December 31, 2013

Comprehensive Annual Financial Report

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

VILLAGE OF DOWNERS GROVE,
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended December 31, 2013

Prepared by Finance Department

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Finance Director

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Assistant Finance Director

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Staff Accountant

Village of Downers Grove

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INTRODUCTORY SECTION

Village of Downers Grove, Illinois

Principal Officials

LEGISLATIVE
Martin T. Tully, Mayor

Commissioners

Robert Barnett

Sean Patrick Durkin

Greg Hosé

Geoff Neustadt

David S. Olsen

Becky Rheintgen

ADMINISTRATIVE

David Fieldman, Village Manager

Michael Baker, Deputy Village Manager

Enza Petrarca, Village Attorney

April Holden, Village Clerk

Judy Buttny, Finance Director/Treasurer

Naneil Newlon, Public Works Director

Stan Popovich, Acting Community Development Director

James Jackson, Fire Chief

Robert Porter, Police Chief

Doug Kozlowski, Communications Director

Mary Pratt, Emergency Management Coordinator

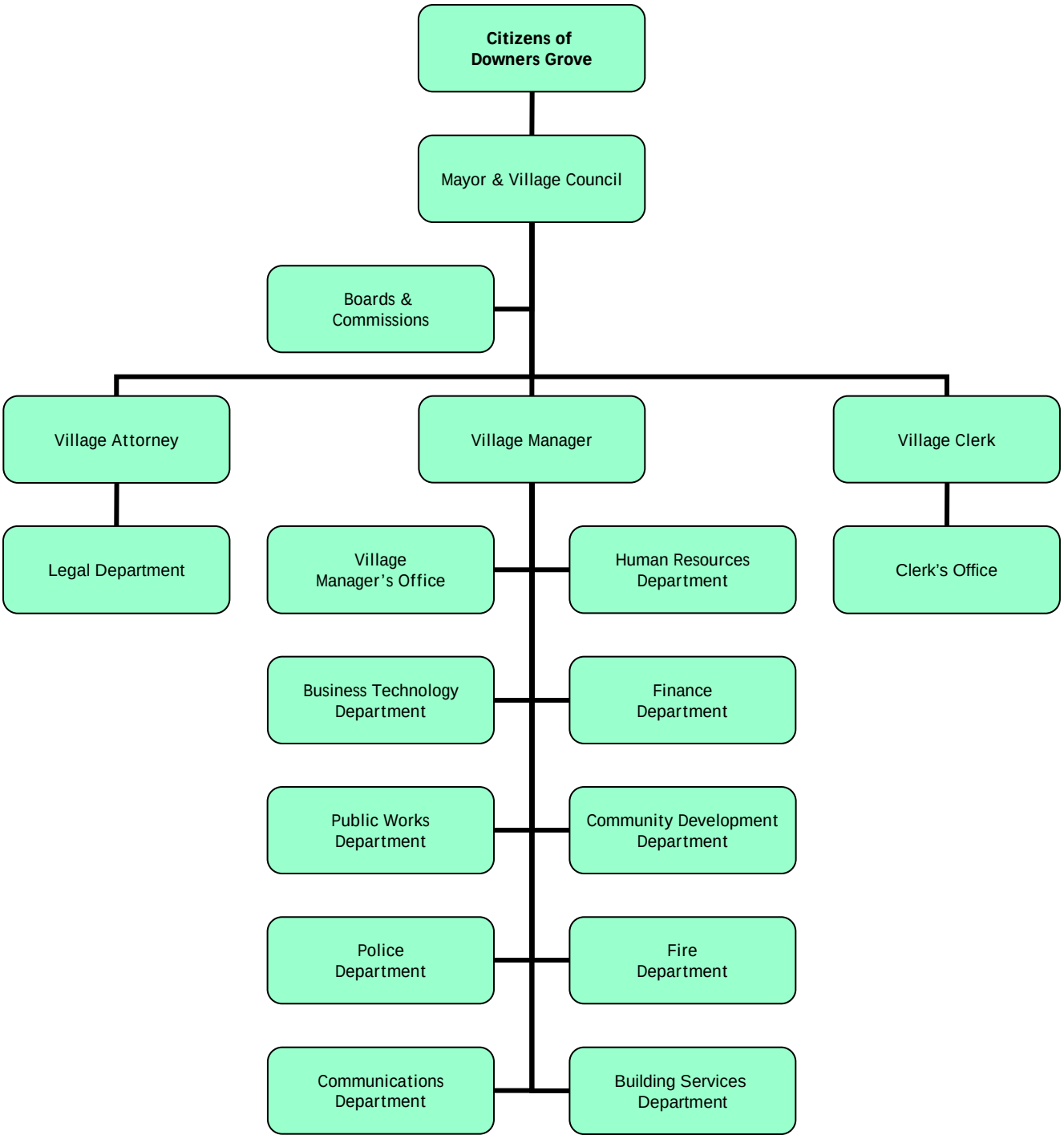
Dennis Burke, Human Resources Director

Dr. Liangfu Wu, Information Services Director

Theresa Tarka, Purchasing Agent

Village of Downers Grove

Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Downers Grove
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

www.downers.us

Community Response Center
630.434.CALL (2255)

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

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

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

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

June 5, 2014

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, 2013, 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, 2013, are free of material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluation of the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements of the year ended December 31, 2013, are presented fairly in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE VILLAGE OF DOWNERS GROVE

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

The resident population is 49,399; 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 6.9% 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

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

In September, the Village of Downers Grove received a AAA bond rating from Standard & Poor's (S&P), the highest rating issued by the agency. The ratings upgrade from AA+ came as the Village sought to refinance its 2005 series bonds. The S&P Summary Report cites the following as factors which contribute to Downers Grove's economic stability:

- Strong management conditions, with a consistent track record of balanced budgets;
- Very strong budgetary flexibility, with 2012 audited reserves at 41% of general fund expenditures;
- Adequate budgetary performance, which takes into account capital spending S&P considers to be aggressive;
- Very strong liquidity providing very strong cash levels to cover both debt service and expenditures;
- Strong economy, which benefits from participation in the broad and diverse economy of Chicago.

All Downers Grove residents and businesses benefit from this as the Village will be able to issue debt and refinance bonds at a lower cost.

Local Economy:

Major revenue sources include property taxes, sales taxes, telecommunication taxes and State income taxes. The Village has a mixture of office, retail and industrial employment. The unemployment rate in the Village has decreased from 7.5% percent in 2012 to 6.6% percent as of December 31, 2013. The EAV for the Village was $2,042,550,247 for the 2013 tax levy, down 4.6% 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. The Village of Downers Grove maintained a strong financial position during the year increasing fund balance in the General Fund by $1.2 million. Village revenues are increasing in most areas as the economy improves. In particular, sales tax revenues increased by 4.9% due in large part to increases in automobile sales. Also, building permit revenues have increased by 13.2% in 2013 over 2012 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 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.

Economic Incentive Agreements

Sales tax rebate agreements are an important component of Downers Grove's economic development strategy. All retail stores generate sales tax revenue which the Village uses to pay for public services. National retailers and car dealerships generate significant tax revenues, create jobs, and serve as catalysts for other business development. Competition among local communities for new businesses is fierce and incentives often provide the edge needed to create new opportunities and revenues where there otherwise would be none. In 2013, agreements were made with Art Van Furniture, Lamborghini, and Aston Martin.

Economic Development Wins

- American Society of Gastrointestinal Endoscopy (ASGE) - opened headquarters in Downers Grove
- Advocate Health Care - opened headquarters at Highland Landmark
- Fresenius Medical - occupied 3500 Lacey
- Grundfos - opened North American headquarters at 2001 Butterfield
- Havi Global Solutions - opened headquarters at 3500 Lacey
- Invesco Power Shares – opened regional headquarters at 3500 Lacey Road
- Midwestern University - opened medical clinic
- Midwestern University - started construction on auditorium
- Ray O'Herron- purchased and will relocate to Grove Shopping Center
- Shop & Save - opened new store on Lemont Road
- Art Van Furniture Store - attracted to vacant Home Depot Expo Building

Sales tax revenue generated in 2013 by these continuing efforts increased by $400,000.

Long Range Plan:

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

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

stability.

Refunded Downtown TIF Bonds and Library Bonds:

With the announcement of the elevated S&P bond rating, the Village refinanced $8.5 million in General Obligation Bonds issued in 2005 for the Downtown TIF District. The refinancing saved approximately $478,000. The Village saves money by reducing the annual payments on the bonds due to interest rates that are lower now than when the bonds were issued. The bond refinancing saved the Downtown TIF Fund approximately $90,000 per year in debt service payments.

In the first quarter of 2013 the Village completed the refinancing of library bonds, saving $132,000. In all, the Village saved $610,000 in 2013 due to bond refinancing.

Obtained FEMA Reimbursement for flood:

The flood of April 2013 caused damage to hundreds of properties in Downers Grove and many more in neighboring communities. President Obama issued a Disaster Declaration for DuPage County so that affected residents could apply for individual assistance for temporary housing, home repairs and other disaster related expenses. Expenses incurred by the Village during the flood period were offset by a FEMA grant of $100,453 to help cover flood related expenses.

LEAN Approach Results

LEAN is a business tool used in many organizations to evaluate processes in order to perform them more efficiently and eliminate the waste of resources. The Village has been applying the LEAN tool to many processes since 2010. In 2013, the Village continued to use LEAN to provide the same or better service at less cost in the following areas:

- ***Street Sweeping***: A third-party contractor now performs this service, using advanced equipment that has improved street appearance and the quality of stormwater and reduced Village staff involved in the process.
- ***Mobile Phone Contract***: Through a competitive bid process, the Village sought to lower the cost of mobile phones and the cost of monthly service. The new agreement with AT&T saves the Village $12,000 per year.
  Electrical License Testing: In 2013, testing and licensing procedures for electrical contractors was shifted to an outside process developed and administered by the International Code Council (ICC) and Pearson VUE, a private testing company, at no cost to the Village. This outsourcing allows for ICC approved testing standards and results while saving many hours of staff time.
- ***New Electricity Supply Contract***
  The Village took advantage of low pricing in the energy market and reduced the cost of electricity for revenue generating facilities, including the parking deck, water pumping stations, train station and rental properties. The rate of $0.04719/kwh with new vendor MC Squared Energy Services will save the Village $11,000 per year.

Created Fairview Fire District SSA:
The Village and Fairview Fire Protection District (FFPD), working with DuPage County, created a special service district (SSA) to provide a sustainable funding source for this service. The Village provided fire and emergency medical services to the unincorporated area near 39th Street and Fairview Avenue for several decades. For the last several years, the FFPD was not able to pay the Village for the full costs of providing services. Establishing this SSA has the following benefits:

- Provides a permanent funding source for the cost of Village fire and EMS services for this area
- Increases annual revenue by $40,000
- Guarantees that the District pays full cost of providing service
- Facilitates the elimination of the Fairview Fire District pursuant to new state law
- Reduces overlapping governments

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.

Completed Historic Building Survey:
The Historic Building Survey identifies, documents and evaluates each building and site within four areas of the Village to determine its architectural and historic significance. Potential landmark eligibility or historic district designations are also noted. The data collected was used to prepare a historic architectural resources report, funded in part by a $15,000 grant from the state of Illinois Certified Local Government program, which recognizes and supports local historic preservation activities. The report will assist the Village in answering questions from property owners about the historical significance of their property and assist those who wish to voluntarily landmark their property.

Partnerships:

- ***Approved Park District Fleet Maintenance Agreement***
  Downers Grove operates a fleet services facility for vehicle maintenance and has agreements with Grade School District 58, and SEASPAR to provide upkeep and repair services. Because these agreements have successfully reduced costs, the Downers Grove Park District became a new partner for similar services in 2013. The agreement allows the Park District to have a limited number of vehicles maintained by the Village.

- ***Joint Newsletter Delivery with Park District and District 58***
  The Village, Park District and Grade School District 58 formed a partnership to share

in the delivery cost of their respective print publications. Joint delivery with these partner agencies saves a total of $13,000 annually by eliminating higher individual bulk mail costs.

- ***Began Dispatching Sanitary District Calls***
  Under the terms of this agreement, calls for the Downers Grove Sanitary District will be answered by the Village Operations Center (VOC). This partnership results in a $3,000 savings for the Sanitary District.
- ***Hosted School Safety Town Hall Meeting***
  In February, the Downers Grove Fire and Police Departments and Downers Grove Grade School District 58 partnered together to share with the community an overview of safety and security measures in place in the schools, as well as consider other procedures to implement in the future.

Launched Special Needs ID Program:

The Downers Grove Police Department developed a Special Needs Identification Program for Downers Grove residents who may be at risk of becoming confused, disoriented, lost, or missing. Persons of any age that suffer from Alzheimer's, dementia, Down syndrome, autism or those at risk of wandering and have communication difficulties are eligible to participate. The program enables police to make faster identifications, reunite family members quicker, and provide help to people with special needs.

Hosted Stormwater Education Workshops:

The Village hosted Stormwater Education Workshops for residents and businesses. The purpose of these workshops was to educate the public about water conservation strategies, stormwater management, and the different types of incentives Downers Grove property owners can employ to reduce their Stormwater Utility Fee. This was a cooperative effort with the Conservation Foundation and both sessions were well attended.

Facilitated FEMA Reimbursements for Residents:

The Village served as a facilitator between FEMA and residents during the period of the April 2013 flood. As a result of these efforts, FEMA distributed $1,674,682 to 522 Downers Grove residents to help cover flood damage expenses.

Improved Flood Community Rating System:

The Village's ongoing efforts to effectively manage stormwater resulted in a 20% flood insurance premium discount for property owners within the floodplain, which will begin May 1, 2014. This represents a 5% increase in discounts over the current rates as part of the National Flood Insurance Program (NFIP).

On August 16, 2013, the Village was notified that FEMA agents were recommending Downers Grove's rating under the NFIP Community Rating System (CRS) be improved from CRS 7 to CRS 6, resulting in greater insurance premium discounts for property owners in the floodplain. There were over a dozen stormwater best practices and activities in place by the

Village that were recognized by the rating agency. Some of these practices include Village flood protection standards, local flood studies, and open space preservation. Overall, the improved rating points to the effectiveness of the Village's proactive approaches to stormwater management and mitigating flood risk.

Although the discounts apply to floodplain properties only, all properties in Downers Grove can purchase flood insurance because the Village participates in the NFIP.

Implemented Stormwater Utility:

In 2013 the Village moved from a property tax approach to a fee-based system to fund the operation, maintenance and construction of 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 amount 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.

Infrastructure Investment:

The Village continues to invest in all infrastructure systems so that each system meets or exceeds performance and maintenance standards. In 2013, the Village invested $20 million to improve streets, sidewalks, the water system, and the stormwater system. Here are the major highlights:

- ***Washington Street Watermain/Road Improvements*** - $860,000
  The project included watermain, stormsewer and sanitary sewer improvements. This coordinated investment in infrastructure provides cost effective delivery of water and sanitary services and improved drainage. It has also resulted in safer and more aesthetically appealing streets and sidewalk.
- ***Concorde Square Unit 2*** - $2,870,000
  This project consisted of the reconstruction of the asphalt roadways and curb on the following streets within the subdivision: Camden, Ticonderoga, Alamance, Monmouth, Valley Forge and Bunker Hill.
- ***Oak Grove Unit 3*** - $1,550,000
  This project included the reconstruction of Oak Grove, Scheldrup, Branding, and Frontage Road. The materials used to lay the roadway in this development built in the mid-1970s, were much too thin for the amount of traffic they now carry. The entire road system within the subdivision was reconstructed.
- ***Roadway Maintenance*** - over $4,000,000
  In 2013 the annual maintenance of Village streets involved over 43 street segments or

about 10 miles. Projects include pavement removal and replacement, repairs to existing curb and gutter / sidewalk ramps, surface milling and repaving and all related restoration. Streets generally remain open to traffic during most of this activity.

- ***Watermain Extensions and Replacements***
    - Extended watermain loop in newly annexed area - $500,000
    - Watermain replacements - $1,275,000
- ***New Sidewalks*** - $500,000.00
    - Projects include replacing potentially hazardous sections of sidewalk, as well as new installations on streets the previously had none.

ComEd Town Hall Meeting

The Village hosted a ComEd Town Hall meeting on September 19, 2013, at the Public Works Building, 5101 Walnut Avenue. The purpose of the meeting was to report on the progress of ComEd's reliability improvements made during the past year and facilitate ComEd's response to those in the Deer Creek and Hillcrest areas. It was also an opportunity for residents to communicate any ongoing concerns to ComEd.

The success of this process and the improved communication with ComEd has made the meeting an annual event. In 2011, the Village presented the findings of their Reliability Report to ComEd representatives in a town hall forum. As a result, ComEd has taken 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.

Constructed Downtown Dumpster Enclosure:

The dumpster enclosure on the northwest corner of the downtown parking deck site, houses one large refuse dumpster, two smaller recycling dumpsters and grease containers. Businesses that use the dumpsters and/or grease containers are responsible for all collection costs on a pro-rated basis. Benefits of the dumpster enclosure at this location include:

- Improved aesthetics in an area that is highly visible to pedestrians and drivers that use the parking facility.
- Consolidation of four existing refuse dumpsters collected by multiple haulers into one single dumpster that is collected by a single hauler, reducing the overall collection costs
- Provides recycling for nearby businesses.

Created Green Business Program:

The Village developed the Downers Grove Green Business Recognition Program. The goal of

the program is to recognize businesses that support the Village goals of **Continual Innovation** and **Steward of Fiscal and Environmental Sustainability** and encourages businesses to adopt environmentally sustainable practices, such as waste reduction, conservation of water and energy conservation. Businesses recognized in 2013 were Bales Mold Service, Competitive Lawn Service and Good Samaritan Hospital.

Launched Council *rEmarks*:

In May, the Village launched ***rEmarks,*** an online tool that allows residents to provide comments and feedback about Village Council agenda items. Public input on ***rEmarks*** opens on the Friday before a Village Council meeting at 5:00 p.m. and is available until noon on Tuesday, the day of the meeting. Commenters must provide their name and address. Comments are then forwarded to the Village Council prior to the meeting and published on the Village's website.

Created Community Maps:

In 2013, an interactive Community Map debuted on the Village website. This interactive map shows the location of government facilities, parks and other points of community interest. Users can select from drop down menus to select the location they are looking for.

Recognized Leadership:

Governor's Sustainability Award

The Village of Downers Grove is a proud recipient of the 2013 Illinois Governor's Sustainability Award. Downers Grove's commitment to environmental stewardship has been recognized for its best "green" practices in these areas:

- Waste Reduction and Recycling
- Water Conservation and Stormwater Pollution Prevention
- Energy Conservation
- Transportation

Being a *Steward of Financial & Environmental Sustainability* is a goal within the Village Long-Range Plan and seizing opportunities to "green" its operations is a high priority. Village staff, with input from the Environmental Concerns Commission, has implemented current best practices and developed a roadmap for achieving environmental sustainability.

Clean Cities Coalition Green Fleet Award

The Village of Downers Grove was selected as one of the Top 20 Government Green Fleet in North America. Each year the Government Green Fleet Award recognizes the top 100 fleets for their dedicated use of alternative fuel and hybrid vehicles. These awards are supported by the Clean Cities Coalition, which is operated by the U.S. Department of Energy. Downers Grove was the only community recognized in the Chicagoland area. Of the 176 units within the Village's fleet, including on and off road vehicles and equipment, 83% utilize some form of alternative fuel. These alternatives include Biodiesel (B-20), E-85 (Ethanol), Compressed

Natural Gas (CNG), propane, solar power, and hybrid combinations.

Illinois Traffic Safety Challenge
The Downers Grove Police Department received recognition in the 2012 Illinois Traffic Challenge, as the top agency in the state for municipal agencies with 66 to 100 sworn officers for their overall approach to traffic safety. In addition, the Department received the *2012 Pedestrian and Bike Safety award*, which recognizes law enforcement agencies for their efforts in bicycle and pedestrian education.

