VILLAGE OF DOWNERS GROVE,
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended December 31, 2012

Prepared by Finance Department

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Finance Director

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Village of Downers Grove

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Village of Downers Grove, Illinois

Principal Officials

LEGISLATIVE
Martin T. Tully, Mayor

Commissioners

Marilyn Schnell

William Waldack

Sean Durkin

Geoff Neustadt

Becky Rheintgen

Robert Barnett

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

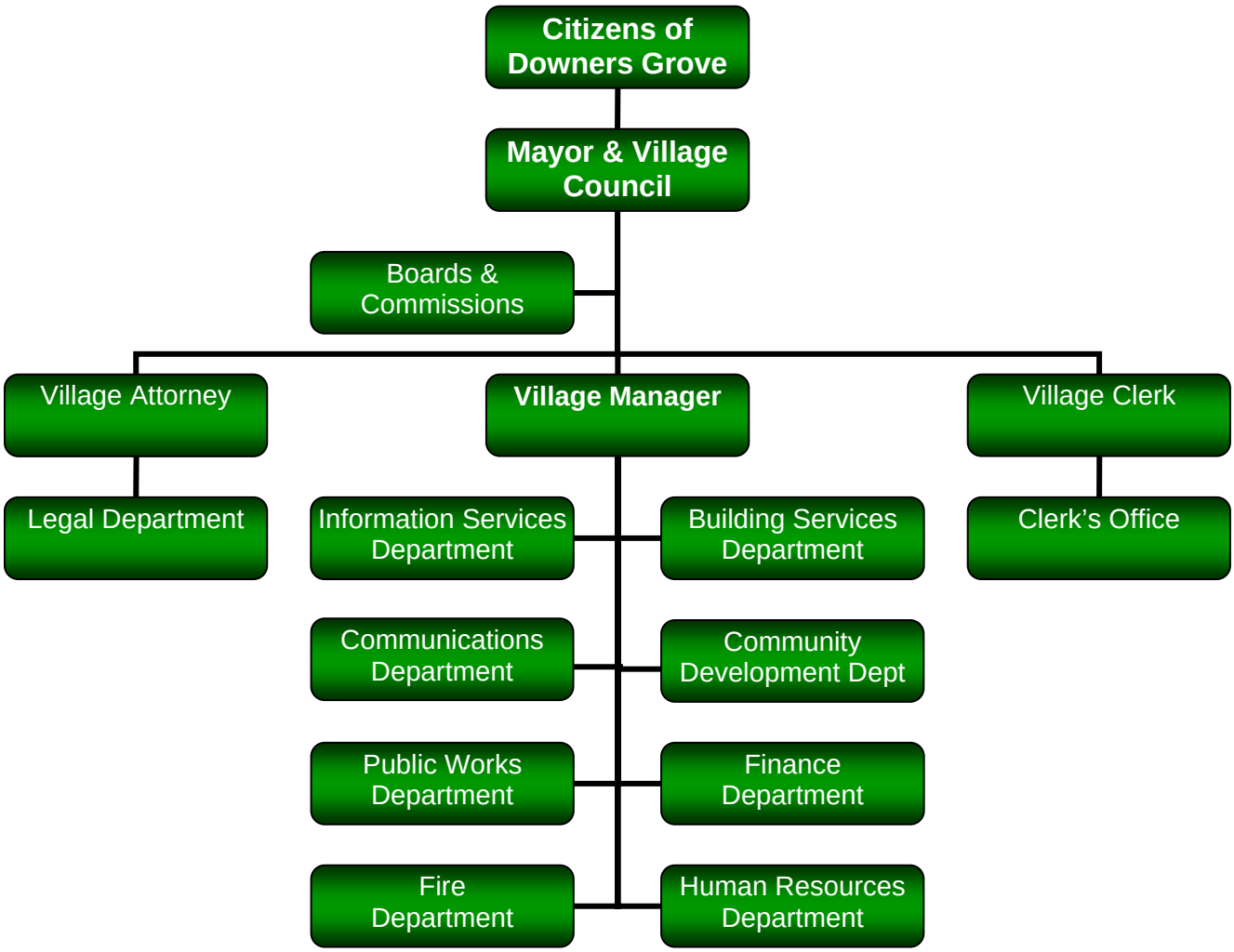
Mary Pratt, Emergency Management Coordinator

Dennis Burke, 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, 2011

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

President

Executive Director

www.downers.us

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630.434.CALL (2255)

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

Fire Department Administration
5420 Main Street
Downers Grove
Illinois 60515-4834
630.434.5980
FAX 630.434.5998

Police Department
825 Burlington Avenue
Downers Grove
Illinois 60515-4783
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Public Works Department
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June 11, 2013

To: The Honorable Mayor and Commissioners
Citizens of Downers Grove

The Comprehensive Annual Financial Report (CAFR) of the Village of Downers Grove for the year ended December 31, 2012, 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 Baker Tilly, 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, 2012, 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, 2012, 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 47,833; 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 75 percent residential, 22 percent commercial, and 3 percent industrial. The ten leading commercial property tax payers are from a diverse economic base and account for about 7.5% percent of the total tax base.

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

service; paramedic services; water services; a commuter 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: 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 in the Village has risen from 3.4% percent in 2007 to 6.4% percent as of December 31, 2012. The EAV for the Village was $2,141,812,696 for the 2012 tax levy, down 5.6% from a year ago. EAVs are expected to diminish in the near future as housing values declined during the recession and are still impacting the calculation of the three year average. To help offset this decrease, the Village annexed over 450 properties as of January 1, 2012 to increase the Village's tax base and eliminate overlapping governmental services.

The Village of Downers Grove maintained a strong financial position during the year increasing fund balance in the General Fund by $2.0 million. Village revenues are increasing in most areas as the economy improves. In particular, sales tax revenues increased by 4.5% due in large part to increases in automobile sales. Also, building permit revenues have increased by 33% in 2012 over 2011 levels with increases in both commercial and residential. The Village continues to provide municipal services in a fiscally responsible manner, identifying and implementing innovative ideas throughout the organization. The emphasis on financial stewardship was evident as the Village reduced expenditures through privatization of secondary snow removal operations and partnering with Pace to fund the Grove Commuter Shuttle.

The Village's financial policies and programs have resulted in the retention and expansion of existing businesses in the community as well as attracting new businesses.

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

Auto Dealerships

In cooperation with the EDC, the Village implemented a strategy in 2009 designed to retain existing automobile dealerships and attract new ones. Auto dealerships generate significant sales tax revenue and are a vital component of the local economy. This strategy has proven successful as evidenced by the addition in 2012 of an Aston Martin dealer and the retention of Packey Webb Ford.

Company Headquarters

The Village welcomed the new headquarters of the American Society for Gastrointestinal

Endoscopy to the Esplanade at Locust Point campus with the construction of a 41,822 square foot, two-story office building.

Expansion of Midwestern University:
In 2011, Midwestern University opened a new College of Dental Medicine on their Downers Grove campus. The construction of a 200,000 square foot building to house dental and medical clinics helps the Village's economic bottom line by attracting new students and additional jobs to the community.

Expansion plans continued in 2012 when the Village authorized plans for the construction of a new 128,400 square foot auditorium and classroom facility and a 345,000 square foot parking deck. The new building will also serve the community as a performing arts venue for non-profit organizations.

Amended Oasis Program:
The Ogden Avenue Site Improvement Strategy ***(OASIS)*** Initiative is a matching grants incentive program for businesses within the boundaries of the Ogden Avenue TIF District in Downers Grove. This program was initiated by the Village, EDC and Chamber of Commerce in 2010 to stimulate the economy by enhancing the appearance of business sites through landscaping, signing and façade improvements.

Funds for OASIS grants are generated by the property taxes paid by the properties in the Ogden Avenue TIF District. The program, to date, has resulted in over $1.32 million dollars in private investment along this vital commercial corridor.

Amendments to the program in 2012 included an increase in the amount of funding available for private properties and a reduction in the amount of funding contributed by the applicant to complete proposed improvements.

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

The LRFP has enabled the Village to accomplish the following:

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

S&P officials indicated that the Village received the highest possible score on management and noted that the Village's financial planning efforts and budget decisions were major reasons for this score. Their Summary Report cites the following as factors which contribute to Downers Grove's economic stability:

- Very strong reserves supported by strong financial management practices;
- Diverse local economy consisting of a good mix of residential and commercial properties;
- Very strong income levels and extremely strong market value per capita;
- Low-to-moderate overall debt burden;
- Participation in the Chicago metropolitan area's deep and diverse economy.

Stormwater Utility:

In April of 2012, Council adopted a motion directing staff to implement a stormwater utility system within the Village of Downers Grove, taking effect in January 2013. In 2011, the Village hired a firm with expertise in the financial needs of municipalities to complete a stormwater utility study with recommendations and best practices. Several community meetings were held with various resident and business stakeholders, in addition to discussion and public input at Village Council meetings.

The Stormwater Utility model represents an equitable method to collect revenue from those properties that place a demand on the stormwater system. Revenue is generated by charging all property owners a monthly stormwater fee, based on the property's impact to the stormwater system.

There are multiple benefits to implementing a fee based system:

- All properties in the Village share in the cost of operating and maintaining the stormwater system.
- Fees provide a predictable and sustainable funding source.
- A heightened sense of awareness of the stormwater management system is created.
- Property owners are encouraged to reduce the mount of run-off from their property by installing rain barrels, rain gardens and detention basins, and may be eligible for a credit to their stormwater fee.

Until now, operating costs for the stormwater system have been funded primarily through property taxes. Shifting the source of funding to a utility/fee based system will result in a reduction in the property tax levy by approximately $2.48 million, beginning with the 2012 levy (collected in 2013). The Village portion of property taxes will be reduced by approximately 19%.

Privatized Secondary Snow Removal Operations:

In November, the Village Council approved a contract for snow and ice removal services

on walkways within the Downtown Business District, at the three commuter rail stations in the Village, and at the Village Civic Center (Village Hall and Police Station). These services are labor intensive and require investment in specialized equipment used only for this task.

Privatizing these services will allow staff to perform more efficiently and devote additional time to the more skilled job of clearing roadways, as well as:

- Reduce costs of snow/ice removal by $8,000 per year.
- Enable Village crews to complete snow routes 30% quicker.
- Eliminate need for Village to own/maintain specialty vehicles
- Decrease expenses for risk and liability insurance

Executed Agreement with Pace:

Under a new agreement, Pace Suburban Bus System agreed to fully fund the Grove Commuter Shuttle, which provides weekday morning and evening feeder service to the Main Street and Belmont Road train stations.

Prior, the Village received grants from Pace towards the operation of the Grove Commuter Shuttle, however, these contributions did not fully cover expenses. In 2011, Pace's Board of Directors agreed to amend the 2012 operating agreement to include payment of all operating and maintenance expenses. This means that no taxpayer money is being used to fund this bus system.

The new agreement allows $185,000 of gasoline tax revenue to be shifted to the Village's street resurfacing program.

Issued $35 million in Bonds:

The FY12 Budget included $25 million in revenue in the Capital Fund and $10 million in revenue in the Water Fund from the issuance of General Obligation Bonds, for a principal amount of $35 million. These bonds paid for street reconstruction projects, watermain replacements and other improvements to the water system.

MAJOR INITIATIVES

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

Neighborhood Traffic Study:

The Village's first Neighborhood Traffic Study was completed in 2011. The study covered the area bounded by Maple Avenue to the north, Fairview Avenue to the east, 55th Street to the south, and Main Street to the west. Analysis of the data gathered from this study resulted

in recommendations to improve intersection controls for this neighborhood and reduce accidents, many of which were enacted in 2012.

The actions implemented have:

- Improved traffic management in the Whittier School area.
- Reduced average vehicle speeds.
- Increased safety with the redesign of pedestrian street crossings.
- Improved intersection safety with additional signing at all intersections.
- Received grant funding for future improvements at 55th & Main and 55th & Fairview.

Electrical Aggregation:

Downers Grove voters approved a referendum on the March 20, 2012 General Primary Election ballot giving the Village authorization to seek a competitive bid to lower the price of electricity for residents and many businesses. The Village partnered with Westmont to reduce program administration expenses and leverage buying power.

In June, a contract was awarded to First Energy Solutions to provide electric supply services through the Municipal Electrical Aggregation Program. The new contract will save the average household approximately $350 on their annual electricity bill. The two-year fixed rate of 4.75 cents per kilowatt hour for eligible residents and businesses represents a 42% savings over ComEd's comparable non-summer rate.

In addition to substantial electricity supply cost savings, the new rate includes Renewable Energy Credits (RECs) on a one to one match to supplement the electricity purchased. Purchasing RECs at the same quantity as electricity consumption guarantees that the energy used is added to the power grid from a renewable energy facility, thus supporting further development of green energy sources.

ComEd Town Hall Meeting:

In 2011, the Village presented the findings of their Reliability Report to ComEd representatives in a town hall forum. The report was prepared in response to major power outages and service disruptions incurred that year.

The meeting elicited positive results from ComEd, who took action on the Village's recommendations to improve reliability including:

- Make improvements to the distribution system to reduce outages caused by faulty equipment.
- Increase tree trimming to reduce outages caused by tree contact during severe storms.
- Make improvements to the 10 circuits that have experienced the greatest number of

outages and continue to make improvements to the remaining circuits once the top 10 are corrected.

A follow-up ComEd Town Hall meeting was held in 2012. The success of this process and the improved communication with ComEd has made the meeting an annual event.

Downtown Parking Enhancements:

In 2011, the Village and the Downtown Management Corporation commissioned a comprehensive downtown parking study. Extensive data collection and stakeholder input was used to understand current conditions and parking demand. The study indicated:

- Downtown parking is at or over capacity.
- The parking deck is over 90% occupied on weekdays.
- The parking system does not have enough capacity to support future development.

The Village implemented the following actions in 2012:

- Added 15 minute short-term parking spaces for the convenience of downtown shoppers.
- Increased the number of free parking spaces available beginning at 11:00 a.m.
- Increased the number of shopper parking spaces on the north side of the tracks.
- Increased the number of accessible spaces.

Enhanced Communication:

The Village began communicating with residents via Facebook in the last quarter of 2011. With steadily growing followers through 2012, the Village worked to keep users engaged with varied content relating to Village actions, as well as interesting community content from other local governments such as the Downers Grove Public Library and school districts 58 and 99.

Police Department Re-Accreditation:

In March of 2012, the Downers Grove Police Department was re-accredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA). This designation formally recognizes our department as being one of the most elite in the field.
In order to achieve this difficult goal the Police Department's policies and procedures must be in compliance with National Standards which have been established by CALEA .

The Downers Grove Police Department was commended during the formal Commission hearing for its excellence in complying with standards, professionalism of the personnel, the high level of the quality of law enforcement services provided to the community, and the well-organized and thorough condition of the policy files reviewed during its formal CALEA audit in December 2008. The accredited status will remain in effect for a three-year period.

Electronics Recycling:

As of January 1, 2012, TVs, computers (and laptops), monitors, printers, computer

peripherals, VCRs/DVD players, gaming systems, MP3 players and other electronic items were banned from Illinois landfills. In cooperation with the Environmental Concerns Commission, the Village began a monthly electronics recycling program on the first Saturday to help residents properly dispose of items, while reducing the effect of electronics waste on the environment.

In 2012, a total of 361,272 pounds of electronics was collected and diverted from landfills.

Infrastructure Investment:

In 2012, the Village invested $19 million improving the infrastructure of streets, sidewalks, the water system, and the stormwater system, broken out as follows:

- ***Streets***: $14.2 million-An analysis of all roads maintained by the Village conducted in 2010, ranking them on a scale from *Failed* to *Good*. Those streets in *Good* status improved from 25% to 35% of all streets; Streets in worst state of Poor or Failed were reduced from 22% to 16% of all streets.
- ***Water System***: $3.4 million
- ***Stormwater System***: $1.3 million
- ***Sidewalks***: $730,000-Projects include replacing potentially hazardous sections of sidewalk, as well as new installations on streets the previously had none.

Valley View, Knottingham and Grove Street

Two high-profile projects were completed in the Valley View and Knottingham subdivisions. In these neighborhoods, projects to reconstruct the streets and replace watermains were coordinated to take place during the same time period, reducing overall costs and minimizing disruption to residents. Traffic calming measures included in these project to reduce travel speeds along these residential streets.

Grove Street was also upgraded in 2012. Staff identified an opportunity to use environmentally sustainable permeable pavers to reconstruct the roadway. Several water quality features were incorporated to help to clean stormwater runoff from this area before it is discharged into St. Joseph's Creek. The pavers also help replicate the look of the brick street that Grove used to be.

2nd St. and Cumnor

The 2nd and Cumnor Stormwater Facility is one of the best examples of how sustainable techniques can be used to mitigate flooding. Though the majority of this project was constructed in 2011, landscaping in the detention area was completed in the spring with the installation of native plantings.

Prior to the project, the homes and roadways in this area flooded often. Improvements included:

- The creation of a natural detention basin.
- The addition of new storm sewers.
- Enhanced features like a pedestrian walkway and other park amenities.
- Installation of filters below the ground surface to improve the quality of water runoff from the site.

This naturalized basin along with the stormwater improvements earned the Village the ***2012 Outstanding Civil Engineering Achievement Award*** (projects under $5 million) from the Illinois Section of the American Society of Civil Engineers (ASCE).

Completion of Belmont Underpass

The Village, along with several other state and local officials, celebrated the completion of the Belmont Road Underpass in October. The $60 million project eliminated a troublesome and dangerous intersection between Belmont Road and the BNSF tracks.
The project was primarily funded by Metra, the Illinois Commerce Commission (ICC), the State of Illinois, and the Burlington Northern Santa Fe Railway Company (BNSF). No Village funds were used for this project, which greatly benefits the community.

Internal Transition to Google Apps:

Over the course of 18 months, the Village evaluated options for the upgrade or replacement of its existing email, calendar and basic office software programs. In March of 2013, the Village migrated to the Google Apps for Government platform for these functions.

Google Apps for Government offers the following benefits:

- Improved search capabilities, especially for email searches in response to Freedom of Information Act (FOIA) requests.
- Full complement of office-based software programs that offer enhanced features related to document sharing and collaboration in an online environment.
- Access to cloud-based software programs via the Internet, which reduces costs associated with hardware, software and labor.
- Significantly lower total cost of ownership over a five-year period as compared with the alternative of upgrading and/or maintaining the existing software programs.
- Enhanced Features for Document Sharing & Collaboration

Facilitated Update of DuPage County Social Services Database:

The Village of Downers Grove and DuPage County hosted a free training session to teach non-profits how to register their organization in the County's **C**ommunity **R**esource **I**nformation **S**ystem **(C.R.I.S.). C.R.I.S.** is a county-wide, searchable database of non-profit organizations that offer various human services. Non-profits registered in the system are better able to connect with those in need.

This training session created awareness of the County database for both service providers and those who could benefit from the services.

Maintain Partnerships for Vehicle Maintenance:

In 2011, the Village negotiated agreements with SEASPAR and District 58 to provide maintenance service for their vehicles. The revenue generated by these agreements reduces Village costs for fleet maintenance by sharing fixed costs with our partners. Additionally, SEASPAR and District 58 have reduced vehicle maintenance expenses by $2,800 annually and extended the life of their vehicles.

Launched Interoperable Radio System:

The Federal Communications Commission's Project 25 is a suite of standards for digital radio communications for use by federal, state/province and local public safety agencies in North America to enable them to communicate with other agencies and mutual aid response teams in emergencies.

The DuPage County Emergency Telephone Safety Board funded a new interoperable radio system to meet the FCC mandate. This system is an example of an effective intergovernmental partnership which:

- Allows for communication among all public safety agencies in DuPage County.
- Improves responses to emergency events involving multiple agencies.

Recognized Leadership:

The Village of Downers Grove has the respect of peers from across the nation as a municipality that leads by example and embraces new ideas. This partial list of awards received in 2012 serves as an example of the Village's commitment to leadership, sound fiscal policy and exceptional municipal services.

- The naturalized basin and stormwater improvements made at 2nd Street and Cumnor Road earned the *2012 Outstanding Civil Engineering Achievement Award* (projects under $5 million) from the Illinois Section of the **American Society of Civil Engineers (ASCE).**
- The Illinois Chapter of the **American Planning Association** (APA) named the Village of Downers Grove the winner of their Daniel Burnham Award for excellence in a Comprehensive Plan.
- **+Government Finance Officers Association** (GFOA) *Distinguished Budget Presentation* award for the 2012 Municipal Budget document.
- Named one of the region's *Top Transit Communities* by **DePaul University's Chaddick Institute for Metropolitan Development**.
- The **Citizens Utility Board (CUB** named Downers Grove to their list of *Top 100 Energy Saving Communities*. Downers Grove was ranked number 26, according to

kilowatt hours saved by residents who participate in CUB's Energy Saver program.

- The **National Fire Protection Association** (NFPA) selected Marsha Giesler of the Downers Grove Fire Department as the *2012 Fire and Life Safety Educator of the Year*
- **Mothers Against Drunk Driving** (MADD) honored Officer Nick Linklater with their *Hero Award* for his commitment to arresting intoxicated drivers.

National Media Spotlight:

- In 2012, Downers Grove was twice featured on **NBC Nightly News**, the first time covering Memorial Day celebrations across the nation, the second time giving attention to local non-profit Diveheart.
- **The Golf Channel** came to town to tape *Feherty Live* at the Tivoli Theatre.
- The Tivoli Theatre was also the stage for a **Geico** commercial featuring their gecko mascot.
- The Village was named to **Forbe**s list of *Friendliest Communities*.

RELEVANT FINANCIAL POLICIES

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

Budgeting:

The Village adopts an annual budget. Due to careful planning, meaningful discussions and public input, Downers Grove is well-positioned for the future. The FY13 Budget was prepared and approved in 2012.

