

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
JUNE 14, 2011 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
2010 Comprehensive Annual Financial Report	✓ Resolution Ordinance Motion Discussion Only	Judy Buttny Finance Director

SYNOPSIS

A motion is requested to accept the audit of the Village's financial records for Year Ended December 31, 2010, also known as the Comprehensive Annual Financial Report (CAFR) dated December 31, 2010, as audited by Baker Tilly Virchow Krause, LLP. Acceptance of the audit and CAFR is required prior to submittal to the State of Illinois. The deadline to submit the CAFR and audit to the State is June 30, 2011.

STRATEGIC PLAN ALIGNMENT

The goals for 2011-2018 identified *Exceptional Municipal Organization*.

FISCAL IMPACT

N/A.

RECOMMENDATION

Approval on the June 14, 2011, consent agenda.

BACKGROUND

The Village is required to submit the Comprehensive Annual Financial Report (CAFR) to the State within six months of the end of the fiscal year or June 30, 2011. The Village's auditors are Baker Tilly Virchow Krause, LLP (Baker Tilly).

The purpose of the financial audit is to determine whether the financial reports of the Village are presented fairly and whether the Village has complied with applicable laws and regulations. The Village's audited financial statements convey to the public that the statements are presented in accordance with generally accepted accounting principles. Comprehensive Annual Financial Reports are also positively regarded by the bond market, which facilitates the Village receiving more favorable rates when borrowing and maintaining a strong bond rating. Baker Tilly provided the Village with an unqualified opinion of the Village's financial position.

The Village has prepared the CAFR for the Certificate of Achievement for Excellence in Financial Reporting Program by the Governmental Finance Officers Association of the United States and Canada for more than 20 years.

ATTACHMENTS

Year Ended December 31, 2010, Comprehensive Annual Financial Report
Baker Tilly Management Letter

VILLAGE OF DOWNERS GROVE

COMMUNICATIONS FROM AUDITOR TO MANAGEMENT AND THE VILLAGE BOARD

December 31, 2010

VILLAGE OF DOWNERS GROVE

INDEX

	<u>Page No.</u>
Two Way Auditor Communication Regarding Your Audit	1
Required Communication to those Charged with Governance	3
Informational Points	5
Appendix A – Management Representations	

TWO WAY AUDITOR COMMUNICATION REGARDING YOUR AUDIT

Statement on Auditing Standards (SAS) No. 114 establishes requirements and provides guidance to an auditor's communication with those charged with governance in relation to an audit of financial statements. The standard defines those charged with governance as the person(s) with responsibility for overseeing the strategic direction of the Village and obligations related to accountability of the Village. Most times in local government those charged with governance means the governing body.

Among other things, the SAS directs the auditor to communicate with those charged with governance –

- > The auditor's responsibilities under generally accepted auditing standards
- > An overview of the planned scope and timing of the audit; and
- > Significant findings from the audit.

Regarding the last bullet point, significant findings from the audit, the auditor should communicate:

- > The auditor's view about qualitative aspects of significant accounting practices
- > Significant difficulties, if any, encountered during the audit
- > Uncorrected misstatements
- > Disagreements with management, if any
- > Other findings or issues

Unless all of those charged with governance are involved in managing the Village, the following should also be communicated:

- > Material corrected misstatements
- > Representations the auditor is requesting from management
- > Managements consultations with other accountants
- > Significant issues, if any, arising from the audit, or subject of correspondence, with management.

How does this impact the Village? We are providing increased communications to you throughout the audit process. We have previously issued an additional letter to you covering the items noted above. The requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

In addition, as this audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - > Identify types of potential misstatements.
 - > Consider factors that affect the risks of material misstatement.
 - > Design tests of controls, when applicable, and substantive procedures.

TWO WAY AUDITOR COMMUNICATION REGARDING YOUR AUDIT (cont.)

- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the Village Board of Trustees has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the Village. Management has the responsibility for achieving the objectives of the Village.
- c. We need to know your views about your Village's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators?
- f. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness, and actions of the Village concerning:

- a. The Village's internal control and its importance in the Village, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. We generally complete preliminary audit work during the month of December. Our final fieldwork is completed in April. After fieldwork, we wrap up our audit procedures at our office. Final copies of our report and other communications are issued after approval by your staff.

REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or (those charged with governance) of their responsibilities.

As part of the audit we obtained an understanding of the Village and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. The audit was not designed to provide assurance on internal control or to identify deficiencies in internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client prepared documents, such as official statements related to debt issues.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated February 7, 2011.

QUALITATIVE ASPECTS OF THE VILLAGE'S SIGNIFICANT ACCOUNTING PRACTICES

Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Village are described in Note 1 to the financial statements. There were no new accounting policies that were implemented and significantly impacted the reporting of current or prior year financial results. The application of existing policies was not changed during fiscal year 2010. We noted no transactions entered into by the Village during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE (cont.)

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Depreciation expense
- Insurance claims payable
- Net pension asset and obligation
- Other post employment benefit obligation

Financial Statement Disclosures

The disclosures in the financial statements are neutral, consistent, and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing our audit.

AUDIT ADJUSTMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Village's financial reporting process. Matters underlying adjustments proposed by the auditor could potentially cause future financial statements to be materially misstated.

The uncorrected financial statement misstatement is included in the attached management representation letter. Management has determined that the effect is immaterial to the financial statements taken as a whole. In addition, none of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE (cont.)

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter, and attached as Appendix A to this report.

INDEPENDENCE

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and the Village that, in our professional judgment, may reasonably be thought to bear on our independence.

Relating to our audit of the financial statements of for the year ended December 31, 2010, Baker Tilly Virchow Krause, LLP hereby confirms in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants, that we are, in our professional judgment, independent with respect to the Village and provided no services to the Village other than the audit of the current year's financial statements and the following:

- > Compiled TIF compliance reports

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

INFORMATIONAL POINTS

GASB STATEMENT NO. 54: FUND BALANCE REPORTING

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, which changes governmental financial reporting. These changes will affect your financial statements for the year ended December 31, 2011, primarily the governmental fund's balance sheet presentation. No changes are necessary for proprietary fund types or government-wide statements. The major change is to the terminology used for fund balance reporting. The terms reserved, unreserved, designated, and undesignated are being replaced with the following categories: nonspendable, restricted, committed, assigned, and unassigned. The new categories are designed to promote more consistent financial reporting throughout the nation.

The GASB made these changes to fund balance reporting to make it easier for the reader of financial statements to determine the various levels of restrictions that exist for the future use of fund balance. In addition to the new method for displaying fund balances, the Statement also clarifies the definitions of the various governmental fund types. You will need to clarify your financial policies and identify which fund types are applicable to each of your funds. We can assist you with that as needed when that time comes.

GASB STATEMENT NO. 61: THE FINANCIAL REPORTING ENTITY: OMNIBUS

The Governmental Accounting Standards Board (GASB) has issued Statement No.61, which changes governmental financial reporting for component units. These changes will affect your financial statements for the year ended December 31, 2013, primarily the government-wide financial statements, and possibly the fund financial statements.

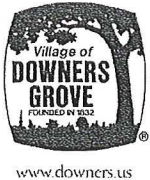
INFORMATIONAL POINTS (cont.)

This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on the "substantively the same governing body" criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility (as defined) for the activities of the component unit. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The blending provisions are amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government. Lastly, additional reporting guidance is provided for blending a component unit if the primary government is a business-type activity that uses a single column presentation for financial reporting.

This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset.

We can assist you with determining how these new requirements will affect your financial statements.



June 2, 2011

Baker Tilly Virchow Krause, LLP
1301 W. 22nd Street, Ste. 400
Oak Brook, IL 60523

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

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the financial statements of the Village of Downers Grove as of December 31, 2010 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements 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 and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all –
 - a. Financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Minutes of the meetings of the Village of Downers Grove Board, Downers Grove Police Pension Board, Downers Grove Fire Pension Board, and Downers Grove Library Board or summaries of actions of recent meetings for which minutes have not yet been prepared.

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We believe the effects of the uncorrected financial statement misstatements to allocate \$135,020 in beginning net assets and \$44,922 in current year activity from Governmental Activities to Business-Type Activities relating to the Business-Type Activities portion of the Internal Service Fund Net Assets is immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole. In addition, you have recommended adjusting journal entries, and we are in agreement with those adjustments.
6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
9. We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
10. The Village of Downers Grove has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
11. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the Village of Downers Grove is contingently liable.
 - c. All accounting estimates that could be material to the financial statements including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
12. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

13. There are no –

- a. Violations or possible violations of budget ordinances, provisions of contracts and grant agreements, laws or regulations including those pertaining to adopting and amending budgets, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
 - d. Reservations or designation of fund equity that were not properly authorized and approved.
 - e. Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - f. Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
14. The Village of Downers Grove has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
15. The Village of Downers Grove has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
16. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
17. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
18. The financial statements properly classify all funds and activities.
19. All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
20. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
21. Provisions for uncollectible receivables have been properly identified and recorded.
22. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

June 2, 2011

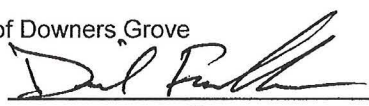
Page 4

23. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
24. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
25. Deposits and investment securities are properly classified as to risk, and investments are properly valued.
26. We have disclosed to you all potential derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
27. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
28. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
29. We assume responsibility for, and agree with, the findings of specialists in evaluating the net OPEB and net pension obligation and related actuarial valuation information and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
30. In regards to the nonattest services performed by you listed below, we have 1) made all management decisions and performed all management functions; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.
 - a. Compiled TIF financial statements

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Sincerely,

Village of Downers Grove

Signed: 

Signed: 

VILLAGE OF DOWNERS GROVE,
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2010

Prepared by Finance Department

Judy Buttny
Finance Director

Doug Haywood
Assistant Finance Director

Village of Downers Grove

Table of Contents

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Principal Officials	i
Organizational Chart	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Letter of Transmittal	iv-xiii
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1-2
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management's Discussion and Analysis.....	MD&A 1-8
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets.....	3
Statement of Activities.....	4
Fund Financial Statements	
Governmental Funds	
Balance Sheet - Governmental Funds.....	5
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets.....	6
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	7
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	8

Village of Downers Grove
Table of Contents (Continued)

	<u>Page(s)</u>
FINANCIAL SECTION (Continued)	
Basic Financial Statements (Continued)	
Proprietary Funds	
Statement of Net Assets	9
Statement of Revenues, Expenses, and Changes in Fund Net Assets	10
Statement of Cash Flows	11
Fiduciary Funds	
Statement of Fiduciary Net Assets	12
Statement of Changes in Fiduciary Net Assets	13
Notes to Financial Statements	14-53
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
General Fund	54
Downtown Redevelopment TIF Fund	55
Illinois Municipal Retirement Fund	56
Police Pension Fund	57
Firefighters' Pension Fund	58
Other Post-Employment Benefits Plan	59
Notes to Required Supplementary Information	60
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Major Governmental Funds – Budget and Actual Schedules	
General Fund Revenues	61-62
General Fund Expenditures	63
Capital Improvements Fund	64
Stormwater Improvements Fund	65
Nonmajor Governmental Funds	
Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	67

Village of Downers Grove

Table of Contents (Continued)

	<u>Page(s)</u>
FINANCIAL SECTION (Continued)	
Combining Balance Sheet - Nonmajor Special Revenue Funds	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	69
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund.....	70
Foreign Fire Insurance Fund.....	71
Ogden TIF Fund.....	72
Sales Tax Abatement Fund	73
Transportation Fund.....	74
Combining Balance Sheet - Nonmajor Debt Service Funds.....	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds	76
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Fairview Avenue Debt Service Fund.....	77
Downtown Redevelopment TIF Debt Service Fund.....	78
Stormwater/Facilities Debt Service Fund	79
Combining Balance Sheet – Nonmajor Capital Projects Funds	80
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances – Nonmajor Capital Projects Funds.....	81
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Municipal Buildings Fund.....	82
Real Estate Fund	83
Major Enterprise Funds	
Schedule of Operating Expenses - Budget and Actual	
Waterworks Fund.....	84
Parking Fund.....	85
Internal Service Funds	
Combining Statement of Net Assets.....	86
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	87
Combining Statement of Cash Flows	88
Schedule of Operating Expenses - Budget and Actual	
Equipment Replacement Fund.....	89
Fleet Services Fund.....	90
Health Insurance Fund.....	91
Risk Management Fund.....	92

Village of Downers Grove

Table of Contents (Continued)

	<u>Page(s)</u>
FINANCIAL SECTION (Continued)	
Fiduciary Funds	
Combining Statement of Net Assets - Pension Trust Funds	93
Combining Statement of Changes in Net Assets - Pension Trust Funds.....	94
Schedule of Changes in Net Assets - Budget and Actual	
Police Pension Fund.....	95
Firefighters' Pension Fund	96
Schedule of Changes in Assets and Liabilities - Construction Deposit Fund	97
Component Unit - Downers Grove Public Library	
Statement of Net Assets and Governmental Funds	
Combining Balance Sheet	98
Statement of Activities and Governmental Funds	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances/Net Assets.....	99
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund.....	100
Debt Service Fund	101
Construction Fund.....	102
SUPPLEMENTAL DATA	
Schedule of Insurance in Force	103
Long-Term Debt Requirements.....	
General Obligation Bonds, Series 2001	104
General Obligation Bonds, Series 2001A.....	105
General Obligation Bonds, Series 2002	106
General Obligation Refunding Bonds, Series 2003.....	107
Taxable General Obligation Refunding Bonds, Series 2005.....	108
General Obligation Bonds, Series 2007	109
General Obligation Bonds, Series 2008A.....	110
General Obligation Refunding Bonds, Series 2008B.....	111
General Obligation Refunding Bonds, Series 2009.....	112
General Obligation Refunding Bonds, Series 2010A.....	113
General Obligation Refunding Bonds, Series 2010B.....	114

Village of Downers Grove

Table of Contents (Continued)

	<u>Page(s)</u>
STATISTICAL SECTION	
Financial Trends	
Net Assets by Component.....	116
Change in Net Assets	117-118
Fund Balances of Governmental Funds.....	119
Changes in Fund Balances of Governmental Funds	120
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	121
Property Tax Rates - Direct and Overlapping Governments.....	122
Principal Property Taxpayers.....	123
Property Tax Levies and Collections.....	124
Taxable Sales by Category	125
Direct and Overlapping Sales Tax Rates.....	126
Debt Capacity	
Ratios of Outstanding Debt by Type	127
Ratios of General Bonded Debt Outstanding.....	128
Direct and Overlapping Governmental Activities Debt.....	129
Demographic and Economic Information	
Demographic and Economic Information	130
Principal Employers	131
Operating Information	
Full Time Equivalent Employees	132
Operating Indicators	133
Capital Asset Statistics	134

Village of Downers Grove, Illinois

Principal Officials

LEGISLATIVE

Ronald Sandack, Mayor

Commissioners

Marilyn Schnell

William Waldack

Sean Durkin

Geoff Neustadt

Bruce Beckman

Robert Barnett

ADMINISTRATIVE

David Fieldman, Village Manager

Michael Baker, Deputy Village Manager

Enza Petrarca, Village Attorney

April Holden, Village Clerk

Judy Buttny, Finance Director/Treasurer

Naneil Newlon, Public Works Director

Tom Dabareiner, Community Development Director

James Jackson, Fire Chief

Robert Porter, Police Chief

Doug Kozlowski, Communications Director

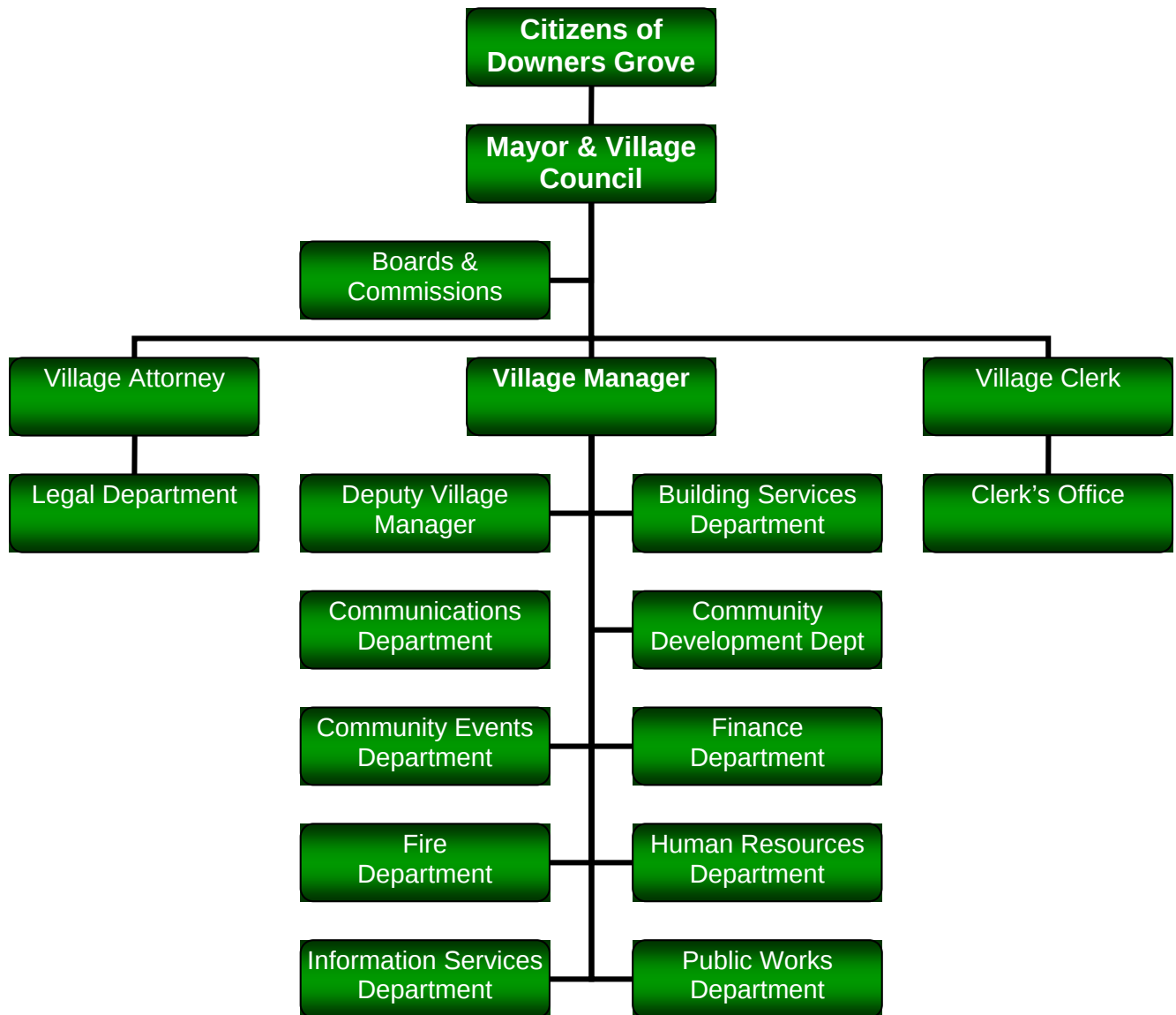
Mary Scalzetti, Community Events Director

Wesley Morgan, Human Resources Director

Dr. Liangfu Wu, Information Services Director

Village of Downers Grove

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Downers Grove
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



A stylized, handwritten signature in black ink, likely belonging to the President of the association.

President

A handwritten signature in black ink that reads 'Jeffrey R. Enner'.

Executive Director



www.downers.us

June 6, 2011

**COMMUNITY RESPONSE
CENTER**

630.434.CALL (2255)

CIVIC CENTER

801 Burlington Avenue

Downers Grove

Illinois 60515-4776

630.434.5500

TDD 630.434.5511

FAX 630.434.5571

FIRE DEPARTMENT

ADMINISTRATION

6701 Main Street

Downers Grove

Illinois 60516-3426

630.434.5980

FAX 630.434.5998

POLICE DEPARTMENT

825 Burlington Avenue

Downers Grove

Illinois 60515-4783

630.434.5600

FAX 630.434.5690

PUBLIC WORKS

DEPARTMENT

5101 Walnut Avenue

Downers Grove

Illinois 60515-4074

630.434.5460

FAX 630.434.5495

DEPARTMENT OF

COUNSELING AND SOCIAL SERVICES

842 Curtiss Street

Downers Grove

Illinois 60515-4761

630.434.5595

FAX 630.434.5599

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, 2010, 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, 2010, are free of material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluation of the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Village's financial statements of the year ended December 31, 2010, are presented fairly in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE VILLAGE OF DOWNERS GROVE

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

The resident population is 47,833; however, the Village's corporate business parks and shopping districts raise the daytime population and economic activity, providing the Village the benefit of a significant level of sales tax revenue. A review of the retail expenditure information suggests that the Village attracts residents from surrounding communities to support the sales tax income. The property tax base is 76 percent residential, 21 percent commercial, and 3 percent industrial. The ten leading commercial property tax payers are from a diverse economic base and account for only 8 percent of the total tax base.

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



service; paramedic services; water services; a commuter bus transportation system; a commuter and residential parking system; community development services; and the construction and maintenance of streets, stormwater, and other municipal infrastructure.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy: The Village of Downers Grove maintained a relative strong financial position during the year, even with a decline in the sales taxes. Major revenue sources include property taxes, sales taxes, telecommunication taxes and State income taxes. The Village has a mixture of office, retail and industrial employment. The unemployment rate has risen from 4.9 percent in 2007 to 9.4 percent as of December 31, 2010. The EAV for the Village was \$2,406,292,233 for the 2010 tax levy, down over 5% from a year ago. EAVs are expected to diminish in the future due to the housing value declines. As revenues decline, management continually monitors their impact on the budget and makes decisions accordingly. In spite of the declining revenues, the Village continued to deliver important services to its customers in 2010. Recognizing and responding to the challenging economic conditions, the Village provided these services in a fiscally responsible manner, identifying and implementing innovative ideas throughout the organization. The customer service focus and fiscal responsibility was evident as the Village reduced General Fund expenditures for the third consecutive year while maintaining the high service level expected by the residents and 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 focus of the EDC is to leverage available resources to attract jobs and employers to Downers Grove, as well as retain established businesses. With their help, the Village continues to work to strengthen the local economy, generate revenue for the Village and create opportunity for the community.

- **O.A.S.I.S Strategy** In 2010, the Village, EDC and the Downers Grove Area Chamber of Commerce and Industry launched the Ogden Avenue Site Improvement Strategy. This program seeks to improve the economic performance and physical appearance of the Ogden Avenue business district by offering matching grants to businesses for site and building improvements.
- A global provider of education service since 1931, **DeVry Inc.** is one of the largest publicly-held educational organizations in the world. In 2010, DeVry relocated its management team and staff to the Highland Landmark V building located near 31st Street and Highland Avenue and brings approximately 700 jobs to the Village.
- The Harold **Zeigler Automotive Group** established a Chrysler/Dodge/Jeep dealership at 2311 Ogden Ave., the former site of Downers Grove Dodge. The new facility will create 75 jobs within the first year of operation and generate \$100,000 in new sales tax revenue for the Village.
- **Dover Corporation** moved to 3005 Highland Ave. from their current home on Park

Avenue in New York, creating 125 new jobs. The company manufactures products ranging from garbage trucks to oil drilling equipment.

- **Packey-Webb** and **Pugi Hyundai** both expanded their automobile dealerships on Ogden Avenue creating 20 new jobs and additional sales tax revenues.
- **Lemon Tree Grocer** opened up its doors in the Downtown during the year.
- **Michael's Fresh Market** opened in early 2010 at 75th and Lemont Road creating 40 new jobs resulting in approximately \$100,000 in sales tax revenue
- **Midwestern University** will be constructing a new dental clinic in 2011, resulting in 200 construction jobs and 100 new employees needed to staff the facility.

Long Range Financial Plan:

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

As a result of recommendations within the current LRFP, the FY11 Budget provides for a balanced General Fund, (the main operating fund of the Village which includes the majority of Village services), no use of reserves, no changes in service levels and a continued investment in the Village's infrastructure.

Expense Control

Expense reductions are a major part of the mix of recommendations made in the LRFP. Since 2009, the Village has reduced spending by \$8 million. While some savings were the result of service reductions or eliminations, most were due to gains in operational efficiencies.

Personnel expenses are the largest expense of any municipal budget. In the last three years, the Village has reduced the workforce by 45 positions, or 13%.

Expense reductions will continue to be part of the FY11 Budget, with savings of \$2.4 million driven by the following initiatives:

- Partnering with the Village of Westmont to consolidate emergency dispatch services:
-\$225,000
- Reduction in staff of 11.5 FTE (full-time equivalent) positions, through attrition:
-\$880,000

- Changing the Village's health care provider network. **-\$1.3 million**

Declining Revenues

Village revenue is generated in various forms including sales tax, utility taxes, State income tax, the hotel tax and property tax. While the Village's portfolio is diverse, many of these revenue sources have declined.

Revenues from the aforementioned sources have declined by \$4.1 million since 2007. In response, the Village has needed to rebalance revenues with a greater reliance on property tax-the only predictable revenue source.

The total property tax levy increased by approximately 12.08% in FY10. This increase was for operational expenses and pension obligations, per the Long Range Financial Plan. Property taxes in the Village for 2010 were paid at a rate \$0.4952 per \$100 of equalized assessed value (EAV). This means that a home valued at \$300,000 paid \$495.20 to the Village or approximately \$52.90 more than last year. It is important to note that the Village portion of the tax bill is generally about 10% of the total bill.