Media Spotlight:
Top Ten Best Cities in Illinois - Movoto Real Estate
The Village of Downers Grove was named the 8th Best City in Illinois by Movoto Real Estate. Movoto looked at the 50 largest Illinois communities and ranked them using the following six criteria:

- Amenities (shopping, dining, entertainment, etc.)
- Cost of living (percent above or below state average)
- Crime (percent above or below state average)
- Education (high school graduation rate compared to state average)
- Employment (income and unemployment compared to state average)
- Home value (percent above or below state average)

Movoto Real Estate described the Village as follows:

Talk about a misnomer - Downers Grove is anything but a downer, as recently ranked No. 8 in Forbes' list of America's Friendliest Towns. In fact, unless you're talking about their incredibly low crime rate compared to the rest of the state, Downers Grove ranks pretty high in most things.

It is among the top in Illinois education, with a 12 percent higher high school graduation rate than the rest of the state and an annual household income of over $78,000 - 35 percent higher than average in these parts.

It has also been named one of CNN's best places to retire, for its abundance of parks, nature, and, of course, stellar hospitals.

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 FY14 Budget was prepared and

approved in 2013.
Key Components of the FY14 Budget:

- Sustainable General Fund
- Implementation of the Patient Protection and Affordable Care Act
- No Increase in Tax Levy for Operations
- Continues Investment in Infrastructure
- Continued Funding and Investment in the Stormwater Fund
- Lower than Anticipated Water Rate Increases

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, 2012. 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 2013 Annual Budget. This is the fourth consecutive year that the Village has been honored with this significant achievement, which reflects the commitment to meeting the highest principles

of governmental budgeting

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

Submitted by:

Dave Fieldman
Village Manager

Judy Buttny
Finance Director

FINANCIAL SECTION

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, 2013, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Downers Grove, Illinois, as of December 31, 2013 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.

Emphasis of Matter

As discussed in Note 1, the Village of Downers Grove adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* effective January 1, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions 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 information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Downers Grove's basic financial statements. The Introductory Section and Statistical Section are presented for purposes of additional analysis and are 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.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
June 5, 2014

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 $138.3 million as of December 31, 2012 to $141.3 million as of December 31, 2013.
- The Village's program revenue for the year ending December 31, 2013 totaled $28.1 million and for the year ended December 31, 2012 totaled $23.9 million.
- The Village's total costs for the year ended FY13 were $73.1 million compared to the year ended December 31, 2012 at $70.5 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 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, Stormwater 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, stormwater and parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses internal service funds to account for its fleet service, vehicle and equipment replacement and self-insurance. Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund

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

Fiduciary funds (pages 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.

Other Information

Notes to the Financial Statements (pages 14-62)
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 63-69)
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 70-112) are presented following the supplementary information on pensions.

Supplemental information (pages 113-124) provides a schedule of insurance in force and schedules of long term debt requirements.

The statistical section (pages 125-143) 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.

Table 1
Statement of Net Position (in thousands)
December 31, 2013 and December 31, 2012

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Current and other assets	$ 66,989	$ 86,568	$ 22,139	$ 12,226	$ 89,128	$ 98,794
Capital assets	121,912	132,704	55,750	38,023	177,662	170,727
Total assets	188,901	219,272	77,889	50,249	266,790	269,521
Deferred Outflows of Resources	787	867	-	-	787	867
Current liabilities	14,539	31,874	4,636	4,145	19,175	36,019
Noncurrent liabilities	65,465	70,860	26,050	10,074	91,515	80,934
Total liabilities	80,004	102,734	30,686	14,219	110,690	116,953
Deferred Inflows of Resources	15,562	15,177	-	-	15,562	15,177
Net Position						
Net investment in capital assets	70,277	67,608	33,734	32,169	104,011	99,777
Restricted	7,473	6,806	-	-	7,473	6,806
Unrestricted	16,372	27,814	13,469	3,861	29,841	31,675
Total net position	$ 94,122	$ 102,228	$ 47,203	$ 36,030	$ 141,325	$ 138,258

Statement of Net Position

The Village's combined net position increased by $3,067 or 2.2% from 2012, to $141,325. Government-wide net position increased due to revenue growth combined with continued efforts at cost containment. Governmental Activities net position decreased by $8,106 and business-type activities increased by $11,173. The bulk of the difference was due to a shift in revenues and expenses from the reclassification of the Stormwater Fund from a Governmental Fund to an Enterprise Fund. The Stormwater Utility was implemented effective January 1, 2013.

The Village continues to aggressively invest in infrastructure. The largest portion of the Village's net position (74 %) 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. For more detailed information, see the Statement of Net Position found on page 3 of the Basic Financial Statements.

Table 2
Statement of Activities (in thousands)
For the Years ended December 31, 2013 and December 31, 2012

	Governmental Activities		Business-type Activities		Total	
	Year Ended Dec. 31, 2013	Year Ended Dec. 31, 2012	Year Ended Dec. 31, 2013	Year Ended Dec. 31, 2012	Year Ended Dec. 31, 2013	Year Ended Dec. 31, 2012
Revenues:						
Program revenues:						
Charges for services	$ 7,643	$ 7,128	$ 17,998	$ 13,535	$ 25,641	$ 20,663
Operating grants/contributions	1,020	1,073	47	47	1,067	1,120
Capital grants/contributions	1,405	2,010	(10)	80	1,395	2,090
General revenues:						
Property taxes	15,088	17,208	-	-	15,088	17,208
Sales taxes	19,762	19,019	-	-	19,762	19,019
Other taxes	12,968	13,004	-	-	12,968	13,004
Other	221	308	70	21	291	329
Total revenues	58,107	59,750	18,105	13,683	76,212	73,433
Expenses:						
General government	6,573	6,223	-	-	6,573	6,223
Public works	13,410	18,272	-	-	13,410	18,272
Community development	2,996	2,635	-	-	2,996	2,635
Public safety	28,747	27,663	-	-	28,747	27,663
Community services	772	755	-	-	772	755
Interest and fiscal charges	2,691	2,735	1,235	208	3,926	2,943
Waterworks	-	-	11,383	11,047	11,383	11,047
Parking	-	-	945	952	945	952
Stormwater Utility			4,393		4,393	-
Total expenses	55,189	58,283	17,956	12,207	73,145	70,490
Change in net position before transfers	2,918	1,467	149	1,476	3,067	2,943
Transfers	(11,024)	300	11,024	(300)	-	-
Change in net position	$ (8,106)	$ 1,767	11,173	1,176	3,067	2,943

Revenues:

For the year ended December 31, 2013, Governmental Activities Revenues totaled $58,107, decreasing about 2.75%. With the implementation of the Stormwater Utility on January 1, 2013, the property tax levy was reduced by $2.47 million. This reduction was due to a shift in funding for the Stormwater Fund from property taxes to stormwater fees.

The Village benefits from a highly diversified revenue base. Charges for services increased by $515 due primarily to an increase in revenues from asset seizures as a result of an equitable sharing agreement the police department has with the Department of Justice. 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 capital grants in the prior year included $500 for Ogden Avenue sidewalk installation. 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 $19,762. 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 which were relatively flat from last year.

For the year ended December 31, 2013, Business-Type Activities revenues totaled $18,104 increasing by $4,421 over 2012. Revenues in this category include charges for providing water and stormwater operations to the residents of the village and charges for parking. Water rates charged to Downers Grove customers were increased in 2013 resulting in $926 additional revenue in 2013. This increase was due 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 DWC rate increase is due to the increases from the City of Chicago. 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. As discussed above, the Stormwater Fund was reclassified as an Enterprise Fund due to the implementation of the Stormwater utility in 2013. Stormwater fees totaled $3,375 in 2013. Parking fees also increased by $161 due in part to a mid-2013 price increase in commuter parking.

Expenses:
For the year ended December 31, 2013, Governmental Activities expenses totaled $55,189 decreasing by $3,094 or 5.3% due primarily to reclassifying the Stormwater Fund from a Government to Enterprise Fund. Public safety related to the operations of the Police and Fire departments, has the largest portion of expenses in the Village, $28,747 or 52.1% of the total governmental activities expenses. Public works is the second largest program in the governmental activities with $13,410 or 24.3% of the expenses. Public Works expenses declined from 2012 due to the stormwater reclassification in 2013 ($2,182) and a one-time transfer of capital assets of $2,368 to the Park District for joint stormwater projects in 2012.

Expenses for the Village's business-type activities for the year ended 2013 are $17,956 for an increase of $5,749. The costs of the newly reclassified stormwater expenses ($4,393) and the cost of purchasing water from the DuPage Water Commission are the major components of this increase.

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 $1,230. 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 $1,300 compared to December 31, 2012 of $1,180 for an increase of $120 as fund balance is being used for costs in the downtown area, offset by property tax increment.

In 2013 the Village refunded $8.5 million in TIF bonds in the Downtown Redevelopment TIF Debt Service Fund for a net present value savings of $478. The fund balance in 2013 is $374.

The Capital Improvements fund accounts for the resources provided for improvements to the Village's infrastructure. The fund balance of $15,874 is down $6,083 from 2012. $25.0 million in debt was issued in 2012 for roadway reconstruction; bond proceeds continued to be spent on road projects in 2013, with the remainder to be spent in 2014.

General Fund Budgetary Highlights

Revenues in the general fund were $1,927 over budget. Village revenues have increased in many areas as the economy continues to improve. The majority of the increase is due to favorable budget variances in: sales taxes ($455), income taxes ($567), licenses & permits ($426).

Expenditures in the general fund were $697 over budget. The Village prepares its budget on a cash basis. On a cash basis, expenses came in at budgeted levels. The General Fund experienced expenditures which exceeded appropriations due to a payroll accrual that, due to the timing and size of the expense, was required that had not been required in the past. This is described in Note 12 of the Financial Statements.

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, 2013 of $177,662 (net of accumulated depreciation). This investment in capital assets includes infrastructure, buildings, land, improvements other than buildings, intangible assets, capital equipment, and construction in progress, and is $6,935 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, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Capital assets, not being depreciated						
Land	$ 13,069	$ 15,841	$ 7,161	$ 2,817	$ 20,230	$ 18,658
Construction in progress	5,621	4,399	1,507	936	7,128	5,335
	18,690	20,240	8,668	3,753	27,358	23,993
Capital assets, being depreciated						
Infrastructure	75,413	84,459	35,309	23,460	110,722	107,919
Buildings	19,043	19,603	3,851	3,973	22,894	23,576
Improvements other than buildings	2,721	2,507	7,659	6,620	10,380	9,127
Intangible Assets	433	537	46	53	479	590
Capital equipment	5,612	5,358	217	164	5,829	5,522
Total	$ 121,912	$ 132,704	# 55,750	38,023	177,662	170,727

Long Term Debt (in thousands)

At December 31, 2012, the Village had total bonded debt of $84,480. Of this total, $27,565 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 AAA from Standard & Poor's. Individual bond ratings are disclosed on the face of the final official statements for the bonds. State Statutes do not limit the amount of general obligation debt a home-rule municipality may issue.

Outstanding General Obligation Debt (in thousands)

	Governmental Activities		Business-type Activities		Total	
General Obligation Bonds	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Tax Increment Bonds	$ 27,565	$ 29,315	$ -	$ -	$ 27,565	$ 29,315
Stormwater	-	16,590	16,245	-	16,245	16,590
Fire Station #2	7,730	8,105	-	-	7,730	8,105
Fairview Resurfacing	400	675	-	-	400	675
Road Improvements	23,010	25,000	-	-	23,010	25,000
Water System Maintenance	-	-	9,530	10,000	9,530	10,000
Total	$ 58,705	$ 79,685	$ 25,775	$ 10,000	$ 84,480	$ 89,685

Economic Factors and Next Year's Budgets and Rates

The Village has been preparing General Fund budgets per the recommendations of the Long Range Plan (LRP). 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 LRP, 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 LRP to operate an organization that is as efficient and lean as possible.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Village of Downers Grove
Statement of Net Position
December 31, 2013

	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash and investments	$ 41,104,074	$ 19,897,680	$61,001,754	$ 4,867,440
Property tax receivable	15,634,892	-	15,634,892	5,085,665
Sales tax receivable	5,325,715	-	5,325,715	-
Other taxes receivable	2,120,626	-	2,120,626	-
Accounts receivable	412,005	2,227,682	2,639,687	-
Accrued interest receivable	47,833	12,317	60,150	72
Other receivables	623,421	-	623,421	-
Internal balances	209,149	(209,149)	-	-
Prepaid expenses	18,736	-	18,736	-
Restricted cash	103,627	-	103,627	-
Inventory	129,040	210,294	339,334	-
Note receivable	45,686	-	45,686	-
Net pension asset	1,214,415	-	1,214,415	-
Capital assets not being depreciated	18,689,897	8,668,002	27,357,899	222,211
Capital assets net accumulated depreciation	103,221,879	47,081,911	150,303,790	11,034,998
Total assets	$ 188,900,995	$ 77,888,737	$ 266,789,732	$ 21,210,386
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	787,395	-	787,395	185,845
Total Assets & Deferred Outflows of Resources	$ 189,688,390	$ 77,888,737	$ 267,577,127	$ 21,396,231
LIABILITIES				
Accrued interest payable	935,076	548,181	1,483,257	11,178
Accounts payable	3,665,980	1,253,204	4,919,184	34,650
Accrued payroll	900,411	40,819	941,230	62,744
Deposits payable	1,801	100,763	102,564	-
Claims payable	3,037,195	-	3,037,195	-
Other payables	64,407	21,202	85,609	-
Unearned revenue	46,616	1,909,014	1,955,630	
Debt due within 1 year	5,888,494	762,881	6,651,375	606,709
Debt due in more than 1 year	65,464,932	26,050,020	91,514,952	2,058,942
Total liabilities	80,004,912	30,686,084	110,690,996	2,774,223
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future periods	15,561,865	-	15,561,865	5,061,135
Total Deferred Inflows of Resources	15,561,865	-	15,561,865	5,061,135
Total Liabilities & Deferred Inflow of Resources	95,566,777	30,686,084	126,252,861	7,835,358
NET POSITION				
Net investment in capital assets	70,276,740	33,733,663	104,010,403	9,013,054
Restricted for debt service	-	-	-	899,578
Restricted for economic development	6,073,932	-	6,073,932	-
Restricted for public safety	1,064,978	-	1,064,978	-
Restricted for public works	333,483	-	333,483	-
Unrestricted	16,372,480	13,468,990	29,841,470	3,648,241
Total net position	$ 94,121,613	$ 47,202,653	$ 141,324,266	$ 13,560,873

see accompanying notes to financial statements

Village of Downers Grove
Statement of Activities
For the Year Ended December 31, 2013

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	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government	Component Unit
Primary government								
Governmental activities								
General government	$ 6,572,718	$ 1,643,259		$ -	$ (4,929,459)	$ -	$ (4,929,459)	$ -
Public works	13,409,477	312,737	315,861	1,404,968	(11,375,911)	-	(11,375,911)	-
Community development	2,996,279	1,339,464	15,000	-	(1,641,815)	-	(1,641,815)	-
Public safety	28,747,279	3,433,570	686,607	-	(24,627,102)	-	(24,627,102)	-
Community services	772,472	913,657	2,383	-	143,568	-	143,568	-
Interest and fiscal charges	2,690,864	-		-	(2,690,864)	-	(2,690,864)	-
Total governmental activities	55,189,089	7,642,687	1,019,851	1,404,968	(45,121,583)	-	(45,121,583)	-
Business-type activities								
Waterworks	11,725,560	13,197,206		(12,800)		1,458,846	1,458,846	-
Parking	945,410	1,425,270	46,875	-		526,735	526,735	-
Stormwater Utility	5,284,810	3,375,268	-	2,305 #		(1,907,237)	(1,907,237)	
Total business-type activities	17,955,780	17,997,744	46,875	(10,495)		78,344	78,344	-
Total primary government	$ 73,144,869	$ 25,640,431	$ 1,066,726	$ 1,394,473	$ (45,121,583)	78,344	(45,043,239)	-
Component unit								
Community services	4,952,707			-	-	-	-	(4,952,707)
Interest and fiscal charges	103,624	155,774	58,279	-	-	-	-	110,429
Total Component Unit	$ 5,056,331	$ 155,774	$ 58,279	$ -	$ -	$ -	$ -	($4,842,278)
General revenues								
Property tax					15,088,323	-	15,088,323	4,964,840
Sales tax					12,122,866	-	12,122,866	-
Home rule sales tax					7,639,481	-	7,639,481	-
Utility tax					5,841,366	-	5,841,366	-
Income tax					4,557,546	-	4,557,546	-
Hotel tax					851,675	-	851,675	-
Local use tax					824,010	-	824,010	-
Personal property replacement tax					429,494	-	429,494	61,356
Local fuel tax					342,569	-	342,569	-
Other taxes					121,043	-	121,043	-
Investment earnings					202,933	70,210	273,143	8,039
Proceeds from disposal of capital assets					18,000	-	18,000	-
Transfers					(11,023,697)	11,023,697	-	-
Total general revenues					37,015,609	11,093,907	48,109,516	5,034,235
Change in net position					(8,105,974)	11,172,251	3,066,277	191,957
Net position - beginning					102,227,587	36,030,402	138,257,989	13,368,916
Net position - ending					$ 94,121,613	$ 47,202,653	$ 141,324,266	$ 13,560,873

See accompanying notes to financial statements

Village of Downers Grove
Balance Sheet
Governmental Funds
December 31, 2013

ASSETS	General	Downtown Redevelopment TIF	Downtown Redevelopment TIF Debt Service Fund	Capital Improvements	Nonmajor	Total
Cash and investments	$ 13,014,466	$ 1,288,066	$ 374,217	$ 16,116,819	$ 7,267,773	$ 38,061,341
Restricted cash	103,627	-	-	-	-	103,627
Property taxes receivable	11,368,611	2,739,262	-	971,524	555,495	15,634,892
Sales taxes receivable	3,742,379	-	-	1,583,336	-	5,325,715
Other taxes receivable	1,826,480	-	-	156,457	137,689	2,120,626
Accounts receivable	123,090	-	-	-	43,856	166,946
Other receivable	608,421	-	-	15,000	-	623,421
Advance to other funds	2,510,088	-	-	-	-	2,510,088
Prepaid items	18,736	-	-	-	-	18,736
Note receivable	45,686	-	-	-	-	45,686
Interest receivable	33,110	-	-	12,624	2,099	47,833
Total Assets	33,394,694	4,027,328	374,217	18,855,760	8,006,912	64,658,911
LIABILITIES						
Accounts payable	684,976	1,256	-	1,987,715	782,973	3,456,920
Accrued payroll	900,411	-	-	-	-	900,411
Accrued interest payable	-	-	-	-	-	-
Advance from other funds	-	-	-	-	1,887,843	1,887,843
Other payables	42,963	-	-	-	1,801	44,764
Unearned revenue	24,116	-	-	22,500	-	46,616
Total Liabilities	1,652,466	1,256	-	2,010,215	2,672,617	6,336,554
DEFERRED INFLOWS OF RESOURCES						
Property taxes levied for future periods	11,309,969	2,726,506	-	971,524	553,866	15,561,865
Total Deferred Inflows of Resources	11,309,969	2,726,506	-	971,524	553,866	15,561,865
Total Liabilities & Deferred Inflows of Resources	12,962,435	2,727,762	-	2,981,739	3,226,483	21,898,419
FUND BALANCE						
Nonspendable	2,574,510	-	-	-	-	2,574,510
Restricted	-	1,299,566	374,217	7,778,946	5,798,610	15,251,339
Assigned	-	-	-	8,095,075	821,607	8,916,682
Unassigned (deficit)	17,857,749	-	-	-	(1,839,788)	16,017,961
Total fund balances	20,432,259	1,299,566	374,217	15,874,021	4,780,429	42,760,492
Total Liabilities, Deferred Inflows of Resources & Fund Balance	$ 33,394,694	$ 4,027,328	$ 374,217	$ 18,855,760	$ 8,006,912	$ 64,658,911

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, 2013

FUND BALANCES OF GOVERNMENTAL FUNDS	$42,760,492
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	121,911,776
Less internal service funds	(5,891,469)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(58,705,000)
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the governmental funds	(4,194,980)
Less internal service funds	89,275
The net OPEB payable is not due and payable in the current period, and, therefore, is not reported in the governmental funds	(6,419,502)
Less internal service funds	150,075
Unamortized premium is reported as a liability on the statement of net position	(1,496,377)
The unamortized accounting loss is reported as a deferred outflow in the statement of net position	787,395
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(935,076)
The net pension asset of the police pension fund is included in the governmental activities in the statement of net position	1,214,415
The net pension obligation of the fire pension fund is included in the governmental activities in the statement of net position	(172,948)
The net pension obligation of the Illinois Municipal Retirement fund is included in the governmental activities in the statement of net position	(364,619)
Less internal service funds	20,717
The net position of the internal service funds are included in the governmental activities in the statement of net position	5,158,290
Less the net position attributable to Business type activities	209,149
NET POSITION OF GOVERNMENTAL ACTIVITIES	$94,121,613