Key Components of the FY13 Budget:

- Implements the Stormwater Utility
- Reduces the Total Property Tax Levy by $1.98 million (15.2%)
- Includes a Balanced General Fund
- Continues Investment in Infrastructure

Capital Planning:

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

Other Financial Policies:

Some of the more significant policies include:

- Investment Policy-providing for market investment returns while protecting principal
- Purchasing Policy-setting forth procedures for ensuring that the best products and

services are received at the lowest possible cost

- Fund Balance Policy-setting forth reserve levels to be maintained to ensure proper working capital and protect against unforeseen events

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Downers Grove for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2011. A copy of this award is located in the introductory section of the financial statements. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The Village also received the GFOA Distinguished Budget Presentation award for its 2012 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 Carol Hogan, Assistant Finance Director, Robin Lahey, Accountant, and the members of the Finance team for all their efforts. We also wish to express appreciation for the policies and decisions provided by the Village Council, as reflected in this report.

Submitted by:

Dave Fieldman
Village Manager

Judy Buttny
Finance Director

BAKER TILLY

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the Village Council
Village of Downers Grove
Downers Grove, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Downers Grove, Illinois, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Village of Downers Grove's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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, 2012 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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INTERNATIONAL

To the Honorable Mayor and Members of the Village Council
Village of Downers Grove

Emphasis of Matters

As discussed in Note I, the Village of Downers Grove adopted the provisions of GASB Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* effective January 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the General Fund and Downtown Redevelopment TIF Fund Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, and the Illinois Municipal Retirement Fund, Police Pension Fund, Firefighters' Pension Fund and Other Post-Employment Benefits Plan Schedules of Funding Progress and Employer Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Downers Grove's basic financial statements. The combining and individual fund financial statements and schedules and supplemental data is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and supplemental data is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Downers Grove's basic financial statements. The Introductory Section and Statistical Section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Oak Brook, Illinois
May 31, 2013

Baker Tilly Virchow Krause, LLP

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 position increased from $135.3 million as of December 31, 2011 to $138.3 million as of December 31, 2012.
- The Village's program revenue for the year ending December 31, 2012 totaled $23.9 million and for the year ended December 31, 2011 totaled $21.1 million.
- The Village's total costs for the year ended FY12 were $70.5 million compared to the year ended December 31, 2011 at $62.6 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 Position (the 'Unrestricted Net Position') is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This Statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

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

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

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements (pages 5-13) presentation more familiar. The focus is on major funds rather than fund types. All of the funds in the Village can be divided into three categories; governmental funds, proprietary funds and fiduciary funds.

Governmental funds (pages 5-8)
These funds are used to account for essentially the same functions reported as activities in the Government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds (pages 9-11)
The Village of Downers Grove maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its waterworks and parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses internal service funds to account for its fleet service, vehicle and equipment replacement and self-insurance. Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements

provide separate information for the Waterworks and Parking funds, both of which are considered to be major funds of the Village. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary funds (pages 12-13)
The fund financial statements also allow the government to address its Pension Funds (Police and Firefighters) and agency fund. These funds represent trust responsibilities of the government; the assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

Notes to the Financial Statements (pages 14-57)
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 58-64)
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 65-107) are presented following the supplementary information on pensions.

Supplemental information (pages 108-118) provides a schedule of insurance in force and schedules of long term debt requirements.

The statistical section (pages 119-138) 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.) are not reported nor depreciated in the Village's governmental financial statements. GASB statements require that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of

depreciation. The Village has chosen to depreciate assets over their useful lives. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its service potential - the cost of the project will be expensed. An 'overlay' of a road will be considered maintenance whereas a 'rebuild' of a road will be capitalized.

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

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

Statement of Net Position

The Village's combined net position increased by $2,943 or 2.2% from 2011, to $138,258. The largest portion of the Village's net position (61 %) 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 Position. For more detailed information, see the Statement of Net Position found on page 3.

Table 1
Statement of Net Position (in thousands)
December 31, 2012 and December 31, 2011

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Current and other assets	$ 86,568	$ 68,320	$ 12,226	$ 5,019	$ 98,794	$ 73,339
Capital assets	132,704	129,413	38,023	33,148	170,727	162,561
Total assets	219,272	197,733	50,249	38,167	269,521	235,900
Current liabilities	31,007	31,691	4,145	3,050	35,152	34,741
Noncurrent liabilities	86,037	65,494	10,074	349	96,111	65,843
Total liabilities	117,044	97,185	14,219	3,399	131,263	100,584
Net Position						
Invested in capital assets, net of related debt	67,608	69,272	32,169	32,663	99,777	101,935
Restricted	6,806	6,051	-	-	6,806	6,051
Unrestricted	27,814	25,138	3,861	2,192	31,675	27,330
Total net position	$ 102,228	$ 100,461	$ 36,030	$ 34,855	$ 138,258	$ 135,316

Changes in Net Position

The Village's combined changes in net position for the primary government for the year ended December 31, 2012 was an increase of $2,943. Governmental Activities net position increased by $1,767 and business-type activities increased by $1,176. Table 2 will focus on the changes of net position of the governmental and business-type activities.

Table 2
Change in Net Position (in thousands)
For the Years ended December 31, 2012 and December 31, 2011

	Governmental Activities		Business-type Activities		Total	
	Year Ended Dec. 31, 2012	Year Ended Dec. 31, 2011	Year Ended Dec. 31, 2012	Year Ended Dec. 31, 2011	Year Ended Dec. 31, 2012	Year Ended Dec. 31, 2011
Revenues:						
Program revenues:						
Charges for services	$ 7,128	$ 6,640	$ 13,535	$ 10,773	$ 20,663	$ 17,413
Operating grants/contributions	1,073	617	47	47	1,120	664
Capital grants/contributions	2,010	2,976	80	10	2,090	2,986
General revenues:						
Property taxes	17,208	17,298	-	-	17,208	17,298
Sales taxes	19,019	18,559	-	-	19,019	18,559
Other taxes	13,004	12,327	-	-	13,004	12,327
Other	308	440	21	10	329	450
Total revenues	59,750	58,857	13,683	10,840	73,433	69,697
Expenses:						
General government	6,223	5,971	-	-	6,223	5,971
Public works	18,272	13,867	-	-	18,272	13,867
Community development	2,635	2,458	-	-	2,635	2,458
Public safety	27,663	27,316	-	-	27,663	27,316
Community services	755	745	-	-	755	745
Interest and fiscal charges	2,735	2,514	208	-	2,943	2,514
Waterworks	-	-	11,047	8,764	11,047	8,764
Parking	-	-	952	966	952	966
Total expenses	58,283	52,871	12,207	9,730	70,490	62,601
Change in net position before transfers	1,467	5,986	1,476	1,110	2,943	7,095
Transfers	300	250	(300)	(250)	-	-
Change in net position	$ 1,767	$ 6,236	1,176	860	2,943	7,095

Revenues:

For the year ended December 31, 2012, Governmental Activities Revenues totaled $59,750, increasing about 1.5%. The Village benefits from a highly diversified revenue base, and revenues increased in many categories. Charges for services increased by $488 due primarily to an increase in building permit revenues. The Village continues to actively pursue all grant opportunities, however one time grants are unpredictable and distorting in the year-to-year comparison. Larger one time grants in the prior year included $500 from the State of Illinois for parking deck construction, $427 from the Illinois Department of Transportation for roadway repairs, and $338 for Maple Avenue Railroad improvements. Property taxes support governmental activities, including the Village's contribution to the Police Pension Fund and the Firefighters' Pension Fund.

Revenues from sales taxes amounted to $19,019. The sales tax consists of a 1% state portion and 1% local home rule tax. The increase in sales tax is due primarily to an increase in auto sales resulting from the Village's strategy to retain and attract automobile dealerships. Major items included in the category other taxes are state income taxes, utility taxes and hotel taxes. These taxes increased by $677 as the economy continues to recover from the 2009 recession.

For the year ended December 31, 2012, Business-Type Activities revenues totaled $13,683. Revenues in this category include charges for providing water to the residents of the village and charges for parking. Water rates charged to Downers Grove customers were increased by 25% in 2012 due in a large part to the fact that the DuPage Water Commission (DWC) raised their water rates in 2012 as well as continued implementation of recommendations from a 2010 water rate study. The DWC purchases Lake Michigan Water from the City of Chicago and in turn, distributes and sells it to member communities, including Downers Grove. The majority of the rate increase is due to the fact that the City of Chicago raised their water rates on January 1, 2012. The water rate study recommended changes to the water rate structure in order to ensure that adequate funding is available for current operations and maintenance as well as for identified capital maintenance and improvement projects in the future.

Expenses:
For the year ended December 31, 2012, Governmental Activities expenses totaled $58,283. Public safety related to the operations of the Police and Fire departments, has the largest portion of expenses in the Village, $27,663 or 47.5% of the total governmental activities expenses. Public works is the second largest program in the governmental activities with $18,272 or 31.4% of the expenses. Included in this number is $2,368 of a transfer of capital assets to the Park District which relates to joint stormwater projects. FY12 expenses are $5,412 higher than 2011 amounts. In addition to the transfer of capital assets to the Park District, increased expenditures in the Village's self-insured risk program and increases in capital outlays accounted for a large part of this change.

Expenses for the Village's business-type activities for the year ended 2012 are $12,207. The cost of purchasing water from the DuPage Water Commission continues to rise.

Major Governmental Funds

The General Fund is the Village's primary operating fund and is the largest source of day-to-day operations. The fund balance in the General Fund increased by $2,018. Village revenues are increasing in all areas as the economy improves and expenses are held down due to continued cost reduction efforts.

The Downtown Redevelopment Tax Increment District fund (TIF) has a fund balance of $1,180 compared to December 31, 2011 of $777 for an increase of $403 as fund balance is being used for costs in the downtown area, offset by property tax increment.

The Capital Improvements fund accounts for the resources provided for improvements to the Village's infrastructure. The fund balance of $21,957 is up $18,340 from 2011. $25.0 million in debt was issued in 2012 for roadway reconstruction; two large projects were completed in 2012 using these funds, with the remainder to be spent in the next two years.

The Stormwater Improvement fund is used to account for capital improvements related to the watersheds and stormwater infrastructure. Fund balance decreased $1,218 from 2011 due to the spending down of the 2008 bond proceeds.

General Fund Budgetary Highlights

Revenues in the general fund were $1,900 over budget. Village revenues are increased in many areas as the economy slowly improves. Favorable budget variances include: utility taxes ($261 above budget), income taxes ($553 above budget), licenses & permits ($567 above budget), charges for services ($260 above budget) and other taxes ($207 above budget).

Expenditures in the general fund tracked very close to the budget at .11% or $44 under budgeted levels.

Capital Asset and Debt Administration (in thousands)

Capital Assets

The Village has investment in capital assets for its governmental and business-type activities as of December 31, 2012 of $170,727 (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 $8,163 over last year's total as the Village continues to make needed investment in infrastructure. 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

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

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Capital assets, not being depreciated						
Land	$ 15,841	$ 16,303	$ 2,817	$ 2,817	$ 18,658	$ 19,120
Construction in progress	4,399	5,380	936	170	5,335	5,550
	20,240	21,683	3,753	2,987	23,993	24,670
Capital assets, being depreciated						
Infrastructure	84,459	78,821	23,460	19,035	107,919	97,856
Buildings	19,603	20,166	3,973	4,094	23,576	24,260
Improvements other than buildings	2,507	2,593	6,620	6,788	9,127	9,381
Intangible Assets	537	-	53	61	590	61
Capital equipment	5,358	6,150	164	184	5,522	6,334
Total	$ 132,704	$ 129,413	38,023	33,149	170,727	162,562

Long Term Debt (in thousands)

At December 31, 2012, the Village had total bonded debt of $89,685. Of this total, $29,315 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. In 2012 the Village issued $25 million in debt for roadway reconstruction and $10 million for water system improvements. For more detail, see Notes to the Financial Statements #6.

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

Outstanding General Obligation Debt (in thousands)

	Governmental Activities		Business-type Activities		Total	
General Obligation Bonds	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Tax Increment Bonds	$ 29,315	$ 31,010	$ -	$ -	$ 29,315	$ 31,010
Stormwater	16,590	19,200	-	-	16,590	19,200
Fire Station #2	8,105	8,465	-	-	8,105	8,465
Fairview Resurfacing	675	875	-	-	675	875
Road Improvements	25,000	-	-	-	25,000	-
Water System Maintenance	-	-	10,000	-	10,000	-
Water Meter Devices	-	-	-	485	-	485
Total	$ 79,685	$ 59,550	$ 10,000	$ 485	$ 89,685	$ 60,035

Economic Factors and Next Year's Budgets and Rates

The Village has been preparing General Fund budgets per the recommendations of the Long Range Financial Plan (LRFP). Significant changes to the Village's budget and operations were made to address a substantial structural financial gap in the General Fund as a result of the recession. Guided by the LRFP, the Village has responded by reducing expenditures and increasing revenues to ensure that essential Village services continue to be delivered without interruption. Moving forward, the outlook is for moderate growth in revenues. The Village will continue to follow the LRFP to operate an organization that is as efficient and lean as possible.

Requests for Information

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

Village of Downers Grove
Statement of Net Position
December 31, 2012

	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash and investments	$ 60,075,513	$ 10,199,883	$70,275,396	$ 5,171,930
Property tax receivable	15,176,818	-	15,176,818	4,955,920
Sales tax receivable	5,115,316	-	5,115,316	-
Other taxes receivable	2,502,060	-	2,502,060	-
Accounts receivable	858,938	1,869,809	2,728,747	-
Accrued interest receivable	35,740	18,830	54,570	4,113
Other receivables	670,898	-	670,898	-
Due from/to other funds	96,301	(96,301)	-	-
Prepaid expenses	12,259	-	12,259	-
Restricted cash	84,690	-	84,690	-
Inventory	132,852	185,365	318,217	-
Note receivable	54,543	-	54,543	-
Unamortized debt issuance costs	568,995	48,254	617,249	51,037
Net pension asset	1,182,714	-	1,182,714	-
Capital assets not being depreciated	20,239,756	3,752,431	23,992,187	222,211
Capital assets net accumulated depreciation	112,464,361	34,270,918	146,735,279	11,027,320
Total assets	$ 219,271,754	$ 50,249,189	$ 269,520,943	$ 21,432,531
LIABILITIES				
Accrued interest payable	1,694,865	207,886	1,902,751	51,610
Accounts payable	4,477,125	1,427,745	5,904,870	80,830
Accrued payroll	421,183	-	421,183	-
Deposits payable	6,395	109,540	115,935	-
Claims payable	3,167,508	-	3,167,508	-
Other payables	158,251	127,159	285,410	-
Unearned revenue	15,240,529	1,769,889	17,010,418	4,955,920
Debt due within 1 year	5,841,024	502,210	6,343,234	567,898
Debt due in more than 1 year	86,037,287	10,074,358	96,111,645	2,407,357
Total liabilities	117,044,167	14,218,787	131,262,954	8,063,615
NET POSITION				
Net investment in capital assets	67,608,085	32,168,741	99,776,826	8,511,926
Restricted for debt service	-	-	-	821,388
Restricted for economic development	5,975,959	-	5,975,959	-
Restricted for public safety	381,475	-	381,475	-
Restricted for public works	448,158	-	448,158	-
Unrestricted	27,813,907	3,861,661	31,675,568	4,035,602
Total net position	$ 102,227,587	$ 36,030,402	$ 138,257,989	$ 13,368,916

See accompanying notes to financial statements

Village of Downers Grove
Statement of Activities
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Business-type Activities	Primary Government	Component Unit
Primary government								
Governmental activities								
General government	$ 6,222,290	$ 1,614,084	1725	$ 37,597	$ (4,568,884)	$ -	$ (4,568,884)	$ -
Public works	18,272,201	291,607	429,225	1,969,466	(15,581,903)	-	(15,581,903)	-
Community development	2,634,933	1,546,026	-	-	(1,088,907)	-	(1,088,907)	-
Public safety	27,662,638	2,792,651	638,880	2,500	(24,228,607)	-	(24,228,607)	-
Community services	755,591	883,580	3,295	-	131,284	-	131,284	-
Interest and fiscal charges	2,734,835	-	-	-	(2,734,835)	-	(2,734,835)	-
Total governmental activities	58,282,488	7,127,948	1,073,125	2,009,563	(48,071,852)	-	(48,071,852)	-
Business-type activities								
Waterworks	11,256,386	12,270,873	-	80,225	-	1,094,712	1,094,712	-
Parking	951,999	1,264,618	46,875		-	359,494	359,494	-
Total business-type activities	12,208,385	13,535,491	46,875	80,225	-	1,454,206	1,454,206	-
Total primary government	$ 70,490,873	$ 20,663,439	$ 1,120,000	$ 2,089,788	(48,071,852)	1,454,206	(46,617,646)	-
Component unit								
Community services	4,808,725	132,455	60,703	-	-	-	-	(4,615,567)
Interest and fiscal charges	159,773			-	-	-	-	(159,773)
Total Component Unit	$ 4,968,498	$ 132,455	$ 60,703	$ -	$ -	$ -	$ -	($4,775,340)
General revenues								
Property tax					17,208,486	-	17,208,486	4,834,077
Sales tax					11,568,354	-	11,568,354	-
Home rule sales tax					7,451,028	-	7,451,028	-
Utility tax					6,366,439	-	6,366,439	-
Income tax					4,203,160	-	4,203,160	-
Hotel tax					832,460	-	832,460	-
Local use tax					752,856	-	752,856	-
Personal property replacement tax					388,185	-	388,185	55,482
Local fuel tax					338,234	-	338,234	-
Other taxes					121,840	-	121,840	-
Investment earnings					234,100	21,337	255,437	8,811
Proceeds from disposal of capital assets					73,681	-	73,681	-
Transfers					300,000	(300,000)	-	-
Total general revenues					49,838,823	(278,663)	49,560,160	4,898,370
Change in net position					1,766,971	1,175,543	2,942,514	123,030
Net position - beginning					100,460,616	34,854,859	135,315,475	13,245,886
Net position - ending					$ 102,227,587	$ 36,030,402	$ 138,257,989	$ 13,368,916

See accompanying notes to financial statements

Village of Downers Grove
Balance Sheet
Governmental Funds
December 31, 2012

	General	Downtown Redevelopment TIF	Capital Improvements	Stormwater Improvements	Nonmajor	Total
ASSETS						
Cash and investments	$ 11,719,809	$ 1,179,966	$ 23,247,308	$ 14,353,402	$ 6,523,105	$ 57,023,590
Restricted cash	84,690	-	-	-	-	84,690
Property taxes receivable	10,631,623	2,850,000	980,195	-	715,000	15,176,818
Sales taxes receivable	3,588,638	-	1,017,785	508,893	-	5,115,316
Other taxes receivable	2,213,188	-	169,514	-	119,358	2,502,060
Accounts receivable	207,255	-	70,943	-	28,722	306,920
Other receivable	634,760	-	35,183	955	-	670,898
Advance to other funds	1,942,446	-	-	-	-	1,942,446
Prepaid items	12,259	-	-	-	-	12,259
Note receivable	54,543	-	-	-	-	54,543
Interest receivable	21,734	-	12,501	1,505	-	35,740
Total assets	31,110,945	4,029,966	25,533,429	14,864,755	7,386,185	82,925,280
LIABILITIES & FUND BALANCES						
Liabilities						
Accounts payable	688,453	-	2,573,714	606,870	444,420	4,313,457
Accrued payroll	421,183	-	-	-	-	421,183
Advance from other funds	-	-	-	-	1,942,446	1,942,446
Other payables	126,226	-	-	-	6,395	132,621
Deferred revenue	10,672,834	2,850,000	1,002,695	-	715,000	15,240,529
Total liabilities	11,908,696	2,850,000	3,576,409	606,870	3,108,261	22,050,236
FUND BALANCE						
Nonspendable	2,009,248	-	-	-	-	2,009,248
Restricted	-	1,179,966	15,437,465	-	5,625,628	22,243,059
Assigned	-	-	6,519,555	14,257,885	557,522	21,334,962
Unassigned	17,193,001	-	-	-	(1,905,226)	15,287,775
Total fund balances	19,202,249	1,179,966	21,957,020	14,257,885	4,277,924	60,875,044
Total liabilities and fund balances	$ 31,110,945	$ 4,029,966	$ 25,533,429	$ 14,864,755	$ 7,386,185	$ 82,925,280

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 Position
December 31, 2012

FUND BALANCES OF GOVERNMENTAL FUNDS	$60,875,044
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	132,704,117
Less internal service funds	(5,521,842)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(79,685,000)
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the governmental funds	(4,103,412)
Less internal service funds	84,438
The net OPEB payable is not due and payable in the current period, and, therefore, is not reported in the governmental funds	(6,650,002)
Less internal service funds	156,071
Unamortized premium is reported as a liability on the statement of net position	(1,715,219)
The unamortized accounting loss is reported as a reduction of a liability in the statement of net position	866,722
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(1,694,865)
The net pension asset of the police pension fund is included in the governmental activities in the statement of net position	1,182,714
The net pension obligation of the fire pension fund is included in the governmental activities in the statement of net position	(233,765)
The net pension obligation of the Illinois Municipal Retirement fund is included in the governmental activities in the statement of net position	(357,635)
Less internal service funds	20,275
Unamortized costs of issuance on bonds are reported as a deferred charge in the statement of net position	568,995
The net position of the internal service funds are included in the governmental activities in the statement of net position	5,634,650
Less the net position attributable to Business type activities	96,301
NET POSITION OF GOVERNMENTAL ACTIVITIES	$102,227,587

