

**VILLAGE OF DOWNERS GROVE**  
**Report for the Village Council Meeting**  
**6/21/2016**

<b>SUBJECT:</b>	<b>SUBMITTED BY:</b>
2015 Comprehensive Annual Report	Judy Buttny Finance Director

**SYNOPSIS**

A resolution has been prepared to accept the audit of the Village's financial records for Year ended December 31, 2015, also known as the Comprehensive Annual Report (CAFR) dated December 31, 2015 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, 2016.

**STRATEGIC PLAN ALIGNMENT**

The goals for 2011-2108 identified *Exceptional Municipal Services*.

**FISCAL IMPACT**

N/A.

**RECOMMENDATION**

Approval on the June 21, 2016 Active Agenda.

**BACKGROUND**

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.

The Village has prepared the CAFR for the Certificate of Achievement for Excellence in Financial Reporting Program by the Government Finance Officers Association of the United States and Canada for more than 25 years.

**ATTACHMENTS**

Resolution  
Year Ended December 31, 2015 Comprehensive Annual Financial Report

VILLAGE OF DOWNERS GROVE  
COUNCIL ACTION SUMMARY

INITIATED: Finance Director DATE: June 21, 2016  
(Name)

RECOMMENDATION FROM: \_\_\_\_\_ FILE REF: \_\_\_\_\_  
(Board or Department)

**NATURE OF ACTION:**

**STEPS NEEDED TO IMPLEMENT ACTION:**

- Ordinance
- Resolution
- Motion
- Other

Motion to Adopt "A RESOLUTION TO ACCEPT THE COMPREHENSIVE ANNUAL REPORT OF THE VILLAGE OF DOWNERS GROVE FOR THE FISCAL YEAR JANUARY 1, 2015 THROUGH DECEMBER 31, 2015 ", as presented.



**SUMMARY OF ITEM:**

Adoption of the attached resolution shall accept the Comprehensive Annual Report for FY 2015.

**RECORD OF ACTION TAKEN:**

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**RESOLUTION NO. \_\_\_\_****A RESOLUTION TO ACCEPT THE COMPREHENSIVE ANNUAL REPORT  
OF THE VILLAGE OF DOWNERS GROVE  
FOR THE FISCAL YEAR JANUARY 1, 2015 THROUGH DECEMBER 31, 2015**

WHEREAS, the Village of Downers Grove (the "Village") has prepared financial statements provided for in a Comprehensive Annual Financial Report ("CAFR"), for the Fiscal Year January 1, 2015 through December 31, 2015; and

WHEREAS, Baker Tilly Virchow Krause, LLP, an independent audit firm (the "Auditor") has audited the financial statements contained in the CAFR of the Village of Downers Grove in accordance with Generally Accepted Accounting Standards and Government Auditing Standards, issued by the Comptroller General of the United States; and

WHEREAS, it is the Auditor's responsibility to express an opinion on these financial statements based upon their audit; and

WHEREAS, in the opinion of the Auditor, the financial statements as audited present fairly, in all material respects, the financial position of the Village of Downers Grove as of December 31, 2015, and the results of its operations for the year then ended in conformity with Generally Accepted Accounting Principles for the fiscal year ended December 31, 2015, barring subsequent changes made to the final issued report.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That Village Council be and hereby accepts the audited Comprehensive Annual Financial Report for the Village of Downers Grove for the fiscal year ending December 31, 2015.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Report, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Report.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

\_\_\_\_\_  
Mayor

Passed:

Attest: \_\_\_\_\_

Village Clerk

# *Comprehensive Annual Financial Report*

*For the fiscal year ended December 31, 2015*

## *The Village of Downers Grove*

*Dupage County  
801 Burlington Avenue  
Downers Grove, Illinois  
60515-4782  
630-434-5500*



VILLAGE OF DOWNERS GROVE,  
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended December 31, 2015

Prepared by Finance Department

Judy Buttny  
Finance Director

Carol Hogan  
Assistant Finance Director

Robin Lahey  
Finance Manager

Daiva Sheldon  
Staff Accountant

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## INTRODUCTORY SECTION

# Village of Downers Grove, Illinois

## Principal Officials

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### LEGISLATIVE

Martin T. Tully, Mayor

#### *Commissioners*

Robert Barnett

William White

Gina Vattimo

David S. Olsen

Greg José

William Waldack

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### ADMINISTRATIVE

David Fieldman, Village Manager

Michael Baker, Deputy Village Manager

Enza Petrarca, Village Attorney

April Holden, Village Clerk

Judy Buttny, Finance Director/Treasurer

Naneil Newlon, Public Works Director

Stan Popovich, Community Development Director

James Jackson, Fire Chief

Kurt Bluder, Police Chief

Doug Kozlowski, Communications Director

Mary Pratt, Emergency Management Coordinator

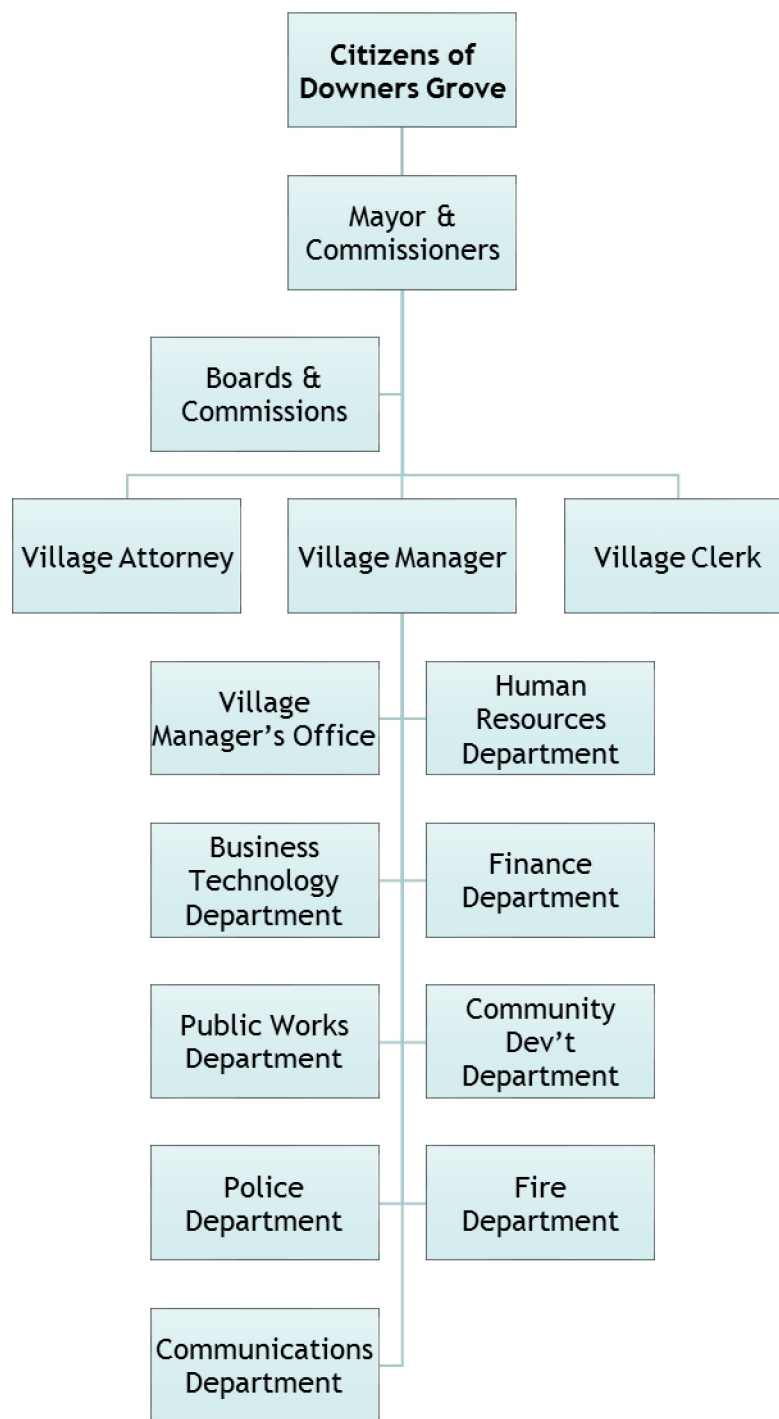
Dennis Burke, Human Resources Director

Chanay Mackey, Risk Manager

David Kenny, Business Technology Director

Theresa Tarka, Purchasing Agent

# VILLAGE ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Village of Downers Grove  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO



www.downers.us

June 7, 2016

To: The Honorable Mayor and Commissioners  
Citizens of Downers Grove

**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

The Comprehensive Annual Financial Report (CAFR) of the Village of Downers Grove for the year ended December 31, 2015, 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, 2015, are free of material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluation of the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements of the year ended December 31, 2015, 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 3-12. The Police and Firefighters' 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 \$84,269. 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 48,867; however, the Village's corporate business parks and shopping districts raise the daytime population and economic activity, providing the Village the benefit of a significant level of sales tax revenue. A review of the retail expenditure information suggests that the Village attracts residents from surrounding communities to support the sales tax income. The property tax base is 75 percent residential, 22 percent commercial, and 3 percent industrial. The ten leading commercial property tax payers are from a diverse economic base and account for about 6.9% percent of the total tax base.

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



and fire protection; building code and fire prevention inspection services; emergency 911 dispatch service; paramedic services; water services; a commuter and residential parking system; community development services; and the construction and maintenance of streets, stormwater, and other municipal infrastructure.

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

The Village continues to benefit from the AAA bond rating issued by Standard & Poor's. This is the agency's highest rating. Standard & Poor's acknowledged the efforts of the Village's Long Range Plan and exceptional management practices as contributing factors for the AAA rating. All Downers Grove residents and businesses benefit from this as the Village will be able to issue debt and refinance bonds at a lower cost.

### **Local Economy:**

Major revenue sources include property taxes, sales taxes, utility taxes and state income taxes.

The Village has a mixture of office, retail and industrial employment. The unemployment rate in the Village has remained relatively steady, rising from 3.7% percent in 2014 to 4.0% percent as of December 31, 2015. The EAV for the Village was \$2,163,725,584 for the 2014 tax levy, up 5.8% from a year ago. EAVs are expected to continue to increase as housing values that declined during the recession are now increasing.

The Village of Downers Grove maintained a strong financial position during the year. General Fund revenues remain strong as the economy improves. Sales tax revenues were strong in most categories, particularly in furniture and food. Also, building activity remains strong in both the commercial and residential markets. The Village continues to provide municipal services in a fiscally responsible manner, identifying and implementing innovative ideas throughout the organization. The Village's financial policies and programs have resulted in the retention and expansion of existing businesses in the community as well as attracting new businesses.

### **Facilitated Investment in the Community:**

- Approved 3 Residential Development Projects in the Downtown.
- Facilitated the Opening of Art Van Furniture and Fresh Thyme Farmers Market.
- Attracted Zeigler Ram Promaster.

### **Economic Development:**

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

### ***2015 Economic Development Successes***

- **Alter Brewing Company** opened new, 8,500 sq. ft. craft brewery
- **American Access Casualty Company** opened new headquarters at 2211 Butterfield Road
- **Art Van Furniture** opened new 112,000 sq. ft. flagship store at 1021 Butterfield Road
- **Dickey's Barbecue Pit** opened new location at 1332 W. 75th Street
- **Fresh Thyme Farmers Market** opened new 29,055 sq. ft. store at Ogden and Florence
- **Fresh Thyme Farmers Market** relocated headquarters from Phoenix, AZ to Downers Grove
- **Glanbia Performance Nutrition, Inc.** opened new North American headquarters at 3500 Lacey Road
- **Harbor Freight Tools** opened new store at 1640 W. 75th Street
- **Jersey Mike's** opened new location at 62A Ogden
- **Katherine Frank Creative, Inc.** relocated from Lombard to Downers Grove
- **Lextech** opened new headquarters at 1431 Opus Place
- **Michael's** opened second location in Downers Grove at 1516 Butterfield Road
- **Neuco, Inc.** opened new warehouse/distribution center at 5120 Thatcher
- **Oakley Home Builders** began construction on new corporate offices and ground floor space at 5216 Main Street
- **Residential Home Health** opened new regional offices at 1431 Opus Place
- **Sanford L.P.** opened new division headquarters at 3055 Lacey Road
- **Shorewood Development Group LLC** completed construction of new commercial center at Ogden and Florence
- **Starbucks** opened new location at Finley Square
- **Sullivans USA** began expansion at 4341 Middaugh
- **Vequity Real Estate** is developing new 5,000 sq. ft. multitenant commercial building on Ogden Avenue
- **Zeigler Auto Group** opened second dealership location at 2501 Ogden.

### ***Economic Incentive Agreements***

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

**Long Range Plan:**

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

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

Within the first 100 days of being seated, the new Council held four long range planning meetings to provide policy direction on key issues. The plan outlines issues the Village is likely to face over the next few years and includes strategies and solutions to address those issues.

**Managed General Fund:**

In FY15, the Village added \$1.5 million to the fund balance from strong revenue growth and by controlling expenses. Over \$700,000 in expenses reductions were realized by filling only essential staff vacancies and deferring all but the most essential purchases.

**Refunded Stormwater Improvement Bonds:**

The Village refinanced \$4.5 million in General Obligation Bonds issued for Stormwater Improvements. The refinancing saved \$520,000. The Village saves money by reducing the annual payments on the bonds due to interest rates that are lower now than when the bonds were issued.

**Received \$1.8 million in Grants:**

The Village has made it a priority to seek grant funding for capital projects. A few of the significant grants received in 2015:

- ***Metra Commuter Parking Facility Improvement Grant*** - \$900,000  
These funds were used for the reconstruction of Commuter Parking Lot H at the Belmont Road Train Station.
- ***FEMA: Hazard Mitigation Grant Program*** - \$530,000  
Funds are designated for the acquisition of properties in flood prone areas of the Village.
- ***Department of Justice Federal Asset Forfeiture Funds*** - \$290,000
- ***Multiple Agencies*** - \$75,000  
For Public Safety Programs
- ***Illinois Department of Transportation*** - \$30,000

These funds are designated for traffic safety improvements.

## **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.

### **Preserving Historic Structures Made Easy:**

The Village Council established the Architectural Design Review Board (ADRB) Ad Hoc Subcommittee on Historic Preservation in July to work with the existing ADRB members and increase the number of properties designated as historic landmarks and districts.

Meetings were held twice a month from August to October and recommendations were provided to Council less than 90 days after the group was formed. The final report was approved in November. The following changes were implemented to make the preservation of historic structures easier than ever:

- Simplified nomination standards
- Allows for contiguous and thematic historic districts
- Simplified application process
- Elimination of application fees

### **ComEd Town Hall Meetings Improve Reliability:**

On November 19, 2015, a ComEd Town Hall style meeting was held as part of the Village's ongoing work to improve electricity service within the Village. The purpose of this meeting was to allow residents and business owners to discuss their electricity reliability concerns directly with ComEd.

The Village has two goals: 1) achieve measurable improvements in reliability, measured by the frequency and duration of outages; and 2) encourage improved communications between ComEd customers and ComEd.

Key findings which point to the success of this ongoing approach since 2011 include:

- Outages continue to trend down.
- Unplanned outages were lower in 2015 (181) than through the same period in 2014 (223)
- Weather related outages tracked lower in 2015 than in any other year since the Village began reviewing data.
- Outages of long duration tracked lower in 2015 than in any year since 2011.
- Reliability within the village of Downers Grove was better than the region average in 2014 and 2015.
- ComEd was more proactive in contacting customers directly rather than using Village staff as an intermediary.
- ComEd completed planned equipment upgrades.

- ComEd restored power outages more promptly, resulting in fewer outages of extended duration.
- ComEd improved communication with customers in nonemergency situations.

### **Community Events Permit Improvements:**

In 2015 the Village issued 37 permits for events including festivals, parades, runs and walks. LEAN techniques used to improve the efficiency and coordination of community events resulted in:

- Standardized cost estimating
- Simplified applications
- Eliminated application fees

### **Partnerships:**

#### ***Partnership for Public Improvements with Downers Grove Park District***

Both the Village and Park District perform maintenance (patching, resurfacing, crack sealing, etc.) and reconstruction of roadways and other paved public improvements (parking lots and paths). Working together achieves the following:

- Reduced Cost for Park District Paving Projects
- Reduced Cost of Government for Village and Park District Shared Constituency.

#### ***Public Safety Training in Partnership with Midwestern University***

The Fire and Police Departments completed four weeks of intense training at Midwestern University. The University generously donated five, three story dormitories for the training that were slated for demolition. Approximately 500 participants from 12 other departments across the country took advantage of this rare opportunity to train in a realistic environment. Firefighters labored through intense heat and a maze of dark smoke during a total of 91 live burn training scenarios.

Law enforcement agencies conducted a series of training exercises at the same location that included numerous rapid deployment scenarios in cooperation with the Bureau of Alcohol Tobacco and Firearms.

#### ***Private Sector Partnership***

The Village and Genuine Parts Company/National Auto Parts Association (NAPA) entered into a partnership to privatize the management of the Fleet Parts and Inventory Program. The contract was approved by the Village Council in September 2015 and is projected to save \$50,000 for each of the next three years. Utilizing NAPA's enhanced capabilities allows the Village to shorten downtime for public safety vehicles, getting them back on the road more quickly to serve the community.

**Infrastructure Investment:**

The Village's strategic goal to provide Top Quality Infrastructure requires a commitment to ongoing investment in maintenance, as well as in replacement or new infrastructure as necessary. In 2010, when revenues were impacted by the recession, the Village continued making investments in infrastructure, instead of diverting funding to cover the cost of operations.

***Village Reached Road Maintenance Milestone***

Based on the 2010 pavement assessment, the Village issued \$25 million in bonds to finance reconstruction projects and used existing funding for increased maintenance activities. As of the end of 2015 approximately 99% of all streets in the Village are in a maintainable condition.

In support of this effort, the following work has been completed since 2011:

- Reconstructed 12 miles of streets in 11 neighborhoods
- Resurfaced 43 miles of streets
- Completed regular crack filling and patching on the remainder of streets.

Road reconstruction projects in 2015 included:

- Clyde Estates
- Orchardbrook East
- Maple Avenue

***Engaged the Community on Street Maintenance Best Practices***

The Village owns and maintains approximately 167 miles of streets. To increase public awareness of the success of street maintenance in the Village a series of short videos was produced highlighting:

- Street Ownership
- Maintenance Goals
- Best Practices. These videos reached 2,066 viewers on Facebook and YouTube combined.

**Recognized Leadership:*****Fire Department Top 1%***

The Fire Department was awarded the highest Public Protection Classification by the Insurance Service Organization (ISO). Receiving a Class 1 designation now places the Fire Department in the top 1% of fire departments nationwide.

A community's Public Protection Classification is based on the three main areas of a community's fire suppression system: emergency communications, fire department (including operational considerations), and water supply. In addition, it includes a Community Risk Reduction section that recognizes community efforts to reduce losses through fire prevention,

public fire safety education, and fire investigation.

Property and business owners in communities with an excellent ISO rating, like Downers Grove, benefit from lower insurance rates.

Some interesting ISO grading facts:

- Grading scale ranges from 1 through 10 (1 is best)
- 48,855 fire departments have been graded nationally
- Only 97 departments have achieved Class 1 status
- 2,413 departments have been graded in Illinois
- **The Downers Grove Fire Department is now one of only four Illinois departments with a Class 1 ISO rating.**

#### ***Police Department Top 1%***

The Police Department received Accreditation with Excellence from The Commission on Accreditation of Law Enforcement Agencies (CALEA). This is the highest level of recognition awarded by CALEA. Only about 4% of CALEA accredited agencies meet the criteria for the Excellence award, which is about .25% of all police agencies in the nation.

The professionalism of department personnel, the high quality of service provided to the community, and the well organized and thorough condition of the policy files reviewed during an onsite audit resulted in a very successful accreditation outcome. The accredited status will remain in effect for a three year period.

#### ***DuPage Mayors and Managers Conference (DMMC) Intergovernmental Cooperation Award***

Each year, the DMMC honors a local leader for his or her commitment to support the Conference and the region to further the goal of intergovernmental cooperation. This year's recipient was Village Manager Dave Fieldman. He also serves on the DMMC Board of Directors.

#### ***First Place Illinois Department of Transportation Traffic Safety Challenge***

Traffic safety is a high priority for the Downers Grove Police Department.

The Department received recognition in the Illinois Traffic Safety Challenge as the top agency in the state for municipal agencies with 66 to 100 sworn officer for their overall approach to traffic safety.

Here are the results of the Department's traffic safety efforts:

- Seat Belt use is up! More people are buckling up in Downers Grove. Our seat belt compliance rate increased to 97.6%. This compliance rate is better than the State of Illinois compliance rate of 94.1%.



- There were no traffic related deaths in Downers Grove in 2015.
- The total number of traffic crashes with injuries was reduced and the number of crashes in our high traffic volume locations was also reduced when compared to the 2014 statistics.

### ***Patriot Award***

The Patriot Award is presented to an individual supervisor/s nominated by an employee serving in the National Guard or Reserve and reflects the efforts made to support members through a wide range of measures including flexible schedules, time off prior to and after deployment, caring for families, and granting leaves of absence if needed.

The Illinois Committee of *Employer Support of the Guard and Reserve (ESGR)* presented the award to Lieutenant Dave Bormann and Sergeant Rob McMahon.

## **RELEVANT FINANCIAL POLICIES**

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

### **Budgeting:**

The Village adopts an annual budget. Due to careful planning, meaningful discussions and public input, Downers Grove is well-positioned for the future. The FY16 Budget was prepared and approved in 2015. The FY16 Adopted Budget demonstrates the Village's commitment to continuous improvement and innovation as well as to the provision of exceptional municipal services at a value to residents, businesses and other stakeholders.

Key components of the FY16 Budget:

- Sustainable General Fund
- No Increase for Property Tax Levy for Operations
- Property Tax Levy Increase for Public Safety Pensions
- Staffing Reduced
- Continues Investment in Infrastructure
- Funding for Priority Action Items

### **Capital Planning:**

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

### **Other Financial Policies:**

Some of the more significant policies include:

- Investment Policy-providing for market investment returns while protecting

- Investment Policy-providing for market investment returns while protecting principal
- Purchasing Policy-setting forth procedures for ensuring that the best products and services are received at the lowest possible cost
- Fund Balance Policy-setting forth reserve levels to be maintained to ensure proper working capital and protect against unforeseen events

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

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Downers Grove for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2014. A copy of this award is located in the introductory section of the financial statements. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

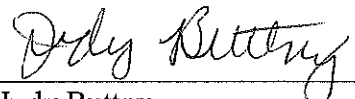
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The Village also received the GFOA Distinguished Budget Presentation award for its 2015 Annual Budget. This is the sixth consecutive year that the Village has been honored with this significant achievement, which reflects the commitment to meeting the highest principles of governmental budgeting

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

Submitted by:



Dave Fieldman  
Village Manager



Judy Buttny  
Finance Director

## FINANCIAL SECTION



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Downers Grove, Illinois, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Village of Downers Grove's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Downers Grove, Illinois, as of December 31, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

### ***Emphasis of Matter***

As discussed in Note 1, the Village of Downers Grove adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

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

#### *Other Information*

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

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
June 7, 2016

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2015**

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This discussion and analysis of the Village of Downers Grove's (the 'Village') financial performance provides an overview of the Village's financial activities. Please read it in conjunction with the Transmittal Letter (beginning on page 1-4) and the Village's financial statements (beginning on page 3-1) and the related notes to the basic financial statements which begin on page 3-12.

### **Financial Highlights**

- Net Position for the prior year was restated for both governmental activities and business-type activities related to the recording of pension liabilities for IMRF and the Police and Firefighters' pension funds. Total Net Position was restated and reduced by \$75.0 million, from \$145.9 million to \$70.9 million.
  - The prior year's net position of governmental activities was restated and reduced by \$74.9 million from \$96.3 million to \$21.4 million.
  - The prior year's net position of business-type activities was restated and reduced by \$.1 million from \$49.7 million to \$49.6 million.
- The Village's net position increased from \$70.9 million as of December 31, 2014 to \$76.8 million as of December 31, 2015.
- The increase in governmental revenues of \$.8 million was due primarily to increases in sales tax and income tax revenues.
- Governmental expenses increased by \$.6 million or 1% primarily due to increases in Public Safety expenses of \$3.5 million, which were partially offset by decreases in Public Works expenses of \$2.7 million. Increase in Public Safety included \$1.1 million in Police and \$1.3 million in Fire, both reflecting the implementation of GASB 68. Public Works decreases include a reduction in spending on snow removal, Road Maintenance from reduced MFT funds, and the discontinuation of the Transportation Fund in the end of 2014.
- Revenues for business-type activities increased by \$2.9 million due primarily to water rate increases of \$1.4 million, a Metra grant of \$.9 million for parking lot reconstruction, and \$.6 million from FEMA for Hazard Mitigation.
- Business-type expenses increased by \$2.0 million. These increases are due primarily to an increase of \$1.1 million for the cost of water, and \$.6 million increase in maintenance activities in the Stormwater Fund.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The Village's basic financial statements are comprised of three components, 1) Government wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2015**

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### **Government-Wide Financial Statements**

The government-wide financial statements (see pages 3-1 - 3-2) 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 Statement of Net Position (see page 3-1) reports information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities (see page 3-2) presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements categorize functions of the Village that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type Activities).