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, 2013

REVENUES	General	Downtown Redevelopment TIF	Downtown Redevelopment TIF Debt Service	Capital Improvements	Nonmajor	Total
Sales tax	$ 13,254,872	$ -	$ -	$ 5,729,611	$ 777,864	$ 19,762,347
Property tax	10,751,253	2,729,505	-	971,524	636,041	15,088,323
Utility tax	5,275,316	-	-	566,050	-	5,841,366
Income tax	4,557,546	-	-	-	-	4,557,546
Other taxes	2,146,735	-	-	137,036	285,020	2,568,791
Licenses & permits	1,730,405	-	-	-	-	1,730,405
Intergovernmental	751,900	-	-	90,546	1,579,830	2,422,276
Charges for services & fees	3,967,009	-	-	-	900,894	4,867,903
Fines & forfeitures	1,044,380	-	-	-	-	1,044,380
Investment income	58,085	246	2,989	62,339	79,274	202,933
Contributions & donations	2,543	-	-	-	-	2,543
Total revenues	43,540,044	2,729,751	2,989	7,557,106	4,258,923	58,088,813
EXPENDITURES						
Current						
General government	5,016,730	-	-	-	866,908	5,883,638
Public works	5,871,852	12,321	-	423,754	1,793,745	8,101,672
Community development	2,136,298	48,705	-	-	502,523	2,687,526
Public safety	28,536,088	-	-	-	84,709	28,620,797
Community services	767,066	-	-	-	-	767,066
Debt service						
Principal Retirement	-	-	10,185,000	-	2,565,000	12,750,000
Interest and Other	-	-	1,393,173	-	1,267,545	2,660,718
Capital outlay						
General government	-	35,000	-	308,220	61,275	404,495
Public works	-	-	-	8,917,603	-	8,917,603
Public safety	-	-	-	7,983	54,813	62,796
Total expenditures	42,328,034	96,026	11,578,173	9,657,560	7,196,518	70,856,311
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,212,010	2,633,725	(11,575,184)	(2,100,454)	(2,937,595)	(12,767,498)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	2,814,125	-	3,982,545	6,796,670
Transfers out	-	(2,514,125)	-	(3,982,545)	(14,257,885)	(20,754,555)
Refunding Bonds issued	-	-	8,360,000	-	-	8,360,000
Bond premium	-	-	232,831	-	-	232,831
Proceeds from disposal of capital assets	18,000	-	-	-	-	18,000
Total other financing sources and uses	18,000	(2,514,125)	11,406,956	(3,982,545)	(10,275,340)	(5,347,054)
NET CHANGE IN FUND BALANCE	1,230,010	119,600	(168,228)	(6,082,999)	(13,212,935)	(18,114,552)
Fund balances -- beginning	19,202,249	1,179,966	542,445	21,957,020	17,993,364	60,875,044
Fund balances -- ending	$ 20,432,259	$ 1,299,566	$ 374,217	$ 15,874,021	$ 4,780,429	$ 42,760,492

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, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	(18,114,552)
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		7,070,063
Less internal service funds		(1,246,992)
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.		(3,541,180)
Less internal service funds		805,240
Bond proceeds are reported as an other financing source in governmental funds		(8,360,000)
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		12,750,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities		355,745
The change in the compensated absences liability is reported as an expense on the statement of activities		(91,568)
Add internal service funds		4,836
The increase in net pension asset is reported as a reduction of expense on the statement of activities		31,701
The decrease in the net pension obligation is reported as a reduction of expense on the statement of activities		60,817
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		(6,984)
Less internal service funds		441
The accounting loss is reported as an expense in the statement of activities		(79,327)
Issuance costs on bonds issued are reported as expenditures in governmental funds		(461,374)
Premiums on bond issues are reported as an other financing source in governmental funds		(232,831)
The amortization of the premium on long-term debt is reported as a reduction of expense on the statement of activities		154,810
The decrease in OPEB payable is reported as a reduction of expense on the statement of activities		230,501
Less internal service funds		(5,996)
The transfer of Capital Assets and Debt from Governmental Activities to an Enterprise Fund		2,934,188
The change in net position of certain activities of internal service funds is reported in governmental funds		(476,360)
Less the change in net position attributable to Business type activities		112,848
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	(8,105,974)

See accompanying notes to financial statements

Village of Downers Grove
Statement of Net Position
Proprietary Funds
December 31, 2013

	Business-type Activities - Enterprise Funds				
	Waterworks	Parking	Stormwater	Total	Internal Service
ASSETS					
Current assets					
Cash and investments	$ 7,634,986	$ 1,306,867	$ 10,955,827	$ 19,897,680	$ 3,042,733
Accounts receivable	1,755,632	123,135	348,915	2,227,682	245,059
Interest receivable	12,317	-	-	12,317	-
Inventory	210,294	-	-	210,294	129,040
Total Current assets	9,613,229	1,430,002	11,304,742	22,347,973	3,416,832
Noncurrent assets					
Capital assets not being depreciated	2,289,092	754,652	5,624,258	8,668,002	517,474
Capital assets being depreciated	60,987,766	3,474,713	11,036,884	75,499,363	11,729,172
Accumulated depreciation	(25,108,209)	(2,824,864)	(484,379)	(28,417,452)	(6,355,177)
Total Noncurrent assets	38,168,649	1,404,501	16,176,763	55,749,913	5,891,469
Total assets	47,781,878	2,834,503	27,481,505	78,097,886	9,308,301
LIABILITIES					
Current liabilities					
Accrued interest payable	150,175	-	398,006	548,181	-
Accounts payable	818,146	7,801	427,257	1,253,204	209,060
Accrued payroll	21,765	3,051	16,003	40,819	-
Deposits payable	97,473	3,290	-	100,763	-
Claims payable	-	-	-	-	1,392,221
Other payables	21,202	-	-	21,202	21,444
Unearned revenue	37,831	1,441,406	429,777	1,909,014	-
Compensated absences	24,895	460	7,526	32,881	26,783
Bonds payable	375,000	-	355,000	730,000	-
Total Current liabilities	1,546,487	1,456,008	1,633,569	4,636,064	1,649,508
Noncurrent liabilities					
Due to other funds					622,245
Claims payable	-	-	-	-	1,644,974
Bonds payable	9,155,000	-	15,890,000	25,045,000	-
Bond premium	143,175	-	285,445	428,620	-
Compensated absences	58,089	1,074	17,560	76,723	62,492
Other post-employment benefits	239,570	30,979	194,134	464,683	150,075
Net pension obligation	30,351	4,104	539	34,994	20,717
Total Noncurrent liabilities	9,626,185	36,157	16,387,678	26,050,020	2,500,503
Total liabilities	11,172,672	1,492,165	18,021,247	30,686,084	4,150,011
NET POSITION					
Net investment in capital assets	32,682,844	1,404,501	(353,682)	33,733,663	5,891,469
Unrestricted (deficit)	3,926,362	(62,163)	9,813,940	13,678,139	(733,179)
Total net position	$ 36,609,206	$ 1,342,338	$ 9,460,258	$ 47,411,802	$ 5,158,290

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	(209,149)
	$ 47,202,653

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, 2013

	Business-type Activities - Enterprise Funds				
	Waterworks	Parking	Stormwater	Total	Internal Service
OPERATING REVENUES					
Sales	$ -	$ -	$ -	$ -	$ 139,747
Charges for services, fees, fines	13,197,206	1,425,270	3,375,268	17,997,744	-
Interfund services	-	-	-	-	8,880,433
Insurance premiums	-	-	-	-	1,939,954
Other	-	-	-	-	16,576
Total operating revenues	13,197,206	1,425,270	3,375,268	17,997,744	10,976,710
OPERATING EXPENSES					
Personnel services	1,359,244	171,355	1,227,208	2,757,807	851,549
Supplies	6,859,088	10,596	63,755	6,933,439	725,124
Contractual services	555,150	154,532	247,875	957,557	1,609,895
Other charges and services	1,421,031	582,744	2,637,334	4,641,109	7,599,574
Depreciation	1,075,439	26,183	216,423	1,318,045	805,240
Total operating expenses	11,269,952	945,410	4,392,595	16,607,957	11,591,382
Operating income (loss)	1,927,254	479,860	(1,017,327)	1,389,787	(614,672)
NONOPERATING					
Intergovernmental	(12,800)	46,875	2,305	36,380	109,890
Investment income	26,369	43	43,798	70,210	509
Gain/Loss from disposals	-	-	-	-	27,913
Bond interest expense	(300,350)	-	(796,012)	(1,096,362)	-
Amortization of bond premium	5,844	-	11,418	17,262	-
Expense of issue costs	(48,254)	-	(107,621)	(155,875)	-
Total nonoperating revenues (expenses)	(329,191)	46,918	(846,112)	(1,128,385)	138,312
Income (loss) before transfers	1,598,063	526,778	(1,863,439)	261,402	(476,360)
Capital contribution of capital assets & debt	-	-	(2,934,188)	(2,934,188)	
Transfer of Fund Balance from Capital Fund	-	-	14,257,885	14,257,885	-
Transfers out	-	(300,000)	-	(300,000)	-
Change in net position	1,598,063	226,778	9,460,258	11,285,099	(476,360)
Total net position -- beginning	35,011,143	1,115,560	-		5,634,650
Total net position -- ending	$ 36,609,206	$ 1,342,338	$ 9,460,258		$ 5,158,290

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	(112,848)
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	11,172,251

See accompanying notes to financial statements

Village of Downers Grove
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Business Type Activities - Enterprise Funds				Internal
	Waterworks	Parking	Stormwater	Total	Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services	$ -	$ -	$ -	$ -	$8,880,433
Receipts from customers	12,968,774	1,404,610	3,452,487	17,825,871	2,445,625
Other payments	(572,678)	(157,257)	(2,033,620)	(2,763,555)	(8,784,466)
Payments to employees	(1,486,237)	(167,352)	(991,447)	(2,645,036)	(851,418)
Payments for interfund services	(1,399,680)	(553,704)	(424,332)	(2,377,716)	330,933
Payments to suppliers	(7,478,072)	(53,433)	(63,755)	(7,595,260)	(993,743)
Net cash provided (used) by operating activities	2,032,107	472,864	(60,667)	2,444,304	1,027,364
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant proceeds	(12,800)	-	2,305	(10,495)	54,000
Transfers in (out)		(300,000)	14,257,885	13,957,885	-
Net cash provided (used) by noncapital activities	(12,800)	(300,000)	14,260,190	13,947,390	54,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(2,636,184)	(15,239)	(2,144,088)	(4,795,511)	(1,091,063)
Interest paid	(358,061)	-	(802,049)	(1,160,110)	-
Bond Issuance cost		-		-	-
Bond Premium		-	-	-	-
Principal paid on general obligation bonds	(470,000)	-	(345,000)	(815,000)	-
Bond proceeds		-	-	-	-
Net cash provided (used) by capital activities	(3,464,245)	(15,239)	(3,291,137)	(6,770,621)	(1,091,063)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	32,882	44	43,798	76,724	509
Net cash provided by investing activities	32,882	44	43,798	76,724	509
Net Increase (decrease) in cash and cash equivalents	(1,412,056)	157,669	10,952,184	9,697,797	(9,190)
Cash and investments - beginning of year	9,047,042	1,149,198	3,643	10,199,883	3,051,923
Cash and investments - end of year	$ 7,634,986	$ 1,306,867	$ 10,955,827	$ 19,897,680	$ 3,042,733
Reconciliation of operating income (loss) to net cash by operating activities					
Operating income (loss)	$1,927,254	$ 479,860	$ (1,017,327)	$1,389,787	$ (614,672)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	1,075,439	26,183	216,423	1,318,045	805,240
Change in assets and liabilities				-	
Accounts payable	(488,211)	(16,522)	427,256	(77,477)	33,962
Compensated absences	(23,264)	418	25,086	2,240	4,837
Accounts receivable	(228,433)	(20,660)	77,219	(171,874)	306,959
Due from other funds					622,245
Inventory	(24,929)	-	-	(24,929)	3,812
Other post-employment benefits	(16,386)	458	194,134	178,206	(5,996)
Deposits payable	(8,777)	-	-	(8,777)	
Other payables	(93,243)	-		(93,243)	(10,581)
Accrued payroll payable	(88,015)	3,051	16,003	(68,961)	11,429
Claims payable		-	-	-	(130,313)
Net pension obligation	672	76	539	1,287	442
Net cash provided (used) by operating activities	$2,032,107	$ 472,864	$ (60,667)	$ 2,444,304	$ 1,027,364
Non Cash Transaction					
Reassignment of capital assets and debt from Capital Fund			(2,934,188)		

See accompanying notes to financial statements

Village of Downers Grove
Statement of Fiduciary Net Position
December 31, 2013

	Pension Trust	Agency
ASSETS		
Cash and cash equivalents	$ 2,568,151	$ 1,644,762
Investments		
U.S. obligations	14,508,260	-
Corporate bonds	15,962,302	-
Foreign bonds	1,794,319	
Negotiable CDs	3,716,321	
Mututal funds - fixed income	825,839	-
Mututal funds - equity	42,744,466	-
Common and preferred stocks	5,103,021	-
Real Estate	2,686,925	
Total investments	87,341,453	-
Prepaids	775	-
Interest receivable	257,690	-
Total assets	90,168,069	1,644,762
LIABILITIES		
Accounts payable	20,944	174,017
Deposits payable	-	1,470,745
Total liabilities	20,944	$ 1,644,762
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	$ 90,147,125	

See accompanying notes to financial statements

Village of Downers Grove
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2013

	Pension Trust
ADDITIONS	
Contributions	
Contributions - employer	$ 4,198,081
Contributions - employees	1,387,054
Total contributions	5,585,135
Investment earnings	
Interest earned on investments	1,731,057
Net appreciation in fair value	9,696,039
Total investment earnings	11,427,096
Less investment expense	(175,528)
Net investment earnings	11,251,568
Total additions	16,836,703
DEDUCTIONS	
Contractual services	107,314
Other charges and services	13,704
Benefits and refunds	5,575,879
Total deductions	5,696,897
Change in Net Position	11,139,806
Net Position-- beginning of the year	79,007,319
Net Position -- end of the year	$90,147,125

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. Component units are legally separate organizations for which the Village is financially accountable or other organizations for which the nature and significance of their relationship with the Village are such that their exclusion would cause the reporting entity's financial statements to be misleading.

The Village's financial statements include 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 November 2012, the GASB issued statement No, 61 – The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. This standard was implemented effective as of and for the year ended December 31, 2013.

In March 2012, the GASB issued statement No. 65 – Items Previously Reported as Assets and Liabilities. This statement establishes accounting and financial reporting standards that reclassify , as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective as of and for the year ended December 31, 2013.

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 *TIF Debt Service Fund* accounts for the principal and interest payments associated with the outstanding debt series related to the improvements in the downtown TIF.

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.

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

Additionally, the Village reports the following funds:

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

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the Village's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of

sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

E. Cash and Cash Equivalents and Investments

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

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

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. Deferred Outflows of Resources

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

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

L. Compensated Absences

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

M. Long-Term Obligations

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

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

N. Deferred Inflows of Resources

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

O. Fund Balances/Net Position

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

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

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

c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the 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.

P. 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.

Q. 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.

Illinois funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which investments could be sold.

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2013:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Municipal Bonds	$ 2,967,476	$ 301,524	$ 2,665,952	$ -	$ -
Federal Home Loan Bank Note	2,394,611	-	2,394,611	-	-
Federal Farm Credit Bank Note	494,445	-	494,445	-	-
Federal Home Loan Mortgage	199,482	-	199,482	-	-
Money Market Mutual Funds	2,133,647	2,133,647	-	-	-
Negotiable CDs	878,106	393,106	485,000	-	-
IMET 1-3 Year Fund	2,528,310	-	2,528,310	-	-
Total	$ 11,596,077	$ 2,828,277	$ 8,767,800	$ -	$ -

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	$ 2,967,476	$720,501	$2,246,975	$ -	$ -	$ -
Federal Home Loan Bank Note	2,394,611	-	2,394,611	-	-	-
Federal Farm Credit Bank Note	494,445	-	494,445	-	-	-
Money Market Mutual Funds	2,133,647	-	-	-	-	2,133,647
Negotiable CDs	878,106	-	-	-	-	878,106
Illinois Funds	415,717	415,717	-	-	-	-
IMET 1-3 Year Fund	2,528,310	-	2,528,310	-	-	-
Total	$11,812,312	$1,136,218	$7,664,341	$ -	$ -	$3,011,753

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

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

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

deposits in any one public investment pool shall not exceed 50% of the Village's investment portfolio. The Village has $2,394,611 invested in Federal Home Loan Bank Notes which is over 5% 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, 2013:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	$ 7,844,380	$ 338,269	$ 7,506,111	$ -	$ -
Foreign Bonds	1,794,319	-	1,794,319	-	-
U.S. Obligations	3,151,766	200,562	2,951,204	-	-
U.S. Agency Obligations	5,051,526	-	4,122,558	2,978	925,990
TOTAL	$17,841,991	$ 538,831	$16,374,192	$ 2,978	$ 925,990

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	Not Rated
Corporate Bonds	$7,844,380	$ -	$ 982,000	$5,869,492	$ 992,888	$ -
Foreign Bonds	1,794,319	-	1,074,896	719,423	-	-
U.S. Obligations	3,151,766	3,151,766	-	-	-	-
U.S. Agency Obligations	897,192	-	897,192	-	-	-
Principal U.S. Property Separate Acct	2,686,925	-	-	-	-	2,686,925
Total	$16,374,582	$3,151,766	$2,954,088	$6,588,915	$ 992,888	$2,686,925

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%. In the Police Pension, more than 5 percent of the plan's net position is invested in a mutual

fund/insurance contract purchased through Principal Financial Group. The Police Pension holds $2,686,925 in a mutual fund/insurance contract purchased through Principal Financial Group, representing 5.7% of the plan's net position.

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, 2013:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	$ 8,117,922	$ 340,590	$ 4,865,811	$ 2,699,293	$ 212,228
U.S. Obligations	2,916,356	775,272	1,798,433	342,651	-
U.S. Agency Obligations	3,388,612	-	7,660	1,992,813	1,388,139
Negotiable CDs	3,716,321	-	3,475,287	241,034	-

TOTAL	$18,139,211	$1,115,862	$10,147,191	$5,275,791	$1,600,367

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	$8,117,922	$ -	$1,704,613	$5,982,267	$ 431,042	$ -
U.S. Obligations	2,916,356	2,916,356	-	-	-	-
U.S. Agency Obligations	1,625,158	-	1,625,158	-	-	-
Negotiable CDs	3,716,321	-	-	-	-	3,716,321
Total	$16,375,757	$2,916,356	$3,329,771	$5,982,267	$ 431,042	$3,716,321

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 2013 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 2013 tax levy is intended to fund expenditures for the 2014 fiscal year, these taxes are deferred as of December 31, 2013.