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, 2012

REVENUES	General	Downtown Redevelopment TIF	Capital Improvements	Stormwater Improvements	Nonmajor	Total
Sales tax	$ 12,635,053	$ -	$ 3,725,437	$ 1,862,718	$ 796,174	$ 19,019,382
Property tax	11,083,591	2,789,017	8,759	2,630,139	696,980	17,208,486
Utility tax	5,690,708	-	675,731	-	-	6,366,439
Income tax	4,203,160	-	-	-	-	4,203,160
Other taxes	2,017,262	-	135,418	-	280,895	2,433,575
Licenses & permits	1,863,380	-	-	-	-	1,863,380
Intergovernmental	685,212	-	659,393	17,495	1,544,657	2,906,757
Charges for services & fees	3,975,347	-	-	-	300,930	4,276,277
Fines & forfeitures	988,291	-	-	-	-	988,291
Investment income	100,007	785	66,974	40,417	25,917	234,100
Contributions & donations	7,683	-	-	168,247	-	175,930
Total revenues	43,249,694	2,789,802	5,271,712	4,719,016	3,645,553	59,675,777
EXPENDITURES						
Current						
General government	4,554,114	-	182,046	31,526	878,255	5,645,941
Public works	5,942,250	11,675	484,552	794,996	1,571,075	8,804,548
Community development	1,948,899	1,585	-		378,910	2,329,394
Public safety	27,909,563	-	-		59,952	27,969,515
Community services	750,458	-	-		-	750,458
Debt service						
Principal Retirement	-	-	-		4,865,000	4,865,000
Interest and Other	-	-	-		2,372,184	2,372,184
Capital outlay						
General government	-	-	27,004		136,874	163,878
Public works	-	-	10,516,935	1,850,273	-	12,367,208
Public safety			39,945			39,945
Total expenditures	41,105,284	13,260	11,250,482	2,676,795	10,262,250	65,308,071
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,144,410	2,776,542	(5,978,770)	2,042,221	(6,616,697)	(5,632,294)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	7,102,275	7,102,275
Transfers out	(200,000)	(2,373,313)	(965,199)	(3,463,763)	-	(7,002,275)
Bonds issued			25,000,000			25,000,000
Bond premium			283,534			283,534
Proceeds from disposal of capital assets	73,681			203,718		277,399
Total other financing sources and uses	(126,319)	(2,373,313)	24,318,335	(3,260,045)	7,102,275	25,660,933
NET CHANGE IN FUND BALANCE	2,018,091	403,229	18,339,565	(1,217,824)	485,578	20,028,639
Fund balances -- beginning	17,184,158	776,737	3,617,455	15,475,709	3,792,346	40,846,405
Fund balances -- ending	$ 19,202,249	$ 1,179,966	$ 21,957,020	$ 14,257,885	$ 4,277,924	$ 60,875,044

See accompanying notes to financial statements

Village of Downers Grove

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, 2012

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	20,028,639
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the statement of activities		9,709,899
Less internal service funds		(862,036)
Transfer of Washington Park and McCollum Park IGA assets to Downers Grove Park District		(2,367,900)
Disposal of Land		(462,279)
Some expenses in the statement of activities (e.g., deprecation) do not require the use of current financial resources and, therefore, are not reported as expenditure in the governmental funds.		(3,473,156)
Less internal service funds		726,718
Bond proceeds are reported as an other financing source in governmental funds		(25,000,000)
The repayment of the principal portion of long-term debt is reported as an expenditure when paid, along with refundings as an other financing use, but they are reductions of principal outstanding in the statement of net position		4,865,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities		(464,117)
The change in the compensated absences liability is reported as an expense on the statement of activities		229,992
Add internal service funds		(832)
The increase in net pension asset is reported as a reduction of expense on the statement of activities		53,637
The decrease in the net pension obligation is reported as a reduction of expense on the statement of activities		149,931
The increase in the net pension obligation for the Illinois municipal retirement fund is reported as an increase in expense on the statement of activities		(30,629)
Less internal service funds		1,691
The amortization of the accounting loss is reported as an expense in the statement of activities		(123,913)
Issuance costs on bonds issued are reported as expenditures in governmental funds		123,000
The amortization of the deferred issuance costs on long-term debt is reported as an expense on the statement of activities		(48,387)
Premiums on bond issues are reported as an other financing source in governmental funds		(283,534)
The amortization of the premium on long-term debt is reported as a reduction of expense on the statement of activities		150,765
The decrease in OPEB payable is reported as a reduction of expense on the statement of activities		(177,188)
Less internal service funds		9,435
The change in net position of certain activities of internal service funds is reported in governmental funds		(1,171,418)
Less the change in net position attributable to Business type activities		183,653
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	1,766,971

See accompanying notes to financial statements

Village of Downers Grove
Statement of Net Position
Proprietary Funds
December 31, 2012

	Business-type Activities - Enterprise Funds				
	Waterworks	Parking	Non-Major Enterprise	Total	Internal Service
ASSETS					
Current assets					
Cash and investments	$ 9,047,042	$ 1,149,198	$ 3,643	$ 10,199,883	$ 3,051,923
Accounts receivable	1,489,369	102,475	277,965	1,869,809	552,018
Interest receivable	18,830			18,830	-
Inventory	185,365	-	-	185,365	132,852
Total Current assets	10,740,606	1,251,673	281,608	12,273,887	3,736,793
Noncurrent assets					
Debt Issue Costs	48,254	-		48,254	-
Capital assets not being depreciated	3,013,018	739,413	-	3,752,431	-
Capital assets being depreciated	57,688,673	3,474,714	-	61,163,387	11,321,479
Accumulated depreciation	(24,093,788)	(2,798,681)	-	(26,892,469)	(5,799,637)
Total Noncurrent assets	36,656,157	1,415,446	-	38,071,603	5,521,842
Total assets	47,396,763	2,667,119	281,608	50,345,490	9,258,635
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable	1,403,422	24,323	-	1,427,745	163,668
Deposits payable	106,250	3,290	-	109,540	-
Accrued interest payable	207,886	-	-	207,886	-
Other payables	127,159	-	-	127,159	32,025
Compensated absences	31,875	335	-	32,210	25,331
Unearned revenue	-	1,488,281	281,608	1,769,889	-
Claims payable	-	-	-	-	1,583,491
Bonds payable	470,000	-	-	470,000	-
Total Current liabilities	2,346,592	1,516,229	281,608	4,144,429	1,804,515
Noncurrent liabilities					
Claims payable	-	-	-	-	1,584,017
Bonds payable	9,530,000	-		9,530,000	-
Bond premium	149,019	-		149,019	
Compensated absences	74,374	781	-	75,155	59,107
Other post-employment benefits	255,956	30,521	-	286,477	156,071
Net pension obligation	29,679	4,028	-	33,707	20,275
Total Noncurrent liabilities	10,039,028	35,330	-	10,074,358	1,819,470
Total liabilities	12,385,620	1,551,559	281,608	14,218,787	3,623,985
NET POSITION					
Net investment in capital assets	30,753,295	1,415,446	-	32,168,741	5,521,842
Unrestricted (deficit)	4,257,848	(299,886)	-	3,957,962	112,808
Total net position	$35,011,143	$ 1,115,560	$ -	$ 36,126,703	$ 5,634,650

Amounts reported for business-type activities in the statement of net position are different because:	
Portion of internal service fund net position reported in the business-type activities as an interfund	(96,301)
NET POSITION OF BUSINESS-TYPE ACTIVITIES	$ 36,030,402

See accompanying notes to financial statements

Village of Downers Grove
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds			
	Waterworks	Parking	Total	Internal Service
OPERATING REVENUES				
Sales	$ -	$ -	$ -	$ 153,242
Charges for services, fees, fines	12,270,873	1,264,618	13,535,491	-
Interfund services	-	-	-	9,011,838
Insurance premiums	-	-	-	1,856,996
Other	-	-	-	23,931
Total operating revenues	12,270,873	1,264,618	13,535,491	11,046,007
OPERATING EXPENSES				
Personnel services	1,437,576	163,208	1,600,784	826,625
Supplies	6,415,616	10,391	6,426,007	706,029
Contractual services	671,052	146,670	817,722	1,751,739
Other charges and services	1,404,804	607,837	2,012,641	8,497,526
Depreciation	935,799	23,893	959,692	726,718
Total operating expenses	10,864,847	951,999	11,816,846	12,508,637
Operating income (loss)	1,406,026	312,619	1,718,645	(1,462,630)
NONOPERATING REVENUES(EXPENSES)				
Intergovernmental	80,225	46,875	127,100	35,302
Investment income	19,209	152	19,361	840
Gain/Loss from disposals	-	-	-	55,070
Bond interest expense	(207,886)	-	(207,886)	-
Amortization of Bond Premium	2,922	-	2,922	-
Amortization of Issue Cost	(946)	-	(946)	-
Total nonoperating revenues	(106,476)	47,027	(59,449)	91,212
Income (loss) before transfers	1,299,550	359,646	1,659,196	(1,371,418)
Transfers in	-	-	-	200,000
Transfers out	-	(300,000)	(300,000)	-
Change in net position	1,299,550	59,646	1,359,196	(1,171,418)
Total net position -- beginning	33,711,593	1,055,914		6,806,068
Total net position -- ending	$ 35,011,143	$ 1,115,560		$ 5,634,650

Amounts reported for business-type activities in the Statement of Activities are different because:	
Portion of internal service funds change in net position reported in business-type activities	(183,653)
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	1,175,543

See accompanying notes to financial statements

Village of Downers Grove
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Business Type Activities - Enterprise Funds				
	Waterworks	Parking	Non-Maior Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services	$ -	$ -	$ -	$ -	$9,011,838
Receipts from customers	12,019,748	1,263,388	(277,965)	13,005,171	1,945,128
Other payments	(670,631)	(146,670)	281,608	(535,693)	(8,630,497)
Payments to employees	(1,276,830)	(164,768)	-	(1,441,598)	(820,360)
Payments for interfund services	(1,403,592)	(539,892)	-	(1,943,484)	(294,912)
Payments to suppliers	(5,791,857)	(110,603)	-	(5,902,460)	(1,332,772)
Net cash provided (used) by operating activities	2,876,838	301,455	3,643	3,181,936	(121,575)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant proceeds	80,225	-	-	80,225	35,302
Transfers in (out)		(300,000)	-	(300,000)	200,000
Net cash provided (used) by noncapital activities	80,225	(300,000)	-	(219,775)	235,302
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(5,705,589)	(128,975)	-	(5,834,564)	(691,074)
Interest paid	(11,155)	-	-	(11,155)	-
Bond Issuance cost	(49,200)	-	-	(49,200)	-
Bond Premium	151,941	-	-	151,941	-
Principal paid on general obligation bonds	(485,000)	-	-	(485,000)	-
Bond proceeds	10,000,000	-	-	10,000,000	-
Net cash provided (used) by capital activities	3,900,997	(128,975)	-	3,772,022	(691,074)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	378	152	-	530	840
Net cash provided by investing activities	378	152	-	530	840
Net Increase (decrease) in cash and cash equivalents	6,858,438	(127,368)	3,643	6,734,713	(576,507)
Cash and investments - beginning of year	2,188,604	1,276,566	-	3,465,170	3,628,430
Cash and investments - end of year	$ 9,047,042	$ 1,149,198	$ 3,643	$ 10,199,883	$ 3,051,923
Reconciliation of operating income (loss) to net cash by operating activities					
Operating income (loss)	$1,406,026	$ 312,619	$ -	$ 1,718,645	$ (1,462,630)
cash provided (used) by operating					
Depreciation	935,799	23,893	-	959,692	726,718
Change in assets and liabilities				-	
Accounts payable	496,265	(32,238)	-	464,027	(251,437)
Compensated absences	14,748	(1,459)	-	13,289	(832)
Accounts receivable	(251,125)	(1,230)	(277,965)	(530,320)	(102,541)
Inventory	28,150	-	-	28,150	(30,515)
Prepaid expenses	-	-	-	-	-
Other post-employment benefits	33,312	(421)	-	32,891	9,435
Deposits payable	21,997	(30)	-	21,967	-
Other payables	78,981	-	281,608	360,589	(4,832)
Accrued payroll payable	109,780	-	-	109,780	-
Claims payable	-	-	-	-	993,369
Net pension obligation	2,905	321	-	3,226	1,690
Net cash provided (used) by operating activities	$2,876,838	$ 301,455	$ 3,643	$ 3,181,936	$ (121,575)

See accompanying notes to financial statements

Village of Downers Grove
Statement of Fiduciary Net Position
December 31, 2012

	Pension Trust	Agency
ASSETS		
Cash and cash equivalents	$ 2,231,343	$ 2,675,108
Investments		
U.S. obligations	15,703,934	-
Corporate bonds	16,528,000	-
Foreign bonds	1,340,354	
Negotiable CDs	4,177,637	
Mututal funds - fixed income	969,401	-
Mututal funds - equity	33,238,954	-
Common and preferred stocks	4,583,841	-
Total investments	76,542,121	-
Prepaids	20,803	-
Interest receivable	257,431	-
Total assets	79,051,698	2,675,108
LIABILITIES		
Accounts payable	44,379	381,405
Deposits payable	-	2,293,703
Total liabilities	44,379	$ 2,675,108
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	$ 79,007,319	

See accompanying notes to financial statements

Village of Downers Grove
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2012

	Pension Trust
ADDITIONS	
Contributions	
Contributions - employer	$ 3,749,467
Contributions - employees	1,393,181
Total contributions	5,142,648
Investment earnings	
Interest earned on investments	1,855,168
Net appreciation in fair value	5,005,780
Total investment earnings	6,860,948
Less investment expense	(170,062)
Net investment earnings	6,690,886
Total additions	11,833,534
DEDUCTIONS	
Supplies	18
Contractual services	97,561
Other charges and services	13,704
Benefits and refunds	4,951,525
Total deductions	5,062,808
Change in Net Position	6,770,726
Net Position-- beginning of the year	72,236,593
Net Position -- end of the year	$79,007,319

See accompanying notes to financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

Police Pension Employees Retirement System

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

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). The FPERS functions for the benefit of those employees and is governed by a five member pension board. Two members appointed by the Mayor, one pension beneficiary elected by the membership, and two fire employees elected by the membership constitute the pension board. The Village and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. The FPERS is reported as a pension trust fund because of the Village's fiduciary duties, and the data for this component unit is included in the government's fiduciary fund financial statements.

Discretely Presented Component Unit - Downers Grove Public Library

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

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

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

B. Fund Accounting

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

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

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

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

In June 2011, the GASB issued statement No. 63 – Financial Reporting of Deferred Outflows of Revenue, Deferred Inflows of Resources, and Net Position. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards did not include guidance for these elements, which are distinct from assets and liabilities.

The Village has made the decision to implement this standard effective as of and for the year ended December 31, 2012.

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

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

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

The Village reports the following major governmental funds:

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

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

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

The *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 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.

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. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined as having a useful life greater than one year with an initial, individual cost of $25,000 or more for all capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

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

M. Fund Balances/Net Position

In accordance with Governmental Accounting Standards Board Statement No. 54 – fund Balance Reporting and Governmental Fund Type Definitions, the Village classifies governmental fund balance as follows:

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

b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

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

d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) the Village Council assigns amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

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

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

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

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

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

N. Interfund Transactions

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

O. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

A. Village Deposits and Investments

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

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

Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2012:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Municipal Bonds	$ 204,806	$ -	$ 204,806	$ -	$ -
Federal Home Loan Bank Note	2,001,800	-	2,001,800	-	-
Federal Farm Credit Bank Note	3,500,015	-	3,500,015	-	-
Money Market Mutual Funds	223,348	223,348	-	-	-
Negotiable CDs	886,397	741,291	145,106	-	-
IMET 1-3 Year Fund	3,023,304		3,023,304	-	-
Total	$ 9,839,670	$ 964,639	$ 8,875,031	$ -	$ -

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.

		Investment Ratings				
Investment Type	Fair Value	AAA	AA+	A	BBB	Not Rated
Municipal Bonds	$ 204,806	$ 101,929	$102,877	-	-	-
Federal Home Loan Bank Note	2,001,800	-	2,001,800	-	-	-
Federal Farm Credit Bank Note	3,500,015	-	3,500,015	-	-	-
Money Market Mutual Funds	223,348	-	-	-	-	223,348
Negotiable CDs	886,397	-	-	-	-	886,397
IMET 1-3 Year Fund	3,023,304	-	3,023,304	-	-	-
Total	$9,839,670	$101,929	$8,627,996	-	-	$1,109,745

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk limiting investments to the safest types of securities; pre-qualifying the financial institutions, intermediaries, and

advisors with which the Village will conduct business; and diversifying the investment portfolio so that potential losses on individual investments will be minimized. Illinois Funds are rated AAA.

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

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

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of December 31, 2012:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	$ 9,536,525	$ 590,716	$ 8,945,809		
Foreign Bonds	1,340,355	-	1,340,355	-	-
U.S. Obligations	8,901,013	744,855	6,849,660	938	1,305,559
TOTAL	$19,777,893	$1,335,571	$17,135,824	$ 938	$ 1,305,559

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

		Investment Ratings			
Investment Type	Fair Value	AAA	AA	A	BBB
Corporate Bonds	$ 9,536,525	$ -	$ 1,201,889	$ 7,302,939	1,031,697
Foreign Bonds	1,340,355	-	370,776	969,579	-
U.S. Obligations	8,901,013	4,805,682	4,095,331	-	-
TOTAL	$19,777,893	$4,805,682	$5,667,996	$ 8,272,518	$ 1,031,697

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

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third-party custodian

and evidenced by safekeeping receipts. Illinois Funds are not subject to custodial credit risk. The Village is in compliance with this policy.

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of its investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. Target percentages are fixed income 55%; large cap domestic equities 25%; small cap domestic equities 10%; and international equities 10%.

C. Firefighters' Pension Fund Deposits and Investments

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

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

Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of December 31, 2012:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	$ 6,991,475	$ 223,702	$ 3,626,246	$ 2,644,267	$ 497,260
U.S. Obligations	6,802,921	459,112	3,854,643	1,038,014	1,451,152
Negotiable CDs	4,177,637	-	3,948,720	228,917	-
TOTAL	$ 17,972,033	$ 682,814	$ 11,429,609	$ 3,911,198	$1,948,412

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

		Investment Ratings				
Investment Type	Fair Value	AAA	AA	A	BBB	Not Rated
Corporate Bonds	$ 6,991,475	$ 1,861	$1,310,861	$5,211,140	$ 467,613	-
U.S. Obligations	6,802,921	6,802,921	-	-	-	-
Negotiable CDs	4,177,637	-	-	-	-	4,177,637
Total	$17,972,033	$6,804,782	$1,310,861	$5,211,140	$ 467,613	$4,177,637

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

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

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 2012 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 2012 tax levy is intended to fund expenditures for the 2013 fiscal year, these taxes are deferred as of December 31, 2012.

B. Other Receivables

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

GOVERNMENTAL ACTIVITIES	
OTHER TAXES RECEIVABLE	
Telecommunications tax	$ 935,723
State income tax	946,200
Electricity tax	151,398
Natural gas tax	49,897
Local use tax	219,376
Auto rental tax	10,016
Hotel tax	53,907
State motor fuel tax	99,015
Local motor fuel tax	33,901
Other	2,627
TOTAL OTHER TAXES RECEIVABLE	$ 2,502,060
OTHER RECEIVABLES	
Ambulance fees	$ 358,007
Police tickets	18,700
Franchise fees	210,067
Grants	84,124
TOTAL OTHER RECEIVABLES	$ 670,898

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

A. Governmental Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	$ 16,302,727	$	$ 462,279	$ 15,840,448
Construction in progress	5,380,237	1,917,369	2,898,298	4,399,308
Total capital assets not being depreciated	21,682,964	1,917,369	3,360,577	20,239,756
Capital assets being depreciated				
Infrastructure	99,525,569	9,442,401	1,866,139	107,101,831
Buildings	26,293,457		-	26,293,457
Improvements other than buildings	3,452,089	-	-	3,452,089
Intangible Assets	1,147,379	73,703	-	1,221,082
Capital equipment	15,666,042	635,633	839,049	15,462,626
Total capital assets being depreciated	146,084,536	10,151,737	2,705,188	153,531,085
Less accumulated depreciation for				
Infrastructure	20,704,555	1,976,121	37,323	22,643,353
Buildings	6,127,685	562,275	-	6,689,960
Improvements other than buildings	858,567	86,531	-	945,098
Intangible Assets	572,710	111,165	-	683,875
Capital equipment	10,090,531	737,064	723,157	10,104,438
Total accumulated depreciation	38,354,048	3,473,156	760,480	41,066,724
Total capital assets being depreciated, Net	107,730,488	6,678,581	1,944,708	112,464,361
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 129,413,452	$ 8,595,950	$5,305,285	$ 132,704,117

Capital asset decreases listed above for the governmental activities includes a transfer to the Downers Grove Park District for $2,367,900.

B. Business-Type Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	$ 2,816,595	$ -	$ -	$ 2,816,595
Construction in progress	169,806	839,967	73,937	935,836
Total capital assets not being depreciated	2,986,401	839,967	73,937	3,752,431
Capital assets being depreciated				
Infrastructure	29,560,300	4,976,916	-	34,537,216
Buildings	6,101,133	-	-	6,101,133
Improvements other than buildings	15,999,810	91,618	-	16,091,428
Intangible assets	104,081	-	-	104,081
Capital equipment	4,329,529		-	4,329,529
Total capital assets being depreciated	56,094,853	5,068,534	-	61,163,387
Less accumulated depreciation for				
Infrastructure	10,525,315	551,954	-	11,077,268
Buildings	2,006,760	121,488	-	2,128,249
Improvements other than buildings	9,211,690	259,457	-	9,471,147
Intangible Assets	43,031	7,631	-	50,662

Capital Equipment	4,145,981	19,162	-	4,165,143
Total accumulated depreciation	25,932,277	959,692	-	26,892,469
Total capital assets being depreciated, Net	30,162,076	4,108,843	-	34,270,918
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 33,148,477	$4,948,810	$ 73,937	$ 38,023,349

C. Depreciation/Amortization Expense

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

GOVERNMENTAL ACTIVITIES	
General government	$ 314,921
Public works	2,383,804
Community development	320,539
Public safety	452,008
Community services	1,884
TOTAL DEPRECIATION/AMORTIZATION EXPENSE	$ 3,473,156
BUSINESS-TYPE ACTIVITIES	
Waterworks	$ 935,799
Parking	23,893
TOTAL DEPRECIATION/AMORTIZATION EXPENSE	$ 959,692

5. INTERFUND ADVANCES AND TRANSFERS

At December 31, 2012, interfund advances consist of the following:

Receivable Fund	Payable Fund	Amount
General	Transportation	$ 1,929,157
General	Fairview Avenue Debt Fund	13,289
TOTAL		$ 1,942,446

The interfund balances reflect the interfund borrowing to offset negative cash balances, with the Transportation fund and Fairview Avenue Debt fund paying back the general fund over the next few years.