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

The government-wide financial statements include not only the Village, (or Primary government), but also the legally separate entity or component unit for which the Village is financially accountable. (Downers Grove Public Library) The Downers Grove Public Library, is shown in a separate column on these statements. Financial information for the Library is also presented on page 6-1.

### ***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
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**For the Year Ended December 31, 2015**

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finance-related legal requirements. All of the funds in the Village can be divided into three categories; governmental funds, proprietary funds and fiduciary funds.

***Governmental funds (page 3-3 and page 3-5)***

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. Such information may be useful in evaluating a government's near-term financing requirements.

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 3-7 - 3-9)***

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

***Fiduciary funds (pages 3-10 - 3-11)***

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



**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
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**For the Year Ended December 31, 2015**

assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

***Notes to the Financial Statements (pages 3-12 - 3-68)***

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 4-1 - 4-12)***

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 5-1 - 5-37)*** are presented following the supplementary information on pensions.

***Supplemental information (pages 7-1 - 7-15)*** provides a schedule of insurance in force and schedules of long term debt requirements.

***The statistical section (pages 8-1 - 8-19)*** presents comparative and trend data, generally presented on a multi-year basis, information concerning demographic, economic and social data about the Village, as well as its fiscal capacity. This data should assist the reader in understanding the Village's overall financial condition.

**Table 1**  
**Statement of Net Position (in thousands)**  
**December 31, 2015 and December 31, 2014**

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Current and other assets	\$ 59,548	\$ 60,816	\$ 20,845	\$ 17,973	\$ 80,393	\$ 78,789
Capital assets	127,871	126,561	67,195	62,096	195,066	188,657
Total assets	187,419	187,377	88,040	80,069	275,459	267,446
Deferred Outflows of Resources	9,389	975	1,361	329	10,750	1,304
Current liabilities	14,242	15,519	5,429	5,147	19,671	20,666
Noncurrent liabilities	138,402	60,951	30,887	25,598	169,289	86,549
Total liabilities	152,644	76,470	36,316	30,745	188,960	107,215
Deferred Inflows of Resources	20,378	15,611	77	-	20,455	15,611
Net Position						
Net investment in capital assets	80,121	71,753	37,868	38,495	117,989	110,248
Restricted	10,516	8,127	-	-	10,516	8,127
Unrestricted	(66,851)	(58,519)	15,140	11,116	(51,711)	(47,403)
Total net position *	\$ 23,786	\$ 21,361	\$ 53,008	\$ 49,611	\$ 76,794	\$ 70,972

\* Dec 31, 2014 as restated for implementation of GASB 68

***Statement of Net Position (in thousands)***

See independent auditors' report  
2-6

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
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The Village's combined net position increased by \$5,822 or 8.2% from 2014, to \$76,794. Governmental Activities net position increased by \$2,425 and business-type activities increased by \$3,397. Government-wide net position increased due to revenue growth combined with continued efforts at cost containment. Business-type net position increased due to continued investment in infrastructure.

The Village continues to aggressively invest in infrastructure. The largest portion of the Village's net position 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 totals \$117,989. The Unrestricted portion of net position includes IMRF, Police and Fire pension liability.

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
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**For the Year Ended December 31, 2015**

**Table 2**  
**Statement of Activities (in thousands)**  
**For the Years ended December 31, 2015 and December 31, 2014**

	Governmental Activities		Business-type Activities		Total	
	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2014	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2014	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2014
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 7,089	\$ 7,193	\$ 20,503	\$ 19,109	\$ 27,592	\$ 26,302
Operating grants/contributions	702	969	47	47	749	1,016
Capital grants/contributions	1,228	1,731	1,493	1	2,721	1,732
<b>General revenues:</b>						
Property taxes	15,632	15,775	-	-	15,632	15,775
Sales taxes	21,898	20,961	-	-	21,898	20,961
Other taxes	12,606	12,128	-	-	12,606	12,128
Other	180	(287)	71	57	251	(230)
<b>Total revenues</b>	<b>59,335</b>	<b>58,470</b>	<b>22,114</b>	<b>19,214</b>	<b>81,449</b>	<b>77,684</b>
<b>Expenses:</b>						
General government	6,688	6,980	-	-	6,688	6,980
Public works	11,319	13,992	-	-	11,319	13,992
Community development	3,067	2,681	-	-	3,067	2,681
Public safety	33,749	30,271	-	-	33,749	30,271
Community services	737	799	-	-	737	799
Interest and fiscal charges	1,650	1,898	1,125	1,054	2,775	2,952
Waterworks	-	-	13,731	12,469	13,731	12,469
Parking	-	-	994	1,045	994	1,045
Stormwater Utility	-	-	2,567	1,896	2,567	1,896
<b>Total expenses</b>	<b>57,210</b>	<b>56,621</b>	<b>18,417</b>	<b>16,464</b>	<b>75,627</b>	<b>73,085</b>
Change in net position before transfers	2,125	1,849	3,697	2,750	5,822	4,599
Transfers	300	300	(300)	(300)	-	-
<b>Change in net position</b>	<b>\$ 2,425</b>	<b>\$ 2,149</b>	<b>\$ 3,397</b>	<b>\$ 2,450</b>	<b>\$ 5,822</b>	<b>\$ 4,599</b>
<b>Ending Net Position *</b>	<b>\$ 23,786</b>	<b>\$ 21,361</b>	<b>\$ 53,008</b>	<b>\$ 49,611</b>	<b>\$ 76,794</b>	<b>\$ 70,972</b>

\* Dec 31, 2014 as restated

**Revenues:**

For the year ended December 31, 2015, Governmental Activities Revenues totaled \$59,335, increasing about 1.5% or \$865. Increases include:

- Sales Tax (\$937)
- Other Taxes (\$478)
- Other Revenues (\$467).

These increases were partially offset by decreases in:

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- Capital Grants/contributions (\$503)
- Operating Grants/Contributions (\$267)
- Property Tax (\$143)
- Charges for Services (\$104).

The Village benefits from a highly diversified revenue base. Revenues from sales taxes amounted to \$21,898. The sales tax consists of a 1% state portion and 1% local home rule tax. Sales tax was strong across most categories, particularly in furniture and food. Major items included in the category Other Taxes are state income taxes, utility taxes and hotel taxes. State Income Taxes increased \$620 in 2015. The increase in Other Revenues is due primarily to an investment loss in the Illinois Metropolitan Investment Fund (IMET) in the amount of \$557 which was incurred in 2014. The decrease in Capital Grants/contributions is due in large part to a \$428 payment from the State of Illinois in 2014 for the Capital Bill Program. Operating grants decreased \$180 as the Village discontinued operation of the Downers Grove Commuter Shuttle in late 2014, which was subsidized by Pace grants. Revenues from Property Taxes totaled \$15,632. Property taxes support governmental activities, including the Village's contribution to the Police Pension Fund and the Firefighters' Pension Fund. The levy for operations was flat, and the Police and Fire Pension Levy decreased by \$180 due to better than expected return on plan assets. The decrease in Charges for Services was due primarily to a decrease in fines.

For the year ended December 31, 2015, Business-Type Activities revenues totaled \$22,114 increasing by \$2,900 over 2015. Revenues in this category include charges for providing water and stormwater operations to the residents of the village and charges for parking. Water rates charged to Downers Grove customers were increased in 2015 resulting in \$1,366 additional revenue in 2015. This increase was due to the increases from the DuPage Water Commission (DWC) as well as continued implementation of recommendations from a 2010 water rate study. The DWC purchases Lake Michigan Water from the City of Chicago and in turn, distributes and sells it to member communities, including Downers Grove. The DWC rate increase is due to the increases from the City of Chicago. The water rate study recommended changes to the water rate structure in order to ensure that adequate funding is available for current operations and maintenance as well as for identified capital maintenance and improvement projects in the future.

Capital grants increased by \$1,492. In 2015 the Village received a Metra grant of \$903 for parking lot reconstruction, and \$589 from FEMA for Hazard Mitigation.

Expenses:

For the year ended December 31, 2015, Governmental Activities expenses totaled \$57,210 increasing by \$589 or 1.0%. Increases include:

- Public safety (\$3,478)
- Community Development (\$386)

See independent auditors' report

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
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**For the Year Ended December 31, 2015**

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These increases were partially offset by decreases in:

- Public works (\$2,673)
- General Government (\$292)
- Interest and Fiscal Charges (\$248)
- Community Services (\$62)

The increase in Public Safety was due to an increase in Public Safety Pensions which increased by \$2,281 reflecting the implementation of GASB 68. Additionally, Worker's Compensation claims in the Fire Department increased by \$697. The increase in Community Development was due to payment for a redevelopment agreement for Fresh Thyme Grocers in the amount of \$550.

In general, expenses were held down in 2015 as a result of holding positions open as they became vacant for extended periods of time. Management used this tactic to build up fund balance due to the on-going risk that the state of Illinois will decrease or eliminate funding to municipalities. Public Works expenses decreased due to a gain in the Equipment Replacement Fund of \$1,500 due to the deferral of 2015 purchases to reduce costs in response to the state's budget crisis, a decrease in snow removal expenses of \$804 due to a less severe winter in 2015, a decrease in spending of the MFT allotments of \$220 resulting from the reduction in revenues, and a decrease in Transportation Fund expenses of \$218 after the bus system was turned over to Pace.

Expenses for the Village's business-type activities for the year ended 2015 are \$18,417 for an increase of \$1,953. \$1,100 of this is due to an increase in the Water Fund from the cost of purchasing water from the DuPage Water Commission. In addition, Stormwater expenses increased by \$599 due to increased maintenance activities for the Village's stormwater system.

**Major Governmental Funds (in thousands)**

The General Fund is the Village's primary operating fund and is the largest source of day-to-day operations. The fund balance in the General Fund increased by \$1,487 to \$18,700. This increase was due to favorable variances in General Fund revenues due to a strong local economy and increased income tax revenues; and control of expenses due to continued cost reduction efforts.

The Downtown Redevelopment Tax Increment District fund (TIF) has a fund balance of \$1,060 compared to December 31, 2014 of \$1,243 for a decrease of \$183 as this fund is being used to pay Downtown TIF debt and for costs in the downtown area, offset by property tax increment.

The Capital Improvements fund accounts for the resources provided for improvements to the Village's infrastructure. The fund balance of \$4,077 is down \$4,611 from 2014.

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2015**

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\$25.0 million in debt was issued in 2012 for roadway reconstruction; bond proceeds continued to be spent on road projects in 2015, with the remainder to be spent in 2016.

**General Fund Budgetary Highlights (in thousands)**

The General Fund was budgeted to break even in 2015, with revenues and expenses at \$44,824 million. Revenues in the general fund were \$781 over budget. The majority of the increase is due to favorable budget variances in: income taxes (\$450), local use tax (\$247), and state sales taxes (\$145).

Expenditures in the general fund were \$704 under the budget. This was due in a large part to holding positions open as they became vacant for extended periods of time, as well as continued cost reduction efforts.

**Capital Asset and Debt Administration (in thousands)**

*Capital Assets*

The Village has investment in capital assets for its governmental and business-type activities as of December 31, 2015 of \$195,066 (net of accumulated depreciation). This investment in capital assets includes infrastructure, buildings, land, improvements other than buildings, intangible assets, capital equipment, and construction in progress, and is \$6,409 over last year's total as the Village continues to make needed investment in infrastructure. For more detailed information, see Notes to the Financial Statements #4.

Major capital asset activity during the current period included:

- Street Reconstruction
- Watershed Improvements
- Water main replacements

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2015**

	<b>Capital Assets</b>					
	<b>Net of Accumulated Depreciation</b>					
	<b>(\$ are in thousands)</b>					
	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Capital assets, not being						
Land	\$13,069	\$13,069	\$8,163	\$7,357	\$21,232	\$20,426
Construction in progress	2,310	544	2,145	1,244	4,455	1,788
Total Capital assets, not being depreciated	15,379	13,613	10,308	8,601	25,687	22,214
Capital assets, being depreciated						
Infrastructure	85,776	84,792	44,027	42,014	129,803	126,806
Buildings	18,831	19,319	3,609	3,730	22,440	23,049
Improvements other than	2,565	2,665	8,865	7,312	11,430	9,977
Intangible Assets	283	382	30	38	313	420
Capital equipment	5,037	5,790	356	401	5,393	6,191
Total Capital assets, being depreciated	112,492	112,948	56,887	53,495	169,379	166,443
Total	\$127,871	\$126,561	\$67,195	\$62,096	\$195,066	\$188,657

*Long Term Debt (in thousands)*

At December 31, 2015, the Village had total bonded debt of \$79,365. Of this total, \$22,810 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. The remaining debt was issued to fund infrastructure projects. These debt issuances all have dedicated revenue sources.

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

**VILLAGE OF DOWNERS GROVE, ILLINOIS**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2015**

Outstanding General Obligation Debt (in thousands)

	Governmental Activities		Business-type Activities		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
General Obligation Bonds						
Tax Increment Bonds	\$22,810	\$25,295	\$0	\$0	\$22,810	\$25,295
Stormwater	-	-	16,185	16,215	16,185	16,215
Fire Station #2	7,110	7,545	-	-	7,110	7,545
Fairview Resurfacing	75	200	-	-	75	200
Road Improvements	19,420	21,240	-	-	19,420	21,240
Water System Maintenance	-	-	13,765	9,155	13,765	9,155
Total	\$49,415	\$54,280	\$29,950	\$25,370	\$79,365	\$79,650

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

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

### **Requests for Information**

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



## SECTION 3

# BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by GASB. The sets of statements include:

- Government-wide Financial Statements
- Fund Financial Statements:
  - > Governmental Funds
  - > Proprietary Funds
  - > Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Net Position  
December 31, 2015

	Governmental Activities	Business-type Activities	Total	Component Unit
<b>ASSETS</b>				
Cash and investments	\$ 33,556,710	\$ 17,312,002	\$50,868,712	\$ 3,166,971
Restricted cash	163,368	-	\$163,368	-
Property tax receivable	16,549,343	-	16,549,343	5,154,583
Sales tax receivable	5,835,560	-	5,835,560	-
Other taxes receivable	2,316,643	1,001,179	3,317,822	-
Accounts receivable	336,638	2,438,576	2,775,214	-
Accrued interest receivable	76,559	18,831	95,390	-
Other receivables	553,761	-	553,761	-
Internal balances	10,887	(10,887)	-	-
Prepaid expenses	33,816	22,440	56,256	-
Inventory	104,200	165,821	270,021	-
Note receivable	10,393	-	10,393	-
Capital assets not being depreciated	15,378,949	10,308,050	25,686,999	222,211
Capital assets net accumulated depreciation	112,492,499	56,887,234	169,379,733	12,855,317
Total assets	<u>\$ 187,419,326</u>	<u>\$ 88,143,246</u>	<u>\$ 275,562,572</u>	<u>\$ 21,399,082</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on refunding	853,738	758,255	1,611,993	79,648
Deferred outflows related to pensions	8,534,778	602,595	9,137,373	686,972
Total Deferred Outflows of Resources	<u>\$ 9,388,516</u>	<u>\$ 1,360,850</u>	<u>\$ 10,749,366</u>	<u>\$ 766,620</u>
<b>LIABILITIES</b>				
Accrued interest payable	855,173	611,966	1,467,139	5,658
Accounts payable	3,909,147	1,869,384	5,778,531	56,439
Accrued payroll	1,118,247	55,606	1,173,853	84,419
Deposits payable	-	86,080	86,080	-
Claims payable	2,976,280	-	2,976,280	-
Other payables	64,678	-	64,678	-
Unearned revenue	397,453	1,760,604	2,158,057	7,572
Debt due within 1 year	4,920,859	1,148,670	6,069,529	626,002
Debt due in more than 1 year	138,402,359	30,887,096	169,289,455	1,571,899
Total liabilities	<u>152,644,196</u>	<u>36,419,406</u>	<u>189,063,602</u>	<u>2,351,989</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for future periods	16,549,343	-	16,549,343	5,154,583
Deferred inflows related to pensions	3,828,542	77,077	3,905,619	87,869
Total Deferred Inflows of Resources	<u>20,377,885</u>	<u>77,077</u>	<u>20,454,962</u>	<u>5,242,452</u>
<b>NET POSITION</b>				
Net investment in capital assets	77,987,911	37,867,760	115,855,671	11,767,880
Restricted for debt service	393,748	-	393,748	907,347
Restricted for economic development	5,950,756	-	5,950,756	-
Restricted for public safety	1,575,668	-	1,575,668	-
Restricted for road improvements	462,449	-	462,449	-
Unrestricted	(62,584,771)	15,139,853	(47,444,918)	1,896,034
Total net position	<u>\$ 23,785,761</u>	<u>\$ 53,007,613</u>	<u>\$ 76,793,374</u>	<u>\$ 14,571,261</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Activities  
For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Primary Government	
Primary government								
Governmental activities								
General government	\$ 6,687,907	\$ 1,576,149	\$ -	\$ -	\$ (5,111,758)	\$ -	\$ (5,111,758)	\$ -
Public works	11,319,135	108,173	28,230	1,227,571	(9,955,161)	-	(9,955,161)	-
Community development	3,066,847	1,548,061	-	-	(1,518,786)	-	(1,518,786)	-
Public safety	33,748,883	2,853,932	673,718	-	(30,221,233)	-	(30,221,233)	-
Community services	736,792	1,002,236	150	-	265,594	-	265,594	-
Interest and fiscal charges	1,650,465	-	-	-	(1,650,465)	-	(1,650,465)	-
Total governmental activities	<u>57,210,029</u>	<u>7,088,551</u>	<u>702,098</u>	<u>1,227,571</u>	<u>(48,191,809)</u>	<u>-</u>	<u>(48,191,809)</u>	<u>-</u>
Business-type activities								
Waterworks	14,156,954	15,153,331	-	-	-	996,377	996,377	-
Parking	993,810	1,578,883	46,875	903,311	-	1,535,259	1,535,259	-
Stormwater Utility	3,266,198	3,770,526	360	589,165	-	1,093,853	1,093,853	-
Total business-type activities	<u>18,416,962</u>	<u>20,502,740</u>	<u>47,235</u>	<u>1,492,476</u>	<u>-</u>	<u>3,625,489</u>	<u>3,625,489</u>	<u>-</u>
Total primary government	<u>\$ 75,626,991</u>	<u>\$ 27,591,291</u>	<u>\$ 749,333</u>	<u>\$ 2,720,047</u>	<u>\$ (48,191,809)</u>	<u>3,625,489</u>	<u>(44,566,320)</u>	<u>-</u>
Component unit								
Community services	5,361,872	-	-	-	-	-	-	(5,361,872)
Interest and fiscal charges	64,414	199,522	127,556	-	-	-	-	262,664
Total Component Unit	<u>\$ 5,426,286</u>	<u>\$ 199,522</u>	<u>\$ 127,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$5,099,208)</u>
General revenues								
Property tax					15,632,387	-	15,632,387	5,322,262
Home rule sales tax					7,821,557	-	7,821,557	-
Utility tax					5,635,442	-	5,635,442	-
Hotel tax					973,506	-	973,506	-
Personal property replacement tax					418,001	-	418,001	59,714
Local fuel tax					230,778	-	230,778	-
Other taxes					149,091	-	149,091	-
Intergovernmental								
Shared income tax					5,199,605	-	5,199,605	-
Shared sales tax					12,989,437	-	12,989,437	-
Shared home rule sales tax					1,086,895	-	1,086,895	-
Investment income					180,078	71,415	251,493	1,813
Transfers					300,000	(300,000)	-	-
Total general revenues					<u>50,616,777</u>	<u>(228,585)</u>	<u>50,388,192</u>	<u>5,383,789</u>
Change in net position					<u>2,424,968</u>	<u>3,396,904</u>	<u>5,821,872</u>	<u>284,581</u>
Net position - beginning (as restated)					<u>21,360,793</u>	<u>49,610,709</u>	<u>70,971,502</u>	<u>14,286,680</u>
Net position - ending					<u>\$ 23,785,761</u>	<u>\$ 53,007,613</u>	<u>\$ 76,793,374</u>	<u>\$ 14,571,261</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Balance Sheet  
Governmental Funds  
December 31, 2015

ASSETS	General	Downtown Redevelopment TIF	Capital Improvements	Nonmajor	Total
Cash and investments	\$ 13,809,250	\$ 1,059,819	\$ 3,698,748	\$ 9,372,904	\$27,940,721
Restricted cash	163,368	-	-	-	163,368
Property taxes receivable	12,076,142	2,893,292	971,524	608,385	16,549,343
Sales taxes receivable	4,109,850	-	1,725,710	-	5,835,560
Other taxes receivable	2,037,740	-	151,297	127,606	2,316,643
Accounts receivable	227,057	-	-	1,996	229,053
Other receivable	553,761	-	-	-	553,761
Prepaid items	28,539	-	-	-	28,539
Note receivable	10,393	-	-	-	10,393
Interest receivable	54,958	-	15,358	4,937	75,253
Total Assets	<u>33,071,058</u>	<u>3,953,111</u>	<u>6,562,637</u>	<u>10,115,828</u>	<u>53,702,634</u>
LIABILITIES					
Accounts payable	931,684	-	1,322,297	1,248,705	3,502,686
Accrued payroll	1,109,790	-	8,457	-	1,118,247
Other payables	38,728	-	-	1,426	40,154
Unearned revenue	214,331	-	183,122	-	397,453
Total Liabilities	<u>2,294,533</u>	<u>-</u>	<u>1,513,876</u>	<u>1,250,131</u>	<u>5,058,540</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for future periods	12,076,142	2,893,292	971,524	608,385	16,549,343
Total Deferred Inflows of Resources	<u>12,076,142</u>	<u>2,893,292</u>	<u>971,524</u>	<u>608,385</u>	<u>16,549,343</u>
Total Liabilities & Deferred Inflows of Resources	<u>14,370,675</u>	<u>2,893,292</u>	<u>2,485,400</u>	<u>1,858,516</u>	<u>21,607,883</u>
FUND BALANCE					
Nonspendable	38,932	-	-	-	38,932
Restricted	163,368	1,059,819	-	7,159,434	8,382,621
Assigned	-	-	4,077,237	1,097,878	5,175,115
Unassigned	18,498,083	-	-	-	18,498,083
Total fund balances	<u>18,700,383</u>	<u>1,059,819</u>	<u>4,077,237</u>	<u>8,257,312</u>	<u>32,094,751</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 33,071,058</u>	<u>\$ 3,953,111</u>	<u>\$ 6,562,637</u>	<u>\$10,115,828</u>	<u>\$ 53,702,634</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Reconciliation of Fund Balances of Governmental Funds to the  
 Governmental Activities in the Statement of Net Position  
 December 31, 2015

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$32,094,751</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	127,871,448
Less internal service funds	(4,876,300)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(49,415,000)
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the governmental funds	(3,936,195)
Less internal service funds	101,914
The net OPEB payable is not due and payable in the current period, and, therefore, is not reported in the governmental funds	(6,944,412)
Less internal service funds	171,320
Unamortized premium is reported as a liability on the statement of net position	(1,322,275)
The unamortized accounting loss is reported as a deferred outflow in the statement of net position	853,738
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(855,173)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the Governmental Funds Balance Sheet	
Police	2,892,832
Fire	2,313,335
IMRF	3,093,130
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the Governmental Funds Balance Sheet	
Police	(2,911,914)
Fire	(490,871)
IMRF	(395,637)
Long term liabilities applicable to the Village's governmental activities are not due and payable in the current period and, according, are not reported as fund liabilities. All liabilities - both current and long term are reported in the Statement of Net Position.	
Net IMRF Pension liability	(3,396,674)
Net Police Pension liability	(40,512,814)
Net Fire Pension liability	(37,537,259)
The net position of the internal service funds are included in the governmental activities in the statement of net position	6,976,930
Less the net position attributable to Business type activities	10,887
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$23,785,761</b>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015