B. Other Receivables

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

GOVERNMENTAL ACTIVITIES	
OTHER TAXES RECEIVABLE	
Telecommunications tax	$ 866,769
State income tax	534,648
Electricity tax	174,201
Natural gas tax	68,825
Local use tax	248,923
Auto rental tax	9,961
Hotel tax	64,988
State motor fuel tax	119,695
Local motor fuel tax	29,989
Other	2,627
TOTAL OTHER TAXES RECEIVABLE	$ 2,120,626
OTHER RECEIVABLES	
Ambulance fees	$ 289,542
Police tickets	21,900
Franchise fees	222,598
Grants	89,381
TOTAL OTHER RECEIVABLES	$ 623,421

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

A. Governmental Activities

	Balances January 1	Increases	Decreases	Transfers out	Balances December 31
Capital assets not being depreciated					
Land	$ 15,840,448	$	$	$2,771,910	$13,068,538
Construction in progress	4,399,308	5,256,412	954,524	3,079,837	5,621,359
Total capital assets not being depreciated	20,239,756	5,256,412	954,524	5,851,747	18,689,897

Capital assets being depreciated					
Infrastructure	107,101,831	1,419,624	148,156	8,546,583	99,826,716
Buildings	26,293,457		-	-	26,293,457
Improvements other than buildings	3,452,089	300,327	-	-	3,752,416
Intangible Assets	1,221,082	-	-	-	1,221,082
Capital equipment	15,462,626	1,196,380	321,824	118,724	16,218,458
Total capital assets being depreciated	153,531,085	2,916,331	469,980	8,665,307	147,312,129
Less accumulated depreciation for					
Infrastructure	22,643,353	2,002,867	-	232,338	24,413,882
Buildings	6,689,960	560,170	-		7,250,130
Improvements other than buildings	945,098	86,531	-		1,031,629
Intangible Assets	683,875	103,931	-		787,806
Capital equipment	10,104,438	787,681	249,699	35,617	10,606,803
Total accumulated depreciation	41,066,724	3,541,180	249,699	267,955	44,090,250
Total capital assets being depreciated, Net	112,464,361	(624,849)	220,281	8,397,352	103,221,879
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 132,704,117	$4,631,563	$1,174,805	$14,249,099	$121,911,776

Capital asset transfers out listed above for the governmental activities and capital asset transfer in listed below for the Business –Type Activities are due to the transfer of the Stormwater Fund from a Government Fund to an Enterprise Fund.

B. Business-Type Activities

	Balances January 1	Increases	Decreases	Transfers In	Balances December 31
Capital assets not being depreciated					
Land	$ 2,816,595	$ 1,572,363	$ -	$2,771,910	$ 7,160,868
Construction in progress	935,836	453,813	2,962,352	3,079,837	1,507,134
Total capital assets not being depreciated	3,752,431	2,026,176	2,962,352	5,851,747	8,668,002
Capital assets being depreciated					
Infrastructure	34,537,216	4,389,349	4,654	8,546,583	47,468,494
Buildings	6,101,133	-			6,101,133
Improvements other than buildings	16,091,428	1,346,992			17,438,420
Intangible assets	104,081				104,081
Capital equipment	4,329,529		61,018	118,724	4,387,235
Total capital assets being depreciated	61,163,387	5,736,341	65,672	8,665,307	75,499,363
Less accumulated depreciation for					
Infrastructure	11,077,268	849,546	-	232,338	12,159,152
Buildings	2,128,249	121,488	-		2,249,737
Improvements other than buildings	9,471,147	308,347	-		9,779,494

Intangible Assets	50,662	7,631	-		58,293
Capital Equipment	4,165,143	31,034	61,018	35,617	4,170,776
Total accumulated depreciation	26,892,469	1,318,046	61,018	267,955	28,417,452
Total capital assets being depreciated, Net	34,270,918	4,418,296	4,654	8,397,352	47,081,911
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 38,023,349	$6,444,471	$ 2,967,006	$ 14,249,099	$ 55,749,913

C. Depreciation/Amortization Expense

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

GOVERNMENTAL ACTIVITIES	
General government	$ 302,566
Public works	2,403,102
Community development	320,539
Public safety	514,973
Community services	-
TOTAL DEPRECIATION/AMORTIZATION EXPENSE	$ 3,541,180
BUSINESS-TYPE ACTIVITIES	
Stormwater Utility	$ 216,424
Waterworks	1,075,439
Parking	26,183
TOTAL DEPRECIATION/AMORTIZATION EXPENSE	$ 1,318,046

5. INTERFUND ADVANCES AND TRANSFERS

At December 31, 2013, interfund advances consist of the following:

Receivable Fund	Payable Fund	Amount
General	Transportation	$ 1,882,435
General	Fairview Avenue Debt Fund	5,408
General	Risk Fund	622,245
TOTAL		$ 2,510,088

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

At December 31, 2013, interfund transfers consist of the following:

Fund	Transfer In	Transfer Out
Major Governmental		
Downtown Redevelopment TIF (1)	-	2,514,125
Downtown TIF Debt Service (1)	2,814,125	
Capital Improvements (1)	-	3,632,545
Capital Improvements (2)		350,000
Non-major Governmental		
Facilities Debt Service (1)	3,632,545	
Municipal Buildings (2)	350,000	
Stormwater Capital (4)		14,257,885
Enterprise		
Parking (1)	-	300,000
Stormwater Utility(3)		2,934,188
Stormwater Utility(4)	14,257,885	
Governmental Activities (3)	2,934,188	
TOTAL	$ 23,988,743	$23,988,743

The interfund transfers reflect the following transactions: (1) transfer funds for debt service, (2) transfer to fund facilities projects, (3) net transfer of fixed assets and bonds payable from the Stormwater Capital Fund to the Stormwater Utility Fund, (4) transfer fund balance from the Stormwater Capital Fund to Stormwater Utility Fund.

6. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Compensated absences payable*	$ 4,103,412	$ 4,194,980	$ 4,103,412	$ 4,194,980	$ 1,258,494
Net pension obligation – Fire *	233,765	-	60,817	172,948	-
Unamortized premium	1,715,219	232,831	451,673	1,496,377	-
Net OPEB payable *	6,650,002	5,876	236,376	6,419,502	-
General obligation bonds payable	79,685,000	8,360,000	29,340,000	58,705,000	4,630,000
Net pension obligation – IMRF *	357,635	6,984	-	364,619	-
TOTAL GOVERNMENTAL ACTIVITIES	$ 92,745,033	$12,800,671	$ 34,192,278	$ 71,353,426	$ 5,888,494

*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	$ 107,365	$ 109,604	$ 107,365	$ 109,604	$ 32,881
Unamortized premium	149,019	296,863	17,262	428,620	-
Net OPEB payable	286,476	194,593	16,386	464,683	-
General obligation bonds payable	10,000,000	16,590,000	815,000	25,775,000	730,000
Net pension obligation – IMRF	33,707	1,287	-	34,994	-
TOTAL BUSINESS-TYPE ACTIVITIES	$ 10,576,567	$ 17,192,347	$ 956,013	$ 26,812,901	$ 762,881

B. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. All of the general obligation bonds are retired by the debt service funds, other than $25.0 M General Obligation Stormwater Improvement Bonds, Series 2008A retired by the Stormwater 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
$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.	9,405,000	-	8,565,000	840,000	840,000
$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.	8,105,000	-	375,000	7,730,000	390,000
$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.	16,590,000	-	345,000	16,245,000	355,000
$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	2,925,000	-	720,000	2,205,000	45,000

from 3.0% to 5.0% due January 1, 2021.					
$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.	6,935,000	-	1,100,000	5,835,000	1,130,000
$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	255,000
$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	200,000
$25,000,000 General Obligation Bonds, Series 2012A - Roads, 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	-	1,990,000	23,010,000	1,770,000
$10,000,000 General Obligation Bonds, Series 2012B - Water, dated May 3, 2012, due in installments of $375,000 to $655,000 beginning January 1, 2013 plus interest ranging from 3.00% to 3.50% due January 1, 2032.	10,000,000	-	470,000	9,530,000	375,000
$8,360,000 General Obligation Refunding Bonds, Series 2013A, dated October 31, 2013, due in installments of $815,000 to $1,775,000 beginning January 1, 2015 plus interest ranging from 2.00% to 3.00% due January 1, 2020.	-	8,360,000	-	8,360,000	-
TOTAL	$ 89,685,000	$ 8,360,000	$ 13,565,000	$ 84,480,000	$ 5,360,000

On October 31,2013, the Village issued $8,360,000 in General Obligation Refunding Bonds, Series 2013A, with interest rates ranging from 2.00% to 3.00% to current refund

$8,485,000 of outstanding bonds with interest rates ranging from 2.30% to 3.85%. The net proceeds of $8,485,000 (after payment of $107,831 in underwriting fees, insurance and other issuance costs) were used to prepay the outstanding debt service requirements of the old bonds. The cash flow requirements on the refunded bonds prior to the current refunding was $10,444,698. The cash flow requirements on the 2013A refunding bonds are $9,942,792 from 01/01/2014 through 01/01/2020. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $477,874.

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
2014	$ 4,630,000	$ 2,083,595	$ 730,000	$ 1,084,525
2015	4,830,000	1,848,214	760,000	1,059,437
2016	3,700,000	1,722,090	785,000	1,032,487
2017	4,275,000	1,596,096	815,000	1,004,562
2018	4,665,000	1,454,227	840,000	975,662
2019 - 2023	19,305,000	4,629,912	4,715,000	4,348,015
2024 - 2028	7,055,000	2,591,101	5,750,000	3,283,984
2029 - 2033	4,645,000	1,557,628	6,395,000	1,930,513
2034 - 2038	5,600,000	577,400	4,985,000	647,371
TOTAL	$58,705,000	$ 18,060,263	$25,775,000	$ 15,366,556

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 $6,000,000.

7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Village is self-insured for all risks and has established a risk financing fund, Risk Management Fund and a Health Insurance Fund (the Funds), for all risks. They are accounted for as internal service funds where assets are set aside for claim settlements. Under this program, the Funds provides coverage up to a maximum of $1,000,000 for each general liability claim, $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, 2012	Fiscal Year Ended December 31, 2013
CLAIMS PAYABLE, BEGINNING	$ 2,174,138	$ 3,167,508
Incurred claims (including IBNR)	7,931,529	6,974,328
Less claims paid	(6,938,159)	(7,104,641)
CLAIMS PAYABLE, ENDING	$ 3,167,508	$ 3,037,195

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
2013	$ 267,473
2014	267,473
2015	267,473
2016	267,473
2017	267,473
2018-2022	1,337,365
2022-2024	802,419

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

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, 2013, has been reported in the Tax Rebate Fund with the exception of one rebate recorded in the Ogden TIF 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, 2013 sales tax rebates of $39,178 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, 2013, sales tax rebates of $55,897 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, 2013, sales tax rebates of $5,744 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, 2013, sales tax rebates of $37,733 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, 2013, taxes of $6,495 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, 2013, sales tax rebates of $127,009 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, 2013, sales tax rebates of $6,334 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, 2013, sales tax rebates of $266,050 were collected but not yet remitted to the retailer.

The Village has a sales tax rebate agreement dated November 6, 2012 with a local auto dealership to rebate sales taxes on annual sales beginning in 2013. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than fifteen years. As of December 31, 2013, sales tax rebates of $19,848 were collected but not yet remitted to the retailer.

9. CONTINGENT LIABILITIES

A. Litigation

The Village is a defendant in various lawsuits arising out of the normal course of business. It is rigorously defending these suits, as it believes it has a meritorious defense against the claims. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the village attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the Village. The Village's possible exposure under these lawsuits is approximately $258,202.

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, 72 retirees and spouses meet those eligibility requirements with 363 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 $6,884,183 as of December 31, 2013.

In the actuarial valuations, the entry-age actuarial cost method was used. The amortization method used was percent of pay. The actuarial assumptions included 4% investment rate of return and an annual healthcare cost trend rate of 5%, a reduction from 6% a year ago. Both rates include a 3% inflation assumption. The remaining open amortization period at December 31, 2013 was 30 years. The funded status of the plan was as follows:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	$ 442,112
Interest on Net OPEB Obligation	277,459
Adjustment to Annual Required Contribution	(300,381)
Annual OPEB Cost	419,190
Contributions Made	(471,483)
Increase (Decrease) in Net OPEB Obligation	(52,293)
Net OPEB Obligation, Beginning of Year	6,936,478
Net OPEB Obligation, End of Year	$6,884,185

Fiscal Year Ended December 31	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2013	$ 419,190	112.5 %	$ 6,884,183
2012	630,688	66.7 %	6,936,478
2011	628,541	66.9 %	6,726,399

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, 2013 was as follows:

Actuarial Accrued Liability (AAL)	$ 8,180,520
Actuarial Value of Assets	0
Unfunded Actuarial Accrued Liability (UAAL)	8,180,520
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll	$24,704,675
UAAL as a Percentage of Covered Payroll	33.1%

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

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 2013 was 16.48 percent of annual covered payroll. For 2012, the employer annual required contribution rate was 15.9 percent.

For December 31, 2013, the Village's annual pension cost of $2,278,980 was more than the Village's actual contributions. The required contribution was determined as part of the December 31, 2013 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
2013	$ 2,278,980	99.6 %	$ 454,965
2012	2,109,480	98.2 %	445,437
2011	1,972,977	91.5 %	408,039

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)
2013	$ 1,916,487	101.7 %	$ (1,214,415)
2012	1,540,461	103.5 %	(1,182,714)
2011	1,850,126	102.3 %	(1,129,077)

At December 31, 2013, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated	56
Terminated plan members entitled to benefits but not yet receiving them	2
Current employees	
Vested	58
Non-vested	15
TOTAL	131

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, 2013, the Village's contribution was 29.17 % 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
2013	$ 2,189,076	102.8 %	$ 172,948
2012	2,005,438	107.5 %	233,765
2011	2,214,519	100.1 %	383,696

At December 31, 2013, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated	62
Terminated plan members entitled to benefits but not yet receiving them	4
Current employees	
Vested	48
Non-vested	28
TOTAL	142

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, 2013, the Village's contribution was 33.60% 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	16.48 %	29.17 %	33.60 %
Members	4.50 %	9.91%	9.46 %
Annual pension cost	$ 2,278,980	$ 1,916,487	$ 2,189,076
Contributions made	2,269,452	1,948,188	2,249,893
Actuarial valuation date	12/31/ 2013	12/ 31/2013	12/31/ 2013
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	30 years, open	27 years, closed	27 years, closed
Asset valuation method	5-year smoothed Market	Market	Market
Actuarial assumptions			
Investment rate of return*	7.5 %	7.25 %	7.25 %
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, 2013 were as follows:

	IMRF	Police Pension	Firefighters' Pension
Annual required contribution	$ 2,269,452	$ 1,943,836	$ 2,183,670
Interest on net pension obligation	33,408	(85,747)	16,948
Adjustment to annual required contribution	(23,880)	58,398	(11,542)
Annual pension cost	2,278,980	1,916,487	2,189,076
Contributions made	2,269,452	1,948,188	2,249,893
Increase (decrease) in net pension obligation	9,528	(31,701)	(60,817)
Net pension obligation (asset), beginning of year	445,437	(1,182,714)	233,765
NET PENSION OBLIGATION (ASSET), END OF YEAR	$ 454,965	$ (1,214,415)	$ 172,948

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	12/31/13	12/31/13	12/31/13
Actuarial accrued liability (AAL)	$ 45,691,275	$ 79,129,442	$ 69,834,573
Actuarial value of plan assets	36,533,271	47,045,929	43,101,196
Unfunded actuarial accrued liability (UAAL)	9,158,004	32,083,513	26,733,377
Funded ratio (actuarial value of plan assets/AAL)	80 %	59 %	62 %
Covered payroll (active plan members)	13,768,468	6,678,953	6,695,413
UAAL as a percentage of covered payroll	67 %	480 %	399 %

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	$ 1,697,185	$ 870,966	$ 2,568,151
U.S. Obligations	8,203,292	6,304,968	14,508,260
Corporate Bonds	7,844,380	8,117,922	15,962,302

Foreign Bonds	1,794,319	-	1,794,319
Negotiable CD's	-	3,716,321	3,716,321
Mutual Funds – Fixed Income	825,839	-	825,839
Mutual Funds – Equity	18,786,202	23,958,264	42,744,466
Stocks	5,103,021	-	5,103,021
Real Estate	2,686,925	-	2,686,925
Prepaids	775	-	775
Interest Receivable	116,539	141,151	257,690
Total Assets	47,058,477	43,109,592	90,168,069
Liabilities			
Accounts Payable	12,548	8,396	20,944
Total Liabilities	12,548	8,396	20,944
Net Position Held in Trust	$47,045,929	$43,101,196	$90,147,125

Additions	Police	Fire	Total
Contributions – employer	$1,948,188	2,249,893	4,198,081
Contributions – employees	723,405	663,649	1,387,054
Investment Income (Loss)	5,912,160	5,339,408	11,251,568
Total Additions	8,583,753	8,252,950	16,836,703
Deductions			
Contractual Services	38,726	68,588	107,314
Other Charges and Services	6,852	6,852	13,704
Benefits and Refunds	2,935,463	2,640,416	5,575,879
Total Deductions	2,981,041	2,715,856	5,696,897
Net Increase (Decrease)	$5,602,712	$5,537,094	$11,139,806

12. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Excess Expenditures over Appropriations

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures over Budget
General Fund	$41,630,878	$ 42,328,034	$ 697,156
Risk Management Fund	$ 2,285,717	$ 2,602,535	$ 316,818

The Village controls expenditures at the fund level on a cash basis. The General Fund experienced expenditures which exceeded appropriations due to a payroll accrual that, due to the timing and size of the expense, was required that had not been required in the past. The detail of these expenditures can be found in the Combining and Individual Fund Financial Statements and Schedules section. The Risk Fund experienced expenditures which exceeded appropriations due to an accrual for claims payable. The detail of these expenditures can be found in the Combining and Individual Fund Financial Statements and Schedules section.

B. Deficit Balances

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

As of December 31, 2013, the following individual funds held a deficit balance:

Fund	Amount	Reason
Transportation Fund	$1,839,788	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, 2013, include the following:

	General	Downtown Redevelopment TIF	Downtown Redevelopment TIF Debt Service Fund	Capital Improvements	Nonmajor	Total
Fund Balances						
Nonspendable:						
Advance to other funds	$ 2,510,088	-	-	-	-	$ 2,510,088
Note receivable	45,686	-	-	-	-	45,686
Prepaid items	18,736	-	-	-	-	18,736
Total Nonspendable	2,574,510	-	-	-	-	2,574,510
Restricted for:						
Economic Development	-	1,299,566	-	-	4,400,149	5,699,715
Capital Projects	-	-		7,778,946	-	7,778,946
Road Improvements	-	-	-	-	333,483	333,483
Public Safety	-	-	-	-	1,064,978	1,064,978
Debt Service	-	-	374,217	-		374,217
Total Restricted	-	1,299,566	374,217	7,778,946	5,798,610	15,251,339
Assigned to:						
Capital Projects	-	-		8,095,075	809,021	8,904,096
Debt Service	-	-	-	-	12,586	12,586
Total Assigned	-	-	-	8,095,075	821,607	8,916,682
Unassigned:	17,857,749	-	-	-	(1,839,788)	16,017,961
Total Fund Balances	$ 20,432,259	$ 1,299,566	$ 374,217	$ 15,874,021	$ 4,780,429	$ 42,760,492

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No.25; Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27; Statement No. 69, Government Combinations and Disposals of Government Operations; and Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. 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 unearned and unavailable revenue on its financial statements. Unearned and unavailable revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned and unavailable revenues also arise when resources are received by the Library before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Library has a legal claim to the resources, the liability for unearned or unavailable revenue is removed from the financial statements and revenue is recognized.

4. Cash and Cash Equivalents and Investments

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

5. Receivables

The recognition of receivables associated with 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. Deferred Outflows of Resources

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

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

8. Compensated Absences

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

9. Long-Term Obligations

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

10. Deferred Inflows of Resources

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

11. Fund Balances/Net Position

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

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

b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Library through formal action of the Library Board. Fund balance amounts are committed through a motion of the Library Board. This motion must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require another motion of the Library Board.
d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) the Village Council and Library Board assign amounts for a specific purpose. 2) All remaining positive spendable amounts 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.

12. Use of Estimates

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

B. Deposits and Investments

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

Library Deposits and Investments

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

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

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

Deposits with Financial Institutions

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

Illinois funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which investments could be sold.

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an

investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

Investments

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

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 2013 tax levy is intended to fund expenditures for the 2014 fiscal year, these taxes are deferred as of December 31, 2013.