At December 31, 2012, interfund transfers consist of the following:

Fund	Transfer In	Transfer Out
Major Governmental		
General (2)	$ -	200,000
Downtown Redevelopment TIF (1)	-	2,373,313
Capital Improvements (1)	-	700,107
Stormwater (1)	-	3,463,763

Capital Improvements (3)		265,092
Non-major Governmental		
Downtown TIF Debt Service (1)	2,673,313	-
Facilities Debt Service (1)	4,163,870	
Municipal Buildings (3)	265,092	
Internal Service		
Risk Management (2)	200,000	-
Enterprise		
Parking (1)	-	300,000
TOTAL	$ 7,302,275	$ 7,302,275

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 and (3) transfer to fund facilities projects.

6. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2012, was as follows:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Compensated absences payable*	$ 4,333,404	$ 4,103,412	$ 4,333,404	$ 4,103,412	$ 1,231,024
Net pension obligation – Fire *	383,696		149,931	233,765	
Unamortized premium	1,582,451	283,534	150,766	1,715,219	
Net OPEB payable *	6,472,814	177,861	673	6,650,002	
Unamortized loss on refunding	(990,634)		(123,912)	(866,722)	
General obligation bonds payable	59,550,000	25,000,000	4,865,000	79,685,000	4,610,000
Net pension obligation – IMRF *	327,006	30,629	-	357,635	
TOTAL GOVERNMENTAL ACTIVITIES	$ 71,658,737	$ 29,595,436	$ 9,375,862	$ 91,878,311	$ 5,841,024

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

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
Compensated absences payable	$ 94,076	$ 107,365	$ 94,076	$ 107,365	$ 32,210
Unamortized premium	0	151,941	2,922	149,019	
Net OPEB payable	253,585	33,312	421	286,476	

General obligation bonds payable	485,000	10,000,000	485,000	10,000,000	470,000
Net pension obligation – IMRF	30,480	3,227	-	33,707	
TOTAL BUSINESS-TYPE ACTIVITIES	$ 863,141	$ 10,295,845	$ 582,419	$ 10,576,567	$ 502,210

B. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. All of the general obligation bonds are retired by the debt service funds, other than $25.0 M General Obligation Road Improvements Bond, Series 2012A retired by the Capital Projects fund and $10.0 M General Obligation Water Bond, Series 2012B retired by the Waterworks fund. General obligation bonds currently outstanding are as follows:

	Balances January 1	Additions	Refunding/ Retirements	Balances December 31	Current 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.	485,000	-	485,000	-	-
$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.	120,000	-	120,000	-	-
$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.	9,485,000	-	80,000	9,405,000	80,000
$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.	8,465,000	-	360,000	8,105,000	375,000
$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.	19,200,000	-	2,610,000	16,590,000	345,000
$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.	3,550,000	-	625,000	2,925,000	720,000

$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.	8,005,000	-	1,070,000	6,935,000	1,100,000
$5,805,000 General Obligation Refunding Bonds, Series 2010A, dated March 4, 2010, due in installments of $175,000 to $2,690,000 beginning January 1, 2011 plus interest ranging from 2.00% to 5.00% due January 1, 2021.	5,575,000	-	-	5,575,000	-
$5,150,000 General Obligation Refunding Bonds, Series 2010B, dated November 10, 2010, due in installments of $200,000 to $1,210,000 beginning January 1, 2014 plus interest ranging from 3.00% to 4.00% due January 1, 2021.	5,150,000	-	-	5,150,000	-
$25,000,000 General Obligation Bonds, Series 2012A, dated May 3, 2012, due in installments of $590,000 to $1,990,000 beginning January 1, 2013 plus interest ranging from 3.00% to 4.00% due January 1, 2038.	-	25,000,000	-	25,000,000	1,990,000
$10,000,000 General Obligation Bonds, Series 2012B, dated May 3, 2012, due in installments of $375,000 to $655,000 beginning January 1, 2013 plus interest ranging from 3.00% to 3.50% due January 1, 2032.	-	10,000,000	-	10,000,000	470,000
TOTAL	$ 60,035,000	$ 35,000,000	$ 5,350,000	$ 89,685,000	$5,080,000

C. Debt Service Requirements and Maturities

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

	Governmental Activities		Business-Type Activities	
Year Ending	General Obligation Bonds		General Obligation Bonds	
December 31	Principal	Interest	Principal	Interest
2013	$ 4,610,000	$ 3,183,722	$ 470,000	$ 358,061
2014	4,985,000	2,898,528	375,000	294,725
2015	5,200,000	2,731,695	390,000	283,250
2016	4,070,000	2,570,595	400,000	271,400
2017	4,680,000	2,413,541	415,000	259,175
2018 - 2022	25,110,000	8,941,878	2,260,000	1,099,300

2023 - 2027	9,715,000	5,621,414	2,625,000	731,668
2028 - 2032	8,875,000	3,675,503	3,065,000	271,632
2033 - 2037	10,135,000	1,687,848	-	-
2038	2,305,000	51,573	-	-
TOTAL	$79,685,000	$ 33,776,297	$10,000,000	$ 3,569,211

D. Legal Debt Margin

The Village is a home rule municipality.

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

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property…(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: …indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum… shall not be included in the foregoing percentage amounts."

To date, the General Assembly has set no limits for home rule municipalities.
The Village qualifies as a Home Rule Unit under Section 6(a) of Article VII of the 1970 Constitution of Illinois and, under the powers granted by this Section, can exercise any power and perform any function pertaining to its village and affairs which is not prohibited by the Illinois State Statutes.

E. Non-commitment 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 $3,149,346.

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, $550,000 for each workers' compensation claim, $10,000 for each property damage claim, and $125,000 for each health claim. The Village purchases commercial insurance for claims in excess of the coverage provided by the Funds up to $35,000,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the Village participate in and make payments to the Funds based upon actuarial estimates of the amounts needed to pay prior and current-year claims. Liabilities of the Funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and societal factors. Non-incremental costs are not allocated to the claims liabilities. Changes in the balances of aggregate claims liabilities during the past two fiscal years are as follows:

	Fiscal Year Ended December 31, 2011	Fiscal Year Ended December 31, 2012
CLAIMS PAYABLE, BEGINNING	$ 3,351,694	$ 2,174,138
Incurred claims (including IBNR)	5,845,629	7,931,529
Less claims paid	(7,023,185)	(6,938,159)
CLAIMS PAYABLE, ENDING	$ 2,174,138	$ 3,167,508

8. COMMITMENTS

A. DuPage Water Commission (DWC)

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

Fiscal Year Ending December 31	Amount
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.

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, 2012, has been reported in the Tax Rebate 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, 2012 sales tax rebates of $63,856 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, 2012, sales tax rebates of $54,160 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, 2012, sales tax rebates of $21,190 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, 2012, sales tax rebates of $84,184 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, 2012, taxes of $6,855 were collected but not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated January 1, 2011 with a local auto dealership to rebate sales taxes on annual sales beginning in 2011. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than ten years. As of December 31, 2012, sales tax rebates of $101,980 were collected but not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated May 8, 2012 with a local retailer to rebate sales taxes on annual sales beginning in 2012. In consideration of the agreement, the retailer will continue to operate its business in the Village for a period of not less than thirteen years. As of December 31, 2012, sales tax rebates of $13,391 were collected but not yet remitted to the retailer.

The Village has a sales tax rebate agreement dated December 1, 2011 with a local auto dealership to rebate sales taxes on annual sales beginning in 2012. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than ten years. As of December 31, 2012, the Village has $0 liability with this vendor.

9. CONTINGENT LIABILITIES

A. Litigation

The Village is a defendant in various lawsuits arising out of the normal course of business. It is rigorously defending these suits, as it believes it has a meritorious defense against the claims. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the village attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the Village. The Village's possible exposure under these lawsuits is approximately $76,399.

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, 87 retirees and spouses meet those eligibility requirements with 320 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 $6,936,478 as of December 31, 2012.

In the actuarial valuations, the entry-age actuarial cost method was used. The actuarial assumptions included 4% 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. The remaining open amortization period at December 31, 2012 was 30 years. The funded status of the plan was as follows:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	$ 729,362
Interest on Net OPEB Obligation	336,320
Adjustment to Annual Required Contribution	(434,994)
Annual OPEB Cost	630,688
Contributions Made	(420,609)
Increase (Decrease) in Net OPEB Obligation	210,079
Net OPEB Obligation, Beginning of Year	6,726,399
Net OPEB Obligation, End of Year	$6,936,478

Fiscal Year Ended December 31	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2012	$ 630,688	66.7 %	$ 6,936,478
2011	628,541	66.9 %	6,726,399
2010	327,085	128.6 %	6,518,467

Actuarial valuations include estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are

subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. The Village does not issue a separate report for OPEB. The funded status of the plan as of December 31, 2012 was as follows:

Actuarial Accrued Liability (AAL)	$14,959,370
Actuarial Value of Assets	0
Unfunded Actuarial Accrued Liability (UAAL)	14,959,370
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll	$24,032,168
UAAL as a Percentage of Covered Payroll	62.2%

11. EMPLOYEE RETIREMENT SYSTEMS

A. Plan Descriptions and Provisions

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan which is also a single-employer pension plan (collectively the Pension Plans). The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the Pension Plans issue separate reports on the Pension Plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the IMRF plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. Effective January 1, 2011, IMRF assigns a benefit "tier" to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in Regular Tier 1. If the member first participated in IMRF on or after January 1, 2011, they participate in Regular Tier 2.

For Regular Tier 1, 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 an 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. For Regular Tier 2, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service, or age 62 with 35 years of service are entitled to an annual retirement benefit as described above. 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 contribution rate for 2012 was 15.9 percent of annual covered payroll. For 2012, the employer annual required contribution rate was 16.12 percent.

For December 31, 2012, the Village's annual pension cost of $2,109,480 was more than the Village's actual contributions. The required contribution was determined as part of the December 31, 2012 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 20% corridor. The assumptions used for the 2008 actuarial valuation were based on the 2005-2007 experience study.

Fiscal Year Ended December 31	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2012	$ 2,109,480	98.2 %	$ 445,437
2011	1,972,977	91.5 %	408,039
2010	1,829,192	86.9 %	240,074

Police Pension Plan

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

Fiscal Year Ended December 31	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset)
2012	$ 1,540,461	103.5%	$ (1,182,714)
2011	1,850,126	102.3 %	(1,129,077)
2010	1,683,613	102.1 %	(1,085,953)

At December 31, 2012, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated	55
Terminated plan members entitled to benefits but not yet receiving them	0
Current employees	
Vested	62
Non-vested	11
TOTAL	128

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

Tier 1 – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive 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 retirement benefit. The monthly pension of a police officer who retires 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% compounded annually thereafter.

Tier 2 - Covered employees hired after January 1, 2011, attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at $106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

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 January 1, 2011, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is

90% funded by the year 2040. For the year ended December 31, 2012, the Village's contribution was 24.37 % of covered payroll. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Firefighters' Pension Plan

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

Fiscal Year Ended December 31	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	$ 2,005,438	107.5%	$ 233,765
2011	2,214,519	100.1 %	383,696
2010	1,988,092	100.5 %	385,899

At December 31, 2012, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated	57
Terminated plan members entitled to benefits but not yet receiving them	5
Current employees	
Vested	46
Non-vested	29
TOTAL	137

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

Tier 1 – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive 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 retirement benefit. The monthly pension of a firefighter who retires 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% compounded annually thereafter.

Tier 2 - Covered employees hired after January 1, 2011, attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at $106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Funding Policy - Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2012, the Village's contribution was 33.45% of covered payroll. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Funding Policy and Annual Pension Cost

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution rates			
Village	15.90 %	24.37%	33.45%
Members	4.50 %	9.91%	9.46 %
Annual pension cost	$ 2,109,480	$ 1,540,461	$ 2,005,438
Contributions made	2,072,081	1,594,098	2,155,369
Actuarial valuation date	12/31/ 2010	12/ 31/2012	12/31/ 2012
Actuarial method	Entry-age	Entry-age	Entry-age
Amortization method	Level percentage of pay, open	Level percentage of pay, closed	Level percentage of pay, closed
Amortization period	28 years, open	28 years, closed	28 years, closed
	5-year smoothed		

Asset valuation method	Market	Market	Market
Actuarial assumptions			
Investment rate of return*	7.5 %	7.25 %	7.50 %
Projected salary	.40 % to 10 %	4.75 %	4.75 %
* Includes inflation at	4 %	3 %	3 %

The Village's annual pension cost and net pension obligation for December 31, 2012 were as follows:

	IMRF	Police Pension	Firefighters' Pension
Annual required contribution	$ 2,100,752	$ 1,567,925	$ 1,995,726
Interest on net pension obligation	30,603	(81,858)	28,777
Adjustment to annual required contribution	(21,875)	54,394	(19,065)
Annual pension cost	2,109,480	1,540,461	2,005,438
Contributions made	2,072,081	1,594,098	2,155,369
Increase (decrease) in net pension obligation	37,398	(53,637)	(149,931)
Net pension obligation (asset), beginning of year	408,039	(1,129,077)	383,696
NET PENSION OBLIGATION (ASSET), END OF YEAR	$ 445,437	$ (1,182,714)	$ 233,765

B. Funded Status and Funding Progress

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

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	12/31/10	12/31/12	12/31/12
Actuarial accrued liability (AAL)	$ 42,311,748	$ 69,946,210	$ 64,842,688
Actuarial value of plan assets	31,332,910	41,443,217	37,564,102
Unfunded actuarial accrued liability (UAAL)	10,978,838	28,502,993	27,278,586
Funded ratio (actuarial value of plan assets/AAL)	74%	59%	58%
Covered payroll (active plan members)	13,014,916	6,541,826	6,443,319
UAAL as a percentage of covered payroll	84%	436%	423%

The schedule of funding progress for the defined benefit pension plans 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.

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 Firefighters' Pension Plan are financed primarily through investment earnings.

D. Schedules for the Police and Firefighters' Plans

Assets	Police	Fire	Total
Cash and cash equivalents	$ 1,228,646	$ 1,002,697	$ 2,231,343
U.S. Obligations	8,901,013	6,802,921	15,703,934
Corporate Bonds	10,876,879	11,169,112	22,045,991
Mutual Funds – Fixed Income	969,401	-	969,401
Mutual Funds – Equity	14,763,103	18,475,851	33,238,954
Stocks	4,583,841	-	4,583,841
Prepaids	16,553	4,250	20,803
Interest Receivable	134,570	122,861	257,431
Total Assets	41,474,006	37,577,692	79,051,698
Liabilities			
Accounts Payable	30,789	13,590	44,379
Total Liabilities	30,789	13,590	44,379
Net Position Held in Trust	$41,443,217	$37,564,102	$79,007,319

Additions	Police	Fire	Total
Contributions – employer	$1,594,098	2,155,369	3,749,467
Contributions – employees	764,690	628,491	1,393,181
Investment Income (Loss)	3,539,647	3,151,239	6,690,886
Total Additions	5,898,435	5,935,099	11,833,534
Deductions			
Supplies	18	-	18
Contractual Services	37,057	60,504	97,561
Other Charges and Services	6,852	6,852	13,704
Benefits and Refunds	2,684,302	2,267,223	4,951,525
Total Deductions	2,728,229	2,334,579	5,062,808

Net Increase (Decrease)	$3,170,206	$3,600,520	$ 6,770,726

12. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Excess Expenditures over Appropriations

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures over Budget
Risk Management Fund	$2,472,812	$3,258,423	$ 785,611

The Village controls expenditures at the fund level. The Risk Fund experienced expenditures which exceeded appropriations. The detail of these expenditures can be found in the Combining and Individual Fund Financial Statements and Schedules section on page 95.

B. Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit fund balances at year end.

As of December 31, 2012, the following individual funds held a deficit balance:

Fund	Amount	Reason
Transportation Fund	$1,905,226	Starting in 2012, due to a new agreement with Pace, this fund is operating at a break even, with revenues from bus fees and Pace grants covering all expenses in the fund. Prior to the 2012 agreement with Pace, this fund operated at a deficit for many years. Village Council has put a plan in place to reduce this deficit over the next several years with contributions from the General Fund.

13. GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the Balance Sheet for the Governmental Funds at December 31, 2012, include the following:

	General	Downtown Redevelopment TIF	Capital Improvements	Stormwater Improvements	Nonmajor	Total
Fund Balances						
Nonspendable:						
Advance to other funds	$ 1,942,446	-	-	-	-	$ 1,942,446
Note receivable	54,543	-	-	-	-	54,543
Prepaid items	12,259	-	-	-	-	12,259
Total Nonspendable	2,009,248	-	-	-	-	2,009,248
Restricted for:						
Economic Development	-	1,179,966	-	-	4,253,550	5,433,516
Capital Projects	-	-	15,437,465	-	-	15,437,465
Road Improvements	-	-	-	-	448,158	448,158
Public Safety	-	-	-	-	381,475	381,475
Debt Service	-	-	-	-	542,445	542,445
Total Restricted	-	1,179,966	15,437,465	-	5,625,628	22,243,059
Assigned to:						
Capital Projects	-	-	6,519,555	14,257,885	550,468	21,327,908
Debt Service	-	-	-	-	7,054	7,054
Total Assigned	-	-	6,519,555	14,257,885	557,522	21,334,962
Unassigned:	17,193,001	-	-	-	(1,905,226)	15,287,775
Total Fund Balances	$ 19,202,249	$ 1,179,966	$ 21,957,020	$ 14,257,885	$ 4,277,924	$ 60,875,044

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, The Financial Reporting Entity: Omnibus; Statement No. 65, Items Previously Reported as Assets and Liabilities; Statement No. 66, Technical Corrections – 2012- an amendment of GASB Statements No. 10 and No. 62; Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25; and Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. Application of these standards may restate portions of these financial statements.

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 Library accounting policies are described below.

1. Fund Accounting

The Library uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to determine legal compliance

and to aid financial management by segregating transactions related to certain governments functions or activities.

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

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

2. Government-Wide and Fund Financial Statements

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

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

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

The Library reports the following major governmental funds:

The *General Fund* is the Library's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
The *Library Construction Fund* is used to account for capital improvements at the Library.
The *Library Debt Service Fund* is used for the payment of the Library's debt service.

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

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

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

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

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

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

The Library reports deferred (unearned) revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Library before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Library has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

4. Cash and Cash Equivalents and Investments

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

5. Receivables

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

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

6. Capital Assets

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

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 Position

In accordance with Governmental Accounting Standards Board Statement No. 54 – fund Balance Reporting and Governmental Fund Type Definitions, the Village classifies governmental fund balance as follows:

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

b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

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

d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) the Village Council and Library Board assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

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

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

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

10. Use of Estimates

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

B. Deposits and Investments

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

Library Deposits and Investments

The Library's investment policy authorizes the Library to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, 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.

Investments

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

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. Negotiable CDs are not rated.

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.

C. Receivables

Property taxes for 2012 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 2012 tax levy is intended to fund expenditures for the 2013 fiscal year, these taxes are deferred as of December 31, 2012.

D. Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	Balances January 1	Increases	Decreases	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 222,211	$ -	$ -	$ 222,211
Total capital assets not being depreciated	222,211	-	-	222,211

Capital assets being depreciated				
Buildings	9,479,919	-	-	9,479,919
Capital equipment	7,147,145	483,974	1,355,622	6,275,497
Total capital assets being depreciated	16,627,064	483,974	1,355,622	15,755,416
Less accumulated depreciation for				
Buildings	1,631,354	189,885	-	1,821,239
Capital equipment	3,287,839	507,064	888,046	2,906,857
Total accumulated depreciation	4,919,193	696,949	888,046	4,728,096
Total capital assets being depreciated, net	11,707,871	(212,975)	467,576	11,027,320
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 11,930,082	$ (212,975)	$ 467,576	$ 11,249,531

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

GOVERNMENTAL ACTIVITIES	
Community services	$ 696,949

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2012, was as follows:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
Compensated absences payable*	$ 42,622	$ 42,992	$ 42,622	$ 42,992	$ 12,898
Unamortized premium	16,949	-	1,496	15,453	-
Unamortized loss on refundings	(280,428)	-	(52,580)	(227,848)	-
Net OPEB payable*	192,405	-	51,842	140,563	-
General obligation bonds payable	3,485,000	-	535,000	2,950,000	555,000
Net Pension obligation –IMRF*	50,552	3,543	-	54,095	-
TOTAL	$ 3,507,100	$ 46,535	$ 578,380	$ 2,975,255	$ 567,898

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

General Obligation Bonds

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

Balances January 1	Additions	Refunding/ Retirements	Balances December 31	Current Portion

$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.	$ 3,485,000	$ -	$ 535,000	$ 2,950,000	$ 555,000
TOTAL	$ 3,485,000	$ -	$ 535,000	$ 2,950,000	$ 555,000

Debt Service Requirements and Maturities

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

Fiscal Year Ending December 31	Governmental Activities	
	Principal	Interest
2013	555,000	94,340
2014	570,000	75,913
2015	585,000	56,128
2016	610,000	34,758
2017	630,000	11,813
TOTAL	$ 2,950,000	$ 272,952

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 2012 was $14,780. All health care benefits are provided through the Village's self-insured health plan. The benefit levels are the same as those afforded to active employees. The Village first had an actuarial valuation as of December 31, 2007. The Library's Net OPEB obligation as of December 31, 2012 was $140,563.