REVENUES	Downtown				Total
	General	Redevelopment TIF	Capital Improvements	Nonmajor	
Property tax	\$ 11,227,181	\$ 2,844,329	\$ 971,524	\$ 589,353	\$ 15,632,387
Home rule sales tax	1,955,389	-	5,866,168	-	7,821,557
Utility tax	5,083,496	-	551,946	-	5,635,442
Other taxes	1,442,374	-	22,626	306,376	1,771,376
Licenses & permits	1,769,218	-	-	-	1,769,218
Intergovernmental	18,954,759	-	61,130	2,189,280	21,205,169
Charges for services & fees	4,393,147	-	-	266,414	4,659,561
Fines & forfeitures	659,772	-	-	-	659,772
Investment income	119,988	194	43,564	16,332	180,078
Contributions & donations	437	-	-	-	437
<b>Total revenues</b>	<b>45,605,761</b>	<b>2,844,523</b>	<b>7,516,958</b>	<b>3,367,755</b>	<b>59,334,997</b>
EXPENDITURES					
Current					
General government	4,815,999	-	-	1,071,306	5,887,305
Public works	5,509,648	-	816,418	1,130,000	7,456,066
Community development	2,000,861	57,608	-	636,932	2,695,401
Public safety	31,083,637	-	-	87,909	31,171,546
Community services	707,885	-	-	-	707,885
Debt service					
Principal Retirement	-	-	-	4,865,000	4,865,000
Interest and Other	-	-	-	1,756,341	1,756,341
Capital outlay					
General government	-	-	-	97,658	97,658
Public works	-	-	7,659,729	-	7,659,729
Public safety	-	-	-	13,518	13,518
<b>Total expenditures</b>	<b>44,118,030</b>	<b>57,608</b>	<b>8,476,147</b>	<b>9,658,664</b>	<b>62,310,449</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,487,731</b>	<b>2,786,915</b>	<b>(959,189)</b>	<b>(6,290,909)</b>	<b>(2,975,452)</b>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	6,921,346	6,921,346
Transfers out	-	(2,969,888)	(3,651,458)	-	(6,621,346)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>(2,969,888)</b>	<b>(3,651,458)</b>	<b>6,921,346</b>	<b>300,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,487,731</b>	<b>(182,973)</b>	<b>(4,610,647)</b>	<b>630,437</b>	<b>(2,675,452)</b>
Fund balances -- beginning	17,212,652	1,242,792	8,687,884	7,626,875	34,770,203
<b>Fund balances -- ending</b>	<b>\$ 18,700,383</b>	<b>\$ 1,059,819</b>	<b>\$ 4,077,237</b>	<b>\$ 8,257,312</b>	<b>\$ 32,094,751</b>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances  
 to the Governmental Activities in the Statement of Activities  
 For the Year Ended December 31, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (2,675,452)
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the statement of activities Less internal service funds	4,931,087 65,257
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. Less internal service funds	(3,826,393) 901,567
The repayment of the principal portion of long-term debt is reported as an expenditure when paid, along with refundings as an other financing use, but they are reductions of principal outstanding in the statement of net position	4,865,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	45,998
The change in the compensated absences liability is reported as an expense on the statement of activities Add internal service funds	185,760 7,384
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent they require the expenditure of current financial resources.	
Pension expense :Police	(1,075,770)
Pension expense : Fire	(1,334,584)
Pension expense : IMRF	(390,334)
The accounting loss is reported as an expense in the statement of activities	(120,932)
The amortization of the premium on long-term debt is reported as a reduction of expense on the statement of activities	180,810
The increase in OPEB payable is reported as a increase in expense on the statement of activities Less internal service funds	(318,539) 6,386
The change in net position of certain activities of internal service funds is reported in governmental funds Less the change in net position attributable to pension restatement Less the change in net position attributable to Business type activities	1,110,595 (16,567) <u>(116,305)</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,424,968</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Net Position  
Proprietary Funds  
December 31, 2015

	Business-type Activities - Enterprise Funds				Internal Service
	Waterworks	Parking	Stormwater	Total	
<b>ASSETS</b>					
Current assets					
Cash and investments	\$ 9,039,359	\$ 1,241,195	\$ 7,031,448	\$ 17,312,002	\$ 5,615,989
Accounts receivable	1,977,880	111,236	349,460	2,438,576	107,585
Other receivable	-	944,556	56,623	1,001,179	-
Interest receivable	7,737	2,608	8,486	18,831	1,306
Prepaid expenses	-	22,440	-	22,440	5,277
Inventory	165,821	-	-	165,821	104,200
Total Current assets	<u>11,190,797</u>	<u>2,322,035</u>	<u>7,446,017</u>	<u>20,958,849</u>	<u>5,834,357</u>
Noncurrent assets					
Capital assets not being depreciated	2,190,274	2,100,912	6,016,864	10,308,050	-
Capital assets being depreciated	68,401,120	3,474,714	16,386,060	88,261,894	12,714,786
Accumulated depreciation	(27,482,335)	(2,877,231)	(1,015,094)	(31,374,660)	(7,838,486)
Total Noncurrent assets	<u>43,109,059</u>	<u>2,698,395</u>	<u>21,387,830</u>	<u>67,195,284</u>	<u>4,876,300</u>
Total assets	<u>54,299,856</u>	<u>5,020,430</u>	<u>28,833,847</u>	<u>88,154,133</u>	<u>10,710,657</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Loss on refunding	-	-	758,255	758,255	-
Deferred outflows related to pensions	334,735	37,644	230,216	602,595	235,481
Total Deferred Outflows of Resources	<u>334,735</u>	<u>37,644</u>	<u>988,471</u>	<u>1,360,850</u>	<u>235,481</u>
<b>LIABILITIES</b>					
Current liabilities					
Accrued interest payable	243,091	-	368,875	611,966	-
Accounts payable	785,962	873,872	209,550	1,869,384	406,461
Accrued payroll	30,057	3,844	21,705	55,606	-
Deposits payable	86,080	-	-	86,080	-
Claims payable	-	-	-	-	1,409,257
Other payables	-	-	-	-	24,524
Unearned revenue	103,595	1,347,656	309,353	1,760,604	-
Compensated absences	30,529	381	7,760	38,670	30,574
Bonds payable	635,000	-	475,000	1,110,000	-
Total Current liabilities	<u>1,914,314</u>	<u>2,225,753</u>	<u>1,392,243</u>	<u>5,532,310</u>	<u>1,870,816</u>
Noncurrent liabilities					
Claims payable	-	-	-	-	1,567,023
Bonds payable	13,481,180	-	16,167,025	29,648,205	-
Compensated absences	71,234	888	18,108	90,230	71,340
Other post-employment benefits	267,524	33,404	186,003	486,931	171,320
Net pension liability	367,584	41,339	252,807	661,730	258,589
Total Noncurrent liabilities	<u>14,187,522</u>	<u>75,631</u>	<u>16,623,943</u>	<u>30,887,096</u>	<u>2,068,272</u>
Total liabilities	<u>16,101,836</u>	<u>2,301,384</u>	<u>18,016,186</u>	<u>36,419,406</u>	<u>3,939,088</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	42,815	4,815	29,447	77,077	30,120
Total Deferred Inflows of Resources	<u>42,815</u>	<u>4,815</u>	<u>29,447</u>	<u>77,077</u>	<u>30,120</u>
<b>NET POSITION</b>					
Net investment in capital assets	30,423,560	2,698,395	4,745,805	37,867,760	4,876,300
Unrestricted	8,066,380	53,480	7,030,880	15,150,740	2,100,630
Total net position	<u>\$ 38,489,940</u>	<u>\$ 2,751,875</u>	<u>\$ 11,776,685</u>	<u>\$ 53,018,500</u>	<u>\$ 6,976,930</u>

Amounts reported for business-type activities in the statement of net position are different because:

Portion of internal service fund net position reported in the business-type activities as an internal balance	<u>(10,887)</u>
	<u>\$ 53,007,613</u>

See accompanying notes to financial statements



VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds				Internal Service
	Waterworks	Parking	Stormwater	Total	
<b>OPERATING REVENUES</b>					
Sales	\$ -	\$ -	\$ -	\$ -	\$ 134,448
Charges for services, fees, fines	15,153,331	1,578,883	3,770,526	20,502,740	-
Interfund services	-	-	-	-	10,755,662
Insurance premiums	-	-	-	-	1,711,668
Other	-	-	-	-	17,298
Total operating revenues	<u>15,153,331</u>	<u>1,578,883</u>	<u>3,770,526</u>	<u>20,502,740</u>	<u>12,619,076</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,538,550	180,170	920,482	2,639,202	1,012,317
Supplies	8,996,111	14,262	67,066	9,077,439	634,659
Contractual services	605,577	197,624	393,946	1,197,147	2,033,305
Other charges and services	1,481,156	575,571	887,151	2,943,878	6,949,704
Depreciation	1,225,923	26,183	298,445	1,550,551	901,567
Total operating expenses	<u>13,847,317</u>	<u>993,810</u>	<u>2,567,090</u>	<u>17,408,217</u>	<u>11,531,552</u>
Operating income (loss)	<u>1,306,014</u>	<u>585,073</u>	<u>1,203,436</u>	<u>3,094,523</u>	<u>1,087,524</u>
<b>NONOPERATING REVENUES(EXPENSES)</b>					
Intergovernmental	-	46,875	360	47,235	-
Investment income	31,389	3,686	36,340	71,415	7,801
Gain from disposals	-	-	-	-	15,270
Bond interest expense	(382,021)	-	(661,473)	(1,043,494)	-
Amortization of bond premium	11,707	-	18,663	30,370	-
Expense of issue costs	(55,628)	-	(56,298)	(111,926)	-
Total nonoperating revenues (expenses)	<u>(394,553)</u>	<u>50,561</u>	<u>(662,408)</u>	<u>(1,006,400)</u>	<u>23,071</u>
Income (loss) before transfers, capital contributions and donations	<u>911,461</u>	<u>635,634</u>	<u>541,028</u>	<u>2,088,123</u>	<u>1,110,595</u>
<b>TRANSFERS</b>					
Transfers (out)	-	(300,000)	-	(300,000)	-
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>					
	-	903,311	589,165	1,492,476	-
<b>CHANGE IN NET POSITION</b>	<u>911,461</u>	<u>1,238,945</u>	<u>1,130,193</u>	<u>3,280,599</u>	<u>1,110,595</u>
<b>NET POSITION, JANUARY 1 (as restated)</b>	<u>37,578,479</u>	<u>1,512,930</u>	<u>10,646,492</u>	<u>5,866,335</u>	<u>5,866,335</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 38,489,940</u>	<u>\$ 2,751,875</u>	<u>\$ 11,776,685</u>	<u>\$ 6,976,930</u>	<u>\$ 6,976,930</u>

Amounts reported for business-type activities in the  
Statement of Activities are different because:  
Portion of internal service funds change in net position  
reported in business-type activities

	116,305
<b>CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>	<b>3,396,904</b>

See accompanying notes to financial statements

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Statement of Cash Flows

## Proprietary Funds

For the Year Ended December 31, 2015

	Business Type Activities - Enterprise Funds				Internal Service
	Waterworks	Parking	Stormwater	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from interfund services	\$ -	\$ -	\$ -	\$ -	\$10,755,662
Receipts from customers	15,055,333	1,545,140	3,774,139	20,374,612	1,794,532
Other payments	(630,316)	(197,624)	(393,946)	(1,221,886)	(7,327,617)
Payments to employees	(1,470,901)	(173,849)	(871,122)	(2,515,872)	(983,056)
Payments for interfund services	(1,481,156)	(575,571)	(887,151)	(2,943,878)	-
Payments to suppliers	(9,406,285)	820,804	(537,749)	(9,123,230)	(2,593,599)
Net cash provided (used) by operating activities	<u>2,066,675</u>	<u>1,418,900</u>	<u>1,084,171</u>	<u>4,569,746</u>	<u>1,645,922</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Grant proceeds	-	-	360	360	-
Transfers in (out)	-	(300,000)	-	(300,000)	-
Net cash provided (used) by noncapital activities	<u>-</u>	<u>(300,000)</u>	<u>360</u>	<u>(299,640)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital assets purchased	(3,411,665)	(1,345,509)	(1,892,319)	(6,649,493)	(140,451)
Proceeds from sale of capital assets	-	-	-	-	15,270
Capital grant receipts	-	-	532,542	532,542	-
Interest paid	(283,480)	-	(616,634)	(900,114)	-
Bond Issuance cost	(55,628)	-	(56,298)	(111,926)	-
Bond Premium	225,556	-	236,858	462,414	-
Principal paid on general obligation bonds	(390,000)	-	(385,000)	(775,000)	-
Paid into Escrow Account	-	-	(4,715,000)	(4,715,000)	-
Bond proceeds	5,000,000	-	4,535,000	9,535,000	-
Net cash provided (used) by capital activities	<u>1,084,783</u>	<u>(1,345,509)</u>	<u>(2,360,851)</u>	<u>(2,621,577)</u>	<u>(125,181)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	30,364	1,078	33,359	64,801	6,495
Net cash provided by investing activities	<u>30,364</u>	<u>1,078</u>	<u>33,359</u>	<u>64,801</u>	<u>6,495</u>
Net Increase (decrease) in cash and cash equivalents	3,181,822	(225,531)	(1,242,961)	1,713,330	1,527,236
Cash and investments - beginning of year	<u>5,857,537</u>	<u>1,466,726</u>	<u>8,274,409</u>	<u>15,598,672</u>	<u>4,088,753</u>
Cash and investments - end of year	<u>\$ 9,039,359</u>	<u>\$ 1,241,195</u>	<u>\$ 7,031,448</u>	<u>\$ 17,312,002</u>	<u>\$ 5,615,989</u>
<b>Reconciliation of operating income (loss) to net cash by operating activities</b>					
Operating income (loss)	\$1,306,014	\$ 585,073	\$ 1,203,436	\$3,094,523	\$ 1,087,524
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	1,225,923	26,183	298,445	1,550,551	901,567
Change in assets and liabilities					
Accounts payable	(416,790)	857,506	(470,683)	(29,967)	25,579
Compensated absences	9,440	268	(2,381)	7,327	7,384
Accounts receivable	(132,134)	(33,743)	2,246	(163,631)	(68,882)
Prepaid expenses	-	(22,440)	-	(22,440)	29,933
Due from other funds	-	-	-	-	-
Inventory	6,616	-	-	6,616	18,853
Other post-employment benefits	18,829	1,988	32,394	53,211	6,386
Deposits payable	(9,591)	-	-	(9,591)	-
Other payables	(15,148)	-	-	(15,148)	1,632
Unearned revenue	34,136	-	1,367	35,503	-
Accrued payroll payable	1,140	423	3,348	4,911	-
Claims payable	-	-	-	-	(379,545)
Net pension liability	38,240	3,642	15,999	57,881	15,491
Net cash provided (used) by operating activities	<u>\$2,066,675</u>	<u>\$ 1,418,900</u>	<u>\$ 1,084,171</u>	<u>\$ 4,569,746</u>	<u>\$ 1,645,922</u>

See accompanying notes to financial statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Fiduciary Net Position  
December 31, 2015

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,483,576	\$ 1,655,116
Investments		
U.S. and U.S. agency obligations	14,085,826	-
Corporate bonds	17,919,071	-
Foreign bonds	652,316	-
Negotiable CDs	2,904,524	-
Mutual funds - fixed income	643,452	-
Mutual funds - equity	40,390,966	-
Common and preferred stocks	3,496,165	-
Real Estate	10,517,734	-
Total investments	<u>90,610,054</u>	-
Prepays	8,053	-
Interest receivable	<u>270,152</u>	-
 Total assets	 <u>93,371,835</u>	 <u>1,655,116</u>
 Accounts payable	 25,398	 234,612
Deposits payable	<u>-</u>	<u>1,420,504</u>
 Total liabilities	 <u>25,398</u>	 <u>\$ 1,655,116</u>
 <b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	 <u><u>\$ 93,346,437</u></u>	

See accompanying notes to financial statements  
3-10

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Changes in Fiduciary Net Position  
For the Year Ended December 31, 2015

	Pension Trust
<b>ADDITIONS</b>	
Contributions	
Contributions - employer	\$ 4,619,145
Contributions - employees	1,328,020
Total contributions	5,947,165
Investment earnings	
Interest earned on investments	2,087,973
Net appreciation in fair value	(1,678,297)
Total investment earnings	409,676
Less investment expense	(197,888)
Net investment earnings	211,788
Total additions	6,158,953
<b>DEDUCTIONS</b>	
Contractual services	103,549
Benefits and refunds	6,620,869
Total deductions	6,724,418
Change in Net Position	(565,465)
Net Position-- beginning of the year	93,911,902
Net Position -- end of the year	\$93,346,437

See accompanying notes to financial statements

## NOTES TO FINANCIAL STATEMENTS

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2015

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## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

December 31, 2015

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

## A. Reporting Entity

The Village is a municipal corporation governed by an elected board. As required by GAAP, these financial statements present the Village (the primary government). In evaluating how to define the reporting entity, management has considered all potential component units. Component units are legally separate organizations for which the Village is financially accountable or other organizations for which the nature and significance of their relationship with the Village are such that their exclusion would cause the reporting entity's financial statements to be misleading.

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

## Police Pension Employees Retirement System

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

## Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). The FPERS functions for the benefit of those employees and is governed by a five member pension board. Two members appointed by the Mayor, one pension beneficiary elected by the membership, and two fire employees elected by the membership constitute the pension board. The Village and FPERS

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

December 31, 2015

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

#### Discretely Presented Component Unit - Downers Grove Public Library

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

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

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

#### B. Fund Accounting

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

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

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

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



VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2015

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account for assets that the Village holds in fiduciary capacity or on behalf of others as their agent.

C. Government-Wide and Fund Financial Statements

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

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

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

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

The Village reports the following major governmental funds:

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

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2015

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

The Village reports the following major proprietary funds:

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

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

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

Additionally, the Village reports the following funds:

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

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

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

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

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

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

December 31, 2015

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

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

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

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

E. Cash and Cash Equivalents and Investments

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

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

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

**F. Receivables**

The recognition of receivables associated with non-exchange transactions are as follows:

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

**G. Interfund Receivables/Payables**

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

**H. Inventory**

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory amounts are recorded on the basis of a physical count at the fiscal year end. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

**I. Prepaid Items/Expenses**

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**J. Capital Assets**

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

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

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historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

#### K. Deferred Outflows of Resources

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

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

#### L. Compensated Absences

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2015

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employee resignations and retirements near the end of the fiscal year and the payout is actually due to them but has not yet been paid.

M. Long-Term Obligations

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

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

N. Deferred Inflows of Resources

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

O. Fund Balances/Net Position

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

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

b. Restricted – Consists of fund balances constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the Village.

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

d. Assigned – Represents amounts constrained by the Village's intent to use them for a specific purpose. The Village Council authorizes management to assign fund balance.

## VILLAGE OF DOWNERS GROVE, ILLINOIS

### Notes to Financial Statements

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

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

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the Village's net position is restricted as a result of enabling legislation adopted by the Village. Net investment in capital assets represents the book value of capital assets less any long-term debt outstanding issued to acquire or construct the capital assets.

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

#### P. Interfund Transactions

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

#### Q. Use of Estimates

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

## 2. DEPOSITS AND INVESTMENTS

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

#### A. Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes except for repurchase agreements. These

## VILLAGE OF DOWNERS GROVE, ILLINOIS

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

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

#### Deposits with Financial Institutions

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

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

#### Investments

The following table presents the investments and maturities of the Village’s debt securities as of December 31, 2015:

Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5
Municipal Bonds	\$ 8,659,888	\$ 3,756,361	\$ 4,903,527
Federal Home Loan Bank Note	1,545,745	-	1,545,745
Federal Farm Credit Bank Note	1,294,055	-	1,294,055



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Negotiable CDs	1,415,000	685,000	730,000
Total	<u>\$12,914,688</u>	<u>\$ 4,441,361</u>	<u>\$ 8,473,327</u>

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

Investment ratings				
Investment Type	Fair Value	AAA	AA	Not Rated
Municipal Bonds	\$ 8,659,888	\$2,188,268	\$6,471,620	\$ -
Federal Home Loan Bank Note	1,545,745	-	1,545,745	-
Federal Farm Credit Bank Note	1,294,055	-	1,294,055	-
Negotiable CDs	1,415,000	-	-	1,415,000
Illinois Funds	4,442,474	4,442,474	-	-
Total	<u>\$17,357,162</u>	<u>\$6,630,742</u>	<u>\$9,311,420</u>	<u>\$1,415,000</u>

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

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

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities); no financial institution shall hold more than 40% of the Village's investment portfolio, exclusive of U.S. Treasury securities in safekeeping; monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution; commercial paper shall not exceed 10% of the Village's investment portfolio, except bond issue proceed investments; and deposits in any one public investment pool shall not exceed 50% of the Village's investment portfolio. The Village has \$1,545,745 invested in Federal Home Loan Bank Notes and \$1,294,055 invested in Federal Farm Credit Banks which is over 5% of the Village's investment portfolio.

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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).

The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The police pension fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Expected Rate of Return Assumption	Real rate of Return Assumption
Fixed Income	42.50%	3.70%	1.50%
Domestic Equities	35.00%	8.20%	6.00%
International Equities	10.00%	8.50%	6.30%
Real Estate	12.50%	8.10%	5.90%
Cash and Cash Equivalents	0.00%	2.50%	0.30%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in December 2015 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are listed in the table above.

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -0.24 percent.

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The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

#### Deposits with Financial Institutions

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

#### Investments

The following table presents the investments and maturities of the Police Pension Fund’s debt securities as of December 31, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	10,937,128	1,229,668	9,707,460	\$ -	\$ -
Foreign Bonds	344,541	-	344,541	-	-
U.S. Obligations	4,709,600	601,194	4,108,406	-	-
U.S. Agency Obligations	3,117,859	206	2,099,605	24,322	993,726
<b>TOTAL</b>	<b>\$19,109,128</b>	<b>\$1,831,068</b>	<b>\$16,260,012</b>	<b>\$24,322</b>	<b>\$993,726</b>

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

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Investment Type	Fair Value	Investment ratings				
		AAA	AA	A	BBB	Not Rated
Corporate Bonds	\$10,937,128	\$ -	\$670,533	\$6,366,706	\$3,899,889	\$ -
Foreign Bonds	\$344,541	-	344,541	-	-	-
U.S. Obligations	\$4,709,600	4,709,600	-	-	-	-
U.S. Agency Obligations	\$3,117,859	3,117,859	-	-	-	-
Principal U.S. Property Separate Acct	\$6,157,691	-	-	-	-	6,157,691
<b>TOTAL</b>	<b>\$25,266,819</b>	<b>\$7,827,459</b>	<b>\$1,015,074</b>	<b>\$6,366,706</b>	<b>\$3,899,889</b>	<b>\$6,157,691</b>

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

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

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of its investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. Target percentages are fixed income 55%; large cap domestic equities 25%; small cap domestic equities 10%; and international equities 10%. In the Police Pension, more than 5 percent of the plan's net position is invested in a mutual fund/insurance contract purchased through Principal Financial Group. The Police Pension holds \$6,157,691 in a mutual fund/insurance contract purchased through Principal Financial Group, representing 12.9% of the plan's net position.

C. Firefighters' Pension Fund Deposits and Investments

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

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Illinois Pension Code. The firefighters' pension fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Expected Rate of Return Assumption	Real Rate of Return Assumption
Fixed Income	35.00%	3.70%	1.50%
Domestic Equities	39.00%	8.20%	6.00%
International Equities	15.00%	8.50%	6.30%
Real Estate	10.00%	8.10%	5.90%
Cash and Cash Equivalents	1.00%	2.50%	0.30%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in December 2015 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are listed in the table above.