Bond Refunding: In March and November of 2010, the Village's AA+ rating was reaffirmed by Standard and Poor's (S&P) for two bond refundings of over \$11 million which resulted in a net present value savings of over \$850,000. According to the S&P report, the Village's AA+ rating reflects its participation in the deep and diverse Chicago metropolitan area economy, very strong income and extremely strong wealth levels, strong financial operations and strong reserve levels supported by strong financial management practices, and a low overall debt burden with limited capital needs.

MAJOR INITIATIVES

The Village staff, following specific directives from the Mayor, Village Council and the Village Manager, has been involved in a variety of 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.

Investment in Infrastructure

The LRFP calls for continued investment in Village infrastructure such as roads, sidewalks, and water mains to keep basic systems operational. In 2010, the Village completed 20 major infrastructure projects, which included:

- \$3.5 million in road improvements
- \$5.4 million in stormwater improvements
- \$1 million in water system improvements

Stormwater Projects

A. 8th and Cumnor (July –Nov. 2010)

Construction of a detention pond between 8th St. and 55th St. Also included replacement storm sewer and sewer structures.

B. Benton Avenue (June – Oct. 2010)

This project involved construction of underground detention, new and replacement storm sewers and the installation of replacement curb and gutter.

C. McCollum Park (April 2009-Nov. 2010)

The Village partnered with Downers Grove Park District to provide stormwater and recreational improvements. The project included excavation of a stormwater detention basin at the northeast corner of McCollum Park. Following excavation, underdrain & irrigation systems, modular block retaining walls, soccer field equipment, a new sand volleyball court, a new basketball court, and landscaping were constructed. The basin now serves as a soccer field in addition to storing stormwater after large rain events.

D. Washington Park (April 2009- Sept. 2010)

This project provided improvements to the neighborhood stormwater and drainage. Work included the excavation of two stormwater detention basins, plus the construction of concrete perimeter retaining walls and an underdrain irrigation system. Enhanced park features include a fountain, soccer and baseball field equipment, playground equipment, and landscaping. The basins will be used as softball & soccer fields and serve to hold stormwater after large rain events. By partnering with the Downers Grove Park District on this project, \$4.9 million was saved. The success of this project is evidenced by the recognition it has garnered:

1. *Outstanding Civil Engineering Achievement Award* from the American Society of Civil Engineers.
2. *Crown Communities Award* by American City and County, which recognizes cooperation, creativity and leadership in municipal government project.

Roadway Resurfacing

In 2010, the Village used the software program *Micropaver* to assess and rank the condition of all Village streets, which amounts to 167 miles. This process has helped to prepare and fine tune the road maintenance program and has been extremely useful for budgeting purposes.

Water Rate Study

The provision of clean, safe, water is a basic Village service. The Village's water system maintains:

- 200 miles of pipe
- 3,000 main distribution valves
- 2,600 fire hydrants
- Six pump houses and seven water towers

In April 2010, the Village hired Municipal and Financial Services Group (M&FSG), a firm with expertise in the financial needs of water utilities. They completed a water rate study to evaluate current water rates and make recommendations to ensure that adequate funding is available for the current and future operation of the Village's water system.

The study identified the annual revenue requirements of the water system and compared those requirements with the annual revenues projected to be collected with current water rates. If the Village maintains water pricing at the current level, there will be a \$2.75 million deficit by 2011 which will increase to almost \$5 million by 2015. Put simply, the expenses needed to properly maintain the water system exceed the water revenues currently collected by the Village.

There are three main reasons causing the need for change:

- **People are using less water.** Water consumption has declined by about 1% annually over the past five years and is projected to continue along this trend in the future.
- **The cost of water is increasing.** The price of water that the Village buys from the DuPage Water Commission has significantly increased and is expected to continue at a rate of 10% per year.
- **The water system infrastructure is aging.** Large portions of the system have reached their useful life. This includes water main pipes that deliver water to homes and businesses, as well as water towers. A significant investment is needed to avoid disruptions in water service due to failed equipment.

In November, the Village Council agreed to implement recommendations made in the report. As of January 1, 2011, accounts are now charged a fixed-rate fee, based on the water meter size.

Innovation: The Village is in a strong financial position largely due to the innovative thinking of staff and the approaches implemented during 2010.

Privatization of Counseling Services

In 2010, the Village eliminated this service, one that was valued but we could no longer afford to provide. A lease agreement for the building at 842 Curtiss St. was enacted with Associated in Family Care (AFC) of Naperville. In exchange for below market rent, AFC agreed to provide counseling services to the same customers, employing the same counselors

previously in service to the Village.

Operational Efficiencies

Talks with Westmont began in 2010 to consolidate their emergency dispatch services with the Village of Downers Grove. This partnership will result in \$300,000 annual savings for Downers Grove, as well as improved operating efficiency for both municipalities. When fully enacted in 2011, dispatch for Westmont will be jointly operated out of the Village's dispatch center.

Environmental Sustainability

Fleet Services

- An anti-idling policy was implemented
- Warming devices were installed in Village vehicles, eliminating the need to idle the engine for heat.
- Staff converted to the use of nitrogen to inflate tires on Village vehicles, resulting in improved mileage, vehicle performance and less labor.
- Alternative fuel usage continues with 76% of Village vehicles using fuels other than gasoline.
- Diesel consumption is down by 33,000 gallons.

Solar Heating

The Village is in the process of installing solar heating panels at the six well houses. This change should improve energy efficiency by reducing the amount of gas and electricity used to heat the facilities. A grant from the US Department of Energy has made this conversion possible.

The Public Works garage and Fleet Services garage near Village Hall will also install the same type of solar heating panels in 2011.

Rain Barrel Program

In April 2010, the Village partnered with the Conservation Foundation to promote the sale and use of rain barrels. A rain barrel will save the average homeowner about 1,300 gallons of water during the peak summer months or 40% of total household use. The promotional period included educational rain barrel displays throughout the Village and an informational rain barrel presentation at the Library. The sale exceeded expectations with 544 rain barrels sold.

Recognized Leader in Government: The following highlights demonstrate the Village's commitment to providing exceptional municipal services:

- In 2010, the Illinois Association of Municipal Management Assistants awarded the Outstanding Community Project Award to the Village for the Long Range Financial Plan.
- For the first time, the Government Finance Officers Association awarded the Village their Distinguished Budget Award for the 2010 Budget.
- Downers Grove was named Top municipal Agency in the category of municipal agencies with 76-100 sworn officers by the International Association of Chiefs of Police for their overall approach to traffic safety.
- Village staff were named for several other awards and accolades in 2010:
 - o State of Illinois Safety Challenge
 - o American Public Works Association (APWA) Technical Innovation Award
 - o APWA End Loader Competition
 - o Alliance for Innovation Recognition of Employee Engagement Efforts
 - o Northern Illinois University Intern Supervisor of the Year
 - o Illinois Chapter of the American Planning Association "Best Planning Tool" Award
 - o Illinois Metropolitan Enforcement Group Director's Award
 - o American Society of Civil Engineers (ASCE) Award
 - o National Recognition in Fire Education
 - o Illinois Crime Prevention Officer of the Year 2010

FINANCIAL MANAGEMENT POLICIES

The Village of Downers Grove has several specific policies to guide its financial operations. Those policies relate to accounting and financial reporting, budgeting, cash management and investments, and purchasing. The Village maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the Village Council. Activities of all Village Funds are included in the annual budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the budgeted amount) is established by the fund; however, Village management uses stricter controls on transfers between functions, requiring the approval of the Village Manager's office. The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village operates.

Cash Management Policies and Practices: Cash in the Village's operating funds was invested in the Illinois Metropolitan Investment Fund (IMET), Illinois State Treasurer's Pool (Illinois Funds), and other money market funds, U.S. Agency Treasuries and certificates of deposit. The maturities of the investments range from next day (money market funds) to 36 months (certificates of deposit). The average yields on the investments were three percent. The Police and Fire Pension funds are managed by their respective boards. Each board has a money

manager, who makes recommendations to maximize the total return on the portfolio, within the constraints of the respective Pension Board's investment policy. Each board evaluates the advice of the money manager and votes on any investment changes. The two pension portfolios typically experience a higher rate of return than the operating funds of the Village because the pensions invest in long-term securities, consistent with their needs. For year ended December 31, 2010, the portfolios of the Police and Fire Pension funds increased 11.1 percent and 10.4 percent, respectively.

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its Comprehensive Annual Financial Reporting (CAFR) for the year ended December 31, 2009. A copy of this award is located in the introductory section of the financial statements. The award honors governments with a high standard of reporting excellence and easy to read and efficiently organized CAFRs. This award is only valid for a one year period. The Village believes that the current CAFR will meet all the requirements for this award and will be submitted to the GFOA this year to determine this report's eligibility for another certificate. For the first time, the Village received the GFOA Distinguished Budget Presentation award for its 2010 Annual Budget.

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

Submitted by:

Dave Fieldman
Village Manager

Judy Buttny
Finance Director

**Village of Downers Grove
Management's Discussion and Analysis
For the Year Ended December 31, 2010**

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

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

Financial Highlights

- The Village's net assets increased from \$122.9 million as of December 31, 2009 to \$128.2 million as of December 31, 2010.
- The Village's program revenue for the year ending December 31, 2010 totaled \$17.6 million, unchanged from the year ended December 31, 2009.
- The Village's total costs for the year ended FY10 were \$59.2 million compared to the year ended December 31, 2009 at \$64.5 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 Assets (the 'Unrestricted Net Assets') is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This Statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

**Village of Downers Grove
Management's Discussion and Analysis
For the Year Ended December 31, 2010**

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

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

Fund Financial Statements

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

Governmental funds (pages 5-8)

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

Proprietary funds (pages 9-11)

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

**Village of Downers Grove
Management's Discussion and Analysis
For the Year Ended December 31, 2010**

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

Fiduciary funds (pages 12-13)

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

Notes to the Financial Statements (pages 14-53)

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

Required Supplementary Information (pages 54-60)

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

Combining and individual fund financial statements and schedules (pages 61-102) are presented following the supplementary information on pensions.

Supplemental information (pages 103-114) provides a schedule of insurance in force and schedules of long term debt requirements.

The statistical section (pages 115-134) presents comparative and trend data, generally presented on a multi-year basis, information concerning demographic, economic and social data about the Village, as well as its fiscal capacity. This data should assist the reader in understanding the Village's overall financial condition.

Infrastructure

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

**Village of Downers Grove
Management's Discussion and Analysis
For the Year Ended December 31, 2010**

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

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

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

Statement of Net Assets

The Village's combined net assets increased by \$5,276 or 4.3% from 2009, to \$128,220. The largest portion of the Village's net assets (73%) reflects its investment in capital assets (infrastructure, buildings, machinery, equipment and land), less any related debt used to acquire those assets that is still outstanding. Table 1 reflects a consolidated Statement of Net Assets. For more detailed information, see the Statement of Net Assets found on page 3.

**Table 1
Statement of Net Assets (in thousands)
December 31, 2010 and December 31, 2009**

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Current and other assets	\$ 71,106	\$ 73,213	\$ 8,802	\$ 9,555	\$ 79,908	\$ 82,768
Capital assets	126,654	123,960	33,646	33,678	160,300	157,638
Total assets	197,760	197,173	42,448	43,233	240,208	240,406
Current liabilities	33,463	26,731	3,222	2,920	36,685	29,651
Noncurrent liabilities	70,072	81,315	5,231	6,495	75,303	87,810
Total liabilities	103,535	108,046	8,453	9,415	111,988	117,461
Net Assets						
Invested in capital assets, net of related debt	61,351	66,960	32,691	32,272	94,042	99,232
Restricted	4,794	31,786	-	-	4,794	31,786
Unrestricted	28,080	(9,618)	1,304	1,545	29,384	(8,073)
Total net assets	\$ 94,225	\$ 89,127	\$ 33,995	\$ 33,817	\$ 128,220	\$ 122,945

**Village of Downers Grove
Management's Discussion and Analysis
For the Year Ended December 31, 2010**

Changes in Net Assets

The Village's combined changes in net assets for the primary government for the year ended December 31, 2010 was an increase of \$5,276. Governmental Activities net assets increased by \$5,098 and business-type activities increased by \$178. Table 2 will focus on the changes of net assets of the governmental and business-type activities.

**Table 2
Change in Net Assets (in thousands)
For the Years ended December 31, 2010 and December 31, 2009**

	Governmental Activities		Business-type Activities		Total	
	Year Ended Dec. 31, 2010	Year Ended Dec. 31, 2009	Year Ended Dec. 31, 2010	Year Ended Dec. 31, 2009	Year Ended Dec. 31, 2010	Year Ended Dec. 31, 2009
Revenues:						
Program revenues:						
Charges for services	\$ 6,318	\$ 6,764	\$ 9,429	\$ 8,715	\$ 15,747	\$ 15,479
Operating grants/contributions	206	374	47	120	253	494
Capital grants/contributions	1,611	1,582	31	-	1,642	1,582
General revenues:						
Property taxes	16,609	14,819	-	-	16,609	14,819
Sales taxes	17,374	16,330	-	-	17,374	16,330
Other taxes	12,121	12,458	-	-	12,121	12,458
Other	737	1,111	22	100	759	1,211
Total revenues	54,976	53,438	9,529	8,935	64,505	62,373
Expenses:						
General government	5,362	4,841	-	-	5,362	4,841
Public works	11,855	15,701	-	-	11,855	15,701
Community development	2,539	2,805	-	-	2,539	2,805
Public safety	26,768	27,635	-	-	26,768	27,635
Community services	836	1,882	-	-	836	1,882
Interest and fiscal charges	2,774	2,956	-	-	2,774	2,956
Waterworks	-	-	8,248	7,710	8,248	7,710
Parking	-	-	847	946	847	946
Total expenses	50,134	55,820	9,095	8,656	59,229	64,476
Change in net assets before transfers	4,842	(2,382)	434	279	5,276	(2,104)
Transfers	256	570	(256)	(570)	-	-
Change in net assets	\$ 5,098	\$ (1,813)	\$ 178	\$ (291)	\$ 5,276	\$ (2,104)

Revenues:

For the year ended December 31, 2010, Governmental Activities Revenues totaled \$54,976. The Village benefits from a highly diversified revenue base. Revenues from sales taxes amounted to \$17,374. The sales tax consists of a 1% state portion and 1% local home rule tax. Property tax revenues increased by 12% due to an increase in the tax rate from 0.442 in the 2008 levy year to 0.495 for the 2009 levy year. Property taxes support governmental activities, including the Village's contribution to the Police Pension Fund and the Firefighters' Pension Fund. Major items included in the category other taxes are state income taxes, utility taxes and hotel taxes. Telecommunications tax was 10% lower than a year ago.

**Village of Downers Grove
Management's Discussion and Analysis
For the Year Ended December 31, 2010**

For the year ended December 31, 2010, Business-Type Activities revenues totaled \$9,529. Revenues in this category include charges for providing water to the residents of the village and charges for parking.

Expenses:

For the year ended December 31, 2010, Governmental Activities expenses totaled \$50,134. Public safety related to the operations of the Police and Fire departments, has the largest portion of expenses in the Village, \$26,768 or 53.4% of the total governmental activities expenses. Public works is the second largest program in the governmental activities with \$11,855 or 23.6% of the expenses. FY10 expenses are \$5,686 lower than 2009 amounts.

Expenses for the Village's business-type activities for the year ended 2010 are \$9,095.

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 \$239.

The Downtown Redevelopment Tax Increment District fund (TIF) has a fund balance of \$826 compared to December 31, 2009 of \$351 for an increase of \$475 as fund balance is being used to redevelop the downtown area, offset by increases in the property tax increment.

The Capital Improvements fund accounts for the resources provided for improvements to the Village's infrastructure. The fund balance of \$3,140 is up \$545 from 2009.

The Stormwater Improvement fund is used to account for capital improvements related to the watersheds and stormwater infrastructure. Fund balance decreased \$4,674 from 2009 due to the spending down of the 2008 bond proceeds.

General Fund Budgetary Highlights

Revenues in the general fund were \$19 under budget. This was due primarily to sales taxes (\$192 below budget), utility taxes (\$805 below budget) offset by licenses & permits (\$350 above budget), charges for services (\$429 above budget), other taxes (\$145 above budget) and investment income (\$58 above budget).

Expenditures in the general fund were 2.7% or \$1,091 under the revised budget. Village wide cost savings efforts contributed to this savings.

**Village of Downers Grove
Management's Discussion and Analysis
For the Year Ended December 31, 2010**

Capital Asset and Debt Administration (in thousands)

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2010 amounts to \$160,301 (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 \$2,663 over last year's total. For more detailed information, see Notes to the Financial Statements #4.

Major capital asset activity during the current period included:

- Street Reconstruction
- Watershed Improvements
- Water main replacements

		Capital Assets Net of Accumulated Depreciation (\$ are in thousands)					
		Governmental Activities		Business-type Activities		Total	
		<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>
Capital assets, not being depreciated							
Land	\$	14,821	\$ 14,342	\$ 2,817	\$ 2,817	\$ 17,638	\$ 17,159
Construction in progress		<u>4,290</u>	<u>5,603</u>	<u>766</u>	<u>58</u>	<u>5,056</u>	<u>5,661</u>
		<u>19,111</u>	<u>19,945</u>	<u>3,583</u>	<u>2,875</u>	<u>22,694</u>	<u>22,820</u>
Capital assets, being depreciated							
Infrastructure		78,924	73,975	18,573	19,207	97,497	93,182
Buildings		20,485	20,966	4,216	4,337	24,701	25,303
Improvements other than buildings		2,680	2,777	7,053	7,172	9,733	9,949
Intangible Assets		-	-	69	76	69	76
Capital equipment		5,454	6,297	152	10	5,606	6,307
Total	\$	<u><u>126,654</u></u>	<u><u>123,960</u></u>	<u><u>33,646</u></u>	<u><u>33,677</u></u>	<u><u>160,301</u></u>	<u><u>157,638</u></u>

Long Term Debt (in thousands)

At December 31, 2010, the Village had total bonded debt of \$65,645. Of this total, \$33,710 is debt to be repaid from the proceeds of downtown tax increment redevelopment district. These redevelopment districts generate higher taxes as they develop, and those taxes are used for debt service. In the event that the incremental taxes are insufficient, the government has pledged its ad valorem property tax authority as a guarantee. For more detail, see Notes to the Financial Statements #6.

**Village of Downers Grove
Management's Discussion and Analysis
For the Year Ended December 31, 2010**

The debt for the water meter devices of \$955 is funded by the operations of the Waterworks Fund and guaranteed by the revenue of the Waterworks Fund.

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

Outstanding General Obligation Debt (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
General Obligation Bonds						
Tax Increment Bonds	\$ 33,710	\$ 35,455	\$ -	\$ -	\$ 33,710	\$ 35,455
Stormwater	22,165	25,000	-	-	22,165	25,000
Fire Station #2	8,815	9,150	-	-	8,815	9,150
Fairview Resurfacing	-	225	-	-	-	225
Water Meter Devices	-	-	955	1,405	955	1,405
Total	\$ 64,690	\$ 69,830	\$ 955	\$ 1,405	\$ 65,645	\$ 71,235

Economic Factors and Next Year's Budgets and Rates

The economic downturn has had a negative impact on the Village's sales tax and home rule sales tax revenue. This was considered when the budget was being developed for 2011. The Village evaluated potential revenue sources and reviewed the property tax rates in the area and ascertained that the Village has one of the lowest property tax rates in DuPage County. The Village raised its property tax rate for 2011. The Village reduced expenses by cutting certain programs along with finding operating efficiencies while retaining its core service levels.

Requests for Information

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

Village of Downers Grove
Statement of Net Assets
December 31, 2010

	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash and investments	\$ 41,381,778	\$ 2,432,797	\$43,814,575	\$ 4,369,772
Property tax receivable	17,623,063	-	17,623,063	4,711,285
Sales tax receivable	5,108,532	-	5,108,532	-
Other taxes receivable	2,860,197	-	2,860,197	-
Accounts receivable	1,111,281	1,356,806	2,468,087	11
Accrued interest receivable	279,682	1,838	281,520	6,962
Other receivables	748,358	-	748,358	-
Prepaid expenses	66,551	-	66,551	-
Restricted cash	37,162	-	37,162	-
Inventory	125,443	185,433	310,876	-
Deposits	75,000	-	75,000	-
Note receivable	62,230	36,974	99,204	-
Loan receivable	-	4,788,000	4,788,000	-
Unamortized debt issuance costs	540,404	-	540,404	61,974
Net pension asset	1,085,953	-	1,085,953	-
Capital assets not being depreciated	19,111,244	3,582,957	22,694,201	222,211
Capital assets net accumulated depreciation	107,543,146	30,063,381	137,606,527	12,212,703
Total assets	<u>\$ 197,760,024</u>	<u>\$ 42,448,186</u>	<u>\$240,208,210</u>	<u>\$ 21,584,918</u>
LIABILITIES				
Accrued interest payable	1,243,279	-	1,243,279	68,490
Accounts payable	4,399,089	617,715	5,016,804	52,752
Accrued payroll	237,162	-	237,162	-
Deposits payable	7,595	81,893	89,488	-
Claims payable	3,351,695	-	3,351,695	-
Other payables	234,703	75,563	310,266	-
Unearned revenue	17,537,338	1,582,031	19,119,369	4,673,404
Debt due within 1 year	6,451,708	864,443	7,316,151	531,795
Debt due in more than 1 year	70,072,322	5,231,340	75,303,662	3,414,736
Total liabilities	<u>103,534,891</u>	<u>8,452,985</u>	<u>111,987,876</u>	<u>8,741,177</u>
NET ASSETS				
Invested in capital assets, net of related debt	61,351,175	32,691,339	94,042,514	8,744,477
Restricted for debt service	-	-	-	803,757
Restricted for economic development	4,181,203	-	4,181,203	-
Restricted for public safety	229,473	-	229,473	-
Restricted for public works	383,600	-	383,600	-
Unrestricted	28,079,682	1,303,862	29,383,544	3,295,507
Total net assets	<u>\$ 94,225,133</u>	<u>\$ 33,995,201</u>	<u>\$ 128,220,334</u>	<u>\$ 12,843,741</u>

See accompanying notes to financial statements

Village of Downers Grove
Statement of Activities
For the Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Primary Government	
Primary government								
Governmental activities								
General government	\$ 5,362,263	\$ 1,576,263	-	\$ 142,042	\$ (3,643,958)	-	\$ (3,643,958)	-
Public works	11,855,171	220,111	90,273	1,468,957	(10,075,830)	-	(10,075,830)	-
Community development	2,538,701	1,123,323	-	-	(1,415,378)	-	(1,415,378)	-
Public safety	26,768,333	2,605,924	92,781	-	(24,069,628)	-	(24,069,628)	-
Community services	836,013	792,735	23,073	-	(20,205)	-	(20,205)	-
Interest and fiscal charges	2,773,943	-	-	-	(2,773,943)	-	(2,773,943)	-
Total governmental activities	50,134,424	6,318,356	206,127	1,610,999	(41,998,942)	-	(41,998,942)	-
Business-type activities								
Waterworks	8,247,598	8,142,748	-	30,505	-	(74,345)	(74,345)	-
Parking	846,959	1,286,722	46,875	-	-	486,637	486,637	-
Total business-type activities	9,094,557	9,429,470	46,875	30,505	-	412,292	412,292	-
Total primary government	\$ 59,228,981	\$ 15,747,826	\$ 253,002	\$ 1,641,504	(41,998,942)	412,292	(41,586,650)	-
Component unit								
Community services	4,673,992	165,047	53,567	-	-	-	-	(4,455,378)
Interest and fiscal charges	193,533	-	-	-	-	-	-	(193,533)
Total Component Unit	\$ 4,867,525	\$ 165,047	\$ 53,567	-	-	-	-	(4,648,911)
General revenues								
Property tax					16,608,800	-	16,608,800	4,667,988
Sales tax					11,887,640	-	11,887,640	-
Home rule sales tax					5,486,710	-	5,486,710	-
Utility tax					6,000,807	-	6,000,807	-
Income tax					3,834,683	-	3,834,683	-
Hotel tax					728,913	-	728,913	-
Local use tax					659,073	-	659,073	-
Personal property replacement tax					439,796	-	439,796	62,823
Local fuel tax					336,648	-	336,648	-
Other taxes					120,326	-	120,326	-
Investment earnings					737,274	21,707	758,981	12,467
Transfers					256,125	(256,125)	-	-
Total general revenues					47,096,795	(234,418)	46,862,377	4,743,278
Change in net assets					5,097,853	177,874	5,275,727	94,367
Net assets - beginning					89,127,280	33,817,328	122,944,608	12,749,372
Net assets - ending					\$ 94,225,133	\$ 33,995,202	\$ 128,220,335	\$ 12,843,741