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, 2012 was 30 years. The funded status of the plan as of December 31, 2012 was as follows:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	$	14,780
Interest on Net OPEB Obligation		9,620
Adjustment to Annual Required Contribution		(84,339)
Annual OPEB Cost		(59,939)
Contributions Made		(8,097)
Increase (Decrease) in Net OPEB Obligation		(51,842)
Net OPEB Obligation, Beginning of Year		192,405
Net OPEB Obligation, End of Year	$	140,563

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)	$	190,513
Actuarial Value of Assets		0
Unfunded Actuarial Accrued Liability (UAAL)		190,513
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0.0%
Covered Payroll	$	1,252,527
UAAL as a Percentage of Covered Payroll		15.21%

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Sales tax	$ 10,800,000	$ 10,800,000	$ 10,772,180	$ (27,820)
Home Rule Sales Tax	1,950,000	1,950,000	1,862,873	(87,127)
Property tax	10,949,540	10,949,540	11,083,591	134,051
Utility tax	5,430,000	5,430,000	5,690,708	260,708
Income tax	3,650,000	3,650,000	4,203,160	553,160
Other taxes	1,810,000	1,810,000	2,017,262	207,262
Licenses & permits	1,342,711	1,342,711	1,912,312	569,601
Intergovernmental	540,000	540,000	685,212	145,212
Charges for services & fees	3,683,471	3,683,471	3,944,334	260,863
Fines & forfeitures	1,093,590	1,093,590	970,372	(123,218)
Investment income	100,000	100,000	100,007	7
Contributions & donations	-	-	7,683	7,683
Total revenues	41,349,312	41,349,312	43,249,694	1,900,382
EXPENDITURES				
Current				
General government	4,738,251	4,738,251	4,554,114	(184,137)
Public works	6,120,969	6,120,969	5,942,250	(178,719)
Community development	2,132,889	2,132,889	1,948,899	(183,990)
Public safety	27,378,606	27,378,606	27,909,563	530,957
Community services	778,306	778,306	750,458	(27,848)
Total expenditures	41,149,021	41,149,021	41,105,284	(43,737)
(Deficiency) of revenues (under) expenditures	200,291	200,291	2,144,410	1,944,119
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	73,681	73,681
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources and uses	(200,000)	(200,000)	(126,319)	73,681
Net change in fund balances	291	291	2,018,091	$ 2,017,799
Fund balances -- beginning	17,184,158	17,184,158	17,184,158	
Fund balances -- ending	$ 17,184,449	$ 17,184,449	$ 19,202,249	

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

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 2,502,891	$ 2,502,891	$ 2,789,017	$ 286,126
Investment income	225	225	785	560
Total revenues	2,503,116	2,503,116	2,789,802	286,686
EXPENDITURES				
Current				
Community Development	7,485	7,485	1,585	(5,900)
Public works	75,000	75,000	11,675	(63,325)
Total current	82,485	82,485	13,260	(69,225)
Capital outlay				
Public works	45,500	45,500	-	(45,500)
Total capital outlay	45,500	45,500	-	(45,500)
Total expenditures	127,985	127,985	13,260	(114,725)
Excess (deficiency) of revenues over (under) expenditures	2,375,131	2,375,131	2,776,542	401,411
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,573,313)	(2,573,313)	(2,373,313)	200,000
Total other financing sources (uses)	(2,573,313)	(2,573,313)	(2,373,313)	200,000
Net change in fund balances	(198,182)	(198,182)	403,229	$ 601,411
Fund balances -- beginning	776,737	776,737	776,737	
Fund balances -- ending	$ 578,555	$ 578,555	$ 1,179,966	

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

Village of Downers Grove

Required Supplementary Information
Illinois Municipal Retirement Fund
December 31, 2012

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	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%
12/31/2010	25,667,439	36,891,606	11,224,167	69.58%	12,183,957	92.12%
12/31/2011	27,714,333	39,852,630	12,138,297	69.54%	12,628,001	96.12%
12/31/2012	31,332,910	42,311,748	10,978,838	74.05%	13,014,916	84.36%

Schedule of Employer Contributions

Calendar Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
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%
2010	1,589,118	1,829,192	86.88%
2011	1,805,012	1,967,841	91.73%
2012	2,072,081	2,100,752	98.64%

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

Village of Downers Grove

Required Supplementary Information
Police Pension Fund
December 31, 2012

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	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%
12/31/2009	33,882,250	57,051,451	23,169,201	59.4%	6,649,392	348.4%
12/31/2010	37,680,654	58,929,756	21,249,102	63.9%	6,237,227	340.7%
12/31/2011	40,219,632	64,623,582	24,403,950	62.2%	6,536,221	373.4%
12/31/2012	41,443,217	69,946,210	28,502,993	59.3%	6,541,826	435.7%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage of ARC Contributed
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%
12/31/2010	1,719,379	1,705,508	100.81%
12/31/2011	1,893,250	1,880,508	100.68%
12/31/2012	1,594,098	1,567,925	101.67%

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

Village of Downers Grove

Required Supplementary Information
Firefighters' Pension Fund
December 31, 2012

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	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%
12/31/2009	28,433,329	52,221,916	23,788,587	54.4%	6,230,701	381.8%
12/31/2010	32,098,166	54,836,758	22,738,592	58.5%	6,564,530	346.4%
12/31/2011	35,088,218	58,620,860	23,532,642	59.9%	6,416,127	366.8%
12/31/2012	37,564,102	64,842,688	27,278,586	57.9%	6,443,319	423.4%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
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%
12/31/2010	1,997,659	1,979,952	100.89%
12/31/2011	2,216,722	2,203,343	100.61%
12/31/2012	2,155,369	1,995,726	108.00%

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

Village of Downers Grove

Required Supplementary Information
Other Post-Employment Benefits Plan
Schedule of Funding Progress/Employer Contributions
December 31, 2012

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	126.7%
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%
12/31/2010	0	11,356,186	11,356,186	0.00%	23,422,245	48.5%
12/31/2011	0	11,356,186	11,356,186	0.00%	23,976,981	47.4%
12/31/2012	0	15,149,883	15,149,883	0.00%	25,284,695	59.9%

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 %
12/31/2010	554,929	436,549	78.7 %
12/31/2011	528,729	420,609	79.6 %
12/31/2012	729,362	420,609	57.7 %

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

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

1. BUDGETS

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

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

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

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

(See independent auditor's report)

Village of Downers Grove

General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance
Sales tax (1% municipal)	$ 10,800,000	$ 10,800,000	$ 10,772,180	$ (27,820)
Home rule sales tax	1,950,000	1,950,000	1,862,873	(87,127)
Property taxes				
General	6,662,347	6,662,347	6,728,914	66,567
Pension	3,690,747	3,690,747	3,747,734	56,987
Special service areas	246,446	246,446	248,776	2,330
Township road and bridge	350,000	350,000	358,167	8,167
Total property taxes	10,949,540	10,949,540	11,083,591	134,051
Utility taxes				
Natural gas use tax	480,000	480,000	400,693	(79,307)
Electricity tax	1,925,000	1,925,000	1,911,358	(13,642)
Telecommunications tax	3,025,000	3,025,000	3,378,657	353,657
Total utility taxes	5,430,000	5,430,000	5,690,708	260,708
Income tax	3,650,000	3,650,000	4,203,160	553,160
Other taxes				
Hotel tax	770,000	770,000	832,460	62,460
Personal property replacement tax	375,000	375,000	388,185	13,185
Local use tax	625,000	625,000	752,856	127,856
Other local taxes	40,000	40,000	43,761	3,761
Total other taxes	1,810,000	1,810,000	2,017,262	207,262
Licenses & permits				
Building and related	973,000	973,000	1,501,325	528,325
Alcoholic beverage	200,000	200,000	196,867	(3,133)
Professional and occupational	123,961	123,961	121,286	(2,675)
Other licenses and permits	45,750	45,750	92,834	47,084
Total licenses & permits	1,342,711	1,342,711	1,912,312	569,601
Intergovernmental	540,000	540,000	685,212	145,212

Village of Downers Grove

General Fund
Schedule of Revenues - Budget and Actual (Continued)
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance
Charges for services & fees				
Ambulance user fee - resident	$ 772,500	$ 772,500	$ 768,531	$ (3,969)
Ambulance user fee - nonresident	283,000	283,000	344,328	61,328
Review and inspection fees	167,890	167,890	225,219	57,329
Cable franchise fees	745,000	745,000	817,417	72,417
Cellular antenna rental	1,092,000	1,092,000	1,105,625	13,625
Other fees & charges	623,081	623,081	683,214	60,133
Total charges for services & fees	3,683,471	3,683,471	3,944,334	260,863
Fines & forfeitures				
Administrative booking and tow fees	298,000	298,000	263,655	(34,345)
Fines	795,590	795,590	706,717	(88,873)
Total fines & forfeitures	1,093,590	1,093,590	970,372	(123,218)
Investment income	100,000	100,000	100,007	7
Contributions and donations	-	-	7,683	7,683
TOTAL REVENUES	$ 41,349,312	$ 41,349,312	$ 43,249,694	$ 1,900,382

Village of Downers Grove

General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance
General government				
Personnel services	$ 3,193,737	$ 3,193,737	$ 3,212,495	$ 18,758
Supplies	118,778	118,778	95,689	(23,089)
Contractual services	916,888	916,888	726,861	(190,027)
Other charges and services	508,848	508,848	519,069	10,221
Total general government	4,738,251	4,738,251	4,554,114	(184,137)
Public works				
Personnel services	3,184,929	3,184,929	3,218,096	33,167
Supplies	611,600	611,600	499,935	(111,665)
Contractual services	1,129,256	1,129,256	1,020,166	(109,090)
Other charges and services	1,195,184	1,195,184	1,204,053	8,869
Total public works	6,120,969	6,120,969	5,942,250	(178,719)
Community development				
Personnel services	1,455,513	1,455,513	1,325,116	(130,397)
Supplies	9,000	9,000	6,551	(2,449)
Contractual services	138,100	138,100	66,180	(71,920)
Other charges and services	530,276	530,276	551,052	20,776
Total community development	2,132,889	2,132,889	1,948,899	(183,990)
Public safety				
Personnel services	23,392,824	23,392,824	24,072,835	680,011
Supplies	350,100	350,100	321,559	(28,541)
Contractual services	779,510	779,510	703,104	(76,406)
Other charges and services	2,856,175	2,856,175	2,812,065	(44,110)
Total public safety	27,378,609	27,378,609	27,909,563	530,954
Community services				
Personnel services	500,368	500,368	503,976	3,608
Supplies	15,670	15,670	8,272	(7,398)
Contractual services	252,553	252,553	228,934	(23,619)
Other charges and services	9,715	9,715	9,276	(439)
Total community services	778,306	778,306	750,458	(27,848)
TOTAL EXPENDITURES	$ 41,149,024	$ 41,149,024	$ 41,105,284	$ (43,740)

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, 2012

	Budgeted Amounts			
	Original	Final		Variance
REVENUES				
Sales tax	$ 3,900,000	$ 3,900,000	$ 3,725,437	$ (174,563)
Property tax	8,671	8,671	8,759	88
Utility tax	605,000	605,000	675,731	70,731
Other taxes	135,000	135,000	135,418	418
Intergovernmental	682,000	682,000	659,393	(22,607)
Investment income	175,000	175,000	66,974	(108,026)
Total revenues	5,505,671	5,505,671	5,271,712	(233,959)
EXPENDITURES				
Current				
General government	150,000	150,000	182,046	32,046
Public works	529,579	529,579	484,552	(45,027)
Total current	679,579	679,579	666,598	(12,981)
Capital outlay				
General government	375,000	375,000	27,004	(347,996)
Public works	14,883,325	14,883,325	10,516,935	(4,366,390)
Public safety	216,800	216,800	39,945	(176,855)
Total capital outlay	15,475,125	15,475,125	10,583,884	(4,891,241)
Total expenditures	16,154,704	16,154,704	11,250,482	(4,904,222)
Excess (deficiency) of revenues over (under) expenditures	(10,649,033)	(10,649,033)	(5,978,770)	4,670,263
OTHER FINANCING SOURCES (USES)				
Transfers out	(965,199)	(965,199)	(965,199)	-
Bonds Issued	25,000,000	25,000,000	25,000,000	-
Bond premium	-	-	283,534	283,534
Total other financing sources (uses)	24,034,801	24,034,801	24,318,335	283,534
Net change in fund balances	13,385,768	13,385,768	18,339,565	$ 4,953,797
Fund balances -- beginning	3,617,455	3,617,455	3,617,455	
Fund balances -- ending	$ 17,003,223	$ 17,003,223	$ 21,957,020	

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 2,630,139	$ 2,630,139	$ 2,630,139	$ -
Sales tax	1,950,000	1,950,000	1,862,718	(87,282)
Investment income	10,000	10,000	40,417	30,417
Contributions & donations	50,000	50,000	168,247	118,247
Intergovernmental	103,300	103,300	17,495	(85,805)
Total revenues	4,743,439	4,743,439	4,719,016	(24,422)
EXPENDITURES				
Current				
General government	-	-	31,526	31,526
Public works	887,296	887,296	794,996	(92,300)
Total current	887,296	887,296	826,522	(60,774)
Capital outlay				
Public works	9,076,130	9,076,130	1,850,273	(7,225,857)
Total capital outlay	9,076,130	9,076,130	1,850,273	(7,225,857)
Total expenditures	9,963,426	9,963,426	2,676,795	(7,286,631)
Excess (deficiency) of revenues over (under) expenditures	(5,219,987)	(5,219,987)	2,042,221	7,262,209
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,463,763)	(3,463,763)	(3,463,763)	-
Proceeds from disposal of capital assets	-	-	203,718	203,718
Total other financing sources (uses)	-	-	203,718	203,718
Net change in fund balances	(8,683,750)	(8,683,750)	(1,217,824)	$ 7,465,927
Fund balances -- beginning	15,475,709	15,475,709	15,475,709	
Fund balances -- ending	$ 6,791,959	$ 6,791,959	$ 14,257,885	

Village of Downers Grove
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2012

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and investments	$ 5,329,786	$ 542,445	$ 650,874	$ 6,523,105
Property taxes receivable	715,000	-	-	715,000
Other taxes receivable	99,015	20,343	-	119,358
Accounts receivable	24,757	-	3,965	28,722
Total assets	6,168,558	562,788	654,839	7,386,185
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	346,444	-	97,976	444,420
Due to other funds	1,929,157	13,289	-	1,942,446
Deposits payable	-	-	6,395	6,395
Deferred property taxes	715,000	-	-	715,000
Total liabilities	2,990,601	13,289	104,371	3,108,261
FUND BALANCES				
Restricted	5,083,183	542,445		5,625,628
Assigned		7,054	550,468	557,522
Unassigned	(1,905,226)			(1,905,226)
Total fund balances	3,177,957	549,499	550,468	4,277,924
Total liabilities and fund balances	$ 6,168,558	$ 562,788	$ 654,839	$ 7,386,185

Village of Downers Grove
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Sales tax	$ 796,174	$ -	$ -	$ 796,174
Property tax	696,980	-	-	696,980
Other taxes	78,079	202,816	-	280,895
Intergovernmental	1,544,657	-	-	1,544,657
Charges for services & fees	233,241	-	67,689	300,930
Investment income	25,680	165	72	25,917
Total revenues	3,374,811	202,981	67,761	3,645,553
EXPENDITURES				
Current				
General government	796,174	-	82,081	878,255
Public works	1,571,075	-	-	1,571,075
Community development	378,910	-	-	378,910
Public safety	59,952	-	-	59,952
Capital Outlay				
General government	-	-	136,874	136,874
Debt service				
Principal retirement	-	4,865,000	-	4,865,000
Interest and other	-	2,372,184	-	2,372,184
Issuance costs	-	-	-	-
Total expenditures	2,806,111	7,237,184	218,955	10,262,250
Excess (deficiency) of revenues over (under) expenditures	568,700	(7,034,203)	(151,194)	(6,616,697)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	6,837,184	265,091	7,102,275
Total other financing sources (uses)	-	6,837,184	265,091	7,102,275
Net change in fund balance	568,700	(197,019)	113,897	485,578
Fund balances -- beginning	2,609,257	746,518	436,571	3,792,346
Fund balances -- ending	$ 3,177,957	$ 549,499	$ 550,468	$ 4,277,924

Village of Downers Grove
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Motor Fuel Tax	Foreign Fire	Ogden TIF	Tax Rebate	Transportation	Asset Forfeiture	Total
ASSETS							
Cash and investments	$ 349,143	$ 255,438	$ 4,253,550	$ 345,618	$ -	$ 126,037	$ 5,329,786
Property taxes receivable	-	-	715,000	-	-	-	715,000
Other taxes receivable	99,015	-	-	-	-	-	99,015
Accounts receivable	-	-	-	-	24,757	-	24,757
Total assets	448,158	255,438	4,968,550	345,618	24,757	126,037	6,168,558
LIABILITIES							
Accounts payable	-	-	-	345,618	826	-	346,444
Due to other funds	-	-	-	-	1,929,157	-	1,929,157
Deferred property taxes	-	-	715,000	-	-	-	715,000
Total liabilities	-	-	715,000	345,618	1,929,983	-	2,990,601
FUND BALANCES							
Restricted	448,158	255,438	4,253,550			126,037	5,083,183
Unassigned				-	(1,905,226)		(1,905,226)
Total fund balances	448,158	255,438	4,253,550	-	(1,905,226)	126,037	3,177,957
Total liabilities and fund balances	$ 448,158	$ 255,438	$ 4,968,550	$ 345,618	$ 24,757	$ 126,037	$ 6,168,558

Village of Downers Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2012

	Motor Fuel Tax	Foreign Fire	Odgen TIF	Tax Rebate	Transportation	Asset Forfeiture	Total
REVENUES							
Sales tax	$ -	$ -	$ -	$ 796,174	$ -	$ -	$ 796,174
Property tax	-	-	696,980	-	-	-	696,980
Other taxes	-	78,079	-	-	-	-	78,079
Intergovernmental	1,381,028	-	-	-	163,629	-	1,544,657
Charges for services & fees	-	-	-	-	107,204	126,037	233,241
Investment income	764	173	7,254	-	17,489	-	25,680
Total revenues	1,381,792	78,252	704,234	796,174	288,322	126,037	3,374,811
EXPENDITURES							
Current							
General government	-	-	-	796,174	-	-	796,174
Public works	1,300,000	-	-	-	271,075	-	1,571,075
Community development	-	-	378,910	-	-	-	378,910
Public safety	-	59,952	-	-	-	-	59,952
Total expenditures	1,300,000	59,952	378,910	796,174	271,075	-	2,806,111
Excess (deficiency) of revenues over (under) expenditures	81,792	18,300	325,324	-	17,247	126,037	568,700
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net Change in fund balances	81,792	18,300	325,324	-	17,247	126,037	568,700
Fund balances (deficit) -- beginning	366,366	237,138	3,928,226	-	(1,922,473)	-	2,609,257
Fund balances (deficit) -- ending	$ 448,158	$ 255,438	$ 4,253,550	$ -	$ (1,905,226)	$ 126,037	$ 3,177,957

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	$ 1,200,000	$ 1,200,000	$ 1,381,028	$ 181,028
Investment income	500	500	764	264
Total revenues	1,200,500	1,200,500	1,381,792	181,292
EXPENDITURES				
Public works	1,300,000	1,300,000	1,300,000	-
Total current	1,300,000	1,300,000	1,300,000	-
Total expenditures	1,300,000	1,300,000	1,300,000	-
Over (under) expenditures	(99,500)	(99,500)	81,792	181,292
Net change in fund balances	(99,500)	(99,500)	81,792	$ 181,292
Fund balances -- beginning	366,366	366,366	366,366	
Fund balances -- ending	$ 266,866	$ 266,866	$ 448,158	

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Foreign fire insurance tax	$ 65,000	$ 65,000	$ 78,079	$ 13,079
Investment income	500	500	173	(327)
Total revenues	65,500	65,500	78,252	12,752
EXPENDITURES				
Current				
Public safety	83,000	83,000	59,952	(23,048)
Total current	83,000	83,000	59,952	(23,048)
Total expenditures	83,000	83,000	59,952	(23,048)
Over (under) expenditures	(17,500)	(17,500)	18,300	35,800
Net change in fund balances	(17,500)	(17,500)	18,300	$ 35,800
Fund balances -- beginning	237,138	237,138	237,138	
Fund balances -- ending	$ 219,638	$ 219,638	$ 255,438	

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 675,000	$ 675,000	$ 696,980	$ 21,980
Investment income	6,015	6,015	7,254	1,239
Total revenues	681,015	681,015	704,234	23,219
EXPENDITURES				
Current				
Public works	1,350,000	1,350,000	-	(1,350,000)
Community development	127,128	127,128	378,910	251,782
Total current	1,477,128	1,477,128	378,910	(1,098,218)
Total expenditures	1,477,128	1,477,128	378,910	(1,098,218)
Net change in fund balances	(796,113)	(796,113)	325,324	$ 1,121,437
Fund balances -- beginning	3,928,226	3,928,226	3,928,226	
Fund balances -- ending	$ 3,132,113	$ 3,132,113	$ 4,253,550	

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Sales tax	$ 750,000	$ 810,000	$ 796,174	$ (13,826)
Total revenues	750,000	810,000	796,174	(13,826)
EXPENDITURES				
Current				
General government	750,000	810,000	796,174	(13,826)
Total current	750,000	810,000	796,174	(13,826)
Total expenditures	750,000	810,000	796,174	(13,826)
Net change in fund balances	-	-	-	$ -
Fund balances -- beginning	-	-	-	
Fund balances -- ending	$ -	$ -	$ -	

Village of Downers Grove
Transportation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	$ 158,978	$ 158,978	$ 163,629	$ 4,651
Charges for services & fees	115,100	115,100	107,204	(7,896)
Interest earned on investments	25,000	25,000	17,489	(7,511)
Total revenues	299,078	299,078	288,322	(10,756)
EXPENDITURES				
Current				
Public works	273,948	273,948	271,075	(2,873)
	273,948	273,948	271,075	(2,873)
Total expenditures	273,948	273,948	271,075	(2,873)
Over (under) expenditures	25,130	25,130	17,247	(7,883)
Net change in fund balances	25,130	25,130	17,247	$ (7,883.00)
Fund balances (deficit) -- beginning	(1,922,473)	(1,922,473)	(1,922,473)	
Fund balances (deficit) -- ending	$(1,897,343)	$ (1,897,343)	$ (1,905,226)	