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.91% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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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, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	\$6,981,943	\$28,076	\$4,003,221	\$2,776,100	\$174,546
Foreign Bonds	307,775		138,833	168,942	-
U.S. Obligations	3,326,906	-	257,466	2,679,268	-
U.S. Agency Obligations	2,931,461	-	2,501,902	100,160	-
Negotiable CDs	2,904,524	-	2,904,524	-	-
<b>TOTAL</b>	<b>\$16,452,609</b>	<b>\$28,076</b>	<b>\$9,805,946</b>	<b>\$5,724,470</b>	<b>\$915,236</b>

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

Investment Type	Fair Value	Investment ratings				
		AAA	AA	A	BBB	Not Rated
Corporate Bonds	\$6,981,942	\$209,079	\$1,604,007	\$4,277,526	\$891,330	\$-
Foreign Bonds	307,776	223,506	84,270	-	-	-
U.S. Obligations	3,326,906	3,326,906	-	-	-	-
U.S. Agency Obligations	2,931,461	2,931,461	-	-	-	-
Principal US Property Separate Acct	4,360,043	-	-	-	-	4,360,043
Negotiable CDs	2,904,524	-	-	-	-	2,904,524
<b>TOTAL</b>	<b>\$20,812,652</b>	<b>\$6,690,952</b>	<b>\$1,688,277</b>	<b>\$4,277,526</b>	<b>\$891,330</b>	<b>\$7,264,567</b>

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

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

## VILLAGE OF DOWNERS GROVE, ILLINOIS

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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%. In the Fire Pension, more than 5 percent of the plan's net position is invested in a mutual fund/insurance contract purchased through Principal Financial Group. The Fire Pension holds \$4,360,043 in a mutual fund/insurance contract purchased through Principal Financial Group, representing 9.5% of the plan's net position.

## 3. RECEIVABLES

## A. Property Taxes

Property taxes for 2015 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 2015 tax levy is intended to fund expenditures for the 2016 fiscal year, these taxes are deferred as of December 31, 2015.

## B. Other Receivables

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

## GOVERNMENTAL ACTIVITIES

## OTHER TAXES RECEIVABLE

Telecommunications tax	\$ 907,780
State income tax	585,867
Electricity tax	155,289
Natural gas tax	52,011
Local use tax	417,544
Auto rental tax	11,925
Hotel tax	56,588
State motor fuel tax	110,288
Pull tabs	2,033
Local motor fuel tax	17,318
TOTAL OTHER TAXES RECEIVABLE	<u>\$ 2,316,643</u>

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

December 31, 2015

## OTHER RECEIVABLES

Ambulance fees	\$ 282,056
Franchise fees	246,100
Grants	24,744
Other	861
<b>TOTAL OTHER RECEIVABLES</b>	<b>\$ 553,761</b>

## 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

## A. Governmental Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	\$13,068,538	-	-	\$13,068,538
Construction in progress	544,154	5,083,357	3,317,100	2,310,411
Total capital assets not being depreciated	13,612,692	5,083,357	3,317,100	15,378,949
Capital assets being depreciated				
Infrastructure	111,225,404	3,317,100	87,013	114,455,491
Buildings	27,046,011	-	-	27,046,011
Improvements other than buildings	3,795,076	-	-	3,795,076
Intangible Assets	1,261,055	-	-	1,261,055
Capital equipment	17,186,695	140,451	205,708	17,121,438
Total capital assets being depreciated	160,514,241	3,457,551	292,721	163,679,071
Less accumulated depreciation for				
Infrastructure	26,433,355	2,247,773	2,301	28,678,827
Buildings	7,727,270	487,976	-	8,215,246
Improvements other than buildings	1,129,634	100,848	-	1,230,482
Intangible Assets	878,950	99,138	-	978,088
Capital equipment	11,396,678	892,959	205,708	12,083,929
Total accumulated depreciation	47,565,887	3,828,694	208,009	51,186,572
Total capital assets being depreciated, Net	112,948,354	(371,143)	84,712	112,492,499
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$126,561,046</b>	<b>\$4,712,214</b>	<b>\$3,401,812</b>	<b>\$127,871,448</b>

## B. Business-Type Activities

	Balances January 1	Increases	Decreases	Balances December 31
Capital assets not being depreciated				
Land	\$7,356,761	\$806,629	-	\$8,163,390
Construction in progress	1,244,381	5,860,299	4,960,020	2,144,660



VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
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Total capital assets not being depreciated	8,601,142	6,666,928	4,960,020	10,308,050
Capital assets being depreciated				
Infrastructure	55,072,627	3,066,885	17,435	58,122,077
Buildings	6,101,133	-	-	6,101,133
Improvements other than buildings	17,438,420	1,893,135	-	19,331,555
Intangible assets	104,081	-	-	104,081
Capital equipment	4,403,048	-	-	4,603,048
Total capital assets being depreciated	83,319,309	4,960,020	17,435	88,261,894
Less accumulated depreciation for				
Infrastructure	13,059,359	1,037,119	1,210	14,095,268
Buildings	2,371,051	120,937	-	2,491,988
Improvements other than buildings	10,125,965	340,653	-	10,466,618
Intangible assets	65,924	7,631	-	73,555
Capital equipment	4,201,810	45,421	-	4,247,231
Total accumulated depreciation	29,824,109	1,551,761	1,210	31,374,660
Total capital assets being depreciated, Net	53,495,200	3,408,259	16,225	56,887,234
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$62,096,342</u>	<u>\$10,075,187</u>	<u>\$4,976,245</u>	<u>\$67,195,284</u>

C. Depreciation/Amortization Expense

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

<b>GOVERNMENTAL ACTIVITIES</b>		
General government		\$ 550,838
Public works		2,377,786
Community development		320,539
Public safety		577,230
		<u>3,826,393</u>
<b>TOTAL DEPRECIATION/AMORTIZATION EXPENSE</b>		<u>\$ 3,826,393</u>
<b>BUSINESS-TYPE ACTIVITIES</b>		
Stormwater Utility		\$ 298,445
Waterworks		1,225,923
Parking		26,183
		<u>1,550,551</u>
<b>TOTAL DEPRECIATION/AMORTIZATION EXPENSE</b>		<u>\$ 1,550,551</u>

5. TRANSFERS

At December 31, 2015, interfund transfers consist of the following:

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
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Fund	Transfer In	Transfer Out
Major Governmental		
Downtown Redevelopment TIF (1)	-	2,969,888
Capital Improvements (1)	-	3,151,454
Capital Improvements (2)	-	500,004
Non-major Governmental		
Downtown TIF Debt Service (1)	3,269,888	-
Facilities Debt Service (1)	3,151,454	-
Municipal Buildings (2)	500,004	-
Enterprise		
Parking (1)	-	300,000
<b>TOTAL</b>	<b>\$6,921,346</b>	<b>\$6,921,346</b>

The interfund transfers reflect the following transactions: (1) transfer funds for debt service, (2) transfer to fund facilities projects.

## 6. LONG-TERM DEBT

### A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Balances (as restated) January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Compensated absences payable*	\$ 4,121,955	\$ 3,936,195	\$ 4,121,955	\$ 3,936,195	\$ 1,180,859
Net pension liability - Police *	39,456,126	1,056,688	-	40,512,814	-
Net pension liability - Fire *	34,380,211	3,157,048	-	37,537,259	-
Unamortized premium	1,503,085	-	180,810	1,322,275	-
Net OPEB payable *	6,625,873	329,731	11,192	6,944,412	-
General obligation bonds payable	54,280,000	-	4,865,000	49,415,000	3,740,000
Net pension liability- IMRF *	2,046,648	1,608,615	-	3,655,263	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 142,413,898</b>	<b>\$10,088,277</b>	<b>\$9,178,957</b>	<b>\$143,323,218</b>	<b>\$ 4,920,859</b>

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
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	Balances (as restated) January 1	Additions	Reductions	Balances December 31	
<b>BUSINESS-TYPE ACTIVITIES</b>					
Compensated absences payable	\$ 121,573	\$ 128,900	\$ 121,573	\$ 128,900	\$ 38,670
Unamortized premium	448,253	462,184	102,232	808,205	-
Net OPEB payable	433,720	53,211	-	486,931	-
General obligation bonds payable	25,370,000	9,535,000	4,955,000	29,950,000	1,110,000
Net pension liability – IMRF	370,514	291,216	-	661,730	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 26,744,060</b>	<b>\$ 10,470,511</b>	<b>\$ 5,178,805</b>	<b>\$ 32,035,766</b>	<b>\$ 1,148,670</b>

### B. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. All of the general obligation bonds are retired by the debt service funds, other than \$25.0 M General Obligation Stormwater Improvement Bonds, Series 2008A and \$2.9 M General Obligation Refunding Bonds, Series 2014B and \$4.5 M General Obligation Refunding Bonds Series 2015B retired by the Stormwater fund; and \$10.0 M General Obligation Water Bonds, Series 2012B and \$5.0M Series 2015 General Obligation Water Improvement Bonds retired by the Waterworks fund. General obligation bonds currently outstanding are as follows:

	Balances Jan-2015	Additions	Refunding/ Retirements	Balances Dec-2015	Current Portion
\$9,250,000 General Obligation Bonds, Series 2007, dated May 1, 2007, due in installments of \$400,000 to \$420,000 beginning January 1, 2009 plus interest of 5.50% due January 1, 2016.	820,000	-	400,000	420,000	420,000
\$25,000,000 General Obligation Bonds, Series 2008A, dated August 13, 2008, due in installments of \$385,000 to \$1,095,000 beginning January 1, 2010 plus interest ranging from 4.00% to 5.00% due January 1, 2038.	13,280,000	-	4,550,000	8,730,000	385,000
\$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.	2,160,000	-	-	2,160,000	-

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\$9,030,000 General Obligation Refunding Bonds, Series 2009, dated April 9, 2009, due in installments of \$880,000 to \$1,005,000 beginning January 1, 2011 plus interest ranging from 2.50% to 5.00% due January 1, 2019.	4,705,000	-	880,000	3,825,000	910,000
\$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.	5,320,000	-	175,000	5,145,000	160,000
\$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.	4,950,000	-	380,000	4,570,000	240,000
\$25,000,000 General Obligation Bonds, Series 2012 - Roads, dated May 3, 2012, due in installments of \$590,000 to \$1,210,000 beginning January 1, 2013 plus interest ranging from 3.00% to 4.00% due January 1, 2038.	21,240,000	-	1,820,000	19,420,000	590,000
\$10,000,000 General Obligation Bonds, Series 2012 - Water, dated May 3, 2012, due in installments of \$375,000 to \$655,000 beginning January 1, 2013 plus interest ranging from 3.00% to 3.50% due January 1, 2032.	9,155,000	-	390,000	8,765,000	400,000
\$8,360,000 General Obligation Refunding Bonds, Series 2013A, dated October 31, 2013, due in installments of \$815,000 to \$1,775,000 beginning January 1, 2015 plus interest ranging from 2.00% to 3.00% due January 1, 2020.	8,360,000	-	1,175,000	7,185,000	1,380,000
\$6,725,000 General Obligation Refunding Bonds, Series 2014A, dated August 19, 2014, due in installments of \$35,000 to \$650,000 beginning January 1, 2015 plus interest ranging from 2.00% to 3.50% due January 1, 2028	6,725,000	-	35,000	6,690,000	40,000
\$2,935,000 General Obligation Refunding Bonds, Series 2014B, dated August 19, 2014, due in installments of \$15,000 to \$665,000 beginning January 1, 2015 plus interest ranging from 2.00% to 4.00% due January 1, 2029	2,935,000	-	15,000	2,920,000	25,000
\$5,000,000 General Obligation Bonds, Series 2015A, dated April 15, 2015, due in installments of \$200,000 to \$330,000 beginning January 1, 2016 plus interest ranging from 2.00% to 3.50% due January 1, 2035	-	5,000,000	-	5,000,000	235,000

VILLAGE OF DOWNERS GROVE, ILLINOIS  
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\$4,535,000 General Obligation Refunding Bonds, Series 2015B, dated April 15, 2015, due in installments of \$20,000 to \$845,000 beginning January 1, 2016 plus interest ranging from 2.00% to 3.50% due January 1, 2034

-      4,535,000      -      4,535,000      65,000

TOTAL

\$79,650,000	\$9,535,000	\$9,820,000	\$79,365,000	\$ 4,850,000
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On April 15, 2015, the Village issued \$5,000,000 in General Obligation Bonds, Series 2015A with interest rates ranging from 2.00% to 3.50% to use for Water Improvement Projects. The Village also issued on this day, \$4,535,000 in General Obligation Refunding Bonds, Series 2015B, with interest rates ranging from 2.00% to 3.50% to advance refund \$4,535,000 of outstanding bonds, Series 2008A with interest rates ranging from 3.75% to 5.50%. The net proceeds of \$4,715,560 (after payment of \$56,298 in underwriting fees, insurance and other issuance costs) were used to prepay the outstanding debt service requirements of the old bonds. The cash flow requirements on the refunded bonds prior to the advance refunding was \$7,613,500. The cash flow requirements on the 2015B refunding bonds are \$6,956,675 from January 1, 2016 through January 1, 2034. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$519,610.

### C. Debt Service Requirements and Maturities

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

Year Ending December 31	Governmental Activities		Business-Type Activities	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2016	\$3,740,000	\$1,654,957	\$1,110,000	\$1,143,216
2017	4,320,000	1,531,920	1,060,000	1,045,825
2018	4,700,000	1,397,107	1,090,000	1,011,975
2019	5,100,000	1,249,457	1,125,000	974,900
2020	5,575,000	1,064,155	1,165,000	934,125
2021 - 2025	11,400,000	3,257,715	6,505,000	3,991,425
2026 - 2030	6,100,000	2,104,636	7,665,000	2,805,538
2031 - 2035	4,990,000	1,202,487	7,095,000	1,444,887
2036 - 2038	3,490,000	213,000	3,135,000	240,125
TOTAL	\$49,415,000	\$13,675,434	\$29,950,000	\$13,592,016

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

December 31, 2015

## D. Legal Debt Margin

The Village is a home rule municipality.

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

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

To date, the General Assembly has set no limits for home rule municipalities.

The Village qualifies as a Home Rule Unit under Section 6(a) of Article VII of the 1970 Constitution of Illinois and, under the powers granted by this Section, can exercise any power and perform any function pertaining to its village and affairs which is not prohibited by the Illinois State Statutes.

## E. Industrial, Commercial and Housing Revenue Bonds and Notes

The issuance of industrial, commercial and housing 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.

The bonds are not a debt of the Village. The entity using the bond proceeds to finance a construction or improvement project is liable for the bonds. Since the Village does not act as an agent for the bonds, the transactions relating to the bonds and property do not appear in the Village's financial statements.

As of December 31, 2015, outstanding industrial, commercial and housing revenue bonds and notes approximated \$25,651,399.

## 7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Village is self-insured for all risks and has established a risk financing fund, Risk Management Fund and a Health Insurance Fund (the Funds), for all risks. They are accounted for as internal service funds where assets are set aside for claim settlements. Under this program, the Funds provides coverage up to a maximum of \$1,000,000 for each general liability claim, \$550,000 for each workers' compensation claim, \$10,000 for each property

VILLAGE OF DOWNERS GROVE, ILLINOIS  
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damage claim, and \$125,000 for each health claim. The Village purchases commercial insurance for claims in excess of the coverage provided by the Funds up to \$35,000,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

	Fiscal Year Ended December 31, 2014	Fiscal Year Ended December 31, 2015
CLAIMS PAYABLE, BEGINNING	\$ 3,037,195	\$ 3,355,825
Incurred claims (including IBNR)	7,343,267	5,944,577
Less claims paid	(7,024,637)	(6,324,122)
CLAIMS PAYABLE, ENDING	\$ 3,355,825	\$ 2,976,280

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
2015	\$ 267,473
2016	267,473
2017	267,473
2018	267,473
2019	267,473
2020	267,473
2021-2024	1,069,892

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

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

December 31, 2015

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## B. Tax Rebates

The Village has many tax rebate agreements with local businesses to develop and expand their business in the Village. The tax rebates are payable to the vendors quarterly based on information received by the Village from the State of Illinois Department of Revenue. All of the Village's liability as of December 31, 2015, has been reported in the Tax Rebate Fund.

The Village has a sales tax rebate agreement dated June 5, 2001 with a local retailer to rebate sales taxes on annual sales generated from \$10,000,000 to \$20,000,000. Fifty percent of sales tax on sales generated by the vendor in excess of \$20,000,000 will be rebated to the vendor, subject to a project cap of \$8,000,000 in rebated sales tax. In consideration of the agreement, the retailer will continue to operate its business in the Village for a period of not less than nine years from the date of the agreement. As of December 31, 2015, the Village has \$0 liability with this 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, 2015, sales tax rebates of \$95,633 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, 2015, sales tax rebates of \$120,916 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, 2015, taxes of \$8,518 were collected but not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated January 1, 2011 with a local auto dealership to rebate sales taxes on annual sales beginning in 2011. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than ten years. As of December 31, 2015, sales tax rebates of \$167,940 were collected but not yet remitted to the vendor.

The Village has a sales tax rebate agreement dated May 8, 2012 with a local retailer to rebate sales taxes on annual sales beginning in 2012. In consideration of the agreement, the retailer will continue to operate its business in the Village for a period of not less than thirteen years. As of December 31, 2015, the Village has \$0 liability with this vendor.



## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

December 31, 2015

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The Village has a sales tax rebate agreement dated December 1, 2011 with a local auto dealership to rebate sales taxes on annual sales beginning in 2012. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than ten years. As of December 31, 2015, sales tax rebates of \$119,142 were collected but not yet remitted to the retailer.

The Village has a sales tax rebate agreement dated November 6, 2012 with a local auto dealership to rebate sales taxes on annual sales beginning in 2013. In consideration of the agreement, the vendor will continue to operate an auto dealership in the Village for a period of not less than fifteen years. As of December 31, 2015, sales tax rebates of \$24,917 were collected but not yet remitted to the retailer.

The Village has a sales tax rebate agreement dated October 29, 2014 with a local retailer to rebate sales taxes on annual sales beginning in 2015. In consideration of the agreement, the retailer will continue to operate its business in the Village for a period of not less than twenty years. As of December 31, 2015, the sales tax rebates of \$132,850 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 \$500,000.

### B. DuPage Water Commission (DWC)

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

### C. Grants

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

## 10. POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the Village provides post employment health care and life insurance benefits (OPEB), in accordance with the personnel policy manual, to all employees who meet the eligibility requirements under the applicable retirement system. Currently, 101 retirees and spouses meet those eligibility requirements with 358 active members. The employee

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

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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 \$7,431,343 as of December 31, 2015.

In the actuarial valuations, the entry-age normal actuarial cost method was used. The amortization method used was percent of pay. The actuarial assumptions included 4% investment rate of return and an annual healthcare cost trend rate of 4.40%, a reduction from 5% a year ago. Both rates include a 3% inflation assumption. The remaining open amortization period at December 31, 2015 was 30 years. The funded status of the plan was as follows:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	\$ 512,824
Interest on Net OPEB Obligation	282,385
Adjustment to Annual Required Contribution	<u>(31,564)</u>
Annual OPEB Cost	763,645
Contributions Made	<u>(391,895)</u>
Increase (Decrease) in Net OPEB Obligation	371,750
Net OPEB Obligation, Beginning of Year	<u>7,059,593</u>
Net OPEB Obligation, End of Year	<u>\$7,431,343</u>

Fiscal Year Ended December 31	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2015	\$763,644	51.30%	\$7,431,343
2014	549,313	68.10%	7,059,593
2013	419,190	112.50%	6,884,183

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, 2015 was as follows:

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

December 31, 2015

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Actuarial Accrued Liability (AAL)	\$11,565,434
Actuarial Value of Assets	0
Unfunded Actuarial Accrued Liability (UAAL)	11,565,434
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll	\$25,030,656
UAAL as a Percentage of Covered Payroll	46.2%

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

## 11. EMPLOYEE RETIREMENT SYSTEMS

### 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.

#### A. Illinois Municipal Retirement Fund

**Plan description.** All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 2% for each year thereafter.

For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 96 consecutive months' earnings during the last 10 years, capped at \$106,800) for credited service up to 15 years and 2% for each year thereafter. However, an employee's total pension cannot exceed 75% of their final rate of

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earnings. If an employee retires after 10 years of service between the ages of 62 and 67, and has less than 30 years of service credit, the pension will be reduced by 1/2% for each month that the employee is under the age of 67. If an employee retires after 10 years of service between the ages of 62 and 67, and has between 30 and 35 years of service credit, the pension will be reduced by the lesser of 1/2% for each month that the employee is under the age of 67 or 1/2% for each month of service credit less than 35 years. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

Under the employer number within IMRF, both the Village and Library contribute to the plan. As a result, IMRF is considered to be an agent multiple-employer plan through which cost-sharing occurs between the Village and Library.

**Plan membership.** At December 31, 2014, the measurement date, membership in the plans were as follows:

Retirees and beneficiaries	260
Inactive, non-retired members	192
Active members	217
Total	669

**Contributions.** As set by statute, Village and Library employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Village and Library to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's and Library's actuarially determined contribution rate for calendar year 2014 was 15.78% of annual covered payroll. The Village and Library also contribute for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability/(Asset).** The net pension liability/(asset) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

**Summary of Significant Accounting Policies.** For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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**Actuarial Assumptions.** The total pension liability for IMRF was determined by an actuarial valuation performed as of December 31, 2014 using the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Actuarial assumptions	
Investment rate of return	7.50%
Inflation	3.50%
Salary increases	3.75% to 14.50%, Including inflation
Price inflation	2.75%

**Mortality.** For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Long-Term Expected Real Rate of Return.** The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	63.20%	9.15%	7.60%
International equities	2.60%	9.80%	7.80%
Fixed income	23.50%	3.05%	3.00%
Real estate	4.30%	7.35%	6.15%
Alternatives	4.50%		
Private equity		13.55%	8.50%
Hedge funds		5.55%	5.25%

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Commodities	4.40%	2.75%
Cash equivalents	1.90%	2.25%

**Discount rate.** The discount rates used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2013 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village and Library contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.56% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2014 to arrive at a discount rate of 7.50% used to determine the total pension liability. The year ending December 31, 2089 is the last year in the 2015 to 2114 projection period for which projected benefit payments are fully funded.

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the Village and Library calculated using the discount rate of 7.50% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<b>Village:</b>			
Total pension liability	\$83,238,765	\$ 73,363,797	\$65,290,682
Plan fiduciary net position	69,046,803	69,046,803	69,046,803
Net pension liability/(asset)	<u>\$14,191,962</u>	<u>\$ 4,316,994</u>	<u>\$(3,756,121)</u>
<b>Library:</b>			
Total pension liability	14,545,834	\$12,820,200	\$11,409,437
Plan fiduciary net position	12,065,813	12,065,813	12,065,813
Net pension liability/(asset)	<u>\$2,480,021</u>	<u>\$754,387</u>	<u>\$(656,376)</u>
<b>Total:</b>			
Total pension liability	\$97,784,599	\$86,183,997	\$76,700,119
Plan fiduciary net position	81,112,616	81,112,616	81,112,616
Net pension liability/(asset)	<u>\$16,671,983</u>	<u>\$5,071,381</u>	<u>\$(4,412,497)</u>

**Changes in net pension liability/(asset).** The Village's and Library's changes in net pension liability/(asset) for the calendar year ended December 31, 2014 were as follows:

	Increase (Decrease)	
Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)

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	(a)	(b)	(a) – (b)
<b>Village:</b>			
Balances at December 31, 2013	\$68,000,365	\$65,583,203	\$2,417,162
Service cost	1,399,755	-	1,399,755
Interest on total pension liability	5,048,517	-	5,048,517
Differences between expected and actual experience of the total pension liability	(704,694)	-	(704,694)
Change of assumptions	2,393,221	-	2,393,221
Benefit payments, including refunds of employee contributions	(2,773,367)	(2,773,367)	-
Contributions – employer	-	1,880,820	(1,880,820)
Contributions – employee	-	539,585	(539,585)
Net investment income	-	3,989,810	(3,989,810)
Other (net transfer)	-	(173,248)	173,248
Balances at December 31, 2014	<u>\$73,363,797</u>	<u>\$69,046,803</u>	<u>\$4,316,994</u>
<b>Library:</b>			
Balances at December 31, 2013	\$11,882,949	\$11,460,554	\$422,395
Service cost	244,605	-	244,605
Interest on total pension liability	882,220	-	882,220
Differences between expected and actual experience of the total pension liability	(123,144)	-	(123,144)
Change of assumptions	418,211	-	418,211
Benefit payments, including refunds of employee contributions	(484,641)	(484,641)	-
Contributions – employer	-	328,670	(328,670)
Contributions – employee	-	94,292	(94,292)
Net investment income	-	697,213	(697,213)
Other (net transfer)	-	(30,275)	30,275
Balances at December 31, 2014	<u>\$12,820,200</u>	<u>\$12,065,813</u>	<u>\$754,387</u>
<b>Total:</b>			
Balances at December 31, 2013	\$79,883,314	\$77,043,757	\$2,839,557
Service cost	1,644,360	-	1,644,360
Interest on total pension liability	5,930,737	-	5,930,737
Differences between expected and actual experience of the total pension liability	(827,838)	-	(827,838)
Change of assumptions	2,811,432	-	2,811,432
Benefit payments, including refunds of employee contributions	(3,258,008)	(3,258,008)	-
Contributions – employer	-	2,209,490	(2,209,490)
Contributions – employee	-	633,877	(633,877)
Net investment income	-	4,687,023	(4,687,023)

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Other (net transfer)	-	(203,523)	203,523
Balances at December 31, 2014	\$86,183,997	\$81,112,616	\$5,071,381

***Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.*** For the year ended December 31, 2015, the Village and Library recognized pension expense of \$500,655. The Village and Library reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b><i>Village:</i></b>		
Difference between expected and actual experience	\$ -	\$502,834
Assumption changes	1,707,681	-
Net difference between projected and actual earnings on pension plan investments	727,357	-
Contributions subsequent to the measurement date	1,496,168	-
Total	\$3,931,206	\$502,834
<b><i>Library:</i></b>		
Difference between expected and actual experience	\$ -	\$ 87,869
Assumption changes	298,414	-
Net difference between projected and actual earnings on pension plan investments	127,105	-
Contributions subsequent to the Measurement date	261,453	-
Total	\$686,972	\$87,869
<b><i>Total:</i></b>		
Difference between expected and actual experience	\$ -	\$590,703
Assumption changes	2,006,095	-
Net difference between projected and actual earnings on pension plan investments	854,462	-
Contributions subsequent to the measurement date	1,757,621	-
Total	\$4,618,178	\$590,703

The amounts reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending December 31, 2015. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$2,269,854) will be recognized in pension expense as follows:

Year Ending December 31,	Village	Library	Total
2015	\$665,519	\$116,299	\$781,818
2016	665,519	116,299	781,818
2017	419,327	73,277	492,604
2018	181,838	31,776	213,614
Total	\$1,932,203	\$337,651	\$2,269,854



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## B. Police Pension Plan

**Plan description.** 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 contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

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

*Tier 1* – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank 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 to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who 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 at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

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

**Plan membership.** At December 31, 2015, the Police Pension Plan membership consisted of:

Retirees and beneficiaries	62
Inactive, non-retired members	4
Active members	<u>72</u>
Total	<u>138</u>

**Contributions.** 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

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interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending December 31, 2015 was 34.63% of annual covered payroll.

