. For new retirees after September 1, 2009, the retiree pays 100% of the cost of the health and life insurance premiums. The annual required contribution for 2009 was \$(264,578). All health care benefits are provided through the Village's self-insured health plan. The benefit levels are the same as those afforded to active employees. The Village first had an actuarial valuation as of December 31, 2007. The Village's Net OPEB obligation as of December 31, 2009 was \$33,132.

In the actuarial valuations, the entry-age actuarial cost method was used. The actuarial assumptions included 5% investment rate of return and an annual healthcare cost trend rate of 6%. Both rates include a 3% inflation assumption. The remaining amortization period at December 31, 2009 was 30 years. The funded status of the plan as of December 31, 2009 was as follows:

The net OPEB obligation was calculated as follows:

|  |                |
|--|----------------|
| Annual Required Contribution               | \$ (264,578)   |
| Interest on Net OPEB Obligation            | 14,985         |
| Adjustment to Annual Required Contribution | <u>(9,990)</u> |
| Annual OPEB Cost                           | (259,583)      |
| Contributions Made                         | <u>0</u>       |
| Increase (Decrease) in Net OPEB Obligation | (259,583)      |
| Net OPEB Obligation, Beginning of Year     | 292,715        |
| Net OPEB Obligation, End of Year           | \$ 33,132      |

Village of Downers Grove  
Notes to Financial Statements (Continued)

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15. 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)                 | \$ 33,132    |
| Actuarial Value of Assets                         | 0            |
| Unfunded Actuarial Accrued Liability (UAAL)       | 33,132       |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0.0%         |
| Covered Payroll                                   | \$ 1,192,683 |
| UAAL as a Percentage of Covered Payroll           | 2.78%        |

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, 2009

|   | Budgeted Amounts     |                      | Actual               | Variance           |
|---|----------------------|----------------------|----------------------|--------------------|
|   | Original             | Final                |                      |                    |
| <b>REVENUES</b>                               |                      |                      |                      |                    |
| Sales tax                                     | \$ 11,850,000        | \$11,850,000         | \$ 10,300,409        | (\$1,549,591)      |
| Property tax                                  | 9,074,908            | 9,074,908            | 9,174,755            | 99,847             |
| Utility tax                                   | 6,391,013            | 6,391,013            | 5,694,903            | (696,110)          |
| Income tax                                    | 4,580,000            | 4,580,000            | 3,960,237            | (619,763)          |
| Other taxes                                   | 2,174,000            | 2,174,000            | 1,738,771            | (435,229)          |
| Licenses & permits                            | 1,137,645            | 1,137,645            | 1,148,160            | 10,515             |
| Intergovernmental                             | 13,832               | 13,832               | 95,997               | 82,165             |
| Charges for services & fees                   | 3,935,659            | 3,935,659            | 4,345,198            | 409,539            |
| Fines & forfeitures                           | 1,478,500            | 1,478,500            | 1,246,286            | (232,214)          |
| Investment income                             | 516,000              | 516,000              | 299,304              | (216,696)          |
| Contributions & donations                     | 78,900               | 78,900               | 76,521               | (2,379)            |
| Total revenues                                | <u>41,230,457</u>    | <u>41,230,457</u>    | <u>38,080,541</u>    | <u>(3,149,916)</u> |
| <b>EXPENDITURES</b>                           |                      |                      |                      |                    |
| Current                                       |                      |                      |                      |                    |
| General government                            | 5,101,206            | 5,101,206            | 4,106,150            | (995,056)          |
| Public works                                  | 6,163,229            | 6,163,229            | 5,692,304            | (470,925)          |
| Community development                         | 2,436,443            | 2,436,443            | 2,170,863            | (265,580)          |
| Public safety                                 | 25,987,036           | 25,987,036           | 25,481,390           | (505,646)          |
| Community services                            | 1,874,281            | 1,874,281            | 1,831,063            | (43,218)           |
| Total expenditures                            | <u>41,562,195</u>    | <u>41,562,195</u>    | <u>39,281,770</u>    | <u>(2,280,425)</u> |
| (Deficiency) of revenues (under) expenditures | <u>(331,738)</u>     | <u>(331,738)</u>     | <u>(1,201,229)</u>   | <u>(869,491)</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                      |                      |                      |                    |
| Proceeds from sale of capital assets          | -                    | -                    | 37,903               | 37,903             |
| Transfers in                                  | 355,000              | 355,000              | 830,070              | 475,070            |
| Total other financing sources and uses        | <u>355,000</u>       | <u>355,000</u>       | <u>867,973</u>       | <u>512,973</u>     |
| Net change in fund balances                   | 23,262               | 23,262               | (333,256)            | <u>(356,518)</u>   |
| Fund balances -- beginning                    | 15,776,466           | 15,776,466           | 15,776,466           |                    |
| Fund balances -- ending                       | <u>\$ 15,799,728</u> | <u>\$ 15,799,728</u> | <u>\$ 15,443,210</u> |                    |

(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, 2009

|  | Budgeted Amounts   |                    | Actual             | Variance         |
|--|--------------------|--------------------|--------------------|------------------|
|  | Original           | Final              |                    |                  |
| <b>REVENUES</b>  |                    |                    |                    |                  |
| Property tax   | \$ 2,350,000       | \$ 2,350,000       | \$ 2,229,096       | \$ (120,904)     |
| Investment income  | 76,000             | 76,000             | (273)              | (76,273)         |
| Charges for services   | -                  | -                  | 16,104             | 16,104           |
| Total revenues   | <u>2,426,000</u>   | <u>2,426,000</u>   | <u>2,244,927</u>   | <u>(181,073)</u> |
| <b>EXPENDITURES</b>  |                    |                    |                    |                  |
| Current  |                    |                    |                    |                  |
| Community Development  | 133,910            | 133,910            | 62,036             | (71,874)         |
| Public works   | 264,000            | 264,000            | 11,387             | (252,613)        |
| Total current  | <u>397,910</u>     | <u>397,910</u>     | <u>73,423</u>      | <u>(324,487)</u> |
| Capital outlay   |                    |                    |                    |                  |
| Public works   | 160,000            | 160,000            | 63,796             | (96,204)         |
| Total capital outlay   | <u>160,000</u>     | <u>160,000</u>     | <u>63,796</u>      | <u>(96,204)</u>  |
| Total expenditures   | <u>557,910</u>     | <u>557,910</u>     | <u>137,219</u>     | <u>(420,691)</u> |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>1,868,090</u>   | <u>1,868,090</u>   | <u>2,107,708</u>   | <u>239,618</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                    |                    |                    |                  |
| Transfers out  | (2,048,921)        | (2,048,921)        | (2,011,139)        | 37,782           |
| Total other financing sources (uses)                         | <u>(2,048,921)</u> | <u>(2,048,921)</u> | <u>(2,011,139)</u> | <u>37,782</u>    |
| Net change in fund balances                                  | (180,831)          | (180,831)          | 96,569             | <u>277,400</u>   |
| Fund balances -- beginning                                   | 254,489            | 254,489            | 254,489            |                  |
| Fund balances -- ending                                      | <u>\$ 73,658</u>   | <u>\$ 73,658</u>   | <u>\$ 351,058</u>  |                  |

(See independent auditor's report)

Village of Downers Grove

Required Supplementary Information  
 Illinois Municipal Retirement Fund  
 December 31, 2009

Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability (AAL)<br>Entry-Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL<br>as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|--|
| 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%   |
| 12/31/2009                     | 23,168,914                             | 34,833,921  | 11,665,007                         | 66.51%                   | 12,962,994                | 89.99%   |

Schedule of Employer Contributions

| Calendar<br>Year | Employer<br>Contributions | Annual<br>Required<br>Contributions<br>(ARC) | Percentage<br>Contributed |
|------------------|---------------------------|--|---------------------------|
| 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%                   |
| 2009             | 1,565,930                 | 1,565,930                                    | 100.00%                   |

(See independent auditor's report)

Village of Downers Grove

Required Supplementary Information  
Police Pension Fund  
December 31, 2009

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial 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) |
|--------------------------|-------------------------------|---|---------------------------|--------------------|---------------------|---|
| 4/30/2004                | \$ 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%  |
| 12/31/2008               | 30,778,993                    | 52,429,478                              | 21,650,485                | 58.7%              | 6,305,357           | 343.4%  |

Schedule of Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contributions (ARC) | Percentage of ARC Contributed |
|-------------|------------------------|-------------------------------------|-------------------------------|
| 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%                       |
| 12/31/2008  | 1,144,537              | 1,145,653                           | 99.90%                        |
| 12/31/2009  | 1,271,750              | 1,262,129                           | 100.76%                       |

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, 2009

Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability (AAL)<br>Entry-Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 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%  |
| 12/31/2008                     | 25,404,029                             | 46,699,698  | 21,295,669                         | 54.4%                    | 6,266,722                 | 339.8%  |

Schedule of Employer Contributions

| Fiscal<br>Year | Employer<br>Contributions | Annual<br>Required<br>Contributions<br>(ARC) | Percentage<br>Contributed |
|----------------|---------------------------|--|---------------------------|
| 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%                    |
| 12/31/2008     | 1,030,534                 | 1,017,249                                    | 101.31%                   |
| 12/31/2009     | 1,585,181                 | 1,578,223                                    | 100.44%                   |

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  
 Schedule of Funding Progress/Employer Contributions  
 December 31, 2009

| 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%   |
| 12/31/2008                   | 0                             | 20,527,085                                      | 20,527,085                | 0.00%              | 22,721,934          | 90.3%   |
| 12/31/2009                   | 0                             | 13,301,040                                      | 13,301,040                | 0.00%              | 22,810,182          | 58.3%   |

| Schedule of Employer Contributions |                                    |                      |                               |
|------------------------------------|------------------------------------|----------------------|-------------------------------|
| Date                               | Annual Required Contribution (ARC) | Actual Contributions | Percentage of ARC Contributed |
| 12/31/2008                         | 2,083,662                          | 371,570              | 17.8 %                        |
| 12/31/2009                         | 2,850,251                          | 595,440              | 20.9 %                        |

Note: The Village adopted GASB Statement No. 45 in fiscal 2008.

(See independent auditor's report)

Village of Downers Grove

Notes to Required Supplementary Information  
December 31, 2009

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1. BUDGETS

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

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

The manager is authorized to transfer budgeted amounts between programs within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Five 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, 2009

|                                   | Original<br>Budget | Final<br>Budget | Actual        | Variance       |
|-----------------------------------|--------------------|-----------------|---------------|----------------|
| Sales tax                         | \$ 11,850,000      | \$ 11,850,000   | \$ 10,300,409 | \$ (1,549,591) |
| Property taxes                    |                    |                 |               |                |
| General                           | 5,662,347          | 5,662,347       | 5,723,605     | 61,258         |
| Pension                           | 2,840,352          | 2,840,352       | 2,861,688     | 21,336         |
| Special service areas             | 261,859            | 261,859         | 246,446       | (15,413)       |
| Township road and bridge          | 310,000            | 310,000         | 343,016       | 33,016         |
| Total property taxes              | 9,074,558          | 9,074,558       | 9,174,755     | 100,197        |
| Utility taxes                     |                    |                 |               |                |
| Natural gas use tax               | 450,000            | 450,000         | 482,958       | 32,958         |
| Electricity tax                   | 2,041,013          | 2,041,013       | 1,839,555     | (201,458)      |
| Telecommunications tax            | 3,900,000          | 3,900,000       | 3,372,389     | (527,611)      |
| Total utility taxes               | 6,391,013          | 6,391,013       | 5,694,903     | (696,111)      |
| Income tax                        | 4,580,000          | 4,580,000       | 3,960,237     | (619,763)      |
| Other taxes                       |                    |                 |               |                |
| Hotel tax                         | 900,000            | 900,000         | 702,555       | (197,445)      |
| Personal property replacement tax | 530,000            | 530,000         | 408,628       | (121,372)      |
| Local use tax                     | 700,000            | 700,000         | 590,394       | (109,606)      |
| Other local taxes                 | 44,350             | 44,350          | 37,194        | (7,156)        |
| Total other taxes                 | 2,174,350          | 2,174,350       | 1,738,771     | (435,579)      |
| Licenses & permits                |                    |                 |               |                |
| Building and related              | 900,000            | 900,000         | 809,928       | (90,072)       |
| Alcoholic beverage                | 160,000            | 160,000         | 186,747       | 26,747         |
| Professional and occupational     | 61,145             | 61,145          | 94,225        | 33,080         |
| Other licenses and permits        | 25,650             | 25,650          | 57,260        | 31,610         |
| Total licenses & permits          | 1,146,795          | 1,146,795       | 1,148,160     | 1,365          |
| Intergovernmental                 | 13,832             | 13,832          | 95,997        | 82,165         |

(See independent auditor's report)

Village of Downers Grove

General Fund

Schedule of Revenues - Budget and Actual (Continued)

For the Year Ended December 31, 2009

|  | Original<br>Budget   | Final<br>Budget      | Actual               | Variance           |
|--|----------------------|----------------------|----------------------|--------------------|
| Charges for services & fees            |                      |                      |                      |                    |
| Ambulance user fee - resident          | \$ 550,000           | \$ 550,000           | \$ 584,287           | 34,287             |
| Ambulance user fee - nonresident       | 180,000              | 180,000              | 202,474              | 22,474             |
| Review and inspection fees             | 325,000              | 325,000              | 171,355              | (153,645)          |
| Cable franchise fees                   | 570,000              | 570,000              | 617,760              | 47,760             |
| Cellular antenna rental                | 780,000              | 780,000              | 880,956              | 100,956            |
| Heritage fest fees                     | 330,000              | 330,000              | 217,348              | (112,652)          |
| Other fees & charges                   | 1,263,809            | 1,263,809            | 1,671,018            | 407,209            |
| Total charges for services & fees      | 3,998,809            | 3,998,809            | 4,345,198            | 346,389            |
| Fines & forfeitures                    |                      |                      |                      |                    |
| Administrative booking and<br>tow fees | 460,000              | 460,000              | 423,115              | (36,885)           |
| Fines                                  | 943,500              | 943,500              | 823,171              | (120,329)          |
| Total fines & forfeitures              | 1,403,500            | 1,403,500            | 1,246,286            | (157,214)          |
| Investment income                      | 516,000              | 516,000              | 299,304              | (216,696)          |
| Contributions and donations            | 81,600               | 81,600               | 76,521               | (5,079)            |
| <b>TOTAL REVENUES</b>                  | <b>\$ 41,230,457</b> | <b>\$ 41,230,457</b> | <b>\$ 38,080,541</b> | <b>(3,149,916)</b> |

(See independent auditor's report)

Village of Downers Grove

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended December 31, 2009

|                             | Original<br>Budget   | Final<br>Budget      | Actual               | Variance              |
|-----------------------------|----------------------|----------------------|----------------------|-----------------------|
| General government          |                      |                      |                      |                       |
| Personnel services          | \$ 3,066,027         | \$ 3,066,027         | \$ 2,750,290         | \$ (315,737)          |
| Supplies                    | 143,326              | 143,326              | 104,939              | (38,387)              |
| Contractual services        | 991,828              | 991,828              | 784,893              | (206,935)             |
| Other charges and services  | 900,025              | 900,025              | 466,028              | (433,997)             |
| Total general government    | 5,101,206            | 5,101,206            | 4,106,150            | (995,056)             |
| Public works                |                      |                      |                      |                       |
| Personnel services          | 2,935,404            | 2,935,404            | 2,816,255            | (119,149)             |
| Supplies                    | 675,682              | 675,682              | 649,419              | (26,263)              |
| Contractual services        | 1,256,969            | 1,256,969            | 1,071,365            | (185,604)             |
| Other charges and services  | 1,295,174            | 1,295,174            | 1,155,265            | (139,909)             |
| Total public works          | 6,163,229            | 6,163,229            | 5,692,304            | (470,925)             |
| Community development       |                      |                      |                      |                       |
| Personnel services          | 1,537,859            | 1,537,859            | 1,397,045            | (140,814)             |
| Supplies                    | 20,725               | 20,725               | 11,461               | (9,264)               |
| Contractual services        | 179,072              | 179,072              | 136,957              | (42,115)              |
| Other charges and services  | 698,787              | 698,787              | 625,400              | (73,387)              |
| Total community development | 2,436,443            | 2,436,443            | 2,170,863            | (265,580)             |
| Public safety               |                      |                      |                      |                       |
| Personnel services          | 21,623,446           | 21,623,446           | 21,721,859           | 98,413                |
| Supplies                    | 421,681              | 421,681              | 278,185              | (143,496)             |
| Contractual services        | 840,769              | 840,769              | 617,302              | (223,467)             |
| Other charges and services  | 3,101,140            | 3,101,140            | 2,864,044            | (237,096)             |
| Total public safety         | 25,987,036           | 25,987,036           | 25,481,390           | (505,646)             |
| Community services          |                      |                      |                      |                       |
| Personnel services          | 1,053,121            | 1,053,121            | 1,060,297            | 7,176                 |
| Supplies                    | 37,678               | 37,678               | 25,750               | (11,928)              |
| Contractual services        | 705,406              | 705,406              | 691,147              | (14,259)              |
| Other charges and services  | 78,076               | 78,076               | 53,869               | (24,207)              |
| Total community services    | 1,874,281            | 1,874,281            | 1,831,063            | (43,218)              |
| <b>TOTAL EXPENDITURES</b>   | <b>\$ 41,562,195</b> | <b>\$ 41,562,195</b> | <b>\$ 39,281,770</b> | <b>\$ (2,280,425)</b> |

(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, 2009

|   | Budgeted Amounts    |                     | Actual              | Variance           |
|---|---------------------|---------------------|---------------------|--------------------|
|   | Original            | Final               |                     |                    |
| <b>REVENUES</b>                         |                     |                     |                     |                    |
| Sales tax                               | \$ 4,000,000        | \$ 4,000,000        | \$ 3,644,045        | \$ (355,955)       |
| Property tax                            | 8,671               | 8,671               | 8,760               | 89                 |
| Utility tax                             | 768,000             | 768,000             | 675,661             | (92,339)           |
| Intergovernmental                       | 369,800             | 369,800             | 433,845             | 64,045             |
| Investment income                       | 75,000              | 75,000              | 20,306              | (54,694)           |
| Total revenues                          | <u>5,221,471</u>    | <u>5,221,471</u>    | <u>4,782,617</u>    | <u>(438,854)</u>   |
| <b>EXPENDITURES</b>                     |                     |                     |                     |                    |
| Capital outlay                          |                     |                     |                     |                    |
| General government                      | 260,000             | 260,000             | 191,086             | (68,914)           |
| Public works                            | 4,629,283           | 4,629,283           | 4,345,674           | (283,609)          |
| Total capital outlay                    | <u>4,889,283</u>    | <u>4,889,283</u>    | <u>4,536,760</u>    | <u>(352,523)</u>   |
| Total expenditures                      | <u>4,889,283</u>    | <u>4,889,283</u>    | <u>4,536,760</u>    | <u>(352,523)</u>   |
| Excess of revenues<br>over expenditures | <u>332,188</u>      | <u>332,188</u>      | <u>245,857</u>      | <u>(86,331)</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                     |                     |                     |                    |
| Transfers out                           | (476,708)           | (476,708)           | (476,708)           | -                  |
| Total other financing sources (uses)    | <u>(476,708)</u>    | <u>(476,708)</u>    | <u>(476,708)</u>    | <u>-</u>           |
| Net change in fund balances             | (144,520)           | (144,520)           | (230,851)           | <u>\$ (86,331)</u> |
| Fund balances -- beginning              | <u>2,825,862</u>    | <u>2,825,862</u>    | <u>2,825,862</u>    |                    |
| Fund balances -- ending                 | <u>\$ 2,681,342</u> | <u>\$ 2,681,342</u> | <u>\$ 2,595,011</u> |                    |