Village of Downers Grove
Asset Forfeiture
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for svcs, fees, fines	$ 50,000	$ 50,000	$ 126,037	$ 76,037
Total revenues	50,000	50,000	126,037	76,037
EXPENDITURES				
Public Safety	50,000	50,000	-	(50,000)
Total current	50,000	50,000	-	(50,000)
Total expenditures	50,000	50,000	-	(50,000)
Over (under) expenditures	-	-	126,037	126,037
Net change in fund balances	-	-	126,037	$ 126,037
Fund balances -- beginning	-	-	-	
Fund balances -- ending	-	-	$ 126,037	

Village of Downers Grove
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2012

	Fairview Avenue	Downtown TIF	Stormwater/ Facilities	Total
ASSETS				
Cash and investments	$ -	$ 542,445	$ -	$ 542,445
Local fuel tax receivable	20,343	-	-	20,343
Total assets	20,343	542,445	-	562,788
LIABILITIES AND FUND BALANCES				
Due to other funds	13,289	-	-	13,289
Total liabilities	13,289	-	-	13,289
FUND BALANCES				
Restricted for debt service		542,445		542,445
Assigned	7,054			7,054
Total fund balances	7,054	542,445	-	549,499
Total liabilities and fund balances	$ 20,343	$ 542,445	$ -	$ 562,788

Village of Downers Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2012

	Fairview Avenue	Downtown TIF	Stormwater/ Facilities	Total
REVENUES				
Local fuel tax	$ 202,816	$ -	$ -	$ 202,816
Investment income	-	165	-	165
Total revenues	202,816	165	-	202,981
EXPENDITURES				
Debt service				
Principal retirement	200,000	1,695,000	2,970,000	4,865,000
Interest and other	-	1,178,313	1,193,871	2,372,184
Total expenditures	200,000	2,873,313	4,163,871	7,237,184
Excess (deficiency) of revenues over (under) expenditures	2,816	(2,873,148)	(4,163,871)	(7,034,203)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,673,313	4,163,871	6,837,184
Total other financing sources (uses)	-	2,673,313	4,163,871	6,837,184
Net change in fund balances	2,816	(199,835)	-	(197,019)
Fund balances -- beginning	4,238	742,280	-	746,518
Fund balances -- ending	$ 7,054	$ 542,445	$ -	$ 549,499

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Local fuel tax	$ 200,000	$ 200,000	$ 202,816	$ 2,816
Total revenues	200,000	200,000	202,816	2,816
EXPENDITURES				
Debt service				
Principal retirement	200,000	200,000	200,000	-
Total debt service	200,000	200,000	200,000	-
Total expenditures	200,000	200,000	200,000	-
Over (under) expenditures	-	-	2,816	2,816
Net change in fund balances	-	-	2,816	$ 2,816
Fund balances -- beginning	4,238	4,238	4,238	
Fund balances -- ending	$ 4,238	$ 4,238	$ 7,054	

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Interest earned on investments	$ -	$ -	$ 165	$165
Total revenues	-	-	165	165
EXPENDITURES				
Debt service				
Principal retirement	1,895,000	1,895,000	1,695,000	(200,000)
Interest and other	978,313	978,313	1,178,313	200,000
Issuance costs	-	-	-	-
Total debt service	2,873,313	2,873,313	2,873,313	-
Total expenditures	2,873,313	2,873,313	2,873,313	-
(Deficiency) of revenues (under) expenditures	(2,873,313)	(2,873,313)	(2,873,148)	165
OTHER FINANCING SOURCES				
Transfers in	2,873,313	2,873,313	2,673,313	(200,000)
Total other financing sources	2,873,313	2,873,313	2,673,313	(200,000)
Net change in fund balances	-	-	(199,835)	($199,835)
Fund balances -- beginning	742,280	742,280	742,280	
Fund balances -- ending	$ 742,280	$ 742,280	$ 542,445	

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES				
Debt service				
Principal retirement	2,970,000	2,970,000	2,970,000	-
Interest	1,193,871	1,193,871	1,193,871	-
Total debt service	4,163,871	4,163,871	4,163,871	-
Total expenditures	4,163,871	4,163,871	4,163,871	-
OTHER FINANCING SOURCES				
Transfers in	4,163,871	4,163,871	4,163,871	-
Total other financing sources	4,163,871	4,163,871	4,163,871	-
Net change in fund balances	-	-	-	$ -
Fund balances -- beginning	-	-	-	
Fund balances -- ending	$ -	$ -	$ -	

Village of Downers Grove
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2012

	Municipal Buildings	Real Estate	Total
ASSETS			
Cash and investments	$ 394,180	$ 256,694	$ 650,874
Accounts receivable	-	3,965	3,965
Total assets	394,180	260,659	654,839
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	95,187	2,789	97,976
Deposits payable	-	6,395	6,395
Total liabilities	95,187	9,184	104,371
FUND BALANCES			
Assigned for Capital Projects	298,993	251,475	550,468
Total fund balances	298,993	251,475	550,468
Total liabilities and fund balances	$ 394,180	$ 260,659	$ 654,839

Village of Downers Grove
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012

	Municipal Buildings	Real Estate	Total
REVENUES			
Charges for services & fees	$ -	$ 67,689	$ 67,689
Investment income	37	35	72
Total revenues	37	67,724	67,761
EXPENDITURES			
Current			
General government	-	82,081	82,081
Total current	-	82,081	82,081
Capital Outlay			
General government	136,874	-	136,874
Total capital outlay	136,874	-	136,874
Total expenditures	136,874	82,081	218,955
Excess (deficiency) of revenues over (under) expenditures	(136,837)	(14,357)	(151,194)
OTHER FINANCING SOURCES (USES) & SPECIAL ITEMS			
Transfers in	265,091	-	265,091
Total other financing sources (uses) & special items	265,091	-	265,091
Net change in fund balance	128,254	(14,357)	113,897
Fund balances -- beginning	170,739	265,832	436,571
Fund balances -- ending	$ 298,993	$ 251,475	$ 550,468

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment income	$ -	$ -	$ 37	$ 37
Total revenues	-	-	37	37
EXPENDITURES				
Capital outlay				
General government	453,000	453,000	136,874	316,126
Total capital outlay	453,000	453,000	136,874	316,126
Total expenditures	453,000	453,000	136,874	316,126
Excess (deficiency) of revenues over (under) expenditures	(453,000)	(453,000)	(136,837)	316,163
OTHER FINANCING SOURCES				
Transfers in	265,100	265,100	265,091	(9)
Total other financing sources	265,100	265,100	265,091	(9)
Net change in fund balances	(187,900)	(187,900)	128,254	$ 316,154
Fund balances -- beginning	170,739	170,739	170,739	
Fund balances (deficits) - ending	($ 17,161)	($ 17,161)	$ 298,993	

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for services & fees	$ 60,000	$ 60,000	$ 67,689	$ 7,689
Investment income	90	90	35	(55)
Total revenues	60,090	60,090	67,724	7,634
EXPENDITURES				
Current				
General government	126,645	126,645	82,081	(44,564)
Total current	126,645	126,645	82,081	(44,564)
Total expenditures	126,645	126,645	82,081	(44,564)
Excess (deficiency) of revenues over (under) expenditures	(66,555)	(66,555)	(14,357)	52,198
Net change in fund balances	(66,555)	(66,555)	(14,357)	$ 52,198
Fund balances -- beginning	265,832	265,832	265,832	
Fund balances -- ending	$ 199,277	$ 199,277	$ 251,475	

Village of Downers Grove
Waterworks Fund
Non GAAP Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Water financial services				
Personnel services	$ 106,425	$ 106,425	$ 100,335	$ (6,090)
Supplies	500	500	98	(402)
Contractual services	188,000	188,000	90,892	(97,108)
Total	294,925	294,925	191,325	(103,600)
Water administration				
Personnel services	348,469	348,469	346,550	(1,919)
Supplies	9,295	9,295	5,013	(4,282)
Contractual services	35,387	35,387	25,645	(9,742)
Other charges and services	1,324,515	1,324,515	1,324,513	(2)
Total	1,717,666	1,717,666	1,701,721	(15,945)
Water pumping and treatment				
Personnel services	103,942	103,942	102,350	(1,592)
Supplies	7,700	7,700	5,469	(2,231)
Contractual services	142,416	142,416	116,204	(26,212)
Other charges and services	10,098	10,098	10,092	(6)
Capital outlay	1,500	1,500	1,211	(289)
Total	265,656	265,656	235,326	(30,330)
Water transmission and distribution				
Personnel services	715,805	715,805	888,341	172,536
Supplies	233,592	233,592	213,703	(19,889)
Contractual services	576,370	576,370	438,311	(138,059)
Other charges and services	68,988	68,988	68,988	0
Capital Outlay	5,700	5,700	-	(5,700)
Total	1,600,455	1,600,455	1,609,343	8,888
DuPage Water Commission	5,730,000	5,730,000	6,191,333	461,333
Capital outlay	6,840,000	6,840,000	5,705,589	(1,134,411)
Total Non-GAAP operating expenses	16,448,702	16,448,702	15,634,637	(814,065)
Depreciation	-	-	935,799	935,799
Less assets capitalized	-	-	(5,705,589)	(5,705,589)
Total GAAP operating expenses	$ 16,448,702	$ 16,448,702	$ 10,864,847	$ (5,583,855)

Village of Downers Grove
Parking Fund
Non GAAP Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Non-deck parking operations				
Supplies	$ 8,700	$ 8,700	$ 4,453	$ (4,247)
Contractual services	93,114	93,114	77,590	(15,524)
Other charges and services	325,000	325,000	314,555	(10,445)
Total	426,814	426,814	396,598	(30,216)
Parking deck operations				
Supplies	7,175	7,175	4,750	(2,425)
Contractual services	31,340	31,340	59,308	27,968
Other charges and services	1,310,000	1,310,000	53,390	(1,256,610)
Total	1,348,515	1,348,515	117,448	(1,231,067)
Enforcement				
Personnel services	164,364	164,364	163,208	(1,156)
Supplies	1,388	1,388	1,188	(200)
Contractual services	12,650	12,650	9,772	(2,878)
Other charges and services	539,898	539,898	539,892	(6)
Total	718,300	718,300	714,060	(4,240)
Total Non-GAAP operating expenses	2,493,629	2,493,629	1,228,106	(1,265,523)
Depreciation	-	-	23,893	23,893
Transfers out	(300,000)	(300,000)	(300,000)	-
Total GAAP operating expenses	$ 2,193,629	$ 2,193,629	$ 951,999	$ (1,241,630)

Village of Downers Grove
Combining Statement of Net Position
Internal Service Funds
December 31, 2012

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
ASSETS					
Current assets					
Cash and investments	$ 1,404,576	$ 263,165	$ 1,234,241	$ 149,941	$ 3,051,923
Accounts receivable	13,500	2,786	113,964	421,768	552,018
Inventory	-	132,852	-	-	132,852
Total Current assets	1,418,076	398,803	1,348,205	571,709	3,736,793
Noncurrent assets					
Capital assets being depreciated	10,293,781	1,027,698	-	-	11,321,479
Accumulated depreciation	(5,081,481)	(718,156)	-	-	(5,799,637)
Total Noncurrent assets	5,212,300	309,542	-	-	5,521,842
Total assets	6,630,376	708,345	1,348,205	571,709	9,258,635
LIABILITIES					
Current liabilities					
Accounts payable	70,970	41,308	46,667	4,723	163,668
Other payables	-	-	32,025	-	32,025
Compensated absences	-	13,538	11,158	635	25,331
Claims payable	-	-	904,626	678,865	1,583,491
Total Current liabilities	70,970	54,846	994,476	684,223	1,804,515
Noncurrent liabilities					
Claims payable	-	-	-	1,584,017	1,584,017
Other post-employment benefits	-	108,209	22,197	25,665	156,071
Compensated absences	-	31,589	26,035	1,483	59,107
Net pension obligation	-	13,781	3,077	3,417	20,275
Total Noncurrent liabilities	-	153,579	51,309	1,614,582	1,819,470
Total liabilities	70,970	208,425	1,045,785	2,298,805	3,623,985
NET POSITION					
Net investment in capital assets	5,212,300	309,542	-	-	5,521,842
Unrestricted (deficit)	1,347,106	190,378	302,420	(1,727,096)	112,808
Total net position	$ 6,559,406	$ 499,920	$ 302,420	$ (1,727,096)	$ 5,634,650

Village of Downers Grove
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2012

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
Operating revenues					
Sales	$ -	$ 153,242	$ -	$ -	$ 153,242
Interfund services	1,184,568	1,696,092	4,472,142	1,659,036	9,011,838
Insurance premiums	-	-	1,856,996	-	1,856,996
Other	2,092	-	8,814	13,025	23,931
Total operating revenues	1,186,660	1,849,334	6,337,952	1,672,061	11,046,007
Operating expenses					
Personnel services	-	586,461	112,296	127,868	826,625
Supplies	-	705,384	-	645	706,029
Contractual services	-	97,076	1,038,125	616,538	1,751,739
Other charges and services	311,973	234,742	5,437,439	2,513,372	8,497,526
Depreciation	687,267	39,451	-	-	726,718
Total operating expenses	999,240	1,663,114	6,587,860	3,258,423	12,508,637
Operating Income (loss)	187,420	186,220	(249,908)	(1,586,362)	(1,462,630)
Nonoperating revenues					
Intergovernmental	12,000	23,302	-	-	35,302
Investment income	310	-	404	126	840
Gain from disposals	55,070	-	-	-	55,070
Total non operating revenues	67,380	23,302	404	126	91,212
Income (loss) before transfers	254,800	209,522	(249,504)	(1,586,236)	(1,371,418)
Transfers in	-	-	-	200,000	200,000
Change in net position	254,800	209,522	(249,504)	(1,386,236)	(1,171,418)
Total net position -- beginning	6,304,606	290,398	551,924	(340,860)	6,806,068
Total net position -- ending	$ 6,559,406	$ 499,920	$ 302,420	$ (1,727,096)	$ 5,634,650

Village of Downers Grove
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Equipment Replacement	Fleet	Health	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services	$1,184,568	$1,696,092	$4,472,142	$1,659,036	$9,011,838
Receipts from customers	2,092	200,169	1,817,324	(74,457)	1,945,128
Other payments	-	(97,076)	(6,280,805)	(2,252,616)	(8,630,497)
Payments to employees	-	(585,463)	(114,960)	(119,937)	(820,360)
Payments for interfund services	-	(216,228)	(78,492)	(192)	(294,912)
Payments to suppliers	(525,194)	(845,645)	43,667	(5,599)	(1,332,771)
	661,466	151,849	(141,124)	(793,765)	(121,574)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant proceeds	12,000	23,302	-	-	35,302
Transfers in (out)	-	-	-	200,000	200,000
	12,000	23,302	-	200,000	235,302
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(691,074)	-	-	-	(691,074)
Interest paid	-	-	-	-	-
Principal paid on general obligation bonds	-	-	-	-	-
Net cash provided (used) by capital activities	(691,074)	-	-	-	(691,074)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	310	-	404	126	840
	310	-	404	126	840
Net Increase (decrease) in cash and cash equivalents	(17,298)	175,151	(140,720)	(593,639)	(576,506)
Cash and investments - beginning of year	1,421,874	88,014	1,374,961	743,580	3,628,429
Cash and investments - end of year	1,404,576	263,165	1,234,241	149,941	3,051,923
Reconciliation of operating income (loss) to net cash by operating activities					
Operating income (loss)	187,420	186,220	(249,908)	(1,586,362)	(1,462,630)
cash provided (used) by operating activities:					
Depreciation	687,267	39,451	-	-	726,718
Miscellaneous revenues	-	-	-	-	-
Change in assets and liabilities					
Accounts payable	(199,721)	(90,429)	43,667	(4,953)	(251,436)
Compensated absences	-	(4,146)	1,809	1,505	(832)
Accounts receivable	(13,500)	46,927	(48,486)	(87,482)	(102,541)
Due from other funds	-	-	-	-	-
Inventory	-	(30,515)	-	-	(30,515)
Prepaid expenses	-	-	-	-	0
Other post-employment benefits	-	3,950	(673)	6,158	9,435
Deposits payable	-	-	-	-	-
Other payables	-	(803)	(4,029)	-	(4,832)
Claims payable	-	-	116,267	877,102	993,369
Net pension obligation	-	1,194	229	267	1,690
Net cash provided (used) by operating activities	$661,466	$151,849	($141,124)	($793,765)	($121,574)

See accompanying notes to financial statements

Village of Downers Grove
Equipment Replacement Fund
Non GAAP Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Other charges and services	$ 397,000	$ 397,000	$ 311,973	$ (85,027)
Capital outlay	998,500	998,500	862,035	(136,465)
Less assets capitalized	-	-	(862,035)	(862,035)
Total Non GAAP operating expenses	1,395,500	1,395,500	311,973	(1,083,527)
Depreciation	-	-	687,267	687,267
Total GAAP operating expenses	$ 1,395,500	$ 1,395,500	$ 999,240	$ (396,261)

Village of Downers Grove
Fleet Services Fund
Non GAAP Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	$ 596,643	$ 596,643	$ 586,461	$ (10,182)
Supplies	772,859	772,859	705,384	(67,475)
Contractual services	177,675	177,675	97,076	(80,599)
Other charges and services	238,723	238,723	234,742	(3,981)
Total Non GAAP expenses	1,785,900	1,785,900	1,623,663	(162,237)
Depreciation	-	-	39,451	39,451
Total GAAP operating expenses	$ 1,785,900	$ 1,785,900	$ 1,663,114	$ (122,786)

Village of Downers Grove
Health Insurance Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Health administration				
Personnel services	$ 126,803	$ 126,803	$ 112,296	$ (14,507)
Supplies	775	775	-	(775)
Contractual services	110,545	110,545	115,293	4,748
Other charges and services	433	433	432	(1)
Total	238,556	238,556	228,021	(10,535)
Vision insurance				
Contractual services	43,200	43,200	44,033	833
Total	43,200	43,200	44,033	833
Medical insurance				
Contractual services	786,560	786,560	858,946	72,386
Other charges and services	4,778,062	5,128,062	5,005,566	(122,496)
Total	5,564,622	5,914,622	5,864,512	(50,110)
Dental insurance				
Contractual services	18,338	18,338	19,853	1,515
Other charges and services	425,000	425,000	431,441	6,441
Total	443,338	443,338	451,294	7,956
Total operating expenses	$ 6,289,716	$ 6,639,716	$ 6,587,860	$ (51,856)

Village of Downers Grove
Risk Management Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	$ 143,414	$ 143,414	$ 127,868	$ (15,546)
Supplies	660	660	645	(15)
Contractual services	483,541	483,541	616,538	132,997
Other charges and services	1,245,197	1,845,197	2,513,372	668,175
Total operating expenses	$ 1,872,812	$ 2,472,812	$ 3,258,423	$ 785,611

Village of Downers Grove, Illinois
Pension Trust Funds
Combining Statement of Net Position
December 31, 2012

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	$ 1,228,646	$ 1,002,697	$ 2,231,343
Investments			
U.S. obligations	8,901,013	6,802,921	15,703,934
Corporate bonds	9,536,525	6,991,475	16,528,000
Foreign bonds	1,340,354	-	1,340,354
Negotiable CDs	-	4,177,637	4,177,637
Mutual funds - fixed income	969,401	-	969,401
Mutual funds - equity	14,763,103	18,475,851	33,238,954
Common and Preferred Stocks	4,583,841	-	4,583,841
Prepaids	16,553	4,250	20,803
Interest receivable	134,570	122,861	257,431
Total assets	41,474,006	37,577,692	79,051,698
LIABILITIES			
Accounts payable	30,789	13,590	44,379
Total liabilities	30,789	13,590	44,379
NET POSITION			
Held in trust for pension benefits	$ 41,443,217	$ 37,564,102	$ 79,007,319

Village of Downers Grove
Combining Statement of Changes in Net Position
Pension Trust Funds
For the Year Ended December 31, 2012

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Contributions - employer	$ 1,594,098	$ 2,155,369	$ 3,749,467
Contributions - employees	764,690	628,491	1,393,181
Total contributions	2,358,788	2,783,860	5,142,648
Investment earnings			
Net appreciation in fair value of investments	2,672,401	2,333,379	5,005,780
Interest earned on investments	973,345	881,823	1,855,168
Less investment expense	(106,099)	(63,963)	(170,062)
Net investment earnings (loss)	3,539,647	3,151,239	6,690,886
Total additions	5,898,435	5,935,099	11,833,534
DEDUCTIONS			
Supplies	18	-	18
Contractual services	37,057	60,504	97,561
Other charges and services	6,852	6,852	13,704
Benefits and refunds	2,684,302	2,267,223	4,951,525
Total deductions	2,728,229	2,334,579	5,062,808
Change in Net Position	3,170,206	3,600,520	6,770,726
Net Position - beginning of the year	38,273,011	33,963,582	72,236,593
Net Position - end of the year	$ 41,443,217	$ 37,564,102	$ 79,007,319

Village of Downers Grove
Police Pension Fund
Schedule of Changes in Net Position - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance
ADDITIONS				
Contributions - employer	$ 1,808,541	$ 1,808,541	$ 1,594,098	$ (214,443)
Contributions - employees	730,000	730,000	764,690	34,690
Total contributions	2,538,541	2,538,541	2,358,788	(179,753)
Investment earnings				
Net appreciation in fair value of investments	250,000	250,000	2,672,401	2,422,401
Interest earned on investments	700,000	700,000	973,345	273,345
Less investment expense	(100,000)	(100,000)	(106,099)	(6,099)
Net investment earnings (loss)	850,000	850,000	3,539,647	2,689,647
Total additions	3,388,541	3,388,541	5,898,435	2,509,894
DEDUCTIONS				
Supplies	150	150	18	132
Contractual services	61,500	61,500	37,057	24,443
Other charges and services	6,852	6,852	6,852	-
Benefits and refunds	3,095,000	3,095,000	2,684,302	410,698
NET POSITION				
Total deductions	3,163,502	3,163,502	2,728,229	435,273
Net Change in Net Position	$ 225,039	$ 225,039	3,170,206	$ 2,945,167
Net position held in trust for pension benefits				
Beginning			38,273,011	
Ending			$ 41,443,217	