**Net pension liability/(asset).** The net pension liability/(asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

**Summary of significant accounting policies.** The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Asset valuation method	Market value
Actuarial assumptions	
Interest rate	7.25%
Salary increases	4.00%-8.61%
Inflation	3.00%
Cost-of-living adjustments	Tier 1: 3.00% per year, compounded Tier 2: 2.00% per year, simple

Mortality rates are based on rates developed in the L&A 2016 Mortality Table for Illinois Police Officers. The actuarial assumptions used in the December 31, 2015 valuation were based on the results of actuarial experience studies conducted by the Illinois Department of Insurance dated September 26, 2012.

**Long-term expected real rate of return.** See Note 2 for further information on long-term expected real rates of return.

**Discount rate.** The discount rate used to measure the total pension liability for the Police Pension Plan was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the

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difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability calculated using the discount rates of 7.25% for the Police Pension Plan as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total pension liability	\$ 101,109,168	\$ 88,165,677	\$77,590,015
Plan fiduciary net position	47,652,863	47,652,863	47,652,863
Net pension liability/(asset)	\$ 53,456,305	\$ 40,512,814	\$29,937,152

**Changes in net pension liability/(asset).** The Village's changes in net pension liability/(asset) for the year ended December 31, 2015 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balances at December 31, 2014	\$ 87,900,670	\$ 48,444,544	\$ 39,456,126
Service cost	1,101,137	-	1,101,137
Interest on total pension liability	6,244,771	-	6,244,771
Differences between expected and actual experience of the total pension liability	(3,247,820)	-	(3,247,820)
Change of assumptions	(301,276)	-	(301,276)
Benefit payments, including refunds of employee contributions	(3,531,805)	(3,531,805)	-
Contributions – employer	-	2,274,955	(2,274,955)
Contributions – employee	-	669,478	(669,478)
Net investment income	-	(159,155)	159,155
Administrative expense	-	(45,154)	45,154
Other (net transfer)	-	-	-
Balances at December 31, 2015	\$ 88,165,677	\$ 47,652,863	\$ 40,512,814

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended December 31, 2015, the Village recognized pension expense of \$1,075,770. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$2,664,728
Assumption changes	-	247,186
Net difference between projected and actual earnings on pension plan investments	2,892,832	-
Total	<u>\$2,892,832</u>	<u>\$2,911,914</u>

The amounts reported as deferred outflows and inflows of resources related to pension (\$19,082) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2016	86,026
2017	86,026
2018	86,026
2019	86,026
2020	(363,186)
Total	<u>\$ (19,082)</u>

### C. Firefighters' Pension Plan

**Plan description.** 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 and employee contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/4) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

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

*Tier 1* – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive 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

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paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

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

**Plan membership.** At December 31, 2015, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	74
Inactive, non-retired members	4
Active members	75
Total	153

**Contributions.** Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2015, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending December 31, 2015 was 33.6% of annual covered payroll.

**Net pension liability/(asset).** The net pension liability/(asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

**Summary of significant accounting policies.** The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

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**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Asset valuation method	Market value
Actuarial assumptions	
Interest rate	7.25%
Salary increases	4.00%-9.96%
Inflation	3.00%
Cost-of-living adjustments	Tier 1: 3.00% per year, compounded Tier 2: 2.00% per year, simple

Mortality rates are based on the L&A 2016 study for Illinois Firefighters. The actuarial assumptions used in the December 31, 2015 valuation were based on the results of actuarial experience studies conducted by the Illinois Department of Insurance dated September 26, 2012.

**Long-term expected real rate of return.** See Note 2 for further information on long-term expected real rates of return.

**Discount rate.** The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability calculated using the discount rates of 7.25% for the Firefighters' Pension Plan as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

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	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total pension liability	\$ 95,319,799	\$ 83,230,834	\$73,313,377
Plan fiduciary net position	45,693,575	45,693,575	45,693,575
Net pension liability/(asset)	\$ 49,626,224	\$ 37,537,259	\$27,619,802

***Changes in net pension liability/(asset).*** The Village's changes in net pension liability/(asset) for the year ended December 31, 2015 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balances at December 31, 2014	\$ 79,847,569	\$ 45,467,358	\$ 34,380,211
Service cost	1,366,967	-	1,366,967
Interest on total pension liability	5,676,970	-	5,676,970
Differences between expected and actual experience of the total pension liability	(408,144)	-	(408,144)
Change of assumptions	(163,463)	-	(163,463)
Benefit payments, including refunds of employee contributions	(3,089,065)	(3,089,065)	-
Contributions – employer	-	2,344,190	(2,344,190)
Contributions – employee	-	658,542	(658,542)
Net investment income	-	370,944	(370,944)
Administrative expense	-	(58,394)	58,394
Other (net transfer)	-	-	-
Balances at December 31, 2015	\$ 83,230,834	\$ 45,693,575	\$ 37,537,259

***Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.*** For the year ended December 31, 2015, the Village recognized pension expense of \$1,334,584. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 350,496
Assumption changes	-	140,375
Net difference between projected and actual earnings on pension plan investments	2,313,335	-
Total	\$ 2,313,335	\$ 490,871

VILLAGE OF DOWNERS GROVE, ILLINOIS  
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The amounts reported as deferred outflows and inflows of resources related to pension (\$1,822,464) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2016	497,598
2017	497,598
2018	497,598
2019	497,597
2020	(80,736)
Thereafter	(87,191)
Total	<u>\$ 1,822,464</u>

**D. Schedules for the Police and Firefighters' Plans**

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,307,770	\$ 1,175,806	\$ 2,483,576
Investments			
U.S. obligations and US agency	7,827,459	6,258,367	14,085,826
Corporate bonds	10,937,128	6,981,943	17,919,071
Foreign bonds	344,541	307,775	652,316
Negotiable CDs	-	2,904,524	2,904,524
Mutual funds - fixed income	643,452	-	643,452
Mutual funds - equity	16,802,752	23,588,214	40,390,966
Common and Preferred Stocks	3,496,165	-	3,496,165
Real Estate	6,157,691	4,360,043	10,517,734
Prepays	3,591	4,462	8,053
Interest receivable	149,067	121,085	270,152
Total assets	<u>47,669,616</u>	<u>45,702,219</u>	<u>93,371,835</u>
<b>LIABILITIES</b>			
Accounts payable	16,753	8,645	25,398
Total liabilities	<u>16,753</u>	<u>8,645</u>	<u>25,398</u>
<b>NET POSITION</b>			
Restricted for pension benefits	<u>\$ 47,652,863</u>	<u>\$ 45,693,574</u>	<u>\$ 93,346,437</u>



VILLAGE OF DOWNERS GROVE, ILLINOIS  
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	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions – employer	\$2,274,955	\$2,344,190	\$4,619,145
Contributions – employees	669,478	658,542	1,328,020
Investment income	(159,155)	370,943	211,788
Total additions	2,785,278	3,373,675	6,158,953
<b>DEDUCTIONS</b>			
Contractual services	45,154	58,395	103,549
Benefits and refunds	3,531,805	3,089,064	6,620,869
Total deductions	3,576,959	3,147,459	6,724,418
<b>NET INCREASE</b>	(791,681)	226,216	(565,465)

## 12. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. Excess Expenditures over Appropriations

Budgeted Fund	Budgeted Expenditures	Actual Expenditures	Expenditures over Budget
Stormwater Fund	\$ 7,627,865	\$ 9,921,138	\$ 2,293,273

The Stormwater Fund experienced excess expenditures over budget due to a refunding of General Obligation Bonds. Budgeted and actual expenditures include operating and non-operating (financing) expenses.

## 13. GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the Balance Sheet for the Governmental Funds at December 31, 2015, include the following:

VILLAGE OF DOWNERS GROVE, ILLINOIS  
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	General	Downtown Redevelopment TIF	Capital Improvements	Nonmajor	Total
Fund Balances					
Nonspendable:					
Note receivable	\$ 10,393	-	-	-	\$ 10,393
Prepaid items	28,539	-	-	-	28,539
Total Nonspendable	38,932	-	-	-	38,932
Restricted for:					
Economic Development	163,368	1,059,819	-	4,727,569	5,950,756
Road Improvements	-	-	-	462,449	462,449
Public Safety	-	-	-	1,575,668	1,575,668
Debt Service	-	-	-	393,748	393,748
Total Restricted	163,368	1,059,819	-	7,159,434	8,382,621
Assigned to:					
Capital Projects	-	-	4,077,237	1,072,668	5,149,905
Debt Service	-	-	-	25,210	25,210
Total Assigned	-	-	4,077,237	1,097,878	5,175,115
Unassigned:	18,498,083	-	-	-	18,498,083
Total Fund Balances	<u>\$ 18,700,383</u>	<u>\$ 1,059,819</u>	<u>\$ 4,077,237</u>	<u>\$ 8,257,312</u>	<u>\$ 32,094,751</u>

#### 14. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension liability and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	Governmental Activities	Business- type Activities	Downers Grove Public Library
Net position - December 31, 2014 (as reported)	96,271,165	49,652,808	14,348,374
Adjustment to eliminate prior year net pension obligation (asset)	(765,188)	36,232	56,642
Adjustment to record net pension liability	(75,738,196)	(370,514)	(422,395)
Adjustment to record deferred outflows related to pensions	1,593,012	292,183	304,059
Adjustment to record deferred inflows related to pensions	-	-	-
Net position - December 31, 2014 (as restated)	<u>21,360,793</u>	<u>49,610,709</u>	<u>14,286,680</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
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	Waterworks Fund	Parking Fund	Stormwater Fund
Net position - December 31, 2014 (as reported)	37,584,838	1,513,617	10,681,545
Adjustment to eliminate prior year net pension obligation (asset)	31,065	4,181	986
Adjustment to record net pension liability	(205,817)	(23,146)	(141,551)
Adjustment to record deferred outflows related to pensions	168,393	18,278	105,512
Adjustment to record deferred inflows related to pensions	-	-	-
Net position - December 31, 2014 (as restated)	<u>37,578,479</u>	<u>1,512,930</u>	<u>10,646,492</u>

	Internal Service Funds
Net position - December 31, 2014 (as reported)	5,882,902
Adjustment to eliminate prior year net pension obligation	21,170
Adjustment to record net pension liability	(144,789)
Adjustment to record deferred outflows related to pensions	107,052
Adjustment to record deferred inflows related to pensions	-
Net position - December 31, 2014 (as restated)	<u>5,866,335</u>

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

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 72, Fair Value Measurement and Application
- Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68
- Statement No. 74, Financial reporting for Postemployment benefit Plans Other Than Pension Plans
- Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions
- Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Government

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- Statement No. 77, Tax Abatement Disclosures
- Statement No. 78, pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans
- Statement No. 79, Certain External Investment Pools and Pool Participants
- Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14
- Statement No. 81, Irrevocable Split-Interest Agreements
- Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73

When they become effective, application of these standards may restate portions of these financial statements.

#### 16. SUBSEQUENT EVENT

On March 30, 2016, the Village issued \$7,585,000 of General Obligation Refunding Bonds which will be used to refund a portion of the 2008 Stormwater Improvement bonds. The bonds are due in installments of \$115,000 to \$1,045,000, with interest rates from 2.0% to 4.0%, and maturing on January 1, 2038.

#### 17. COMPONENT UNIT - DOWNERS GROVE PUBLIC LIBRARY

##### A. Summary of Significant Accounting Policies

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

The more significant of the Library accounting policies are described below.

##### 1. Fund Accounting

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

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

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

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

## 2. Government-Wide and Fund Financial Statements

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

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

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

The Library reports the following major governmental funds:

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

The *Library 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.

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

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

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

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

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

4. Cash and Cash Equivalents and Investments

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

5. Receivables

The recognition of receivables associated with non-exchange transactions is as follows:

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

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

## 6. Capital Assets

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

Description	Years
Buildings	50 – 65
Capital equipment	5 – 15

## 7. Deferred Outflows of Resources

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

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

## 8. Compensated Absences

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

## 9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

December 31, 2015

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premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

10. Deferred Inflows of Resources

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

11. Fund Balances/Net Position

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

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

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

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

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

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

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

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



## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Financial Statements

December 31, 2015

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## 12. Use of Estimates

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

## B. Deposits and Investments

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

## Library Deposits and Investments

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

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

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

## Deposits with Financial Institutions

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

## VILLAGE OF DOWNERS GROVE, ILLINOIS

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

#### Investments

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

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

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

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

#### C. Receivables

Property taxes for 2014 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

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accounts is not necessary. As the 2015 tax levy is intended to fund expenditures for the 2016 fiscal year, these taxes are deferred as of December 31, 2015.

E. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Balances January 1	Increases	Decreases	Balances December 31
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 222,211	\$ -	\$ -	\$ 222,211
Total capital assets not being depreciated	222,211	-	-	222,211
Capital assets being depreciated				
Buildings	11,664,367	117,828	-	11,782,195
Capital equipment	6,744,910	463,697	741,961	6,466,646
Total capital assets being depreciated	18,409,277	581,525	741,961	18,248,841
Less accumulated depreciation for				
Buildings	2,201,009	233,573	-	2,434,582
Capital equipment	2,968,097	449,343	458,498	2,958,942
Total accumulated depreciation	5,169,106	682,916	458,498	5,393,524
Total capital assets being depreciated, net	13,240,171	(101,391)	283,463	12,855,317
<b>GOVERNMENTAL ACTIVITIES</b>	<b>\$ 13,462,382</b>	<b>\$ (101,391)</b>	<b>\$ 283,463</b>	<b>\$ 13,077,528</b>
<b>CAPITAL ASSETS, NET</b>				

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

<b>GOVERNMENTAL ACTIVITIES</b>		
Community services		<u>\$ 682,916</u>

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Balances (as restated) January 1	Additions	Reductions	Balances December 31	Current Portion
Compensated absences payable*	\$ 30,752	\$ 36,672	\$ 30,752	\$ 36,672	\$ 11,002
Net OPEB payable *	160,587	16,254	-	176,841	-
General obligation bonds payable	1,830,000	-	600,000	1,230,000	615,000
Net Pension liability –IMRF*	422,395	331,993	-	754,388	-
<b>TOTAL</b>	<b>\$ 2,443,734</b>	<b>\$384,919</b>	<b>\$ 630,752</b>	<b>\$ 2,197,901</b>	<b>\$ 626,002</b>

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

### General Obligation Bonds

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

	Balances January 1	Additions	Refunding/ Retirements	Balances December 31	Current Portion
\$2,430,000 General Obligation Refunding Bonds, Series 2013, dated January 22, 2013, due in installments of \$600,000 to \$615,000 plus interest at .920% due January 1, 2017.	\$ 1,830,000	\$ -	\$ 600,000	\$ 1,230,000	\$ 615,000
<b>TOTAL</b>	<b>\$ 1,830,000</b>	<b>\$ -</b>	<b>\$ 600,000</b>	<b>\$ 1,230,000</b>	<b>\$ 615,000</b>

### 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
2016	615,000	8,487
2017	615,000	2,829
<b>TOTAL</b>	<b>\$ 1,230,000</b>	<b>\$ 11,316</b>

#### 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

## VILLAGE OF DOWNERS GROVE, ILLINOIS

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In addition to providing pension benefits, the Village provides post employment health care and life insurance benefits (OPEB), in accordance with the personnel policy manual, to all employees who meet the eligibility requirements under the applicable retirement system. Currently, 24 active members are participating in the Village's health care plan. The employee pays 100% of the cost of the health and life insurance premiums for the post employment benefits with the exception of health benefits for retirees that have reached 65. Once an employee reaches 65 years of age, the Village subsidizes 50% of the health insurance premium. For new retirees after September 1, 2009, the retiree pays 100% of the cost of the health and life insurance premiums. The annual required contribution for 2015 was \$21,345. 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, 2015 was \$176,841.

In the actuarial valuations, the entry-age normal actuarial cost method was used. The actuarial assumptions included 4% investment rate of return and an annual healthcare cost trend rate of 4.4%, a reduction from 5% a year ago. Both rates include a 3% inflation assumption. The remaining amortization period at December 31, 2015 was 30 years.

The net OPEB obligation as of December 31, 2015 was calculated as follows:

Annual Required Contribution	\$ 21,345
Interest on Net OPEB Obligation	6,423
Adjustment to Annual Required Contribution	<u>(7,017)</u>
Annual OPEB Cost	20,751
Contributions Made	<u>(4,497)</u>
Increase (Decrease) in Net OPEB Obligation	16,254
Net OPEB Obligation, Beginning of Year	<u>160,587</u>
Net OPEB Obligation, End of Year	\$ <u>176,841</u>

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, 2015 was as follows:

Actuarial Accrued Liability (AAL)	\$ 253,117
Actuarial Value of Assets	0
Unfunded Actuarial Accrued Liability (UAAL)	253,117
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll	\$ 1,598,077
UAAL as a Percentage of Covered Payroll	15.8%

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Notes to Financial Statements  
December 31, 2015

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I. Stewardship, 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.

## SECTION 4

### REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of basis financial statements. Such information includes:

- Budgetary Comparison Schedules-General Fund
- Budgetary Comparison Schedules-Downtown Redevelopment TIF Fund
- Schedule of Funding Progress
  - > Other Post-Employment Benefit Plan
- Schedule of Employer Contributions
  - > Illinois Municipal Retirement Fund (IMRF)
  - > Police Pension Fund
  - > Firefighters' Pension Fund
  - > Other Post-Employment Benefit Plan
- Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
  - > Illinois Municipal Retirement Fund (IMRF)
  - > Police Pension Fund
  - > Firefighters' Pension Fund
- Schedule of Investment Returns
  - > Police Pension Fund
  - > Firefighters' Pension Fund

#### Notes to the Required Supplementary Information

- Budgetary Information-Budgets are adopted on a basis consistent with generally accepted accounting principles

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 General Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Home Rule Sales Tax	\$ 2,000,000	\$ 2,000,000	\$ 1,955,389	\$ (44,611)
Property tax	11,160,769	11,160,769	11,227,181	66,412
Utility tax	5,440,000	5,440,000	5,083,496	(356,504)
Other taxes	1,340,000	1,340,000	1,442,374	102,374
Licenses & permits	1,659,550	1,659,550	1,769,218	109,668
Intergovernmental				
Income tax	4,750,000	4,750,000	5,199,605	449,605
Sales tax	11,850,000	11,850,000	11,994,828	144,828
Local use tax	840,000	840,000	1,086,895	246,895
Grants	621,000	621,000	673,431	52,431
Charges for services & fees	4,021,805	4,021,805	4,393,147	371,342
Fines & forfeitures	1,041,500	1,041,500	659,772	(381,728)
Investment income	100,000	100,000	119,988	19,988
Contributions & donations	-	-	437	437
Total revenues	<u>44,824,624</u>	<u>44,824,624</u>	<u>45,605,761</u>	<u>781,137</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	5,246,742	5,246,742	4,815,999	(430,743)
Public works	5,687,272	5,687,272	5,509,648	(177,624)
Community development	2,085,438	2,085,438	2,000,861	(84,577)
Public safety	30,972,307	30,972,307	31,083,637	111,330
Community services	830,476	830,476	707,885	(122,591)
Total expenditures	<u>44,822,235</u>	<u>44,822,235</u>	<u>44,118,030</u>	<u>(704,205)</u>
Net change in fund balances	2,389	2,389	1,487,731	<u>1,485,342</u>
Fund balances -- beginning	<u>17,212,652</u>	<u>17,212,652</u>	<u>17,212,652</u>	
Fund balances -- ending	<u>\$ 17,215,041</u>	<u>\$ 17,215,041</u>	<u>18,700,383</u>	

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



VILLAGE OF DOWNERS GROVE, ILLINOIS  
 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, 2015

	<u>Budgeted Amounts</u>		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 2,901,132	\$ 2,901,132	\$ 2,844,329	\$ (56,803)
Investment income	-	-	194	194
Total revenues	<u>2,901,132</u>	<u>2,901,132</u>	<u>2,844,523</u>	<u>(56,609)</u>
<b>EXPENDITURES</b>				
Current				
Community Development	61,960	61,960	57,608	(4,352)
Total current	<u>61,960</u>	<u>61,960</u>	<u>57,608</u>	<u>(4,352)</u>
Total expenditures	<u>61,960</u>	<u>61,960</u>	<u>57,608</u>	<u>(4,352)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,839,172</u>	<u>2,839,172</u>	<u>2,786,915</u>	<u>(52,257)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(2,969,888)</u>	<u>(2,969,888)</u>	<u>(2,969,888)</u>	-
Total other financing sources (uses)	<u>(2,969,888)</u>	<u>(2,969,888)</u>	<u>(2,969,888)</u>	-
Net change in fund balances	(130,716)	(130,716)	(182,973)	<u>\$ (52,257)</u>
Fund balances -- beginning	<u>1,242,792</u>	<u>1,242,792</u>	<u>1,242,792</u>	
Fund balances -- ending	<u>\$ 1,112,076</u>	<u>\$ 1,112,076</u>	<u>\$ 1,059,819</u>	

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Other Post-Employment Benefits Plan  
 Schedule of Funding Progress  
 Last Six Calendar Years

<u>Schedule of Funding Progress</u>						
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)
12/31/2010	-	11,356,186	11,356,186	0.00%	23,422,245	48.5%
12/31/2011	-	11,356,186	11,356,186	0.00%	23,976,981	47.4%
12/31/2012	-	15,149,883	15,149,883	0.00%	25,284,695	59.9%
12/31/2013	-	7,887,553	7,887,553	0.00%	26,148,495	30.2%
12/31/2014	-	7,887,553	7,887,553	0.00%	25,755,962	30.6%
12/31/2015	-	11,818,551	11,818,551	0.00%	26,628,733	44.4%

Note: This schedule includes the library.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Illinois Municipal Retirement Fund  
 Schedule of Employer Contributions  
 December 31, 2015

	Primary Government	Library	Total
Actuarially Determined Contribution	\$ 1,880,820	\$ 328,670	\$ 2,209,490
Contributions in Relation to the Actuarially determined Contribution	(1,880,820)	(328,670)	(2,209,490)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered-Employee Payroll			 \$ 14,001,840
 Contributions as a Percentage of Covered- Employee Payroll			 15.78%

**Notes to Schedule**

The Village implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 of the year prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization period	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation period	5-Year smoothed market; 20% corridor
Inflation	3.50%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Mortality Table

Other information:

There were no benefit changes during the year.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Police Pension Fund  
 Schedule of Employer Contributions  
 Last Ten Calendar Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially Determined Contribution	\$ 1,082,440	\$ 1,090,889	\$ 1,145,653	\$ 1,262,129	\$ 1,705,508	\$ 1,880,508	\$ 1,567,925	\$ 1,943,836	\$ 2,303,858	\$ 2,261,516
Contributions in relation to the Actuarially determined contribution	1,093,264	1,102,546	1,144,537	1,271,750	1,719,379	1,893,250	1,594,098	1,948,188	2,328,358	2,274,955
Contribution deficiency (excess)	\$ (10,824)	\$ (11,657)	\$ 1,116	\$ (9,621)	\$ (13,871)	\$ (12,742)	\$ (26,173)	\$ (4,352)	\$ (24,500)	\$ (13,439)
Covered-employee payroll	\$ 5,725,199	\$ 5,933,899	\$ 6,305,357	\$ 6,649,392	\$ 6,237,227	\$ 6,536,221	\$ 6,541,826	\$ 6,678,953	\$ 6,736,518	\$ 6,569,302
Contributions as a percentage of covered-employee payroll	19.1%	18.6%	18.2%	19.1%	27.6%	29.0%	24.4%	29.2%	34.6%	34.6%

**Notes to Schedule:**

The information is formatted to comply with the requirements of GASB Statement 67.