(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, 2009

|  | <u>Budgeted Amounts</u> |                      | Actual               | Variance           |
|--|-------------------------|----------------------|----------------------|--------------------|
|  | <u>Original</u>         | <u>Final</u>         |                      |                    |
| <b>REVENUES</b>  |                         |                      |                      |                    |
| Property tax   | \$ 2,630,139            | \$ 2,630,139         | \$ 2,630,139         | \$ -               |
| Sales tax  | 2,000,000               | 2,000,000            | 1,822,062            | (177,938)          |
| Investment income  | 500,000                 | 500,000              | 737,625              | 237,625            |
| Contributions & donations                                    | 100,000                 | 100,000              | 130,618              | 30,618             |
| Total revenues   | <u>5,230,139</u>        | <u>5,230,139</u>     | <u>5,320,444</u>     | <u>90,305</u>      |
| <b>EXPENDITURES</b>  |                         |                      |                      |                    |
| Current  |                         |                      |                      |                    |
| General government   | 321,000                 | 321,000              | -                    | (321,000)          |
| Public works   | 2,210,452               | 2,210,452            | 2,195,836            | (14,616)           |
| Total current  | <u>2,531,452</u>        | <u>2,531,452</u>     | <u>2,195,836</u>     | <u>(335,616)</u>   |
| Capital outlay   |                         |                      |                      |                    |
| Public works   | 11,125,000              | 11,125,000           | 5,145,168            | (5,979,832)        |
| Total capital outlay   | <u>11,125,000</u>       | <u>11,125,000</u>    | <u>5,145,168</u>     | <u>(5,979,832)</u> |
| Total expenditures   | <u>13,656,452</u>       | <u>13,656,452</u>    | <u>7,341,004</u>     | <u>(6,315,448)</u> |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(8,426,313)</u>      | <u>(8,426,313)</u>   | <u>(2,020,560)</u>   | <u>6,405,753</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                      |                      |                    |
| Transfers out  | <u>(1,025,053)</u>      | <u>(1,025,053)</u>   | <u>(1,025,053)</u>   | -                  |
| Total other financing sources (uses)                         | <u>(1,025,053)</u>      | <u>(1,025,053)</u>   | <u>(1,025,053)</u>   | -                  |
| Net change in fund balances                                  | (9,451,366)             | (9,451,366)          | (3,045,613)          | <u>6,405,753</u>   |
| Fund balances -- beginning                                   | <u>27,056,575</u>       | <u>27,056,575</u>    | <u>27,056,575</u>    |                    |
| Fund balances -- ending                                      | <u>\$ 17,605,209</u>    | <u>\$ 17,605,209</u> | <u>\$ 24,010,962</u> |                    |

(See independent auditor's report)

Village of Downers Grove  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2009

|                                      | Special<br>Revenue  | Debt<br>Service   | Capital<br>Projects | Total               |
|--------------------------------------|---------------------|-------------------|---------------------|---------------------|
| <b>ASSETS</b>                        |                     |                   |                     |                     |
| Cash and investments                 | \$ 4,012,945        | \$ 834,514        | \$ 1,106,092        | \$ 5,953,551        |
| Property taxes receivable            | 790,699             | -                 | -                   | 790,699             |
| Other taxes receivable               | 115,671             | 21,065            | -                   | 136,736             |
| Accounts receivable                  | 4,166               | -                 | 14,165              | 18,331              |
| Other receivable                     | 4,460               | -                 | -                   | 4,460               |
| Interest receivable                  | 429                 | -                 | -                   | 429                 |
| Total assets                         | <u>4,928,370</u>    | <u>855,579</u>    | <u>1,120,257</u>    | <u>6,904,206</u>    |
| <b>LIABILITIES AND FUND BALANCES</b> |                     |                   |                     |                     |
| <b>LIABILITIES</b>                   |                     |                   |                     |                     |
| Accounts payable                     | 1,251,252           | -                 | 14,225              | 1,265,477           |
| Due to other funds                   | 1,976,067           | -                 | -                   | 1,976,067           |
| Deposits payable                     | -                   | -                 | 8,120               | 8,120               |
| Deferred revenues                    | 777,098             | -                 | 3,000               | 780,098             |
| Total liabilities                    | <u>4,004,417</u>    | <u>-</u>          | <u>25,345</u>       | <u>4,029,762</u>    |
| <b>FUND BALANCES</b>                 |                     |                   |                     |                     |
| Unreserved                           | 923,953             | 855,579           | 1,094,912           | 2,874,444           |
| Total fund balances                  | <u>923,953</u>      | <u>855,579</u>    | <u>1,094,912</u>    | <u>2,874,444</u>    |
| Total liabilities and fund balances  | <u>\$ 4,928,370</u> | <u>\$ 855,579</u> | <u>\$ 1,120,257</u> | <u>\$ 6,904,206</u> |

(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, 2009

|  | Special<br>Revenue | Debt<br>Service    | Capital<br>Projects | Total               |
|--|--------------------|--------------------|---------------------|---------------------|
| <b>REVENUES</b>  |                    |                    |                     |                     |
| Sales tax  | \$ 563,750         | \$ -               | \$ -                | \$ 563,750          |
| Property tax   | 776,229            | -                  | -                   | 776,229             |
| Other taxes  | 198,640            | 189,345            | -                   | 387,985             |
| Intergovernmental  | 1,218,400          | -                  | -                   | 1,218,400           |
| Charges for services & fees                                  | 112,269            | -                  | 91,721              | 203,990             |
| Investment income  | 8,997              | 1,343              | 5,446               | 15,786              |
| Total revenues   | <u>2,878,286</u>   | <u>190,687</u>     | <u>97,167</u>       | <u>3,166,140</u>    |
| <b>EXPENDITURES</b>  |                    |                    |                     |                     |
| Current  |                    |                    |                     |                     |
| General government   | 191,680            | -                  | 237,732             | 429,412             |
| Public works   | 2,668,753          | -                  | -                   | 2,668,753           |
| Community development  | 111,410            | -                  | -                   | 111,410             |
| Public safety  | 36,541             | -                  | -                   | 36,541              |
| Debt service   |                    |                    |                     |                     |
| Principal retirement   | -                  | 1,245,000          | -                   | 1,245,000           |
| Interest   | -                  | 2,728,297          | -                   | 2,728,297           |
| Issuance costs   | -                  | 125,575            | -                   | 125,575             |
| Total expenditures   | <u>3,008,384</u>   | <u>4,098,872</u>   | <u>237,732</u>      | <u>7,344,989</u>    |
| Excess (deficiency) of<br>revenues over (under) expenditures | <u>(130,098)</u>   | <u>(3,908,185)</u> | <u>(140,565)</u>    | <u>(4,178,849)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                    |                    |                     |                     |
| Transfers in   | -                  | 3,924,830          | -                   | 3,924,830           |
| Transfers out  | (372,070)          | -                  | (550,000)           | (922,070)           |
| Refunding bonds issued                                       | -                  | 9,030,000          | -                   | 9,030,000           |
| Payment to escrow agent                                      | -                  | (9,144,258)        | -                   | (9,144,258)         |
| Bond premium   | -                  | 238,858            | -                   | 238,858             |
| Total other financing sources (uses)                         | <u>(372,070)</u>   | <u>4,049,430</u>   | <u>(550,000)</u>    | <u>3,127,360</u>    |
| Net change in fund balance                                   | (502,168)          | 141,245            | (690,565)           | (1,051,488)         |
| Fund balances -- beginning                                   | <u>1,426,120</u>   | <u>714,334</u>     | <u>1,785,478</u>    | <u>3,925,932</u>    |
| Fund balances -- ending                                      | <u>\$ 923,952</u>  | <u>\$ 855,579</u>  | <u>\$ 1,094,913</u> | <u>\$ 2,874,444</u> |

(See independent auditor's report)

Village of Downers Grove  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2009

|                                      | Motor<br>Fuel Tax   | Foreign Fire      | Ogden TIF           | Sales Tax<br>Rebate | Transportation     | Total               |
|--------------------------------------|---------------------|-------------------|---------------------|---------------------|--------------------|---------------------|
| <b>ASSETS</b>                        |                     |                   |                     |                     |                    |                     |
| Cash and investments                 | \$ 939,138          | \$ 186,301        | \$ 2,666,316        | \$ 221,190          | \$ -               | \$ 4,012,945        |
| Property taxes receivable            | -                   | -                 | 790,699             | -                   | -                  | 790,699             |
| Other taxes receivable               | 101,626             | -                 | -                   | -                   | 14,045             | 115,671             |
| Accounts receivable                  | -                   | -                 | -                   | -                   | 4,166              | 4,166               |
| Other receivable                     | -                   | -                 | -                   | -                   | 4,460              | 4,460               |
| Interest receivable                  | -                   | -                 | 429                 | -                   | -                  | 429                 |
| Total assets                         | <u>1,040,764</u>    | <u>186,301</u>    | <u>3,457,444</u>    | <u>221,190</u>      | <u>22,671</u>      | <u>4,928,370</u>    |
| <b>LIABILITIES AND FUND BALANCES</b> |                     |                   |                     |                     |                    |                     |
| Accounts payable                     | 1,026,685           | 2,127             | 511                 | 221,190             | 740                | 1,251,252           |
| Due to other funds                   | -                   | -                 | -                   | -                   | 1,976,067          | 1,976,067           |
| Deferred property taxes              | -                   | -                 | 777,098             | -                   | -                  | 777,098             |
| Total liabilities                    | <u>1,026,685</u>    | <u>2,127</u>      | <u>777,609</u>      | <u>221,190</u>      | <u>1,976,807</u>   | <u>4,004,417</u>    |
| <b>FUND BALANCES</b>                 |                     |                   |                     |                     |                    |                     |
| Unreserved                           | 14,079              | 184,174           | 2,679,835           | -                   | (1,954,136)        | 923,953             |
| Total fund balances                  | <u>14,079</u>       | <u>184,174</u>    | <u>2,679,835</u>    | <u>-</u>            | <u>(1,954,136)</u> | <u>923,953</u>      |
| Total liabilities and fund balances  | <u>\$ 1,040,764</u> | <u>\$ 186,301</u> | <u>\$ 3,457,444</u> | <u>-</u>            | <u>\$ 22,671</u>   | <u>\$ 4,928,370</u> |

(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, 2009

|   | Motor Fuel Tax     | Foreign Fire      | Odgen TIF           | Sales Tax Rebate | Transportation        | Total             |
|---|--------------------|-------------------|---------------------|------------------|-----------------------|-------------------|
| <b>REVENUES</b>   |                    |                   |                     |                  |                       |                   |
| Sales tax   | \$ -               | \$ -              | \$ -                | \$ 563,750       | \$ -                  | \$ 563,750        |
| Property tax  | -                  | -                 | 776,229             | -                | -                     | 776,229           |
| Other taxes   | -                  | 70,236            | -                   | -                | 128,404               | 198,640           |
| Intergovernmental   | 1,172,647          | -                 | -                   | -                | 45,753                | 1,218,400         |
| Charges for services & fees                               | -                  | -                 | -                   | -                | 112,269               | 112,269           |
| Investment income   | 3,016              | 321               | 5,660               | -                | -                     | 8,997             |
| Total revenues  | <u>1,175,663</u>   | <u>70,558</u>     | <u>781,889</u>      | <u>563,750</u>   | <u>286,426</u>        | <u>2,878,286</u>  |
| <b>EXPENDITURES</b>                                       |                    |                   |                     |                  |                       |                   |
| Current   |                    |                   |                     |                  |                       |                   |
| General government  | -                  | -                 | -                   | 191,680          | -                     | 191,680           |
| Public works  | 2,190,000          | -                 | 14,056              | -                | 464,697               | 2,668,753         |
| Community development                                     | -                  | -                 | 111,410             | -                | -                     | 111,410           |
| Public safety   | -                  | 36,541            | -                   | -                | -                     | 36,541            |
| Total expenditures  | <u>2,190,000</u>   | <u>36,541</u>     | <u>125,466</u>      | <u>191,680</u>   | <u>464,697</u>        | <u>3,008,384</u>  |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,014,337)</u> | <u>34,017</u>     | <u>656,423</u>      | <u>372,070</u>   | <u>(178,271)</u>      | <u>(130,098)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                    |                   |                     |                  |                       |                   |
| Transfers in  | -                  | -                 | -                   | -                | -                     | -                 |
| Transfers out   | -                  | -                 | -                   | (372,070)        | -                     | (372,070)         |
| Total other financing sources (uses)                      | <u>-</u>           | <u>-</u>          | <u>-</u>            | <u>-</u>         | <u>-</u>              | <u>(372,070)</u>  |
| Net Change in fund balances                               | (1,014,337)        | 34,017            | 656,423             | -                | (178,271)             | (502,168)         |
| Fund balances -- beginning                                | 1,028,416          | 150,157           | 2,023,412           | -                | (1,775,865)           | 1,426,120         |
| Fund balances -- ending                                   | <u>\$ 14,079</u>   | <u>\$ 184,174</u> | <u>\$ 2,679,835</u> | <u>-</u>         | <u>\$ (1,954,136)</u> | <u>\$ 923,952</u> |

(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, 2009

|  | Budgeted Amounts |                  | Actual             | Variance        |
|--|------------------|------------------|--------------------|-----------------|
|  | Original         | Final            |                    |                 |
| <b>REVENUES</b>                                  |                  |                  |                    |                 |
| Intergovernmental                                | \$ 1,190,000     | \$ 1,190,000     | \$ 1,172,648       | \$ (17,352)     |
| Investment income                                | 35,000           | 35,000           | 3,016              | (31,984)        |
| Total revenues                                   | <u>1,225,000</u> | <u>1,225,000</u> | <u>1,175,663</u>   | <u>(49,337)</u> |
| <b>EXPENDITURES</b>                              |                  |                  |                    |                 |
| Public works                                     | 2,190,000        | 2,190,000        | 2,190,000          | -               |
| Total current                                    | <u>2,190,000</u> | <u>2,190,000</u> | <u>2,190,000</u>   | <u>-</u>        |
| Total expenditures                               | <u>2,190,000</u> | <u>2,190,000</u> | <u>2,190,000</u>   | <u>-</u>        |
| (Deficiency) of revenues<br>(under) expenditures | <u>(965,000)</u> | <u>(965,000)</u> | <u>(1,014,337)</u> | <u>(49,337)</u> |
| Net change in fund balances                      | (965,000)        | (965,000)        | (1,014,337)        | <u>(49,337)</u> |
| Fund balances -- beginning                       | <u>1,028,416</u> | <u>1,028,416</u> | <u>1,028,416</u>   |                 |
| Fund balances -- ending                          | <u>\$ 63,416</u> | <u>\$ 63,416</u> | <u>\$ 14,079</u>   |                 |

(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, 2009

|  | Budgeted Amounts  |                   | Actual            | Variance        |
|--|-------------------|-------------------|-------------------|-----------------|
|  | Original          | Final             |                   |                 |
| <b>REVENUES</b>  |                   |                   |                   |                 |
| Foreign fire insurance tax                                   | \$ 61,000         | \$ 61,000         | \$ 70,236         | \$ 9,236        |
| Investment income  | 4,000             | 4,000             | 321               | (3,679)         |
| Total revenues   | <u>65,000</u>     | <u>65,000</u>     | <u>70,558</u>     | <u>5,558</u>    |
| <b>EXPENDITURES</b>  |                   |                   |                   |                 |
| Current  |                   |                   |                   |                 |
| Public safety  | 69,750            | 69,750            | 36,541            | (33,209)        |
| Total current  | <u>69,750</u>     | <u>69,750</u>     | <u>36,541</u>     | <u>(33,209)</u> |
| Total expenditures   | <u>69,750</u>     | <u>69,750</u>     | <u>36,541</u>     | <u>(33,209)</u> |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(4,750)</u>    | <u>(4,750)</u>    | <u>34,017</u>     | <u>38,767</u>   |
| Net change in fund balances                                  | (4,750)           | (4,750)           | 34,017            | <u>38,767</u>   |
| Fund balances -- beginning                                   | <u>150,158</u>    | <u>150,158</u>    | <u>150,158</u>    |                 |
| Fund balances -- ending                                      | <u>\$ 145,408</u> | <u>\$ 145,408</u> | <u>\$ 184,175</u> |                 |

(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, 2009

|                             | Budgeted Amounts  |                   | Actual              | Variance           |
|-----------------------------|-------------------|-------------------|---------------------|--------------------|
|                             | Original          | Final             |                     |                    |
| <b>REVENUES</b>             |                   |                   |                     |                    |
| Property tax                | \$ 735,300        | \$ 735,300        | \$ 776,229          | \$ 40,929          |
| Intergovernmental           | 101,080           | 101,080           | -                   | (101,080)          |
| Investment income           | 40,350            | 40,350            | 5,660               | (34,690)           |
| Total revenues              | <u>876,730</u>    | <u>876,730</u>    | <u>781,889</u>      | <u>(94,841)</u>    |
| <b>EXPENDITURES</b>         |                   |                   |                     |                    |
| <b>Current</b>              |                   |                   |                     |                    |
| Public works                | 1,795,000         | 1,795,000         | 14,056              | (1,780,944)        |
| Community development       | 132,900           | 132,900           | 111,410             | (21,490)           |
| Total current               | <u>1,927,900</u>  | <u>1,927,900</u>  | <u>125,466</u>      | <u>(1,802,434)</u> |
| Total expenditures          | <u>1,927,900</u>  | <u>1,927,900</u>  | <u>125,466</u>      | <u>(1,802,434)</u> |
| Net change in fund balances | (1,051,170)       | (1,051,170)       | 656,423             | <u>1,707,593</u>   |
| Fund balances -- beginning  | <u>2,023,413</u>  | <u>2,023,413</u>  | <u>2,023,413</u>    |                    |
| Fund balances -- ending     | <u>\$ 972,243</u> | <u>\$ 972,243</u> | <u>\$ 2,679,836</u> |                    |

(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, 2009

|  | Budgeted Amounts |                | Actual           | Variance         |
|--|------------------|----------------|------------------|------------------|
|  | Original         | Final          |                  |                  |
| <b>REVENUES</b>  |                  |                |                  |                  |
| Sales tax  | \$ 750,000       | \$ 750,000     | \$ 563,750       | \$ (186,250)     |
| Total revenues   | <u>750,000</u>   | <u>750,000</u> | <u>563,750</u>   | <u>(186,250)</u> |
| <b>EXPENDITURES</b>  |                  |                |                  |                  |
| Current  |                  |                |                  |                  |
| General government   | 750,000          | 750,000        | 191,680          | (558,320)        |
| Total current  | <u>750,000</u>   | <u>750,000</u> | <u>191,680</u>   | <u>(558,320)</u> |
| Total expenditures   | <u>750,000</u>   | <u>750,000</u> | <u>191,680</u>   | <u>(558,320)</u> |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>-</u>         | <u>-</u>       | <u>372,070</u>   | <u>372,070</u>   |
| <b>OTHER FINANCING SOURCES(USES)</b>                         |                  |                |                  |                  |
| Transfer out   | <u>-</u>         | <u>-</u>       | <u>(372,070)</u> | <u>(372,070)</u> |
| Total other financing sources(uses)                          | <u>-</u>         | <u>-</u>       | <u>(372,070)</u> | <u>(372,070)</u> |
| Net change in fund balances                                  | <u>-</u>         | <u>-</u>       | <u>-</u>         | <u>\$ -</u>      |
| Fund balances -- beginning                                   | <u>-</u>         | <u>-</u>       | <u>-</u>         |                  |
| Fund balances -- ending                                      | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ -</u>      |                  |