D. Capital Assets

Capital asset activity for the year ended December 31, 2013 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	6,275,497	952,225	670,414	6,557,308
Total capital assets being depreciated	15,755,416	952,225	670,414	16,037,227
Less accumulated depreciation for				
Buildings	1,821,239	189,885	-	2,011,124
Capital equipment	2,906,857	522,996	438,748	2,991,105
Total accumulated depreciation	4,728,096	712,881	438,748	5,002,229
Total capital assets being depreciated, net	11,027,320	239,344	438,748	11,034,998
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 11,249,531	$ 239,344	$ 438,748	$ 11,257,209

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

GOVERNMENTAL ACTIVITIES	
Community services	$ 712,881

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
Compensated absences payable*	$ 42,992	$ 22,361	$ 42,992	$ 22,361	$ 6,709
Unamortized premium	15,453	-	15,453	-	-
Net OPEB payable*	140,563	17,375	-	157,938	
General obligation bonds payable	2,950,000	2,430,0000	2,950,000	2,430,000	600,000
Net Pension obligation –IMRF*	54,095	1,257	-	55,352	-

TOTAL	$ 3,203,103	$ 2,470,993	$ 3,008,445	$ 2,665,651	$ 606,709

* 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.	$ 2,950,000	$ -	$ 2,950,000	$ -	$ -
$2,430,000 General Obligation Refunding Bonds, Series 2013, dated January 22, 2013, due in installments of $600,000 to $615,000 plus interest at .920% due January 1, 2017.	$ -	$ 2,430,000	$ -	$ 2,430,000	$ 600,000
TOTAL	$ 2,950,000	$ 2,430,000	$ 2,950,000	$ 2,430,000	$ 600,000

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
2014	$ 600,000	$ 19,596
2015	600,000	14,076
2016	615,000	8,487
2017	615,000	2,829
TOTAL	$ 2,430,000	$ 44,988

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, 24 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 2013 was $10,143. 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, 2013 was $157,938.

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 5%. Both rates include a 3% inflation assumption. The remaining amortization period at December 31, 2013 was 30 years. The funded status of the plan as of December 31, 2013 was as follows:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	$ 10,143
Interest on Net OPEB Obligation	5,623
Adjustment to Annual Required Contribution	9,302
Annual OPEB Cost	25,068
Contributions Made	(7,693)
Increase (Decrease) in Net OPEB Obligation	17,375
Net OPEB Obligation, Beginning of Year	140,563
Net OPEB Obligation, End of Year	$ 157,938

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)	$	141,369
Actuarial Value of Assets		0
Unfunded Actuarial Accrued Liability (UAAL)		141,369
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0.0%
Covered Payroll	$	1,443,820
UAAL as a Percentage of Covered Payroll		9.79 %

I. Stewardship, Legal Compliance and Accountability - Budgets

Excess Expenditures over Appropriations

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures over Budget
General Fund	$4,903,900	$ 4,937,196	$ 33,296

The Library controls expenditures at the fund level on a cash basis. The General Fund experienced expenditures which exceeded appropriations due to a payroll accrual that, due to the timing and size of the expense, was required that had not been required in the past. The detail of these expenditures can be found in the Component Unit section.

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.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Sales tax	$ 10,850,000	$ 10,850,000	$ 11,345,002	$ 495,002
Home Rule Sales Tax	1,950,000	1,950,000	1,909,870	(40,130)
Property tax	10,631,623	10,631,623	10,751,253	119,630
Utility tax	5,505,000	5,505,000	5,275,316	(229,684)
Income tax	3,990,000	3,990,000	4,557,546	567,546
Other taxes	1,970,000	1,970,000	2,146,735	176,735
Licenses & permits	1,304,830	1,304,830	1,730,405	425,575
Intergovernmental	530,000	530,000	751,900	221,900
Charges for services & fees	3,791,694	3,791,694	3,967,009	175,315
Fines & forfeitures	1,058,000	1,058,000	1,044,380	(13,620)
Investment income	50,000	50,000	58,085	8,085
Contributions & donations	-	-	2,543	2,543
Total revenues	41,631,147	41,631,147	43,540,044	1,908,897
EXPENDITURES				
Current				
General government	4,927,516	4,927,516	5,016,730	89,214
Public works	5,540,099	5,540,099	5,871,852	331,753
Community development	2,124,026	2,124,026	2,136,298	12,272
Public safety	28,239,747	28,239,747	28,536,088	296,341
Community services	799,490	799,490	767,066	(32,424)
Total expenditures	41,630,878	41,630,878	42,328,034	697,156
(Deficiency) of revenues (under) expe	269	269	1,212,010	1,211,741
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	18,000	18,000
Net change in fund balances	269	269	1,230,010	1,229,741
Fund balances -- beginning	19,202,249	19,202,249	19,202,249	
Fund balances -- ending	$ 19,202,518	$ 19,202,518	$ 20,432,259	

(See independent auditors' 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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 2,850,000	$ 2,850,000	$ 2,729,505	$ (120,495)
Investment income	225	225	246	21
Total revenues	2,850,225	2,850,225	2,729,751	(120,474)
EXPENDITURES				
Current				
Community Development	72,700	72,700	48,705	(23,995)
Public works	40,000	40,000	12,321	(27,679)
Total current	112,700	112,700	61,026	(51,674)
Capital outlay				
Public works	45,500	45,500	35,000	(10,500)
Total capital outlay	45,500	45,500	35,000	(10,500)
Total expenditures	158,200	158,200	96,026	(62,174)
Excess (deficiency) of revenues over (under) expenditures	2,692,025	2,692,025	2,633,725	(58,300)
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,514,125)	(2,514,125)	(2,514,125)	-
Total other financing sources (uses)	(2,514,125)	(2,514,125)	(2,514,125)	-
Net change in fund balances	177,900	177,900	119,600	$ (58,300)
Fund balances -- beginning	1,179,966	1,179,966	1,179,966	
Fund balances -- ending	$ 1,357,866	$ 1,357,866	$ 1,299,566	

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

Village of Downers Grove

Required Supplementary Information
Illinois Municipal Retirement Fund
December 31, 2013

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)
12/31/2008	$ 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%
12/31/2013	36,533,271	45,691,275	9,158,004	79.96%	13,768,468	66.51%

Schedule of Employer Contributions

Calendar Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
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%
2013	2,269,452	2,269,452	100.00%

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

Village of Downers Grove

Required Supplementary Information
Police Pension Fund
December 31, 2013

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)
12/31/2008	$ 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%
12/31/2013	47,045,929	79,129,442	32,083,513	59.5%	6,678,953	480.4%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage of ARC Contributed
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%
12/31/2013	1,948,188	1,943,836	100.22%

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

Village of Downers Grove

Required Supplementary Information
Firefighters' Pension Fund
December 31, 2013

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)
12/31/2008	$ 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%
12/31/2013	43,101,196	69,834,573	26,733,377	61.7%	6,695,413	399.3%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
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%
12/31/2013	2,249,893	2,183,670	103.03%

(See independent auditors' 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, 2013

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)
12/31/2008	$ -	$ 20,527,085	$ 20,527,085	0.00%	$ 22,721,934	90.3%
12/31/2009	-	13,301,040	13,301,040	0.00%	22,810,182	58.3%
12/31/2010	-	11,356,186	11,356,186	0.00%	23,422,245	48.5%
12/31/2011	-	11,356,186	11,356,186	0.00%	23,976,981	47.4%
12/31/2012	-	15,149,883	15,149,883	0.00%	25,284,695	59.9%
12/31/2013	-	7,887,553	7,887,553	0.00%	26,148,495	30.2%

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 %
12/31/2013	452,255	479,178	106.0 %

Note: These schedules include the library.

(See independent auditors' 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)

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Village of Downers Grove

General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance
Sales tax (1% municipal)	$ 10,850,000	$ 10,850,000	$ 11,345,002	$ 495,002
Home rule sales tax	1,950,000	1,950,000	1,909,870	(40,130)
Property taxes				
General	5,847,145	5,847,145	5,898,786	51,641
Pension	4,188,032	4,188,032	4,218,455	30,423
Special service areas	246,446	246,446	240,383	(6,063)
Township road and bridge	350,000	350,000	393,629	43,629
Total property taxes	10,631,623	10,631,623	10,751,253	119,630
Utility taxes				
Natural gas use tax	480,000	480,000	494,390	14,390
Electricity tax	1,925,000	1,925,000	1,950,675	25,675
Telecommunications tax	3,100,000	3,100,000	2,830,251	(269,749)
Total utility taxes	5,505,000	5,505,000	5,275,316	(229,684)
Income tax	3,990,000	3,990,000	4,557,546	567,546
Other taxes				
Hotel tax	800,000	800,000	851,675	51,675
Personal property replacement tax	375,000	375,000	429,494	54,494
Local use tax	755,000	755,000	824,010	69,010
Other local taxes	40,000	40,000	41,556	1,556
Total other taxes	1,970,000	1,970,000	2,146,735	176,735
Licenses & permits				
Building and related	920,000	920,000	1,249,887	329,887
Alcoholic beverage	195,000	195,000	218,483	23,483
Professional and occupational	129,730	129,730	131,598	1,868
Other licenses and permits	60,100	60,100	130,437	70,337
Total licenses & permits	1,304,830	1,304,830	1,730,405	425,575
Intergovernmental	530,000	530,000	751,900	221,900

Village of Downers Grove

General Fund
Schedule of Revenues - Budget and Actual (Continued)
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance
Charges for services & fees				
Ambulance user fee - resident	$ 775,000	$ 775,000	$ 763,918	$ (11,082)
Ambulance user fee - nonresident	296,000	296,000	296,951	951
Review and inspection fees	172,927	172,927	236,595	63,668
Cable franchise fees	760,000	760,000	856,942	96,942
Cellular antenna rental	1,148,813	1,148,813	1,175,653	26,840
Other fees & charges	638,954	638,954	636,950	(2,004)
Total charges for services & fees	3,791,694	3,791,694	3,967,009	175,315
Fines & forfeitures				
Administrative booking and tow fees	298,000	298,000	248,475	(49,525)
Fines	760,000	760,000	795,905	35,905
Total fines & forfeitures	1,058,000	1,058,000	1,044,380	(13,620)
Investment income	50,000	50,000	58,085	8,085
Contributions and donations	-	-	2,543	2,543
TOTAL REVENUES	$ 41,631,147	$ 41,631,147	$ 43,540,044	$ 1,908,897

Village of Downers Grove

General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance
General government				
Personnel services	$ 3,287,459	$ 3,287,459	$ 3,550,290	$ 262,831
Supplies	112,856	112,856	96,049	(16,807)
Contractual services	867,334	867,334	749,224	(118,110)
Other charges and services	659,867	659,867	621,167	(38,701)
Total general government	4,927,516	4,927,516	5,016,730	89,213
Public works				
Personnel services	2,992,883	2,992,883	3,115,696	122,813
Supplies	579,180	579,180	750,873	171,693
Contractual services	1,106,090	1,106,090	1,149,673	43,583
Other charges and services	861,946	861,946	855,610	(6,336)
Total public works	5,540,099	5,540,099	5,871,852	331,753
Community development				
Personnel services	1,424,721	1,424,721	1,387,067	(37,654)
Supplies	8,850	8,850	8,367	(483)
Contractual services	175,850	175,850	171,226	(4,624)
Other charges and services	514,605	514,605	569,638	55,034
Total community development	2,124,026	2,124,026	2,136,298	12,273
Public safety				
Personnel services	24,474,252	24,474,252	24,992,534	518,282
Supplies	371,362	371,362	318,490	(52,872)
Contractual services	825,524	825,524	697,398	(128,126)
Other charges and services	2,568,609	2,568,609	2,527,666	(40,943)
Total public safety	28,239,747	28,239,747	28,536,088	296,341
Community services				
Personnel services	526,739	526,739	533,199	6,460
Supplies	15,864	15,864	8,661	(7,203)
Contractual services	248,639	248,639	209,116	(39,523)
Other charges and services	8,248	8,248	16,090	7,842
Total community services	799,490	799,490	767,066	(32,424)
TOTAL EXPENDITURES	$ 41,630,878	$ 41,630,878	$ 42,328,034	$ 697,156

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Interest earned on investments	$ -	$ -	$ 2,989	$ 2,989
Total revenues	-	-	2,989	2,989
EXPENDITURES				
Debt service				
Principal retirement	1,700,000	10,450,000	10,185,000	(265,000)
Interest and other	1,114,126	1,114,126	1,273,860	159,734
Issuance costs	-	-	119,313	119,313
Total debt service	2,814,126	11,564,126	11,578,173	14,047
Total expenditures	2,814,126	11,564,126	11,578,173	14,047
(Deficiency) of revenues (under) expenditures	(2,814,126)	(11,564,126)	(11,575,184)	(11,058)
OTHER FINANCING SOURCES				
Transfers in	2,814,126	2,814,126	2,814,125	-
Refunding bonds issued	-	-	8,360,000	8,360,000
Bond Premium	-	-	232,831	232,831
Total other financing sources	2,814,126	2,814,126	11,406,956	8,592,831
Net change in fund balances	-	(8,750,000)	(168,228)	$8,581,773
Fund balances -- beginning	542,445	542,445	542,445	
Fund balances -- ending	$ 542,445	$ (8,207,555)	$ 374,217	

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Sales tax	$ 5,850,000	$ 5,850,000	$ 5,729,611	$ (120,389)
Property tax	980,195	980,195	971,524	(8,671)
Utility tax	620,000	620,000	566,050	(53,950)
Other taxes	124,000	124,000	137,036	13,036
Intergovernmental	210,000	210,000	90,546	(119,454)
Investment income	125,000	125,000	62,339	(62,661)
Total revenues	7,909,195	7,909,195	7,557,106	(352,089)
EXPENDITURES				
Current				
Public works	625,895	625,895	423,754	(202,141)
Total current	625,895	625,895	423,754	(202,141)
Capital outlay				
General government	350,000	350,000	308,220	(41,780)
Public works	14,269,600	14,269,600	8,917,603	(5,351,997)
Public safety	-	-	7,983	7,983
Total capital outlay	14,619,600	14,619,600	9,233,806	(5,385,794)
Total expenditures	15,245,495	15,245,495	9,657,560	(5,587,935)
Excess (deficiency) of revenues over (under) expenditures	(7,336,300)	(7,336,300)	(2,100,454)	5,235,846
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,982,546)	(3,982,546)	(3,982,545)	1
Total other financing sources (uses)	(3,982,546)	(3,982,546)	(3,982,545)	1
Net change in fund balances	(11,318,846)	(11,318,846)	(6,082,999)	$ 5,235,847
Fund balances -- beginning	21,957,020	21,957,020	21,957,020	
Fund balances -- ending	$ 10,638,174	$ 10,638,174	$15,874,021	

Village of Downers Grove
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2013

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and investments	$ 6,430,801	$ -	$ 836,972	$ 7,267,773
Property taxes receivable	555,495	-	-	555,495
Other taxes receivable	119,695	17,994	-	137,689
Interest receivable	2,099	-	-	2,099
Accounts receivable	43,436	-	420	43,856
Total Assets	7,151,526	17,994	837,392	8,006,912
LIABILITIES				
Accounts payable	756,403	-	26,570	782,973
Due to other funds	1,882,435	5,408	-	1,887,843
Deposits payable	-	-	1,801	1,801
Total Liabilities	2,638,838	5,408	28,371	2,672,617
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future periods	553,866	-	-	553,866
Total Liabilities & Deferred Inflows of Resources	3,192,704	5,408	28,371	3,226,483
FUND BALANCE				
Restricted	5,798,610	-	-	5,798,610
Assigned	-	12,586	809,021	821,607
Unassigned	(1,839,788)	-	-	(1,839,788)
Total fund balances	3,958,822	12,586	809,021	4,780,429
Total Liabilities, Deferred Inflows of Resources & Fund Balance	$ 7,151,526	$ 17,994	$ 837,392	$ 8,006,912

Village of Downers Grove
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2013

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Sales tax	$ 777,864	$ -	$ -	$ 777,864
Property tax	636,041	-	-	636,041
Other taxes	79,488	205,532	-	285,020
Intergovernmental	1,579,830	-	-	1,579,830
Charges for services & fees	842,032	-	58,862	900,894
Investment income	79,264	-	10	79,274
Total revenues	3,994,519	205,532	58,872	4,258,923
EXPENDITURES				
Current				
General government	777,864	-	89,044	866,908
Public works	1,793,745	-	-	1,793,745
Community development	502,523	-	-	502,523
Public safety	84,709	-	-	84,709
Capital Outlay				
General government	-	-	61,275	61,275
Public safety	54,813	-	-	54,813
Debt service				
Principal retirement	-	2,565,000	-	2,565,000
Interest and other	-	1,267,545	-	1,267,545
Issuance costs	-	-	-	-
Total expenditures	3,213,654	3,832,545	150,319	7,196,518
Excess (deficiency) of revenues over (under) expenditures	780,865	(3,627,013)	(91,447)	(2,937,595)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,632,545	350,000	3,982,545
Transfer out to Enterprise Fund	-	-	(14,257,885)	(14,257,885)
Total other financing sources (uses)	-	3,632,545	(13,907,885)	(10,275,340)
Net change in fund balance	780,865	5,532	(13,999,332)	(13,212,935)
Fund balances -- beginning	3,177,957	7,054	14,808,353	17,993,364
Fund balances -- ending	$ 3,958,822	$ 12,586	$ 809,021	$ 4,780,429

Village of Downers Grove
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Motor Fuel Tax	Foreign Fire	Ogden TIF	Tax Rebate	Transportation	Asset Forfeiture	Total
ASSETS							
Cash and investments	$ 370,241	$ 266,051	$ 4,662,471	$ 298,238	$ -	$ 833,800	$ 6,430,801
Property taxes receivable	-	-	555,495	-	-	-	555,495
Other taxes receivable	119,695	-	-	-	-	-	119,695
Interest receivable	-	-	2,099	-	-	-	2,099
Accounts receivable	-	-	-	-	43,436	-	43,436
Total assets	489,936	266,051	5,220,065	298,238	43,436	833,800	7,151,526
LIABILITIES							
Accounts payable	156,453	20,685	266,050	298,238	789	14,188	756,403
Due to other funds	-	-	-	-	1,882,435	-	1,882,435
Total liabilities	156,453	20,685	266,050	298,238	1,883,224	14,188	2,638,838
DEFERRED INFLOWS OF RESOURCES							
Property taxes levied for future periods	-	-	553,866	-	-	-	553,866
Total Liabilities & Deferred Inflows of Resources	156,453	20,685	819,916	298,238	1,883,224	14,188	3,192,704
FUND BALANCE							
Restricted	333,483	245,366	4,400,149	-	-	819,612	5,798,610
Unassigned	-	-	-	-	(1,839,788)	-	(1,839,788)
Total fund balances	333,483	245,366	4,400,149	-	(1,839,788)	819,612	3,958,822
Total Liabilities, Deferred Inflows of Resources & Fund Balance	$ 489,936	$ 266,051	$ 5,220,065	$ 298,238	$ 43,436	$ 833,800	$ 7,151,526

Village of Downers Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Motor Fuel Tax	Foreign Fire	Odgen TIF	Tax Rebate	Transportation	Asset Forfeiture	Total
REVENUES							
Sales tax	$ -	$ -	$ -	$ 777,864	$ -	$ -	$ 777,864
Property tax	-	-	636,041	-	-	-	636,041
Other taxes	-	79,488	-	-	-	-	79,488
Intergovernmental	1,384,904	-	-	-	194,926	-	1,579,830
Charges for services & fees	-	-	-	-	98,820	743,212	842,032
Investment income	421	325	13,081	-	65,437	-	79,264
Total revenues	1,385,325	79,813	649,122	777,864	359,183	743,212	3,994,519
EXPENDITURES							
Current							
General government	-	-	-	777,864	-	-	777,864
Public works	1,500,000	-	-	-	293,745	-	1,793,745
Community development	-	-	502,523	-	-	-	502,523
Public safety	-	74,084	-	-	-	10,625	84,709
Capital Outlay							
Public safety	-	15,801	-	-	-	39,012	54,813
Total expenditures	1,500,000	89,885	502,523	777,864	293,745	49,637	3,213,654
Excess (deficiency) of revenues over (under) expenditures	(114,675)	(10,072)	146,599	-	65,438	693,575	780,865
Net Change in fund balances	(114,675)	(10,072)	146,599	-	65,438	693,575	780,865
Fund balances (deficit) -- beginning	448,158	255,438	4,253,550	-	(1,905,226)	126,037	3,177,957
Fund balances (deficit) -- ending	$ 333,483	$ 245,366	$ 4,400,149	$ -	$ (1,839,788)	$ 819,612	$ 3,958,822