See accompanying notes to financial statements

Village of Downers Grove

Balance Sheet

Governmental Funds

December 31, 2010

	General	Downtown Redevelopment TIF	Capital Improvements	Stormwater Improvements	Nonmajor	Total
ASSETS						
Cash and investments	\$ 7,823,719	\$ 800,998	\$ 3,985,881	\$ 19,763,051	\$ 4,834,546	\$ 37,208,195
Restricted cash	37,162	-	-	-	-	37,162
Property taxes receivable	11,408,049	2,774,828	8,671	2,630,139	801,376	17,623,063
Sales taxes receivable	3,532,359	-	1,050,782	525,391	-	5,108,532
Other taxes receivable	2,578,042	-	136,987	-	145,168	2,860,197
Accounts receivable	148,517	-	-	-	7,640	156,157
Other receivable	725,408	466	20,183	-	2,302	748,359
Advance to other funds	1,970,520	-	-	-	-	1,970,520
Note receivable	62,230	-	-	-	-	62,230
Interest receivable	97,095	-	297	179,437	2,853	279,682
Total assets	<u>28,383,101</u>	<u>3,576,292</u>	<u>5,202,801</u>	<u>23,098,018</u>	<u>5,793,885</u>	<u>66,054,097</u>
LIABILITIES & FUND BALANCES						
Liabilities						
Accounts payable	902,919	-	2,053,692	1,130,551	188,622	4,275,784
Accrued payroll	237,162	-	-	-	-	237,162
Advance from other funds	-	-	-	-	1,970,520	1,970,520
Other payables	204,659	-	-	-	7,595	212,254
Deferred revenue	<u>11,356,528</u>	<u>2,750,000</u>	<u>8,671</u>	<u>2,630,139</u>	<u>792,000</u>	<u>17,537,338</u>
Total liabilities	<u>12,701,268</u>	<u>2,750,000</u>	<u>2,062,363</u>	<u>3,760,690</u>	<u>2,958,737</u>	<u>24,233,058</u>
FUND BALANCE						
Reserved for:						
Long-term Receivables	2,026,245	-	-	-	-	2,026,245
Unreserved, reported in						
Capital Projects	-	-	3,140,438	19,337,328	552,834	23,030,600
Debt Service	-	-	-	-	258,832	258,832
General Fund	13,655,588	-	-	-	-	13,655,588
Special Revenue	-	826,292	-	-	2,023,482	2,849,774
Total fund balances	<u>15,681,833</u>	<u>826,292</u>	<u>3,140,438</u>	<u>19,337,328</u>	<u>2,835,148</u>	<u>41,821,039</u>
Total liabilities and fund balances	<u>\$ 28,383,101</u>	<u>\$ 3,576,292</u>	<u>\$ 5,202,801</u>	<u>\$ 23,098,018</u>	<u>\$ 5,793,885</u>	<u>\$ 66,054,097</u>

See accompanying notes to financial statements

Village of Downers Grove

Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Assets
December 31, 2010

FUND BALANCES OF GOVERNMENTAL FUNDS	\$41,821,039
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	126,654,390
Less internal service funds	(4,569,408)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(64,690,000)
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the governmental funds	(4,372,361)
Less internal service funds	135,501
The net OPEB payable is not due and payable in the current period, and, therefore, is not reported in the governmental funds	(6,270,148)
Less internal service funds	134,829
Unamortized premium is reported as a liability on the statement of net assets	(1,727,763)
The unamortized accounting loss is reported as a reduction of a liability in the statement of net assets	1,114,547
Accrued interest on long-term liabilities is reported as a liability on the statement of net assets	(1,243,279)
The net pension asset of the police pension fund is included in the governmental activities in the statement of net assets	1,085,953
The net pension obligation of the fire pension fund is included in the governmental activities in the statement of net assets	(385,899)
The net pension obligation of the Illinois Municipal Retirement fund is included in the governmental activities in the statement of net assets	(192,432)
Less internal service funds	10,979
Unamortized costs of issuance on bonds are reported as a deferred charge in the statement of net assets	540,404
The net assets of the internal service funds are included in the governmental activities in the statement of net assets	<u>6,178,781</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$94,225,133</u></u>

See accompanying notes to financial statements

Village of Downers Grove
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	Downtown Redevelopment TIF	Capital Improvements	Stormwater Improvements	Nonmajor	Total
REVENUES						
Sales tax	\$ 11,280,258	\$ -	\$ 3,657,799	\$ 1,828,911	\$ 607,382	\$ 17,374,350
Property tax	10,530,941	2,650,450	8,760	2,630,139	788,512	16,608,802
Utility tax	5,395,373	-	605,434	-	-	6,000,807
Income tax	3,834,683	-	-	-	-	3,834,683
Other taxes	1,869,633	-	-	-	415,123	2,284,756
Licenses & permits	1,439,331	-	-	-	-	1,439,331
Intergovernmental	123,225	-	135,412	-	1,495,500	1,754,137
Charges for services & fees	3,561,805	-	-	-	210,981	3,772,786
Fines & forfeitures	1,106,241	-	-	-	-	1,106,241
Investment income	285,101	666	12,627	423,845	15,035	737,274
Contributions & donations	10,739	-	-	52,249	-	62,988
Total revenues	<u>39,437,330</u>	<u>2,651,116</u>	<u>4,420,032</u>	<u>4,935,144</u>	<u>3,532,533</u>	<u>54,976,155</u>
EXPENDITURES						
Current						
General government	3,880,120	-	16,567	23,123	741,836	4,661,646
Public works	5,437,655	9,876	345,494	657,104	1,365,977	7,816,106
Community development	2,023,004	10,545	-	-	124,017	2,157,566
Public safety	26,792,600	-	-	-	33,783	26,826,383
Community services	865,336	-	-	-	-	865,336
Debt service						
Principal Retirement	-	-	-	-	4,810,000	4,810,000
Interest and Other	-	-	-	-	3,006,946	3,006,946
Issuance costs	-	-	-	-	167,928	167,928
Capital outlay						
General government	-	-	131,006	-	255,913	386,919
Public works	-	-	2,928,526	4,996,901	-	7,925,427
Community Development	-	36,155	-	-	-	36,155
Total expenditures	<u>38,998,715</u>	<u>56,576</u>	<u>3,421,593</u>	<u>5,677,128</u>	<u>10,506,400</u>	<u>58,660,412</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>438,615</u>	<u>2,594,540</u>	<u>998,439</u>	<u>(741,984)</u>	<u>(6,973,867)</u>	<u>(3,684,257)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	249,996	-	7,010,088	7,260,084
Transfers out	(199,992)	(2,119,305)	(703,008)	(3,931,650)	(249,996)	(7,203,951)
Refunding bonds issued	-	-	-	-	10,955,000	10,955,000
Payment to escrow agent	-	-	-	-	(11,789,843)	(11,789,843)
Bond premium	-	-	-	-	1,009,322	1,009,322
Total other financing sources and uses	<u>(199,992)</u>	<u>(2,119,305)</u>	<u>(453,012)</u>	<u>(3,931,650)</u>	<u>6,934,571</u>	<u>230,612</u>
NET CHANGE IN FUND BALANCE	238,623	475,235	545,427	(4,673,634)	(39,296)	(3,453,645)
Fund balances -- beginning	15,443,210	351,057	2,595,011	24,010,962	2,874,444	45,274,684
Fund balances -- ending	<u>\$ 15,681,833</u>	<u>\$ 826,292</u>	<u>\$ 3,140,438</u>	<u>\$ 19,337,328</u>	<u>\$ 2,835,148</u>	<u>\$ 41,821,039</u>

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, 2010

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ (3,453,645)
Amounts reported for governmental activities in the statement of net assets are different because:	
Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the statement of activities	6,162,099
Less internal service funds	(218,437)
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditure in the governmental funds.	(3,449,024)
Less internal service funds	773,742
Bond proceeds are reported as an other financing source in governmental funds	(10,955,000)
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 assets	16,095,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	325,958
The change in the compensated absences liability is reported as an expense on the statement of activities	193,864
Add internal service funds	3,995
The increase in net pension asset is reported as a reduction of expense on the statement of activities	36,267
The decrease in the net pension obligation is reported as a reduction of expense on the statement of activities	9,567
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	(192,432)
Less internal service funds	10,978
Accounting loss on bonds issued are reported as a contra-liability on the statement of net assets	511,394
The amortization of the accounting loss is reported as an expense in the statement of activities	(90,410)
Issuance costs on bonds issued are reported as an expenditure in governmental funds	167,928
The amortization of the deferred issuance costs on long-term debt is reported as an expense on the statement of activities	(122,337)
Premiums on bonds issued are reported as an other financing source in governmental funds	(1,009,322)
The amortization of the premium on long-term debt is reported as a reduction of expense on the statement of activities	113,239
The decrease in OPEB payable is reported as a reduction of expense on the statement of activities	115,078
Less internal service funds	(7,326)
The change in net assets of certain activities of internal service funds is reported in governmental funds	76,701
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 5,097,853</u>

See accompanying notes to financial statements

Village of Downers Grove
Statement of Net Assets
Proprietary Funds
December 31, 2010

	Business-type Activities - Enterprise Funds			Internal
	Waterworks	Parking	Total	Service
ASSETS				
Current assets				
Cash and investments	\$ 1,219,329	\$ 1,213,468	\$ 2,432,797	\$ 4,173,606
Accounts receivable	1,252,952	103,854	1,356,806	767,066
Accrued interest	1,838	-	1,838	-
Other receivable	-	-	-	188,057
Prepaid expenses	-	-	-	66,551
Note receivable	36,974	-	36,974	-
Inventory	185,433	-	185,433	125,443
Deposits	-	-	-	75,000
Total Current assets	<u>2,696,526</u>	<u>1,317,322</u>	<u>4,013,848</u>	<u>5,395,723</u>
Noncurrent assets				
Loan receivable	4,788,000	-	4,788,000	-
Capital assets not being depreciated	2,934,719	648,238	3,582,957	-
Capital assets being depreciated	51,714,066	3,331,447	55,045,513	10,138,468
Accumulated depreciation	(22,230,622)	(2,751,510)	(24,982,132)	(5,569,060)
Total Noncurrent assets	<u>37,206,163</u>	<u>1,228,175</u>	<u>38,434,338</u>	<u>4,569,408</u>
Total assets	<u>39,902,689</u>	<u>2,545,497</u>	<u>42,448,186</u>	<u>9,965,131</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	609,475	8,240	617,715	123,304
Deposits payable	78,558	3,335	81,893	-
Other payables	75,563	-	75,563	30,044
Compensated absences	25,773	362	26,135	40,650
Unearned revenue	-	1,582,031	1,582,031	-
Claims payable	-	-	-	1,428,962
Notes payable	368,308	-	368,308	-
Bonds payable	470,000	-	470,000	-
Total Current liabilities	<u>1,627,677</u>	<u>1,593,968</u>	<u>3,221,645</u>	<u>1,622,960</u>
Noncurrent liabilities				
Claims payable	-	-	-	1,922,732
Compensated absences	60,138	845	60,983	94,850
Other post-employment benefits	216,201	32,144	248,345	134,830
Notes payable	4,419,692	-	4,419,692	-
Bonds payable	485,000	-	485,000	-
Net pension obligation	15,027	2,293	17,320	10,978
Total Noncurrent liabilities	<u>5,196,058</u>	<u>35,282</u>	<u>5,231,340</u>	<u>2,163,390</u>
Total liabilities	<u>6,823,735</u>	<u>1,629,250</u>	<u>8,452,985</u>	<u>3,786,350</u>
NET ASSETS				
Invested in capital assets, net of related debt	31,463,164	1,228,175	32,691,339	4,569,408
Unrestricted (deficit)	1,615,790	(311,928)	1,303,862	1,609,373
Total net assets	<u>\$33,078,954</u>	<u>\$ 916,247</u>	<u>\$ 33,995,201</u>	<u>\$ 6,178,781</u>

See accompanying notes to financial statements

Village of Downers Grove
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds			Internal
	Waterworks	Parking	Total	Service
OPERATING REVENUES				
Sales	\$ -	\$ -	\$ -	\$ 111,059
Charges for services, fees, fines	8,142,748	1,286,722	9,429,470	-
Interfund services	-	-	-	8,511,210
Insurance premiums	-	-	-	1,783,476
Other	-	-	-	222,879
Total operating revenues	<u>8,142,748</u>	<u>1,286,722</u>	<u>9,429,470</u>	<u>10,628,624</u>
OPERATING EXPENSES				
Personnel services	1,209,917	169,626	1,379,543	783,117
Supplies	4,203,391	7,574	4,210,965	664,942
Contractual services	481,539	104,476	586,015	1,376,952
Other charges and services	1,391,379	548,769	1,940,148	7,232,895
Depreciation	917,676	16,515	934,191	773,742
Total operating expenses	<u>8,203,902</u>	<u>846,960</u>	<u>9,050,862</u>	<u>10,831,648</u>
Operating income (loss)	<u>(61,154)</u>	<u>439,762</u>	<u>378,608</u>	<u>(203,024)</u>
NONOPERATING REVENUES(EXPENSES)				
Intergovernmental	30,505	46,875	77,380	7,023
Investment income	21,115	590	21,705	2,509
Miscellaneous	-	-	-	70,201
Interest expense	(43,695)	-	(43,695)	-
Total nonoperating revenues	<u>7,925</u>	<u>47,465</u>	<u>55,390</u>	<u>79,733</u>
Income (loss) before contributions and transfers	<u>(53,229)</u>	<u>487,227</u>	<u>433,998</u>	<u>(123,291)</u>
Transfers in	-	-	-	199,992
Transfers out	-	(256,125)	(256,125)	-
Change in net assets	<u>(53,229)</u>	<u>231,102</u>	<u>177,873</u>	<u>76,701</u>
Total net assets -- beginning	33,132,183	685,145	33,817,328	6,102,080
Total net assets -- ending	<u>\$ 33,078,954</u>	<u>\$ 916,247</u>	<u>\$ 33,995,201</u>	<u>\$ 6,178,781</u>

See accompanying notes to financial statements

Village of Downers Grove
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds			Internal Service
	Waterworks	Parking	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services	\$ -	\$ -	\$ -	\$ 8,726,300
Receipts from customers	8,092,999	1,359,560	9,452,559	1,780,854
Other payments	(388,883)	(1,736)	(390,619)	(7,241,836)
Payments to employees	(1,161,302)	(168,035)	(1,329,337)	(798,608)
Payments for interfund services	(1,389,336)	(541,620)	(1,930,956)	(185,916)
Payments to suppliers	(4,677,472)	(122,518)	(4,799,990)	(2,096,673)
Net cash provided (used) by operating activities	<u>476,006</u>	<u>525,651</u>	<u>1,001,657</u>	<u>184,121</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grant proceeds	30,505	-	30,505	7,023
Transfers in (out)	-	(256,125)	(256,125)	199,992
Net cash provided (used) by noncapital activities	<u>30,505</u>	<u>(256,125)</u>	<u>(225,620)</u>	<u>207,015</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(903,201)	-	(903,201)	(199,809)
Interest paid	(245,228)	-	(245,228)	-
Principal paid on general obligation bonds	(450,000)	-	(450,000)	-
Net cash provided (used) by capital activities	<u>(1,598,429)</u>	<u>-</u>	<u>(1,598,429)</u>	<u>(199,809)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	21,701	590	22,291	2,510
Net cash provided by investing activities	<u>21,701</u>	<u>590</u>	<u>22,291</u>	<u>2,510</u>
Net Increase (decrease) in cash and cash equivalents	(1,070,217)	270,116	(800,101)	193,837
Cash and investments - beginning of year	<u>2,289,546</u>	<u>943,352</u>	<u>3,232,898</u>	<u>3,979,769</u>
Cash and investments - end of year	<u>\$ 1,219,329</u>	<u>\$ 1,213,468</u>	<u>\$ 2,432,797</u>	<u>\$ 4,173,606</u>
Reconciliation of operating income (loss) to net cash by operating activities				
Operating income (loss)	(61,154)	439,762	378,608	(203,024)
Adjustments to reconcile operating income to net cash provided (used) by operating				
Depreciation	917,676	16,515	934,191	773,742
Miscellaneous revenues	-	-	-	70,201
Change in assets and liabilities				
Accounts payable	(404,825)	(5,039)	(409,864)	(3,291)
Compensated absences	11,119	213	11,332	3,995
Accounts receivable	(49,749)	72,838	23,089	(167,278)
Due from other funds	-	-	-	236
Inventory	25,250	-	25,250	(14,841)
Prepaid expenses	-	-	-	(24,623)
Other post-employment benefits	22,470	(916)	21,554	(7,326)
Deposits payable	-	(15)	(15)	-
Other payables	192	-	192	-
Claims payable	-	-	-	(254,647)
Net pension obligation	15,027	2,293	17,320	10,978
Net cash provided (used) by operating activities	<u>\$ 476,006</u>	<u>\$ 525,651</u>	<u>\$ 1,001,657</u>	<u>\$ 184,121</u>

See accompanying notes to financial statements

Village of Downers Grove
Statement of Fiduciary Net Assets
December 31, 2010

	Pension Trust	Agency
ASSETS		
Cash and cash equivalents	\$ 1,688,758	\$ 1,616,896
Investments		
U.S. obligations	33,933,939	-
Corporate bonds	1,625,697	-
Municipal bonds	251,598	-
Mututal funds - equity	27,763,627	
Common and preferred stocks	4,245,839	-
Total investments	67,820,700	-
Prepays	9,500	-
Interest receivable	293,035	-
Total assets	69,811,993	1,616,896
LIABILITIES		
Accounts payable	33,173	48,822
Deposits payable	-	1,568,074
Total liabilities	33,173	\$ 1,616,896
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 69,778,820	

See accompanying notes to financial statements

Village of Downers Grove
Statement of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2010

	<u>Pension Trust</u>
ADDITIONS	
Contributions	
Contributions - employer	\$ 3,717,038
Contributions - employees	1,288,375
Total contributions	<u>5,005,413</u>
Investment earnings	
Interest earned on investments	1,819,957
Net appreciation in fair value	4,921,506
Total investment earnings	<u>6,741,463</u>
Less investment expense	<u>(170,313)</u>
Net investment earnings	<u>6,571,150</u>
Total additions	<u>11,576,563</u>
DEDUCTIONS	
Contractual services	53,173
Other charges and services	13,296
Benefits and refunds	4,046,854
Total deductions	<u>4,113,323</u>
Change in Net Assets	7,463,240
Net Assets-- beginning of the year	<u>62,315,580</u>
Net Assets -- end of the year	<u><u>\$ 69,778,820</u></u>

See accompanying notes to financial statements

Village of Downers Grove
Notes to Financial Statements
December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

Police Pension Employees Retirement System

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

Village of Downers Grove
Notes to Financial Statements (Continued)

Firefighters' Pension Employees Retirement System

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

Discretely Presented Component Unit - Downers Grove Public Library

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

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

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

B. Fund Accounting

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

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds). Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds, the Village has

Village of Downers Grove
Notes to Financial Statements (Continued)

chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds and agency funds which are generally used to account for assets that the Village holds in fiduciary capacity or on behalf of others as their agent.

C. Government-Wide and Fund Financial Statements

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

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

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

The Village reports the following major governmental funds:

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

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

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

Village of Downers Grove
Notes to Financial Statements (Continued)

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

The Village reports the following major proprietary funds:

The *Waterworks Fund* accounts for the provision of potable water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including but not limited to administration, operations, maintenance, financing and related debt service, and billing and collection.

The *Parking Fund* accounts for the fee-based parking throughout the Village. All activities including lot maintenance, parking permits administration, parking enforcement, and collections are included in this fund.

Additionally, the Village reports the following funds:

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements except for agency funds which do not have a measurement focus. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year

for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expense are directly attributable to the operation of the proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are available. Revenues are considered to be available when they are collectible within the current period or soon enough

Village of Downers Grove
Notes to Financial Statements (Continued)

thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90 day period. Expenditures, generally, are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

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

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

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

E. Cash and Cash Equivalents and Investments

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

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

Village of Downers Grove
Notes to Financial Statements (Continued)

F. Receivables

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

- Derived tax receivables (such as: sales taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as: property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government mandates or voluntary non-exchange transaction receivables (such as: mandates or grants, income and motor fuel taxes) are recognized when all eligibility requirements have been met.

G. Interfund Receivables/Payables

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

H. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory amounts are recorded on the basis of a physical count at the fiscal year end.

I. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of \$25,000 or more for all capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

Village of Downers Grove
Notes to Financial Statements (Continued)

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

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

K. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. If the bargaining employee started before May 1, 1995, the Village will pay accumulated sick time when employment has ceased. If the employee started after May 1, 1995, there is no liability for unpaid accumulated sick leave. If the non-bargaining employee started before December 1, 1993, the Village will pay accumulated sick time when employment has ceased. If the employee started after December 1, 1993, there is no liability for unpaid accumulated sick leave. All pay due in the event of termination is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have been incurred, for example, as a result of employee resignations and retirements.

L. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net assets. Bond premiums and discounts, as well as issuance costs and gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and gains (losses) on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

M. Fund Balances/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance

Village of Downers Grove
Notes to Financial Statements (Continued)

represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the Village's net assets are restricted as a result of enabling legislation adopted by the Village. Invested in capital assets, net of related debt represents the book value of capital assets less any long-term debt outstanding issued to acquire or construct the capital assets.

N. Interfund Transactions

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

O. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

A. Village Deposits and Investments

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

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

Village of Downers Grove
Notes to Financial Statements (Continued)

Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2010:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Municipal Bonds	\$ 988,925	532,051	456,874	-	-
Federal Home Loan Bank Notes	1,494,185	-	1,494,185	-	-
Federal Farm Credit Bank Note	995,995	-	995,995	-	-
Freddie Mac	250,332	-	250,332	-	-
Money Market Mutual Funds	2,281,421	2,281,421	-	-	-
Illinois Funds/IMET	20,315,337	20,315,337	-	-	-
TOTAL	\$26,326,195	23,128,809	3,197,386	-	-

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

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

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

Village of Downers Grove
Notes to Financial Statements (Continued)

Illinois Funds are not subject to custodial credit risk. The Village is in compliance with this policy.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities); no financial institution shall hold more than 40% of the Village's investment portfolio, exclusive of U.S. Treasury securities in safekeeping; monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution; commercial paper shall not exceed 10% of the Village's investment portfolio, excepting bond issue proceed investments; and deposits in any one public investment pool shall not exceed 50% of the Village's investment portfolio. The Village has \$1,494,185 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.

Village of Downers Grove
Notes to Financial Statements (Continued)

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of December 31, 2010:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate Bonds (AAA)	\$ 676,708	-	676,708	-	-
U.S. Obligations	18,482,551	-	15,845,720	1,039,843	1,596,988
TOTAL	\$19,159,259	-	16,522,428	1,039,843	1,596,988

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

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

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

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

C. Firefighters' Pension Fund Deposits and Investments

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

Village of Downers Grove
Notes to Financial Statements (Continued)

the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

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

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Firefighters' Pension Fund's deposits may not be returned to it. The Firefighters' Pension Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by an independent third-party or the Federal Reserve Bank, and evidenced by safekeeping receipts. 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, 2010:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Municipal Bonds	\$ 251,598	-	251,598	-	-
Corporate Bonds (AAA)	948,989	-	640,865	102,419	205,705
U.S. Obligations	15,451,388	1,393,795	6,026,203	2,463,767	5,567,623
TOTAL	\$16,651,975	1,393,795	6,918,666	2,566,186	5,773,328

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

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

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

Village of Downers Grove
Notes to Financial Statements (Continued)

basis with the underlying investments held by a third-party custodian and evidenced by safekeeping receipts. Illinois Funds are not subject to custodial credit risk. 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 2010 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 2010 tax levy is intended to fund expenditures for the 2011 fiscal year, these taxes are deferred as of December 31, 2010.

B. Other Receivables

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

GOVERNMENTAL ACTIVITIES

OTHER TAXES RECEIVABLE

Telecommunications tax	\$ 821,923
State income tax	1,390,642
Electricity tax	173,189
Natural gas tax	65,668
Local use tax	211,932
Auto rental tax	10,552
Hotel tax	41,124
State motor fuel tax	106,395
Local motor fuel tax	38,772

TOTAL OTHER TAXES RECEIVABLE	<u>\$ 2,860,197</u>
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OTHER RECEIVABLES

Ambulance fees	\$ 443,969
Police tickets	44,749
Franchise fees	186,993
Grants	66,605
Miscellaneous	6,042

TOTAL OTHER RECEIVABLES	<u>\$ 748,358</u>
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Village of Downers Grove
Notes to Financial Statements (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

A. Governmental Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	\$ 14,341,874	\$ 479,519	\$ -	\$ 14,821,393
Construction in progress	5,602,842	1,644,004	2,956,995	4,289,851
Total capital assets not being depreciated	19,944,716	2,123,523	2,956,995	19,111,244
Capital assets being depreciated				
Infrastructure	90,865,431	6,776,546	-	97,641,977
Buildings	26,124,863	-	-	26,124,863
Improvements other than buildings	3,452,089	-	-	3,452,089
Capital equipment	16,336,914	219,025	354,820	16,201,119
Total capital assets being depreciated	136,779,297	6,995,571	354,820	143,420,048
Less accumulated depreciation for				
Infrastructure	16,890,499	1,827,638	-	18,718,137
Buildings	5,158,242	481,350	-	5,639,592
Improvements other than buildings	675,084	96,952	-	772,036
Capital equipment	10,040,246	1,043,084	336,193	10,747,137
Total accumulated depreciation	32,764,071	3,449,024	336,193	35,876,902
Total capital assets being depreciated, Net	104,015,226	3,546,547	18,627	107,543,146
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 123,959,942	\$ 5,670,070	\$ 2,975,622	\$ 126,654,390

B. Business-Type Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	\$ 2,816,595	\$ -	\$ -	\$ 2,816,595
Construction in progress	58,533	766,362	58,533	766,362
Total capital assets not being depreciated	2,875,128	766,362	58,533	3,582,957
Capital assets being depreciated				
Infrastructure	28,670,294	-	107,687	28,562,607
Buildings	6,101,133	-	-	6,101,133
Improvements other than buildings	15,849,937	149,873	-	15,999,810
Intangible assets	104,081	-	-	104,081
Capital equipment	4,124,696	153,185	-	4,277,881
Total capital assets being depreciated	54,850,141	303,058	107,687	55,045,512
Less accumulated depreciation for				
Infrastructure	9,463,372	525,757	-	9,989,129
Buildings	1,763,785	121,488	-	1,885,273
Improvements other than buildings	8,677,915	268,729	-	8,946,644
Intangible assets	27,769	7,630	-	35,399
Capital equipment	4,115,099	10,587	-	4,125,686
Total accumulated depreciation	24,047,940	934,191	-	24,982,131

Village of Downers Grove
Notes to Financial Statements (Continued)

Total capital assets being depreciated, Net	30,802,201	(631,134)	-	30,063,381
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 33,677,329	\$ 135,228	\$ 166,219	\$ 33,646,338

C. Depreciation/Amortization Expense

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

GOVERNMENTAL ACTIVITIES

General government	\$ 283,695
Public works	2,229,810
Community development	330,960
Public safety	602,675
Community services	1,884

TOTAL DEPRECIATION/AMORTIZATION EXPENSE	\$ 3,449,024
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BUSINESS-TYPE ACTIVITIES

Waterworks	\$ 917,676
Parking	16,515

TOTAL DEPRECIATION/AMORTIZATION EXPENSE	\$ 934,191
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5. INTERFUND ADVANCES AND TRANSFERS

At December 31, 2010, interfund advances consist of the following:

Receivable Fund	Payable Fund	Amount
General	Transportation	\$ 1,964,015
General	Fairview Avenue Debt Fund	6,505
TOTAL		\$ 1,970,520

The interfund balances reflect the interfund borrowing to offset negative cash balances, with the transportation fund paying back the general fund over the next few years.