(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, 2009

|  | Budgeted Amounts             |                              | Actual                       | Variance          |
|--|------------------------------|------------------------------|------------------------------|-------------------|
|  | Original                     | Final                        |                              |                   |
| <b>REVENUES</b>  |                              |                              |                              |                   |
| Local fuel tax   | \$ 152,656                   | \$ 152,656                   | \$ 128,404                   | \$ (24,252)       |
| Intergovernmental  | 47,000                       | 47,000                       | 45,753                       | (1,247)           |
| Charges for services & fees                                  | 110,000                      | 110,000                      | 112,269                      | 2,269             |
| Total revenues   | <u>309,656</u>               | <u>309,656</u>               | <u>286,426</u>               | <u>(23,230)</u>   |
| <b>EXPENDITURES</b>  |                              |                              |                              |                   |
| Current  |                              |                              |                              |                   |
| Public works   | <u>478,717</u>               | <u>478,717</u>               | <u>464,697</u>               | <u>(14,019)</u>   |
| Total current  | <u>478,717</u>               | <u>478,717</u>               | <u>464,697</u>               | <u>(14,019)</u>   |
| Total expenditures   | <u>478,717</u>               | <u>478,717</u>               | <u>464,697</u>               | <u>(14,019)</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(169,061)</u>             | <u>(169,061)</u>             | <u>(178,271)</u>             | <u>(9,210)</u>    |
| Net change in fund balances                                  | (169,061)                    | (169,061)                    | (178,271)                    | <u>\$ (9,210)</u> |
| Fund balances -- beginning                                   | <u>(1,775,865)</u>           | <u>(1,775,865)</u>           | <u>(1,775,865)</u>           |                   |
| Fund balances -- ending                                      | <u><u>(\$ 1,944,925)</u></u> | <u><u>(\$ 1,944,925)</u></u> | <u><u>(\$ 1,954,136)</u></u> |                   |

(See independent auditor's report)

Village of Downers Grove  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2009

|  | Fairview<br>Avenue | Downtown TIF      | Stormwater/<br>Facilities | Total             |
|--|--------------------|-------------------|---------------------------|-------------------|
| <b>ASSETS</b>                            |                    |                   |                           |                   |
| Cash and investments                     | \$ 68,028          | \$ 766,486        | \$ -                      | \$ 834,514        |
| Local fuel tax receivable                | 21,065             | -                 | -                         | 21,065            |
| Total assets                             | <u>89,093</u>      | <u>766,486</u>    | <u>-</u>                  | <u>855,579</u>    |
| <br><b>LIABILITIES AND FUND BALANCES</b> |                    |                   |                           |                   |
| Total liabilities                        | <u>-</u>           | <u>-</u>          | <u>-</u>                  | <u>-</u>          |
| <br><b>FUND BALANCES</b>                 |                    |                   |                           |                   |
| Unreserved                               | <u>89,093</u>      | <u>766,486</u>    | <u>-</u>                  | <u>855,579</u>    |
| Total fund balances                      | <u>89,093</u>      | <u>766,486</u>    | <u>-</u>                  | <u>855,579</u>    |
| Total liabilities and fund balances      | <u>\$ 89,093</u>   | <u>\$ 766,486</u> | <u>-</u>                  | <u>\$ 855,579</u> |

(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, 2009

|  | Fairview<br>Avenue | Downtown<br>TIF    | Stormwater/<br>Facilities | Total              |
|--|--------------------|--------------------|---------------------------|--------------------|
| <b>REVENUES</b>                                |                    |                    |                           |                    |
| Local fuel tax                                 | \$ 189,345         | \$ -               | \$ -                      | \$ 189,345         |
| Investment income                              | -                  | 1,343              | -                         | 1,343              |
| Total revenues                                 | <u>189,345</u>     | <u>1,343</u>       | <u>-</u>                  | <u>190,687</u>     |
| <b>EXPENDITURES</b>                            |                    |                    |                           |                    |
| Debt service                                   |                    |                    |                           |                    |
| Principal retirement                           | 215,000            | 930,000            | 100,000                   | 1,245,000          |
| Interest                                       | 33,468             | 1,293,069          | 1,401,761                 | 2,728,297          |
| Issuance costs                                 | 13,690             | 111,885            | -                         | 125,575            |
| Total expenditures                             | <u>262,158</u>     | <u>2,334,954</u>   | <u>1,501,761</u>          | <u>4,098,872</u>   |
| Deficiency of revenues<br>(under) expenditures | <u>(72,813)</u>    | <u>(2,333,611)</u> | <u>(1,501,761)</u>        | <u>(3,908,185)</u> |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                    |                    |                           |                    |
| Transfers in                                   | -                  | 2,423,069          | 1,501,761                 | 3,924,830          |
| Refunding bonds issued                         | 1,020,000          | 8,010,000          | -                         | 9,030,000          |
| Payment to escrow agent                        | (1,033,301)        | (8,110,957)        | -                         | (9,144,258)        |
| Bond premium                                   | 26,991             | 211,867            | -                         | 238,858            |
| Total other financing sources (uses)           | <u>13,690</u>      | <u>2,533,979</u>   | <u>1,501,761</u>          | <u>4,049,430</u>   |
| Net change in fund balances                    | (59,123)           | 200,368            | -                         | 141,245            |
| Fund balances -- beginning                     | <u>148,215</u>     | <u>566,119</u>     | <u>-</u>                  | <u>714,334</u>     |
| Fund balances -- ending                        | <u>\$ 89,093</u>   | <u>\$ 766,486</u>  | <u>-</u>                  | <u>\$ 855,579</u>  |

(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, 2009

|  | Budgeted Amounts  |                     | Actual           | Variance         |
|--|-------------------|---------------------|------------------|------------------|
|  | Original          | Final               |                  |                  |
| <b>REVENUES</b>  |                   |                     |                  |                  |
| Local fuel tax   | \$ 228,985        | \$ 228,985          | \$ 189,345       | \$ (39,640)      |
| Total revenues   | <u>228,985</u>    | <u>228,985</u>      | <u>189,345</u>   | <u>(39,640)</u>  |
| <b>EXPENDITURES</b>  |                   |                     |                  |                  |
| Debt service   |                   |                     |                  |                  |
| Principal retirement   | 215,000           | 215,000             | 215,000          | -                |
| Interest   | 53,968            | 53,968              | 33,468           | (20,500)         |
| Issuance costs   | -                 | -                   | 13,690           | 13,690           |
| Total debt service   | <u>268,968</u>    | <u>268,968</u>      | <u>262,158</u>   | <u>(6,810)</u>   |
| Total expenditures   | <u>268,968</u>    | <u>268,968</u>      | <u>262,158</u>   | <u>(6,810)</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(39,983)</u>   | <u>(39,983)</u>     | <u>(72,813)</u>  | <u>(32,830)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                   |                     |                  |                  |
| Bonds issued   | -                 | -                   | 1,020,000        | 1,020,000        |
| Bond premium   | -                 | -                   | 26,991           | 26,991           |
| Payment to escrow agent                                      | -                 | (1,100,000)         | (1,033,301)      | 66,699           |
| Total other financing sources (uses)                         | <u>-</u>          | <u>(1,100,000)</u>  | <u>13,690</u>    | <u>1,113,690</u> |
| Net change in fund balances                                  | (39,983)          | (1,139,983)         | (59,123)         | <u>1,080,860</u> |
| Fund balances -- beginning                                   | <u>148,215</u>    | <u>148,215</u>      | <u>148,215</u>   |                  |
| Fund balances -- ending                                      | <u>\$ 108,232</u> | <u>(\$ 991,768)</u> | <u>\$ 89,093</u> |                  |

(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, 2009

|  | Budgeted Amounts   |                       | Actual             | Variance            |
|--|--------------------|-----------------------|--------------------|---------------------|
|  | Original           | Final                 |                    |                     |
| <b>REVENUES</b>                                  |                    |                       |                    |                     |
| Interest earned on investments                   | 6,000              | 6,000                 | 1,343              | (4,657)             |
| Total revenues                                   | <u>6,000</u>       | <u>6,000</u>          | <u>1,343</u>       | <u>(4,657)</u>      |
| <b>EXPENDITURES</b>                              |                    |                       |                    |                     |
| Debt service                                     |                    |                       |                    |                     |
| Principal retirement                             | 930,000            | 930,000               | 930,000            | -                   |
| Interest   | 1,557,521          | 1,557,521             | 1,293,069          | (264,452)           |
| Issuance costs                                   | -                  | -                     | 111,885            | 111,885             |
| Total debt service                               | <u>2,487,521</u>   | <u>2,487,521</u>      | <u>2,334,955</u>   | <u>(152,566)</u>    |
| Total expenditures                               | <u>2,487,521</u>   | <u>2,487,521</u>      | <u>2,334,955</u>   | <u>(152,566)</u>    |
| (Deficiency) of revenues<br>(under) expenditures | <u>(2,481,521)</u> | <u>(2,481,521)</u>    | <u>(2,333,612)</u> | <u>147,909</u>      |
| <b>OTHER FINANCING SOURCES (USES)</b>            |                    |                       |                    |                     |
| Transfers in                                     | 2,487,521          | 2,487,521             | 2,423,069          | (64,452)            |
| Refunding bonds issued                           | -                  | -                     | 8,010,000          | 8,010,000           |
| Bond premium                                     | -                  | -                     | 211,867            | 211,867             |
| Payment to escrow agent                          | -                  | (8,000,000)           | (8,110,957)        | (110,957)           |
| Total other financing sources (uses)             | <u>2,487,521</u>   | <u>(5,512,479)</u>    | <u>2,533,980</u>   | <u>8,046,458</u>    |
| Net change in fund balances                      | 6,000              | (7,994,000)           | 200,368            | <u>\$ 8,194,367</u> |
| Fund balances -- beginning                       | <u>566,119</u>     | <u>566,119</u>        | <u>566,119</u>     |                     |
| Fund balances -- ending                          | <u>\$ 572,119</u>  | <u>\$ (7,427,881)</u> | <u>\$ 766,486</u>  |                     |

(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, 2009

|  | Budgeted Amounts   |                    | Actual             | Variance    |
|--|--------------------|--------------------|--------------------|-------------|
|  | Original           | Final              |                    |             |
| REVENUES   | \$ -               | \$ -               | \$ -               | \$ -        |
| Total revenues   | <u>-</u>           | <u>-</u>           | <u>-</u>           | <u>-</u>    |
| EXPENDITURES   |                    |                    |                    |             |
| Debt service   |                    |                    |                    |             |
| Principal retirement   | 100,000            | 100,000            | 100,000            | -           |
| Interest   | 1,401,761          | 1,401,761          | 1,401,761          | -           |
| Total debt service   | <u>1,501,761</u>   | <u>1,501,761</u>   | <u>1,501,761</u>   | <u>-</u>    |
| Total expenditures   | <u>1,501,761</u>   | <u>1,501,761</u>   | <u>1,501,761</u>   | <u>-</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(1,501,761)</u> | <u>(1,501,761)</u> | <u>(1,501,761)</u> | <u>-</u>    |
| OTHER FINANCING SOURCES (USES)                               |                    |                    |                    |             |
| Transfers in   | 1,501,761          | 1,501,761          | 1,501,761          | -           |
| Total other financing sources (uses)                         | <u>1,501,761</u>   | <u>1,501,761</u>   | <u>1,501,761</u>   | <u>-</u>    |
| Net change in fund balances                                  | -                  | -                  | -                  | <u>\$ -</u> |
| Fund balances -- beginning                                   | <u>-</u>           | <u>-</u>           | <u>-</u>           |             |
| Fund balances -- ending                                      | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |             |

(See independent auditor's report)

Village of Downers Grove  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2009

|  | Municipal<br>Buildings | Real Estate | Total        |
|--|------------------------|-------------|--------------|
| <b>ASSETS</b>                            |                        |             |              |
| Cash and investments                     | \$ 813,584             | \$ 292,509  | \$ 1,106,092 |
| Accounts receivable                      | -                      | 14,165      | 14,165       |
| Total assets                             | 813,584                | 306,674     | 1,120,257    |
| <br><b>LIABILITIES AND FUND BALANCES</b> |                        |             |              |
| <b>LIABILITIES</b>                       |                        |             |              |
| Accounts payable                         | 6,100                  | 8,125       | 14,225       |
| Deposits payable                         | -                      | 8,120       | 8,120        |
| Deferred revenues                        | -                      | 3,000       | 3,000        |
| Total liabilities                        | 6,100                  | 19,245      | 25,345       |
| <br><b>FUND BALANCES</b>                 |                        |             |              |
| Unreserved                               | 807,484                | 287,429     | 1,094,912    |
| Total fund balances                      | 807,484                | 287,429     | 1,094,912    |
| Total liabilities and fund balances      | \$ 813,584             | \$ 306,674  | \$ 1,120,257 |

(See independent auditor's report)

Village of Downers Grove  
 Nonmajor Capital Projects Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended December 31, 2009

|  | Municipal<br>Buildings | Real<br>Estate    | Total               |
|--|------------------------|-------------------|---------------------|
| <b>REVENUES</b>  |                        |                   |                     |
| Charges for services & fees                                  | \$ -                   | \$ 91,721         | \$ 91,721           |
| Investment income  | <u>5,162</u>           | <u>285</u>        | <u>5,446</u>        |
| Total revenues   | <u>5,162</u>           | <u>92,006</u>     | <u>97,167</u>       |
| <b>EXPENDITURES</b>  |                        |                   |                     |
| Current  |                        |                   |                     |
| General government   | <u>21,180</u>          | <u>216,552</u>    | <u>237,732</u>      |
| Total expenditures   | <u>21,180</u>          | <u>216,552</u>    | <u>237,732</u>      |
| Excess (deficiency) of<br>revenues over (under) expenditures | <u>(16,018)</u>        | <u>(124,546)</u>  | <u>(140,565)</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                        |                   |                     |
| Transfers out  | <u>(350,000)</u>       | <u>(200,000)</u>  | <u>(550,000)</u>    |
| Total other financing sources (uses)                         | <u>(350,000)</u>       | <u>(200,000)</u>  | <u>(550,000)</u>    |
| Net change in fund balance                                   | (366,018)              | (324,546)         | (690,565)           |
| Fund balances -- beginning                                   | <u>1,173,502</u>       | <u>611,975</u>    | <u>1,785,477</u>    |
| Fund balances -- ending                                      | <u>\$ 807,484</u>      | <u>\$ 287,429</u> | <u>\$ 1,094,912</u> |

(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, 2009

|  | Budgeted Amounts |                  | Actual            | Variance            |
|--|------------------|------------------|-------------------|---------------------|
|  | Original         | Final            |                   |                     |
| <b>REVENUES</b>  |                  |                  |                   |                     |
| Investment income  | \$ -             | \$ -             | \$ 5,162          | \$ 5,162            |
| Total revenues   | <u>-</u>         | <u>-</u>         | <u>5,162</u>      | <u>5,162</u>        |
| <b>EXPENDITURES</b>  |                  |                  |                   |                     |
| Capital outlay   |                  |                  |                   |                     |
| General government   | 740,000          | 740,000          | 21,180            | (718,820)           |
| Total capital outlay   | <u>740,000</u>   | <u>740,000</u>   | <u>21,180</u>     | <u>(718,820)</u>    |
| Total expenditures   | <u>740,000</u>   | <u>740,000</u>   | <u>21,180</u>     | <u>(718,820)</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(740,000)</u> | <u>(740,000)</u> | <u>(16,018)</u>   | <u>(723,982)</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |                  |                   |                     |
| Transfers out  | (350,000)        | (350,000)        | (350,000)         | -                   |
| Total other financing sources (uses)                         | <u>(350,000)</u> | <u>(350,000)</u> | <u>(350,000)</u>  | <u>-</u>            |
| Net change in fund balances                                  | (1,090,000)      | (1,090,000)      | (366,018)         | <u>\$ (723,982)</u> |
| Fund balances -- beginning                                   | 1,173,502        | 1,173,502        | 1,173,502         |                     |
| Fund balances -- ending                                      | <u>\$ 83,502</u> | <u>\$ 83,502</u> | <u>\$ 807,484</u> |                     |

(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, 2009

|                                      | Budgeted Amounts  |                   | Actual            | Variance       |
|--------------------------------------|-------------------|-------------------|-------------------|----------------|
|                                      | Original          | Final             |                   |                |
| <b>REVENUES</b>                      |                   |                   |                   |                |
| Charges for services & fees          | \$ 63,705         | \$ 63,705         | \$ 91,721         | \$ 28,016      |
| Investment income                    | 3,500             | 3,500             | 285               | (3,215)        |
| Total revenues                       | <u>67,205</u>     | <u>67,205</u>     | <u>92,006</u>     | <u>24,801</u>  |
| <b>EXPENDITURES</b>                  |                   |                   |                   |                |
| Current                              |                   |                   |                   |                |
| General government                   | 220,898           | 220,898           | 216,552           | (4,346)        |
| Total current                        | <u>220,898</u>    | <u>220,898</u>    | <u>216,552</u>    | <u>(4,346)</u> |
| Total expenditures                   | <u>220,898</u>    | <u>220,898</u>    | <u>216,552</u>    | <u>(4,346)</u> |
| Excess of revenues over expenditures | <u>(153,693)</u>  | <u>(153,693)</u>  | <u>(124,546)</u>  | <u>29,147</u>  |
| <b>OTHER FINANCING SOURCES(USES)</b> |                   |                   |                   |                |
| Transfers out                        | (200,000)         | (200,000)         | (200,000)         | -              |
| Total other financing sources(uses)  | <u>(200,000)</u>  | <u>(200,000)</u>  | <u>(200,000)</u>  | <u>-</u>       |
| Net change in fund balances          | (353,693)         | (353,693)         | (324,546)         | <u>29,147</u>  |
| Fund balances -- beginning           | <u>611,975</u>    | <u>611,975</u>    | <u>611,975</u>    |                |
| Fund balances -- ending              | <u>\$ 258,282</u> | <u>\$ 258,282</u> | <u>\$ 287,429</u> |                |

(See independent auditor's report)