Valuation date: Actuarially determined contribution rates are calculated as of January 1 of the prior fiscal year.

## Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years (The funding schedule was reset to end in 2040 in 2011)
Asset valuation method	Market
Inflation	3%
Salary increases	4.00% (Tier 1: 3% per year, compounded; Tier2: 2% per year, simple), including inflation
Investment rate of return	7.25%
Retirement age	See Note 11 in the Notes to Financial Statements
Mortality	Mortality rates are based on rates developed in the L&A 2016 Mortality Table for Illinois Police Officers.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Firefighters' Pension Fund  
 Schedule of Employer Contributions  
 Last Ten Calendar Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially Determined Contribution	\$ 1,444,212	\$ 1,565,863	\$ 1,017,249	\$ 1,578,223	\$ 1,979,952	\$ 2,203,343	\$ 1,995,726	\$ 2,183,670	\$ 2,467,520	\$ 2,330,108
Contributions in relation to the Actuarially determined contribution	1,572,033	1,565,405	1,030,534	1,585,181	1,997,659	2,216,722	2,155,369	2,249,893	2,494,658	2,344,190
Contribution deficiency (excess)	\$ (127,821)	\$ 458	\$ (13,285)	\$ (6,958)	\$ (17,707)	\$ (13,379)	\$ (159,643)	\$ (66,223)	\$ (27,138)	\$ (14,082)
Covered-employee payroll	\$ 6,055,797	\$ 6,143,206	\$ 6,266,722	\$ 6,230,701	\$ 6,564,530	\$ 6,416,127	\$ 6,443,319	\$ 6,695,413	\$ 7,029,608	\$ 6,981,874
Contributions as a percentage of covered-employee payroll	26.0%	25.5%	16.4%	25.4%	30.4%	34.5%	33.5%	33.6%	35.5%	33.6%

**Notes to Schedule:**

The information is formatted to comply with the requirements of GASB Statement 67.

Valuation date: Actuarially determined contribution rates are calculated as of January 1 of the prior fiscal year.

## Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years (The funding schedule was reset to end in 2040 in 2011)
Asset valuation method	Market
Inflation	3%
Salary increases	4.00% (Tier 1: 3% per year, compounded; Tier2: 2% per year, simple), including inflation
Investment rate of return	7.25%
Retirement age	See Note 11 in the Notes to Financial Statements
Mortality	Mortality rates are based on the L&A 2016 study for Illinois Firefighters.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Other Post-Employment Benefits Plan  
 Schedule of Employer Contributions  
 Last Six Calendar Years

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<b>Calendar Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contributions (ARC)</b>	<b>Percentage of ARC Contributed</b>
2010	436,549	554,929	78.67%
2011	420,609	528,729	79.55%
2012	420,609	729,362	57.67%
2013	479,178	452,255	105.95%
2014	382,857	471,615	81.18%
2015	426,581	534,170	79.86%

Note: This schedule includes the library.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Illinois Municipal Retirement Fund  
 Schedule of Changes in the Employer's Net Pension Liability and Related Ratios  
 December 31, 2015

	Primary Government	Library	Total
<b>Total Pension Liability</b>			
Service Cost	1,399,755	244,605	1,644,360
Interest on Total Pension Liability	5,048,517	882,220	5,930,737
Differences Between Expected and Actual Experience of the Total Pension Liability	(704,694)	(123,144)	(827,838)
Change of Assumptions	2,393,221	418,211	2,811,432
Benefit Payments, Including Refunds of Employee Contributions	(2,773,367)	(484,641)	(3,258,008)
<b>Net Change in Total Pension Liability</b>	5,363,432	937,251	6,300,683
<b>Total Pension Liability - Beginning</b>	68,000,365	11,882,949	79,883,314
<b>Total Pension Liability - Ending</b>	73,363,797	12,820,200	86,183,997
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	1,880,820	328,670	2,209,490
Contributions - Employee	539,585	94,292	633,877
Net Investment Income	3,989,810	697,213	4,687,023
Benefit Payments, Including Refunds of Employee Contributions	(2,773,367)	(484,641)	(3,258,008)
Other (Net Transfer)	(173,248)	(30,275)	(203,523)
<b>Net Change in Plan Fiduciary Net Position</b>	3,463,600	605,259	4,068,859
<b>Plan Fiduciary Net Position - Beginning</b>	65,583,203	11,460,554	77,043,757
<b>Plan Fiduciary Net Position - Ending</b>	69,046,803	12,065,813	81,112,616
<b>Employer's Net Pension Liability - Ending</b>	4,316,994	754,387	5,071,381
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>			0.941156349
<b>Covered-Employee Payroll</b>			14,001,840
<b>Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll</b>			36.22%

**Notes to Schedule**

The Village implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Police Pension Fund  
 Schedule of Changes in Employer's Net Pension Liability and Related Ratios  
 Last Two Calendar Years

	2014	2015
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 1,393,865	\$ 1,101,137
Interest Changes of benefit terms	5,622,939	6,244,771
Differences between expected and actual experience	141,731	(3,247,820)
Changes of assumptions	4,756,031	(301,276)
Benefit payments, including refunds of member contributions	(3,143,338)	(3,531,805)
Net change in total pension liability	8,771,228	265,007
Total pension liability - beginning	79,129,442	87,900,670
<b>TOTAL PENSION LIABILITY-ENDING</b>	<u>\$ 87,900,670</u>	<u>\$ 88,165,677</u>
<b>PLAN FIDUCIARY NET POSITION</b>		
Employer contributions	\$ 2,328,358	\$ 2,274,955
Employee contributions	723,877	669,478
Net investment income	1,527,392	(159,155)
Benefit payments, including refunds of member contributions	(3,143,338)	(3,531,805)
Administrative expense	(37,674)	(45,154)
Net change in plan fiduciary net position	1,398,615	(791,681)
Plan fiduciary net position - beginning	47,045,929	48,444,544
<b>PLAN FIDUCIARY NET POSITION-ENDING</b>	<u>\$ 48,444,544</u>	<u>\$ 47,652,863</u>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<u>\$ 39,456,126</u>	<u>\$ 40,512,814</u>
Plan fiduciary net position as a percentage of the total pension liability	55.11%	54.05%
Covered-employee payroll	\$ 6,736,518	\$ 6,569,302
Village's net pension liability as a percentage of covered-employee payroll	585.71%	616.70%

**Notes to Schedule:**

The Village implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

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



VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Firefighters' Pension Fund  
 Schedule of Changes in Employer's Net Pension Liability and Related Ratios  
 Last Two Calendar Years

	2014	2015
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 1,590,174	\$ 1,366,967
Interest Changes of benefit terms	4,954,245	5,676,970
Differences between expected and actual experience	2,431,084	(408,144)
Changes of assumptions	4,037,822	(163,463)
Benefit payments, including refunds of member contributions	(3,000,329)	(3,089,065)
Net change in total pension liability	10,012,996	3,383,265
Total pension liability - beginning	69,834,573	79,847,569
<b>TOTAL PENSION LIABILITY-ENDING</b>	<u>\$ 79,847,569</u>	<u>\$ 83,230,834</u>
<b>PLAN FIDUCIARY NET POSITION</b>		
Employer contributions	\$ 2,494,658	\$ 2,344,190
Employee contributions	654,851	658,542
Net investment income	2,265,575	370,944
Benefit payments, including refunds of member contributions	(3,000,329)	(3,089,065)
Administrative expense	(48,593)	(58,394)
Net change in plan fiduciary net position	2,366,162	226,217
Plan fiduciary net position - beginning	43,101,196	45,467,358
<b>PLAN FIDUCIARY NET POSITION-ENDING</b>	<u>\$ 45,467,358</u>	<u>\$ 45,693,575</u>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<u>\$ 34,380,211</u>	<u>\$ 37,537,259</u>
Plan fiduciary net position as a percentage of the total pension liability	56.94%	54.90%
Covered-employee payroll	\$ 7,029,608	\$ 6,981,874
Village's net pension liability as a percentage of covered-employee payroll	489.08%	537.64%

**Notes to Schedule:**

The Village implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Required Supplementary Information  
Police Pension Fund  
Schedule of Investment Returns  
Last Two Calendar Years

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	2014	2015
Annual money-weighted rate of return, net of investment expense	3.40%	-0.24%

**Notes to Schedule:**

The Village implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

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

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Required Supplementary Information  
 Firefighters' Pension Fund  
 Schedule of Investment Returns  
 Last Two Calendar Years

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	2014	2015
Annual money-weighted rate of return, net of investment expense	5.40%	0.91%

**Notes to Schedule:**

The Village implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

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

## VILLAGE OF DOWNERS GROVE, ILLINOIS

## Notes to Required Supplementary Information

December 31, 2015

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**1. BUDGETS**

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

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

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

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

## SECTION 5

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

- Major Governmental Funds
  - > Detailed Budgetary Comparison Schedules - General Fund
  - > Budgetary Comparison Schedules - Capital Improvements Fund
  
- Nonmajor Governmental Funds
  - > Combining Statements - Nonmajor Governmental Funds
    - Special Revenue Funds
    - Debt Service Funds
    - Capital Projects Funds
  
  - > Combining Statements - Nonmajor Special Revenue Funds
  - > Budgetary Comparison Schedules - Nonmajor Special Revenue Funds
  - > Combining Statements - Nonmajor Debt Service Funds
  - > Budgetary Comparison Schedules - Nonmajor Debt Service Funds
  - > Combining Statements - Nonmajor Capital Projects Funds
  - > Budgetary Comparison Schedules - Nonmajor Capital Projects Funds
  
- Major Enterprise Funds
  - > Budgetary Comparison Schedules - Waterworks Fund
  - > Budgetary Comparison Schedules - Parking Fund
  - > Budgetary Comparison Schedules - Stormwater Fund
  
- Internal Service Funds
  - > Combining Statements - Internal Service Funds
  - > Budgetary Comparison Schedules - Internal Service Funds
  
- Pension Trust Funds
  - > Combining Statements - Pension Trust Funds
  - > Budgetary Comparison Schedules - Pension Trust Funds
  
- Agency Fund
  - > Combining Statement - Construction Deposit Fund

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 General Fund  
 Schedule of Revenues - Budget and Actual  
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
Home rule sales tax	\$ 2,000,000	\$ 2,000,000	\$ 1,955,389	\$ (44,611)
Property taxes				
General	5,847,145	5,847,145	5,887,619	40,474
Pension	4,591,624	4,591,624	4,619,145	27,521
Special service areas	317,000	317,000	315,347	(1,653)
Township road and bridge	405,000	405,000	405,070	70
Total property taxes	11,160,769	11,160,769	11,227,181	66,412
Utility taxes				
Natural gas use tax	515,000	515,000	477,557	(37,443)
Electricity tax	1,925,000	1,925,000	1,846,209	(78,791)
Telecommunications tax	3,000,000	3,000,000	2,759,730	(240,270)
Total utility taxes	5,440,000	5,440,000	5,083,496	(356,504)
Other taxes				
Hotel tax	860,000	860,000	973,506	113,506
Personal property replacement tax	440,000	440,000	418,001	(21,999)
Other local taxes	40,000	40,000	50,867	10,867
Total other taxes	1,340,000	1,340,000	1,442,374	102,374
Licenses & permits				
Building and related	1,250,000	1,250,000	1,321,686	71,686
Alcoholic beverage	220,000	220,000	243,050	23,050
Professional and occupational	135,500	135,500	125,353	(10,147)
Other licenses and permits	54,050	54,050	79,129	25,079
Total licenses & permits	1,659,550	1,659,550	1,769,218	109,668
Intergovernmental				
Income tax	4,750,000	4,750,000	5,199,605	449,605
Sales tax	11,850,000	11,850,000	11,994,828	144,828
Local use tax	840,000	840,000	1,086,895	246,895
Grants	621,000	621,000	673,431	52,431
Total intergovernmental	18,061,000	18,061,000	18,954,759	893,759

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 General Fund  
 Schedule of Revenues - Budget and Actual (Continued)  
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
Charges for services & fees				
Ambulance user fee - resident	\$ 790,000	\$ 790,000	\$ 877,677	\$ 87,677
Ambulance user fee - nonresident	327,000	327,000	376,947	49,947
Review and inspection fees	223,000	223,000	260,699	37,699
Cable franchise fees	865,000	865,000	930,642	65,642
Cellular antenna rental	1,128,000	1,128,000	1,122,670	(5,330)
Other fees & charges	688,805	688,805	824,512	135,707
Total charges for services & fees	4,021,805	4,021,805	4,393,147	371,342
Fines & forfeitures				
Administrative booking and tow fees	200,000	200,000	141,375	(58,625)
Fines	841,500	841,500	518,397	(323,103)
Total fines & forfeitures	1,041,500	1,041,500	659,772	(381,728)
Investment income	100,000	100,000	119,988	19,988
Contributions and donations	-	-	437	437
<b>TOTAL REVENUES</b>	<b>\$ 44,824,624</b>	<b>\$ 44,824,624</b>	<b>\$ 45,605,761</b>	<b>\$ 781,137</b>



VILLAGE OF DOWNERS GROVE, ILLINOIS  
 General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
<b>General government</b>				
Personnel services	\$ 3,738,337	\$ 3,738,337	\$ 3,476,519	\$ (261,818)
Supplies	103,321	103,321	90,484	(12,837)
Contractual services	819,853	819,853	654,020	(165,833)
Other charges and services	585,231	585,231	594,976	9,745
<b>Total general government</b>	<b>5,246,742</b>	<b>5,246,742</b>	<b>4,815,999</b>	<b>(430,743)</b>
<b>Public works</b>				
Personnel services	2,983,147	2,983,147	2,961,794	(21,353)
Supplies	568,620	568,620	511,827	(56,793)
Contractual services	1,156,361	1,156,361	1,060,611	(95,750)
Other charges and services	979,144	979,144	975,416	(3,728)
<b>Total public works</b>	<b>5,687,272</b>	<b>5,687,272</b>	<b>5,509,648</b>	<b>(177,624)</b>
<b>Community development</b>				
Personnel services	1,335,097	1,335,097	1,315,378	(19,719)
Supplies	15,015	15,015	6,712	(8,303)
Contractual services	124,835	124,835	56,578	(68,257)
Other charges and services	610,491	610,491	622,193	11,702
<b>Total community development</b>	<b>2,085,438</b>	<b>2,085,438</b>	<b>2,000,861</b>	<b>(84,577)</b>
<b>Public safety</b>				
Personnel services	25,845,172	25,845,172	26,094,002	248,830
Supplies	367,293	367,293	299,764	(67,529)
Contractual services	842,843	842,843	769,126	(73,717)
Other charges and services	3,916,999	3,916,999	3,920,745	3,746
<b>Total public safety</b>	<b>30,972,307</b>	<b>30,972,307</b>	<b>31,083,637</b>	<b>111,330</b>
<b>Community services</b>				
Personnel services	571,447	571,447	500,509	(70,938)
Supplies	19,364	19,364	13,463	(5,901)
Contractual services	227,989	227,989	182,237	(45,752)
Other charges and services	11,676	11,676	11,676	-
<b>Total community services</b>	<b>830,476</b>	<b>830,476</b>	<b>707,885</b>	<b>(122,591)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 44,822,235</b>	<b>\$ 44,822,235</b>	<b>\$ 44,118,030</b>	<b>\$ (704,205)</b>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Capital Improvements Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 971,524	\$ 971,524	\$ 971,524	\$ -
Home rule sales tax	\$ 6,000,000	\$ 6,000,000	\$ 5,866,168	(133,832)
Utility tax	600,000	600,000	551,946	(48,054)
Local fuel tax	130,000	130,000	22,626	(107,374)
Intergovernmental	670,000	670,000	61,130	(608,870)
Investment income	500	500	43,564	43,064
Total revenues	<u>8,372,024</u>	<u>8,372,024</u>	<u>7,516,958</u>	<u>(855,066)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Public works	1,092,077	1,092,077	816,418	(275,659)
Total current	<u>1,092,077</u>	<u>1,092,077</u>	<u>816,418</u>	<u>(275,659)</u>
<b>Capital outlay</b>				
Public works	8,928,500	8,928,500	7,659,729	(1,268,771)
Total capital outlay	<u>8,928,500</u>	<u>8,928,500</u>	<u>7,659,729</u>	<u>(1,268,771)</u>
Total expenditures	<u>10,020,577</u>	<u>10,020,577</u>	<u>8,476,147</u>	<u>(1,544,430)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,648,553)</u>	<u>(1,648,553)</u>	<u>(959,189)</u>	<u>689,364</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(3,651,454)	(3,651,454)	(3,651,458)	(4)
Total other financing sources (uses)	<u>(3,651,454)</u>	<u>(3,651,454)</u>	<u>(3,651,458)</u>	<u>(4)</u>
Net change in fund balances	(5,300,007)	(5,300,007)	(4,610,647)	<u>\$ 689,360</u>
Fund balances -- beginning	8,687,884	8,687,884	8,687,884	
Fund balances -- ending	<u>\$ 3,387,877</u>	<u>\$ 3,387,877</u>	<u>\$ 4,077,237</u>	

NONMAJOR GOVERNMENTAL FUNDS

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL SERVICE FUNDS

**The Motor Fuel Tax (MFT) Fund** exists to account for the activities related to street maintenance and construction. Financing is provided by the Village's share of state gasoline taxes. State restricts the use of these gasoline taxes for street-related purposes.

**Foreign Fire Insurance Fund** exists to account for monies from a 2% state tax imposed on fire insurance policies written by insurance companies located outside of the state of Illinois. These funds are intended to provide for the needs of the department.

**Ogden Avenue TIF Fund** exists to account for all financial activity related to the Ogden Avenue Tax Increment Financing District. TIF revenues are provided through the collection of property taxes, or TIF increment, created from the increasing value of property within the district. The revenues are used to facilitate redevelopment along the corridor in accordance with applicable Illinois TIF statutes.

**Sales Tax Rebate Fund** exists to account for revenues and expenditures related as part of the Village's economic development efforts. The Village has entered into tax rebate agreements with local businesses. These agreements assist in the attraction and retention of retail businesses. Each of the agreements includes performance standards that must be met prior to the payment of any tax rebate.

**Asset Forfeiture Fund** exists to account for the revenues and expenditures of proceeds from asset seizures.

### DEBT SERVICE FUNDS

**Fairview Avenue Debt Service Fund** exists to account for revenues and expenditures associated with debt service payments on the \$3.0 million 1998 series General Obligation Bond Issue for the reconstruction of Fairview Avenue from 63rd Street to 75th Street. Revenues for this fund are derived from a portion of the gasoline tax levied on fuel purchased at the retail level in Downers Grove.

**Downtown Redevelopment TIF Fund** exists to account for the principal and interest payments associated with all of the Village's outstanding debt series related to the improvements in the downtown TIF.

**Capital Debt Service Fund** exists to account for the principal and interest payments associated with all of the Village's outstanding debt related to the Fire Station 2 and the roadway improvements.

### CAPITAL PROJECTS FUNDS

**Municipal Buildings Fund** exists to account for planned, project-oriented maintenance activities related to the Village's facilities. The projects included in this fund help to ensure that the following facilities are maintained and serve the employees and general public.

**Real Estate Fund** tracks property management activities for all non-operational Village owned parcels including the Fairview and Main Street train stations and commercial property within the Central Business District that was purchased for redevelopment purposes.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 December 31, 2015

	Special Revenue	Debt Service	Capital Projects	Total
<b>ASSETS</b>				
Cash and investments	\$7,878,920	\$ 401,640	\$1,092,344	\$ 9,372,904
Property taxes receivable	608,385	-	-	608,385
Other taxes receivable	110,288	17,318	-	127,606
Interest receivable	4,937	-	-	4,937
Accounts receivable	-	-	1,996	1,996
Total Assets	<u>8,602,530</u>	<u>418,958</u>	<u>1,094,340</u>	<u>10,115,828</u>
<b>LIABILITIES</b>				
Accounts payable	1,228,459	-	20,246	1,248,705
Deposits payable	-	-	1,426	1,426
Total Liabilities	<u>1,228,459</u>	<u>-</u>	<u>21,672</u>	<u>1,250,131</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for future periods	608,385	-	-	608,385
Total Liabilities & Deferred Inflows of Resources	<u>1,836,844</u>	<u>-</u>	<u>21,672</u>	<u>1,858,516</u>
<b>FUND BALANCE</b>				
Restricted	6,765,686	393,748	-	7,159,434
Assigned	-	25,210	1,072,668	1,097,878
Total fund balances	<u>6,765,686</u>	<u>418,958</u>	<u>1,072,668</u>	<u>8,257,312</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 8,602,530</u>	<u>\$ 418,958</u>	<u>\$ 1,094,340</u>	<u>\$ 10,115,828</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended December 31, 2015

	Special Revenue	Debt Service	Capital Projects	Total
<b>REVENUES</b>				
Property tax	\$ 589,353	\$ -	\$ -	\$ 589,353
Other taxes	98,224	208,152	-	306,376
Intergovernmental	2,189,280	-	-	2,189,280
Charges for services & fees	245,606	-	20,808	266,414
Investment income	15,358	134	840	16,332
Total revenues	<u>3,137,821</u>	<u>208,286</u>	<u>21,648</u>	<u>3,367,755</u>
<b>EXPENDITURES</b>				
Current				
General government	994,609	-	76,697	1,071,306
Public works	1,130,000	-	-	1,130,000
Community development	636,932	-	-	636,932
Public safety	87,909	-	-	87,909
Capital outlay				
General government	-	-	97,658	97,658
Public safety	13,518	-	-	13,518
Debt service				
Principal retirement	-	4,865,000	-	4,865,000
Interest and other	-	1,756,341	-	1,756,341
Issuance costs	-	-	-	-
Total expenditures	<u>2,862,968</u>	<u>6,621,341</u>	<u>174,355</u>	<u>9,658,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>274,853</u>	<u>(6,413,055)</u>	<u>(152,707)</u>	<u>(6,290,909)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	6,421,342	500,004	6,921,346
Total other financing sources (uses)	<u>-</u>	<u>6,421,342</u>	<u>500,004</u>	<u>6,921,346</u>
Net change in fund balance	274,853	8,287	347,297	630,437
Fund balances -- beginning	<u>6,490,833</u>	<u>410,671</u>	<u>725,371</u>	<u>7,626,875</u>
Fund balances -- ending	<u>\$ 6,765,686</u>	<u>\$ 418,958</u>	<u>\$ 1,072,668</u>	<u>\$ 8,257,312</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015