At December 31, 2010, interfund transfers consist of the following:

Fund	Transfer In	Transfer Out
Major Governmental		
General (2)	\$ -	199,992
Downtown Redevelopment TIF (1)	-	2,119,305
Capital Improvements (3,1)	249,996	703,008
Stormwater (1)	-	3,931,650
Non-major Governmental		
Downtown TIF Debt Service (1)	2,375,431	-

Village of Downers Grove
Notes to Financial Statements (Continued)

Municipal Buildings (3)	-	249,996
Facilities Debt Service (1)	4,634,657	-
Internal Service		
Risk Management (2)	199,992	-
Enterprise		
Parking (1)	-	256,125
TOTAL	<u>\$ 7,460,076</u>	<u>\$ 7,460,076</u>

The interfund transfers reflect the following transactions: (1) transfer funds for debt service, (2) increase funding to the risk management fund to reduce the net assets deficit, and (3) transfer interest earnings from the 2007 bond issue.

6. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2010, was as follows:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Compensated absences payable*	\$ 4,566,225	\$ 4,372,361	\$ 4,566,225	\$ 4,372,361	\$ 1,311,708
Net pension obligation – Fire *	395,466	-	9,567	385,899	-
Unamortized premium	831,680	1,009,322	113,239	1,727,763	-
Net OPEB payable *	6,385,200	-	115,078	6,270,122	-
Unamortized loss on refundings	(693,563)	(511,394)	(90,410)	(1,114,547)	-
General obligation bonds payable	69,830,000	10,955,000	16,095,000	64,690,000	5,140,000
Net pension obligation – IMRF *	-	192,432	-	192,432	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 81,315,008</u>	<u>\$ 16,017,721</u>	<u>\$ 20,808,699</u>	<u>\$ 76,524,030</u>	<u>\$ 6,451,708</u>

*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	\$ 75,786	\$ 87,118	\$ 75,786	\$ 87,118	\$ 26,135
Notes payable	4,788,000	-	-	4,788,000	368,308
Net OPEB payable	226,791	21,554	-	248,345	-
General obligation bonds payable	1,405,000	-	450,000	955,000	470,000
Net pension obligation - IMRF	-	17,320	-	17,320	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 6,495,577</u>	<u>\$ 125,992</u>	<u>\$ 525,786</u>	<u>\$ 6,095,783</u>	<u>\$ 864,443</u>

B. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. All of the general obligation bonds are retired by the debt service fund, other than \$4.0 M General

Village of Downers Grove
Notes to Financial Statements (Continued)

Obligation Water Bond, Series 2001A retired by the Waterworks fund. General obligation bonds currently outstanding are as follows:

	Balances January 1	Additions	Refunding/ Retirements	Balances December 31	Current Portion
\$3,000,000 General Obligation Bonds, Series 1998 dated October 1, 1998, due in installments of \$175,000 to \$275,000 plus interest at 3.70% to 4.00% due January 1, 2014. This bond issue was partially defeased in 2009.	\$ 225,000	\$ -	\$ 225,000	\$ -	\$ -
\$6,500,000 General Obligation Bonds, Series 1999 dated July 1, 1999 due in installments of \$50,000 to \$1,000,000 plus interest at 4.70% to 6.00% due January 1, 2019. This bond issue was partially defeased in 2005 and 2008.	250,000	-	250,000	-	-
\$6,200,000 General Obligation Bonds, Series 2000 dated May 1, 2000, due in installments of \$35,000 to \$905,000 plus interest ranging from 5.38% to 6.00% due January 1, 2020. This bond issue was partially defeased in 2005 and 2008.	395,000	-	395,000	-	-
\$6,000,000 General Obligation Bonds, Series 2001 dated August 1, 2001, due in installments of \$20,000 to \$2,690,000 plus interest ranging from 4.5% to 5.125% due January 1, 2021.	5,900,000	-	5,835,000	65,000	65,000
\$4,000,000 General Obligation Water Bonds, Series 2001A dated December 27, 2001, due in installments of \$365,000 to \$485,000 plus interest ranging from 2.75% to 4.60% due January 1, 2012.	1,405,000	-	450,000	955,000	470,000
\$6,000,000 General Obligation Bonds, Series 2002 dated August 1, 2002, due in installments of \$105,000 to \$1,205,000 plus interest ranging from 3.5% to 4.75% due January 1, 2021.	5,605,000	-	5,385,000	220,000	100,000
\$12,000,000 General Obligation Bonds, Series 2003A, dated November 1, 2003, due in installments of \$175,000 to \$1,120,000 plus interest ranging from 3.0% to 5.0% due January 1, 2021. This bond issue was partially defeased in 2008 and 2009.	750,000	-	750,000	-	-
\$9,950,000 General Obligation Refunding Bonds, Series 2005, dated March 1, 2005, due in installments of \$120,000 to \$1,820,000 plus interest ranging from 2.30% to 3.85% due January 1, 2020.	9,625,000	-	70,000	9,555,000	70,000
\$9,250,000 General Obligation Bonds, Series 2007, dated May 1, 2007, due in installments of \$100,000 to \$670,000 beginning January 1, 2009 plus interest ranging from 3.75% to 5.50% due January 1, 2028.	9,150,000	-	335,000	8,815,000	350,000

Village of Downers Grove
Notes to Financial Statements (Continued)

	Balances January 1	Additions	Refunding/ Retirements	Balances December 31	Current Portion
\$25,000,000 General Obligation Bonds, Series 2008A, dated August 13, 2008, due in installments of \$345,000 to \$2,965,000 beginning January 1, 2010 plus interest ranging from 3.50% to 5.25% due January 1, 2038.	25,000,000	-	2,835,000	22,165,000	2,965,000
\$3,900,000 General Obligation Refunding Bonds, Series 2008B, dated August 13, 2008, due in installments of \$15,000 to \$1,105,000 beginning January 1, 2010 plus interest ranging from 3.0% to 5.0% due January 1, 2021.	3,900,000	-	15,000	3,885,000	335,000
\$9,030,000 General Obligation Refunding Bonds, Series 2009, dated April 9, 2009, due in installments of \$880,000 to \$1,130,000 beginning January 1, 2011 plus interest ranging from 2.50% to 5.00% due January 1, 2019.	9,030,000	-	-	9,030,000	1,025,000
\$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.	-	5,805,000	-	5,805,000	230,000
\$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	-
TOTAL	\$ <u>71,235,000</u>	\$ <u>10,955,000</u>	\$ <u>16,545,000</u>	\$ <u>65,645,000</u>	\$ <u>5,610,000</u>

C. Contingent Note Payable

During the fiscal year ended April 30, 2004, the DuPage Water Commission awarded the Village a new loan for providing water service to residents of a contaminated area in an unincorporated area bordering the Village. The maximum amount of the loan is \$10,000,000. The loan is to be repaid within 20 years with interest at 2%. The Village drew down a total of \$4,788,000 as of December 31, 2008. The potentially responsible parties (PRPs) of the contaminated area are legally obligated to provide funding for the repayment of the loan. Only interest payments have been made annually on the loan as of December 31, 2010.

D. Debt Service Requirements and Maturities

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

Village of Downers Grove
Notes to Financial Statements (Continued)

Year Ending December 31	Governmental Activities		Business-Type Activities			
	General Obligation Bonds		Notes Payable		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 5,140,000	\$ 2,500,893	\$ 368,308	\$ 95,760	\$ 470,000	\$ 33,003
2012	4,865,000	2,374,884	368,308	88,394	485,000	11,155
2013	2,620,000	2,241,584	368,308	81,028	-	-
2014	3,215,000	2,147,659	368,308	73,662	-	-
2015	3,380,000	2,034,676	368,308	66,295	-	-
2016 - 2020	22,355,000	7,937,087	1,841,540	220,985	-	-
2021 - 2025	10,375,000	3,857,839	1,104,920	44,196	-	-
2026 - 2030	5,295,000	2,424,284	-	-	-	-
2031 - 2035	4,310,000	1,343,500	-	-	-	-
2036 - 2038	3,135,000	240,121	-	-	-	-
TOTAL	\$ 64,690,000	\$ 27,102,527	\$ 4,788,000	\$ 670,320	\$ 955,000	\$ 44,158

E. Legal Debt Margin

The Village is a home rule municipality.

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

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

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

F. Noncommitment Debt - Industrial Development Revenue Bonds

The issuance of industrial development revenue bonds by the Village is to finance in whole or in part the cost of the acquisition, purchase, construction, reconstruction, improvement, equipping, betterment, or extension of any economic development project in order to encourage economic development within or near the Village.

Industrial development revenue bonds are not a debt of the Village. The entity using the bond proceeds to finance a construction or improvement project is liable for the

Village of Downers Grove
Notes to Financial Statements (Continued)

bonds. Since the Village does not act as an agent for industrial development revenue bonds, the transactions relating to the bonds and property do not appear in the Village's financial statements.

The Village has authorized the issuance of one bond issue with a current outstanding balance of \$3,461,363.

G. Refundings - General Obligation Bonds

On March 4, 2010, the Village issued \$5,805,000 General Obligation Refunding Bonds, Series 2010 to refund \$225,000 of 2000 General Obligation Bonds and \$5,775,000 of 2001 General Obligation Bonds. As a result of the refunding, the Village achieved a cash flow savings of \$568,503 and a present value savings of \$534,773.

On November 10, 2010, the Village issued \$5,150,000 General Obligation Refunding Bonds, Series 2010B to refund \$5,285,000 of 2002 General Obligation Bonds. As a result of the refunding, the Village achieved a cash flow savings of \$352,011 and a present value savings of \$329,423.

The balance of the Village's defeased bonds outstanding at December 31, 2010 is \$11,060,000.

7. RISK MANAGEMENT

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

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. Nonincremental 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:

Village of Downers Grove
Notes to Financial Statements (Continued)

	Fiscal Year Ended December 31, 2009	Fiscal Year Ended December 31, 2010
CLAIMS PAYABLE, BEGINNING	\$ 2,631,617	\$ 3,606,342
Incurred claims (including IBNR)	7,211,660	6,966,262
Less claims paid	(6,236,935)	(7,220,910)
CLAIMS PAYABLE, ENDING	<u>\$ 3,606,342</u>	<u>\$ 3,351,694</u>

8. COMMITMENTS

A. DuPage Water Commission (DWC)

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

Fiscal Year Ending December 31	Amount
2010	\$ 267,473
2011	267,473
2012	267,473
2013	267,473
2014	267,473
2015-2019	1,337,365
2020-2024	1,337,365

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

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, 2010, has been reported in the Tax Rebate Fund.

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

Village of Downers Grove
Notes to Financial Statements (Continued)

agreement. As of December 31, 2010 sales tax rebates of \$53,912 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, 2010, sales tax rebates of \$92,880 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, 2010, sales tax rebates of \$26,521 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, 2010, sales tax rebates of \$0 were collected but not yet remitted to the vendor.

The Village has a sales and utility tax rebate agreement dated December 2, 2008 with a corporation to relocate to the Village. In consideration of the agreement, the corporate headquarters will continue to reside in the Village for a period of not less than fifteen years. As of December 31, 2010, taxes of \$5,362 were collected but not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated June 16, 2009 with a local retailer to rebate sales taxes on annual sales beginning in 2010. In consideration of the agreement, the retailer will continue to operate its business in the Village for a period of not less than ten years. As of December 31, 2010, sales tax rebates of \$2,859 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 \$47,500.

Village of Downers Grove
Notes to Financial Statements (Continued)

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, 83 retirees and spouses meet those eligibility requirements with 323 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 \$6,518,467 as of December 31, 2010.

In the actuarial valuations, the entry-age actuarial cost method was used. The actuarial assumptions included 5% investment rate of return and an annual healthcare cost trend rate of 6%, a reduction from 8% a year ago. Both rates include a 3% inflation assumption. The remaining open amortization period at December 31, 2010 was 30 years. The funded status of the plan was as follows:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	\$ 541,143
Interest on Net OPEB Obligation	330,600
Adjustment to Annual Required Contribution	<u>(544,658)</u>
Annual OPEB Cost	327,085
Contributions Made	<u>(420,609)</u>
Increase (Decrease) in Net OPEB Obligation	(93,524)
Net OPEB Obligation, Beginning of Year	<u>6,611,991</u>
Net OPEB Obligation, End of Year	<u>\$6,518,467</u>

Village of Downers Grove
Notes to Financial Statements (Continued)

Fiscal Year Ended December 31	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2010	\$ 327,085	128.6%	\$ 6,518,467
2009	2,923,355	20.4%	6,611,991
2008	2,777,654	9.1%	2,525,654

Actuarial valuations include estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The 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, 2010 was as follows:

Actuarial Accrued Liability (AAL)	\$11,083,613
Actuarial Value of Assets	0
Unfunded Actuarial Accrued Liability (UAAL)	11,083,613
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll	\$22,233,107
UAAL as a Percentage of Covered Payroll	49.9%

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.

Village of Downers Grove
Notes to Financial Statements (Continued)

Illinois Municipal Retirement Fund

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in amount equal to 1 2/3% of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village contribution rate for 2010 was 13.04 percent of annual covered payroll. For 2010, the employer annual required contribution rate was 15.01 percent.

For December 31, 2010, the Village's annual pension cost of \$1,829,192 was more than the Village's actual contributions. The required contribution was determined as part of the December 31, 2010 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
2010	\$ 1,829,192	86.9 %	\$ 240,074
2009	1,374,655	100.0 %	-
2008	1,400,181	100.0 %	-

Police Pension Plan

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

Village of Downers Grove
Notes to Financial Statements (Continued)

Fiscal Year Ended December 31	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset)
2010	\$ 1,683,613	102.1%	\$ (1,085,953)
2009	1,239,260	102.7%	(1,049,686)
2008	1,120,838	102.1%	(1,017,196)

At December 31, 2010, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated	52
Terminated plan members entitled to benefits but not yet receiving them	0
Current employees	
Vested	59
Non-vested	14
TOTAL	125

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter.

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

Village of Downers Grove
Notes to Financial Statements (Continued)

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
2010	\$ 1,988,092	100.5%	\$ 385,899
2009	1,587,486	99.9%	395,466
2008	1,027,155	100.3%	393,191

At December 31, 2010, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated	43
Terminated plan members entitled to benefits but not yet receiving them	2
Current employees	
Vested	53
Non-vested	24
TOTAL	<u>122</u>

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes. The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit.

The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching 55, by 3% of the original pension, and 3% annually thereafter.

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

Village of Downers Grove
Notes to Financial Statements (Continued)

contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded by the year 2033.

Funding Policy and Annual Pension Cost

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution rates			
Village	13.04 %	27.57 %	30.43 %
Members	4.50 %	9.91%	9.46 %
Annual pension cost	\$ 1,829,192	\$ 1,683,112	\$ 1,988,092
Contributions made	1,589,118	1,719,379	1,997,659
Actuarial valuation date	December 31, 2008	December 31, 2010	December 31, 2010
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	23 years, closed	23 years, closed
Asset valuation method	5-year smoothed Market	Market	Market
Actuarial assumptions			
Investment rate of return*	7.5 %	7.5 %	8 %
Projected salary	.40 % to 10 %	5 %	5 %
* Includes inflation at	4 %	3 %	3 %

The Village's annual pension cost and net pension obligation for December 31, 2010 were as follows:

	IMRF	Police Pension	Firefighters' Pension
Annual required contribution	\$ 1,829,192	\$ 1,705,508	\$ 1,979,952
Interest on net pension obligation	-	(81,389)	31,598
Adjustment to annual required contribution	-	58,993	(23,458)
Annual pension cost	1,829,192	1,683,112	1,988,092
Contributions made	1,589,118	1,719,379	1,997,659
Increase (decrease) in net pension obligation	240,074	(36,267)	(9,567)
Net pension obligation (asset), beginning of year	-	(1,049,686)	395,466
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ 240,074	\$ (1,085,953)	\$ 385,899

Village of Downers Grove
Notes to Financial Statements (Continued)

B. Funded Status and Funding Progress

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

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	12/31/10	12/31/10	12/31/10
Actuarial accrued liability (AAL)	\$ 36,891,606	\$ 58,929,756	\$ 54,836,758
Actuarial value of plan assets	25,667,439	37,680,654	32,098,166
Unfunded actuarial accrued liability (UAAL)	11,224,167	21,249,102	22,738,592
Funded ratio (actuarial value of plan assets/AAL)	70%	64%	59%
Covered payroll (active plan members)	12,183,957	6,237,227	6,564,530
UAAL as a percentage of covered payroll	92%	341%	346%

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.

Significant Investments

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

VanGuard Institutional Index Fund	\$7,788,605
VanGuard Total International Stock Index Fund	\$3,468,471
Jensen Portfolio	\$2,002,111
FHLMC	\$9,244,645
FNMA	\$7,346,774

Village of Downers Grove
Notes to Financial Statements (Continued)

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

Fidelity Diversified International Fund	\$2,997,978
VanGuard Institutional Index Fund	\$8,332,298
FNMA	\$2,448,095

D. Schedules for the Police and Firefighters' Plans

Assets	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Cash and cash equivalents	\$ 875,592	813,166	1,688,758
U.S. Obligations	18,482,551	15,451,388	33,933,939
Corporate Bonds	676,708	948,989	1,625,697
Municipal Bond	-	251,598	251,598
Mutual Funds – Equity	13,259,187	14,504,440	27,763,627
Stocks	4,245,839	-	4,245,839
Prepays	5,250	4,250	9,500
Interest Receivable	<u>162,680</u>	<u>130,355</u>	<u>293,035</u>
Total Assets	37,707,807	32,104,186	69,811,993

Liabilities			
Accounts Payable	<u>27,153</u>	<u>6,021</u>	<u>33,173</u>
Total Liabilities	<u>\$ 27,153</u>	<u>6,021</u>	<u>33,173</u>

Net Assets Held in Trust	<u>\$37,680,654</u>	<u>\$32,098,165</u>	<u>\$69,778,820</u>
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Additions	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Contributions – employer	\$1,719,379	1,997,659	3,717,038
Contributions – employees	647,380	640,995	1,288,375
Investment Income (Loss)	<u>3,684,246</u>	<u>2,886,904</u>	<u>6,571,150</u>
Total Additions	6,051,005	5,525,558	11,576,563
Deductions			
Contractual Services	27,732	25,441	53,173
Other Charges and Services	6,648	6,648	13,296
Benefits and Refunds	<u>2,218,221</u>	<u>1,828,634</u>	<u>4,046,854</u>
Total Deductions	<u>2,252,601</u>	<u>1,860,723</u>	<u>4,113,323</u>

Net Increase (Decrease)	<u>\$3,798,404</u>	<u>\$3,664,835</u>	<u>\$7,463,240</u>
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12. DEFICIT FUND BALANCES/NET ASSETS

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

Fund	Deficit
Transportation	\$ 1,944,503
Risk Management	1,387,553

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, Statement No. 61, The Financial Reporting Entity: Omnibus, and Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Application of these standards may restate portions of these financial statements. The Village intends to adopt these pronouncements in 2011.

14. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY

A. Summary of Significant Accounting Policies

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

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

1. Fund Accounting

The Library uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to determine legal compliance and to aid financial management by segregating transactions related to certain governments functions or activities.

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

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

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the 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.

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

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.

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

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

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

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

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

4. Cash and Cash Equivalents and Investments

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

5. Receivables

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

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

6. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined as having a useful life greater than one

Village of Downers Grove
Notes to Financial Statements (Continued)

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

year with an initial, individual cost of \$25,000 or more for all capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Years
Buildings	50 – 65
Capital equipment	5 – 15

7. Compensated Absences

It is the Library's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All pay due in the event of termination is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have been incurred, for example, as a result of employee resignations and retirements.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs and gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and gains (losses) on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

9. Fund Balances/Net Assets

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

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

10. Use of Estimates

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

B. Deposits and Investments

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

Library Deposits and Investments

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

Village of Downers Grove
Notes to Financial Statements (Continued)

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

value of the funds secured, with the collateral held by the Library, an independent third-party or the Federal Reserve Bank of Chicago.

Investments

The following table presents the investments and maturities of the Library's debt securities as of December 31, 2010:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 3,365,899	3,365,899			
TOTAL	\$ 3,365,899	3,365,899	-	-	-

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

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

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

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

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

Village of Downers Grove
Notes to Financial Statements (Continued)

investments; and deposits in any one public investment pool shall not exceed 50% of the Library's investment portfolio.

C. Receivables

Property taxes for 2010 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 2010 tax levy is intended to fund expenditures for the 2011 fiscal year, these taxes are deferred as of December 31, 2010.

D. Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

	Balances December 31	Increases	Decreases	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 222,211	\$ -	\$ -	\$ 222,211
Total capital assets not being depreciated	222,211	-	-	222,211
Capital assets being depreciated				
Buildings	9,479,919	-	-	9,479,919
Capital equipment	7,532,611	387,903	546,741	7,373,773
Total capital assets being depreciated	17,012,530	387,903	546,741	16,853,692
Less accumulated depreciation for				
Buildings	1,276,689	189,884	-	1,466,573
Capital equipment	2,864,832	614,405	304,821	3,174,416
Total accumulated depreciation	4,141,521	804,289	304,821	4,640,989
Total capital assets being depreciated, net	12,871,009	(416,386)	241,920	12,212,703
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 13,093,220	\$ (416,386)	\$ 241,920	\$ 12,434,914

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

GOVERNMENTAL ACTIVITIES Community services	<u>\$ 804,289</u>
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E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2010, was as follows:

Village of Downers Grove
Notes to Financial Statements (Continued)

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

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
Compensated absences payable*	\$ 34,006	\$ 39,314	\$ 34,006	\$ 39,314	\$ 11,794
Unamortized premium	19,941	-	1,496	18,445	-
Unamortized loss on refundings	(385,588)	-	(52,580)	(333,008)	-
Net OPEB payable	33,132	153,326	-	186,458	-
General obligation bonds payable	4,510,000	-	505,000	4,005,000	520,000
Net Pension obligation –IMRF	-	30,322	-	30,322	-
TOTAL	\$ 4,211,491	\$ 222,962	\$ 487,922	\$ 3,946,531	\$ 531,794

* The Library General Fund liquidates the compensated absences liabilities.

General Obligation Bonds

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

	Balances 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.	\$ 4,510,000	\$ -	\$ 505,000	\$ 4,005,000	\$ 520,000
TOTAL	\$ 4,510,000	\$ -	\$ 505,000	\$ 4,005,000	\$ 520,000

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
2011	\$ 520,000	\$ 128,660
2012	535,000	111,780
2013	555,000	94,340
2014	570,000	75,913
2015	585,000	56,128
2016	610,000	34,758
2017	630,000	11,813
TOTAL	\$ 4,005,000	\$ 513,392

Village of Downers Grove
Notes to Financial Statements (Continued)

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

F. Risk Management

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

G. Contingent Liabilities

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

H. Post Employment Benefits

In addition to providing pension benefits, the Village provides post employment health care and life insurance benefits (OPEB), in accordance with the personnel policy manual, to all employees who meet the eligibility requirements under the applicable retirement system. Currently, 23 active members are participating in the Village's health care plan. The employee pays 100% of the cost of the health and life insurance premiums for the post employment benefits with the exception of health benefits for retirees that have reached 65. Once an employee reaches 65 years of age, the Village subsidizes 50% of the health insurance premium. For new retirees after September 1, 2009, the retiree pays 100% of the cost of the health and life insurance premiums. The annual required contribution for 2010 was \$3,763. 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, 2010 was \$186,458.

In the actuarial valuations, the entry-age actuarial cost method was used. The actuarial assumptions included 5% investment rate of return and an annual healthcare cost trend rate of 6%. Both rates include a 3% inflation assumption. The remaining amortization period at December 31, 2010 was 30 years. The funded status of the plan as of December 31, 2010 was as follows:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	\$ 13,786
Interest on Net OPEB Obligation	1,657
Adjustment to Annual Required Contribution	<u>153,823</u>
Annual OPEB Cost	169,266
Contributions Made	<u>15,940</u>
Increase (Decrease) in Net OPEB Obligation	153,326
Net OPEB Obligation, Beginning of Year	<u>33,132</u>
Net OPEB Obligation, End of Year	\$ <u>186,458</u>

Village of Downers Grove
Notes to Financial Statements (Continued)

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

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

Actuarial Accrued Liability (AAL)	\$ 272,573
Actuarial Value of Assets	0
Unfunded Actuarial Accrued Liability (UAAL)	272,573
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll	\$ 1,189,138
UAAL as a Percentage of Covered Payroll	22.92%

I. Legal Compliance and Accountability - Budgets

All departments of the Library submit requests for budgets to the Library Director so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested budgets for the next fiscal year.