Village of Downers Grove  
Waterworks Fund  
Schedule of Operating Expenses - Budget and Actual  
For the Year Ended December 31, 2009

|                                     | Original<br>Budget   | Final<br>Budget      | Actual              | Variance              |
|-------------------------------------|----------------------|----------------------|---------------------|-----------------------|
| <b>OPERATING EXPENSES</b>           |                      |                      |                     |                       |
| Water financial services            |                      |                      |                     |                       |
| Personnel services                  | \$ 101,386           | \$ 101,386           | \$ 108,981          | \$ 7,595              |
| Supplies                            | 150                  | 150                  | 15                  | (135)                 |
| Contractual services                | 92,000               | 92,000               | 76,501              | (15,499)              |
| Other charges and services          | 194,536              | 194,536              | 194,057             | (479)                 |
| Total                               | <u>388,072</u>       | <u>388,072</u>       | <u>379,554</u>      | <u>(8,518)</u>        |
| Water administration                |                      |                      |                     |                       |
| Personnel services                  | 311,877              | 311,877              | 331,908             | 20,031                |
| Supplies                            | 9,555                | 9,555                | 2,267               | (7,288)               |
| Contractual services                | 172,826              | 172,826              | 17,521              | (155,305)             |
| Other charges and services          | 1,274,340            | 1,274,340            | 1,274,340           | 0                     |
| Total                               | <u>1,768,598</u>     | <u>1,768,598</u>     | <u>1,626,036</u>    | <u>(142,562)</u>      |
| Water pumping and treatment         |                      |                      |                     |                       |
| Personnel services                  | 90,823               | 90,823               | 91,942              | 1,119                 |
| Supplies                            | 10,140               | 10,140               | 6,277               | (3,863)               |
| Contractual services                | 97,994               | 97,994               | 71,092              | (26,902)              |
| Other charges and services          | 17,983               | 17,983               | 17,983              | 0                     |
| Capital outlay                      | 150,000              | 150,000              | -                   | (150,000)             |
| Total                               | <u>366,940</u>       | <u>366,940</u>       | <u>187,294</u>      | <u>(179,646)</u>      |
| Water transmission and distribution |                      |                      |                     |                       |
| Personnel services                  | 626,500              | 626,500              | 654,131             | 27,631                |
| Supplies                            | 300,041              | 300,041              | 159,444             | (140,597)             |
| Contractual services                | 426,160              | 426,160              | 382,408             | (43,752)              |
| Other charges and services          | 72,988               | 72,988               | 73,804              | 816                   |
| Capital Outlay                      | 3,077,700            | 3,427,700            | 3,484,758           | 57,058                |
| Total                               | <u>4,503,389</u>     | <u>4,853,389</u>     | <u>4,754,545</u>    | <u>(98,844)</u>       |
| DuPage Water Commission             |                      |                      |                     |                       |
| Supplies                            | <u>3,595,233</u>     | <u>3,595,233</u>     | <u>3,403,352</u>    | <u>(191,881)</u>      |
| Depreciation                        | <u>-</u>             | <u>-</u>             | <u>780,114</u>      | <u>780,114</u>        |
| Less assets capitalized             | <u>-</u>             | <u>-</u>             | <u>(3,484,758)</u>  | <u>(3,484,758)</u>    |
| Total operating expenses            | <u>\$ 10,622,232</u> | <u>\$ 10,972,232</u> | <u>\$ 7,646,137</u> | <u>\$ (3,326,094)</u> |

(See independent auditor's report)

Village of Downers Grove  
Parking Fund  
Schedule of Operating Expenses - Budget and Actual  
For the Year Ended December 31, 2009

|                             | Original<br>Budget  | Final<br>Budget     | Actual            | Variance            |
|-----------------------------|---------------------|---------------------|-------------------|---------------------|
| <b>OPERATING EXPENSES</b>   |                     |                     |                   |                     |
| Non-deck parking operations |                     |                     |                   |                     |
| Supplies                    | \$ 9,000            | \$ 9,000            | \$ 1,370          | (7,630)             |
| Contractual services        | 16,000              | 16,000              | 839               | -                   |
| Other charges and services  | 113,000             | 113,000             | -                 | (113,000)           |
| Total                       | <u>138,000</u>      | <u>138,000</u>      | 2,209             | <u>(120,630)</u>    |
| Parking deck operations     |                     |                     |                   |                     |
| Supplies                    | 23,000              | 23,000              | 3,101             | (19,899)            |
| Contractual services        | 103,610             | 103,610             | 90,422            | (13,188)            |
| Other charges and services  | 108,000             | 108,000             | 119,727           | 11,727              |
| Total                       | <u>234,610</u>      | <u>234,610</u>      | 213,250           | <u>(21,360)</u>     |
| Enforcement                 |                     |                     |                   |                     |
| Personnel services          | 209,330             | 209,330             | 174,136           | (35,194)            |
| Supplies                    | 2,375               | 2,375               | 1,712             | (663)               |
| Contractual services        | 12,600              | 12,600              | 11,445            | (1,155)             |
| Other charges and services  | 526,244             | 526,244             | 526,247           | 3                   |
| Total                       | <u>750,549</u>      | <u>750,549</u>      | 713,540           | <u>(37,009)</u>     |
| Depreciation                | -                   | -                   | 16,515            | 16,515              |
| Total operating expenses    | <u>\$ 1,123,159</u> | <u>\$ 1,123,159</u> | <u>\$ 945,514</u> | <u>\$ (162,486)</u> |

(See independent auditor's report)

Village of Downers Grove  
Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2009

|   | Equipment<br>Replacement | Fleet<br>Services | Health<br>Insurance | Risk<br>Management    | Total               |
|---|--------------------------|-------------------|---------------------|-----------------------|---------------------|
| <b>ASSETS</b>                                   |                          |                   |                     |                       |                     |
| Current assets                                  |                          |                   |                     |                       |                     |
| Cash and investments                            | \$ 1,202,483             | \$ 628,769        | \$ 1,505,899        | \$ 642,618            | \$ 3,979,769        |
| Accounts receivable                             | -                        | 6,850             | 64,785              | 716,210               | 787,845             |
| Due from other funds                            | -                        | -                 | 236                 | -                     | 236                 |
| Prepaid expense                                 | -                        | -                 | 41,928              | -                     | 41,928              |
| Inventory                                       | -                        | 110,602           | -                   | -                     | 110,602             |
| Deposits  | -                        | -                 | 75,000              | -                     | 75,000              |
| Total Current assets                            | <u>1,202,483</u>         | <u>746,221</u>    | <u>1,687,848</u>    | <u>1,358,828</u>      | <u>4,995,380</u>    |
| Noncurrent assets                               |                          |                   |                     |                       |                     |
| Capital assets being depreciated                | 9,247,153                | 1,027,698         | -                   | -                     | 10,274,851          |
| Accumulated depreciation                        | (4,531,706)              | (599,804)         | -                   | -                     | (5,131,510)         |
| Total Noncurrent assets                         | <u>4,715,447</u>         | <u>427,894</u>    | <u>-</u>            | <u>-</u>              | <u>5,143,341</u>    |
| Total assets                                    | <u>5,917,930</u>         | <u>1,174,115</u>  | <u>1,687,848</u>    | <u>1,358,828</u>      | <u>10,138,721</u>   |
| <b>LIABILITIES</b>                              |                          |                   |                     |                       |                     |
| Current liabilities                             |                          |                   |                     |                       |                     |
| Accounts payable                                | 1,137                    | 89,240            | 5,023               | 8,054                 | 103,454             |
| Other payables                                  | -                        | -                 | 53,184              | -                     | 53,184              |
| Compensated absences                            | -                        | 14,655            | 9,932               | 14,865                | 39,452              |
| Claims payable                                  | -                        | -                 | 510,748             | 928,678               | 1,439,426           |
| Total Current liabilities                       | <u>1,137</u>             | <u>103,895</u>    | <u>578,887</u>      | <u>951,597</u>        | <u>1,635,516</u>    |
| Noncurrent liabilities                          |                          |                   |                     |                       |                     |
| Claims payable                                  | -                        | -                 | -                   | 2,166,915             | 2,166,915           |
| Other post-employment benefits                  | -                        | 95,212            | 19,377              | 27,568                | 142,157             |
| Compensated absences                            | -                        | 34,194            | 23,175              | 34,685                | 92,054              |
| Total Noncurrent liabilities                    | <u>-</u>                 | <u>129,406</u>    | <u>42,552</u>       | <u>2,229,168</u>      | <u>2,401,126</u>    |
| Total liabilities                               | <u>1,137</u>             | <u>233,301</u>    | <u>621,439</u>      | <u>3,180,765</u>      | <u>4,036,642</u>    |
| <b>NET ASSETS</b>                               |                          |                   |                     |                       |                     |
| Invested in capital assets, net of related debt | 4,715,446                | 427,894           | -                   | -                     | 5,143,340           |
| Unrestricted                                    | 1,201,347                | 512,920           | 1,066,409           | (1,821,937)           | 958,739             |
| Total net assets                                | <u>\$ 5,916,793</u>      | <u>\$ 940,814</u> | <u>\$ 1,066,409</u> | <u>\$ (1,821,937)</u> | <u>\$ 6,102,079</u> |

(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, 2009

|  | Equipment<br>Replacement | Fleet<br>Services | Health<br>Insurance | Risk<br>Management    | Total               |
|--|--------------------------|-------------------|---------------------|-----------------------|---------------------|
| Operating revenues                     |                          |                   |                     |                       |                     |
| Sales                                  | \$ -                     | \$ 75,625         | \$ -                | \$ -                  | \$ 75,625           |
| Interfund services                     | 870,424                  | 2,014,632         | 3,641,779           | 1,825,068             | 8,351,903           |
| Insurance premiums                     | -                        | -                 | 1,958,155           | -                     | 1,958,155           |
| Other                                  | -                        | -                 | 87,978              | 36,868                | 124,846             |
| Total operating revenues               | <u>870,424</u>           | <u>2,090,257</u>  | <u>5,687,912</u>    | <u>1,861,936</u>      | <u>10,510,529</u>   |
| Operating expenses                     |                          |                   |                     |                       |                     |
| Personnel services                     | -                        | 563,678           | 121,205             | 150,277               | 835,160             |
| Supplies                               | -                        | 611,872           | 429                 | -                     | 612,301             |
| Contractual services                   | -                        | 112,308           | 747,836             | 449,731               | 1,309,875           |
| Other charges and services             | 45,694                   | 238,831           | 5,165,396           | 1,791,279             | 7,241,200           |
| Depreciation                           | 704,456                  | 39,451            | -                   | -                     | 743,907             |
| Total operating expenses               | <u>750,150</u>           | <u>1,566,139</u>  | <u>6,034,866</u>    | <u>2,391,287</u>      | <u>10,742,443</u>   |
| Operating Income (loss)                | <u>120,274</u>           | <u>524,117</u>    | <u>(346,954)</u>    | <u>(529,350)</u>      | <u>(231,913)</u>    |
| Nonoperating revenues (expenses)       |                          |                   |                     |                       |                     |
| Intergovernmental grants               | 24,000                   | -                 | -                   | -                     | 24,000              |
| Investment income                      | 1,186                    | -                 | 1,680               | 1,293                 | 4,159               |
| Gain / (Loss) from disposals           | (12,479)                 | -                 | -                   | -                     | (12,479)            |
| Total non operating revenue (expenses) | <u>12,707</u>            | <u>-</u>          | <u>1,680</u>        | <u>1,293</u>          | <u>15,680</u>       |
| Income (loss) before transfers         | 132,981                  | 524,117           | (345,274)           | (528,058)             | (216,233)           |
| Transfers in                           | <u>-</u>                 | <u>-</u>          | <u>-</u>            | <u>250,000</u>        | <u>250,000</u>      |
| Change in net assets                   | 132,981                  | 524,117           | (345,274)           | (278,058)             | 33,767              |
| Total net assets -- beginning          | 5,783,813                | 416,695           | 1,411,683           | (1,543,879)           | 6,068,312           |
| Total net assets -- ending             | <u>\$ 5,916,793</u>      | <u>\$ 940,814</u> | <u>\$ 1,066,409</u> | <u>(\$ 1,821,937)</u> | <u>\$ 6,102,079</u> |

(See independent auditor's report)

Village of Downers Grove  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2009

|   | Equipment<br>Replacement | Fleet<br>Services | Health<br>Insurance | Risk<br>Management  | Total               |
|---|--------------------------|-------------------|---------------------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                          |                   |                     |                     |                     |
| Receipts from interfund services  | \$ 870,424               | \$ 2,014,632      | \$ 3,780,920        | \$ 1,842,326        | \$ 8,508,302        |
| Receipts from customers   | -                        | 74,964            | 1,908,149           | 19,610              | 2,002,723           |
| Other payments  | -                        | (244,231)         | (5,118,180)         | (1,549,506)         | (6,911,917)         |
| Payments to employees   | -                        | (515,593)         | (111,861)           | (134,928)           | (762,382)           |
| Payments for interfund services   | -                        | (106,908)         | (73,572)            | (456)               | (180,936)           |
| Payments to suppliers   | (160,279)                | (621,876)         | (699,953)           | (456,427)           | (1,938,535)         |
| Net cash provided (used) by operating activities  | <u>710,145</u>           | <u>600,988</u>    | <u>(314,497)</u>    | <u>(279,381)</u>    | <u>717,255</u>      |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |                          |                   |                     |                     |                     |
| Grant proceeds  | 24,000                   | -                 | -                   | -                   | 24,000              |
| Transfers in  | -                        | -                 | -                   | 250,000             | 250,000             |
| Net cash provided (used) by non-capital activities  | <u>24,000</u>            | <u>-</u>          | <u>-</u>            | <u>250,000</u>      | <u>274,000</u>      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                               |                          |                   |                     |                     |                     |
| Capital assets purchased  | (418,708)                | -                 | -                   | -                   | (418,708)           |
| Net cash provided (used) by capital activities  | <u>(418,708)</u>         | <u>-</u>          | <u>-</u>            | <u>-</u>            | <u>(418,708)</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                          |                   |                     |                     |                     |
| Interest received   | 1,186                    | -                 | 1,680               | 1,293               | 4,159               |
| Net cash provided (used) by investing activities  | <u>1,186</u>             | <u>-</u>          | <u>1,680</u>        | <u>1,293</u>        | <u>4,159</u>        |
| Net Increase in cash and cash equivalents   | <u>316,623</u>           | <u>600,988</u>    | <u>(312,817)</u>    | <u>(28,088)</u>     | <u>576,706</u>      |
| Cash and investments - beginning of year  | <u>885,860</u>           | <u>27,781</u>     | <u>1,818,716</u>    | <u>670,706</u>      | <u>3,403,063</u>    |
| Cash and investments - end of the year  | <u>\$ 1,202,483</u>      | <u>\$ 628,769</u> | <u>\$ 1,505,899</u> | <u>\$ 642,618</u>   | <u>\$ 3,979,769</u> |
| Reconciliation of operating income (loss) to net cash provided by operating activities        |                          |                   |                     |                     |                     |
| Operating income (loss)   | 120,274                  | 524,117           | (346,954)           | (529,350)           | (231,913)           |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities |                          |                   |                     |                     |                     |
| Depreciation  | 704,456                  | 39,451            | -                   | -                   | 743,907             |
| Change in assets and liabilities  |                          |                   |                     |                     |                     |
| Accounts payable  | (114,585)                | (4,320)           | 4,068               | (6,696)             | (121,533)           |
| Compensated absences  | -                        | 3,519             | (328)               | (514)               | 2,677               |
| Accounts receivable   | -                        | (661)             | 43,085              | (716,210)           | (673,786)           |
| Due from other funds  | -                        | -                 | (236)               | -                   | (236)               |
| Other post-employment benefits  | -                        | 48,686            | 10,599              | 15,862              | 75,147              |
| Prepays   | -                        | -                 | (41,928)            | -                   | (41,928)            |
| Inventory   | -                        | (9,804)           | -                   | -                   | (9,804)             |
| Claims payable  | -                        | -                 | 17,197              | 957,527             | 974,724             |
| Net cash provided by operating activities   | <u>\$ 710,145</u>        | <u>\$ 600,988</u> | <u>(\$ 314,497)</u> | <u>(\$ 279,381)</u> | <u>\$ 717,255</u>   |

(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, 2009

|                                 | Original<br>Budget  | Final<br>Budget     | Actual            | Variance            |
|---------------------------------|---------------------|---------------------|-------------------|---------------------|
| <b>OPERATING EXPENSES</b>       |                     |                     |                   |                     |
| Other charges and services      | \$ 57,000           | \$ 57,000           | \$ 45,694         | \$ (11,306)         |
| Capital outlay                  | 965,250             | 965,250             | 433,092           | (532,158)           |
| Depreciation                    | -                   | -                   | 704,456           | 704,456             |
| Less assets capitalized         | -                   | -                   | (433,092)         | (433,092)           |
| <b>Total operating expenses</b> | <b>\$ 1,022,250</b> | <b>\$ 1,022,250</b> | <b>\$ 750,150</b> | <b>\$ (272,100)</b> |

(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, 2009

|                            | Original<br>Budget  | Final<br>Budget     | Actual              | Variance            |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>OPERATING EXPENSES</b>  |                     |                     |                     |                     |
| Personnel services         | \$ 617,821          | \$ 617,821          | \$ 563,679          | \$ (54,142)         |
| Supplies                   | 994,424             | 994,424             | 611,872             | (382,552)           |
| Contractual services       | 153,745             | 153,745             | 112,307             | (41,438)            |
| Other charges and services | 297,933             | 297,933             | 238,831             | (59,102)            |
| Subtotal                   | <u>2,063,923</u>    | <u>2,063,923</u>    | <u>1,526,689</u>    | <u>(537,234)</u>    |
| Depreciation               | <u>-</u>            | <u>-</u>            | <u>39,451</u>       | <u>39,451</u>       |
| Total operating expenses   | <u>\$ 2,063,923</u> | <u>\$ 2,063,923</u> | <u>\$ 1,566,139</u> | <u>\$ (497,784)</u> |

(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, 2009

|                              | Original<br>Budget      | Final<br>Budget         | Actual                  | Variance                |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>OPERATING EXPENSES</b>    |                         |                         |                         |                         |
| Health administration        |                         |                         |                         |                         |
| Personnel services           | \$ 116,578              | \$ 116,578              | \$ 121,205              | \$ 4,627                |
| Supplies                     | 650                     | 650                     | 429                     | (221)                   |
| Contractual services         | 174,500                 | 174,500                 | 118,019                 | (56,481)                |
| Other charges and services   | 450                     | 450                     | 456                     | 6                       |
| Total                        | <u>292,178</u>          | <u>292,178</u>          | <u>240,109</u>          | <u>(52,069)</u>         |
| Vision insurance             |                         |                         |                         |                         |
| Other charges and services   | 63,000                  | 63,000                  | 54,710                  | (8,290)                 |
| Total                        | <u>63,000</u>           | <u>63,000</u>           | <u>54,710</u>           | <u>(8,290)</u>          |
| Medical insurance            |                         |                         |                         |                         |
| Contractual services         | 723,900                 | 723,900                 | 565,571                 | (158,329)               |
| Other charges and services   | 4,998,522               | 4,998,522               | 4,778,199               | (220,323)               |
| Total                        | <u>5,722,422</u>        | <u>5,722,422</u>        | <u>5,343,770</u>        | <u>(378,652)</u>        |
| Dental insurance             |                         |                         |                         |                         |
| Contractual services         | 19,000                  | 19,000                  | 17,930                  | (1,070)                 |
| Other charges and services   | 446,000                 | 446,000                 | 378,348                 | (67,652)                |
| Total                        | <u>465,000</u>          | <u>465,000</u>          | <u>396,278</u>          | <u>(68,722)</u>         |
| <br>Total operating expenses | <br><u>\$ 6,542,600</u> | <br><u>\$ 6,542,600</u> | <br><u>\$ 6,034,866</u> | <br><u>\$ (507,733)</u> |

(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, 2009

|                                 | Original<br>Budget  | Final<br>Budget     | Actual              | Variance            |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>OPERATING EXPENSES</b>       |                     |                     |                     |                     |
| Personnel services              | \$ 142,687          | \$ 142,687          | \$ 150,277          | \$ 7,590            |
| Supplies                        | 500                 | 500                 | -                   | (500)               |
| Contractual services            | 442,113             | 442,113             | 449,731             | 7,618               |
| Other charges and services      | 1,411,282           | 1,911,282           | 1,791,279           | (120,003)           |
| <b>Total operating expenses</b> | <b>\$ 1,996,582</b> | <b>\$ 2,496,582</b> | <b>\$ 2,391,287</b> | <b>\$ (105,295)</b> |

(See independent auditor's report)