	Motor Fuel Tax	Foreign Fire	Ogden TIF	Tax Rebate	Asset Forfeiture	Total
<b>ASSETS</b>						
Cash and investments	\$ 352,161	\$ 292,708	\$5,273,482	\$669,917	\$ 1,290,652	\$ 7,878,920
Property taxes receivable	-	-	608,385	-	-	608,385
Other taxes receivable	110,288	-	-	-	-	110,288
Interest receivable	-	-	4,937	-	-	4,937
Total assets	<u>462,449</u>	<u>292,708</u>	<u>5,886,804</u>	<u>669,917</u>	<u>1,290,652</u>	<u>8,602,530</u>
<b>LIABILITIES</b>						
Accounts payable	-	7,512	550,850	669,917	180	1,228,459
Total liabilities	<u>-</u>	<u>7,512</u>	<u>550,850</u>	<u>669,917</u>	<u>180</u>	<u>1,228,459</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes levied for future periods	-	-	608,385	-	-	608,385
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>7,512</u>	<u>1,159,235</u>	<u>669,917</u>	<u>180</u>	<u>1,836,844</u>
<b>FUND BALANCE</b>						
Restricted	462,449	285,196	4,727,569	-	1,290,472	6,765,686
Total fund balances	<u>462,449</u>	<u>285,196</u>	<u>4,727,569</u>	<u>-</u>	<u>1,290,472</u>	<u>6,765,686</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 462,449</u>	<u>\$ 292,708</u>	<u>\$ 5,886,804</u>	<u>\$ 669,917</u>	<u>\$ 1,290,652</u>	<u>\$ 8,602,530</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015

	Motor Fuel Tax	Foreign Fire	Odgen TIF	Tax Rebate	Asset Forfeiture	Total
<b>REVENUES</b>						
Property tax	\$ -	\$ -	\$ 589,353	\$ -	\$ -	\$ 589,353
Other taxes	-	98,224	-	-	-	98,224
Intergovernmental	1,194,671	-	-	994,609	-	2,189,280
Charges for services & fees	-	-	-	-	245,606	245,606
Investment income	161	92	15,105	-	-	15,358
Total revenues	<u>1,194,832</u>	<u>98,316</u>	<u>604,458</u>	<u>994,609</u>	<u>245,606</u>	<u>3,137,821</u>
<b>EXPENDITURES</b>						
<b>Current</b>						
General government	-	-	-	994,609	-	994,609
Public works	1,130,000	-	-	-	-	1,130,000
Community development	-	-	636,932	-	-	636,932
Public safety	-	73,309	-	-	14,600	87,909
<b>Capital Outlay</b>						
Public safety	-	-	-	-	13,518	13,518
Total expenditures	<u>1,130,000</u>	<u>73,309</u>	<u>636,932</u>	<u>994,609</u>	<u>28,118</u>	<u>2,862,968</u>
Excess (deficiency) of revenues over (under) expenditures	<u>64,832</u>	<u>25,007</u>	<u>(32,474)</u>	<u>-</u>	<u>217,488</u>	<u>274,853</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	-	-
Total other fin sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	64,832	25,007	(32,474)	-	217,488	274,853
Fund balances (deficit) -- beginning	<u>397,617</u>	<u>260,189</u>	<u>4,760,043</u>	<u>-</u>	<u>1,072,984</u>	<u>6,490,833</u>
Fund balances -- ending	<u>\$ 462,449</u>	<u>\$ 285,196</u>	<u>\$ 4,727,569</u>	<u>-</u>	<u>\$ 1,290,472</u>	<u>\$ 6,765,686</u>



VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Motor Fuel Tax Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,130,000	\$ 1,130,000	\$ 1,194,671	\$ 64,671
Investment income	50	50	161	111
Total revenues	<u>1,130,050</u>	<u>1,130,050</u>	<u>1,194,832</u>	<u>64,782</u>
<b>EXPENDITURES</b>				
Public works	1,130,000	1,130,000	1,130,000	-
Total current	<u>1,130,000</u>	<u>1,130,000</u>	<u>1,130,000</u>	<u>-</u>
Total expenditures	<u>1,130,000</u>	<u>1,130,000</u>	<u>1,130,000</u>	<u>-</u>
Net change in fund balances	50	50	64,832	<u>\$ 64,782</u>
Fund balances -- beginning	<u>397,617</u>	<u>397,617</u>	<u>397,617</u>	
Fund balances -- ending	<u>\$ 397,667</u>	<u>\$ 397,667</u>	<u>\$ 462,449</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Foreign Fire Insurance Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Foreign fire insurance tax	\$ 78,000	\$ 78,000	\$ 98,224	\$ 20,224
Investment income	300	300	92	(208)
Total revenues	<u>78,300</u>	<u>78,300</u>	<u>98,316</u>	<u>20,016</u>
<b>EXPENDITURES</b>				
Current				
Public safety	136,950	136,950	73,309	63,641
Total current	<u>136,950</u>	<u>136,950</u>	<u>73,309</u>	<u>63,641</u>
Capital Outlay				
Public safety	30,000	30,000	-	30,000
Total capital outlay	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>166,950</u>	<u>166,950</u>	<u>73,309</u>	<u>93,641</u>
Net change in fund balances	(88,650)	(88,650)	25,007	<u>\$ 113,657</u>
Fund balances -- beginning	<u>260,189</u>	<u>260,189</u>	<u>260,189</u>	
Fund balances -- ending	<u>\$ 171,539</u>	<u>\$ 171,539</u>	<u>\$ 285,196</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Odgen TIF Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 573,606	\$ 573,606	\$ 589,353	\$ 15,747
Investment income	4,000	4,000	15,105	11,105
Total revenues	<u>577,606</u>	<u>577,606</u>	<u>604,458</u>	<u>26,852</u>
<b>EXPENDITURES</b>				
Current				
Public works	4,476,333	4,476,333	-	4,476,333
Community development	861,087	861,087	636,932	224,155
Total current	<u>5,337,420</u>	<u>5,337,420</u>	<u>636,932</u>	<u>4,700,488</u>
Total expenditures	<u>5,337,420</u>	<u>5,337,420</u>	<u>636,932</u>	<u>4,700,488</u>
Net change in fund balances	(4,759,814)	(4,759,814)	(32,474)	<u>\$ 4,727,340</u>
Fund balances -- beginning	<u>4,760,043</u>	<u>4,760,043</u>	<u>4,760,043</u>	
Fund balances -- ending	<u>\$ 229</u>	<u>\$ 229</u>	<u>\$ 4,727,569</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Sales Tax Rebate Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sales tax	\$ 1,000,000	\$ 1,000,000	\$ 994,609	\$ (5,391)
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>994,609</u>	<u>(5,391)</u>
<b>EXPENDITURES</b>				
Current				
General government	1,000,000	1,000,000	994,609	5,391
Total current	<u>1,000,000</u>	<u>1,000,000</u>	<u>994,609</u>	<u>5,391</u>
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>994,609</u>	<u>5,391</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>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Asset Forfeiture  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for srvc, fees, fines	\$ 500,000	\$ 500,000	\$ 245,606	\$ (254,394)
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>245,606</u>	<u>(254,394)</u>
<b>EXPENDITURES</b>				
Current				
Public safety	1,515,000	1,515,000	14,600	1,500,400
Total current	<u>1,515,000</u>	<u>1,515,000</u>	<u>14,600</u>	<u>1,500,400</u>
Capital Outlay				
Public safety	35,000	35,000	13,518	21,482
Total capital outlay	<u>35,000</u>	<u>35,000</u>	<u>13,518</u>	<u>21,482</u>
Total expenditures	<u>1,550,000</u>	<u>1,550,000</u>	<u>28,118</u>	<u>1,521,882</u>
Net change in fund balances	(1,050,000)	(1,050,000)	217,488	<u>\$ 1,267,488</u>
Fund balances -- beginning	<u>1,072,984</u>	<u>1,072,984</u>	<u>1,072,984</u>	
Fund balances --ending	<u>\$ 22,984</u>	<u>\$ 22,984</u>	<u>\$ 1,290,472</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2015

	Fairview Avenue	Downtown TIF	Capital/ Facilities	Total
<b>ASSETS</b>				
Cash and investments	\$ 6,604	393,748	1,288	\$ 401,640
Local fuel tax receivable	17,318	-	-	17,318
<b>Total assets</b>	<b>23,922</b>	<b>393,748</b>	<b>1,288</b>	<b>418,958</b>
<b>LIABILITIES</b>				
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted for debt service	-	393,748	-	393,748
Assigned	23,922	-	1,288	25,210
<b>Total fund balances</b>	<b>23,922</b>	<b>393,748</b>	<b>1,288</b>	<b>418,958</b>
<b>Total liabilities and fund balances</b>	<b>\$ 23,922</b>	<b>\$ 393,748</b>	<b>1,288</b>	<b>\$ 418,958</b>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2015

	Fairview Avenue	Downtown TIF	Capital/ Facilities	Total
<b>REVENUES</b>				
Local fuel tax	\$ 208,152	\$ -	\$ -	\$ 208,152
Investment income	-	134	-	134
Total revenues	<u>208,152</u>	<u>134</u>	<u>-</u>	<u>208,286</u>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	200,000	2,410,000	2,255,000	4,865,000
Interest and other	-	859,887	896,454	1,756,341
Total expenditures	<u>200,000</u>	<u>3,269,887</u>	<u>3,151,454</u>	<u>6,621,341</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,152</u>	<u>(3,269,753)</u>	<u>(3,151,454)</u>	<u>(6,413,055)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	3,269,888	3,151,454	6,421,342
Total other financing sources (uses)	<u>-</u>	<u>3,269,888</u>	<u>3,151,454</u>	<u>6,421,342</u>
Net change in fund balances	8,152	135	-	8,287
Fund balances -- beginning	<u>15,770</u>	<u>393,613</u>	<u>1,288</u>	<u>410,671</u>
Fund balances -- ending	<u>\$ 23,922</u>	<u>\$ 393,748</u>	<u>\$ 1,288</u>	<u>\$ 418,958</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Fairview Avenue Debt Service Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Local fuel tax	\$ 195,000	\$ 195,000	\$ 208,152	\$ 13,152
Total revenues	<u>195,000</u>	<u>195,000</u>	<u>208,152</u>	<u>13,152</u>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	200,000	200,000	200,000	-
Total debt service	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balances	(5,000)	(5,000)	8,152	<u>\$ 13,152</u>
Fund balances -- beginning	<u>15,770</u>	<u>15,770</u>	<u>15,770</u>	
Fund balances -- ending	<u>\$ 10,770</u>	<u>\$ 10,770</u>	<u>\$ 23,922</u>	



VILLAGE OF DOWNERS GROVE, ILLINOIS  
Downtown Redevelopment TIF Debt Service Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Interest earned on investments	\$ -	\$ -	\$ 134	\$ 134
Total revenues	<u>-</u>	<u>-</u>	<u>134</u>	<u>134</u>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	2,410,000	2,410,000	2,410,000	-
Interest and other	<u>859,887</u>	<u>859,887</u>	<u>859,887</u>	<u>-</u>
Total debt service	<u>3,269,887</u>	<u>3,269,887</u>	<u>3,269,887</u>	<u>-</u>
Total expenditures	<u>3,269,887</u>	<u>3,269,887</u>	<u>3,269,887</u>	<u>-</u>
Excess (deficiency) of revenues (under) expenditures	<u>(3,269,887)</u>	<u>(3,269,887)</u>	<u>(3,269,753)</u>	<u>134</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>3,269,888</u>	<u>3,269,888</u>	<u>3,269,888</u>	<u>-</u>
Total other financing sources	<u>3,269,888</u>	<u>3,269,888</u>	<u>3,269,888</u>	<u>-</u>
Net change in fund balances	1.00	2.00	135	<u>\$ 134</u>
Fund balances -- beginning	<u>393,613</u>	<u>393,613</u>	<u>393,613</u>	
Fund balances -- ending	<u>\$ 393,614</u>	<u>\$ 393,615</u>	<u>\$ 393,748</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Capital Debt Service Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Debt service				
Principal retirement	\$ 2,255,000	\$ 2,255,000	\$ 2,255,000	\$ -
Interest and other	896,454	896,454	896,454	-
Total debt service	<u>3,151,454</u>	<u>3,151,454</u>	<u>3,151,454</u>	<u>-</u>
Total expenditures	<u>3,151,454</u>	<u>3,151,454</u>	<u>3,151,454</u>	<u>-</u>
OTHER FINANCING SOURCES/(USES)				
Transfers in	<u>3,151,454</u>	<u>3,151,454</u>	<u>3,151,454</u>	<u>-</u>
Total other financing sources	<u>3,151,454</u>	<u>3,151,454</u>	<u>3,151,454</u>	<u>-</u>
Net change in fund balances	-	-	-	<u>\$ -</u>
Fund balances -- beginning	<u>1,288</u>	<u>1,288</u>	<u>1,288</u>	
Fund balances -- ending	<u>\$ 1,288</u>	<u>\$ 1,288</u>	<u>\$ 1,288</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2015

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	Municipal Buildings	Real Estate	Total
<b>ASSETS</b>			
Cash and investments	\$ 988,354	\$ 103,990	\$ 1,092,344
Accounts receivable	-	1,996	1,996
Total assets	988,354	105,986	1,094,340
 <b>LIABILITIES</b>			
Accounts payable	18,444	1,802	20,246
Deposits payable	-	1,426	1,426
Total liabilities	18,444	3,228	21,672
 <b>FUND BALANCES</b>			
Assigned for Capital Projects	969,910	102,758	1,072,668
Total liabilities and fund balances	\$ 988,354	\$ 105,986	\$ 1,094,340

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Nonmajor Capital Projects Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended December 31, 2015

	Municipal Buildings	Real Estate	Total
<b>REVENUES</b>			
Charges for services & fees	\$ -	\$ 20,808	\$ 20,808
Investment income	773	67	840
Total revenues	<u>773</u>	<u>20,875</u>	<u>21,648</u>
<b>EXPENDITURES</b>			
Current			
General government	-	76,697	76,697
Total current	<u>-</u>	<u>76,697</u>	<u>76,697</u>
Capital Outlay			
General government	97,658	-	97,658
Total capital outlay	<u>97,658</u>	<u>-</u>	<u>97,658</u>
Total expenditures	<u>97,658</u>	<u>76,697</u>	<u>174,355</u>
Excess (deficiency) of	<u>(96,885)</u>	<u>(55,822)</u>	<u>(152,707)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	500,004	-	500,004
Total Other Financing Sources	<u>500,004</u>	<u>-</u>	<u>500,004</u>
Net change in fund balance	403,119	(55,822)	347,297
Fund balances -- beginning	<u>566,791</u>	<u>158,580</u>	<u>725,371</u>
Fund balances -- ending	<u>\$ 969,910</u>	<u>\$ 102,758</u>	<u>\$ 1,072,668</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Municipal Buildings Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 773	\$ 773
Total revenues	<u>-</u>	<u>-</u>	<u>773</u>	<u>773</u>
<b>EXPENDITURES</b>				
Capital outlay				
General government	961,000	961,000	97,658	863,342
Total capital outlay	<u>961,000</u>	<u>961,000</u>	<u>97,658</u>	<u>863,342</u>
Total expenditures	<u>961,000</u>	<u>961,000</u>	<u>97,658</u>	<u>863,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(961,000)</u>	<u>(961,000)</u>	<u>(96,885)</u>	<u>864,115</u>
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>500,004</u>	<u>4</u>
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>500,004</u>	<u>4</u>
Net change in fund balances	(461,000)	(461,000)	403,119	<u>\$ 864,119</u>
Fund balances -- beginning	<u>566,791</u>	<u>566,791</u>	<u>566,791</u>	
Fund balances (deficits) - ending	<u>\$ 105,791</u>	<u>\$ 105,791</u>	<u>\$ 969,910</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Real Estate Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for services & fees	\$ 20,400	\$ 20,400	\$ 20,808	\$ 408
Investment income	-	-	67	67
Total revenues	<u>20,400</u>	<u>20,400</u>	<u>20,875</u>	<u>475</u>
<b>EXPENDITURES</b>				
Current				
General government	93,045	93,045	76,697	(16,348)
Total current	<u>93,045</u>	<u>93,045</u>	<u>76,697</u>	<u>(16,348)</u>
Total expenditures	<u>93,045</u>	<u>93,045</u>	<u>76,697</u>	<u>(16,348)</u>
Net change in fund balances	(72,645)	(72,645)	(55,822)	<u>\$ 16,823</u>
Fund balances -- beginning	<u>158,580</u>	<u>158,580</u>	<u>158,580</u>	
Fund balances -- ending	<u>\$ 85,935</u>	<u>\$ 85,935</u>	<u>\$ 102,758</u>	

## MAJOR PROPRIETARY FUNDS

## MAJOR PROPRIETARY FUNDS

**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.

**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.

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



VILLAGE OF DOWNERS GROVE, ILLINOIS  
Waterworks Fund  
Non GAAP Schedule of Operating Expenses - Budget and Actual  
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING EXPENSES</b>				
Water financial services				
Personnel services	\$ 108,637	\$ 108,637	\$ 112,021	\$ 3,384
Supplies	2,500	2,500	1,022	(1,478)
Contractual services	77,000	77,000	102,609	25,609
Total	<u>188,137</u>	<u>188,137</u>	<u>215,652</u>	<u>27,515</u>
Water administration				
Personnel services	444,830	444,830	502,804	57,974
Supplies	9,395	9,395	3,739	(5,656)
Contractual services	34,226	34,226	29,124	(5,102)
Other charges and services	1,280,559	1,280,559	1,280,568	9.00
Total	<u>1,769,010</u>	<u>1,769,010</u>	<u>1,816,235</u>	<u>47,225</u>
Water pumping and treatment				
Personnel services	109,113	109,113	106,733	(2,380)
Supplies	8,632	8,632	6,483	(2,149)
Contractual services	144,782	144,782	76,555	(68,227)
Other charges and services	15,602	15,602	15,600	(2)
Capital outlay	16,500	16,500	7,128	(9,372)
Total	<u>294,629</u>	<u>294,629</u>	<u>212,499</u>	<u>(82,130)</u>
Water transmission and distribution				
Personnel services	861,021	861,021	816,992	(44,029)
Supplies	233,087	233,087	223,194	(9,893)
Contractual services	591,655	591,655	397,289	(194,366)
Other charges and services	74,003	74,003	74,004	1
Capital Outlay	8,000	8,000	4,919	(3,081)
Total	<u>1,767,766</u>	<u>1,767,766</u>	<u>1,516,398</u>	<u>(251,368)</u>
DuPage Water Commission				
Capital outlay	9,079,208	9,079,208	8,761,673	(317,535)
Total	<u>5,605,000</u>	<u>5,605,000</u>	<u>3,511,234</u>	<u>(2,093,766)</u>
Total Non-GAAP operating expenses	18,703,750	18,703,750	16,033,691	(2,670,059)
Depreciation	-	-	1,225,923	1,225,923
Less assets capitalized	-	-	(3,412,297)	(3,412,297)
Total GAAP operating expenses	<u>\$ 18,703,750</u>	<u>\$ 18,703,750</u>	<u>\$ 13,847,317</u>	<u>\$ (4,856,433)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Parking Fund  
 Non GAAP Schedule of Operating Expenses - Budget and Actual  
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING EXPENSES</b>				
Non-deck parking operations				
Supplies	\$ 2,500	\$ 2,500	\$ 5,234	\$ 2,734
Contractual services	85,484	85,484	59,574	(25,910)
Other charges and services	139,000	139,000	987	(138,013)
Capital outlay	1,500,000	1,500,000	1,345,509	(154,491)
Total	<u>1,726,984</u>	<u>1,726,984</u>	<u>1,411,304</u>	<u>(315,680)</u>
Parking deck operations				
Supplies	14,900	14,900	7,993	(6,907)
Contractual services	129,740	129,740	122,228	(7,512)
Other charges and services	25,000	25,000	-	(25,000)
Total	<u>169,640</u>	<u>169,640</u>	<u>130,221</u>	<u>(39,419)</u>
Enforcement				
Personnel services	175,990	175,990	180,170	4,180
Supplies	1,188	1,188	1,035	(153)
Contractual services	14,340	14,340	15,822	1,482
Other charges and services	574,577	574,577	574,584	7
Total	<u>766,095</u>	<u>766,095</u>	<u>771,611</u>	<u>5,516</u>
Total Non-GAAP operating expenses	2,662,719	2,662,719	2,313,136	(349,583)
Depreciation	-	-	26,183	26,183
Less assets capitalized	-	-	(1,345,509)	(1,345,509)
Total GAAP operating expenses	<u>\$ 2,662,719</u>	<u>\$ 2,662,719</u>	<u>\$ 993,810</u>	<u>\$ (1,668,909)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Stormwater Utility Fund  
Non GAAP Schedule of Operating Expenses - Budget and Actual  
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING EXPENSES</b>				
Stormwater financial services				
Personnel services	\$ 30,622	\$ 30,622	\$ 42,038	\$ 11,416
Contractual services	34,000	34,000	32,881	(1,119)
Other charges and services	-	-	(3,050)	(3,050)
Total	<u>64,622</u>	<u>64,622</u>	<u>71,869</u>	<u>7,247</u>
Stormwater Design Engineering				
Personnel services	357,167	357,167	383,577	26,410
Supplies	700	700	29	(671)
Contractual services	65,835	65,835	43,298	(22,537)
Capital outlay	30,000	30,000	-	(30,000)
Total	<u>453,702</u>	<u>453,702</u>	<u>426,904</u>	<u>(26,798)</u>
Stormwater Maintenance				
Personnel services	515,586	515,586	494,867	(20,719)
Supplies	68,195	68,195	67,037	(1,158)
Contractual services	413,473	413,473	320,817	(92,656)
Other charges and services	448,156	448,156	448,152	(4)
Capital outlay	4,558,000	4,558,000	2,348,121	(2,209,879)
Total	<u>6,003,410</u>	<u>6,003,410</u>	<u>3,678,994</u>	<u>(2,324,416)</u>
Total Non-GAAP operating expenses	6,521,734	6,521,734	4,177,767	(2,343,967)
Depreciation	-	-	298,445	298,445
Less assets capitalized	-	-	(1,909,122)	(1,909,122)
Total GAAP operating expenses	<u>\$ 6,521,734</u>	<u>\$ 6,521,734</u>	<u>\$ 2,567,090</u>	<u>\$ (3,954,644)</u>

INTERNAL SERVICE FUNDS

## INTERNAL SERVICE FUNDS

**Equipment Replacement Fund** provides a dedicated funding source for equipment that is replaced on a routine basis. It allows for items to be replaced when they need to be versus when funds are available. Village departments “pre-fund” for equipment purchases by making payments to this fund for equipment that they use. This fund is used to purchase vehicles, computer equipment and fire equipment.

**Fleet Service Fund** provides services that require the use of vehicles and equipment. From fire and police to watermain repairs, services cannot be provided without a well-maintained and efficient fleet. To ensure this occurs, Public Works operates a garage for vehicle and equipment maintenance and repair. The Public Works facility also has a fueling station with pumps for Bio-Diesel, E-85, unleaded gas, and Compressed Natural Gas

**Health Insurance Fund** accounts for financial activity related to the Village’s self-insured medical, dental, vision and life insurance plans.