Village of Downers Grove
Firefighters' Pension Fund
Schedule of Changes in Net Position - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance
ADDITIONS				
Contributions - employer	$ 2,373,434	$ 2,373,434	$ 2,155,369	$ (218,065)
Contributions - employees	700,000	700,000	628,491	(71,509)
Total contributions	3,073,434	3,073,434	2,783,860	(289,574)
Investment earnings				
Net appreciation in fair value of investments	250,000	250,000	2,333,379	2,083,379
Interest earned on investments	900,000	900,000	881,823	(18,177)
Less investment expense	(68,000)	(68,000)	(63,963)	4,037
Net investment earnings (loss)	1,082,000	1,082,000	3,151,239	2,069,239
Total additions	4,155,434	4,155,434	5,935,099	1,779,665
DEDUCTIONS				
Supplies	20	20	-	20
Contractual services	68,975	68,975	60,504	8,471
Other charges and services	6,852	6,852	6,852	-
NET POSITION	3,020,000	3,020,000	2,267,223	752,777
Total deductions	3,095,847	3,095,847	2,334,579	761,268
Net Change in Net Position	$ 1,059,587	$ 1,059,587	3,600,520	$ 2,540,933
Net position held in trust for pension benefits				
Beginning			33,963,582	
Ending			$ 37,564,102	

Village of Downers Grove
Construction Deposit Fund
Schedule of Changes in Assets and Liabilities
For the Year Ended December 31, 2012

	Balances January 1	Additions	Deductions	Balances December 31
ASSETS				
Cash and investments	$ 2,644,380	$ 2,030,980	$ 2,000,252	$ 2,675,108
Total assets	2,644,380	2,030,980	2,000,252	2,675,108
LIABILITIES				
Accounts payable	127,677	1,724,090	1,470,362	381,405
Deposits payable	2,516,703	1,527,770	1,750,770	2,293,703
Total liabilities	$ 2,644,380	$ 3,251,860	$ 3,221,132	$ 2,675,108

Village of Downers Grove
Statement of Net Position and Governmental Funds Combining Balance Sheet
Library Component Unit
December 31, 2012

	General	Debt Service	Construction	Total	Adjustments	Statement of Net Position
ASSETS						
Cash and investments	$ 4,055,366	$ 872,998	$ 243,566	$ 5,171,930	-	$5,171,930
Property tax receivable	4,306,580	649,340	-	4,955,920	-	4,955,920
Accrued interest receivable	4,113	-	-	4,113	-	4,113
Unamortized debt issuance costs	-	-	-	-	51,037	51,037
Capital assets not being depreciated	-	-	-	-	222,211	222,211
Capital assets net accumulated depreciation	-	-	-	-	11,027,320	11,027,320
Total assets	8,366,059	1,522,338	243,566	10,131,963	11,300,568	21,432,531
LIABILITIES AND FUND BALANCES						
Current liabilities						
Accrued interest payable	-	-	-	-	51,610	51,610
Accounts payable	80,830	-	-	80,830	-	80,830
Deferred property taxes	4,306,580	649,340	-	4,955,920	-	4,955,920
Debt due within 1 year	-	-	-	-	567,898	567,898
Total Current liabilities	4,387,410	649,340	-	5,036,750	619,508	5,656,258
Noncurrent liabilities						
Debt due in more than 1 year	-	-	-	-	2,407,357	2,407,357
Total Noncurrent liabilities	-	-	-	-	2,407,357	2,407,357
Total liabilities	4,387,410	649,340	-	5,036,750	3,026,865	8,063,615
FUND BALANCE/NET POSITION						
Net investment in capital assets	-	-	-	-	8,511,926	8,511,926
Restricted for Debt Service	-	872,998	-	872,998	(51,610)	821,388
Assigned for Construction	-	-	243,566	243,566	(243,566)	-
Unassigned/Unrestricted	3,978,649	-	-	3,978,649	56,953	4,035,602
Total fund balances/net position	$ 3,978,649	$ 872,998	$ 243,566	$ 5,095,213	$ 8,273,703	$ 13,368,916

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 Position
For the Year Ended December 31, 2012

	General	Debt Service	Construction	Total	Adjustments	Statement of Activities
REVENUES						
Taxes	$ 4,242,779	$ 646,780	$ -	$ 4,889,559	$ -	$ 4,889,559
Intergovernmental	49,053	-	-	49,053	-	49,053
Charges for services	40,110	-	-	40,110	-	40,110
Fines	92,345	-	-	92,345	-	92,345
Investment income	8,455	356	-	8,811	-	8,811
Contributions & donations	11,650	-	-	11,650	-	11,650
Total revenues	4,444,392	647,136	-	5,091,528	-	5,091,528
EXPENDITURES						
Current						
Community services	3,447,220	-	-	3,447,220	1,361,505	4,808,725
Capital outlay	728,885	-	-	728,885	(728,885)	-
Debt service						
Principal retirement	-	535,000	-	535,000	(535,000)	-
Interest and fiscal charges	-	111,780	-	111,780	47,993	159,773
Total expenditures	4,176,105	646,780	-	4,822,885	145,613	4,968,498
Net change in fund balance/net position	268,287	356	-	268,643	(145,613)	123,030
Fund balance/net position, beginning	3,710,361	872,642	243,566	4,826,569	8,419,317	13,245,886
Fund balance/net position, ending	$ 3,978,648	$ 872,998	$ 243,566	$ 5,095,212	$ 8,273,704	$ 13,368,916

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 4,190,942	$ 4,190,942	$ 4,242,779	$ 51,837
Intergovernmental	48,000	48,000	49,053	1,053
Charges for services & fees	43,350	43,350	40,110	(3,240)
Fines	117,000	117,000	92,345	(24,655)
Investment income	21,205	21,205	8,455	(12,750)
Contributions & donations	10,000	10,000	11,650	1,650
Total revenues	4,430,497	4,430,497	4,444,392	13,895
EXPENDITURES				
Current				
Community services	3,663,729	3,663,729	3,447,220	(216,509)
Total current	3,663,729	3,663,729	3,447,220	(216,509)
Capital outlay	956,667	956,667	728,885	(227,782)
Total expenditures	4,620,396	4,620,396	4,176,105	(444,291)
Net change in fund balances	(189,899)	(189,899)	268,287	458,186
Fund balances -- beginning	3,710,361	3,710,361	3,710,361	
Fund balances -- ending	$ 3,520,462	$ 3,520,462	$ 3,978,648	

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 646,780	$ 646,780	$ 646,780	$ -
Investment income	1,000	1,000	356	(644)
Total revenues	647,780	647,780	647,136	(644)
EXPENDITURES				
Debt service				
Principal retirement	535,000	535,000	535,000	-
Interest	111,780	111,780	111,780	-
Total debt service	646,780	646,780	646,780	-
Total expenditures	646,780	646,780	646,780	-
Net change in fund balances	1,000	1,000	356	$ (644)
Fund balances -- beginning	872,642	872,642	872,642	
Fund balances -- ending	$ 873,642	$ 873,642	$ 872,998	

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, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment income	$ 612	$ 612	-	$ (612)
Total revenues	612	612	-	(612)
EXPENDITURES				
Capital outlay				
Community services	80,000	80,000	-	(80,000)
Total capital outlay	80,000	80,000	-	(80,000)
Total expenditures	80,000	80,000	-	(80,000)
Net change in fund balances	(79,388)	(79,388)	-	79,388
Fund balances -- beginning	243,566	243,566	243,566	
Fund balances -- ending	$ 164,178	$ 164,178	$ 243,566	

Village of Downers Grove

Schedule of Insurance in Force
December 31, 2012

Insurance Company	Term	Description of Coverage
Chubb	5/01/12- 12/31/13	All Risk Property $94,000,000 Insured Value, Excess of $100,000
Munich Insurance	5/01/12- 12/31/13	Excess GL/Auto/Public Officials & Employment Practice Excess up to $10,000,000, Retained Limit of $1,000,000
Torus Insurance	5/01/12- 12/31/13	Umbrella GL/Auto/Public Officials & Employment Practice Excess up to $25,000,000, Retained Limit of $10,000,000
Safety National	5/01/12- 12/31/13	Workers' Compensation Full Statutory Benefits Excess of $500,000 - $600,000
Travelers Insurance	5/01/12- 12/31/13	Crime Coverage Limit $2,000,000
Ace	5/01/12- 12/31/13	Pollution Liability Limit $2,000,000

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2003
December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
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	-
	$ 2,950,000	$ 272,952	$ 3,222,952		$ 162,281		$ 110,671

Village of Downers Grove

Long-Term Debt Requirements
Taxable General Obligation Refunding Bonds, Series 2005
December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2013	$ 80,000	$ 342,350	$ 422,350	2013	$ 171,875	2013	$ 170,475
2014	840,000	326,250	1,166,250	2014	170,475	2014	155,775
2015	1,175,000	290,694	1,465,694	2015	155,775	2015	134,919
2016	1,365,000	245,268	1,610,268	2016	134,919	2016	110,349
2017	1,505,000	193,608	1,698,608	2017	110,349	2017	83,259
2018	1,735,000	134,420	1,869,420	2018	83,259	2018	51,161
2019	1,820,000	68,197	1,888,197	2019	51,161	2019	17,036
2020	885,000	17,036	902,036	2020	17,036	2020	-
	$ 9,405,000	$ 1,617,823	$ 11,022,823		$ 894,849		$ 722,974

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2007
December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
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	-
	$ 8,105,000	$ 2,878,757	$ 10,983,757		$ 1,522,606		$ 1,356,151

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2008A
December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
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	-
	$ 16,590,000	$ 12,957,456	$ 29,547,456		$ 6,680,750		$ 6,276,706

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2008B
December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
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	-
	$ 2,925,000	$ 880,212	$ 3,805,212		$ 473,800		$ 406,412

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2009
December 31, 2012

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

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
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	-
	$ 6,935,000	$ 843,527	$ 7,778,527		$ 478,476		$ 365,051

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2010A
December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2013	$ -	$ 238,700	$ 238,700	2013	$ 119,350	2013	$ 119,350
2014	255,000	235,513	490,513	2014	119,350	2014	116,163
2015	175,000	230,138	405,138	2015	116,163	2015	113,975
2016	160,000	225,550	385,550	2016	113,975	2016	111,575
2017	215,000	219,925	434,925	2017	111,575	2017	108,350
2018	200,000	213,200	413,200	2018	108,350	2018	104,850
2019	335,000	203,000	538,000	2019	104,850	2019	98,150
2020	1,545,000	165,400	1,710,400	2020	98,150	2020	67,250
2021	2,690,000	67,250	2,757,250	2021	67,250	2021	-
	$ 5,575,000	$ 1,798,676	$ 7,373,676		$ 959,013		$ 839,663

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2010B
December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2013	$ -	$ 197,800	$ 197,800	2013	$ 98,900	2013	$ 98,900
2014	200,000	194,800	394,800	2014	98,900	2014	95,900
2015	380,000	186,100	566,100	2015	95,900	2015	90,200
2016	240,000	176,800	416,800	2016	90,200	2016	86,600
2017	580,000	161,600	741,600	2017	86,600	2017	75,000
2018	705,000	135,900	840,900	2018	75,000	2018	60,900
2019	845,000	104,900	949,900	2019	60,900	2019	44,000
2020	990,000	68,200	1,058,200	2020	44,000	2020	24,200
2021	1,210,000	24,200	1,234,200	2021	24,200	2021	-
	$ 5,150,000	$ 1,250,300	$ 6,400,300		$ 674,600		$ 575,700

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2012 Roads
December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2013	1,990,000	942,138	2,932,138	2013	553,429	2013	388,709
2014	1,770,000	750,869	2,520,869	2014	388,710	2014	362,159
2015	1,820,000	697,019	2,517,019	2015	362,160	2015	334,859
2016	590,000	660,869	1,250,869	2016	334,860	2016	326,009
2017	605,000	642,944	1,247,944	2017	326,010	2017	316,934
2018	625,000	624,494	1,249,494	2018	316,935	2018	307,559
2019	640,000	605,519	1,245,519	2019	307,560	2019	297,959
2020	660,000	586,019	1,246,019	2020	297,960	2020	288,059
2021	680,000	565,919	1,245,919	2021	288,060	2021	277,859
2022	700,000	545,218	1,245,218	2022	277,859	2022	267,359
2023	720,000	523,918	1,243,918	2023	267,359	2023	256,559
2024	745,000	501,943	1,246,943	2024	256,559	2024	245,384
2025	765,000	479,293	1,244,293	2025	245,384	2025	233,909
2026	790,000	455,475	1,245,475	2026	233,909	2026	221,566
2027	815,000	429,888	1,244,888	2027	221,566	2027	208,322
2028	840,000	402,994	1,242,994	2028	208,322	2028	194,672
2029	870,000	374,663	1,244,663	2029	194,672	2029	179,991
2030	895,000	344,878	1,239,878	2030	179,991	2030	164,887
2031	925,000	313,587	1,238,587	2031	164,887	2031	148,700
2032	960,000	280,600	1,240,600	2032	148,700	2032	131,900
2033	995,000	243,900	1,238,900	2033	131,900	2033	112,000
2034	1,035,000	203,300	1,238,300	2034	112,000	2034	91,300
2035	1,075,000	161,100	1,236,100	2035	91,300	2035	69,800
2036	1,120,000	117,200	1,237,200	2036	69,800	2036	47,400
2037	1,160,000	71,600	1,231,600	2037	47,400	2037	24,200
2038	1,210,000	24,200	1,234,200	2038	24,200	2038	-
	$ 25,000,000	$ 11,549,547	$ 36,549,547		$ 6,051,492		$ 5,498,055

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2012 Water
December 31, 2012

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2013	470,000	358,061	828,061	2013	207,886	2013	150,175
2014	375,000	294,725	669,725	2014	150,175	2014	144,550
2015	390,000	283,250	673,250	2015	144,550	2015	138,700
2016	400,000	271,400	671,400	2016	138,700	2016	132,700
2017	415,000	259,175	674,175	2017	132,700	2017	126,475
2018	425,000	246,575	671,575	2018	126,475	2018	120,100
2019	440,000	233,600	673,600	2019	120,100	2019	113,500
2020	450,000	220,250	670,250	2020	113,500	2020	106,750
2021	465,000	206,525	671,525	2021	106,750	2021	99,775
2022	480,000	192,350	672,350	2022	99,775	2022	92,575
2023	495,000	177,725	672,725	2023	92,575	2023	85,150
2024	510,000	162,650	672,650	2024	85,150	2024	77,500
2025	525,000	147,125	672,125	2025	77,500	2025	69,625
2026	540,000	130,812	670,812	2026	69,625	2026	61,187
2027	555,000	113,356	668,356	2027	61,187	2027	52,169
2028	575,000	94,994	669,994	2028	52,169	2028	42,825
2029	590,000	75,694	665,694	2029	42,825	2029	32,869
2030	610,000	55,444	665,444	2030	32,869	2030	22,575
2031	635,000	34,038	669,038	2031	22,575	2031	11,463
2032	655,000	11,462	666,462	2032	11,462	2032	-
	$ 10,000,000	$ 3,569,211	$ 13,569,211		$ 1,888,548		$ 1,680,663

STATISTICAL SECTION

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

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Financial Trends 120-124
These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity 125-130
These schedules contain information to help the reader assess significant local revenue sources, the property tax and sales tax.

Debt Capacity 131-133
These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

Demographic and Economic Information 134-135
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information 136-138
These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

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

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

	2004	2005	2006	2006(A)	2007	2008	2009	2010	2011	2012
Governmental Activities										
Net investment in capital assets	$ 62,467	$ 63,898	$ 61,598	$ 65,925	$ 66,275	$ 70,743	$ 66,960	$ 64,610	$ 69,272	$ 67,608
Restricted	4,815	5,982	3,697	3,847	4,007	35,839	31,786	4,795	6,051	6,806
Unrestricted	8,171	11,963	15,822	17,532	19,581	(13,944)	(9,618)	24,820	25,138	27,814
Total Governmental Activities	75,453	81,843	81,117	87,304	89,863	92,637	89,127	94,225	100,461	102,228
Business-type Activities										
Net investment in capital assets	24,031	25,531	25,370	25,213	25,279	29,197	32,272	32,691	32,663	32,169
Unrestricted	4,614	4,465	5,724	4,424	7,746	4,911	1,545	1,304	2,192	3,861
Total Business-type Activities	28,645	29,996	31,094	29,637	33,025	34,108	33,817	33,995	34,855	36,030
Primary Government										
Net investment in capital assets	86,498	89,429	86,968	91,137	91,554	99,939	99,232	97,301	101,935	99,777
Restricted	4,815	5,982	3,697	3,847	4,007	35,839	31,786	4,795	6,051	6,806
Unrestricted	12,785	16,428	21,546	21,956	27,327	(9,033)	(8,073)	26,124	27,330	31,675
Total Primary Government	$ 104,098	$ 111,839	$ 112,211	$ 116,940	$ 122,888	$ 126,745	$ 122,945	$ 128,220	$ 135,316	$ 138,258

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 POSITION (in thousands)
Last Ten Fiscal Years

	2004	2005	2006	2006(A)	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities										
General government	$ 3,939	$ 626	$ 4,418	$ 4,263	$ 5,637	$ 6,360	$ 4,841	$ 5,362	$ 5,971	$ 6,222
Public works	8,478	9,717	9,669	8,362	11,041	13,561	15,701	11,855	13,867	18,272
Community development	1,452	1,565	1,686	2,469	4,200	3,229	2,805	2,539	2,458	2,635
Public safety	22,757	22,139	23,057	17,740	26,588	28,591	27,635	26,768	27,317	27,663
Community services	6,044	2,747	4,149	2,125	2,991	2,036	1,882	836	745	756
Interest and fiscal charges	2,657	1,881	1,836	1,283	2,010	2,349	2,956	2,774	2,514	2,735
Total Governmental Activities Expenses	45,327	38,675	44,815	36,242	52,467	56,126	55,820	50,134	52,872	58,283
Business-type Activities										
Waterworks	9,112	8,459	8,626	5,813	7,863	6,777	7,710	8,248	8,765	11,256
Parking	1,212	793	884	292	977	940	946	847	966	952
Transportation	671	540	-	-	-	-	-	-	-	-
Total Business-type Activities Expenses	10,995	9,792	9,510	6,105	8,840	7,717	8,656	9,095	9,731	12,208
Total Primary Government Expense	56,322	48,467	54,325	42,347	61,307	63,843	64,476	59,229	62,603	70,491
Program Revenues										
Governmental Activities										
Charges for Services										
General government	2,765	762	1,006	2,152	1,577	1,793	2,052	1,576	1,567	1,614
Public works	203	202	372	181	249	174	192	220	383	292
Community development	25	19	1,831	1,272	2,107	1,334	955	1,123	1,187	1,546
Public safety	2,627	1,804	2,533	1,941	2,181	2,728	2,506	2,606	2,655	2,793
Community services	3,016	2,506	878	863	825	1,045	1,059	793	848	883
Operating Grants and Contributions	2,038	1,708	1,552	1,198	1,898	1,844	374	206	617	1,073
Capital Grants and Contributions	170	617	428	249	1,216	2,810	1,582	1,611	2,976	2,010
Total Governmental Activities Program Revenues	10,844	7,618	8,600	7,856	10,053	11,728	8,720	8,135	10,233	10,211
Business-type Activities										
Charges for Services										
Waterworks	8,696	10,134	8,696	5,440	7,799	7,372	7,473	8,143	9,475	12,271
Parking	756	856	1,013	699	1,289	1,209	1,242	1,287	1,298	1,265
Transportation	391	213	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	179	268	1	47	120	47	47	47
Capital Grants and Contributions	-	-	-	-	-	130	-	30	10	80
Total Business-type Activities Program Revenues	9,843	11,203	9,888	6,407	9,089	8,758	8,835	9,507	10,830	13,663
Total Primary Government Program Revenue	$ 20,687	$ 18,821	$ 18,488	$ 14,263	$ 19,142	$ 20,486	$ 17,555	$ 17,642	$ 21,063	$ 23,874

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

	2004	2005	2006	2006(A)	2007	2008	2009	2010	2011	2012
Net Revenue (Expense)										
Governmental activities	$ (34,483)	$ (31,057)	$ (36,215)	$ (28,386)	$ (42,414)	$ (44,398)	$ (47,100)	$ (41,999)	$ (42,639)	$ (48,072)
Business-type activities	(1,152)	1,411	378	302	249	1,041	180	412	1,099	1,455
Total Primary Government Net Revenue (Expense	(35,635)	(29,646)	(35,837)	(28,084)	(42,165)	(43,357)	(46,920)	(41,587)	(41,540)	(46,617)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	12,679	8,993	10,237	10,648	10,868	14,079	14,819	16,609	17,298	17,208
Sales	14,797	17,195	16,716	12,627	17,549	16,917	16,330	17,374	18,560	19,019
Utility	6,175	6,363	6,268	3,798	6,269	7,541	6,371	6,001	6,209	6,366
Income	2,901	3,434	3,769	2,672	4,313	4,612	3,960	3,835	3,787	4,203
Other	174	1,992	2,867	1,254	2,496	2,588	2,127	2,285	2,330	2,434
Investment earnings	243	291	814	888	1,730	1,222	1,073	737	416	234
Miscellaneous	332	79	18	92	43	7	38	-	24	74
Special items	-	-	(4,684)	1,261	-	-	-	-	-	-
Transfers	100	100	181	1,930	178	208	570	256	250	300
Total Governmental Activities	37,401	38,447	36,186	35,170	43,446	47,174	45,288	47,097	48,874	49,838
Business-type Activities										
Investment earnings	39	39	203	170	304	250	99	22	10	21
Miscellaneous	(5)	-	-	-	3,013	-	-	-	-	-
Transfers	(100)	(100)	(181)	(1,930)	(178)	(208)	(570)	(256)	(250)	(300)
Total Business-type Activities	(66)	(61)	22	(1,760)	3,139	42	(471)	(234)	(240)	(279)
Total Primary Governmen	37,335	38,386	36,208	33,410	46,585	47,216	44,817	46,863	48,634	49,559
Change in net position										
Governmental activities	2,918	7,390	(29)	6,784	1,031	2,774	(1,813)	5,098	6,235	1,766
Business-type activities	(1,218)	1,350	400	(1,457)	3,388	1,083	(291)	178	859	1,176
Total Primary Government Change in Net Positio	$ 1,700	$ 8,740	$ 371	$ 5,327	$ 4,419	$ 3,857	$ (2,104)	$ 5,276	$ 7,094	$ 2,942