Village of Downers Grove, Illinois  
Pension Trust Funds  
Combining Statement of Net Assets  
December 31, 2009

|                                    | Police<br>Pension | Firefighters'<br>Pension | Total         |
|------------------------------------|-------------------|--------------------------|---------------|
|                                    |                   |                          |               |
| <b>ASSETS</b>                      |                   |                          |               |
| Cash and cash equivalents          | \$ 1,127,662      | \$ 1,755,975             | \$ 2,883,637  |
| Investments                        |                   |                          |               |
| U.S. obligations                   | 17,338,496        | 14,333,666               | 31,672,162    |
| Corporate bonds                    | 1,187,520         | 1,317,451                | 2,504,971     |
| Mutual funds - equity              | 11,339,596        | 10,881,449               | 22,221,045    |
| Common and Preferred Stocks        | 2,736,401         | -                        | 2,736,401     |
| Due from general fund              | -                 | 136                      | 136           |
| Prepays                            | 5,250             | 4,250                    | 9,500         |
| Interest receivable                | 156,776           | 154,933                  | 311,709       |
|                                    |                   |                          |               |
| Total assets                       | 33,891,701        | 28,447,860               | 62,339,561    |
| <b>LIABILITIES</b>                 |                   |                          |               |
| Accounts payable                   | 9,451             | 14,531                   | 23,981        |
|                                    |                   |                          |               |
| Total liabilities                  | 9,451             | 14,531                   | 23,981        |
| <b>NET ASSETS</b>                  |                   |                          |               |
| Held in trust for pension benefits | \$ 33,882,250     | \$ 28,433,330            | \$ 62,315,580 |

(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, 2009

|  | Police<br>Pension    | Firefighters'<br>Pension | Total                |
|--|----------------------|--------------------------|----------------------|
| <b>ADDITIONS</b>                                 |                      |                          |                      |
| Contributions                                    |                      |                          |                      |
| Contributions - employer                         | \$ 1,271,750         | \$ 1,585,181             | \$ 2,856,931         |
| Contributions - employees                        | 657,981              | 594,365                  | 1,252,346            |
| Total contributions                              | <u>1,929,731</u>     | <u>2,179,546</u>         | <u>4,109,277</u>     |
| Investment earnings                              |                      |                          |                      |
| Net appreciation in fair value<br>of investments | 2,242,877            | 1,555,727                | 3,798,604            |
| Interest earned on investments                   | 1,034,223            | 916,629                  | 1,950,852            |
| Less investment expense                          | (95,800)             | (62,513)                 | (158,313)            |
| Net investment earnings (loss)                   | <u>3,181,300</u>     | <u>2,409,843</u>         | <u>5,591,143</u>     |
| Total additions                                  | <u>5,111,031</u>     | <u>4,589,389</u>         | <u>9,700,420</u>     |
| <b>DEDUCTIONS</b>                                |                      |                          |                      |
| Contractual services                             | 23,888               | 35,903                   | 59,791               |
| Other charges and services                       | 6,456                | 6,456                    | 12,912               |
| Benefits and refunds                             | 1,977,429            | 1,517,730                | 3,495,159            |
| Total deductions                                 | <u>2,007,773</u>     | <u>1,560,089</u>         | <u>3,567,862</u>     |
| Change in Net Assets                             | 3,103,258            | 3,029,300                | 6,132,558            |
| Net Assets - beginning of the year               | <u>30,778,993</u>    | <u>25,404,029</u>        | <u>56,183,022</u>    |
| Net Assets - end of the year                     | <u>\$ 33,882,250</u> | <u>\$ 28,433,330</u>     | <u>\$ 62,315,580</u> |

(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, 2009

|  | Original<br>Budget | Final<br>Budget   | Actual               | Variance            |
|--|--------------------|-------------------|----------------------|---------------------|
| <b>ADDITIONS</b>                                 |                    |                   |                      |                     |
| Contributions - employer                         | \$ 1,262,129       | \$ 1,262,129      | \$ 1,271,750         | \$ 9,621            |
| Contributions - employees                        | 647,000            | 647,000           | 657,981              | 10,981              |
| Total contributions                              | <u>1,909,129</u>   | <u>1,909,129</u>  | <u>1,929,731</u>     | <u>20,602</u>       |
| Investment earnings                              |                    |                   |                      |                     |
| Net appreciation in fair value<br>of investments | 250,000            | 250,000           | 2,242,877            | 1,992,877           |
| Interest earned on investments                   | 800,000            | 800,000           | 1,034,223            | 234,223             |
| Less investment expense                          | (74,500)           | (74,500)          | (95,800)             | (21,300)            |
| Net investment earnings (loss)                   | <u>975,500</u>     | <u>975,500</u>    | <u>3,181,300</u>     | <u>2,205,800</u>    |
| Total additions                                  | <u>2,884,629</u>   | <u>2,884,629</u>  | <u>5,111,031</u>     | <u>2,226,402</u>    |
| <b>DEDUCTIONS</b>                                |                    |                   |                      |                     |
| Supplies   | 650                | 650               | -                    | 650                 |
| Contractual services                             | 21,350             | 21,350            | 23,888               | (2,538)             |
| Other charges and services                       | 6,458              | 6,458             | 6,456                | 2                   |
| Benefits and refunds                             | <u>2,060,000</u>   | <u>2,060,000</u>  | <u>1,977,429</u>     | <u>82,571</u>       |
| Total deductions                                 | <u>2,088,458</u>   | <u>2,088,458</u>  | <u>2,007,773</u>     | <u>80,685</u>       |
| Net Change in Net Assets                         | <u>\$ 796,171</u>  | <u>\$ 796,171</u> | 3,103,258            | <u>\$ 2,307,087</u> |
| Net assets held in trust for pension benefits    |                    |                   |                      |                     |
| Beginning  |                    |                   | <u>30,778,993</u>    |                     |
| Ending   |                    |                   | <u>\$ 33,882,250</u> |                     |

(See independent auditor's report)

Village of Downers Grove  
 Firefighters' Pension Fund  
 Schedule of Changes in Net Assets - Budget and Actual  
 For the Year Ended December 31, 2009

|  | Original<br>Budget  | Final<br>Budget     | Actual               | Variance         |
|--|---------------------|---------------------|----------------------|------------------|
| <b>ADDITIONS</b>   |                     |                     |                      |                  |
| Contributions - employer                                 | \$ 1,578,223        | \$ 1,578,223        | \$ 1,585,181         | \$ 6,958         |
| Contributions - employees                                | 600,000             | 600,000             | 594,365              | (5,635)          |
| <b>Total contributions</b>                               | <b>2,178,223</b>    | <b>2,178,223</b>    | <b>2,179,546</b>     | <b>1,323</b>     |
| <b>Investment earnings</b>                               |                     |                     |                      |                  |
| Net appreciation in fair value<br>of investments         | 300,000             | 300,000             | 1,555,727            | 1,255,727        |
| Interest earned on investments                           | 750,000             | 750,000             | 916,629              | 166,629          |
| Less investment expense                                  | (69,000)            | (69,000)            | (62,513)             | 6,487            |
| <b>Net investment earnings (loss)</b>                    | <b>981,000</b>      | <b>981,000</b>      | <b>2,409,843</b>     | <b>1,428,843</b> |
| <b>Total additions</b>                                   | <b>3,159,223</b>    | <b>3,159,223</b>    | <b>4,589,389</b>     | <b>1,430,166</b> |
| <b>DEDUCTIONS</b>  |                     |                     |                      |                  |
| Supplies   | 20                  | 20                  | -                    | 20               |
| Contractual services                                     | 19,900              | 19,900              | 35,903               | (16,003)         |
| Other charges and services                               | 6,458               | 6,458               | 6,456                | 2                |
| Benefits and refunds                                     | 1,601,000           | 1,601,000           | 1,517,730            | 83,270           |
| <b>Total deductions</b>                                  | <b>1,627,378</b>    | <b>1,627,378</b>    | <b>1,560,089</b>     | <b>67,289</b>    |
| <b>Net Change in Net Assets</b>                          | <b>\$ 1,531,845</b> | <b>\$ 1,531,845</b> | <b>3,029,300</b>     | <b>1,497,455</b> |
| <b>Net assets held in trust for<br/>pension benefits</b> |                     |                     |                      |                  |
| <b>BEGINNING</b>   |                     |                     | <u>25,404,029</u>    |                  |
| <b>ENDING</b>  |                     |                     | <u>\$ 28,433,330</u> |                  |

(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, 2009

|                      | Balances<br>January 1 | Additions    | Deductions   | Balances<br>December 31 |
|----------------------|-----------------------|--------------|--------------|-------------------------|
| <b>ASSETS</b>        |                       |              |              |                         |
| Cash and investments | \$ 2,718,117          | -            | \$ 960,230   | \$ 1,757,887            |
| Accounts receivable  | 5,000                 | -            | 5,000        | -                       |
|                      |                       |              |              |                         |
| Total assets         | 2,723,117             | -            | 965,230      | 1,757,887               |
|                      |                       |              |              |                         |
| <b>LIABILITIES</b>   |                       |              |              |                         |
| Accounts payable     | 86,735                | 110,863      | 86,735       | 110,863                 |
| Deposits payable     | 2,636,382             | 1,550,055    | 2,539,413    | 1,647,024               |
|                      |                       |              |              |                         |
| Total liabilities    | \$ 2,723,117          | \$ 1,660,918 | \$ 2,626,148 | \$ 1,757,887            |
|                      |                       |              |              |                         |

(See independent auditor's report)

Village of Downers Grove  
Statement of Net Assets and Governmental Funds Combining Balance Sheet  
Library Component Unit  
December 31, 2009

|   | General                    | Debt Service             | Construction             | Total                      | Adjustments                | Statement of<br>Net Assets  |
|---|----------------------------|--------------------------|--------------------------|----------------------------|----------------------------|-----------------------------|
| <b>ASSETS</b>                                   |                            |                          |                          |                            |                            |                             |
| Cash and investments                            | \$ 2,784,989               | \$ 855,566               | \$ 243,566               | \$ 3,884,121               | -                          | \$ 3,884,121                |
| Property tax receivable                         | 4,004,413                  | 656,980                  | -                        | 4,661,393                  | -                          | 4,661,393                   |
| Accrued interest receivable                     | 439                        | -                        | -                        | 439                        | -                          | 439                         |
| Unamortized debt issuance costs                 | -                          | -                        | -                        | -                          | 67,442                     | 67,442                      |
| Capital assets not being depreciated            | -                          | -                        | -                        | -                          | 222,211                    | 222,211                     |
| Capital assets net accumulated depreciation     | -                          | -                        | -                        | -                          | 12,871,010                 | 12,871,010                  |
| <b>Total assets</b>                             | <b><u>6,789,841</u></b>    | <b><u>1,512,546</u></b>  | <b><u>243,566</u></b>    | <b><u>8,545,953</u></b>    | <b><u>13,160,663</u></b>   | <b><u>21,706,616</u></b>    |
| <b>LIABILITIES AND FUND BALANCES</b>            |                            |                          |                          |                            |                            |                             |
| <b>Current liabilities</b>                      |                            |                          |                          |                            |                            |                             |
| Accrued interest payable                        | -                          | -                        | -                        | -                          | 76,381                     | 76,381                      |
| Accounts payable                                | 47,127                     | -                        | -                        | 47,127                     | -                          | 47,127                      |
| Deferred property taxes                         | 3,965,265                  | 656,980                  | -                        | 4,622,245                  | -                          | 4,622,245                   |
| Debt due within 1 year                          | -                          | -                        | -                        | -                          | 515,202                    | 515,202                     |
| <b>Total Current liabilities</b>                | <b><u>4,012,392</u></b>    | <b><u>656,980</u></b>    | <b><u>-</u></b>          | <b><u>4,669,372</u></b>    | <b><u>591,583</u></b>      | <b><u>5,260,955</u></b>     |
| <b>Noncurrent liabilities</b>                   |                            |                          |                          |                            |                            |                             |
| Debt due in more than 1 year                    | -                          | -                        | -                        | -                          | 3,696,289                  | 3,696,289                   |
| <b>Total Noncurrent liabilities</b>             | <b><u>-</u></b>            | <b><u>-</u></b>          | <b><u>-</u></b>          | <b><u>-</u></b>            | <b><u>3,696,289</u></b>    | <b><u>3,696,289</u></b>     |
| <b>Total liabilities</b>                        | <b><u>4,012,392</u></b>    | <b><u>656,980</u></b>    | <b><u>-</u></b>          | <b><u>4,669,372</u></b>    | <b><u>4,287,872</u></b>    | <b><u>8,957,244</u></b>     |
| <b>FUND BALANCE/NET ASSETS</b>                  |                            |                          |                          |                            |                            |                             |
| Unreserved Fund Balance                         | 2,777,449                  | -                        | -                        | 2,777,449                  | (2,777,449)                | -                           |
| Reserved/Restricted for Debt Service            | -                          | 855,566                  | -                        | 855,566                    | -                          | 855,566                     |
| Reserved/Restricted for Capital Outlay          | -                          | -                        | 243,566                  | 243,566                    | -                          | 243,566                     |
| Invested in Capital Assets, Net of Related Debt | -                          | -                        | -                        | -                          | 8,948,868                  | 8,948,868                   |
| Unrestricted                                    | -                          | -                        | -                        | -                          | 2,701,373                  | 2,701,373                   |
| <b>Total fund balances/net assets</b>           | <b><u>\$ 2,777,449</u></b> | <b><u>\$ 855,566</u></b> | <b><u>\$ 243,566</u></b> | <b><u>\$ 3,876,581</u></b> | <b><u>\$ 8,872,792</u></b> | <b><u>\$ 12,749,372</u></b> |

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, 2009

|                                       | General             | Debt Service      | Construction      | Total               | Adjustments         | Statement<br>of Activities |
|---------------------------------------|---------------------|-------------------|-------------------|---------------------|---------------------|----------------------------|
| <b>REVENUES</b>                       |                     |                   |                   |                     |                     |                            |
| Taxes                                 | \$ 3,897,198        | \$ 664,912        | \$ -              | \$ 4,562,110        | \$ -                | \$ 4,562,110               |
| Intergovernmental                     | 70,115              | -                 | -                 | 70,115              | -                   | 70,115                     |
| Charges for services                  | 45,736              | -                 | -                 | 45,736              | -                   | 45,736                     |
| Fines                                 | 121,889             | -                 | -                 | 121,889             | -                   | 121,889                    |
| Investment income                     | 25,244              | 1,216             | 586               | 27,046              | -                   | 27,046                     |
| Total revenues                        | <u>4,160,182</u>    | <u>666,128</u>    | <u>586</u>        | <u>4,826,896</u>    | <u>-</u>            | <u>4,826,896</u>           |
| <b>EXPENDITURES</b>                   |                     |                   |                   |                     |                     |                            |
| Current                               |                     |                   |                   |                     |                     |                            |
| Community services                    | 3,291,152           | -                 | -                 | 3,291,152           | 901,883             | 4,193,035                  |
| Capital outlay                        | 570,612             | -                 | 1,776             | 572,388             | (572,388)           | -                          |
| Debt service                          |                     |                   |                   |                     |                     |                            |
| Principal retirement                  | -                   | 490,000           | -                 | 490,000             | (490,000)           | -                          |
| Interest and fiscal charges           | -                   | 159,805           | -                 | 159,805             | 49,512              | 209,317                    |
| Total expenditures                    | <u>3,861,764</u>    | <u>649,805</u>    | <u>1,776</u>      | <u>4,513,345</u>    | <u>(110,993)</u>    | <u>4,402,352</u>           |
| Net change in fund balance/net assets | 298,418             | 16,323            | (1,190)           | 313,551             | 110,993             | 424,544                    |
| Fund balance/net assets, beginning    | <u>2,479,031</u>    | <u>839,243</u>    | <u>244,756</u>    | <u>3,563,031</u>    | <u>9,146,821</u>    | <u>12,324,828</u>          |
| Fund balance/net assets, ending       | <u>\$ 2,777,449</u> | <u>\$ 855,566</u> | <u>\$ 243,566</u> | <u>\$ 3,876,580</u> | <u>\$ 9,257,814</u> | <u>\$ 12,749,372</u>       |

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, 2009

|                                      | Budgeted Amounts    |                     | Actual              | Variance         |
|--------------------------------------|---------------------|---------------------|---------------------|------------------|
|                                      | Original            | Final               |                     |                  |
| <b>REVENUES</b>                      |                     |                     |                     |                  |
| Property tax                         | 3,812,755           | 3,812,755           | 3,897,198           | 84,443           |
| Intergovernmental                    | 111,260             | 111,260             | 70,115              | (41,145)         |
| Charges for services & fees          | 53,350              | 53,350              | 45,736              | (7,614)          |
| Fines                                | 120,000             | 120,000             | 121,889             | 1,889            |
| Investment income                    | 57,000              | 57,000              | 25,244              | (31,756)         |
| Total revenues                       | <u>4,154,365</u>    | <u>4,154,365</u>    | <u>4,160,182</u>    | <u>5,817</u>     |
| <b>EXPENDITURES</b>                  |                     |                     |                     |                  |
| Current                              |                     |                     |                     |                  |
| Community services                   | 3,524,969           | 3,524,969           | 3,291,152           | (233,817)        |
| Total current                        | <u>3,524,969</u>    | <u>3,524,969</u>    | <u>3,291,152</u>    | <u>(233,817)</u> |
| Capital outlay                       | 606,434             | 606,434             | 570,612             | (35,822)         |
| Total expenditures                   | <u>4,131,403</u>    | <u>4,131,403</u>    | <u>3,861,764</u>    | <u>(269,639)</u> |
| Excess of revenues over expenditures | <u>22,962</u>       | <u>22,962</u>       | <u>298,418</u>      | <u>275,456</u>   |
| Net change in fund balances          | 22,962              | 22,962              | 298,418             | <u>275,456</u>   |
| Fund balances -- beginning           | <u>2,479,031</u>    | <u>2,479,031</u>    | <u>2,479,031</u>    |                  |
| Fund balances -- ending              | <u>\$ 2,501,993</u> | <u>\$ 2,501,993</u> | <u>\$ 2,777,449</u> |                  |

(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, 2009

|   | <u>Budgeted Amounts</u> |                   | Actual            | Variance      |
|---|-------------------------|-------------------|-------------------|---------------|
|   | Original                | Final             |                   |               |
| <b>REVENUES</b>                         |                         |                   |                   |               |
| Property tax                            | 649,805                 | 649,805           | 664,912           | 15,107        |
| Investment income                       | 5,000                   | 5,000             | 1,216             | (3,784)       |
| Total revenues                          | <u>661,850</u>          | <u>661,850</u>    | <u>666,128</u>    | <u>11,323</u> |
| <b>EXPENDITURES</b>                     |                         |                   |                   |               |
| Debt service                            |                         |                   |                   |               |
| Principal retirement                    | 490,000                 | 490,000           | 490,000           | -             |
| Interest                                | 159,805                 | 159,805           | 159,805           | -             |
| Total debt service                      | <u>649,805</u>          | <u>649,805</u>    | <u>649,805</u>    | <u>-</u>      |
| Total expenditures                      | <u>649,805</u>          | <u>649,805</u>    | <u>649,805</u>    | <u>-</u>      |
| Excess of revenues<br>over expenditures | <u>12,045</u>           | <u>12,045</u>     | <u>16,323</u>     | <u>11,323</u> |
| Net change in fund balances             | 12,045                  | 12,045            | 16,323            | <u>11,323</u> |
| Fund balances -- beginning              | <u>813,745</u>          | <u>813,745</u>    | <u>839,243</u>    |               |
| Fund balances -- ending                 | <u>\$ 825,790</u>       | <u>\$ 825,790</u> | <u>\$ 855,566</u> |               |