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	$ 1,150,000	$ 1,150,000	$ 1,384,904	$ 234,904
Investment income	300	300	421	121
Total revenues	1,150,300	1,150,300	1,385,325	235,025
EXPENDITURES				
Public works	1,500,000	1,500,000	1,500,000	-
Total current	1,500,000	1,500,000	1,500,000	-
Total expenditures	1,500,000	1,500,000	1,500,000	-
Net change in fund balances	(349,700)	(349,700)	(114,675)	235,025
Fund balances -- beginning	448,158	448,158	448,158	
Fund balances -- ending	$ 98,458	$ 98,458	$ 333,483	

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Foreign fire insurance tax	$ 78,000	$ 78,000	$ 79,488	$ 1,488
Investment income	300	300	325	25
Total revenues	78,300	78,300	79,813	1,513
EXPENDITURES				
Current				
Public safety	120,000	120,000	74,084	45,916
Total current	120,000	120,000	74,084	45,916
Capital Outlay				
Public safety	30,000	30,000	15,801	14,199
Total capital outlay	30,000	30,000	15,801	14,199
Total expenditures	150,000	150,000	89,885	60,115
Net change in fund balances	(71,700)	(71,700)	(10,072)	$ 61,628
Fund balances -- beginning	255,438	255,438	255,438	
Fund balances -- ending	$ 183,738	$ 183,738	$ 245,366	

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 715,000	$ 715,000	$ 636,041	$ (78,959)
Investment income	5,005	5,005	13,081	8,076
Total revenues	720,005	720,005	649,122	(70,883)
EXPENDITURES				
Current				
Public works	700,000	700,000	-	700,000
Community development	1,387,158	1,387,158	502,523	884,635
Total current	2,087,158	2,087,158	502,523	1,584,635
Total expenditures	2,087,158	2,087,158	502,523	1,584,635
Net change in fund balances	(1,367,153)	(1,367,153)	146,599	$ 1,513,752
Fund balances -- beginning	4,253,550	4,253,550	4,253,550	
Fund balances -- ending	$ 2,886,397	$ 2,886,397	$ 4,400,149	

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Sales tax	$ 825,000	$ 825,000	$ 777,864	$ (47,136)
Total revenues	825,000	825,000	777,864	(47,136)
EXPENDITURES				
Current				
General government	825,000	825,000	777,864	47,136
Total current	825,000	825,000	777,864	47,136
Total expenditures	825,000	825,000	777,864	47,136
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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	$ 171,187	$ 171,187	$ 194,926	$ 23,739
Charges for services & fees	111,672	111,672	98,820	(12,852)
Interest earned on investments	-	-	65,437	65,437
Total revenues	282,859	282,859	359,183	76,324
EXPENDITURES				
Current				
Public works	282,139	294,139	293,745	394
Total expenditures	282,139	294,139	293,745	394
Net change in fund balances	720	(11,280)	65,438	$ 76,718
Fund balances (deficit) -- beginning	(1,905,226)	(1,905,226)	(1,905,226)	
Fund balances (deficit) -- ending	$(1,904,506)	$ (1,916,506)	$ (1,839,788)	

Village of Downers Grove
Asset Forfeiture
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for srvcs, fees, fines	$ 50,000	$ 50,000	$ 743,212	$ 693,212
Total revenues	50,000	50,000	743,212	693,212
EXPENDITURES				
Current				
Public safety	15,000	15,000	10,625	4,375
Total current	15,000	15,000	10,625	4,375
Capital Outlay				
Public safety	35,000	35,000	39,012	(4,012)
Total capital outlay	35,000	35,000	39,012	(4,012)
Total expenditures	50,000	50,000	49,637	363
Net change in fund balances	-	-	693,575	$ 693,575
Fund balances -- beginning	126,037	126,037	126,037	
Fund balances -- ending	$ 126,037	$ 126,037	$ 819,612	

Village of Downers Grove
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2013

	Fairview Avenue	Stormwater/ Facilities	Total
ASSETS			
Cash and investments	$ -	$ -	$ -
Local fuel tax receivable	17,994	-	17,994
Total assets	17,994	-	17,994
LIABILITIES			
Due to other funds	5,408	-	5,408
	5,408	-	5,408
FUND BALANCES			
Restricted for debt service	-	-	-
Assigned	12,586	-	12,586
Total fund balances	12,586	-	12,586
Total liabilities and fund balances	$ 17,994	$ -	$ 17,994

Village of Downers Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2013

	Fairview Avenue	Stormwater/ Facilities	Total
REVENUES			
Local fuel tax	$ 205,532	$ -	$ 205,532
Investment income	-	-	-
Total revenues	205,532	-	205,532
EXPENDITURES			
Debt service			
Principal retirement	200,000	2,365,000	2,565,000
Interest and other	-	1,267,545	1,267,545
Total expenditures	200,000	3,632,545	3,832,545
Excess (deficiency) of revenues over (under) expenditures	5,532	(3,632,545)	(3,627,013)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	3,632,545	3,632,545
Refunding bonds issued	-	-	-
Payment to escrow agent	-	-	-
Bond premium	-	-	-
Total other financing sources (uses)	-	3,632,545	3,632,545
Net change in fund balances	5,532	-	5,532
Fund balances -- beginning	7,054	-	7,054
Fund balances -- ending	$ 12,586	$ -	$ 12,586

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Local fuel tax	$ 186,000	$ 186,000	$ 205,532	$ 19,532
Total revenues	186,000	186,000	205,532	19,532
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	-
Net change in fund balances	(14,000)	(14,000)	5,532	$ 19,532
Fund balances -- beginning	7,054	7,054	7,054	
Fund balances -- ending	$ (6,946)	$ (6,946)	$ 12,586	

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES				
Debt service				
Principal retirement	2,365,000	2,365,000	2,365,000	-
Interest	1,267,545	1,267,545	1,267,545	-
Total debt service	3,632,545	3,632,545	3,632,545	-
Total expenditures	3,632,545	3,632,545	3,632,545	-
OTHER FINANCING SOURCES				
Transfers in	3,632,545	3,632,545	3,632,545	-
Total other financing sources	3,632,545	3,632,545	3,632,545	-
Net change in fund balances	-	-	-	$ -
Fund balances -- beginning	-	-	-	
Fund balances -- ending	$ -	$ -	$ -	

Village of Downers Grove
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

	Municipal Buildings	Real Estate	Stormwater Capital	Total
ASSETS				
Cash and investments	$ 610,255	$ 226,717	$ -	$ 836,972
Accounts receivable	-	420	-	420
Total assets	610,255	227,137	-	837,392
LIABILITIES				
Accounts payable	22,537	4,033	-	26,570
Deposits payable	-	1,801	-	1,801
Total liabilities	22,537	5,834	-	28,371
FUND BALANCES				
Assigned for Capital Projects	587,718	221,303	-	809,021
Total liabilities and fund balances	$ 610,255	$ 227,137	-	$ 837,392

Village of Downers Grove
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2013

	Municipal Buildings	Real Estate	Stormwater Capital	Total
REVENUES				
Charges for services & fees	$ -	$ 58,862	$ -	$ 58,862
Investment income	-	10		10
Total revenues	-	58,872	-	58,872
EXPENDITURES				
Current				
General government	-	89,044		89,044
Total current	-	89,044	-	89,044
Capital Outlay				
General government	61,275	-	-	61,275
Total capital outlay	61,275	-	-	61,275
Total expenditures	61,275	89,044	-	150,319
Excess (deficiency) of revenues over (under) expenditures	(61,275)	(30,172)	-	(91,447)
OTHER FINANCING SOURCES (USES)				
Transfers in	350,000	-	-	350,000
Transfer out to Enterprise Fund	-	-	(14,257,885)	(14,257,885)
Total Other Financing Sources	350,000	-	(14,257,885)	(13,907,885)
Net change in fund balance	288,725	(30,172)	(14,257,885)	(13,999,332)
Fund balances -- beginning	298,993	251,475	14,257,885	14,808,353
Fund balances -- ending	$ 587,718	$ 221,303	-	$ 809,021

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment income	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES				
Capital outlay				
General government	352,000	352,000	61,275	290,725
Total capital outlay	352,000	352,000	61,275	290,725
Total expenditures	352,000	352,000	61,275	290,725
Excess (deficiency) of revenues over (under) expenditures	(352,000)	(352,000)	(61,275)	290,725
OTHER FINANCING SOURCES				
Transfers in	350,000	350,000	350,000	-
Total other financing sources	350,000	350,000	350,000	-
Net change in fund balances	(2,000)	(2,000)	288,725	$ 290,725
Fund balances -- beginning	298,993	298,993	298,993	
Fund balances (deficits) - ending	$ 296,993	$ 296,993	$ 587,718	

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for services & fees	$ 67,740	$ 67,740	$ 58,862	$ (8,878)
Investment income	-	-	10	10
Total revenues	67,740	67,740	58,872	(8,868)
EXPENDITURES				
Current				
General government	198,845	198,845	89,044	(109,801)
Total current	198,845	198,845	89,044	(109,801)
Total expenditures	198,845	198,845	89,044	(109,801)
Excess (deficiency) of revenues over (under) expenditures	(131,105)	(131,105)	(30,172)	100,933
Net change in fund balances	(131,105)	(131,105)	(30,172)	$ 100,933
Fund balances -- beginning	251,475	251,475	251,475	
Fund balances -- ending	$ 120,370	$ 120,370	$ 221,303	

Village of Downers Grove
Waterworks Fund
Non GAAP Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Water financial services				
Personnel services	$ 98,879	$ 98,879	$ 121,111	$ 22,232
Supplies	250	250	-	(250)
Contractual services	67,000	67,000	42,433	(24,567)
Total	166,129	166,129	163,544	(2,585)
Water administration				
Personnel services	345,250	345,250	351,624	6,374
Supplies	9,395	9,395	3,471	(5,924)
Contractual services	34,965	34,965	25,301	(9,664)
Other charges and services	1,329,372	1,329,372	1,329,372	-
Total	1,718,982	1,718,982	1,709,768	(9,214)
Water pumping and treatment				
Personnel services	110,707	110,707	104,250	(6,457)
Supplies	7,700	7,700	6,400	(1,300)
Contractual services	92,271	92,271	85,402	(6,869)
Other charges and services	12,293	12,293	12,300	7
Capital outlay	1,500	1,500	13,659	12,159
Total	224,471	224,471	222,011	(2,460)
Water transmission and distribution				
Personnel services	767,212	767,212	782,259	15,047
Supplies	234,797	234,797	142,392	(92,405)
Contractual services	538,774	538,774	402,014	(136,760)
Other charges and services	58,001	58,001	58,008	7
Capital Outlay	10,000	10,000	7,692	(2,308)
Total	1,608,784	1,608,784	1,392,365	(216,419)
DuPage Water Commission	7,139,551	7,139,551	6,706,825	(432,726)
Capital outlay	6,370,000	6,370,000	2,640,838	(3,729,162)
Total Non-GAAP operating expenses	17,227,917	17,227,917	12,835,351	(4,392,566)
Depreciation	-	-	1,075,439	1,075,439
Less assets capitalized	-	-	(2,640,838)	(2,640,838)
Total GAAP operating expenses	$ 17,227,917	$ 17,227,917	$ 11,269,952	$ (5,957,965)

Village of Downers Grove
Parking Fund
Non GAAP Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Non-deck parking operations				
Supplies	$ 3,000	$ 3,000	$ 3,376	$ 376
Contractual services	45,510	45,510	37,565	(7,945)
Other charges and services	435,000	435,000	15,610	(419,390)
Total	483,510	483,510	56,551	(426,959)
Parking deck operations				
Supplies	6,100	6,100	6,032	(68)
Contractual services	112,765	112,765	107,994	(4,771)
Other charges and services	50,000	50,000	13,430	(36,570)
Total	168,865	168,865	127,456	(41,409)
Enforcement				
Personnel services	169,872	169,872	171,355	1,483
Supplies	1,388	1,388	1,188	(200)
Contractual services	12,650	12,650	8,973	(3,677)
Other charges and services	553,713	553,713	553,704	(9)
Total	737,623	737,623	735,220	(2,403)
Total Non-GAAP operating expenses	1,389,998	1,389,998	919,227	(470,771)
Depreciation	-	-	26,183	26,183
Total GAAP operating expenses	$ 1,389,998	$ 1,389,998	$ 945,410	$ (444,588)

Village of Downers Grove
Stormwater Utility Fund
Non GAAP Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Stormwater financial services				
Personnel services	$ 106,722	$ 106,722	$ 55,266	$ (51,456)
Supplies	1,000	1,000	-	(1,000)
Contractual services	30,000	30,000	34,110	4,110
Total	137,722	137,722	89,376	(48,346)
Stormwater Design Engineering				
Personnel services	433,173	433,173	553,804	120,631
Supplies	700	700	197	(503)
Contractual services	57,162	57,162	69,288	12,126
Total	491,035	491,035	623,289	132,254
Stormwater Maintenance				
Personnel services	488,468	488,468	618,138	129,670
Supplies	67,995	67,995	63,558	(4,437)
Contractual services	174,000	174,000	144,477	(29,523)
Other charges and services	424,327	424,327	424,332	5
Capital outlay	2,424,500	2,424,500	2,213,002	(211,498)
Total	3,579,290	3,579,290	3,463,507	(115,783)
Capital outlay	602,000	1,952,000	2,144,088	192,088
Total Non-GAAP operating expenses	4,810,047	6,160,047	6,320,260	160,213
Depreciation	-	-	216,423	216,423
Less assets capitalized	-	-	(2,144,088)	(2,144,088)
Total GAAP operating expenses	$ 4,810,047	$ 6,160,047	$ 4,392,595	$ (1,767,452)

Village of Downers Grove
Combining Statement of Net Position
Internal Service Funds
December 31, 2013

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
ASSETS					
Current assets					
Cash and investments	$ 1,285,823	$ 366,900	$ 1,390,010	$ -	$ 3,042,733
Accounts receivable	55,890	8,382	8,704	172,083	245,059
Inventory	-	129,040	-	-	129,040
Total Current assets	1,341,713	504,322	1,398,714	172,083	3,416,832
Noncurrent assets					
Capital assets not being depreciated	517,474				517,474
Capital assets being depreciated	10,701,474	1,027,698	-	-	11,729,172
Accumulated depreciation	(5,597,571)	(757,606)	-	-	(6,355,177)
Total Noncurrent assets	5,621,377	270,092	-	-	5,891,469
Total assets	6,963,090	774,414	1,398,714	172,083	9,308,301
LIABILITIES					
Current liabilities					
Accounts payable	93,710	64,144	22,568	28,638	209,060
Other payables	-	-	21,444	-	21,444
Compensated absences	-	14,004	12,610	169	26,783
Claims payable	-	-	687,233	704,988	1,392,221
Total Current liabilities	93,710	78,148	743,855	733,795	1,649,508
Noncurrent liabilities					
Due to other funds	-	-	-	622,245	622,245
Claims payable	-	-	-	1,644,974	1,644,974
Other post-employment benefits	-	112,900	10,327	26,848	150,075
Compensated absences	-	32,676	29,422	394	62,492
Net pension obligation	-	14,101	3,133	3,483	20,717
Total Noncurrent liabilities	-	159,677	42,882	2,297,944	2,500,503
Total liabilities	93,710	237,825	786,737	3,031,739	4,150,011
NET POSITION					
Net investment in capital assets	5,621,377	270,092	-	-	5,891,469
Unrestricted (deficit)	1,248,003	266,497	611,977	(2,859,656)	(733,179)
Total net position	$ 6,869,380	$ 536,589	$ 611,977	$ (2,859,656)	$ 5,158,290

Village of Downers Grove
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2013

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
Operating revenues					
Sales	$ -	$ 139,747	$ -	$ -	$ 139,747
Interfund services	1,250,472	1,646,472	4,520,381	1,463,108	8,880,433
Insurance premiums	-	-	1,939,954	-	1,939,954
Other	1,404	-	8,323	6,849	16,576
Total operating revenues	1,251,876	1,786,219	6,468,658	1,469,957	10,976,710
Operating expenses					
Personnel services	-	656,056	66,282	129,211	851,549
Supplies	-	724,762	110	252	725,124
Contractual services	-	152,047	1,046,224	411,624	1,609,895
Other charges and services	264,004	227,234	5,046,888	2,061,448	7,599,574
Depreciation	765,789	39,451	-	-	805,240
Total operating expenses	1,029,793	1,799,550	6,159,504	2,602,535	11,591,382
Operating Income (loss)	222,083	(13,331)	309,154	(1,132,578)	(614,672)
Nonoperating revenues					
Intergovernmental	59,890	50,000	-	-	109,890
Investment income	88	-	403	18	509
Gain from disposals	27,913	-	-	-	27,913
Total non operating revenues	87,891	50,000	403	18	138,312
Change in net position	309,974	36,669	309,557	(1,132,560)	(476,360)
Total net position -- beginning	6,559,406	499,920	302,420	(1,727,096)	5,634,650
Total net position -- ending	$ 6,869,380	$ 536,589	$ 611,977	$ (2,859,656)	$ 5,158,290

Village of Downers Grove
Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2013

	Equipment Replacement	Fleet	Health	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services	$1,250,472	$1,646,472	$4,520,381	$1,463,108	$8,880,433
Receipts from customers	1,404	134,150	2,053,537	256,534	2,445,625
Other payments	-	(166,785)	(6,231,929)	(2,385,752)	(8,784,466)
Payments to employees	-	(638,063)	(83,838)	(129,517)	(851,418)
Payments for interfund services	-	(212,496)	(78,576)	622,005	330,933
Payments to suppliers	(283,654)	(709,543)	(24,209)	23,663	(993,743)
Net cash provided (used) by operating activities	968,222	53,735	155,366	(149,959)	1,027,364
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant proceeds	4,000	50,000	-	-	54,000
Net cash provided (used) by noncapital activities	4,000	50,000	-	-	54,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(1,091,063)		-	-	(1,091,063)
Net cash provided (used) by capital activities	(1,091,063)	-	-	-	(1,091,063)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	88	-	403	18	509
Net cash provided by investing activities	88	-	403	18	509
Net Increase (decrease) in cash and cash equivalents	(118,753)	103,735	155,769	(149,941)	(9,190)
Cash and investments - beginning of year	1,404,576	263,165	1,234,241	149,941	3,051,923
Cash and investments - end of year	1,285,823	366,900	1,390,010	-	3,042,733
Reconciliation of operating income (loss) to net cash by operating activities					
Operating income (loss)	222,083	(13,331)	309,154	(1,132,578)	(614,672)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	765,789	39,451	-	-	805,240
Change in assets and liabilities					
Accounts payable	22,740	11,406	(24,099)	23,915	33,962
Accrued payroll	-	11,429	-	-	11,429
Compensated absences	-	1,553	4,839	(1,555)	4,837
Accounts receivable	(42,390)	(5,596)	105,260	249,685	306,959
Due to other funds	-	-	-	622,245	622,245
Inventory	-	3,812	-	-	3,812
Prepaid expenses	-	-	-	-	-
Other post-employment benefits	-	4,691	(11,870)	1,183	(5,996)
Deposits payable	-	-	-	-	-
Other payables	-	-	(10,581)	-	(10,581)
Claims payable	-	-	(217,393)	87,080	(130,313)
Net pension obligation	-	320	56	66	442
Net cash provided (used) by operating activities	$968,222	$53,735	$155,366	($149,959)	$1,027,364

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, 2013

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Other charges and services	$ -	$ -	$ -	$ -
Capital outlay	1,666,700	1,666,700	1,510,996	(155,704)
Less assets capitalized	-	-	(1,246,992)	(1,246,992)
Total Non GAAP operating expenses	1,666,700	1,666,700	264,004	(1,402,696)
Depreciation	-	-	765,789	765,789
Total GAAP operating expenses	$ 1,666,700	$ 1,666,700	$ 1,029,793	$ (636,908)

Village of Downers Grove
Fleet Services Fund
Non GAAP Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	$ 636,074	$ 636,074	$ 656,056	$ 19,982
Supplies	807,382	807,382	724,762	(82,620)
Contractual services	134,385	134,385	152,047	17,662
Other charges and services	234,995	234,995	227,234	(7,761)
Total Non GAAP expenses	1,812,836	1,812,836	1,760,099	(52,737)
Depreciation	-	-	39,451	39,451
Total GAAP operating expenses	$ 1,812,836	$ 1,812,836	$ 1,799,550	$ (13,286)