The proposed budget is presented to the Library Board for review.

The Library Director is authorized to transfer budgeted amounts between programs within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Library Board and Village Council.

Village of Downers Grove
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Sales tax	\$ 10,500,000	\$10,500,000	\$ 10,308,322	\$ (191,678)
Home Rule Sales Tax	1,000,000	1,000,000	971,936	(28,064)
Property tax	10,435,416	10,435,416	10,530,941	95,525
Utility tax	6,200,000	6,200,000	5,395,373	(804,627)
Income tax	3,750,000	3,750,000	3,834,683	84,683
Other taxes	1,724,141	1,724,141	1,869,634	145,493
Licenses & permits	1,089,220	1,089,220	1,439,331	350,111
Intergovernmental	88,692	88,692	123,225	34,533
Charges for services & fees	3,132,959	3,132,959	3,561,804	428,845
Fines & forfeitures	1,305,000	1,305,000	1,106,241	(198,759)
Investment income	227,000	227,000	285,101	58,101
Contributions & donations	3,500	3,500	10,739	7,239
Total revenues	<u>39,455,928</u>	<u>39,455,928</u>	<u>39,437,330</u>	<u>(18,598)</u>
EXPENDITURES				
Current				
General government	4,350,933	4,350,933	3,880,120	(470,813)
Public works	5,652,991	5,652,991	5,437,655	(215,336)
Community development	2,105,412	2,105,412	2,023,004	(82,408)
Public safety	27,151,361	27,151,361	26,792,600	(358,761)
Community services	828,957	828,957	865,336	36,379
Total expenditures	<u>40,089,654</u>	<u>40,089,654</u>	<u>38,998,715</u>	<u>(1,090,939)</u>
(Deficiency) of revenues (under) expenditures	<u>(633,726)</u>	<u>(633,726)</u>	<u>438,615</u>	<u>1,072,341</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(199,992)</u>	<u>8</u>
Total other financing sources and uses	<u>(200,000)</u>	<u>(200,000)</u>	<u>(199,992)</u>	<u>8</u>
Net change in fund balances	<u>(833,726)</u>	<u>(833,726)</u>	<u>238,623</u>	<u>\$ 1,072,349</u>
Fund balances -- beginning	<u>15,443,210</u>	<u>15,443,210</u>	<u>15,443,210</u>	
Fund balances -- ending	<u>\$ 14,609,484</u>	<u>\$ 14,609,484</u>	<u>\$ 15,681,833</u>	

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

Village of Downers Grove
Required Supplementary Information
Downtown Redevelopment TIF Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	\$ 2,234,073	\$ 2,234,073	\$ 2,650,450	\$ 416,377
Investment income	250	250	666	416
Total revenues	<u>2,234,323</u>	<u>2,234,323</u>	<u>2,651,116</u>	<u>416,793</u>
EXPENDITURES				
Current				
Community Development	32,365	32,365	10,545	(21,820)
Public works	<u>43,000</u>	<u>43,000</u>	<u>9,876</u>	<u>(33,124)</u>
Total current	<u>75,365</u>	<u>75,365</u>	<u>20,421</u>	<u>(54,944)</u>
Capital outlay				
Community Development	25,000	25,000	36,155	11,155
Public works	<u>45,300</u>	<u>45,300</u>	<u>-</u>	<u>(45,300)</u>
Total capital outlay	<u>70,300</u>	<u>70,300</u>	<u>36,155</u>	<u>(34,145)</u>
Total expenditures	<u>145,665</u>	<u>145,665</u>	<u>56,576</u>	<u>(89,089)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,088,658</u>	<u>2,088,658</u>	<u>2,594,540</u>	<u>505,882</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,119,304)</u>	<u>(2,119,304)</u>	<u>(2,119,305)</u>	<u>(1)</u>
Total other financing sources (uses)	<u>(2,119,304)</u>	<u>(2,119,304)</u>	<u>(2,119,305)</u>	<u>(1)</u>
Net change in fund balances	(30,646)	(30,646)	475,235	<u>\$ 505,881</u>
Fund balances -- beginning	<u>351,057</u>	<u>351,057</u>	<u>351,057</u>	
Fund balances -- ending	<u>\$ 320,411</u>	<u>\$ 320,411</u>	<u>\$ 826,292</u>	

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

Village of Downers Grove

Required Supplementary Information
Illinois Municipal Retirement Fund
December 31, 2010

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry-Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2003	\$ 25,662,381	\$ 27,922,017	\$ 2,259,636	91.91%	\$ 11,672,643	19.36%
12/31/2004	22,274,657	27,990,818	5,716,161	79.58%	11,696,157	48.87%
12/31/2005	24,749,324	30,237,833	5,488,509	81.85%	11,641,556	47.15%
12/31/2006	26,394,027	31,198,058	4,804,031	84.60%	11,738,379	40.93%
12/31/2007	26,568,893	30,841,977	4,273,084	86.15%	12,299,631	34.74%
12/31/2008	21,604,380	32,632,179	11,027,799	66.21%	12,815,309	86.05%
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%

Schedule of Employer Contributions

Calendar Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
2003	\$ 870,779	\$ 870,779	100.00%
2004	970,781	970,781	100.00%
2005	1,187,439	1,187,439	100.00%
2006	1,527,163	1,527,163	100.00%
2007	1,537,454	1,537,454	100.00%
2008	1,581,409	1,581,409	100.00%
2009	1,565,930	1,565,930	100.00%
2010	1,589,118	1,829,192	86.88%

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

Village of Downers Grove
Required Supplementary Information
Police Pension Fund
December 31, 2010

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry-Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2003	\$24,204,160	\$33,636,977	\$9,432,817	72.0%	\$ 4,865,306	193.9%
4/30/2004	27,130,429	36,930,159	9,799,730	73.5%	5,008,049	195.7%
4/30/2005	28,298,190	41,163,348	12,865,158	68.7%	5,207,916	247.0%
4/30/2006	31,013,258	43,683,525	12,670,267	71.0%	5,445,595	232.7%
12/31/2006	32,479,439	45,803,580	13,324,141	70.9%	5,725,199	232.7%
12/31/2007	35,082,022	49,340,130	14,258,108	71.1%	5,933,899	240.3%
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%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage of ARC Contributed
4/30/2003	\$ 610,985	\$ 604,699	101.04%
4/30/2004	637,856	632,453	100.85%
4/30/2005	889,575	880,982	100.98%
4/30/2006	876,640	866,178	101.21%
12/31/2006	1,093,264	1,082,440	101.00%
12/31/2007	1,102,546	1,090,889	101.07%
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%

Note: The Village of Downers Grove changed its fiscal year end to December 31 in 2006.
(See independent auditor's report and notes to required supplementary information)

Village of Downers Grove

Required Supplementary Information
Firefighters' Pension Fund
December 31, 2010

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry-Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2003	\$ 15,864,372	\$ 28,178,148	\$ 12,313,776	56.3%	\$ 4,977,241	247.4%
4/30/2004	17,725,022	31,208,845	13,483,823	56.8%	5,416,261	249.0%
4/30/2005	19,773,346	33,783,756	14,010,410	58.5%	5,638,490	248.5%
4/30/2006	22,026,939	37,523,071	15,496,132	58.7%	5,817,029	266.4%
12/31/2006	25,426,339	39,731,499	14,305,160	64.0%	6,055,797	236.2%
12/31/2007	28,125,505	43,279,281	15,153,776	65.0%	6,143,206	246.7%
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%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
4/30/2003	\$ 1,075,993	\$ 1,066,412	100.90%
4/30/2004	1,168,048	1,158,602	100.82%
4/30/2005	1,309,021	1,296,314	100.98%
4/30/2006	1,449,756	1,435,168	101.02%
12/31/2006	1,572,033	1,444,212	108.85%
12/31/2007	1,565,405	1,565,863	99.97%
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%

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

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

Village of Downers Grove

Required Supplementary Information
Other Post-Employment Benefits Plan
Schedule of Funding Progress/Employer Contributions
December 31, 2010

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry-Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2007	\$0	\$ 28,781,004	\$ 28,781,004	0.00%	\$ 22,721,934	126.67%
12/31/2008	0	20,527,085	20,527,085	0.00%	22,721,934	90.3%
12/31/2009	0	13,301,040	13,301,040	0.00%	22,810,182	58.3%
12/31/2010	0	11,356,186	11,356,186	0.00%	23,422,245	48.5%

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 %

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

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

Village of Downers Grove

Notes to Required Supplementary Information
December 31, 2010

1. BUDGETS

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

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

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

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

2. OTHER POST-EMPLOYMENT BENEFITS

During 2010, the assumption for the percentage of active employees assumed to elect the health insurance benefit increased from 20% to 40%. Also, the explicit benefit was increased by 6.7% while the average premium was reduced 7.3%

(See independent auditor's report)

Village of Downers Grove
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance
Sales tax (1% municipal)	\$ 10,500,000	\$ 10,500,000	\$ 10,308,322	\$ (191,678)
Home rule sales tax	1,000,000	1,000,000	971,936	(28,064)
Property taxes				
General	6,161,097	6,161,097	6,246,186	85,089
Pension	3,687,460	3,687,460	3,690,574	3,114
Special service areas	261,859	261,859	246,351	(15,508)
Township road and bridge	325,000	325,000	347,830	22,830
Total property taxes	10,435,416	10,435,416	10,530,941	95,525
Utility taxes				
Natural gas use tax	500,000	500,000	446,926	(53,074)
Electricity tax	1,900,000	1,900,000	1,921,278	21,278
Telecommunications tax	3,800,000	3,800,000	3,027,169	(772,831)
Total utility taxes	6,200,000	6,200,000	5,395,373	(804,627)
Income tax	3,750,000	3,750,000	3,834,683	84,683
Other taxes				
Hotel tax	700,000	700,000	728,913	28,913
Personal property replacement tax	380,000	380,000	439,796	59,796
Local use tax	620,000	620,000	659,072	39,072
Other local taxes	24,141	24,141	41,852	17,711
Total other taxes	1,724,141	1,724,141	1,869,633	145,492
Licenses & permits				
Building and related	807,000	807,000	1,068,212	261,212
Alcoholic beverage	181,200	181,200	232,914	51,714
Professional and occupational	84,170	84,170	118,630	34,460
Other licenses and permits	16,850	16,850	19,575	2,725
Total licenses & permits	1,089,220	1,089,220	1,439,331	350,111
Intergovernmental	88,692	88,692	123,225	34,533

(continued)

Village of Downers Grove

General Fund

Schedule of Revenues - Budget and Actual (Continued)

For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance
Charges for services & fees				
Ambulance user fee - resident	\$ 710,000	\$ 710,000	\$ 773,432	\$ 63,432
Ambulance user fee - nonresident	230,000	230,000	219,517	(10,483)
Review and inspection fees	78,000	78,000	190,704	112,704
Cable franchise fees	600,000	600,000	700,851	100,851
Cellular antenna rental	960,000	960,000	986,835	26,835
Other fees & charges	554,959	554,959	690,466	135,507
Total charges for services & fees	3,132,959	3,132,959	3,561,805	428,846
Fines & forfeitures				
Administrative booking and tow fees	430,000	430,000	349,008	(80,992)
Fines	875,000	875,000	757,233	(117,767)
Total fines & forfeitures	1,305,000	1,305,000	1,106,241	(198,759)
Investment income	227,000	227,000	285,101	58,101
Contributions and donations	3,500	3,500	10,739	7,239
TOTAL REVENUES	\$ 39,455,928	\$ 39,455,928	\$ 39,437,330	\$ (18,598)

Village of Downers Grove

General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance
General government				
Personnel services	\$ 2,722,974	\$ 2,722,974	\$ 2,691,932	\$ (31,042)
Supplies	128,594	128,594	94,700	(33,894)
Contractual services	839,307	839,307	531,477	(307,830)
Other charges and services	660,058	660,058	562,011	(98,047)
Total general government	4,350,933	4,350,933	3,880,120	(470,813)
Public works				
Personnel services	2,744,745	2,744,745	2,895,922	151,177
Supplies	639,802	639,802	579,117	(60,685)
Contractual services	1,225,404	1,225,404	924,088	(301,316)
Other charges and services	1,043,040	1,043,040	1,038,528	(4,512)
Total public works	5,652,991	5,652,991	5,437,655	(215,336)
Community development				
Personnel services	1,435,015	1,435,015	1,381,901	(53,114)
Supplies	10,650	10,650	4,325	(6,325)
Contractual services	153,622	153,622	141,650	(11,972)
Other charges and services	506,125	506,125	495,128	(10,997)
Total community development	2,105,412	2,105,412	2,023,004	(82,408)
Public safety				
Personnel services	22,954,290	22,954,290	23,189,186	234,896
Supplies	413,127	413,127	276,540	(136,587)
Contractual services	800,970	800,970	563,360	(237,610)
Other charges and services	2,982,974	2,982,974	2,763,514	(219,460)
Total public safety	27,151,361	27,151,361	26,792,600	(358,761)
Community services				
Personnel services	543,115	543,115	574,595	31,480
Supplies	16,305	16,305	8,250	(8,055)
Contractual services	262,546	262,546	275,518	12,972
Other charges and services	6,991	6,991	6,973	(18)
Total community services	828,957	828,957	865,336	36,379
TOTAL EXPENDITURES	\$ 40,089,654	\$ 40,089,654	\$ 38,998,715	\$ (1,090,939)

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, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Sales tax	\$ 3,466,000	\$ 3,466,000	\$ 3,657,799	\$ 191,799
Property tax	8,671	8,671	8,760	89
Utility tax	700,000	700,000	605,434	(94,566)
Intergovernmental	2,487,800	2,487,800	135,412	(2,352,388)
Investment income	35,000	35,000	12,627	(22,373)
Total revenues	<u>6,697,471</u>	<u>6,697,471</u>	<u>4,420,032</u>	<u>(2,277,439)</u>
EXPENDITURES				
Current				
General government	25,000	25,000	16,567	(8,433)
Public works	<u>474,012</u>	<u>474,012</u>	<u>345,494</u>	<u>(128,518)</u>
Total current	<u>499,012</u>	<u>499,012</u>	<u>362,061</u>	<u>(136,951)</u>
Capital outlay				
General government	120,000	120,000	131,006	11,006
Public works	<u>6,831,108</u>	<u>6,831,108</u>	<u>2,928,526</u>	<u>(3,902,582)</u>
Total capital outlay	<u>6,951,108</u>	<u>6,951,108</u>	<u>3,059,532</u>	<u>(3,891,576)</u>
Total expenditures	<u>7,450,120</u>	<u>7,450,120</u>	<u>3,421,593</u>	<u>(4,028,527)</u>
Excess of revenues over expenditures	<u>(752,649)</u>	<u>(752,649)</u>	<u>998,439</u>	<u>1,751,088</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	250,000	249,996	(4)
Transfers out	<u>(703,008)</u>	<u>(703,008)</u>	<u>(703,008)</u>	-
Total other financing sources (uses)	<u>(453,008)</u>	<u>(453,008)</u>	<u>(453,012)</u>	<u>(4)</u>
Net change in fund balances	<u>(1,205,657)</u>	<u>(1,205,657)</u>	<u>545,427</u>	<u>\$ 1,751,084</u>
Fund balances -- beginning	<u>2,595,011</u>	<u>2,595,011</u>	<u>2,595,011</u>	
Fund balances -- ending	<u>\$ 1,389,354</u>	<u>\$ 1,389,354</u>	<u>\$ 3,140,438</u>	

Village of Downers Grove
Stormwater Improvements Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	\$ 2,630,139	\$ 2,630,139	\$ 2,630,139	\$ -
Sales tax	1,733,000	1,733,000	1,828,911	95,911
Investment income	375,000	375,000	423,845	48,845
Contributions & donations	50,000	50,000	52,249	2,249
Total revenues	<u>4,788,139</u>	<u>4,788,139</u>	<u>4,935,144</u>	<u>147,005</u>
EXPENDITURES				
Current				
General government	-	-	23,123	23,123
Public works	<u>1,718,914</u>	<u>1,393,914</u>	<u>657,104</u>	<u>(736,810)</u>
Total current	<u>1,718,914</u>	<u>1,393,914</u>	<u>680,227</u>	<u>(713,687)</u>
Capital outlay				
Public works	<u>16,135,000</u>	<u>16,460,000</u>	<u>4,996,901</u>	<u>(11,463,099)</u>
Total capital outlay	<u>16,135,000</u>	<u>16,460,000</u>	<u>4,996,901</u>	<u>(11,463,099)</u>
Total expenditures	<u>17,853,914</u>	<u>17,853,914</u>	<u>5,677,128</u>	<u>(12,176,786)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,065,775)</u>	<u>(13,065,775)</u>	<u>(741,984)</u>	<u>12,323,791</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(3,931,650)</u>	<u>(3,931,650)</u>	<u>(3,931,650)</u>	-
Total other financing sources (uses)	<u>(3,931,650)</u>	<u>(3,931,650)</u>	<u>(3,931,650)</u>	-
Net change in fund balances	(16,997,425)	(16,997,425)	(4,673,634)	<u>\$ 12,323,791</u>
Fund balances -- beginning	<u>24,010,962</u>	<u>24,010,962</u>	<u>24,010,962</u>	
Fund balances -- ending	<u>\$ 7,013,537</u>	<u>\$ 7,013,537</u>	<u>\$ 19,337,328</u>	

Village of Downers Grove
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2010

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and investments	\$ 4,032,512	\$ 242,074	\$ 559,960	\$ 4,834,546
Property taxes receivable	801,376	-	-	801,376
Other taxes receivable	121,904	23,264	-	145,168
Accounts receivable	1,890	-	5,750	7,640
Other receivable	2,302	-	-	2,302
Interest receivable	2,853	-	-	2,853
Total assets	<u>4,962,837</u>	<u>265,338</u>	<u>565,710</u>	<u>5,793,885</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	183,341	-	5,281	188,622
Due to other funds	1,964,015	6,505	-	1,970,520
Deposits payable	-	-	7,595	7,595
Deferred property taxes	792,000	-	-	792,000
Total liabilities	<u>2,939,356</u>	<u>6,505</u>	<u>12,876</u>	<u>2,958,737</u>
FUND BALANCES				
Unreserved	<u>2,023,481</u>	<u>258,833</u>	<u>552,834</u>	<u>2,835,148</u>
Total fund balances	<u>2,023,481</u>	<u>258,833</u>	<u>552,834</u>	<u>2,835,148</u>
Total liabilities and fund balances	<u>\$ 4,962,837</u>	<u>\$ 265,338</u>	<u>\$ 565,710</u>	<u>\$ 5,793,885</u>

Village of Downers Grove
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2010

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Sales tax	\$ 607,382	\$ -	\$ -	\$ 607,382
Property tax	788,512	-	-	788,512
Other taxes	213,133	201,990	-	415,123
Intergovernmental	1,495,500	-	-	1,495,500
Charges for services & fees	113,777	-	97,204	210,981
Investment income	12,384	1,571	1,080	15,035
Total revenues	<u>3,230,688</u>	<u>203,561</u>	<u>98,284</u>	<u>3,532,533</u>
EXPENDITURES				
Current				
General government	607,382	-	134,454	741,836
Public works	1,365,977	-	-	1,365,977
Community development	124,017	-	-	124,017
Public safety	33,783	-	-	33,783
Capital Outlay				
General government	-	-	255,913	255,913
Debt service				
Principal retirement	-	4,810,000	-	4,810,000
Interest and other	-	3,006,946	-	3,006,946
Issuance costs	-	167,928	-	167,928
Total expenditures	<u>2,131,159</u>	<u>7,984,874</u>	<u>390,367</u>	<u>10,506,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,099,529</u>	<u>(7,781,313)</u>	<u>(292,083)</u>	<u>(6,973,867)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	7,010,088	-	7,010,088
Transfers out	-	-	(249,996)	(249,996)
Refunding bonds issued	-	10,955,000	-	10,955,000
Payment to escrow agent	-	(11,789,843)	-	(11,789,843)
Bond premium	-	1,009,322	-	1,009,322
Total other financing sources (uses)	<u>-</u>	<u>7,184,567</u>	<u>(249,996)</u>	<u>6,934,571</u>
Net change in fund balance	1,099,529	(596,746)	(542,079)	(39,296)
Fund balances -- beginning	<u>923,952</u>	<u>855,579</u>	<u>1,094,913</u>	<u>2,874,444</u>
Fund balances -- ending	<u>\$ 2,023,481</u>	<u>\$ 258,833</u>	<u>\$ 552,834</u>	<u>\$ 2,835,148</u>

Village of Downers Grove
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Motor Fuel Tax	Foreign Fire	Ogden TIF	Tax Rebate	Transportation	Total
ASSETS						
Cash and investments	\$ 277,205	\$ 231,091	\$ 3,342,682	\$ 181,534	\$ -	\$ 4,032,512
Property taxes receivable	-	-	801,376	-	-	801,376
Other taxes receivable	106,395	-	-	-	15,509	121,904
Accounts receivable	-	-	-	-	1,890	1,890
Other receivable	-	-	-	-	2,302	2,302
Interest receivable	-	-	2,853	-	-	2,853
Total assets	<u>383,600</u>	<u>231,091</u>	<u>4,146,911</u>	<u>181,534</u>	<u>19,701</u>	<u>4,962,837</u>
LIABILITIES AND FUND BALANCES						
Accounts payable		1,618	-	181,534	189	183,341
Due to other funds	-	-	-	-	1,964,015	1,964,015
Deferred property taxes	-	-	792,000	-	-	792,000
Total liabilities	<u>-</u>	<u>1,618</u>	<u>792,000</u>	<u>181,534</u>	<u>1,964,204</u>	<u>2,939,356</u>
FUND BALANCES						
Unreserved	<u>383,600</u>	<u>229,473</u>	<u>3,354,911</u>	<u>-</u>	<u>(1,944,503)</u>	<u>2,023,481</u>
Total fund balances	<u>383,600</u>	<u>229,473</u>	<u>3,354,911</u>	<u>-</u>	<u>(1,944,503)</u>	<u>2,023,481</u>
Total liabilities and fund balances	<u>\$ 383,600</u>	<u>\$ 231,091</u>	<u>\$ 4,146,911</u>	<u>\$ 181,534</u>	<u>\$ 19,701</u>	<u>\$ 4,962,837</u>

Village of Downers Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Motor Fuel Tax	Foreign Fire	Odgen TIF	Tax Rebate	Transportation	Total
REVENUES						
Sales tax	\$ -	\$ -	\$ -	\$ 607,382	\$ -	\$ 607,382
Property tax	-	-	788,512	-	-	788,512
Other taxes	-	78,474	-	-	134,659	213,133
Intergovernmental	1,468,966	-	-	-	26,534	1,495,500
Charges for services & fees	-	-	-	-	113,777	113,777
Investment income	555	608	11,221	-	-	12,384
Total revenues	<u>1,469,521</u>	<u>79,082</u>	<u>799,733</u>	<u>607,382</u>	<u>274,970</u>	<u>3,230,688</u>
EXPENDITURES						
Current						
General government	-	-	-	607,382	-	607,382
Public works	1,100,000	-	641	-	265,336	1,365,977
Community development	-	-	124,017	-	-	124,017
Public safety	-	33,783	-	-	-	33,783
Total expenditures	<u>1,100,000</u>	<u>33,783</u>	<u>124,658</u>	<u>607,382</u>	<u>265,336</u>	<u>2,131,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>369,521</u>	<u>45,299</u>	<u>675,075</u>	<u>-</u>	<u>9,634</u>	<u>1,099,529</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	369,521	45,299	675,075	-	9,634	1,099,529
Fund balances -- beginning	<u>14,079</u>	<u>184,174</u>	<u>2,679,836</u>	<u>-</u>	<u>(1,954,137)</u>	<u>923,952</u>
Fund balances -- ending	<u>\$ 383,600</u>	<u>\$ 229,473</u>	<u>\$ 3,354,911</u>	<u>-</u>	<u>\$ (1,944,503)</u>	<u>\$ 2,023,481</u>

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, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,100,000	\$ 1,100,000	\$ 1,468,966	\$ 368,966
Investment income	4,100	4,100	555	(3,545)
Total revenues	<u>1,104,100</u>	<u>1,104,100</u>	<u>1,469,521</u>	<u>365,421</u>
EXPENDITURES				
Public works	1,100,000	1,100,000	1,100,000	-
Total current	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	-
Total expenditures	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	-
Excess (deficiency) of revenues over(under) expenditures	<u>4,100</u>	<u>4,100</u>	<u>369,521</u>	<u>365,421</u>
Net change in fund balances	4,100	4,100	369,521	<u>\$ 365,421</u>
Fund balances -- beginning	<u>14,079</u>	<u>14,079</u>	<u>14,079</u>	
Fund balances -- ending	<u>\$ 18,179</u>	<u>\$ 18,179</u>	<u>\$ 383,600</u>	

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, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Foreign fire insurance tax	\$ 65,000	\$ 65,000	\$ 78,474	\$ 13,474
Investment income	300	300	608	308
Total revenues	<u>65,300</u>	<u>65,300</u>	<u>79,082</u>	<u>13,782</u>
EXPENDITURES				
Current				
Public safety	<u>78,300</u>	<u>78,300</u>	<u>33,783</u>	<u>(44,517)</u>
Total current	<u>78,300</u>	<u>78,300</u>	<u>33,783</u>	<u>(44,517)</u>
Total expenditures	<u>78,300</u>	<u>78,300</u>	<u>33,783</u>	<u>(44,517)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,000)</u>	<u>(13,000)</u>	<u>45,299</u>	<u>58,299</u>
Net change in fund balances	(13,000)	(13,000)	45,299	<u>\$ 58,299</u>
Fund balances -- beginning	<u>184,174</u>	<u>184,174</u>	<u>184,174</u>	
Fund balances -- ending	<u>\$ 171,174</u>	<u>\$ 171,174</u>	<u>\$ 229,473</u>	