(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, 2009

|                             | Budgeted Amounts  |                   | Actual            | Variance        |
|-----------------------------|-------------------|-------------------|-------------------|-----------------|
|                             | Original          | Final             |                   |                 |
| <b>REVENUES</b>             |                   |                   |                   |                 |
| Investment income           | 5,000             | 5,000             | 586               | (4,414)         |
| Total revenues              | <u>5,000</u>      | <u>5,000</u>      | <u>586</u>        | <u>(4,414)</u>  |
| <b>EXPENDITURES</b>         |                   |                   |                   |                 |
| Capital outlay              |                   |                   |                   |                 |
| Community services          | 69,100            | 69,100            | 1,776             | (67,324)        |
| Total capital outlay        | <u>69,100</u>     | <u>69,100</u>     | <u>1,776</u>      | <u>(67,324)</u> |
| Total expenditures          | <u>69,100</u>     | <u>69,100</u>     | <u>1,776</u>      | <u>(67,324)</u> |
| Net change in fund balances | (64,100)          | (64,100)          | (1,190)           | <u>62,910</u>   |
| Fund balances -- beginning  | <u>244,756</u>    | <u>244,756</u>    | <u>244,756</u>    |                 |
| Fund balances -- ending     | <u>\$ 180,656</u> | <u>\$ 180,656</u> | <u>\$ 243,566</u> |                 |

(See independent auditor's report)

Village of Downers Grove

Schedule of Insurance in Force  
December 31, 2009

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| <u>Insurance Company</u>        | <u>Term</u>           | <u>Description of Coverage</u>  |
|---------------------------------|-----------------------|---|
| Chubb                           | 05/01/09-<br>04/30/10 | All Risk Property<br>\$35,000,000 Excess of \$25,000  |
| Illinois National Insurance Co. | 05/01/09-<br>04/30/10 | Excess GL/Auto/Crime/Fidelity/Terrorism<br>Excess up to \$15,000,000, Retained Limit of \$1,000,000 |
| Westchester Insurance           | 05/01/09-<br>04/30/10 | Excess GL/Auto<br>\$20,000,000 Excess after the 1st Layer \$10,000,000                              |
| Safety National                 | 05/01/09-<br>04/30/10 | Workers' Compensation Full Statutory Benefits<br>\$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, 2009

|                          |  |
|--------------------------|--|
| 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

| Fiscal<br>Year | Debt Service      |                 |                   | Interest Due On |                 |        |             |
|----------------|-------------------|-----------------|-------------------|-----------------|-----------------|--------|-------------|
|                | Principal         | Interest        | Totals            | January 1       | Amount          | July 1 | Amount      |
| 2010           | \$ 225,000        | \$ 4,388        | \$ 229,388        | 2010            | \$ 4,388        | 2010   | -           |
|                | <u>\$ 225,000</u> | <u>\$ 4,388</u> | <u>\$ 229,388</u> |                 | <u>\$ 4,388</u> |        | <u>\$ -</u> |

Bonds due January 1, 2011 through January 1, 2014 totaling \$1,020,000 were refunded in fiscal year 2009 from the proceeds of the G.O. Refunding Bonds, Series 2009.

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements  
 General Obligation Bonds, Series 1999  
 December 31, 2009

|                          |   |
|--------------------------|---|
| 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

| Fiscal<br>Year | Debt Service      |                 |                   | Interest Due On |                 |        |             |
|----------------|-------------------|-----------------|-------------------|-----------------|-----------------|--------|-------------|
|                | Principal         | Interest        | Totals            | January 1       | Amount          | July 1 | Amount      |
| 2010           | \$ 250,000        | \$ 6,125        | \$ 256,125        | 2010            | \$ 6,125        | 2010   | -           |
|                | <u>\$ 250,000</u> | <u>\$ 6,125</u> | <u>\$ 256,125</u> |                 | <u>\$ 6,125</u> |        | <u>\$ -</u> |

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

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.

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements  
 General Obligation Bonds, Series 2000  
 December 31, 2009

|                          |   |
|--------------------------|---|
| 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

| Fiscal<br>Year | Debt Service      |                  |                   | Interest Due On |                  |        |                 |
|----------------|-------------------|------------------|-------------------|-----------------|------------------|--------|-----------------|
|                | Principal         | Interest         | Totals            | January 1       | Amount           | July 1 | Amount          |
| 2010           | \$ 170,000        | \$ 18,600        | \$ 188,600        | 2010            | \$ 11,850        | 2010   | \$ 6,750        |
| 2011           | 225,000           | 6,750            | 231,750           | 2011            | 6,750            | 2011   | -               |
|                | <u>\$ 395,000</u> | <u>\$ 25,350</u> | <u>\$ 420,350</u> |                 | <u>\$ 18,600</u> |        | <u>\$ 6,750</u> |

Bonds due January 1, 2015 through January 1, 2020 totaling \$4,620,000 were refunded 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.

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements  
 General Obligation Bonds, Series 2001  
 December 31, 2009

|                          |   |
|--------------------------|---|
| 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

| Fiscal Year | Debt Service        |                     |                     | Interest Due On |                     |        |                     |
|-------------|---------------------|---------------------|---------------------|-----------------|---------------------|--------|---------------------|
|             | Principal           | Interest            | Totals              | January 1       | Amount              | July 1 | Amount              |
| 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   | -                   |
|             | <u>\$ 5,900,000</u> | <u>\$ 2,868,673</u> | <u>\$ 8,768,673</u> |                 | <u>\$ 1,508,402</u> |        | <u>\$ 1,360,271</u> |

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements  
 General Obligation Bonds, Series 2001A  
 December 31, 2009

|                          |   |
|--------------------------|---|
| 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

| Fiscal<br>Year | Debt Service        |                  |                     | Interest Due On |                  |        |                  |
|----------------|---------------------|------------------|---------------------|-----------------|------------------|--------|------------------|
|                | Principal           | Interest         | Totals              | January 1       | Amount           | July 1 | Amount           |
| 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   | -                |
|                | <u>\$ 1,405,000</u> | <u>\$ 97,866</u> | <u>\$ 1,502,866</u> |                 | <u>\$ 64,863</u> |        | <u>\$ 33,003</u> |

(See independent auditor's report)

Village of Downers Grove  
 Long-Term Debt Requirements  
 General Obligation Bonds, Series 2002  
 December 31, 2009

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

| Fiscal Year | Debt Service        |                     |                     | Interest Due On |                     |        |                     |
|-------------|---------------------|---------------------|---------------------|-----------------|---------------------|--------|---------------------|
|             | Principal           | Interest            | Totals              | January 1       | Amount              | July 1 | Amount              |
| 2010        | \$ 100,000          | \$ 248,408          | \$ 348,408          | 2010            | \$ 125,204          | 2010   | \$ 123,204          |
| 2011        | 100,000             | 244,407             | 344,407             | 2011            | 123,204             | 2011   | 121,203             |
| 2012        | 120,000             | 239,707             | 359,707             | 2012            | 121,203             | 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             | 211,641             | 566,641             | 2015            | 109,504             | 2015   | 102,137             |
| 2016        | 220,000             | 199,600             | 419,600             | 2016            | 102,137             | 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   | -                   |
|             | <u>\$ 5,605,000</u> | <u>\$ 2,169,048</u> | <u>\$ 7,774,048</u> |                 | <u>\$ 1,147,126</u> |        | <u>\$ 1,021,922</u> |

(See independent auditor's report)

Village of Downers Grove

Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2003  
 December 31, 2009

|                          |   |
|--------------------------|---|
| 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

| Fiscal Year | Debt Service        |                   |                     | Interest Due On |                   |        |                   |
|-------------|---------------------|-------------------|---------------------|-----------------|-------------------|--------|-------------------|
|             | Principal           | Interest          | Totals              | January 1       | Amount            | July 1 | Amount            |
| 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   | -                 |
|             | <u>\$ 4,510,000</u> | <u>\$ 658,263</u> | <u>\$ 5,168,263</u> |                 | <u>\$ 367,322</u> |        | <u>\$ 290,941</u> |

(See independent auditor's report)

Village of Downers Grove  
 Long-Term Debt Requirements  
 General Obligation Bonds, Series 2003A  
 December 31, 2009

|                          |   |
|--------------------------|---|
| 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

| Fiscal Year | Debt Service      |                  |                   | Interest Due On |                  |        |             |
|-------------|-------------------|------------------|-------------------|-----------------|------------------|--------|-------------|
|             | Principal         | Interest         | Totals            | January 1       | Amount           | July 1 | Amount      |
| 2010        | \$ 750,000        | \$ 13,125        | \$ 763,125        | 2010            | \$ 13,125        | 2010   | -           |
|             | <u>\$ 750,000</u> | <u>\$ 13,125</u> | <u>\$ 763,125</u> |                 | <u>\$ 13,125</u> |        | <u>\$ -</u> |

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.

Bonds due January 1, 2011 through January 1, 2019 totaling \$8,010,000 were refunded in fiscal year 2009 from the proceeds of the G.O. Refunding Bonds, Series 2009.

(See independent auditor's report)

Village of Downers Grove  
 Long-Term Debt Requirements  
 Taxable General Obligation Refunding Bonds, Series 2005  
 December 31, 2009

|                          |   |
|--------------------------|---|
| 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

| Fiscal Year | Debt Service        |                     |                      | Interest Due On |                     |        |                     |
|-------------|---------------------|---------------------|----------------------|-----------------|---------------------|--------|---------------------|
|             | Principal           | Interest            | Totals               | January 1       | Amount              | July 1 | Amount              |
| 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   | -                   |
|             | <u>\$ 9,625,000</u> | <u>\$ 2,660,973</u> | <u>\$ 12,285,973</u> |                 | <u>\$ 1,418,349</u> |        | <u>\$ 1,242,624</u> |

(See independent auditor's report)

Village of Downers Grove  
 Long-Term Debt Requirements  
 General Obligation Bonds, Series 2007  
 December 31, 2009

|                          |  |
|--------------------------|--|
| 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

| Fiscal<br>Year | Debt Service |              |               | Interest Due On |              |        |              |
|----------------|--------------|--------------|---------------|-----------------|--------------|--------|--------------|
|                | Principal    | Interest     | Totals        | January 1       | Amount       | July 1 | Amount       |
| 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   | -            |
|                | \$ 9,150,000 | \$ 3,941,181 | \$ 13,091,181 |                 | \$ 2,064,268 |        | \$ 1,876,913 |

(See independent auditor's report)

Village of Downers Grove  
Long-Term Debt Requirements  
General Obligation Bonds, Series 2008A  
December 31, 2009

|                          |                                |
|--------------------------|--------------------------------|
| 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

| Fiscal Year | Debt Service         |                      |                      | Interest Due On |                     |        |                     |
|-------------|----------------------|----------------------|----------------------|-----------------|---------------------|--------|---------------------|
|             | Principal            | Interest             | Totals               | January 1       | Amount              | July 1 | Amount              |
| 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              | 776,187              | 1,146,187            | 2015            | 391,794             | 2015   | 384,393             |
| 2016        | 385,000              | 761,087              | 1,146,087            | 2016            | 384,393             | 2016   | 376,694             |
| 2017        | 400,000              | 745,387              | 1,145,387            | 2017            | 376,694             | 2017   | 368,693             |
| 2018        | 415,000              | 729,087              | 1,144,087            | 2018            | 368,693             | 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            | 80,873               | 1,125,873            | 2037            | 53,500              | 2037   | 27,373              |
| 2038        | 1,095,000            | 27,373               | 1,122,373            | 2038            | 27,373              | 2038   | -                   |
|             | <u>\$ 25,000,000</u> | <u>\$ 15,874,019</u> | <u>\$ 40,874,019</u> |                 | <u>\$ 8,227,119</u> |        | <u>\$ 7,646,900</u> |

(See independent auditor's report)

Village of Downers Grove  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2008B  
 December 31, 2009

|                          |  |
|--------------------------|--|
| 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

| Fiscal Year | Debt Service        |                     |                     | Interest Due On |                   |        |                   |
|-------------|---------------------|---------------------|---------------------|-----------------|-------------------|--------|-------------------|
|             | Principal           | Interest            | Totals              | January 1       | Amount            | July 1 | Amount            |
| 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   | -                 |
|             | <u>\$ 3,900,000</u> | <u>\$ 1,354,525</u> | <u>\$ 5,254,525</u> |                 | <u>\$ 719,050</u> |        | <u>\$ 635,475</u> |

(See independent auditor's report)

Village of Downers Grove  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2009  
 December 31, 2009

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Debt Service        |                     |                      | Interest Due On |                     |        |                   |
|-------------|---------------------|---------------------|----------------------|-----------------|---------------------|--------|-------------------|
|             | Principal           | Interest            | Totals               | January 1       | Amount              | July 1 | Amount            |
| 2010        |                     | \$ 393,994          | \$ 393,994           | 2010            | \$ 233,544          | 2010   | \$ 160,450        |
| 2011        | \$ 1,025,000        | 295,275             | 1,320,275            | 2011            | 160,450             | 2011   | 134,825           |
| 2012        | 1,070,000           | 248,250             | 1,318,250            | 2012            | 134,825             | 2012   | 113,425           |
| 2013        | 1,100,000           | 213,100             | 1,313,100            | 2013            | 113,425             | 2013   | 99,675            |
| 2014        | 1,130,000           | 182,400             | 1,312,400            | 2014            | 99,675              | 2014   | 82,725            |
| 2015        | 880,000             | 152,250             | 1,032,250            | 2015            | 82,725              | 2015   | 69,525            |
| 2016        | 910,000             | 124,263             | 1,034,263            | 2016            | 69,525              | 2016   | 54,738            |
| 2017        | 940,000             | 93,026              | 1,033,026            | 2017            | 54,738              | 2017   | 38,288            |
| 2018        | 970,000             | 58,388              | 1,028,388            | 2018            | 38,288              | 2018   | 20,100            |
| 2019        | 1,005,000           | 20,100              | 1,025,100            | 2019            | 20,100              | 2019   | -                 |
|             | <u>\$ 9,030,000</u> | <u>\$ 1,781,046</u> | <u>\$ 10,811,046</u> |                 | <u>\$ 1,007,295</u> |        | <u>\$ 773,751</u> |

(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.

| <u>Contents</u>   | <u>Pages</u> |
|---|--------------|
| Financial Trends<br>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.  | 117-121      |
| Revenue Capacity<br>These schedules contain information to help the reader assess significant local revenue sources, the property tax and sales tax.  | 122-127      |
| Debt Capacity<br>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.                            | 128-132      |
| Demographic and Economic Information<br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.                                       | 133-134      |
| Operating Information<br>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. | 135-137      |

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 Seven Fiscal Years

|  | Fiscal Year       |                   |                   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 2004              | 2005              | 2006              | 2006(A)           | 2007              | 2008              | 2009              |
| <b>Governmental Activities</b>                     |                   |                   |                   |                   |                   |                   |                   |
| Invested in capital assets,<br>net of related debt | \$ 62,467         | \$ 63,898         | \$ 61,598         | \$ 65,925         | \$ 66,275         | \$ 70,743         | \$ 66,960         |
| Restricted   | 4,815             | 5,982             | 3,697             | 3,847             | 4,007             | 35,839            | 31,786            |
| Unrestricted                                       | 8,171             | 11,963            | 15,822            | 17,532            | 19,581            | (13,944)          | (9,618)           |
| <b>Total Governmental Activities</b>               | <b>\$ 75,453</b>  | <b>\$ 81,843</b>  | <b>\$ 81,117</b>  | <b>\$ 87,304</b>  | <b>\$ 89,863</b>  | <b>\$ 92,637</b>  | <b>\$ 89,127</b>  |
| <b>Business-type Activities</b>                    |                   |                   |                   |                   |                   |                   |                   |
| Invested in capital assets,<br>net of related debt | \$ 24,031         | \$ 25,531         | \$ 25,370         | \$ 25,213         | \$ 25,279         | \$ 29,197         | \$ 32,272         |
| Unrestricted                                       | 4,614             | 4,465             | 5,724             | 4,424             | 7,746             | 4,911             | 1,545             |
| <b>Total Business-type Activities</b>              | <b>\$ 28,645</b>  | <b>\$ 29,996</b>  | <b>\$ 31,094</b>  | <b>\$ 29,637</b>  | <b>\$ 33,025</b>  | <b>\$ 34,108</b>  | <b>\$ 33,817</b>  |
| <b>Primary Government</b>                          |                   |                   |                   |                   |                   |                   |                   |
| Invested in capital assets,<br>net of related debt | \$ 86,498         | \$ 89,429         | \$ 86,968         | \$ 91,137         | \$ 91,554         | \$ 99,939         | \$ 99,232         |
| Restricted   | 4,815             | 5,982             | 3,697             | 3,847             | 4,007             | 35,839            | 31,786            |
| Unrestricted                                       | 12,785            | 16,428            | 21,546            | 21,956            | 27,327            | (9,033)           | (8,073)           |
| <b>Total Primary Government</b>                    | <b>\$ 104,098</b> | <b>\$ 111,839</b> | <b>\$ 112,211</b> | <b>\$ 116,940</b> | <b>\$ 122,888</b> | <b>\$ 126,745</b> | <b>\$ 122,945</b> |