Village of Downers Grove
Health Insurance Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Health administration				
Personnel services	$ 113,893	$ 113,893	$ 66,282	$ (47,611)
Supplies	760	760	110	(650)
Contractual services	119,800	119,800	102,036	(17,764)
Other charges and services	521	521	1,654	1,133
Total	234,974	234,974	170,082	(64,892)
Vision insurance				
Contractual services	44,000	44,000	44,405	405
Total	44,000	44,000	44,405	405
Medical insurance				
Contractual services	850,052	850,052	880,933	30,881
Other charges and services	4,803,062	4,803,062	4,674,850	(128,212)
Total	5,653,114	5,653,114	5,555,783	(97,331)
Dental insurance				
Contractual services	17,740	17,740	18,850	1,110
Other charges and services	450,000	450,000	370,384	(79,616)
Total	467,740	467,740	389,234	(78,506)
Total operating expenses	$ 6,399,828	$ 6,399,828	$ 6,159,504	$ (240,324)

Village of Downers Grove
Risk Management Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	$ 123,560	$ 123,560	$ 129,211	$ 5,651
Supplies	550	550	252	(298)
Contractual services	561,370	561,370	411,624	(149,746)
Other charges and services	800,237	1,600,237	2,061,448	461,211
Total operating expenses	$ 1,485,717	$ 2,285,717	$ 2,602,535	$ 316,818

Village of Downers Grove, Illinois
Pension Trust Funds
Combining Statement of Net Position
December 31, 2013

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	$ 1,697,185	$ 870,966	$ 2,568,151
Investments			
U.S. obligations	8,203,292	6,304,968	14,508,260
Corporate bonds	7,844,380	8,117,922	15,962,302
Foreign bonds	1,794,319	-	1,794,319
Negotiable CDs	-	3,716,321	3,716,321
Mutual funds - fixed income	825,839	-	825,839
Mutual funds - equity	18,786,202	23,958,264	42,744,466
Common and Preferred Stocks	5,103,021	-	5,103,021
Real Estate	2,686,925	-	2,686,925
Prepaids	775	-	775
Interest receivable	116,539	141,151	257,690
Total assets	47,058,477	43,109,592	90,168,069
LIABILITIES			
Accounts payable	12,548	8,396	20,944
Total liabilities	12,548	8,396	20,944
NET POSITION			
Held in trust for pension benefits	$ 47,045,929	$ 43,101,196	$ 90,147,125

Village of Downers Grove
Combining Statement of Changes in Net Position
Pension Trust Funds
For the Year Ended December 31, 2013

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Contributions - employer	$ 1,948,188	$ 2,249,893	$ 4,198,081
Contributions - employees	723,405	663,649	1,387,054
Total contributions	2,671,593	2,913,542	5,585,135
Investment earnings			
Net appreciation in fair value of investments	5,168,486	4,527,553	9,696,039
Interest earned on investments	856,213	874,844	1,731,057
Less investment expense	(112,539)	(62,989)	(175,528)
Net investment earnings (loss)	5,912,160	5,339,408	11,251,568
Total additions	8,583,753	8,252,950	16,836,703
DEDUCTIONS			
Supplies	-	-	-
Contractual services	38,726	68,588	107,314
Other charges and services	6,852	6,852	13,704
Benefits and refunds	2,935,463	2,640,416	5,575,879
Total deductions	2,981,041	2,715,856	5,696,897
Change in Net Position	5,602,712	5,537,094	11,139,806
Net Position - beginning of the year	41,443,217	37,564,102	79,007,319
Net Position - end of the year	$ 47,045,929	$ 43,101,196	$ 90,147,125

Village of Downers Grove
Police Pension Fund
Schedule of Changes in Net Position - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance
ADDITIONS				
Contributions - employer	$ 1,943,836	$ 1,943,836	$ 1,948,188	$ 4,352
Contributions - employees	700,000	700,000	723,405	23,405
Total contributions	2,643,836	2,643,836	2,671,593	27,757
Investment earnings				
Net appreciation in fair value of investments	250,000	250,000	5,168,486	4,918,486
Interest earned on investments	750,000	750,000	856,213	106,213
Less investment expense	(110,000)	(110,000)	(112,539)	(2,539)
Net investment earnings (loss)	890,000	890,000	5,912,160	5,022,160
Total additions	3,533,836	3,533,836	8,583,753	5,049,917
DEDUCTIONS				
Supplies	600	600	-	600
Contractual services	60,800	60,800	38,726	22,074
Other charges and services	6,852	6,852	6,852	-
Benefits and refunds	2,995,000	2,995,000	2,935,463	59,537
Total deductions	3,063,252	3,063,252	2,981,041	82,211
Net Change in Net Position	$ 470,584	$ 470,584	5,602,712	$ 5,132,128
Net position held in trust for pension benefits				
Beginning			41,443,217	
Ending			$ 47,045,929	

Village of Downers Grove
Firefighters' Pension Fund
Schedule of Changes in Net Position - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance
ADDITIONS				
Contributions - employer	$ 2,244,196	$ 2,244,196	$ 2,249,893	$ 5,697
Contributions - employees	650,000	650,000	663,649	13,649
Total contributions	2,894,196	2,894,196	2,913,542	19,346
Investment earnings				
Net appreciation in fair value of investments	250,000	250,000	4,527,553	4,277,553
Interest earned on investments	700,000	700,000	874,844	174,844
Less investment expense	(74,000)	(74,000)	(62,989)	11,011
Net investment earnings (loss)	876,000	876,000	5,339,408	4,463,408
Total additions	3,770,196	3,770,196	8,252,950	4,482,754
DEDUCTIONS				
Supplies	-	-	-	-
Contractual services	61,800	61,800	68,588	(6,788)
Other charges and services	6,852	6,852	6,852	-
Benefits and refunds	2,775,000	2,775,000	2,640,416	134,584
Total deductions	2,843,652	2,843,652	2,715,856	127,796
Net Change in Net Position	$ 926,544	$ 926,544	5,537,094	$ 4,610,550
Net position held in trust for pension benefits				
Beginning			37,564,102	
Ending			$ 43,101,196	

Village of Downers Grove
Construction Deposit Fund
Schedule of Changes in Assets and Liabilities
For the Year Ended December 31, 2013

	Balances January 1	Additions	Deductions	Balances December 31
ASSETS				
Cash and investments	$ 2,675,108	$ 3,213,192	$ 4,243,538	$ 1,644,762
Total assets	2,675,108	3,213,192	4,243,538	1,644,762
LIABILITIES				
Accounts payable	381,405	2,335,366	2,542,754	174,017
Deposits payable	2,293,703	1,659,864	2,482,822	1,470,745
Total liabilities	$ 2,675,108	$ 3,995,230	$ 5,025,576	$ 1,644,762

COMPONENT UNIT
DOWNERS GROVE LIBRARY

Downers Grove Public Library
Component Unit
Statement of Net Position and Governmental Funds Combining Balance Sheet
December 31, 2013

	General	Debt Service	Construction	Total	Adjustments	Statement of Net Position
Assets						
Cash and investments	$ 3,713,118	$ 910,756	$ 243,566	$ 4,867,440	-	$ 4,867,440
Property tax receivable	4,464,613	621,052	-	5,085,665	-	5,085,665
Accrued interest receivable	72	-	-	72	-	72
Capital assets not being depreciated	-	-	-	-	222,211	222,211
Capital assets net accumulated depreciation	-	-	-	-	11,034,998	11,034,998
Total Assets	8,177,803	1,531,808	243,566	9,953,177	11,257,209	21,210,386
Deferred outflow of resources						
Loss on refunding	-	-	-	-	185,845	185,845
Total Assets & Deferred Outflows of Resources	8,177,803	1,531,808	243,566	9,953,177	11,443,054	21,396,231
Liabilities						
Current liabilities						
Accrued interest payable	-	-	-	-	11,178	11,178
Accrued payroll	62,744	-	-	62,744	-	62,744
Accounts payable	34,650	-	-	34,650	-	34,650
Debt due within 1 year	-	-	-	-	606,709	606,709
Total Current liabilities	97,394	-	-	97,394	617,887	715,281
Noncurrent liabilities						
Debt due in more than 1 year	-	-	-	-	2,058,942	2,058,942
Deferred inflow of resources						
Property taxes levied for future periods	4,440,083	621,052	-	5,061,135	-	5,061,135
Total Liabilities & Deferred Inflows of Resources	4,537,477	621,052	-	5,158,529	2,676,829	7,835,358
Fund Balance / Net Position						
Net investment in capital assets	-	-	-	-	9,013,054	9,013,054
Restricted for Debt Service	-	910,756	-	910,756	(11,178)	899,578
Assigned for Construction	-	-	243,566	243,566	(243,566)	-
Unassigned/Unrestricted	3,640,326	-	-	3,640,326	7,915	3,648,241
Total fund balances/net position	$ 3,640,326	$ 910,756	$ 243,566	$ 4,794,648	$ 8,766,225	$ 13,560,873

Downers Grove Public Library
Component Unit
Statement of Activities and Governmental Fund
Combining Statement of Revenues, Expenditures & Changes in Fund Balances/Net Position
For the Year Ended December 31, 2013

	General	Debt Service	Construction	Total	Adjustments	Statement of Activities
REVENUES						
Property taxes	$ 4,315,500	$ 649,340	$ -	$ 4,964,840	$ -	$ 4,964,840
Personal property repl tax	61,356	-	-	61,356	-	61,356
Intergovernmental	49,156	-	-	49,156	-	49,156
Charges for services	52,083	-	-	52,083	-	52,083
Fines	103,691	-	-	103,691	-	103,691
Investment income	7,965	74	-	8,039	-	8,039
Contributions & donations	9,123	-	-	9,123	-	9,123
Total revenues	4,598,874	649,414	-	5,248,288	-	5,248,288
EXPENDITURES						
Current						
Community services	3,748,553	-	-	3,748,553	1,204,154	4,952,707
Capital outlay	1,188,643	-	-	1,188,643	(1,188,643)	-
Debt service						
Principal retirement	-	2,950,000	-	2,950,000	(2,950,000)	-
Interest and fiscal charges	-	66,469	-	66,469	37,155	103,624
Issuance costs	-	25,187	-	25,187	(25,187)	-
Total expenditures	4,937,196	3,041,656	-	7,978,852	(2,922,521)	5,056,331
(Deficiency) of revenues (under) expenditures	(338,322)	(2,392,242)	-	(2,730,564)	2,922,521	191,957
OTHER FINANCING SOURCES						
Refunding bonds issued	-	2,430,000		2,430,000	(2,430,000)	-
Total other financing sources	-	2,430,000	-	2,430,000	(2,430,000)	-
Net change in fund balance/net position	(338,322)	37,758	-	(300,564)	492,521	191,957
Fund balance/net position, beginning	3,978,648	872,998	243,566	5,095,212	8,273,704	13,368,916
Fund balance/net position, ending	$ 3,640,326	$ 910,756	$ 243,566	$ 4,794,648	$ 8,766,225	$ 13,560,873

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 4,306,580	$ 4,306,580	$ 4,315,500	$ 8,920
Personal property repl tax	52,000	52,000	61,356	9,356
Intergovernmental	40,000	40,000	49,156	9,156
Charges for services & fees	40,200	40,200	52,083	11,883
Fines	98,500	98,500	103,691	5,191
Investment income	6,100	6,100	7,965	1,865
Contributions & donations	10,000	10,000	9,123	(877)
Total revenues	4,553,380	4,553,380	4,598,874	45,494
EXPENDITURES				
Current				
Community services	3,715,900	3,715,900	3,748,553	32,653
Total current	3,715,900	3,715,900	3,748,553	32,653
Capital outlay	1,188,000	1,188,000	1,188,643	643
Total expenditures	4,903,900	4,903,900	4,937,196	33,296
Net change in fund balances	(350,520)	(350,520)	(338,322)	12,198
Fund balances -- beginning	3,978,648	3,978,648	3,978,648	
Fund balances -- ending	$ 3,628,128	$ 3,628,128	$ 3,640,326	

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	$ 649,340	$ 649,340	$ 649,340	$ -
Investment income	-	-	74	74
Total revenues	649,340	649,340	649,414	74
EXPENDITURES				
Debt service				
Principal retirement	555,000	2,955,000	2,950,000	(5,000)
Interest	94,340	94,340	66,469	(27,871)
Issuance costs	-	-	25,187	25,187
Total debt service	649,340	3,049,340	3,041,656	(7,684)
Total expenditures	649,340	3,049,340	3,041,656	(7,684)
(Deficiency) of revenues (under) expenditures	-	(2,400,000)	(2,392,242)	7,758
OTHER FINANCING SOURCES				
Refunding bonds issued	-	-	2,430,000	2,430,000
Total other financing sources	-	-	2,430,000	2,430,000
Net change in fund balances	-	(2,400,000)	37,758	$ (2,362,242)
Fund balances -- beginning	872,998	872,998	872,998	
Fund balances -- ending	$ 872,998	($ 1,527,002)	$ 910,756	

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment income	$ 600	$ 600	-	$ (600)
Total revenues	600	600	-	(600)
EXPENDITURES				
Capital outlay				
Community services	220,000	220,000	-	(220,000)
Total capital outlay	220,000	220,000	-	(220,000)
Total expenditures	220,000	220,000	-	(220,000)
Net change in fund balances	(219,400)	(219,400)	-	219,400
Fund balances -- beginning	243,566	243,566	243,566	
Fund balances -- ending	$ 24,166	$ 24,166	$ 243,566	

SUPPLEMENTAL INFORMATION

Village of Downers Grove

Schedule of Insurance in Force
December 31, 2013

Insurance Company	Term	Description of Coverage
Federal Insurance	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
Taxable General Obligation Refunding Bonds, Series 2005
December 31, 2013

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
2014	840,000	170,475	1,010,475	2014	170,475	2014	
	$ 840,000	$ 170,475	$ 1,010,475		$ 170,475		$ -

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2007
December 31, 2013

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
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	-
	$ 7,730,000	$ 2,553,349	$ 10,283,349		$ 1,356,152		$ 1,197,197

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2008A
December 31, 2013

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
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	-
	$ 16,245,000	$ 12,155,406	$ 28,400,406		$ 6,276,706		$ 5,878,700

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2008B
December 31, 2013

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
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	-
	$ 2,205,000	$ 758,036	$ 2,963,036		$ 406,412		$ 351,624

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2009
December 31, 2013

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
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	-
	$ 5,835,000	$ 630,427	$ 6,465,427		$ 365,051		$ 265,376

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2010A
December 31, 2013

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
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	$ 1,559,976	$ 7,134,976		$ 839,663		$ 720,313

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2010B
December 31, 2013

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
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	$ 1,052,500	$ 6,202,500		$ 575,700		$ 476,800

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2012 Roads
December 31, 2013

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
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	-
	$ 23,010,000	$ 10,607,409	$ 33,617,409		$ 5,498,063		$ 5,109,346

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2012 Water
December 31, 2013

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
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	-
	$ 9,530,000	$ 3,211,150	$ 12,741,150		$ 1,680,662		$ 1,530,488

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2013
December 31, 2013

Date of Issue	January 22, 2013
Date of Maturity	January 1, 2017
Authorized Issue	$2,430,000
Denomination of Bonds	$5,000
Interest Rates	0.92%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	JP Morgan
Purpose of Issuance	To refund G.O. Library Refunding Bonds, Series 2003

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2014	600,000	19,596	619,596	2014	11,178	2014	8,418
2015	600,000	14,076	614,076	2015	8,418	2015	5,658
2016	615,000	8,487	623,487	2016	5,658	2016	2,829
2017	615,000	2,829	617,829	2017	2,829	2017	-
	$ 2,430,000	$ 44,988	$ 2,474,988		$ 28,083		$ 16,905

Village of Downers Grove

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 2013A

December 31, 2013

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

	Debt Service			Interest Due On			
Fiscal Year	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2014		130,642	130,642	2014		2014	130,642
2015	1,175,000	183,400	1,358,400	2015	97,575	2015	85,825
2016	1,380,000	157,850	1,537,850	2016	85,825	2016	72,025
2017	1,500,000	121,550	1,621,550	2017	72,025	2017	49,525
2018	1,715,000	81,900	1,796,900	2018	49,525	2018	32,375
2019	1,775,000	42,563	1,817,563	2019	32,375	2019	10,188
2020	815,000	10,187	825,187	2020	10,187	2020	
	$ 8,360,000	$ 728,092	$ 9,088,092		$ 347,512		$ 380,580

STATISTICAL SECTION

(Unaudited)

STATISTICAL SECTION

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

Contents | Pages

Financial Trends 125-129
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 130-135
These schedules contain information to help the reader assess significant local revenue sources, the property tax and sales tax.

Debt Capacity 136-138
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 139-140
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 141-143
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

	2005	2006	2006(A)	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net investment in capital assets	$ 63,898	$ 61,598	$ 65,925	$ 66,275	$ 70,743	$ 66,960	$ 64,610	$ 69,272	$ 67,608	$ 70,277
Restricted	5,982	3,697	3,847	4,007	35,838	31,785	4,795	6,051	6,806	7,473
Unrestricted	11,963	15,822	17,532	19,581	(13,944)	(9,618)	24,820	25,138	27,814	16,372
Total Governmental Activities	81,843	81,117	87,304	89,863	92,637	89,127	94,225	100,461	102,228	94,122
Business-type Activities										
Net investment in capital assets	25,531	25,370	25,213	25,279	29,197	32,272	32,691	32,663	32,169	33,734
Unrestricted	4,465	5,724	4,424	7,746	4,911	1,545	1,304	2,192	3,861	13,469
Total Business-type Activities	29,996	31,094	29,637	33,025	34,108	33,817	33,995	34,855	36,030	47,203
Primary Government										
Net investment in capital assets	89,429	86,968	91,137	91,554	99,939	99,232	97,301	101,935	99,777	104,010
Restricted	5,982	3,697	3,847	4,007	35,838	31,785	4,795	6,051	6,806	7,472
Unrestricted	16,428	21,546	21,956	27,327	(9,033)	(8,073)	26,124	27,330	31,675	29,842
Total Primary Government	$ 111,839	$ 112,211	$ 116,940	$ 122,888	$ 126,744	$ 122,944	$ 128,220	$ 135,316	$ 138,258	$ 141,324

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

	2005	2006	2006(A)	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities										
General government	$ 626	$ 4,418	$ 4,263	$ 5,637	$ 6,360	$ 4,841	$ 5,362	$ 5,971	$ 6,222	$ 6,573
Public works	9,717	9,669	8,362	11,041	13,561	15,701	11,855	13,867	18,272	13,409
Community development	1,565	1,686	2,469	4,200	3,229	2,805	2,539	2,458	2,635	2,996
Public safety	22,139	23,057	17,740	26,588	28,591	27,635	26,768	27,317	27,663	28,747
Community services	2,747	4,149	2,125	2,991	2,036	1,882	836	745	756	773
Interest and fiscal charges	1,881	1,836	1,283	2,010	2,349	2,956	2,774	2,514	2,735	2,691
Total Governmental Activities Expenses	38,675	44,815	36,242	52,467	56,126	55,820	50,134	52,872	58,283	55,189
Business-type Activities										
Waterworks	8,459	8,626	5,813	7,863	6,777	7,710	8,248	8,765	11,256	11,726
Parking	793	884	292	977	940	946	847	966	952	945
Stormwater Utility										5,285
Transportation	540	-	-	-	-	-	-	-	-	-
Total Business-type Activities Expenses	9,792	9,510	6,105	8,840	7,717	8,656	9,095	9,731	12,208	17,956
Total Primary Government Expenses	48,467	54,325	42,347	61,307	63,843	64,476	59,229	62,603	70,491	73,145
Program Revenues										
Governmental Activities										
Charges for Services										
General government	762	1,006	2,152	1,577	1,793	2,052	1,576	1,567	1,614	1,643
Public works	202	372	181	249	174	192	220	383	292	313
Community development	19	1,831	1,272	2,107	1,334	955	1,123	1,187	1,546	1,339
Public safety	1,804	2,533	1,941	2,181	2,728	2,506	2,606	2,655	2,793	3,434
Community services	2,506	878	863	825	1,045	1,059	793	848	883	914
Operating Grants and Contributions	1,708	1,552	1,198	1,898	1,844	374	206	617	1,073	1,020
Capital Grants and Contributions	617	428	249	1,216	2,810	1,582	1,611	2,976	2,010	1,405
Total Governmental Activities Program Revenues	7,618	8,600	7,856	10,053	11,728	8,720	8,135	10,233	10,211	10,068
Business-type Activities										
Charges for Services										
Waterworks	10,134	8,696	5,440	7,799	7,372	7,473	8,143	9,475	12,271	13,197
Parking	856	1,013	699	1,289	1,209	1,242	1,287	1,298	1,265	1,425
Stormwater Utility										3,375
Transportation	213	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	179	268	1	47	120	47	47	47	47
Capital Grants and Contributions	-	-	-	-	130	-	30	10	80	(10)
Total Business-type Activities Program Revenues	11,203	9,888	6,407	9,089	8,758	8,835	9,507	10,830	13,663	18,034
Total Primary Government Program Revenues	$ 18,821	$ 18,488	$ 14,263	$ 19,142	$ 20,486	$ 17,555	$ 17,642	$ 21,063	$ 23,874	$ 28,102