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, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property tax	\$ 777,098	\$ 777,098	\$ 788,512	\$ 11,414
Investment income	5,350	5,350	11,221	5,871
Total revenues	<u>782,448</u>	<u>782,448</u>	<u>799,733</u>	<u>17,285</u>
EXPENDITURES				
Current				
Public works	2,255,000	2,255,000	641	(2,254,359)
Community development	126,200	126,200	124,017	(2,183)
Total current	<u>2,381,200</u>	<u>2,381,200</u>	<u>124,658</u>	<u>(2,256,542)</u>
Total expenditures	<u>2,381,200</u>	<u>2,381,200</u>	<u>124,658</u>	<u>(2,256,542)</u>
Net change in fund balances	(1,598,752)	(1,598,752)	675,075	<u>\$ 2,273,827</u>
Fund balances -- beginning	<u>2,679,836</u>	<u>2,679,836</u>	<u>2,679,836</u>	
Fund balances -- ending	<u>\$ 1,081,084</u>	<u>\$ 1,081,084</u>	<u>\$ 3,354,911</u>	

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, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Sales tax	\$ 700,000	\$ 700,000	\$ 607,382	\$ (92,618)
Total revenues	<u>700,000</u>	<u>700,000</u>	<u>607,382</u>	<u>(92,618)</u>
EXPENDITURES				
Current				
General government	700,000	700,000	607,382	(92,618)
Total current	<u>700,000</u>	<u>700,000</u>	<u>607,382</u>	<u>(92,618)</u>
Total expenditures	<u>700,000</u>	<u>700,000</u>	<u>607,382</u>	<u>(92,618)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	<u>\$ -</u>
Fund balances -- beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balances -- ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	

Village of Downers Grove
Transportation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Local fuel tax	\$ 140,000	\$ 140,000	\$ 134,659	\$ (5,341)
Intergovernmental	40,000	40,000	26,534	(13,466)
Charges for services & fees	107,000	107,000	113,777	6,777
Total revenues	<u>287,000</u>	<u>287,000</u>	<u>274,970</u>	<u>(12,030)</u>
EXPENDITURES				
Current				
Public works	<u>265,452</u>	<u>265,452</u>	<u>265,336</u>	<u>(115)</u>
Total current	<u>265,452</u>	<u>265,452</u>	<u>265,336</u>	<u>(115)</u>
Total expenditures	<u>265,452</u>	<u>265,452</u>	<u>265,336</u>	<u>(115)</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>21,548</u>	<u>21,548</u>	<u>9,634</u>	<u>(11,914)</u>
Net change in fund balances				
	21,548	21,548	9,634	<u>\$ (11,914)</u>
Fund balances -- beginning	<u>(1,954,136)</u>	<u>(1,954,136)</u>	<u>(1,954,137)</u>	
Fund balances -- ending	<u>(\$ 1,932,588)</u>	<u>(\$ 1,932,588)</u>	<u>(\$ 1,944,503)</u>	

Village of Downers Grove
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2010

	Fairview Avenue	Downtown TIF	Stormwater/ Facilities	Total
ASSETS				
Cash and investments	\$ -	\$ 242,074	\$ -	\$ 242,074
Local fuel tax receivable	23,264	-	-	23,264
Total assets	<u>23,264</u>	<u>242,074</u>	<u>-</u>	<u>265,338</u>
LIABILITIES AND FUND BALANCES				
Due to other funds	<u>6,505</u>	<u>-</u>	<u>-</u>	<u>6,505</u>
Total liabilities	<u>6,505</u>	<u>-</u>	<u>-</u>	<u>6,505</u>
FUND BALANCES				
Unreserved	<u>16,759</u>	<u>242,074</u>	<u>-</u>	<u>258,833</u>
Total fund balances	<u>16,759</u>	<u>242,074</u>	<u>-</u>	<u>258,833</u>
Total liabilities and fund balances	<u>\$ 23,264</u>	<u>\$ 242,074</u>	<u>-</u>	<u>\$ 265,338</u>

Village of Downers Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2010

	Fairview Avenue	Downtown TIF	Stormwater/ Facilities	Total
REVENUES				
Local fuel tax	\$ 201,990	\$ -	\$ -	\$ 201,990
Investment income	-	1,571	-	1,571
Total revenues	<u>201,990</u>	<u>1,571</u>	<u>-</u>	<u>203,561</u>
EXPENDITURES				
Debt service				
Principal retirement	225,000	1,415,000	3,170,000	4,810,000
Interest and other	49,324	1,492,965	1,464,657	3,006,946
Issuance costs	-	167,928	-	167,928
Total expenditures	<u>274,324</u>	<u>3,075,893</u>	<u>4,634,657</u>	<u>7,984,874</u>
Deficiency of revenues (under) expenditures	<u>(72,334)</u>	<u>(3,074,322)</u>	<u>(4,634,657)</u>	<u>(7,781,313)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,375,431	4,634,657	7,010,088
Refunding bonds issued	-	10,955,000	-	10,955,000
Payment to escrow agent	-	(11,789,843)	-	(11,789,843)
Bond premium	-	1,009,322	-	1,009,322
Total other financing sources (uses)	<u>-</u>	<u>2,549,910</u>	<u>4,634,657</u>	<u>7,184,567</u>
Net change in fund balances	(72,334)	(524,412)	-	(596,746)
Fund balances -- beginning	<u>89,093</u>	<u>766,486</u>	<u>-</u>	<u>855,579</u>
Fund balances -- ending	<u>\$ 16,759</u>	<u>\$ 242,074</u>	<u>\$ -</u>	<u>\$ 258,833</u>

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, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Local fuel tax	\$ 210,000	\$ 210,000	\$ 201,990	\$ (8,010)
Total revenues	<u>210,000</u>	<u>210,000</u>	<u>201,990</u>	<u>(8,010)</u>
EXPENDITURES				
Debt service				
Principal retirement	225,000	225,000	225,000	-
Interest	<u>49,324</u>	<u>49,324</u>	<u>49,324</u>	<u>-</u>
Total debt service	<u>274,324</u>	<u>274,324</u>	<u>274,324</u>	<u>-</u>
Total expenditures	<u>274,324</u>	<u>274,324</u>	<u>274,324</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(64,324)</u>	<u>(64,324)</u>	<u>(72,334)</u>	<u>(8,010)</u>
Net change in fund balances	(64,324)	(64,324)	(72,334)	<u>\$ (8,010)</u>
Fund balances -- beginning	<u>116,402</u>	<u>116,402</u>	<u>89,093</u>	
Fund balances -- ending	<u>\$ 52,078</u>	<u>\$ 52,078</u>	<u>\$ 16,759</u>	

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, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Grants	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
Interest earned on investments	-	-	1,571	\$ 1,571
Total revenues	500,000	500,000	1,571	(498,429)
EXPENDITURES				
Debt service				
Principal retirement	1,415,000	1,415,000	1,415,000	-
Interest and other	1,460,427	1,460,427	1,492,965	32,538
Issuance costs	-	-	167,928	167,928
Total debt service	2,875,427	2,875,427	3,075,893	200,467
Total expenditures	2,875,427	2,875,427	3,075,893	200,467
(Deficiency) of revenues				
(under) expenditures	(2,375,427)	(2,375,427)	(3,074,322)	(698,896)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,375,429	2,375,429	2,375,431	2
Refunding bonds issued	-	-	10,955,000	10,955,000
Bond premium	-	-	1,009,322	1,009,322
Payment to escrow agent	-	(12,000,000)	(11,789,843)	210,157
Total other financing sources (uses)	2,375,429	(9,624,571)	2,549,910	12,174,481
Net change in fund balances	2	(11,999,998)	(524,412)	11,475,585
Fund balances -- beginning	765,144	765,144	766,486	
Fund balances -- ending	\$ 765,146	\$ (11,234,854)	\$ 242,074	

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, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service				
Principal retirement	3,170,000	3,170,000	3,170,000	-
Interest	1,464,657	1,464,657	1,464,657	-
Total debt service	4,634,657	4,634,657	4,634,657	-
Total expenditures	4,634,657	4,634,657	4,634,657	-
Excess (deficiency) of revenues over (under) expenditures	(4,634,657)	(4,634,657)	(4,634,657)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	4,634,657	4,634,657	4,634,657	-
Total other financing sources (uses)	4,634,657	4,634,657	4,634,657	-
Net change in fund balances	-	-	-	\$ -
Fund balances -- beginning	-	-	-	
Fund balances -- ending	\$ -	\$ -	\$ -	

Village of Downers Grove
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010

	Municipal Buildings	Real Estate	Total
ASSETS			
Cash and investments	\$ 262,700	\$ 297,260	\$ 559,960
Accounts receivable	-	5,750	5,750
Total assets	<u>262,700</u>	<u>303,010</u>	<u>565,710</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	-	5,281	5,281
Deposits payable	-	7,595	7,595
Total liabilities	<u>-</u>	<u>12,876</u>	<u>12,876</u>
FUND BALANCES			
Unreserved	262,700	290,134	552,834
Total fund balances	<u>262,700</u>	<u>290,134</u>	<u>552,834</u>
Total liabilities and fund balances	<u>\$ 262,700</u>	<u>\$ 303,010</u>	<u>\$ 565,710</u>

Village of Downers Grove
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2010

	Municipal Buildings	Real Estate	Total
REVENUES			
Charges for services & fees	\$ -	\$ 97,204	\$ 97,204
Investment income	<u>943</u>	<u>137</u>	<u>1,080</u>
Total revenues	<u>943</u>	<u>97,341</u>	<u>98,284</u>
EXPENDITURES			
Current			
General government	<u>39,818</u>	<u>94,636</u>	<u>134,454</u>
Total current	<u>39,818</u>	<u>94,636</u>	<u>134,454</u>
Capital Outlay			
General government	<u>255,913</u>	<u>-</u>	<u>255,913</u>
Total capital outlay	<u>255,913</u>	<u>-</u>	<u>255,913</u>
Total expenditures	<u>295,731</u>	<u>94,636</u>	<u>390,367</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(294,788)</u>	<u>2,705</u>	<u>(292,083)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(249,996)</u>	<u>-</u>	<u>(249,996)</u>
Total other financing sources (uses)	<u>(249,996)</u>	<u>-</u>	<u>(249,996)</u>
Net change in fund balance	(544,784)	2,705	(542,079)
Fund balances -- beginning	<u>807,484</u>	<u>287,429</u>	<u>1,094,913</u>
Fund balances -- ending	<u><u>\$ 262,700</u></u>	<u><u>\$ 290,134</u></u>	<u><u>\$ 552,834</u></u>

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, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment income	\$ -	\$ -	\$ 943	\$ 943
Total revenues	<u>-</u>	<u>-</u>	<u>943</u>	<u>943</u>
EXPENDITURES				
Current				
General government	<u>-</u>	<u>-</u>	<u>39,818</u>	<u>39,818</u>
Total current	<u>-</u>	<u>-</u>	<u>39,818</u>	<u>39,818</u>
Capital outlay				
General government	<u>150,000</u>	<u>315,000</u>	<u>255,913</u>	<u>(59,087)</u>
Total capital outlay	<u>150,000</u>	<u>315,000</u>	<u>255,913</u>	<u>(59,087)</u>
Total expenditures	<u>150,000</u>	<u>315,000</u>	<u>295,731</u>	<u>(19,269)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(150,000)</u>	<u>(315,000)</u>	<u>(294,788)</u>	<u>(20,212)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(249,996)</u>	<u>(4)</u>
Total other financing sources (uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(249,996)</u>	<u>(4)</u>
Net change in fund balances	<u>(400,000)</u>	<u>(565,000)</u>	<u>(544,784)</u>	<u>\$ (20,216)</u>
Fund balances -- beginning	<u>807,484</u>	<u>807,484</u>	<u>807,484</u>	
Fund balances -- ending	<u>\$ 407,484</u>	<u>\$ 242,484</u>	<u>\$ 262,700</u>	

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, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for services & fees	\$ 77,000	\$ 77,000	\$ 97,204	\$ 20,204
Investment income	400	400	137	(263)
Total revenues	<u>77,400</u>	<u>77,400</u>	<u>97,341</u>	<u>19,941</u>
EXPENDITURES				
Current				
General government	94,990	94,990	94,636	(354)
Total current	<u>94,990</u>	<u>94,990</u>	<u>94,636</u>	<u>(354)</u>
Total expenditures	<u>94,990</u>	<u>94,990</u>	<u>94,636</u>	<u>(354)</u>
Excess of revenues over expenditures	<u>(17,590)</u>	<u>(17,590)</u>	<u>2,705</u>	<u>20,295</u>
Net change in fund balances	<u>(17,590)</u>	<u>(17,590)</u>	<u>2,705</u>	<u>\$ 20,295</u>
Fund balances -- beginning	<u>287,429</u>	<u>287,429</u>	<u>287,429</u>	
Fund balances -- ending	<u>\$ 269,839</u>	<u>\$ 269,839</u>	<u>\$ 290,134</u>	

Village of Downers Grove
Waterworks Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Water financial services				
Personnel services	\$ 101,888	\$ 101,888	\$ 102,915	\$ 1,027
Supplies	-	-	105	105
Contractual services	132,500	132,500	92,439	(40,061)
Total	<u>234,388</u>	<u>234,388</u>	<u>195,459</u>	<u>(38,929)</u>
Water administration				
Personnel services	314,811	314,811	332,468	17,657
Supplies	14,555	14,555	10,832	(3,723)
Contractual services	41,786	41,786	35,452	(6,334)
Other charges and services	1,309,253	1,309,253	1,309,260	7
Total	<u>1,680,405</u>	<u>1,680,405</u>	<u>1,688,012</u>	<u>7,607</u>
Water pumping and treatment				
Personnel services	98,060	98,060	88,054	(10,006)
Supplies	10,140	10,140	15,021	4,881
Contractual services	136,529	136,529	81,092	(55,437)
Other charges and services	8,786	8,786	30,622	21,836
Capital outlay	100,000	100,000	160,089	60,089
Total	<u>353,515</u>	<u>353,515</u>	<u>374,878</u>	<u>21,363</u>
Water transmission and distribution				
Personnel services	652,881	652,881	686,481	33,600
Supplies	224,991	224,991	173,208	(51,783)
Contractual services	617,900	617,900	272,505	(345,395)
Other charges and services	71,286	71,286	51,497	(19,789)
Capital Outlay	2,127,700	2,127,700	743,112	(1,384,588)
Total	<u>3,694,758</u>	<u>3,694,758</u>	<u>1,926,803</u>	<u>(1,767,955)</u>
DuPage Water Commission				
Supplies	<u>4,129,274</u>	<u>4,129,274</u>	<u>4,004,275</u>	<u>(124,999)</u>
Depreciation	<u>-</u>	<u>-</u>	<u>917,676</u>	<u>917,676</u>
Less assets capitalized	<u>-</u>	<u>-</u>	<u>(903,201)</u>	<u>(903,201)</u>
Total operating expenses	<u>\$ 10,092,340</u>	<u>\$ 10,092,340</u>	<u>\$ 8,203,902</u>	<u>\$ (1,888,437)</u>

Village of Downers Grove
Parking Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Non-deck parking operations				
Supplies	\$ 9,000	\$ 9,000	\$ 2,419	\$ (6,581)
Contractual services	61,000	61,000	15,146	(45,854)
Other charges and services	85,000	85,000	5,000	(80,000)
Total	155,000	155,000	22,565	(132,435)
Parking deck operations				
Supplies	19,000	19,000	3,983	(15,017)
Contractual services	43,300	43,300	78,388	35,088
Other charges and services	25,000	25,000	2,149	(22,851)
Total	87,300	87,300	84,520	(2,780)
Enforcement				
Personnel services	256,789	256,789	169,626	(87,163)
Supplies	2,375	2,375	1,171	(1,204)
Contractual services	10,400	10,400	10,942	542
Other charges and services	541,615	541,615	541,620	5
Total	811,179	811,179	723,359	(87,820)
Depreciation	-	-	16,515	16,515
Total operating expenses	\$ 1,053,479	\$ 1,053,479	\$ 846,960	\$ (206,520)

Village of Downers Grove
Combining Statement of Net Assets
Internal Service Funds
December 31, 2010

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
ASSETS					
Current assets					
Cash and investments	\$ 2,211,868	\$ 423,665	\$ 774,292	\$ 763,781	\$ 4,173,606
Accounts receivable	-	3,140	243,323	708,660	955,123
Prepaid expense	-	-	66,551	-	66,551
Inventory	-	125,443	-	-	125,443
Deposits	-	-	75,000	-	75,000
Total Current assets	<u>2,211,868</u>	<u>552,248</u>	<u>1,159,166</u>	<u>1,472,441</u>	<u>5,395,723</u>
Noncurrent assets					
Capital assets being depreciated	9,110,770	1,027,698	-	-	10,138,468
Accumulated depreciation	(4,929,805)	(639,255)	-	-	(5,569,060)
Total Noncurrent assets	<u>4,180,965</u>	<u>388,443</u>	<u>-</u>	<u>-</u>	<u>4,569,408</u>
Total assets	<u>6,392,833</u>	<u>940,691</u>	<u>1,159,166</u>	<u>1,472,441</u>	<u>9,965,131</u>
LIABILITIES					
Current liabilities					
Accounts payable	13,833	97,423	3,034	9,014	123,304
Other payables	-	-	30,044	-	30,044
Compensated absences	-	14,785	10,433	15,432	40,650
Claims payable	-	-	580,912	848,050	1,428,962
Total Current liabilities	<u>13,833</u>	<u>112,208</u>	<u>624,423</u>	<u>872,496</u>	<u>1,622,960</u>
Noncurrent liabilities					
Claims payable	-	-	-	1,922,732	1,922,732
Other post-employment benefits	-	87,552	20,620	26,658	134,830
Compensated absences	-	34,499	24,344	36,007	94,850
Net pension obligation	-	7,201	1,676	2,101	10,978
Total Noncurrent liabilities	<u>-</u>	<u>129,252</u>	<u>46,640</u>	<u>1,987,498</u>	<u>2,163,390</u>
Total liabilities	<u>13,833</u>	<u>241,460</u>	<u>671,063</u>	<u>2,859,994</u>	<u>3,786,350</u>
NET ASSETS					
Invested in capital assets, net of related debt	4,180,965	388,443	-	-	4,569,408
Unrestricted (deficit)	2,198,035	310,788	488,103	(1,387,553)	1,609,373
Total net assets	<u>\$ 6,379,000</u>	<u>\$ 699,231</u>	<u>\$ 488,103</u>	<u>\$ (1,387,553)</u>	<u>\$ 6,178,781</u>

Village of Downers Grove
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2010

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
Operating revenues					
Sales	\$ -	\$ 111,059	\$ -	\$ -	\$ 111,059
Interfund services	1,184,880	1,238,580	4,087,758	1,999,992	8,511,210
Insurance premiums	-	-	1,783,476	-	1,783,476
Other	-	-	198,425	24,454	222,879
Total operating revenues	<u>1,184,880</u>	<u>1,349,639</u>	<u>6,069,659</u>	<u>2,024,446</u>	<u>10,628,624</u>
Operating expenses					
Personnel services	-	518,375	120,261	144,481	783,117
Supplies	-	664,232	464	246	664,942
Contractual services	-	221,917	735,288	419,747	1,376,952
Other charges and services	59,788	154,270	5,792,242	1,226,595	7,232,895
Depreciation	734,291	39,451	-	-	773,742
Total operating expenses	<u>794,079</u>	<u>1,598,245</u>	<u>6,648,255</u>	<u>1,791,069</u>	<u>10,831,648</u>
Operating Income (loss)	<u>390,801</u>	<u>(248,606)</u>	<u>(578,596)</u>	<u>233,377</u>	<u>(203,024)</u>
Nonoperating revenues (expenses)					
Intergovernmental	-	7,023	-	-	7,023
Investment income	1,204	-	290	1,015	2,509
Miscellaneous	70,201	-	-	-	70,201
Total non operating revenue (expenses)	<u>71,405</u>	<u>7,023</u>	<u>290</u>	<u>1,015</u>	<u>79,733</u>
Income (loss) before transfers	<u>462,206</u>	<u>(241,583)</u>	<u>(578,306)</u>	<u>234,392</u>	<u>(123,291)</u>
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,992</u>	<u>199,992</u>
Change in net assets	<u>462,206</u>	<u>(241,583)</u>	<u>(578,306)</u>	<u>434,384</u>	<u>76,701</u>
Total net assets -- beginning	<u>5,916,794</u>	<u>940,814</u>	<u>1,066,409</u>	<u>(1,821,937)</u>	<u>6,102,080</u>
Total net assets -- ending	<u>\$ 6,379,000</u>	<u>\$ 699,231</u>	<u>\$ 488,103</u>	<u>(\$ 1,387,553)</u>	<u>\$ 6,178,781</u>

Village of Downers Grove
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services	\$ 1,184,880	\$ 1,238,580	\$ 4,286,418	\$ 2,016,422	\$ 8,726,300
Receipts from customers	70,201	114,766	1,580,315	15,572	1,780,854
Other payments	-	(44,145)	(5,646,286)	(1,551,405)	(7,241,836)
Payments to employees	-	(518,397)	(138,810)	(141,401)	(798,608)
Payments for interfund services	-	(110,124)	(75,792)	-	(185,916)
Payments to suppliers	(47,091)	(892,807)	(737,742)	(419,033)	(2,096,673)
Net cash provided (used) by operating activities	<u>1,207,990</u>	<u>(212,127)</u>	<u>(731,897)</u>	<u>(79,845)</u>	<u>184,121</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant proceeds	-	7,023	-	-	7,023
Transfers in	-	-	-	199,992	199,992
Net cash provided (used) by non-capital activities	<u>-</u>	<u>7,023</u>	<u>-</u>	<u>199,992</u>	<u>207,015</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(199,809)	-	-	-	(199,809)
Net cash provided (used) by capital activities	<u>(199,809)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(199,809)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	1,204	-	290	1,015	2,510
Net cash provided (used) by investing activities	<u>1,204</u>	<u>-</u>	<u>290</u>	<u>1,015</u>	<u>2,510</u>
	<u>1,009,385</u>	<u>(205,104)</u>	<u>(731,607)</u>	<u>121,163</u>	<u>193,837</u>
Cash and investments - beginning of year	1,202,483	628,769	1,505,899	642,618	3,979,769
Cash and investments - end of the year	<u>\$ 2,211,868</u>	<u>\$ 423,665</u>	<u>\$ 774,292</u>	<u>\$ 763,781</u>	<u>\$ 4,173,606</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	390,801	(248,606)	(578,596)	233,377	(203,024)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	734,291	39,451	-	-	773,742
Non-Operating Revenues	70,201	-	-	-	70,201
Change in assets and liabilities					
Accounts payable	12,697	8,182	(25,129)	959	(3,291)
Compensated absences	-	435	1,671	1,889	3,995
Accounts receivable	-	3,710	(178,538)	7,550	(167,278)
Due from other funds	-	-	236	-	236
Other post-employment benefits	-	(7,659)	1,243	(910)	(7,326)
Prepays	-	-	(24,623)	-	(24,623)
Inventory	-	(14,841)	-	-	(14,841)
Claims payable	-	-	70,164	(324,811)	(254,647)
Net Pension Obligation	-	7,201	1,676	2,101	10,978
Net cash provided by operating activities	<u>\$ 1,207,990</u>	<u>(\$ 212,127)</u>	<u>(\$ 731,897)</u>	<u>(\$ 79,845)</u>	<u>\$ 184,121</u>

Village of Downers Grove
Equipment Replacement Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Other charges and services	\$ 190,800	\$ 190,800	\$ 59,788	\$ (131,012)
Capital outlay	549,507	549,507	218,437	(331,070)
Less assets capitalized	-	-	(218,437)	(218,437)
Subtotal	740,307	740,307	59,788	(680,519)
Depreciation	-	-	734,291	734,291
Total operating expenses	\$ 740,307	\$ 740,307	\$ 794,079	\$ 53,771

Village of Downers Grove
Fleet Services Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	\$ 560,972	\$ 560,972	\$ 518,375	\$ (42,597)
Supplies	779,937	779,937	664,232	(115,705)
Contractual services	131,230	131,230	221,917	90,687
Other charges and services	275,837	275,837	154,270	(121,567)
Subtotal	1,747,976	1,747,976	1,558,794	(189,182)
Depreciation	-	-	39,451	39,451
Total operating expenses	\$ 1,747,976	\$ 1,747,976	\$ 1,598,245	\$ (149,732)

Village of Downers Grove
Health Insurance Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Health administration				
Personnel services	\$ 117,196	\$ 117,196	\$ 120,261	\$ 3,065
Supplies	675	675	464	(211)
Contractual services	119,515	119,515	110,397	(9,118)
Other charges and services	550	550	552	2
Total	<u>237,936</u>	<u>237,936</u>	<u>231,674</u>	<u>(6,262)</u>
Vision insurance				
Contractual services	45,000	45,000	43,515	(1,485)
Other charges and services	-	-	250	250
Total	<u>45,000</u>	<u>45,000</u>	<u>43,765</u>	<u>(1,485)</u>
Medical insurance				
Contractual services	633,380	633,380	564,222	(69,158)
Other charges and services	4,914,165	5,414,165	5,357,682	(56,483)
Total	<u>5,547,545</u>	<u>6,047,545</u>	<u>5,921,904</u>	<u>(125,641)</u>
Dental insurance				
Contractual services	20,000	20,000	17,154	(2,846)
Other charges and services	400,000	400,000	433,758	33,758
Total	<u>420,000</u>	<u>420,000</u>	<u>450,912</u>	<u>30,912</u>
Total operating expenses	<u>\$ 6,250,481</u>	<u>\$ 6,750,481</u>	<u>\$ 6,648,255</u>	<u>\$ (102,476)</u>