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 Seven Fiscal Years

|  | 2004             | 2005             | 2006             | 2006(A)          | 2007             | 2008             | 2009             |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Expenses</b>  |                  |                  |                  |                  |                  |                  |                  |
| <b>Governmental Activities</b>                         |                  |                  |                  |                  |                  |                  |                  |
| General government                                     | \$ 3,939         | \$ 626           | \$ 4,418         | \$ 4,263         | \$ 5,637         | \$ 6,360         | \$ 4,841         |
| Public works   | 8,478            | 9,717            | 9,669            | 8,362            | 11,041           | 13,561           | 15,701           |
| Community development                                  | 1,452            | 1,565            | 1,686            | 2,469            | 4,200            | 3,229            | 2,805            |
| Public safety  | 22,757           | 22,139           | 23,057           | 17,740           | 26,588           | 28,591           | 27,635           |
| Community services                                     | 6,044            | 2,747            | 4,149            | 2,125            | 2,991            | 2,036            | 1,882            |
| Interest and fiscal charges                            | 2,657            | 1,881            | 1,836            | 1,283            | 2,010            | 2,349            | 2,956            |
| <b>Total Governmental Activities Expenses</b>          | <b>45,327</b>    | <b>38,675</b>    | <b>44,815</b>    | <b>36,242</b>    | <b>52,467</b>    | <b>56,126</b>    | <b>55,820</b>    |
| <b>Business-type Activities</b>                        |                  |                  |                  |                  |                  |                  |                  |
| Waterworks   | \$ 9,112         | \$ 8,459         | \$ 8,626         | \$ 5,813         | \$ 7,863         | \$ 6,777         | \$ 7,710         |
| Parking  | 1,212            | 793              | 884              | 292              | 977              | 940              | 946              |
| Transportation   | 671              | 540              | -                | -                | -                | -                | -                |
| <b>Total Business-type Activities Expenses</b>         | <b>10,995</b>    | <b>9,792</b>     | <b>9,510</b>     | <b>6,105</b>     | <b>8,840</b>     | <b>7,717</b>     | <b>8,656</b>     |
| <b>Total Primary Government Expenses</b>               | <b>\$ 56,322</b> | <b>\$ 48,467</b> | <b>\$ 54,325</b> | <b>\$ 42,347</b> | <b>\$ 61,307</b> | <b>\$ 63,843</b> | <b>\$ 64,476</b> |
| <b>Program Revenues</b>                                |                  |                  |                  |                  |                  |                  |                  |
| <b>Governmental Activities</b>                         |                  |                  |                  |                  |                  |                  |                  |
| <b>Charges for Services</b>                            |                  |                  |                  |                  |                  |                  |                  |
| General government                                     | \$ 2,765         | \$ 762           | \$ 1,006         | \$ 2,152         | \$ 1,577         | \$ 1,793         | \$ 2,052         |
| Public works   | 203              | 202              | 372              | 181              | 249              | 174              | 192              |
| Community development                                  | 25               | 19               | 1,831            | 1,272            | 2,107            | 1,334            | 955              |
| Public safety  | 2,627            | 1,804            | 2,533            | 1,941            | 2,181            | 2,728            | 2,506            |
| Community services                                     | 3,016            | 2,506            | 878              | 863              | 825              | 1,045            | 1,059            |
| Operating Grants and Contributions                     | 2,038            | 1,708            | 1,552            | 1,198            | 1,898            | 1,844            | 374              |
| Capital Grants and Contributions                       | 170              | 617              | 428              | 249              | 1,216            | 2,810            | 1,582            |
| <b>Total Governmental Activities Program Revenues</b>  | <b>10,844</b>    | <b>7,618</b>     | <b>8,600</b>     | <b>7,856</b>     | <b>10,053</b>    | <b>11,728</b>    | <b>8,720</b>     |
| <b>Business-type Activities</b>                        |                  |                  |                  |                  |                  |                  |                  |
| <b>Charges for Services</b>                            |                  |                  |                  |                  |                  |                  |                  |
| Waterworks   | \$ 8,696         | \$ 10,134        | \$ 8,696         | \$ 5,440         | \$ 7,799         | \$ 7,372         | \$ 7,473         |
| Parking  | 756              | 856              | 1,013            | 699              | 1,289            | 1,209            | 1,242            |
| Transportation   | 391              | 213              | -                | -                | -                | -                | -                |
| Operating Grants and Contributions                     | -                | -                | 179              | 268              | 1                | 47               | 120              |
| Capital Grants and Contributions                       | -                | -                | -                | -                | -                | 130              | -                |
| <b>Total Business-type Activities Program Revenues</b> | <b>9,843</b>     | <b>11,203</b>    | <b>9,888</b>     | <b>6,407</b>     | <b>9,089</b>     | <b>8,758</b>     | <b>8,835</b>     |
| <b>Total Primary Government Program Revenues</b>       | <b>\$ 20,687</b> | <b>\$ 18,821</b> | <b>\$ 18,488</b> | <b>\$ 14,263</b> | <b>\$ 19,142</b> | <b>\$ 20,486</b> | <b>\$ 17,555</b> |

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

|  | 2004        | 2005        | 2006        | 2006(A)     | 2007        | 2008        | 2009        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net Revenue (Expense)                            |             |             |             |             |             |             |             |
| Governmental activities                          | \$ (34,483) | \$ (31,057) | \$ (36,215) | \$ (28,386) | \$ (42,414) | \$ (44,399) | \$ (47,100) |
| Business-type activities                         | (1,152)     | 1,411       | 378         | 302         | 249         | 1,041       | 180         |
| Total Primary Government Net Revenue (Expense)   | \$ (35,635) | \$ (29,646) | \$ (35,837) | \$ (28,084) | \$ (42,165) | \$ (43,358) | \$ (46,920) |
| General Revenues and Other Changes in Net Assets |             |             |             |             |             |             |             |
| Governmental Activities                          |             |             |             |             |             |             |             |
| Taxes  |             |             |             |             |             |             |             |
| Property   | \$ 12,679   | \$ 8,993    | \$ 10,237   | \$ 10,648   | \$ 10,868   | \$ 14,079   | \$ 14,819   |
| Sales  | 14,797      | 17,195      | 16,716      | 12,627      | 17,549      | 16,917      | 16,330      |
| Utility  | 6,175       | 6,363       | 6,268       | 3,798       | 6,269       | 7,541       | 6,371       |
| Income   | 2,901       | 3,434       | 3,769       | 2,672       | 4,313       | 4,612       | 3,960       |
| Other  | 174         | 1,992       | 2,867       | 1,254       | 2,496       | 2,588       | 2,127       |
| Investment earnings                              | 243         | 291         | 814         | 888         | 1,730       | 1,222       | 1,073       |
| Miscellaneous                                    | 332         | 79          | 18          | 92          | 43          | 7           | 38          |
| Special items                                    | -           | -           | (4,684)     | 1,261       | -           | -           | -           |
| Transfers  | 100         | 100         | 181         | 1,930       | 178         | 208         | 570         |
| Total Governmental Activities                    | 37,401      | 38,447      | 36,186      | 35,170      | 43,446      | 47,174      | 45,288      |
| Business-type Activities                         |             |             |             |             |             |             |             |
| Investment earnings                              | 39          | 39          | 203         | 170         | 304         | 250         | 99          |
| Miscellaneous                                    | (5)         | -           | -           | -           | 3,013       | -           | -           |
| Transfers  | (100)       | (100)       | (181)       | (1,930)     | (178)       | (208)       | (570)       |
| Total Business-type Activities                   | (66)        | (61)        | 22          | (1,760)     | 3,139       | 42          | (471)       |
| Total Primary Government                         | \$ 37,335   | \$ 38,386   | \$ 36,208   | \$ 33,410   | \$ 46,585   | \$ 47,216   | \$ 44,817   |
| Change in net assets                             |             |             |             |             |             |             |             |
| Governmental activities                          | \$ 2,918    | \$ 7,390    | \$ (29)     | \$ 6,784    | \$ 1,031    | \$ 2,773    | \$ (1,813)  |
| Business-type activities                         | (1,218)     | 1,350       | 400         | (1,457)     | 3,388       | 1,083       | (291)       |
| Total Primary Government Change in Net Assets    | \$ 1,700    | \$ 8,740    | \$ 371      | \$ 5,327    | \$ 4,419    | \$ 3,856    | \$ (2,104)  |

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

|   | 2001             | 2002            | 2003            | 2004            | 2005             | 2006             | 2006(A)          | 2007             | 2008             | 2009             |
|---|------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Fund                              |                  |                 |                 |                 |                  |                  |                  |                  |                  |                  |
| Reserved                                  | \$ 132           | \$ 125          | \$ 127          | \$ 121          | \$ 104           | \$ 194           | \$ 99            | \$ 89            | \$ 89            | \$ 66            |
| Unreserved                                | 10,082           | 7,268           | 5,486           | 6,378           | 12,217           | 17,858           | 18,530           | 16,962           | 15,688           | 15,377           |
| <b>Total General Fund</b>                 | <b>\$ 10,214</b> | <b>\$ 7,393</b> | <b>\$ 5,613</b> | <b>\$ 6,499</b> | <b>\$ 12,321</b> | <b>\$ 18,052</b> | <b>\$ 18,629</b> | <b>\$ 17,051</b> | <b>\$ 15,776</b> | <b>\$ 15,443</b> |
| All Other Governmental Funds              |                  |                 |                 |                 |                  |                  |                  |                  |                  |                  |
| Reserved                                  | \$ 139           | \$ 90           | \$ 81           | \$ 4,113        | \$ 5,479         | \$ 5,493         | \$ 5,741         | \$ 5,908         | \$ -             | \$ -             |
| Unreserved, reported in                   |                  |                 |                 |                 |                  |                  |                  |                  |                  |                  |
| Debt Service Funds                        | -                | -               | -               | -               | -                | -                | -                | -                | 714              | 856              |
| Special Revenue Funds                     | 3,484            | 2,877           | 4,726           | -               | (724)            | (2,476)          | (871)            | (1,284)          | 1,681            | 1,275            |
| Capital Project Funds                     | 2,948            | 3,942           | 2,861           | -               | 1,352            | 1,227            | 445              | 5,524            | 31,668           | 27,701           |
| <b>Total All Other Governmental Funds</b> | <b>\$ 6,571</b>  | <b>\$ 6,909</b> | <b>\$ 7,668</b> | <b>\$ 4,113</b> | <b>\$ 6,107</b>  | <b>\$ 4,244</b>  | <b>\$ 5,315</b>  | <b>\$ 10,148</b> | <b>\$ 34,063</b> | <b>\$ 29,832</b> |

Notes

In fiscal year 2006, the transportation fund was reclassified to a governmental activity

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

Data Source

Audited Financial Statements

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

|  | 2001           | 2002              | 2003            | 2004           | 2005            | 2006            | 2006(A)         | 2007              | 2008             | 2009              |
|--|----------------|-------------------|-----------------|----------------|-----------------|-----------------|-----------------|-------------------|------------------|-------------------|
| <b>Revenues</b>  |                |                   |                 |                |                 |                 |                 |                   |                  |                   |
| Sales tax  | \$ 12,425      | \$ 12,205         | \$ 11,532       | \$ 14,797      | \$ 17,195       | \$ 16,716       | \$ 12,627       | \$ 17,549         | \$ 16,917        | \$ 16,330         |
| Property tax   | 8,343          | 8,773             | 8,611           | 10,357         | 8,993           | 10,237          | 10,648          | 10,868            | 14,079           | 14,819            |
| Utility tax  | 4,421          | 4,857             | 5,427           | 6,175          | 6,363           | 6,268           | 3,798           | 6,269             | 7,541            | 6,371             |
| Income tax   | 3,462          | 3,359             | 3,169           | 2,901          | 3,434           | 3,769           | 2,672           | 4,313             | 4,612            | 3,960             |
| Other taxes  | 1,149          | 789               | 1,083           | 1,660          | 1,483           | 1,917           | 1,434           | 2,839             | 2,586            | 2,127             |
| Licenses and permits   | 1,069          | 1,296             | 1,882           | 2,254          | 1,708           | 2,036           | 1,326           | 2,091             | 1,345            | 1,148             |
| Intergovernmental  | 3,025          | 1,384             | 2,974           | 2,647          | 2,117           | 2,821           | 1,224           | 2,098             | 3,184            | 1,748             |
| Charges for services & fees                                    | 3,519          | 3,712             | 4,346           | 5,100          | 3,026           | 3,737           | 3,071           | 4,123             | 4,065            | 4,565             |
| Fines & forfeitures  | 606            | 701               | 751             | 1,391          | 559             | 871             | 637             | 676               | 1,264            | 1,246             |
| Investment income  | 1,163          | 545               | 268             | 243            | 291             | 814             | 792             | 1,569             | 1,222            | 1,073             |
| Miscellaneous  | 25             | 188               | 334             | 445            | 279             | 104             | 114             | 99                | 1,469            | 207               |
| <b>Total revenues</b>  | <b>39,207</b>  | <b>37,809</b>     | <b>40,377</b>   | <b>47,970</b>  | <b>45,448</b>   | <b>49,290</b>   | <b>38,343</b>   | <b>52,494</b>     | <b>58,286</b>    | <b>53,595</b>     |
| <b>Expenditures</b>  |                |                   |                 |                |                 |                 |                 |                   |                  |                   |
| General government   | 10,600         | 6,903             | 6,599           | 5,805          | 2,222           | 4,474           | 3,649           | 5,027             | 6,008            | 4,536             |
| Public works   | 6,206          | 8,523             | 7,966           | 8,304          | 8,182           | 7,693           | 7,135           | 8,920             | 9,934            | 10,881            |
| Community development  | -              | -                 | -               | -              | 1,524           | 1,689           | 2,009           | 3,842             | 2,745            | 2,344             |
| Public safety  | 15,741         | 18,809            | 19,233          | 23,381         | 22,043          | 23,139          | 17,252          | 25,060            | 26,053           | 25,518            |
| Community services   | 2,738          | 4,201             | 4,665           | 4,598          | 2,728           | 3,475           | 1,758           | 3,042             | 1,966            | 1,831             |
| Capital outlay   | 12,141         | 7,590             | 5,565           | 9,159          | 7,048           | 1,659           | 2,031           | 10,216            | 11,095           | 9,433             |
| Debt service   |                |                   |                 |                |                 |                 |                 |                   |                  |                   |
| Principal  | 440            | 465               | 5,145           | 631            | 4,828           | 668             | 4,518           | 765               | 1,000            | 1,245             |
| Interest and fiscal charges                                    | 1,045          | 1,485             | 1,654           | 1,698          | 2,164           | 1,809           | 950             | 70                | 2,198            | 2,854             |
| <b>Total expenditures</b>                                      | <b>48,911</b>  | <b>47,976</b>     | <b>50,827</b>   | <b>53,576</b>  | <b>50,739</b>   | <b>44,606</b>   | <b>39,302</b>   | <b>56,942</b>     | <b>60,999</b>    | <b>58,642</b>     |
| <b>Excess of Revenues over (under) Expenditures</b>            | <b>(9,704)</b> | <b>(10,167)</b>   | <b>(10,450)</b> | <b>(5,606)</b> | <b>(5,291)</b>  | <b>4,684</b>    | <b>(959)</b>    | <b>(4,448)</b>    | <b>(2,713)</b>   | <b>(5,047)</b>    |
| <b>Other Financing Sources (Uses)</b>                          |                |                   |                 |                |                 |                 |                 |                   |                  |                   |
| Transfers in   | 554            | 948               | 1,510           | (84)           | 6,811           | 1,184           | 5,278           | 410               | 2,067            | 4,755             |
| Transfers out  | (643)          | (815)             | (1,295)         | 184            | (6,711)         | (1,003)         | (3,348)         | (30)              | (2,109)          | (4,435)           |
| Issuance of debt   | 10,700         | 6,000             | 10,500          | 5,922          | 14,450          | -               | -               | -                 | 28,900           | 9,030             |
| Payment to the refunded bond escrow agent                      | -              | -                 | -               | -              | (9,840)         | -               | -               | -                 | (3,992)          | (9,144)           |
| Bond issue premium   | -              | -                 | -               | -              | 35              | -               | -               | -                 | 481              | 239               |
| Proceeds from disposal of capital assets                       | -              | -                 | -               | -              | -               | 49              | 1,275           | -                 | 7                | 38                |
| <b>Total other financing sources (uses)</b>                    | <b>10,611</b>  | <b>6,133</b>      | <b>10,715</b>   | <b>6,022</b>   | <b>4,745</b>    | <b>230</b>      | <b>3,205</b>    | <b>380</b>        | <b>25,354</b>    | <b>483</b>        |
| <b>Net Change in Fund Balances</b>                             | <b>\$ 907</b>  | <b>\$ (4,034)</b> | <b>\$ 265</b>   | <b>\$ 416</b>  | <b>\$ (546)</b> | <b>\$ 4,914</b> | <b>\$ 2,246</b> | <b>\$ (4,068)</b> | <b>\$ 22,641</b> | <b>\$ (4,564)</b> |
| <b>Debt Service as a Percentage of Noncapital Expenditures</b> |                |                   |                 |                |                 |                 |                 |                   |                  |                   |
|  | 3.04%          | 3.10%             | 13.38%          | 4.35%          | 13.78%          | 5.55%           | 13.91%          | 5.15%             | 6.54%            | 7.87%             |

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 |
|-----------|----------------------|---------------------|---------------------|------------------------------|-----------------------|--------------------------------|--------------------------------|
| 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%                         |
| 2009      | 1,938,204,827        | 535,619,097         | 76,008,514          | 2,549,832,438                | 0.50                  | 7,649,497,314                  | 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                   | 2000          | 2001          | 2002          | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Village Direct Rates</b>     |               |               |               |               |               |               |               |               |               |               |
| Corporate                       | 0.0620        | 0.0916        | 0.0911        | 0.1341        | 0.1350        | 0.1237        | 0.1156        | 0.1146        | 0.1068        | 0.1264        |
| Firefighter's Pension           | 0.0664        | 0.0715        | 0.0716        | 0.0749        | 0.0769        | 0.0764        | 0.0712        | 0.0427        | 0.0626        | 0.0785        |
| Police Pension                  | 0.0196        | 0.0406        | 0.0391        | 0.0509        | 0.0465        | 0.0532        | 0.0496        | 0.0479        | 0.0501        | 0.0676        |
| Debt Service                    | 0.0000        | 0.0000        | 0.0812        | 0.0494        | 0.0526        | 0.0429        | 0.0335        | 0.0330        | 0.0000        | 0.0000        |
| Fire Protection                 | 0.0548        | 0.0850        | 0.0845        | 0.1274        | 0.1283        | 0.1175        | 0.1100        | 0.1158        | 0.1138        | 0.1137        |
| Stormwater                      | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.1090        | 0.1090        | 0.1090        |
| <b>Total Direct Rate</b>        | <b>0.2028</b> | <b>0.2887</b> | <b>0.3675</b> | <b>0.4367</b> | <b>0.4393</b> | <b>0.4137</b> | <b>0.3799</b> | <b>0.4630</b> | <b>0.4423</b> | <b>0.4952</b> |
| <b>Overlapping Rates</b>        |               |               |               |               |               |               |               |               |               |               |
| Library District                | 0.2338        | 0.2275        | 0.2179        | 0.2109        | 0.2033        | 0.1942        | 0.1870        | 0.1795        | 0.1773        | 0.1832        |
| Downers Grove Park District     | 0.4400        | 0.4311        | 0.3828        | 0.3489        | 0.3322        | 0.3188        | 0.3062        | 0.2932        | 0.2781        | 0.2699        |
| Downers Grove Sanitary District | 0.0387        | 0.0383        | 0.0366        | 0.0355        | 0.0339        | 0.0326        | 0.0316        | 0.0303        | 0.0301        | 0.0305        |
| Special Service Area #1         | 0.1100        | 0.1006        | 0.0940        | 0.0813        | 0.0728        | 0.0619        | 0.0573        | 0.0000        | 0.0000        | 0.0000        |
| Special Service Area #2         | 1.2847        | 1.3275        | 1.4089        | 1.5000        | 1.5000        | 1.5000        | 1.5000        | 1.4161        | 1.5000        | 1.5000        |
| Special Service Area #3         | 0.6599        | 0.6212        | 0.5737        | 0.5071        | 0.4605        | 0.3655        | 0.3379        | 0.3315        | 0.3140        | 0.3151        |
| Downers Grove Township          | 0.0352        | 0.0340        | 0.0324        | 0.0306        | 0.0290        | 0.0278        | 0.0268        | 0.0256        | 0.0254        | 0.0256        |
| Downers Grove Township Road     | 0.0521        | 0.0510        | 0.0486        | 0.0459        | 0.0434        | 0.0416        | 0.0401        | 0.0382        | 0.0379        | 0.0382        |
| DuPage County                   | 0.2536        | 0.2353        | 0.2154        | 0.1999        | 0.1850        | 0.1797        | 0.1713        | 0.1651        | 0.1557        | 0.1554        |
| DuPage County Forest Preserve   | 0.1742        | 0.1654        | 0.1534        | 0.1419        | 0.1358        | 0.1271        | 0.1303        | 0.1187        | 0.1206        | 0.1217        |
| Dupage Airport Authority        | 0.0291        | 0.0271        | 0.0248        | 0.0230        | 0.0213        | 0.0198        | 0.0183        | 0.0170        | 0.0160        | 0.0148        |
| College of DuPage               | 0.1966        | 0.1930        | 0.2179        | 0.2097        | 0.1972        | 0.1874        | 0.1929        | 0.1888        | 0.1858        | 0.2127        |
| Grade School District No. 58    | 2.1783        | 2.0881        | 1.9765        | 1.8523        | 1.7721        | 1.7049        | 1.6523        | 1.5816        | 1.5713        | 1.6304        |
| High School District No. 99     | 1.8280        | 1.7972        | 1.7204        | 1.6696        | 1.5914        | 1.5365        | 1.4884        | 1.4269        | 1.4214        | 1.4679        |