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

	2004	2005	2006	2006(A)	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	$ 121	$ 104	$ 194	$ 99	$ 89	$ 89	$ 66	$ 2,026	$ -	$ -
Unreserved	6,378	12,217	17,858	18,530	16,962	15,688	15,377	13,656	-	-
Nonspendable	-	-	-	-	-	-	-	-	2,043	2,009
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	15,141	17,193
Total General Fund	6,499	12,321	18,052	18,629	17,051	15,776	15,443	15,682	17,184	19,202
Reserved	4,113	5,479	5,493	5,741	5,908	-	-	-	-	-
Unreserved, reported in										
Debt Service Funds	-	-	-	-	-	714	856	259	-	-
Special Revenue Funds	-	(724)	(2,476)	(871)	(1,284)	1,681	1,275	2,850	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	-	1,352	1,227	445	5,524	31,668	27,701	23,031	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	6,051	6,806
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	19,534	36,772
Unassigned	-	-	-	-	-	-	-	-	(1,922)	(1,905)
Total All Other Governmental Funds	$ 4,113	$ 6,107	$ 4,244	$ 5,315	$ 10,148	$ 34,063	$ 29,832	$ 26,140	$ 23,663	$ 41,673

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

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

Data Source
Audited Financial Statements

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

	2004	2005	2006	2006(A)	2007	2008	2009	2010	2011	2012
Revenues										
Sales tax	$ 14,797	$ 17,195	$ 16,716	$ 12,627	$ 17,549	$ 16,917	$ 16,330	$ 17,374	$ 18,559	$ 19,019
Property tax	10,357	8,993	10,237	10,648	10,868	14,079	14,819	16,609	17,298	17,209
Utility tax	6,175	6,363	6,268	3,798	6,269	7,541	6,371	6,001	6,209	6,367
Income tax	2,901	3,434	3,769	2,672	4,313	4,612	3,960	3,835	3,787	4,203
Other taxes	1,660	1,483	1,917	1,434	2,839	2,586	2,127	2,284	2,331	2,434
Licenses and permits	2,254	1,708	2,036	1,326	2,091	1,345	1,148	1,439	1,518	1,863
Intergovernmental	2,647	2,117	2,821	1,224	2,098	3,184	1,748	1,754	3,513	2,907
Charges for services & fees	5,100	3,026	3,737	3,071	4,123	4,065	4,565	3,773	4,096	4,276
Fines & forfeitures	1,391	559	871	637	676	1,264	1,246	1,106	1,027	988
Investment income	243	291	814	792	1,569	1,222	1,073	737	416	234
Miscellaneous	445	279	104	114	99	1,469	207	63	79	176
Total revenues	47,970	45,448	49,290	38,343	52,494	58,286	53,595	54,976	58,833	59,676
Expenditures										
General government	5,805	2,222	4,474	3,649	5,027	6,008	4,536	4,662	5,296	5,646
Public works	8,304	8,182	7,693	7,135	8,920	9,934	10,881	7,816	8,902	8,805
Community development	-	1,524	1,689	2,009	3,842	2,745	2,344	2,158	2,109	2,329
Public safety	23,381	22,043	23,139	17,252	25,060	26,053	25,518	26,826	27,244	27,970
Community services	4,598	2,728	3,475	1,758	3,042	1,966	1,831	865	750	750
Capital outlay	9,159	7,048	1,659	2,031	10,216	11,095	9,433	8,347	7,939	12,571
Debt service										
Principal	631	4,828	668	4,518	765	1,000	1,245	4,810	5,140	4,865
Interest and fiscal charges	1,698	2,164	1,809	950	70	2,198	2,854	3,175	2,502	2,372
Total expenditures	53,576	50,739	44,606	39,302	56,942	60,999	58,642	58,660	59,882	65,308
Excess of Revenues over (under) Expenditures	(5,606)	(5,291)	4,684	(959)	(4,448)	(2,713)	(5,047)	(3,684)	(1,049)	(5,632)
Other Financing Sources (Uses)										
Transfers in	(84)	6,811	1,184	5,278	410	2,067	4,755	7,260	7,442	7,102
Transfers out	184	(6,711)	(1,003)	(3,348)	(30)	(2,109)	(4,435)	(7,204)	(7,392)	(7,002)
Issuance of debt	5,922	14,450	-	-	-	28,900	9,030	10,955	-	25,000
Payment to the refunded bond escrow agent	-	(9,840)	-	-	-	(3,992)	(9,144)	(11,790)	-	-
Bond issue premium	-	35	-	-	-	481	239	1,009	-	284
Proceeds from disposal of capital assets	-	-	49	1,275	-	7	38	-	24	277
Total other financing sources (uses)	6,022	4,745	230	3,205	380	25,354	483	230	74	25,661
Net Change in Fund Balances	$ 416	$ (546)	$ 4,914	$ 2,246	$ (4,068)	$ 22,641	$ (4,564)	$ (3,454)	$ (975)	$ 20,029
Debt Service as a Percentage of Noncapital Expenditures	5.24%	16.00%	5.77%	14.67%	1.79%	6.41%	8.33%	15.87%	14.71%	13.72%

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 Market Value	Assessed Value as a % of Market
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%
2010	1,831,191,815	503,177,630	71,922,788	2,406,292,233	0.56	7,218,876,699	33.33%
2011	1,702,783,589	498,605,787	68,214,898	2,269,604,274	0.58	6,808,812,822	33.33%
2012	1,608,931,001	467,319,340	65,562,355	2,141,812,696	0.52	6,425,438,088	33.33%

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Village Direct Rates										
Corporate	0.1341	0.1350	0.1237	0.1156	0.1146	0.1068	0.1264	0.1601	0.1697	0.1414
Firefighter's Pension	0.0749	0.0769	0.0764	0.0712	0.0427	0.0626	0.0785	0.0925	0.0945	0.1059
Police Pension	0.0509	0.0465	0.0532	0.0496	0.0479	0.0501	0.0676	0.0790	0.0698	0.0917
Debt Service	0.0494	0.0526	0.0429	0.0335	0.0330	0.0000	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.1274	0.1283	0.1175	0.1100	0.1158	0.1138	0.1137	0.1205	0.1277	0.1354
Stormwater	0.0000	0.0000	0.0000	0.0000	0.1090	0.1090	0.1090	0.1104	0.1170	0.0000
Capital										0.0458
Total Direct Rate	0.4367	0.4393	0.4137	0.3799	0.4630	0.4423	0.4952	0.5625	0.5787	0.5202
Overlapping Rates										
Library District	0.2109	0.2033	0.1942	0.1870	0.1795	0.1773	0.1832	0.1966	0.2136	0.2324
Downers Grove Park District	0.3489	0.3322	0.3188	0.3062	0.2932	0.2781	0.2699	0.2900	0.3077	0.3434
Downers Grove Sanitary District	0.0355	0.0339	0.0326	0.0316	0.0303	0.0301	0.0305	0.0336	0.0363	0.0405
Special Service Area #1	0.0813	0.0728	0.0619	0.0573	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Special Service Area #2	1.5000	1.5000	1.5000	1.5000	1.4161	1.5000	1.5000	1.5000	1.5000	1.5000
Special Service Area #3	0.5071	0.4605	0.3655	0.3379	0.3315	0.3140	0.3151	0.3366	0.3345	0.0000
Downers Grove Township	0.0306	0.0290	0.0278	0.0268	0.0256	0.0254	0.0256	0.0281	0.0307	0.0343
Downers Grove Township Road	0.0459	0.0434	0.0416	0.0401	0.0382	0.0379	0.0382	0.0420	0.0439	0.0512
DuPage County	0.1999	0.1850	0.1797	0.1713	0.1651	0.1557	0.1554	0.1659	0.1773	0.1929
DuPage County Forest Preserve	0.1419	0.1358	0.1271	0.1303	0.1187	0.1206	0.1217	0.1321	0.1414	0.1542
Dupage Airport Authority	0.0230	0.0213	0.0198	0.0183	0.0170	0.0160	0.0148	0.0158	0.0169	0.0168
College of DuPage	0.2097	0.1972	0.1874	0.1929	0.1888	0.1858	0.2127	0.2349	0.2495	0.2681
Grade School District No. 58	1.8523	1.7721	1.7049	1.6523	1.5816	1.5713	1.6304	1.6991	1.8851	2.0981
High School District No. 99	1.6696	1.5914	1.5365	1.4884	1.4269	1.4214	1.4679	1.6105	1.7271	1.9209

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

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

	2012			2002		
Taxpayer	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value
Hamilton Partners	$ 39,260,614	1	1.83	$ 83,391,040	1	4.73
BRE COH IL LLC	21,199,920	2	0.99			
PTA - K 225	20,507,500	3	0.96			
Bristol Club LP	12,578,190	4	0.59	9,397,750	8	0.53
Interventure Advisors LLC	11,766,660	5	0.55			
MJH Downers Grove LLC	11,558,530	6	0.54			
PBH Prentiss Creek LLC	11,541,850	7	0.54	12,108,010	7	0.69
Highland V - CPF LLC	11,401,170	8	0.53			
Wells REIT II/Lincoln	11,389,940	9	0.53			
GLL BVK Properties	11,323,160	10	0.53			
Duke Realty Corp				26,842,570	2	1.52
CB Richards				15,462,170	3	0.88
BF Real Estate USILP				14,569,540	4	0.83
Alter Asset Management				13,109,330	5	0.74
Highland Landmark Investors				13,025,950	6	0.74
Arun Enterprises				9,272,490	9	0.53
Serbo Highland Oaks, Inc.				9,264,990	10	0.53
Total	$ 162,527,534			$ 206,443,840		

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			
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	11,133	100%	0	11,133	100%
2009	12,478	12,478	100%	0	12,478	100%
2010	13,376	13,376	100%	0	13,376	100%
2011	12,983	12,983	100%	0	12,983	100%
2012	11,007	*	*	*	*	*

Note
* First installment of property taxes due June 1, 2013
Excludes library

Data Source
Office of the County Clerk

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General merchandise	$ 47,459	$ 49,578	$ 48,252	$ 55,103	$ 47,422	$ 45,551	$ 45,421	$ 45,838	$ 46,226	$ 46,460
Food	103,275	101,978	101,077	105,643	108,625	108,175	117,287	119,168	117,780	116,207
Drinking and eating places	97,309	113,074	117,225	124,178	124,257	120,557	117,822	119,328	125,270	128,369
Apparel	15,946	23,499	24,471	24,913	23,659	25,415	26,835	26,010	25,538	24,759
Furniture and H.H. and radio	198,323	207,179	185,883	184,146	175,640	149,089	131,925	140,830	129,562	123,362
Lumber, building hardware	90,758	82,043	81,346	89,762	86,289	72,964	56,650	51,722	52,924	51,282
Automobile and filling stations	308,039	328,468	360,001	350,137	330,411	302,593	241,735	243,306	255,657	287,058
Drugs and miscellaneous retail	172,081	218,586	249,403	252,614	262,424	225,512	229,575	220,676	234,131	242,003
Agriculture and all others	97,199	110,567	102,824	121,891	131,947	122,317	99,973	111,240	111,100	124,306
Manufacturers	14,052	16,398	18,534	19,147	20,027	20,785	19,192	13,263	15,852	13,029
TOTAL	$ 1,144,441	$ 1,251,370	$ 1,289,016	$ 1,327,534	$ 1,310,701	$ 1,192,958	$ 1,086,415	$ 1,091,381	$ 1,114,040	$ 1,156,835

Data Source
Illinois Department of Revenue

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

Year	Village Direct Rate	Total Sales Tax Rate
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%
2010	2.00%	8.25%
2011	2.00%	8.25%
2012	2.00%	8.25%

Data Source
Village and County Records

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

Fiscal Year Ended	Governmental Activities General Obligation Bonds	Governmental Activities Note Payable	Business-Type Activities General Obligation Bonds	Business-Type Activities Note Payable	Total Primary Government	Percentage of Personal Income*	Per Capita*
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
2010	64,690	-	955	4,788	70,433	3.50%	1,472.48
2011	59,550	-	485	-	60,035	2.98%	1,255.10
2012	79,685	-	10,000	-	89,685	4.38%	1,842.91

Notes
Details of the Village's outstanding debt can be found in the notes to the financial statements.
The Per Capita column is not in thousands.
(A) The Village changed its fiscal year end from April 30 to December 31.

* See the Schedule of Demographic and Economic Statistics on page 132 for personal income and population data.

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Taxable Assessed Value of Property*	Per Capita
2004	$ 46,590	$ 103	$ 46,487	0.82%	943.80
2005	46,755	529	46,226	0.75%	941.58
2006	45,720	263	45,457	0.68%	925.92
2006(A)	41,220	949	40,271	1.69%	766.31
2007	49,305	877	48,428	1.92%	930.63
2008	72,890	714	72,176	2.76%	1,418.94
2009	71,235	856	70,379	2.71%	1,388.34
2010	65,645	259	65,386	2.68%	1,347.00
2011	60,035	747	59,288	2.61%	1,239.31
2012	89,685	549	89,136	4.16%	1,831.62

Notes
Details of the Village's outstanding debt can be found in the notes to the financial statements.
The Per Capita column is not in thousands.
(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 121 for property value data.

VILLAGE OF DOWNERS GROVE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITES DEBT (in thousands)
December 31, 2012

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	$ 79,685	100.00%	$ 79,685
DuPage County	297,075	5.88%	17,468
Dupage County Forest Preserve	189,315	5.88%	11,132
Dupage Water Commission	-	6.53%	-
Downers Grove Park District	12,900	97.72%	12,606
Downers Grove Public Library	2,950	98.00%	2,891
Schools			
Grade School			
District No. 44	13,703	4.53%	621
District No. 58	10,000	77.88%	7,788
District No. 61	3,210	10.15%	326
District No. 66	4,890	4.06%	199
District No. 68	4,185	5.08%	213
High School			
District No. 87	39,485	0.98%	387
District No. 99	67	49.54%	33
Unit School District			
District No. 201	8,240	0.57%	47
District No. 202	9,190	5.75%	528
Total Overlapping	595,210		54,239
Total Direct and Overlapping	$ 674,895		$ 133,924

(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
DEMOGRAPHIC AND ECONOMIC INFORMATION
Last Ten Years

Calendar Year	(1) Population	Total Personal Income	(1) Per Capita Personal Income	(2) Unemployment Rate
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	31,580	4.9%
2008	49,573	1,565,515,340	31,580	7.1%
2009	49,681	1,568,925,980	31,580	10.6%
2010	47,833	2,011,281,984	42,048	9.4%
2011	47,833	2,011,281,984	42,048	8.5%
2012	48,665	2,046,265,920	42,048	7.5%

Data Source
(1) U.S. Census, Census of population
(2) Bureau of Labor Statistics

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

	2012			2006		
Employer	Rank	% of Total City Population	# of Employees	Rank	% of Total City Population	# of Employees
Advocate Good Samaritan Hospital	1	5.55%	2,700	1	5.09%	2,500
GCA Services	2	3.08%	1,500			
University Subscription Services/ Unique Mailing Svc Inc.	3	2.16%	1,050			
Midwestern University	4	2.05%	1,000	6	1.32%	650
Sara Lee Corporation	4	2.05%	1,000			
Acxiom/May & Speh Inc.	5	1.44%	700	4	1.63%	800
DeVry Inc.	5	1.44%	700			
RR Donnelley & Sons Co.	6	1.23%	600	8	1.07%	525
FTD Inc.	7	1.03%	500	9	1.02%	500
Dover Corporation	8	0.82%	400			
Magnetrol	8	0.82%	400			
Hub Group, Inc.	9	0.62%	300			
Havi Global Solutions, LLC	10	0.72%	350			
Aramark Servicemaster				2	1.73%	850
Loyalty Life Insurance				3	1.72%	845
Armour Swift Eckrich				5	1.59%	775
Sentinel Technologies, Inc.				7	1.22%	600
Global Gear				10	1.02%	500

Data Source
Downers Grove Economic Development Corporation

Note
Data from 2003 not available.

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Legislative support	1.50	1.50	1.50	1.50	2.00	2.50	2.50	2.50	2.80	2.75
General management	6.00	5.50	4.50	4.80	5.50	6.00	6.60	4.60	5.60	4.60
Legal	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.00	4.00	4.00
Building services	9.00	9.00	8.75	8.75	9.25	9.25	9.25	8.25	8.00	8.00
Human resources	4.50	4.50	2.00	2.00	4.50	4.50	4.50	3.50	2.50	3.60
Information services	8.50	8.50	8.50	8.50	8.75	8.00	8.00	8.00	8.00	8.00
Finance	12.00	12.00	12.00	11.50	13.18	13.18	13.18	12.18	12.18	12.20
Public Works										
Public works administrative	5.50	4.50	3.75	5.00	5.00	4.00	4.00	4.00	4.00	4.50
Permits/Inspections	2.00	3.00	3.00	7.48	8.00	8.00	8.00	8.00	7.00	7.00
Engineering	5.50	5.50	5.50	5.50	5.50	5.50	5.50	4.50	3.50	3.50
Supplies	2.00	2.00	2.00	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	4.00	4.00	4.00
Forestry and grounds	9.50	8.50	8.50	8.50	8.75	8.75	8.75	8.75	8.75	8.75
Street construction	5.50	5.50	9.50	9.50	7.50	7.50	7.50	7.50	7.50	7.50
Stormwater management	7.50	10.50	11.00	5.50	7.50	7.50	7.50	7.50	7.50	8.50
Traffic	5.50	4.50	3.50	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Transportation	4.00	4.40	4.40	4.40	4.40	4.40	4.20	4.20	3.20	3.20
Community Development										
Planning	8.00	8.66	6.00	7.38	5.00	5.00	3.00	3.00	3.00	3.00
Economic development	-	-	1.00	-	-	-	-	-	-	-
Code services	11.50	11.25	11.50	12.75	13.75	12.75	13.50	13.50	12.50	12.50
Public Safety										
Police										
Officers	76.60	76.60	76.60	81.00	81.00	81.00	81.00	79.00	74.00	74.00
Civilians	32.20	32.20	32.20	32.20	39.60	39.60	39.60	35.60	36.60	36.60
Fire										
Firefighters and officers	79.00	81.00	84.00	82.00	83.00	80.00	80.00	77.00	77.00	77.00
Civilians	8.50	9.00	9.50	9.50	9.50	9.50	8.75	8.75	8.00	7.00
Community Services										
Counseling and social services	4.10	4.10	3.60	3.35	4.13	3.90	3.90	1.25	1.25	-
Alcohol and tobacco control	0.25	0.25	0.25	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	3.50	2.75	2.00	2.25	3.25
Cable television	3.50	3.00	3.50	3.50	5.25	4.25	3.50	3.50	3.00	3.00
Tourism and events	4.40	3.48	4.00	4.00	3.00	3.00	3.00	1.00	-	-

Data Source
Village budget office

VILLAGE OF DOWNERS GROVE
OPERATING INDICATORS
Last Seven Years

Function/Program	2006	2007	2008	2009	2010	2011	2012
Public Safety							
Police							
Physical arrests	2,106	1,936	1,632	1,922	1,881	1,743	1,792
Parking violations	9,595	10,427	10,427	7,830	8,743	10,002	6,530
Traffic violations	12,414	11,133	11,335	12,235	11,811	10,684	10,898
Fire							
EMS calls	3,307	3,542	3,736	2,605	2,350	2,253	3,599
Fire calls	2,058	2,086	2,075	2,399	3,064	3,383	5,696
Fires extinguished	130	95	71	39	47	62	71
Community Development							
Permits issued	1,535	1,160	1,545	1,339	1,634	1,861	1,853
Inspections conducted	4,387	3,648	3,850	2,677	2,932	3,335	4,414
Water							
Water main breaks	133	87	70	62	67	78	81
Water pumped (gallons)	2,316,377,000	2,078,808,000	1,972,314,000	1,940,962,000	1,919,117,000	1,926,075,800	2,044,068,000
Average daily consumption	6,346,000	5,695,364	5,403,600	5,317,704	5,257,855	5,276,920	5,600,000
Peak daily consumption	11,754,000	10,761,000	8,403,000	7,358,000	8,974,000	9,465,000	9,003,000

Note
Data from 2003 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 Six Years

Function/Program	2007	2008	2009	2010	2011	2012
General Government						
Vehicles	8	7	7	8	8	8
Community Development						
Vehicles	9	7	7	5	5	5
Public Safety						
Police						
Stations	1	1	1	1	1	1
Vehicles/Equipment	55	53	49	48	43	43
Fire						
Fire stations	4	4	4	4	4	4
Vehicles/Equipment	35	35	35	36	34	34
Public Works						
Traffic signals	60	60	67	66	66	64
Vehicles/Equipment	84	86	84	81	84	84
Buses	8	7	7	7	6	6
Water						
Water mains (miles)	207	207	207	213	215	207
Fire hydrants	2,881	2,881	3,053	3,183	3,145	3,180
Vehicles/Equipment	10	10	10	11	10	10

Data Source

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