Village of Downers Grove
Risk Management Fund
Schedule of Operating Expenses - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	\$ 143,602	\$ 143,602	\$ 144,481	\$ 879
Supplies	600	600	246	(354)
Contractual services	490,532	490,532	419,747	(70,785)
Other charges and services	1,575,250	1,575,250	1,226,595	(348,655)
Total operating expenses	\$ 2,209,984	\$ 2,209,984	\$ 1,791,069	\$ (418,915)

Village of Downers Grove, Illinois
Pension Trust Funds
Combining Statement of Net Assets
December 31, 2010

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 875,592	\$ 813,166	\$ 1,688,758
Investments			
U.S. obligations	18,482,551	15,451,388	33,933,939
Corporate bonds	676,708	948,989	1,625,697
Municipal bonds	-	251,598	251,598
Mutual funds - equity	13,259,187	14,504,440	27,763,627
Common and Preferred Stocks	4,245,839	-	4,245,839
Prepays	5,250	4,250	9,500
Interest receivable	162,680	130,355	293,035
Total assets	37,707,807	32,104,186	69,811,993
LIABILITIES			
Accounts payable	27,153	6,021	33,173
Total liabilities	27,153	6,021	33,173
NET ASSETS			
Held in trust for pension benefits	\$ 37,680,654	\$ 32,098,165	\$ 69,778,820

Village of Downers Grove
Combining Statement of Changes in Net Assets
Pension Trust Funds
For the Year Ended December 31, 2010

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Contributions - employer	\$ 1,719,379	\$ 1,997,659	\$ 3,717,038
Contributions - employees	647,380	640,995	1,288,375
Total contributions	<u>2,366,759</u>	<u>2,638,654</u>	<u>5,005,413</u>
Investment earnings			
Net appreciation in fair value of investments	2,859,026	2,062,480	4,921,506
Interest earned on investments	931,044	888,913	1,819,957
Less investment expense	(105,824)	(64,489)	(170,313)
Net investment earnings (loss)	<u>3,684,246</u>	<u>2,886,904</u>	<u>6,571,150</u>
Total additions	<u>6,051,005</u>	<u>5,525,558</u>	<u>11,576,563</u>
DEDUCTIONS			
Contractual services	27,732	25,441	53,173
Other charges and services	6,648	6,648	13,296
Benefits and refunds	2,218,221	1,828,634	4,046,854
Total deductions	<u>2,252,601</u>	<u>1,860,723</u>	<u>4,113,323</u>
Change in Net Assets	3,798,404	3,664,835	7,463,240
Net Assets - beginning of the year	<u>33,882,250</u>	<u>28,433,330</u>	<u>62,315,580</u>
Net Assets - end of the year	<u>\$ 37,680,654</u>	<u>\$ 32,098,165</u>	<u>\$ 69,778,820</u>

Village of Downers Grove
Police Pension Fund
Schedule of Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance
ADDITIONS				
Contributions - employer	\$ 1,705,508	\$ 1,705,508	\$ 1,719,379	\$ 13,871
Contributions - employees	660,000	660,000	647,380	(12,620)
Total contributions	<u>2,365,508</u>	<u>2,365,508</u>	<u>2,366,759</u>	<u>1,251</u>
Investment earnings				
Net appreciation in fair value of investments	250,000	250,000	2,859,026	2,609,026
Interest earned on investments	600,000	600,000	931,044	331,044
Less investment expense	(84,500)	(84,500)	(105,824)	(21,324)
Net investment earnings (loss)	<u>765,500</u>	<u>765,500</u>	<u>3,684,246</u>	<u>2,918,746</u>
Total additions	<u>3,131,008</u>	<u>3,131,008</u>	<u>6,051,005</u>	<u>2,919,997</u>
DEDUCTIONS				
Supplies	650	650	-	650
Contractual services	28,000	28,000	27,732	268
Other charges and services	6,652	6,652	6,648	4
Benefits and refunds	<u>2,318,000</u>	<u>2,318,000</u>	<u>2,218,221</u>	<u>99,779</u>
Total deductions	<u>2,353,302</u>	<u>2,353,302</u>	<u>2,252,601</u>	<u>100,701</u>
Net Change in Net Assets	<u>\$ 777,706</u>	<u>\$ 777,706</u>	<u>3,798,404</u>	<u>\$ 3,020,698</u>
Net assets held in trust for pension benefits				
Beginning			<u>33,882,250</u>	
Ending			<u>\$ 37,680,654</u>	

Village of Downers Grove
Firefighters' Pension Fund
Schedule of Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance
ADDITIONS				
Contributions - employer	\$ 1,979,952	\$ 1,979,952	\$ 1,997,659	\$ 17,707
Contributions - employees	580,000	580,000	640,995	60,995
Total contributions	2,559,952	2,559,952	2,638,654	78,702
Investment earnings				
Net appreciation in fair value of investments	300,000	300,000	2,062,480	1,762,480
Interest earned on investments	490,000	490,000	888,913	398,913
Less investment expense	(69,500)	(69,500)	(64,489)	5,011
Net investment earnings (loss)	720,500	720,500	2,886,904	2,166,404
Total additions	3,280,452	3,280,452	5,525,558	2,245,106
DEDUCTIONS				
Supplies	20	20	-	20
Contractual services	25,465	25,465	25,441	24
Other charges and services	6,652	6,652	6,648	4
Benefits and refunds	1,937,000	1,937,000	1,828,634	108,366
Total deductions	1,969,137	1,969,137	1,860,723	108,414
Net Change in Net Assets	\$ 1,311,315	\$ 1,311,315	3,664,835	\$ 2,353,520
Net assets held in trust for pension benefits				
BEGINNING			28,433,330	
ENDING			\$ 32,098,165	

Village of Downers Grove
Construction Deposit Fund
Schedule of Changes in Assets and Liabilities
For the Year Ended December 31, 2010

	Balances January 1	Additions	Deductions	Balances December 31
ASSETS				
Cash and investments	\$ 1,757,887	\$ 1,637,166	\$ 1,778,157	\$ 1,616,896
Total assets	1,757,887	1,637,166	1,778,157	1,616,896
LIABILITIES				
Accounts payable	110,863	1,088,733	1,150,774	48,822
Deposits payable	1,647,024	1,043,587	1,122,537	1,568,074
Total liabilities	\$ 1,757,887	\$ 2,132,320	\$ 2,273,311	\$ 1,616,896

Village of Downers Grove
Statement of Net Assets and Governmental Funds Combining Balance Sheet
Library Component Unit
December 31, 2010

	General	Debt Service	Construction	Total	Adjustments	Statement of Net Assets
ASSETS						
Cash and investments	\$ 3,253,960	\$ 872,246	\$ 243,566	\$ 4,369,772	-	\$ 4,369,772
Property tax receivable	4,062,625	648,660	-	4,711,285	-	4,711,285
Accounts receivable	11	-	-	11	-	11
Accrued interest receivable	6,962	-	-	6,962	-	6,962
Unamortized debt issuance costs	-	-	-	-	61,974	61,974
Capital assets not being depreciated	-	-	-	-	222,211	222,211
Capital assets net accumulated depreciation	-	-	-	-	12,212,703	12,212,703
Total assets	<u>7,323,558</u>	<u>1,520,906</u>	<u>243,566</u>	<u>9,088,030</u>	<u>12,496,888</u>	<u>21,584,918</u>
LIABILITIES AND FUND BALANCES						
Current liabilities						
Accrued interest payable	-	-	-	-	68,490	68,490
Accounts payable	52,752	-	-	52,752	-	52,752
Deferred property taxes	4,024,744	648,660	-	4,673,404	-	4,673,404
Debt due within 1 year	-	-	-	-	531,794	531,794
Total Current liabilities	<u>4,077,496</u>	<u>648,660</u>	<u>-</u>	<u>4,726,156</u>	<u>600,284</u>	<u>5,326,440</u>
Noncurrent liabilities						
Debt due in more than 1 year	-	-	-	-	3,414,737	3,414,737
Total Noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,414,737</u>	<u>3,414,737</u>
Total liabilities	<u>4,077,496</u>	<u>648,660</u>	<u>-</u>	<u>4,726,156</u>	<u>4,015,021</u>	<u>8,741,177</u>
FUND BALANCE/NET ASSETS						
Unreserved Fund Balance	3,246,062	-	243,566	3,489,628	(3,489,628)	-
Reserved/Restricted for Debt Service	-	872,246	-	872,246	(68,489)	803,757
Invested in Capital Assets, Net of Related Debt	-	-	-	-	8,744,477	8,744,477
Unrestricted	-	-	-	-	3,295,507	3,295,507
Total fund balances/net assets	<u>\$ 3,246,062</u>	<u>\$ 872,246</u>	<u>\$ 243,566</u>	<u>\$ 4,361,874</u>	<u>\$ 8,481,867</u>	<u>\$ 12,843,741</u>

See accompanying notes to financial statements

Downers Grove Public Library
Component Unit
Statement of Activities and Governmental Fund
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances/Net Assets
For the Year Ended December 31, 2010

	General	Debt Service	Construction	Total	Adjustments	Statement of Activities
REVENUES						
Taxes	\$ 4,002,482	\$ 665,506	\$ -	\$ 4,667,988	\$ -	\$ 4,667,988
Intergovernmental	112,767	-	-	112,767	-	112,767
Charges for services	47,954	-	-	47,954	-	47,954
Fines	117,093	-	-	117,093	-	117,093
Investment income	11,422	1,045	-	12,467	-	12,467
Contributions & donations	3,623	-	-	3,623	-	3,623
Total revenues	<u>4,295,341</u>	<u>666,551</u>	<u>-</u>	<u>4,961,892</u>	<u>-</u>	<u>4,961,892</u>
EXPENDITURES						
Current						
Community services	3,307,571	-	-	3,307,571	1,366,421	4,673,992
Capital outlay	519,157	-	-	519,157	(519,157)	-
Debt service						
Principal retirement	-	505,000	-	505,000	(505,000)	-
Interest and fiscal charges	-	144,871	-	144,871	48,662	193,533
Total expenditures	<u>3,826,728</u>	<u>649,871</u>	<u>-</u>	<u>4,476,599</u>	<u>390,926</u>	<u>4,867,525</u>
Net change in fund balance/net assets	468,613	16,680	-	485,293	(390,926)	94,367
Fund balance/net assets, beginning	<u>2,777,449</u>	<u>855,566</u>	<u>243,566</u>	<u>3,876,581</u>	<u>8,872,793</u>	<u>12,749,372</u>
Fund balance/net assets, ending	<u>\$ 3,246,062</u>	<u>\$ 872,246</u>	<u>\$ 243,566</u>	<u>\$ 4,361,874</u>	<u>\$ 8,481,867</u>	<u>\$ 12,843,741</u>

See accompanying notes to financial statements

Downers Grove Public Library Component Unit
Library General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Property tax	\$ 3,965,265	\$ 3,965,265	\$ 4,002,482	\$ 37,217
Intergovernmental	111,260	111,260	112,767	1,507
Charges for services & fees	43,350	43,350	47,954	4,604
Fines	117,000	117,000	117,093	93
Investment income	39,653	39,653	11,422	(28,231)
Contributions & donations	10,000	10,000	3,623	(6,377)
Total revenues	<u>4,286,528</u>	<u>4,286,528</u>	<u>4,295,341</u>	<u>8,813</u>
EXPENDITURES				
Current				
Community services	<u>3,617,656</u>	<u>3,617,656</u>	<u>3,307,571</u>	<u>(310,085)</u>
Total current	<u>3,617,656</u>	<u>3,617,656</u>	<u>3,307,571</u>	<u>(310,085)</u>
Capital outlay	<u>619,379</u>	<u>619,379</u>	<u>519,157</u>	<u>(100,222)</u>
Total expenditures	<u>4,237,035</u>	<u>4,237,035</u>	<u>3,826,728</u>	<u>(410,307)</u>
Excess of revenues over expenditures	<u>49,493</u>	<u>49,493</u>	<u>468,613</u>	<u>419,120</u>
Net change in fund balances	49,493	49,493	468,613	<u>\$ 419,120</u>
Fund balances -- beginning	<u>2,777,449</u>	<u>2,777,449</u>	<u>2,777,449</u>	
Fund balances -- ending	<u>\$ 2,826,942</u>	<u>\$ 2,826,942</u>	<u>\$ 3,246,062</u>	

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, 2010

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property tax	\$ 649,805	\$ 649,805	\$ 665,506	\$ 15,701
Investment income	5,000	5,000	1,045	(3,955)
Total revenues	<u>654,805</u>	<u>654,805</u>	<u>666,551</u>	<u>11,746</u>
EXPENDITURES				
Debt service				
Principal retirement	505,000	505,000	505,000	-
Interest	<u>144,871</u>	<u>144,871</u>	<u>144,871</u>	<u>-</u>
Total debt service	<u>649,871</u>	<u>649,871</u>	<u>649,871</u>	<u>-</u>
Total expenditures	<u>649,871</u>	<u>649,871</u>	<u>649,871</u>	<u>-</u>
Excess of revenues over expenditures	<u>4,934</u>	<u>4,934</u>	<u>16,680</u>	<u>11,746</u>
Net change in fund balances	4,934	4,934	16,680	<u>\$ 11,746</u>
Fund balances -- beginning	<u>855,566</u>	<u>855,566</u>	<u>855,566</u>	
Fund balances -- ending	<u>\$ 860,500</u>	<u>\$ 860,500</u>	<u>\$ 872,246</u>	

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, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Investment income	\$ 3,730	\$ 3,730		\$ (3,730)
Total revenues	<u>3,730</u>	<u>3,730</u>	<u>-</u>	<u>(3,730)</u>
EXPENDITURES				
Capital outlay				
Community services	<u>75,000</u>	<u>75,000</u>		<u>(75,000)</u>
Total capital outlay	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Net change in fund balances	(71,270)	(71,270)	-	71,270
Fund balances -- beginning	<u>243,566</u>	<u>243,566</u>	<u>243,566</u>	
Fund balances -- ending	<u><u>\$ 172,296</u></u>	<u><u>\$ 172,296</u></u>	<u><u>\$ 243,566</u></u>	

Village of Downers Grove

Schedule of Insurance in Force
December 31, 2010

Insurance Company	Term	Description of Coverage
Chubb	05/01/10- 04/30/11	All Risk Property \$35,000,000 Excess of \$25,000
Everest National Insurance	05/01/10- 04/30/11	Excess GL/Auto/Crime/Fidelity/Terrorism Excess up to \$10,000,000, Retained Limit of \$1,000,000
Star Indemnity	05/01/10- 04/30/11	Excess GL/Auto/Crime/Fidelity/Terrorism Excess up to \$5,000,000, Retained Limit of \$10,000,000
Traveler's Insurance	05/01/10- 04/30/11	Excess GL/Auto \$20,000,000 Excess after the 1st Layer \$10,000,000
Safety National	05/01/10- 04/30/11	Workers' Compensation Full Statutory Benefits \$2,000,000 Excess of \$450,000

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2001
December 31, 2010

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2011	\$ 65,000	1,544	66,544	2011	\$ 1,544	2011	-
	<u>\$ 65,000</u>	<u>\$ 1,544</u>	<u>\$ 66,544</u>		<u>\$ 1,544</u>		<u>\$ -</u>

Bonds due January 1, 2012 through January 1, 2021 totaling \$5,775,000 were refunded in fiscal year 2010 from the proceeds of the G.O. Refunding Bonds, Series 2010A.

Village of Downers Grove

Long-Term Debt Requirements
General Obligation Bonds, Series 2001A
December 31, 2010

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2011	\$ 470,000	33,003	503,003	2011	\$ 21,848	2011	\$ 11,155
2012	485,000	11,155	496,155	2012	11,155	2012	-
	<u>\$ 955,000</u>	<u>\$ 44,158</u>	<u>\$ 999,158</u>		<u>\$ 33,003</u>		<u>\$ 11,155</u>

Village of Downers Grove
Long-Term Debt Requirements
General Obligation Bonds, Series 2002
December 31, 2010

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2011	\$ 100,000	7,400	107,400	2011	\$ 4,700	2011	\$ 2,700
2012	120,000	5,400	125,400	2012	2,700	2012	2,700
	<u>\$ 220,000</u>	<u>\$ 12,800</u>	<u>\$ 232,800</u>		<u>\$ 7,400</u>		<u>\$ 5,400</u>

Bonds due January 1, 2013 through January 1, 2021 totaling \$5,285,000 were refunded in fiscal year 2010 from the proceeds of the G.O. Refunding Bonds, Series 2010B.

Village of Downers Grove
Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2003
December 31, 2010

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2011	\$ 520,000	128,660	648,660	2011	\$ 68,490	2011	\$ 60,170
2012	535,000	111,780	646,780	2012	60,170	2012	51,610
2013	555,000	94,340	649,340	2013	51,610	2013	42,730
2014	570,000	75,913	645,913	2014	42,730	2014	33,183
2015	585,000	56,128	641,128	2015	33,183	2015	22,945
2016	610,000	34,758	644,758	2016	22,945	2016	11,813
2017	630,000	11,813	641,813	2017	11,813	2017	-
	<u>\$ 4,005,000</u>	<u>\$ 513,392</u>	<u>\$ 4,518,392</u>		<u>\$ 290,941</u>		<u>\$ 222,451</u>

Village of Downers Grove
Long-Term Debt Requirements
Taxable General Obligation Refunding Bonds, Series 2005
December 31, 2010

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2011	\$ 70,000	347,775	417,775	2011	\$ 174,500	2011	\$ 173,275
2012	80,000	345,150	425,150	2012	173,275	2012	171,875
2013	80,000	342,350	422,350	2013	171,875	2013	170,475
2014	840,000	326,250	1,166,250	2014	170,475	2014	155,775
2015	1,175,000	290,694	1,465,694	2015	155,775	2015	134,919
2016	1,365,000	245,268	1,610,268	2016	134,919	2016	110,349
2017	1,505,000	193,608	1,698,608	2017	110,349	2017	83,259
2018	1,735,000	134,420	1,869,420	2018	83,259	2018	51,161
2019	1,820,000	68,197	1,888,197	2019	51,161	2019	17,036
2020	885,000	17,036	902,036	2020	17,036	2020	-
	<u>\$ 9,555,000</u>	<u>\$ 2,310,748</u>	<u>\$ 11,865,748</u>		<u>\$ 1,242,624</u>		<u>\$ 1,068,124</u>

Village of Downers Grove
Long-Term Debt Requirements
General Obligation Bonds, Series 2007
December 31, 2010

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2011	\$ 350,000	354,308	704,308	2011	\$ 180,654	2011	\$ 173,654
2012	360,000	340,108	700,108	2012	173,654	2012	166,454
2013	375,000	325,408	700,408	2013	166,454	2013	158,954
2014	390,000	310,108	700,108	2014	158,954	2014	151,154
2015	400,000	291,308	691,308	2015	151,154	2015	140,154
2016	420,000	268,758	688,758	2016	140,154	2016	128,604
2017	435,000	249,051	684,051	2017	128,604	2017	120,447
2018	450,000	232,345	682,345	2018	120,447	2018	111,898
2019	470,000	214,748	684,748	2019	111,898	2019	102,850
2020	490,000	196,268	686,268	2020	102,850	2020	93,418
2021	500,000	177,085	677,085	2021	93,418	2021	83,667
2022	525,000	156,835	681,835	2022	83,667	2022	73,168
2023	550,000	135,335	685,335	2023	73,168	2023	62,167
2024	570,000	112,935	682,935	2024	62,167	2024	50,768
2025	595,000	89,635	684,635	2025	50,768	2025	38,867
2026	620,000	65,335	685,335	2026	38,867	2026	26,468
2027	645,000	40,035	685,035	2027	26,468	2027	13,567
2028	670,000	13,568	683,568	2028	13,568	2028	-
	<u>\$ 8,815,000</u>	<u>\$ 3,573,173</u>	<u>\$ 12,388,173</u>		<u>\$ 1,876,914</u>		<u>\$ 1,696,259</u>

Village of Downers Grove
Long-Term Debt Requirements
General Obligation Bonds, Series 2008A
December 31, 2010

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2011	\$ 2,965,000	966,150	3,931,150	2011	\$ 516,431	2011	\$ 449,719
2012	2,610,000	853,763	3,463,763	2012	449,719	2012	404,044
2013	345,000	802,050	1,147,050	2013	404,044	2013	398,006
2014	355,000	789,800	1,144,800	2014	398,006	2014	391,794
2015	370,000	776,187	1,146,187	2015	391,794	2015	384,393
2016	385,000	761,087	1,146,087	2016	384,393	2016	376,694
2017	400,000	745,387	1,145,387	2017	376,694	2017	368,693
2018	415,000	729,087	1,144,087	2018	368,693	2018	360,394
2019	430,000	710,038	1,140,038	2019	360,394	2019	349,644
2020	455,000	687,913	1,142,913	2020	349,644	2020	338,269
2021	475,000	664,663	1,139,663	2021	338,269	2021	326,394
2022	500,000	640,288	1,140,288	2022	326,394	2022	313,894
2023	525,000	614,663	1,139,663	2023	313,894	2023	300,769
2024	550,000	587,788	1,137,788	2024	300,769	2024	287,019
2025	580,000	559,538	1,139,538	2025	287,019	2025	272,519
2026	605,000	529,157	1,134,157	2026	272,519	2026	256,638
2027	640,000	496,476	1,136,476	2027	256,638	2027	239,838
2028	670,000	462,088	1,132,088	2028	239,838	2028	222,250
2029	705,000	426,875	1,131,875	2029	222,250	2029	204,625
2030	740,000	390,750	1,130,750	2030	204,625	2030	186,125
2031	780,000	352,750	1,132,750	2031	186,125	2031	166,625
2032	820,000	312,750	1,132,750	2032	166,625	2032	146,125
2033	860,000	270,750	1,130,750	2033	146,125	2033	124,625
2034	900,000	226,750	1,126,750	2034	124,625	2034	102,125
2035	950,000	180,500	1,130,500	2035	102,125	2035	78,375
2036	995,000	131,875	1,126,875	2036	78,375	2036	53,500
2037	1,045,000	80,873	1,125,873	2037	53,500	2037	27,373
2038	1,095,000	27,373	1,122,373	2038	27,373	2038	-
	<u>\$ 22,165,000</u>	<u>\$ 14,777,369</u>	<u>\$ 36,942,369</u>		<u>\$ 7,646,900</u>		<u>\$ 7,130,469</u>

Village of Downers Grove
Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2008B
December 31, 2010

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2011	\$ 335,000	161,675	496,675	2011	\$ 83,350	2011	\$ 78,325
2012	625,000	145,713	770,713	2012	78,325	2012	67,388
2013	720,000	122,176	842,176	2013	67,388	2013	54,788
2014	45,000	108,788	153,788	2014	54,788	2014	54,000
2015	-	108,000	108,000	2015	54,000	2015	54,000
2016	-	108,000	108,000	2016	54,000	2016	54,000
2017	-	108,000	108,000	2017	54,000	2017	54,000
2018	-	108,000	108,000	2018	54,000	2018	54,000
2019	-	108,000	108,000	2019	54,000	2019	54,000
2020	1,055,000	81,624	1,136,624	2020	54,000	2020	27,624
2021	1,105,000	27,624	1,132,624	2021	27,624	2021	-
	<u>\$ 3,885,000</u>	<u>\$ 1,187,600</u>	<u>\$ 5,072,600</u>		<u>\$ 635,475</u>		<u>\$ 552,125</u>

Village of Downers Grove
Long-Term Debt Requirements
General Obligation Refunding Bonds, Series 2009
December 31, 2010

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2011	\$ 1,025,000	295,275	1,320,275	2011	\$ 160,450	2011	\$ 134,825
2012	1,070,000	248,250	1,318,250	2012	134,825	2012	113,425
2013	1,100,000	213,100	1,313,100	2013	113,425	2013	99,675
2014	1,130,000	182,400	1,312,400	2014	99,675	2014	82,725
2015	880,000	152,250	1,032,250	2015	82,725	2015	69,525
2016	910,000	124,263	1,034,263	2016	69,525	2016	54,738
2017	940,000	93,026	1,033,026	2017	54,738	2017	38,288
2018	970,000	58,388	1,028,388	2018	38,288	2018	20,100
2019	1,005,000	20,100	1,025,100	2019	20,100	2019	-
	<u>\$ 9,030,000</u>	<u>\$ 1,387,052</u>	<u>\$ 10,417,052</u>		<u>\$ 773,751</u>		<u>\$ 613,301</u>

Village of Downers Grove

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

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

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2011	\$ 230,000	241,000	471,000	2011	\$ 121,650	2011	\$ 119,350
2012	-	238,700	238,700	2012	119,350	2012	119,350
2013	-	238,700	238,700	2013	119,350	2013	119,350
2014	255,000	235,513	490,513	2014	119,350	2014	116,163
2015	175,000	230,138	405,138	2015	116,163	2015	113,975
2016	160,000	225,550	385,550	2016	113,975	2016	111,575
2017	215,000	219,925	434,925	2017	111,575	2017	108,350
2018	200,000	213,200	413,200	2018	108,350	2018	104,850
2019	335,000	203,000	538,000	2019	104,850	2019	98,150
2020	1,545,000	165,400	1,710,400	2020	98,150	2020	67,250
2021	2,690,000	67,250	2,757,250	2021	67,250	2021	-
	<u>\$ 5,805,000</u>	<u>\$ 2,278,376</u>	<u>\$ 8,083,376</u>		<u>\$ 1,200,013</u>		<u>\$ 1,078,363</u>