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

	2005	2006	2006(A)	2007	2008	2009	2010	2011	2012	2013
Net Revenue (Expense)										
Governmental activities	$ (31,057)	$ (36,215)	$ (28,386)	$ (42,414)	$ (44,398)	$ (47,100)	$ (41,999)	$ (42,639)	$ (48,072)	$ (45,121)
Business-type activities	1,411	378	302	249	1,041	180	412	1,099	1,455	78
Total Primary Government Net Revenue (Expense)	(29,646)	(35,837)	(28,084)	(42,165)	(43,357)	(46,920)	(41,587)	(41,540)	(46,617)	(45,043)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	8,993	10,237	10,648	10,868	14,079	14,819	16,609	17,298	17,208	15,088
Sales	17,195	16,716	12,627	17,549	16,917	16,330	17,374	18,560	19,019	19,762
Utility	6,363	6,268	3,798	6,269	7,541	6,371	6,001	6,209	6,366	5,841
Income	3,434	3,769	2,672	4,313	4,612	3,960	3,835	3,787	4,203	4,558
Other	1,992	2,867	1,254	2,496	2,588	2,127	2,285	2,330	2,434	2,569
Investment earnings	291	814	888	1,730	1,222	1,073	737	416	234	203
Miscellaneous	79	18	92	43	7	38	-	24	74	18
Special items	-	(4,684)	1,261	-	-	-	-	-	-	-
Transfers	100	181	1,930	178	208	570	256	250	300	(11,024)
Total Governmental Activities	38,447	36,186	35,170	43,446	47,174	45,288	47,097	48,874	49,838	37,015
Business-type Activities										
Investment earnings	39	203	170	304	250	99	22	10	21	70
Miscellaneous	-	-	-	3,013	-	-	-	-	-	-
Transfers	(100)	(181)	(1,930)	(178)	(208)	(570)	(256)	(250)	(300)	11,024
Total Business-type Activities	(61)	22	(1,760)	3,139	42	(471)	(234)	(240)	(279)	11,094
Total Primary Government	38,386	36,208	33,410	46,585	47,216	44,817	46,863	48,634	49,559	48,109
Change in net position										
Governmental activities	7,390	(29)	6,784	1,031	2,774	(1,813)	5,098	6,235	1,766	(8,106)
Business-type activities	1,350	400	(1,457)	3,388	1,083	(291)	178	859	1,176	11,172
Total Primary Government Change in Net Position	$ 8,740	$ 371	$ 5,327	$ 4,419	$ 3,857	$ (2,104)	$ 5,276	$ 7,094	$ 2,942	$ 3,066

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

	2005	2006	2006(A)	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	$ 104	$ 194	$ 99	$ 89	$ 89	$ 66	$ 2,026	$ -	$ -	$ -
Unreserved	12,217	17,858	18,530	16,962	15,688	15,377	13,656	-	-	-
Nonspendable	-	-	-	-	-	-	-	2,043	2,009	2,574
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	15,141	17,193	17,858
Total General Fund	12,321	18,052	18,629	17,051	15,776	15,443	15,682	17,184	19,202	20,432
Reserved	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	15,251
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	19,534	36,772	8,917
Unassigned	-	-	-	-	-	-	-	(1,922)	(1,905)	(1,840)
Total All Other Governmental Funds	$ 6,107	$ 4,244	$ 5,315	$ 10,148	$ 34,063	$ 29,832	$ 26,140	$ 23,663	$ 41,673	$ 22,328

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

	2005	2006	2006(A)	2007	2008	2009	2010	2011	2012	2013
Revenues										
Sales tax	$ 17,195	$ 16,716	$ 12,627	$ 17,549	$ 16,917	$ 16,330	$ 17,374	$ 18,559	$ 19,019	$ 19,762
Property tax	8,993	10,237	10,648	10,868	14,079	14,819	16,609	17,298	17,209	15,088
Utility tax	6,363	6,268	3,798	6,269	7,541	6,371	6,001	6,209	6,367	5,841
Income tax	3,434	3,769	2,672	4,313	4,612	3,960	3,835	3,787	4,203	4,558
Other taxes	1,483	1,917	1,434	2,839	2,586	2,127	2,284	2,331	2,434	2,569
Licenses and permits	1,708	2,036	1,326	2,091	1,345	1,148	1,439	1,518	1,863	1,731
Intergovernmental	2,117	2,821	1,224	2,098	3,184	1,748	1,754	3,513	2,907	2,422
Charges for services & fees	3,026	3,737	3,071	4,123	4,065	4,565	3,773	4,096	4,276	4,868
Fines & forfeitures	559	871	637	676	1,264	1,246	1,106	1,027	988	1,044
Investment income	291	814	792	1,569	1,222	1,073	737	416	234	203
Miscellaneous	279	104	114	99	1,469	207	63	79	176	3
Total revenues	45,448	49,290	38,343	52,494	58,286	53,595	54,976	58,833	59,676	58,089
Expenditures										
General government	2,222	4,474	3,649	5,027	6,008	4,536	4,662	5,296	5,646	5,884
Public works	8,182	7,693	7,135	8,920	9,934	10,881	7,816	8,902	8,805	8,102
Community development	1,524	1,689	2,009	3,842	2,745	2,344	2,158	2,109	2,329	2,687
Public safety	22,043	23,139	17,252	25,060	26,053	25,518	26,826	27,244	27,970	28,621
Community services	2,728	3,475	1,758	3,042	1,966	1,831	865	750	750	767
Capital outlay	7,048	1,659	2,031	10,216	11,095	9,433	8,347	7,939	12,571	9,384
Debt service										
Principal	4,828	668	4,518	765	1,000	1,245	4,810	5,140	4,865	12,750
Interest and fiscal charges	2,164	1,809	950	70	2,198	2,854	3,175	2,502	2,372	2,661
Total expenditures	50,739	44,606	39,302	56,942	60,999	58,642	58,660	59,882	65,308	70,856
Excess of Revenues over (under) Expenditures	(5,291)	4,684	(959)	(4,448)	(2,713)	(5,047)	(3,684)	(1,049)	(5,632)	(12,767)
Other Financing Sources (Uses)										
Transfers in	6,811	1,184	5,278	410	2,067	4,755	7,260	7,442	7,102	6,797
Transfers out	(6,711)	(1,003)	(3,348)	(30)	(2,109)	(4,435)	(7,204)	(7,392)	(7,002)	(20,755)
Issuance of debt	14,450	-	-	-	28,900	9,030	10,955	-	25,000	8,360
Payment to the refunded bond escrow agent	(9,840)	-	-	-	(3,992)	(9,144)	(11,790)	-	-	-
Bond issue premium	35	-	-	-	481	239	1,009	-	284	233
Proceeds from disposal of capital assets	-	49	1,275	-	7	38	-	24	277	18
Total other financing sources (uses)	4,745	230	3,205	380	25,354	483	230	74	25,661	(5,347)
Net Change in Fund Balances	$ (546)	$ 4,914	$ 2,246	$ (4,068)	$ 22,641	$ (4,564)	$ (3,454)	$ (975)	$ 20,029	$ (18,114)
Debt Service as a Percentage of Noncapital Expenditures	16.00%	5.80%	14.82%	1.86%	6.27%	7.94%	15.21%	14.28%	13.02%	24.16%

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
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%
2013	1,546,924,741	434,267,904	61,357,602	2,042,550,247	0.57	6,127,650,741	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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Village Direct Rates										
Corporate	0.1350	0.1237	0.1156	0.1146	0.1068	0.1264	0.1601	0.1697	0.1414	0.1482
Firefighter's Pension	0.0769	0.0764	0.0712	0.0427	0.0626	0.0785	0.0925	0.0945	0.1059	0.1221
Police Pension	0.0465	0.0532	0.0496	0.0479	0.0501	0.0676	0.0790	0.0698	0.0917	0.1140
Debt Service	0.0526	0.0429	0.0335	0.0330	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.1283	0.1175	0.1100	0.1158	0.1138	0.1137	0.1205	0.1277	0.1354	0.1419
Stormwater	0.0000	0.0000	0.0000	0.1090	0.1090	0.1090	0.1104	0.1170	0.0000	0.0000
Capital									0.0458	0.0481
Total Direct Rate	0.4393	0.4137	0.3799	0.4630	0.4423	0.4952	0.5625	0.5787	0.5202	0.5743
Overlapping Rates										
Library District	0.2033	0.1942	0.1870	0.1795	0.1773	0.1832	0.1966	0.2136	0.2324	0.2502
Downers Grove Park District	0.3322	0.3188	0.3062	0.2932	0.2781	0.2699	0.2900	0.3077	0.3434	0.3691
Downers Grove Sanitary District	0.0339	0.0326	0.0316	0.0303	0.0301	0.0305	0.0336	0.0363	0.0405	0.0436
Special Service Area #1	0.0728	0.0619	0.0573	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Special Service Area #2	1.5000	1.5000	1.5000	1.4161	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Special Service Area #3	0.4605	0.3655	0.3379	0.3315	0.3140	0.3151	0.3366	0.3345	0.0000	0.0000
Special Service Area #6										0.2950
Downers Grove Township	0.0290	0.0278	0.0268	0.0256	0.0254	0.0256	0.0281	0.0307	0.0343	0.0368
Downers Grove Township Road	0.0434	0.0416	0.0401	0.0382	0.0379	0.0382	0.0420	0.0439	0.0512	0.0549
DuPage County	0.1850	0.1797	0.1713	0.1651	0.1557	0.1554	0.1659	0.1773	0.1929	0.2040
DuPage County Forest Preserve	0.1358	0.1271	0.1303	0.1187	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657
Dupage Airport Authority	0.0213	0.0198	0.0183	0.0170	0.0160	0.0148	0.0158	0.0169	0.0168	0.0178
College of DuPage	0.1972	0.1874	0.1929	0.1888	0.1858	0.2127	0.2349	0.2495	0.2681	0.2956
Grade School District No. 58	1.7721	1.7049	1.6523	1.5816	1.5713	1.6304	1.6991	1.8851	2.0981	2.2613
High School District No. 99	1.5914	1.5365	1.4884	1.4269	1.4214	1.4679	1.6105	1.7271	1.9209	2.0729

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

	2013			2003		
Taxpayer	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value
Hamilton Partners	$ 33,284,300	1	1.63	69,220,313	1	4.05
BRE COH IL LLC	$ 18,370,640	2	0.90			
PTA - K 225	$ 15,264,330	3	0.75			
Bristol Club LP	$ 12,878,710	4	0.63	9,014,850	10	0.53
PBH Prentiss Creek LLC	$ 11,537,700	5	0.56			
GLL BVK Properties	$ 10,611,220	6	0.52			
MJH Downers Grove LLC	$ 9,988,590	7	0.49	12,108,010	7	0.71
Highland Owner LLC	$ 9,852,600	8	0.48			
Grove Residential LLC	$ 9,687,970	9	0.47			
Highland Owner LLC	$ 8,851,170	10	0.43			
Wells REIT II/Lincoln				13,178,530	6	0.77
Alter Asset Management				13,738,341	5	0.90
Arun Enterprises				10,344,640	8	0.61
BF Real Estate US I LP				15,421,820	4	0.90
CB Richards				15,462,170	3	0.90
Duke Realty Corp				26,091,960	2	1.53
Ms Land LLC				9,326,370	9	0.55
Total	$ 140,327,230			$ 193,907,004		

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			
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	11,007	100%	0	11,007	100%
2013	11,590	*	*	*	*	*

Note
* First installment of property taxes due June 1, 2014
Excludes library

Data Source
Office of the County Clerk

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General merchandise	$ 49,578	$ 48,252	$ 55,103	$ 47,422	$ 45,551	$ 45,421	$ 45,838	$ 46,226	$ 46,460	$ 44,477
Food	101,978	101,077	105,643	108,625	108,175	117,287	119,168	117,780	116,207	122,457
Drinking and eating places	113,074	117,225	124,178	124,257	120,557	117,822	119,328	125,270	128,369	132,809
Apparel	23,499	24,471	24,913	23,659	25,415	26,835	26,010	25,538	24,759	24,595
Furniture and H.H. and radio	207,179	185,883	184,146	175,640	149,089	131,925	140,830	129,562	123,362	118,549
Lumber, building hardware	82,043	81,346	89,762	86,289	72,964	56,650	51,722	52,924	51,282	60,109
Automobile and filling stations	328,468	360,001	350,137	330,411	302,593	241,735	243,306	255,657	287,058	314,197
Drugs and miscellaneous retail	218,586	249,403	252,614	262,424	225,512	229,575	220,676	234,131	242,003	252,471
Agriculture and all others	110,567	102,824	121,891	131,947	122,317	99,973	111,240	111,100	124,306	130,917
Manufacturers	16,398	18,534	19,147	20,027	20,785	19,192	13,263	15,852	13,029	11,706
TOTAL	$ 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	$ 1,212,287

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
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%
2013	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*
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
2013	58,705	-	25,775	-	84,480	4.06%	1,710.16

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 139 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
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
2013	84,480	387	84,093	4.11%	1,702.32

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 130 for property value data.

VILLAGE OF DOWNERS GROVE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITES DEBT (in thousands)
December 31, 2013

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	$ 58,705	100.00%	$ 58,705
DuPage County	283,912	5.88%	16,694
Dupage County Forest Preserve	226,803	5.88%	13,336
Dupage Water Commission	-	6.53%	-
Downers Grove Park District	12,090	97.72%	11,814
Downers Grove Public Library	2,430	98.00%	2,381
Schools			
Grade School			
District No. 44	12,180	4.53%	552
District No. 58	13,990	77.88%	10,895
District No. 61	2,675	10.15%	272
District No. 66	3,910	4.06%	159
District No. 68	3,235	5.08%	164
High School			
District No. 87	44,375	0.98%	435
District No. 99	49,956	49.54%	24,748
Unit School District			
District No. 201	7,240	0.57%	41
District No. 202	8,000	5.75%	460
Total Overlapping	670,796		81,951
Total Direct and Overlapping	$ 729,501		$ 140,656

(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
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%
2013	49,399	2,077,129,152	42,048	6.6%

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

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

	2013			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

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

Program #	Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	General Government										
111	Clerk's Office	1.50	1.50	1.75	2.00	2.50	2.50	2.50	2.75	2.75	2.75
121	Manager's Office	4.50	5.50	5.00	7.50	7.60	6.60	4.60	5.60	4.60	4.60
131	Legal	3.75	3.75	2.75	3.00	3.75	3.75	3.00	3.50	3.75	3.75
142	Building services	8.75	8.75	8.75	8.75	9.25	9.25	8.25	8.00	8.00	8.25
151	Human resources	4.50	4.50	2.00	4.50	4.50	4.50	3.50	3.50	3.60	3.60
171	Information services	8.50	8.50	8.50	9.00	8.75	8.00	8.00	8.00	8.00	8.50
200	Finance	12.00	11.50	12.70	12.70	13.18	13.18	12.18	12.18	12.20	12.20
300	Public Works										
	Public works administrative	4.75	5.75	5.00	6.00	5.00	5.00	5.50	5.50	6.00	5.35
	Engineering/Stormwater	11.50	12.18	11.00	16.00	13.00	14.00	12.00	12.00	15.00	16.00
	Forestry and grounds	8.50	8.50	8.50	7.00	7.00	6.00	10.75	6.00	6.00	7.00
	Streets	42.50	42.50	32.50	30.15	36.00	30.75	26.00	26.00	22.50	23.50
	Water	14.25	14.25	12.00	11.00	10.00	12.00	10.00	11.00	10.00	10.50
	Fleet	7.00	7.50	7.50	7.00	7.50	10.00	10.00	7.50	10.00	10.00
	Community Development										
411	Planning	3.00	3.00	5.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
421	Economic Development	-	0.75	-	-	-	-	-	-	-	-
411	Code services	4.00	3.63	13.25	19.50	17.50	15.50	13.50	12.50	12.50	12.50
	Public Safety										
600	Police										
	Officers	74.00	73.00	78.00	81.00	81.00	81.00	79.00	74.00	74.00	74.00
	Civilians	32.26	32.26	23.58	23.40	23.60	23.60	20.60	19.60	19.60	19.60
	Voc	15.00	15.00	15.00	17.00	16.00	16.00	15.00	17.00	17.00	17.00
700	Fire										
	Firefighters and officers	81.00	80.00	75.00	81.00	82.00	79.00	77.00	77.00	77.00	77.00
	Civilians	11.50	11.50	10.00	9.50	9.75	9.75	8.75	8.00	7.00	6.50
	Community Services										
821	Counseling and social services	3.60	3.35	3.35	4.35	3.90	3.90	1.00	1.00	-	-
823	Alcohol and tobacco control	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
840	Public information	3.00	2.75	2.50	3.25	3.25	2.25	1.75	2.25	3.25	3.25
841	Cable television	3.00	3.50	4.25	4.50	4.50	3.75	3.75	3.00	3.00	3.00
864	Tourism and events	4.00	4.00	-	3.00	3.00	3.00	1.00	-	-	-
	Grand Total	366.61	367.67	348.13	373.35	374.78	366.53	340.88	329.13	329.00	332.10

VILLAGE OF DOWNERS GROVE
OPERATING INDICATORS
Last Eight Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety								
Police								
Physical arrests	2,106	1,936	1,632	1,922	1,881	1,743	1,792	1,491
Parking violations	9,595	10,427	10,427	7,830	8,743	10,002	6,530	9,144
Traffic violations	12,414	11,133	11,335	12,235	11,811	10,684	10,898	10,811
Fire								
EMS calls	3,307	3,542	3,736	2,605	2,350	2,253	3,599	2,307
Fire calls	2,058	2,086	2,075	2,399	3,064	3,383	5,696	3,585
Fires extinguished	130	95	71	39	47	62	71	77
Community Development								
Permits issued	1,535	1,160	1,545	1,339	1,634	1,861	1,853	2,097
Inspections conducted	4,387	3,648	3,850	2,677	2,932	3,335	4,414	3,668
Water								
Water main breaks	133	87	70	62	67	78	81	77
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	1,831,568,000
Average daily consumption	6,346,000	5,695,364	5,403,600	5,317,704	5,257,855	5,276,920	5,600,000	5,017,000
Peak daily consumption	11,754,000	10,761,000	8,403,000	7,358,000	8,974,000	9,465,000	9,003,000	7,615,000

Note
Data from 2004 and 2005 is not available.

Data Source
Village budget office

VILLAGE OF DOWNERS GROVE
CAPITAL ASSETS STATISTICS
Last Seven Years

Function/Program	2007	2008	2009	2010	2011	2012	2013
General Government							
Vehicles	8	7	7	8	8	8	7
Community Development							
Vehicles	9	7	7	5	5	5	5
Public Safety							
Police							
Stations	1	1	1	1	1	1	1
Vehicles/Equipment	55	53	49	48	43	43	44
Fire							
Fire stations	4	4	4	4	4	4	4
Vehicles/Equipment	35	35	35	36	34	34	33
Public Works							
Traffic signals	60	60	67	66	66	64	64
Vehicles/Equipment	84	86	84	81	84	84	82
Buses	8	7	7	7	6	6	1
Water							
Water mains (miles)	207	207	207	213	215	207	208
Fire hydrants	2,881	2,881	3,053	3,183	3,145	3,180	3,126
Vehicles/Equipment	10	10	10	11	10	10	9

Data Source

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