Data Source  
Office of the County Clerk

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

| Taxpayer                  | 2009                   |      |   | 2000                   |      |   |
|---------------------------|------------------------|------|---|------------------------|------|---|
|                           | Taxable Assessed Value | Rank | % of Total Village Taxable Assessed Value | Taxable Assessed Value | Rank | % of Total Village Taxable Assessed Value |
| Hamilton Partners         | \$ 47,313,820          | 1    | 1.86                                      | \$ 53,111,460          | 1    | 4.18                                      |
| Real Estate Advisors      | 24,127,940             | 2    | 0.95                                      |                        |      |   |
| PTA - K 225               | 23,701,461             | 3    | 0.93                                      |                        |      |   |
| Corridors I & II          | 14,814,250             | 4    | 0.58                                      |                        |      |   |
| Highland Owner LLC        | 14,568,350             | 5    | 0.57                                      |                        |      |   |
| GLL BVK Properties        | 13,216,790             | 6    | 0.52                                      |                        |      |   |
| Bristol Club LP           | 13,055,960             | 7    | 0.51                                      |                        |      |   |
| Wells REIT II/Lincoln     | 12,923,180             | 8    | 0.51                                      |                        |      |   |
| MJH Downers Grove LLC     | 12,600,000             | 9    | 0.49                                      |                        |      |   |
| Arun Enterprises          | 12,541,660             | 10   | 0.49                                      |                        |      |   |
| Duke Realty Corp          |                        |      |   | 26,393,750             | 2    | 2.08                                      |
| CB Richards               |                        |      |   | 13,516,270             | 3    | 0.96                                      |
| BF Real Estate USILP      |                        |      |   | 12,000,000             | 4    | 0.94                                      |
| MS Building & Land, LLC   |                        |      |   | 12,292,700             | 5    | 0.87                                      |
| Arun Enterprises          |                        |      |   | 8,586,280              | 6    | 0.68                                      |
| Alter Asset Management    |                        |      |   | 8,516,700              | 7    | 0.60                                      |
| CNC                       |                        |      |   | 6,874,820              | 8    | 0.54                                      |
| Service Master Co.        |                        |      |   | 6,219,120              | 9    | 0.49                                      |
| Robin Realty & Management |                        |      |   | 5,562,480              | 10   | 0.44                                      |
| Total                     | <u>\$ 188,863,411</u>  |      |   | <u>\$ 153,073,580</u>  |      |   |

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 |                        |              |            |
| 2000      | \$ 3,083   | \$ 3,081                                     | 99.94%             | -                      | -            | -          |
| 2001      | 4,570      | 4,584  | 100%               | -                      | -            | -          |
| 2002      | 6,243      | 6,389  | 100%               | -                      | -            | -          |
| 2003      | 7,867      | 7,855  | 99.85%             | \$ 40                  | \$ 7,895     | 100%       |
| 2004      | 8,595      | 8,504  | 98.94%             | 54                     | 8,558        | 99.57%     |
| 2005      | 8,745      | 8,731  | 99.84%             | 59                     | 8,790        | 100%       |
| 2006      | 8,679      | 8,679  | 100%               | 63                     | 8,706        | 100%       |
| 2007      | 11,148     | 11,116                                       | 99.71%             | 38                     | 11,154       | 100%       |
| 2008      | 11,133     | 11,211                                       | 100%               | 0                      | 11,211       | 100%       |
| 2009      | 12,478     | *  | *                  | *                      | *            | *          |

Note

\* First installment of property taxes due June 1, 2010  
Subsequent collection data for levy years 2000-2002 are unavailable.  
Excludes library

Data Source

Office of the County Clerk

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

|                                 | 2000                | 2001                | 2002                | 2003                | 2004                | 2005                | 2006                | 2007                | 2008                | 2009                |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General merchandise             | \$ 58,545           | \$ 54,810           | \$ 53,116           | \$ 47,459           | \$ 49,578           | \$ 48,252           | \$ 55,103           | \$ 47,422           | \$ 45,551           | \$ 45,421           |
| Food                            | 108,253             | 115,453             | 113,092             | 103,275             | 101,978             | 101,077             | 105,643             | 108,625             | 108,175             | 117,287             |
| Drinking and eating places      | 90,324              | 89,692              | 94,350              | 97,309              | 113,074             | 117,225             | 124,178             | 124,257             | 120,557             | 117,822             |
| Apparel                         | 9,524               | 15,557              | 15,866              | 15,946              | 23,499              | 24,471              | 24,913              | 23,659              | 25,415              | 26,835              |
| Furniture and H.H. and radio    | 214,110             | 212,151             | 197,934             | 198,323             | 207,179             | 185,883             | 184,146             | 175,640             | 149,089             | 131,925             |
| Lumber, building hardware       | 89,384              | 94,836              | 107,940             | 90,758              | 82,043              | 81,346              | 89,762              | 86,289              | 72,964              | 56,650              |
| Automobile and filling stations | 362,065             | 360,075             | 315,731             | 308,039             | 328,468             | 360,001             | 350,137             | 330,411             | 302,593             | 241,735             |
| Drugs and miscellaneous retail  | 156,050             | 155,951             | 159,503             | 172,081             | 218,586             | 249,403             | 252,614             | 262,424             | 225,512             | 229,575             |
| Agriculture and all others      | 151,163             | 126,583             | 100,193             | 97,199              | 110,567             | 102,824             | 121,891             | 131,947             | 122,317             | 99,973              |
| Manufacturers                   | 12,208              | 11,740              | 11,938              | 14,052              | 16,398              | 18,534              | 19,147              | 20,027              | 20,785              | 19,192              |
| <b>TOTAL</b>                    | <b>\$ 1,251,626</b> | <b>\$ 1,236,848</b> | <b>\$ 1,169,663</b> | <b>\$ 1,144,441</b> | <b>\$ 1,251,370</b> | <b>\$ 1,289,016</b> | <b>\$ 1,327,534</b> | <b>\$ 1,310,701</b> | <b>\$ 1,192,958</b> | <b>\$ 1,086,415</b> |

Data Source  
Illinois Department of Revenue

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

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| Year | Village Direct<br>Rate | Total Sales<br>Tax Rate |
|------|------------------------|-------------------------|
| 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%                   |
| 2009 | 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<br>Year<br>Ended | Governmental Activities        |                 | Business-Type Activities       |                 | Total<br>Primary<br>Government | Percentage<br>of<br>Personal<br>Income* |                | Per<br>Capita* |
|-------------------------|--------------------------------|-----------------|--------------------------------|-----------------|--------------------------------|---|----------------|----------------|
|                         | General<br>Obligation<br>Bonds | Note<br>Payable | General<br>Obligation<br>Bonds | Note<br>Payable |                                | Personal<br>Income*                     | Per<br>Capita* |                |
| 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       |                |
| 2009                    | 69,830                         | -               | 1,405                          | 4,788           | 76,023                         | 4.85%                                   | 1,530.22       |                |

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

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| Fiscal<br>Year | General<br>Obligation<br>Bonds | Less: Amounts<br>Available<br>In Debt<br>Service Fund | Total     | Percentage of<br>Taxable Assessed<br>Value of<br>Property* | Per<br>Capita |
|----------------|--------------------------------|---|-----------|--|---------------|
| 2001           | \$ 19,950                      | -   | \$ 19,950 | 0.44%  | \$ 409.45     |
| 2002           | 29,790                         | -   | 29,790    | 0.61%  | 603.81        |
| 2003           | 35,240                         | -   | 35,240    | 0.67%  | 716.86        |
| 2004           | 43,180                         | \$ 103  | 43,077    | 0.76%  | 874.57        |
| 2005           | 43,720                         | 529   | 43,191    | 0.70%  | 879.76        |
| 2006           | 43,070                         | 263   | 42,807    | 0.64%  | 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      |
| 2009           | 69,830                         | 856   | 68,974    | 2.71%  | 1,388.34      |

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, 2009

| 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      | \$ 69,830         | 100.00%  | \$ 69,830                              |
| DuPage County                 | 175,910           | 5.88%  | 10,344                                 |
| Dupage County Forest Preserve | 228,968           | 5.88%  | 13,463                                 |
| Dupage Water Commission       | 24,310            | 6.53%  | 1,587                                  |
| Downers Grove Park District   | 8,925             | 97.72%   | 8,722                                  |
| <b>Schools</b>                |                   |  |  |
| <b>Grade School</b>           |                   |  |  |
| District No. 44               | 18,556            | 4.53%  | 841                                    |
| District No. 58               | 2,825             | 77.88%   | 2,200                                  |
| District No. 61               | 4,210             | 10.15%   | 427                                    |
| District No. 66               | 5,840             | 4.06%  | 237                                    |
| District No. 68               | 5,460             | 5.08%  | 277                                    |
| District No. 89               | 28,233            | 5.00%  | 1,412                                  |
| <b>High School</b>            |                   |  |  |
| District No. 87               | 37,816            | 0.98%  | 371                                    |
| District No. 99               | 65,662            | 49.54%   | 32,529                                 |
| <b>Unit School District</b>   |                   |  |  |
| District No. 201              | 6,080             | 0.57%  | 35                                     |
| District No. 202              | 11,825            | 5.75%  | 680                                    |
| Total Overlapping             | <u>624,620</u>    |  | <u>73,125</u>                          |
| Total Direct and Overlapping  | <u>\$ 694,450</u> |  | <u>\$ 142,955</u>                      |

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

Data Source

Each applicable overlapping government

VILLAGE OF DOWNERS GROVE  
SCHEDULE OF LEGAL DEBT MARGIN  
December 31, 2009

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

VILLAGE OF DOWNERS GROVE  
 PLEDGED-REVENUE COVERAGE  
 Last Ten Fiscal Years

| Water Revenue Bonds |                                  |                                |                             |                |            |          |  |
|---------------------|----------------------------------|--------------------------------|-----------------------------|----------------|------------|----------|--|
| Fiscal<br>Year      | Water<br>Charges<br>and<br>Other | Less:<br>Operating<br>Expenses | Net<br>Available<br>Revenue | Debt Service * |            | Coverage |  |
|                     |                                  |                                |                             | Principal      | Interest   |          |  |
| 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     |  |
| 2009                | 7,571,928                        | 6,866,023                      | 705,905                     | 430,000        | 63,720     | 1.43     |  |

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<br>Year | (1)<br>Population | Total<br>Personal<br>Income | (2)<br>Per<br>Capita<br>Personal<br>Income | (3)<br>Unemployment<br>Rate |
|------------------|-------------------|-----------------------------|--|-----------------------------|
| 2000             | 49,137            | \$ 1,551,746,460            | \$ 31,580                                  | 2.7%                        |
| 2001             | 48,724            | 1,538,703,920               | 31,580                                     | 3.4%                        |
| 2002             | 49,337            | 1,558,062,460               | 31,580                                     | 4.7%                        |
| 2003             | 49,159            | 1,552,441,220               | 31,580                                     | 4.3%                        |
| 2004             | 49,255            | 1,555,472,900               | 31,580                                     | 5.2%                        |
| 2005             | 49,094            | 1,550,388,520               | 31,580                                     | 4.8%                        |
| 2006             | 49,094            | 1,550,388,520               | 31,580                                     | 4.1%                        |
| 2007             | 49,543            | 1,564,517,486               | 31,579                                     | 4.9%                        |
| 2008             | 49,573            | 1,565,515,340               | 31,580                                     | 7.1%                        |
| 2009             | 49,681            | 1,568,925,980               | 31,580                                     | 10.6%                       |

Data Source

- (1) Director of Community Development, Village of Downers Grove
- (2) U.S. Census, Census of population
- (3) Bureau of Labor Statistics

VILLAGE OF DOWNERS GROVE  
PRINCIPAL EMPLOYERS  
Current Year and Three Years Ago

| Employer                            | 2009 |                                  |                   | 2006 |                                  |                   |
|-------------------------------------|------|----------------------------------|-------------------|------|----------------------------------|-------------------|
|                                     | Rank | % of<br>Total City<br>Population | # of<br>Employees | Rank | % of<br>Total City<br>Population | # of<br>Employees |
| Sara Lee Food & Beverage            | 1    | 5.85%                            | 2,900             |      |                                  |                   |
| Advocate Good Samarital Hospital    | 2    | 5.05%                            | 2,500             | 1    | 5.09%                            | 2,500             |
| GCA Services                        | 3    | 4.04%                            | 2,000             |      |                                  |                   |
| Coventry Health Care/First Health   | 4    | 1.41%                            | 700               |      |                                  |                   |
| RR Donnelley & Sons Co.             | 5    | 1.21%                            | 600               | 8    | 1.07%                            | 525               |
| Midwestern University               | 6    | 1.14%                            | 566               | 6    | 1.32%                            | 650               |
| Ftd. Inc.                           | 7    | 1.03%                            | 509               | 9    | 1.02%                            | 500               |
| HMOs Blue Cross & Blue Shield of IL | 8    | 0.85%                            | 420               |      |                                  |                   |
| Pepperidge Farm Inc.                | 9    | 0.81%                            | 400               |      |                                  |                   |
| Havi Global Solutions, LLC          | 10   | 0.71%                            | 350               |      |                                  |                   |
| Aramark Servicemaster               |      |                                  |                   | 2    | 1.73%                            | 850               |
| Acxion/may & Speh Inc.              |      |                                  |                   | 4    | 1.63%                            | 800               |
| 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  
2000 data not available

Data Source  
Downers Grove Economic Development Corporation

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

| Function/Program               | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|
| <b>General Government</b>      |       |       |       |       |       |       |       |
| Legislative support            | 1.50  | 1.50  | 1.50  | 1.50  | 2.00  | 2.50  | 2.50  |
| General management             | 6.00  | 5.50  | 4.50  | 4.80  | 5.50  | 6.00  | 6.60  |
| Legal                          | 3.75  | 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  | 9.25  |
| Human resources                | 4.50  | 4.50  | 2.00  | 2.00  | 4.50  | 4.50  | 4.50  |
| Information services           | 8.50  | 8.50  | 8.50  | 8.50  | 8.75  | 8.00  | 8.00  |
| Finance                        | 12.00 | 12.00 | 12.00 | 11.50 | 13.18 | 13.18 | 13.18 |
| <b>Public Works</b>            |       |       |       |       |       |       |       |
| Public works administrative    | 5.50  | 4.50  | 3.75  | 5.00  | 5.00  | 4.00  | 4.00  |
| Permits/Inspections            | 2.00  | 3.00  | 3.00  | 7.48  | 8.00  | 8.00  | 8.00  |
| Engineering                    | 5.50  | 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  | 2.00  |
| Public service response        | 3.50  | 3.50  | 3.50  | 4.00  | 4.00  | 4.00  | 4.00  |
| Forestry and grounds           | 9.50  | 8.50  | 8.50  | 8.50  | 8.75  | 8.75  | 8.75  |
| Street construction            | 5.50  | 5.50  | 9.50  | 9.50  | 7.50  | 7.50  | 7.50  |
| Stormwater management          | 7.50  | 10.50 | 11.00 | 5.50  | 7.50  | 7.50  | 7.50  |
| Traffic                        | 5.50  | 4.50  | 3.50  | 4.75  | 4.75  | 4.75  | 4.75  |
| Transportation                 | 4.00  | 4.40  | 4.40  | 4.40  | 4.40  | 4.40  | 4.20  |
| <b>Community Development</b>   |       |       |       |       |       |       |       |
| Planning                       | 8.00  | 8.66  | 6.00  | 7.38  | 5.00  | 5.00  | 3.00  |
| Economic development           | -     | -     | 1.00  | -     | -     | -     | -     |
| Code services                  | 11.50 | 11.25 | 11.50 | 12.75 | 13.75 | 12.75 | 13.50 |
| <b>Public Safety</b>           |       |       |       |       |       |       |       |
| <b>Police</b>                  |       |       |       |       |       |       |       |
| Officers                       | 76.60 | 76.60 | 76.60 | 81.00 | 81.00 | 81.00 | 81.00 |
| Civilians                      | 32.20 | 32.20 | 32.20 | 32.20 | 39.60 | 39.60 | 39.60 |
| <b>Fire</b>                    |       |       |       |       |       |       |       |
| Firefighters and officers      | 79.00 | 81.00 | 84.00 | 82.00 | 83.00 | 80.00 | 80.00 |
| Civilians                      | 8.50  | 9.00  | 9.50  | 9.50  | 9.50  | 9.50  | 8.75  |
| <b>Community Services</b>      |       |       |       |       |       |       |       |
| Counseling and social services | 4.10  | 4.10  | 3.60  | 3.35  | 4.13  | 4.13  | 3.90  |
| Alcohol and tobacco control    | 0.25  | 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  | 2.50  |
| Cable television               | 3.50  | 3.00  | 3.50  | 3.50  | 5.25  | 5.25  | 3.75  |
| Tourism and events             | 4.40  | 3.48  | 4.00  | 4.00  | 3.00  | 3.00  | 3.00  |

Note

Data from 2000 to 2002 not available

Data Source

Village budget office

VILLAGE OF DOWNERS GROVE  
OPERATING INDICATORS  
Last Four Years

| Function/Program             | 2006          | 2007          | 2008          | 2009          |
|------------------------------|---------------|---------------|---------------|---------------|
| <b>Public Safety</b>         |               |               |               |               |
| <b>Police</b>                |               |               |               |               |
| Physical arrests             | 2,106         | 1,936         | 1,632         | 1,922         |
| Parking violations           | 9,595         | 10,427        | 10,427        | 7,830         |
| Traffic violations           | 12,414        | 11,133        | 11,335        | 12,235        |
| <b>Fire</b>                  |               |               |               |               |
| EMS calls                    | 3,307         | 3,542         | 3,736         | 2,605         |
| Fire calls                   | 2,058         | 2,086         | 2,075         | 2,399         |
| Fires extinguished           | 130           | 95            | 71            | 39            |
| <b>Community Development</b> |               |               |               |               |
| Permits issued               |               | 1,160         | 1,545         | 1,339         |
| Inspections conducted        |               | 3,648         | 3,850         | 2,677         |
| <b>Water</b>                 |               |               |               |               |
| Water main breaks            | 133           | 87            | 70            | 62            |
| Water pumped (gallons)       | 2,316,377,000 | 2,078,808,000 | 1,972,314,000 | 1,940,962,000 |
| Average daily consumption    | 6,346,000     | 5,695,364     | 5,403,600     | 5,317,704     |
| Peak daily consumption       | 11,754,000    | 10,761,000    | 8,403,000     | 7,358,000     |

Note

Data from 2000 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 Three Years

| Function/Program      | 2007  | 2008  | 2009  |
|-----------------------|-------|-------|-------|
| General Government    |       |       |       |
| Vehicles              | 8     | 7     | 7     |
| Community Development |       |       |       |
| Vehicles              | 9     | 7     | 7     |
| Public Safety         |       |       |       |
| Police                |       |       |       |
| Stations              | 1     | 1     | 1     |
| Vehicles/Equipment    | 55    | 53    | 49    |
| Fire                  |       |       |       |
| Fire stations         | 4     | 4     | 4     |
| Vehicles/Equipment    | 35    | 35    | 35    |
| Public Works          |       |       |       |
| Traffic signals       | 60    | 60    | 67    |
| Vehicles/Equipment    | 84    | 86    | 84    |
| Buses                 | 8     | 7     | 7     |
| Water                 |       |       |       |
| Water mains (miles)   | 207   | 207   | 207   |
| Fire hydrants         | 2,881 | 2,881 | 3,053 |
| Vehicles/Equipment    | 10    | 10    | 10    |

Data Source

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