Village of Downers Grove

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

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

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2011	\$ -	126,922	126,922	2011	-	2011	\$ 126,922
2012	-	197,800	197,800	2012	98,900	2012	98,900
2013	-	197,800	197,800	2013	98,900	2013	98,900
2014	200,000	194,800	394,800	2014	98,900	2014	95,900
2015	380,000	186,100	566,100	2015	95,900	2015	90,200
2016	240,000	176,800	416,800	2016	90,200	2016	86,600
2017	580,000	161,600	741,600	2017	86,600	2017	75,000
2018	705,000	135,900	840,900	2018	75,000	2018	60,900
2019	845,000	104,900	949,900	2019	60,900	2019	44,000
2020	990,000	68,200	1,058,200	2020	44,000	2020	24,200
2021	1,210,000	24,200	1,234,200	2021	24,200	2021	-
	<u>\$ 5,150,000</u>	<u>\$ 1,575,022</u>	<u>\$ 6,725,022</u>		<u>\$ 773,500</u>		<u>\$ 801,522</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	116-120
Revenue Capacity These schedules contain information to help the reader assess significant local revenue sources, the property tax and sales tax.	121-126
Debt Capacity 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.	127-129
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	130-131
Operating Information 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.	132-134

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

VILLAGE OF DOWNERS GROVE
NET ASSETS BY COMPONENT(in thousands)
Last Eight Fiscal Years

	2004	2005	2006	2006(A)	2007	2008	2009	2010
Governmental Activities								
Invested in capital assets, net of related debt	\$ 62,467	\$ 63,898	\$ 61,598	\$ 65,925	\$ 66,275	\$ 70,743	\$ 66,960	\$ 61,351
Restricted	4,815	5,982	3,697	3,847	4,007	35,839	31,786	4,794
Unrestricted	8,171	11,963	15,822	17,532	19,581	(13,944)	(9,618)	28,080
Total Governmental Activities	75,453	81,843	81,117	87,304	89,863	92,637	89,127	94,225
Business-type Activities								
Invested in capital assets, net of related debt	24,031	25,531	25,370	25,213	25,279	29,197	32,272	32,691
Unrestricted	4,614	4,465	5,724	4,424	7,746	4,911	1,545	1,304
Total Business-type Activities	28,645	29,996	31,094	29,637	33,025	34,108	33,817	33,995
Primary Government								
Invested in capital assets, net of related debt	86,498	89,429	86,968	91,137	91,554	99,939	99,232	94,042
Restricted	4,815	5,982	3,697	3,847	4,007	35,839	31,786	4,794
Unrestricted	12,785	16,428	21,546	21,956	27,327	(9,033)	(8,073)	29,384
Total Primary Government	\$ 104,098	\$ 111,839	\$ 112,211	\$ 116,940	\$ 122,888	\$ 126,745	\$ 122,945	\$ 128,220

Notes

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

Data Source

Audited Financial Statements

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

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

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

	2004	2005	2006	2006(A)	2007	2008	2009	2010
Net Revenue (Expense)								
Governmental activities	(34,483)	(31,057)	(36,215)	(28,386)	(42,414)	(44,399)	(47,100)	(41,999)
Business-type activities	(1,152)	1,411	378	302	249	1,041	180	412
Total Primary Government Net Revenue (Expense)	(35,635)	(29,646)	(35,837)	(28,084)	(42,165)	(43,358)	(46,920)	(41,587)
General Revenues and Other Changes in Net Assets								
Governmental Activities								
Taxes								
Property	12,679	8,993	10,237	10,648	10,868	14,079	14,819	16,609
Sales	14,797	17,195	16,716	12,627	17,549	16,917	16,330	17,374
Utility	6,175	6,363	6,268	3,798	6,269	7,541	6,371	6,001
Income	2,901	3,434	3,769	2,672	4,313	4,612	3,960	3,835
Other	174	1,992	2,867	1,254	2,496	2,588	2,127	2,285
Investment earnings	243	291	814	888	1,730	1,222	1,073	737
Miscellaneous	332	79	18	92	43	7	38	-
Special items	-	-	(4,684)	1,261	-	-	-	-
Transfers	100	100	181	1,930	178	208	570	256
Total Governmental Activities	37,401	38,447	36,186	35,170	43,446	47,174	45,288	47,097
Business-type Activities								
Investment earnings	39	39	203	170	304	250	99	22
Miscellaneous	(5)	-	-	-	3,013	-	-	-
Transfers	(100)	(100)	(181)	(1,930)	(178)	(208)	(570)	(256)
Total Business-type Activities	(66)	(61)	22	(1,760)	3,139	42	(471)	(234)
Total Primary Government	37,335	38,386	36,208	33,410	46,585	47,216	44,817	46,863
Change in net assets								
Governmental activities	2,918	7,390	(29)	6,784	1,031	2,773	(1,813)	5,098
Business-type activities	(1,218)	1,350	400	(1,457)	3,388	1,083	(291)	178
Total Primary Government Change in Net Assets	\$ 1,700	\$ 8,740	\$ 371	\$ 5,327	\$ 4,419	\$ 3,856	\$ (2,104)	\$ 5,276

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

	2002	2003	2004	2005	2006	2006(A)	2007	2008	2009	2010
General Fund										
Reserved	\$ 125	\$ 127	\$ 121	\$ 104	\$ 194	\$ 99	\$ 89	\$ 89	\$ 66	\$ 2,026
Unreserved	7,268	5,486	6,378	12,217	17,858	18,530	16,962	15,688	15,377	13,656
Total General Fund	7,393	5,613	6,499	12,321	18,052	18,629	17,051	15,776	15,443	15,682
All Other Governmental Funds										
Reserved	90	81	4,113	5,479	5,493	5,741	5,908	-	-	-
Unreserved, reported in										
Debt Service Funds	-	-	-	-	-	-	-	714	856	259
Special Revenue Funds	2,877	4,726	-	(724)	(2,476)	(871)	(1,284)	1,681	1,275	2,850
Capital Project Funds	3,942	2,861	-	1,352	1,227	445	5,524	31,668	27,701	23,031
Total All Other Governmental Funds	\$ 6,909	\$ 7,668	\$ 4,113	\$ 6,107	\$ 4,244	\$ 5,315	\$ 10,148	\$ 34,063	\$ 29,832	\$ 26,140

Notes

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

Data Source

Audited Financial Statements

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

	2002	2003	2004	2005	2006	2006(A)	2007	2008	2009	2010
Revenues										
Sales tax	\$ 12,205	\$ 11,532	\$ 14,797	\$ 17,195	\$ 16,716	\$ 12,627	\$ 17,549	\$ 16,917	\$ 16,330	\$ 17,374
Property tax	8,773	8,611	10,357	8,993	10,237	10,648	10,868	14,079	14,819	16,609
Utility tax	4,857	5,427	6,175	6,363	6,268	3,798	6,269	7,541	6,371	6,001
Income tax	3,359	3,169	2,901	3,434	3,769	2,672	4,313	4,612	3,960	3,835
Other taxes	789	1,083	1,660	1,483	1,917	1,434	2,839	2,586	2,127	2,284
Licenses and permits	1,296	1,882	2,254	1,708	2,036	1,326	2,091	1,345	1,148	1,439
Intergovernmental	1,384	2,974	2,647	2,117	2,821	1,224	2,098	3,184	1,748	1,754
Charges for services & fees	3,712	4,346	5,100	3,026	3,737	3,071	4,123	4,065	4,565	3,773
Fines & forfeitures	701	751	1,391	559	871	637	676	1,264	1,246	1,106
Investment income	545	268	243	291	814	792	1,569	1,222	1,073	737
Miscellaneous	188	334	445	279	104	114	99	1,469	207	63
Total revenues	37,809	40,377	47,970	45,448	49,290	38,343	52,494	58,286	53,595	54,976
Expenditures										
General government	6,903	6,599	5,805	2,222	4,474	3,649	5,027	6,008	4,536	4,662
Public works	8,523	7,966	8,304	8,182	7,693	7,135	8,920	9,934	10,881	7,816
Community development	-	-	-	1,524	1,689	2,009	3,842	2,745	2,344	2,158
Public safety	18,809	19,233	23,381	22,043	23,139	17,252	25,060	26,053	25,518	26,826
Community services	4,201	4,665	4,598	2,728	3,475	1,758	3,042	1,966	1,831	865
Capital outlay	7,590	5,565	9,159	7,048	1,659	2,031	10,216	11,095	9,433	8,347
Debt service										
Principal	465	5,145	631	4,828	668	4,518	765	1,000	1,245	4,810
Interest and fiscal charges	1,485	1,654	1,698	2,164	1,809	950	70	2,198	2,854	3,175
Total expenditures	47,976	50,827	53,576	50,739	44,606	39,302	56,942	60,999	58,642	58,660
Excess of Revenues over (under) Expenditures	(10,167)	(10,450)	(5,606)	(5,291)	4,684	(959)	(4,448)	(2,713)	(5,047)	(3,684)
Other Financing Sources (Uses)										
Transfers in	948	1,510	(84)	6,811	1,184	5,278	410	2,067	4,755	7,260
Transfers out	(815)	(1,295)	184	(6,711)	(1,003)	(3,348)	(30)	(2,109)	(4,435)	(7,204)
Issuance of debt	6,000	10,500	5,922	14,450	-	-	-	28,900	9,030	10,955
Payment to the refunded bond escrow agent	-	-	-	(9,840)	-	-	-	(3,992)	(9,144)	(11,790)
Bond issue premium	-	-	-	35	-	-	-	481	239	1,009
Proceeds from disposal of capital assets	-	-	-	-	49	1,275	-	7	38	-
Total other financing sources (uses)	6,133	10,715	6,022	4,745	230	3,205	380	25,354	483	230
Net Change in Fund Balances	\$ (4,034)	\$ 265	\$ 416	\$ (546)	\$ 4,914	\$ 2,246	\$ (4,068)	\$ 22,641	\$ (4,564)	\$ (3,454)
Debt Service as a Percentage of Noncapital Expenditures	3.10%	13.38%	4.35%	13.78%	5.55%	13.91%	5.15%	6.54%	7.87%	15.15%

Notes

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

Data Source

Audited Financial Statements

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

Levy Year	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2001	\$ 1,018,660,526	\$ 421,897,362	\$ 65,942,155	\$ 1,506,500,043	0.29	\$ 4,519,500,129	33.33%
2002	1,102,277,929	469,463,965	63,794,320	1,635,536,214	0.37	4,906,608,642	33.33%
2003	1,215,329,035	467,952,910	64,409,960	1,747,691,905	0.44	5,243,075,715	33.33%
2004	1,323,442,153	495,011,598	66,794,600	1,885,248,351	0.44	5,655,745,053	33.33%
2005	1,483,717,879	505,593,618	68,323,460	2,057,634,957	0.41	6,172,904,871	33.33%
2006	1,624,870,481	526,745,115	71,259,570	2,222,875,166	0.38	6,668,625,498	33.33%
2007	1,801,439,088	539,361,723	72,243,603	2,413,044,414	0.46	7,239,133,242	33.33%
2008	1,928,792,310	542,102,539	76,659,327	2,547,554,176	0.44	7,642,662,528	33.33%
2009	1,938,204,827	535,619,097	76,008,514	2,549,832,438	0.50	7,649,497,314	33.33%
2010	1,831,191,815	503,177,630	71,922,788	2,406,292,233	0.56	7,218,876,699	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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Village Direct Rates										
Corporate	0.0916	0.0911	0.1341	0.1350	0.1237	0.1156	0.1146	0.1068	0.1264	0.1601
Firefighter's Pension	0.0715	0.0716	0.0749	0.0769	0.0764	0.0712	0.0427	0.0626	0.0785	0.0925
Police Pension	0.0406	0.0391	0.0509	0.0465	0.0532	0.0496	0.0479	0.0501	0.0676	0.0790
Debt Service	0.0000	0.0812	0.0494	0.0526	0.0429	0.0335	0.0330	0.0000	0.0000	0.0000
Fire Protection	0.0850	0.0845	0.1274	0.1283	0.1175	0.1100	0.1158	0.1138	0.1137	0.1205
Stormwater	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1090	0.1090	0.1090	0.1104
Total Direct Rate	0.2887	0.3675	0.4367	0.4393	0.4137	0.3799	0.4630	0.4423	0.4952	0.5625
Overlapping Rates										
Library District	0.2275	0.2179	0.2109	0.2033	0.1942	0.1870	0.1795	0.1773	0.1832	0.1966
Downers Grove Park District	0.4311	0.3828	0.3489	0.3322	0.3188	0.3062	0.2932	0.2781	0.2699	0.2900
Downers Grove Sanitary District	0.0383	0.0366	0.0355	0.0339	0.0326	0.0316	0.0303	0.0301	0.0305	0.0336
Special Service Area #1	0.1006	0.0940	0.0813	0.0728	0.0619	0.0573	0.0000	0.0000	0.0000	0.0000
Special Service Area #2	1.3275	1.4089	1.5000	1.5000	1.5000	1.5000	1.4161	1.5000	1.5000	1.5000
Special Service Area #3	0.6212	0.5737	0.5071	0.4605	0.3655	0.3379	0.3315	0.3140	0.3151	0.3366
Downers Grove Township	0.0340	0.0324	0.0306	0.0290	0.0278	0.0268	0.0256	0.0254	0.0256	0.0281
Downers Grove Township Road	0.0510	0.0486	0.0459	0.0434	0.0416	0.0401	0.0382	0.0379	0.0382	0.0420
DuPage County	0.2353	0.2154	0.1999	0.1850	0.1797	0.1713	0.1651	0.1557	0.1554	0.1659
DuPage County Forest Preserve	0.1654	0.1534	0.1419	0.1358	0.1271	0.1303	0.1187	0.1206	0.1217	0.1321
Dupage Airport Authority	0.0271	0.0248	0.0230	0.0213	0.0198	0.0183	0.0170	0.0160	0.0148	0.0158
College of DuPage	0.1930	0.2179	0.2097	0.1972	0.1874	0.1929	0.1888	0.1858	0.2127	0.2349
Grade School District No. 58	2.0881	1.9765	1.8523	1.7721	1.7049	1.6523	1.5816	1.5713	1.6304	1.6991
High School District No. 99	1.7972	1.7204	1.6696	1.5914	1.5365	1.4884	1.4269	1.4214	1.4679	1.6105

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

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

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value
Hamilton Partners	\$ 48,088,546	1	2.00	\$ 61,367,280	1	4.18
Real Estate Advisors	24,137,000	2	1.00			
PTA - K 225	22,055,070	3	0.92			
Highland Owner LLC	13,533,330	4	0.56			
Bristol Club LP	13,238,740	5	0.55			
Corridors I & II	13,025,930	6	0.54			
Wells REIT II/Lincoln	12,923,180	7	0.54			
Anar real Estate LLC	12,773,040	8	0.53			
GLL BVK Properties	12,739,560	9	0.53			
MJH Downers Grove LLC	12,600,000	10	0.52			
Duke Realty Corp				28,164,060	2	2.08
CB Richards				13,516,270	3	0.96
BF Real Estate USILP				13,481,000	4	0.94
MS Building & Land, LLC				12,292,700	5	0.87
Alter Asset Management				8,516,700	6	0.68
CNC				8,044,400	7	0.60
Service Master Co.				6,190,460	8	0.54
Robin Realty & Management				6,148,130	9	0.49
Arun Enterprises				5,477,860	10	0.44
Total	<u>\$ 185,114,396</u>			<u>\$ 163,198,860</u>		

Note

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

Data Source

Office of the County Clerk

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

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Subsequent Collections	Total Amount	Percentage
		Amount	Percentage of Levy			
2001	\$ 4,570	\$ 4,584	100%	-	-	-
2002	6,243	6,389	100%	-	-	-
2003	7,867	7,855	99.85%	\$ 40	\$ 7,895	100%
2004	8,595	8,504	98.94%	54	8,558	99.57%
2005	8,745	8,731	99.84%	59	8,790	100%
2006	8,679	8,679	100%	63	8,706	100%
2007	11,148	11,116	99.71%	38	11,154	100%
2008	11,133	11,211	100%	0	11,211	100%
2009	12,478	12,591	100%	0	12,591	100%
2010	13,376	*	*	*	*	*

Note

* First installment of property taxes due June 1, 2011
Subsequent collection data for levy years 2001-2002 are unavailable.
Excludes library

Data Source

Office of the County Clerk

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General merchandise	\$ 54,810	\$ 53,116	\$ 47,459	\$ 49,578	\$ 48,252	\$ 55,103	\$ 47,422	\$ 45,551	\$ 45,421	\$ 45,838
Food	115,453	113,092	103,275	101,978	101,077	105,643	108,625	108,175	117,287	119,168
Drinking and eating places	89,692	94,350	97,309	113,074	117,225	124,178	124,257	120,557	117,822	119,328
Apparel	15,557	15,866	15,946	23,499	24,471	24,913	23,659	25,415	26,835	26,010
Furniture and H.H. and radio	212,151	197,934	198,323	207,179	185,883	184,146	175,640	149,089	131,925	140,830
Lumber, building hardware	94,836	107,940	90,758	82,043	81,346	89,762	86,289	72,964	56,650	51,722
Automobile and filling stations	360,075	315,731	308,039	328,468	360,001	350,137	330,411	302,593	241,735	243,306
Drugs and miscellaneous retail	155,951	159,503	172,081	218,586	249,403	252,614	262,424	225,512	229,575	220,676
Agriculture and all others	126,583	100,193	97,199	110,567	102,824	121,891	131,947	122,317	99,973	111,240
Manufacturers	11,740	11,938	14,052	16,398	18,534	19,147	20,027	20,785	19,192	13,263
TOTAL	<u>\$ 1,236,848</u>	<u>\$ 1,169,663</u>	<u>\$ 1,144,441</u>	<u>\$ 1,251,370</u>	<u>\$ 1,289,016</u>	<u>\$ 1,327,534</u>	<u>\$ 1,310,701</u>	<u>\$ 1,192,958</u>	<u>\$ 1,086,415</u>	<u>\$ 1,091,381</u>

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
2001	1.00%	6.75%
2002	1.00%	6.75%
2003	1.00%	6.75%
2004	1.50%	7.25%
2005	1.50%	7.25%
2006	1.50%	7.25%
2007	1.50%	7.25%
2008	1.75%	8.00%
2009	1.75%	8.00%
2010	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		Business-Type Activities		Total Primary Government	Percentage of Personal Income*		Per Capita*
	General Obligation Bonds	Note Payable	General Obligation Bonds	Note Payable		Income*		
2002	\$ 29,790	-	-	-	\$ 29,790	1.91%		\$ 603.81
2003	35,240	-	-	-	35,240	2.27%		716.86
2004	43,180	\$ 55	\$ 3,410	\$ 2,550	49,195	3.16%		998.78
2005	43,720	37	3,035	4,788	51,580	3.33%		1,050.64
2006	43,070	18	2,650	4,788	50,526	3.26%		1,029.17
2006(A)	38,570	-	2,650	4,788	46,008	2.97%		937.14
2007	47,055	-	2,250	4,788	54,093	3.46%		1,091.84
2008	71,055	-	1,835	4,788	77,678	4.96%		1,566.94
2009	69,830	-	1,405	4,788	76,023	4.85%		1,530.22
2010	64,690	-	955	4,788	70,433	4.66%		1,472.48

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 133 for personal income and population data.

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Taxable Assessed Value of Property*	Per Capita
2002	\$ 29,790	-	\$ 29,790	0.61%	\$ 603.81
2003	35,240	-	35,240	0.67%	716.86
2004	43,180	\$ 103	43,077	0.76%	874.57
2005	43,720	529	43,191	0.70%	879.76
2006	43,070	263	42,807	0.64%	871.94
2006(A)	38,570	949	37,621	1.69%	766.31
2007	47,055	877	46,178	1.92%	930.63
2008	71,055	714	70,341	2.76%	1,418.94
2009	69,830	856	68,974	2.71%	1,388.34
2010	64,690	259	64,431	2.68%	1,347.00

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 122 for property value data.

VILLAGE OF DOWNERS GROVE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (in thousands)
December 31, 2010

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	\$ 64,690	100.00%	\$ 64,690
DuPage County	234,775	5.88%	13,805
Dupage County Forest Preserve	214,684	5.88%	12,623
Dupage Water Commission	12,465	6.53%	814
Downers Grove Park District	14,370	97.72%	14,042
Downers Grove Public Library	4,005	98.00%	3,925
Schools			
Grade School			
District No. 44	16,978	4.53%	769
District No. 58	11,845	77.88%	9,225
District No. 61	4,210	10.15%	427
District No. 66	6,795	4.06%	276
District No. 68	5,155	5.08%	262
High School			
District No. 87	37,315	0.98%	366
District No. 99	61,586	49.54%	30,510
Unit School District			
District No. 201	5,215	0.57%	30
District No. 202	10,870	5.75%	625
Total Overlapping	640,268		87,699
Total Direct and Overlapping	\$ 704,958		\$ 152,389

(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
2001	48,724	\$ 1,538,703,920	\$ 31,580	3.4%
2002	49,337	1,558,062,460	31,580	4.7%
2003	49,159	1,552,441,220	31,580	4.3%
2004	49,255	1,555,472,900	31,580	5.2%
2005	49,094	1,550,388,520	31,580	4.8%
2006	49,094	1,550,388,520	31,580	4.1%
2007	49,543	1,564,517,486	31,580	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	1,510,566,140	31,580	9.4%

Data Source

(1) U.S. Census, Census of population

(2) Bureau of Labor Statistics

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

Employer	2010			2006		
	Rank	% of Total City Population	# of Employees	Rank	% of Total City Population	# of Employees
Advocate Good Samarital Hospital	1	5.64%	2,700	1	5.09%	2,500
GCA Services	2	3.14%	1,500			
University Subscription Services/ Unique Mailing Svc Inc.	3	2.20%	1050			
Midwestern University	4	2.09%	1,000	6	1.32%	650
Sara Lee Food & Beverage	4	2.09%	1,000			
Acxion/may & Speh Inc.	5	1.46%	700	4	1.63%	800
DeVry Inc.	5	1.46%	700			
RR Donnelley & Sons Co.	6	1.25%	600	8	1.07%	525
Ftd. Inc.	7	1.05%	500	9	1.02%	500
Dover Corporation	8	0.84%	400			
Magnetrol	8	0.84%	400			
Hub Group, Inc.	9	0.63%	300			
Havi Global Solutions, LLC	10	0.73%	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

Note

2001 data not available

Data Source

Downers Grove Economic Development Corporation

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010
General Government								
Legislative support	1.50	1.50	1.50	1.50	2.00	2.50	2.50	2.50
General management	6.00	5.50	4.50	4.80	5.50	6.00	6.60	4.60
Legal	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.00
Building services	9.00	9.00	8.75	8.75	9.25	9.25	9.25	8.25
Human resources	4.50	4.50	2.00	2.00	4.50	4.50	4.50	3.50
Information services	8.50	8.50	8.50	8.50	8.75	8.00	8.00	8.00
Finance	12.00	12.00	12.00	11.50	13.18	13.18	13.18	12.18
Public Works								
Public works administrative	5.50	4.50	3.75	5.00	5.00	4.00	4.00	4.00
Permits/Inspections	2.00	3.00	3.00	7.48	8.00	8.00	8.00	8.00
Engineering	5.50	5.50	5.50	5.50	5.50	5.50	5.50	4.50
Supplies	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public service response	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00
Forestry and grounds	9.50	8.50	8.50	8.50	8.75	8.75	8.75	8.75
Street construction	5.50	5.50	9.50	9.50	7.50	7.50	7.50	7.50
Stormwater management	7.50	10.50	11.00	5.50	7.50	7.50	7.50	7.50
Traffic	5.50	4.50	3.50	4.75	4.75	4.75	4.75	4.75
Transportation	4.00	4.40	4.40	4.40	4.40	4.40	4.20	4.20
Community Development								
Planning	8.00	8.66	6.00	7.38	5.00	5.00	3.00	3.00
Economic development	-	-	1.00	-	-	-	-	-
Code services	11.50	11.25	11.50	12.75	13.75	12.75	13.50	13.50
Public Safety								
Police								
Officers	76.60	76.60	76.60	81.00	81.00	81.00	81.00	78.00
Civilians	32.20	32.20	32.20	32.20	39.60	39.60	39.60	39.60
Fire								
Firefighters and officers	79.00	81.00	84.00	82.00	83.00	80.00	80.00	80.00
Civilians	8.50	9.00	9.50	9.50	9.50	9.50	8.75	8.75
Community Services								
Counseling and social services	4.10	4.10	3.60	3.35	4.13	4.13	3.90	1.25
Alcohol and tobacco control	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Public information	2.50	2.50	2.50	2.50	2.50	2.50	2.50	1.75
Cable television	3.50	3.00	3.50	3.50	5.25	5.25	3.75	3.75
Tourism and events	4.40	3.48	4.00	4.00	3.00	3.00	3.00	1.00

Note

Data from 2001 & 2002 not available

Data Source

Village budget office

VILLAGE OF DOWNERS GROVE
OPERATING INDICATORS
Last Five Years

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

Note

Data from 2001 to 2005 not available but the Village will collect the data going forward.

Data Source

Village budget office

VILLAGE OF DOWNERS GROVE
CAPITAL ASSETS STATISTICS
Last Four Years

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

Data Source

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