**Risk Management Fund** accounts for financial activity related to the Village’s workers’ compensation and liability insurance program, management of all Village liability claims, and employee safety training programs.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Statement of Net Position  
Internal Service Funds  
December 31, 2015

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
<b>ASSETS</b>					
Current assets					
Cash and investments	\$ 2,656,893	\$ 608,853	\$ 1,444,657	\$ 905,586	\$ 5,615,989
Prepays	5,277	-	-	-	5,277
Accounts receivable	4,630	9,267	7,323	86,365	107,585
Interest receivable	983	-	323	-	1,306
Inventory	-	104,200	-	-	104,200
Total Current assets	<u>2,667,783</u>	<u>722,320</u>	<u>1,452,303</u>	<u>991,951</u>	<u>5,834,357</u>
Noncurrent assets					
Capital assets being depreciated	11,687,088	1,027,698	-	-	12,714,786
Accumulated depreciation	(7,003,080)	(835,406)	-	-	(7,838,486)
Total Noncurrent assets	<u>4,684,008</u>	<u>192,292</u>	<u>-</u>	<u>-</u>	<u>4,876,300</u>
Total Assets	<u>7,351,791</u>	<u>914,612</u>	<u>1,452,303</u>	<u>991,951</u>	<u>10,710,657</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	-	176,567	27,058	31,856	235,481
Total Deferred Outflows of Resources	<u>-</u>	<u>176,567</u>	<u>27,058</u>	<u>31,856</u>	<u>235,481</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	278	86,553	66,442	253,188	406,461
Other payables	-	-	24,524	-	24,524
Compensated absences	-	16,768	12,746	1,060	30,574
Claims payable	-	-	737,676	671,581	1,409,257
Total Current liabilities	<u>278</u>	<u>103,321</u>	<u>841,388</u>	<u>925,829</u>	<u>1,870,816</u>
Noncurrent liabilities					
Claims payable	-	-	-	1,567,023	1,567,023
Other post-employment benefits	-	130,172	12,107	29,041	171,320
Compensated absences	-	39,126	29,740	2,474	71,340
Net pension liability	-	193,894	29,713	34,982	258,589
Total Noncurrent liabilities	<u>-</u>	<u>363,192</u>	<u>71,560</u>	<u>1,633,520</u>	<u>2,068,272</u>
Total Liabilities	<u>278</u>	<u>466,513</u>	<u>912,948</u>	<u>2,559,349</u>	<u>3,939,088</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	-	22,584	3,461	4,075	30,120
Total Deferred Inflows of Resources	<u>-</u>	<u>22,584</u>	<u>3,461</u>	<u>4,075</u>	<u>30,120</u>
<b>NET POSITION</b>					
Net investment in capital assets	4,684,008	192,292	-	-	4,876,300
Unrestricted (deficit)	2,667,505	409,790	562,952	(1,539,617)	2,100,630
Total Net Position	<u>\$ 7,351,513</u>	<u>\$ 602,082</u>	<u>\$ 562,952</u>	<u>\$ (1,539,617)</u>	<u>\$ 6,976,930</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
For the Year Ended December 31, 2015

	Equipment Replacement	Fleet Services	Health Insurance	Risk Management	Total
Operating revenues					
Sales	\$ -	\$ 134,448	\$ -	\$ -	\$ 134,448
Interfund services	1,262,988	1,723,680	5,122,982	2,646,012	10,755,662
Insurance premiums	-	-	1,711,668	-	1,711,668
Other	-	-	8,682	8,616	17,298
Total operating revenues	<u>1,262,988</u>	<u>1,858,128</u>	<u>6,843,332</u>	<u>2,654,628</u>	<u>12,619,076</u>
Operating expenses					
Personnel services	-	808,668	71,621	132,028	1,012,317
Supplies	34,048	600,316	-	295	634,659
Contractual services	-	98,674	1,338,505	596,126	2,033,305
Other charges and services	-	187,952	5,678,674	1,083,078	6,949,704
Depreciation	863,218	38,349	-	-	901,567
Total operating expenses	<u>897,266</u>	<u>1,733,959</u>	<u>7,088,800</u>	<u>1,811,527</u>	<u>11,531,552</u>
Operating Income (loss)	<u>365,722</u>	<u>124,169</u>	<u>(245,468)</u>	<u>843,101</u>	<u>1,087,524</u>
Nonoperating revenues					
Investment income	4,176	411	3,214	-	7,801
Gain from disposals	15,270	-	-	-	15,270
Total non operating revenues (expenses)	<u>19,446</u>	<u>411</u>	<u>3,214</u>	<u>-</u>	<u>23,071</u>
Change in net position	385,168	124,580	(242,254)	843,101	1,110,595
Total net position -- beginning (as restated)	6,966,345	477,502	805,206	(2,382,718)	5,866,335
Total net position -- ending	<u>\$ 7,351,513</u>	<u>\$ 602,082</u>	<u>\$ 562,952</u>	<u>(\$ 1,539,617)</u>	<u>\$ 6,976,930</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2015

	Equipment Replacement	Fleet	Health	Risk Management	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from interfund services	\$1,262,988	1,723,680	\$5,122,982	\$2,646,012	\$10,755,662
Receipts from customers		130,795	1,719,113	(55,376)	1,794,532
Other payments	-	(187,952)	(5,783,298)	(1,356,367)	(7,327,617)
Payments to employees	-	(777,453)	(79,854)	(125,749)	(983,056)
Payments for interfund services	-	-	-	-	-
Payments to suppliers	(256,415)	(659,860)	(1,278,990)	(398,334)	(2,593,599)
Net cash provided (used) by operating activities	<u>1,006,573</u>	<u>229,210</u>	<u>(300,047)</u>	<u>710,186</u>	<u>1,645,922</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
None	-	-	-	-	-
Net cash provided (used) by noncapital activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital assets purchased	(140,451)	-	-	-	(140,451)
Proceeds from sale of capital assets	15,270	-	-	-	15,270
Net cash provided (used) by capital activities	<u>(125,181)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125,181)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	3,193	411	2,891	-	6,495
Net cash provided by investing activities	<u>3,193</u>	<u>411</u>	<u>2,891</u>	<u>-</u>	<u>6,495</u>
Net Increase (decrease) in cash and cash equivalents	<u>884,585</u>	<u>229,621</u>	<u>(297,156)</u>	<u>710,186</u>	<u>1,527,236</u>
Cash and investments - beginning of year	1,772,308	379,232	1,741,813	195,400	4,088,753
Cash and investments - end of year	<u>2,656,893</u>	<u>608,853</u>	<u>1,444,657</u>	<u>905,586</u>	<u>5,615,989</u>
Reconciliation of operating income (loss) to net cash by operating activities					
Operating income (loss)	365,722	124,169	(245,468)	843,101	1,087,524
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	863,218	38,349	-	-	901,567
Change in assets and liabilities					
Accounts payable	(221,663)	20,277	59,515	167,450	25,579
Compensated absences	-	5,338	299	1,747	7,384
Accounts receivable	-	(3,653)	(1,237)	(63,992)	(68,882)
Inventory	-	18,853	-	-	18,853
Prepaid expenses	(704)	-	-	30,637	29,933
Other post-employment benefits	-	16,353	(11,191)	1,224	6,386
Other payables	-	-	1,632	-	1,632
Claims payable	-	-	(106,256)	(273,289)	(379,545)
Net pension liability	-	9,524	2,659	3,308	15,491
Net cash provided (used) by operating activities	<u>\$1,006,573</u>	<u>\$229,210</u>	<u>(\$300,047)</u>	<u>\$710,186</u>	<u>\$1,645,922</u>



VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Equipment Replacement Fund  
 Non GAAP Schedule of Operating Expenses - Budget and Actual  
 For the Year Ended December 31, 2015

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	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Capital outlay	\$ 1,821,220	\$ 1,821,220	\$ 174,499	\$(1,646,721)
Less assets capitalized	-	-	(140,451)	(140,451)
Total Non GAAP operating expenses	1,821,220	1,821,220	34,048	(1,787,172)
Depreciation	-	-	863,218	863,218
Total GAAP operating expenses	\$ 1,821,220	\$ 1,821,220	\$ 897,266	\$ (923,955)

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Fleet Services Fund  
 Non GAAP Schedule of Operating Expenses - Budget and Actual  
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING EXPENSES</b>				
Personnel services	\$ 720,262	\$ 720,262	\$ 808,668	\$ 88,406
Supplies	847,779	847,779	600,316	(247,463)
Contractual services	128,646	128,646	98,674	(29,972)
Other charges and services	163,085	163,085	187,952	24,867
<b>Total Non GAAP expenses</b>	<b>1,859,772</b>	<b>1,859,772</b>	<b>1,695,610</b>	<b>(164,162)</b>
Depreciation	-	-	38,349	38,349
<b>Total GAAP operating expenses</b>	<b>\$ 1,859,772</b>	<b>\$ 1,859,772</b>	<b>\$ 1,733,959</b>	<b>\$ (125,813)</b>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Health Insurance Fund  
Schedule of Operating Expenses - Budget and Actual  
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING EXPENSES</b>				
Health administration				
Personnel services	\$ 121,898	\$ 121,898	\$ 71,621	\$ (50,277)
Contractual services	102,646	101,172	100,081	(1,091)
Other charges and services	261	261	1,858	1,597
Total	<u>224,805</u>	<u>223,331</u>	<u>173,560</u>	<u>(49,771)</u>
Vision insurance				
Contractual services	45,000	45,000	45,554	554
Total	<u>45,000</u>	<u>45,000</u>	<u>45,554</u>	<u>554</u>
Medical insurance				
Contractual services	1,062,170	1,062,170	1,172,793	110,623
Other charges and services	5,288,437	5,288,437	5,294,379	5,942
Total	<u>6,350,607</u>	<u>6,350,607</u>	<u>6,467,172</u>	<u>116,565</u>
Dental insurance				
Contractual services	19,368	19,368	20,077	709
Other charges and services	463,879	463,879	382,437	(81,442)
Total	<u>483,247</u>	<u>483,247</u>	<u>402,514</u>	<u>(80,733)</u>
 Total operating expenses	 <u>\$ 7,103,659</u>	 <u>\$ 7,102,185</u>	 <u>\$ 7,088,800</u>	 <u>\$ (13,385)</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Risk Management Fund  
 Schedule of Operating Expenses - Budget and Actual  
 For the Year Ended December 31, 2015

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	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Personnel services	\$ 125,729	\$ 125,729	\$ 132,028	\$ 6,299
Supplies	800	800	295	(505)
Contractual services	734,695	734,695	596,126	(138,569)
Other charges and services	1,794,919	1,794,919	1,083,078	(711,841)
Total operating expenses	\$ 2,656,143	\$ 2,656,143	\$ 1,811,527	\$ (844,616)

## FIDUCIARY FUNDS

## **FIDUCIARY FUNDS**

**Police Pension Fund** accounts for resources necessary to provide retirement and disability benefits to sworn personnel of the Downers Grove Police Department. Revenues are provided by Village contributions (made possible primarily by property tax levy), employee payroll withholdings and investment income.

**Firefighters' Pension Fund** accounts for resources necessary to provide retirement and disability benefits to sworn personnel of the Downers Grove Fire Department. Revenues are provided by Village contributions (made possible primarily by property tax levy), employee payroll withholdings and investment income.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Pension Trust Funds  
Combining Statement of Net Position  
December 31, 2015

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,307,770	\$ 1,175,806	\$ 2,483,576
Investments			
U.S. obligations	7,827,459	6,258,367	14,085,826
Corporate bonds	10,937,128	6,981,943	17,919,071
Foreign bonds	344,541	307,775	652,316
Negotiable CDs	-	2,904,524	2,904,524
Mutual funds - fixed income	643,452	-	643,452
Mutual funds - equity	16,802,752	23,588,214	40,390,966
Common and Preferred Stocks	3,496,165	-	3,496,165
Real Estate	6,157,691	4,360,043	10,517,734
Prepays	3,591	4,462	8,053
Interest receivable	149,067	121,085	270,152
<b>Total assets</b>	<b>47,669,616</b>	<b>45,702,219</b>	<b>93,371,835</b>
<b>LIABILITIES</b>			
Accounts payable	16,753	8,645	25,398
<b>Total liabilities</b>	<b>16,753</b>	<b>8,645</b>	<b>25,398</b>
<b>NET POSITION</b>			
Restricted for pension benefits	<u>\$ 47,652,863</u>	<u>\$ 45,693,574</u>	<u>\$ 93,346,437</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
Combining Statement of Changes in Net Position  
Pension Trust Funds  
For the Year Ended December 31, 2015

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
<b>Contributions</b>			
Contributions - employer	\$ 2,274,955	\$ 2,344,190	\$ 4,619,145
Contributions - employees	669,478	658,542	1,328,020
Total contributions	<u>2,944,433</u>	<u>3,002,732</u>	<u>5,947,165</u>
<b>Investment earnings</b>			
Net appreciation in fair value of investments	(1,046,251)	(632,046)	(1,678,297)
Interest earned on investments	1,002,742	1,085,231	2,087,973
Less investment expense	(115,646)	(82,242)	(197,888)
Net investment earnings (loss)	<u>(159,155)</u>	<u>370,943</u>	<u>211,788</u>
Total additions	<u>2,785,278</u>	<u>3,373,675</u>	<u>6,158,953</u>
<b>DEDUCTIONS</b>			
Contractual services	45,154	58,395	103,549
Benefits and refunds	3,531,805	3,089,064	6,620,869
Total deductions	<u>3,576,959</u>	<u>3,147,459</u>	<u>6,724,418</u>
Change in Net Position	(791,681)	226,216	(565,465)
Net Position - beginning of the year	<u>48,444,544</u>	<u>45,467,358</u>	<u>93,911,902</u>
Net Position - end of the year	<u>\$ 47,652,863</u>	<u>\$ 45,693,574</u>	<u>\$ 93,346,437</u>



VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Police Pension Fund  
 Schedule of Changes in Net Position - Budget and Actual  
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
<b>ADDITIONS</b>				
Contributions - employer	\$ 2,261,516	\$ 2,261,516	\$ 2,274,955	\$ 13,439
Contributions - employees	700,000	700,000	669,478	(30,522)
Total contributions	<u>2,961,516</u>	<u>2,961,516</u>	<u>2,944,433</u>	<u>(17,083)</u>
Investment earnings				
Net appreciation in fair value of investments	500,000	500,000	(1,046,251)	(1,546,251)
Interest earned on investments	1,000,000	1,000,000	1,002,742	2,742
Less investment expense	(137,000)	(137,000)	(115,646)	21,354
Net investment earnings (loss)	<u>1,363,000</u>	<u>1,363,000</u>	<u>(159,155)</u>	<u>(1,522,155)</u>
Total additions	<u>4,324,516</u>	<u>4,324,516</u>	<u>2,785,278</u>	<u>(1,539,238)</u>
<b>DEDUCTIONS</b>				
Administrative expense	56,800	56,800	45,154	11,646
Benefits and refunds	3,712,636	3,712,636	3,531,805	180,831
Total deductions	<u>3,769,436</u>	<u>3,769,436</u>	<u>3,576,959</u>	<u>192,477</u>
Net Change in Net Position	<u>\$ 555,080</u>	<u>\$ 555,080</u>	<u>(791,681)</u>	<u>\$ (1,346,761)</u>
Net position restricted for pension benefits				
Beginning			<u>48,444,544</u>	
Ending			<u>\$ 47,652,863</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Firefighters' Pension Fund  
 Schedule of Changes in Net Position - Budget and Actual  
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
<b>ADDITIONS</b>				
Contributions - employer	\$ 2,330,108	\$ 2,330,108	\$ 2,344,190	\$ 14,082
Contributions - employees	700,000	700,000	658,542	(41,458)
Total contributions	<u>3,030,108</u>	<u>3,030,108</u>	<u>3,002,732</u>	<u>(27,376)</u>
Investment earnings				
Net appreciation in fair value of investments	500,000	500,000	(632,046)	(1,132,046)
Interest earned on investments	1,200,000	1,200,000	1,085,231	(114,769)
Less investment expense	(87,000)	(87,000)	(82,242)	4,758
Net investment earnings (loss)	<u>1,613,000</u>	<u>1,613,000</u>	<u>370,943</u>	<u>(1,242,057)</u>
Total additions	<u>4,643,108</u>	<u>4,643,108</u>	<u>3,373,675</u>	<u>(1,269,433)</u>
<b>DEDUCTIONS</b>				
Contractual services	77,800	77,800	58,395	19,405
Benefits and refunds	3,618,779	3,618,779	3,089,064	529,715
Total deductions	<u>3,696,579</u>	<u>3,696,579</u>	<u>3,147,459</u>	<u>549,120</u>
Net Change in Net Position	<u>\$ 946,529</u>	<u>\$ 946,529</u>	<u>226,216</u>	<u>\$ (720,313)</u>
Net position restricted for pension benefits				
Beginning			<u>45,467,358</u>	
Ending			<u>\$ 45,693,574</u>	

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Construction Deposit Fund  
 Schedule of Changes in Assets and Liabilities  
 For the Year Ended December 31, 2015

	Balances January 1	Additions	Deductions	Balances December 31
<b>ASSETS</b>				
Cash and investments	\$ 1,894,838	\$ 4,844,161	\$ 5,083,883	\$ 1,655,116
Total assets	1,894,838	4,844,161	5,083,883	1,655,116
<b>LIABILITIES</b>				
Accounts payable	241,119	1,649,497	1,656,004	234,612
Deposits payable	1,653,719	1,293,987	1,527,202	1,420,504
Total liabilities	\$ 1,894,838	\$ 2,943,484	\$ 3,183,206	\$ 1,655,116

**SECTION 6**

**COMPONENT UNIT  
DOWNERS GROVE PUBLIC LIBRARY**

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS  
Component Unit  
Statement of Net Position and Governmental Funds Combining Balance Sheet  
December 31, 2015

	General	Debt Service	Total	Adjustments	Statement of Net Position
<b>Assets</b>					
Cash and investments	\$ 2,253,966	\$ 913,005	\$ 3,166,971	-	\$ 3,166,971
Property tax receivable	4,826,000	328,583	5,154,583	-	5,154,583
Accounts receivable	-	-	-	-	-
Capital assets not being depreciated	-	-	-	222,211	222,211
Capital assets net accumulated depreciation	-	-	-	12,855,317	12,855,317
Total Assets	<u>7,079,966</u>	<u>1,241,588</u>	<u>8,321,554</u>	<u>13,077,528</u>	<u>21,399,082</u>
<b>Deferred outflow of resources</b>					
Loss on refunding	-	-	-	79,648	79,648
Deferred outflows related to pensions	-	-	-	686,972	686,972
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>766,620</u>	<u>766,620</u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accrued interest payable	-	-	-	5,658	5,658
Accrued payroll	84,419	-	84,419	-	84,419
Accounts payable	56,439	-	56,439	-	56,439
Unearned revenue	7,572	-	7,572	-	7,572
Debt due within 1 year	-	-	-	626,002	626,002
Total Current liabilities	<u>148,430</u>	<u>-</u>	<u>148,430</u>	<u>631,660</u>	<u>780,090</u>
Debt due in more than 1 year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,571,899</u>	<u>1,571,899</u>
<b>Deferred inflow of resources</b>					
Property taxes levied for future periods	4,826,000	328,583	5,154,583	-	5,154,583
Deferred inflows related to pensions	-	-	-	87,869	87,869
Total Deferred Inflows of Resources	<u>4,826,000</u>	<u>328,583</u>	<u>5,154,583</u>	<u>87,869</u>	<u>5,242,452</u>
<b>Fund Balance / Net Position</b>					
Net investment in capital assets	-	-	-	11,767,880	11,767,880
Restricted for Debt Service	-	913,005	913,005	(5,658)	907,347
Unassigned/Unrestricted	2,105,536	-	2,105,536	(209,502)	1,896,034
Total fund balances/net position	<u>\$ 2,105,536</u>	<u>\$ 913,005</u>	<u>\$ 3,018,541</u>	<u>\$ 11,552,720</u>	<u>\$ 14,571,261</u>

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS  
 Component Unit  
 Statement of Activities and Governmental Fund  
 Combining Statement of Revenues, Expenditures & Changes in Fund Balances/Net Position  
 For the Year Ended December 31, 2015

	General	Debt Service	Total	Adjustments	Statement of Activities
<b>REVENUES</b>					
Property taxes	\$ 4,708,186	\$ 614,076	\$ 5,322,262	\$ -	\$ 5,322,262
Personal property repl tax	59,714	-	59,714	-	59,714
Intergovernmental	61,516	-	61,516	-	61,516
Charges for services	110,075	-	110,075	-	110,075
Fines	89,447	-	89,447	-	89,447
Investment income	1,486	327	1,813	-	1,813
Contributions & donations	66,040	-	66,040	-	66,040
Total revenues	<u>5,096,464</u>	<u>614,403</u>	<u>5,710,867</u>	<u>-</u>	<u>5,710,867</u>
<b>EXPENDITURES</b>					
Current					
Community services	4,034,535	-	4,034,535	1,327,337	5,361,872
Capital outlay	883,359	-	883,359	(883,359)	-
Debt service					
Principal retirement	-	600,000	600,000	(600,000)	-
Interest and fiscal charges	-	14,076	14,076	50,338	64,414
Total expenditures	<u>4,917,894</u>	<u>614,076</u>	<u>5,531,970</u>	<u>(105,684)</u>	<u>5,426,286</u>
Net change in fund balance/net position	178,570	327	178,897	105,684	284,581
Fund balance/net position, beginning (as restated)	<u>1,926,966</u>	<u>912,678</u>	<u>2,839,644</u>	<u>11,447,036</u>	<u>14,286,680</u>
Fund balance/net position, ending	<u>\$ 2,105,536</u>	<u>\$ 913,005</u>	<u>\$ 3,018,541</u>	<u>\$ 11,552,720</u>	<u>\$ 14,571,261</u>

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS  
 Component Unit  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 4,712,087	\$ 4,712,087	\$ 4,708,186	\$ (3,901)
Personal property repl tax	50,000	50,000	59,714	9,714
Intergovernmental	55,000	55,000	61,516	6,516
Charges for services & fees	25,000	25,000	110,075	85,075
Fines	84,000	84,000	89,447	5,447
Investment income	2,100	2,100	1,486	(614)
Contributions & donations	70,000	70,000	66,040	(3,960)
Total revenues	<u>4,998,187</u>	<u>4,998,187</u>	<u>5,096,464</u>	<u>98,277</u>
<b>EXPENDITURES</b>				
Current				
Community services	4,211,000	4,211,000	4,034,535	(176,465)
Total current	<u>4,211,000</u>	<u>4,211,000</u>	<u>4,034,535</u>	<u>(176,465)</u>
Capital outlay	831,500	831,500	883,359	51,859
Total expenditures	<u>5,042,500</u>	<u>5,042,500</u>	<u>4,917,894</u>	<u>(124,606)</u>
Net change in fund balances	<u>(44,313)</u>	<u>(44,313)</u>	178,570	<u>\$ 222,883</u>
Fund balances -- beginning	<u>1,926,966</u>	<u>1,926,966</u>	<u>1,926,966</u>	
Fund balances -- ending	<u>\$ 1,882,653</u>	<u>\$ 1,882,653</u>	<u>\$ 2,105,536</u>	

DOWNERS GROVE PUBLIC LIBRARY, ILLINOIS  
 Component Unit  
 Library Debt Service Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Property tax	\$ 614,076	\$ 614,076	\$ 614,076	\$ -
Investment income	-	-	327	327
Total revenues	<u>614,076</u>	<u>614,076</u>	<u>614,403</u>	<u>327</u>
EXPENDITURES				
Debt service				
Principal retirement	600,000	600,000	600,000	-
Interest	14,076	14,076	14,076	-
Total debt service	<u>614,076</u>	<u>614,076</u>	<u>614,076</u>	<u>-</u>
Total expenditures	<u>614,076</u>	<u>614,076</u>	<u>614,076</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>327</u>	<u>\$ 327</u>
Fund balances -- beginning	<u>912,678</u>	<u>912,678</u>	<u>912,678</u>	
Fund balances -- ending	<u>\$ 912,678</u>	<u>\$ 912,678</u>	<u>\$ 913,005</u>	



## SECTION 7

### SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Schedule of Insurance in Force
- Schedules of Debt Service Requirements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Schedule of Insurance in Force  
 December 31, 2015

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Insurance Company	Term	Description of Coverage
Chubb	12/31/14 - 12/31/15	All Risk Property \$101,336,427 Insured Value, Excess of \$10,000
Evanston Insurance	12/31/14 - 12/31/15	Excess GL/Auto/Public Officials & Employment Practice Excess up to \$10,000,000, Retained Limit of \$1,000,000
Torus Insurance	12/31/14 - 12/31/15	Umbrella GL/Auto/Public Officials & Employment Practice Excess up to \$25,000,000, Retained Limit of \$10,000,000
Safety National	12/31/14 - 12/31/15	Workers' Compensation Full Statutory Benefits Excess of \$600,000 - \$650,000
Travelers Insurance	12/31/14 - 12/31/15	Crime Coverage Limit \$1,000,000
Ace	12/31/14 - 12/31/15	Pollution Liability Limit \$2,000,000

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Bonds, Series 2007  
 December 31, 2015

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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
2016	420,000	11,550	431,550	2016	11,550	2016	-
	<u>\$ 420,000</u>	<u>\$ 11,550</u>	<u>\$ 431,550</u>		<u>\$ 11,550</u>		<u>\$ -</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Bonds, Series 2008A  
 December 31, 2015

Date of Issue	August 13, 2008
Date of Maturity	January 1, 2038
Authorized Issue	\$25,000,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% 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 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
2016	385,000	416,800	801,800	2016	212,250	2016	204,550
2017	400,000	401,100	801,100	2017	204,550	2017	196,550
2018	415,000	384,800	799,800	2018	196,550	2018	188,250
2019	430,000	365,750	795,750	2019	188,250	2019	177,500
2020	455,000	343,625	798,625	2020	177,500	2020	166,125
2021	475,000	320,375	795,375	2021	166,125	2021	154,250
2022	500,000	296,000	796,000	2022	154,250	2022	141,750
2023	525,000	270,375	795,375	2023	141,750	2023	128,625
2024	550,000	243,500	793,500	2024	128,625	2024	114,875
2025	-	229,750	229,750	2025	114,875	2025	114,875
2026	-	229,750	229,750	2026	114,875	2026	114,875
2027	-	229,750	229,750	2027	114,875	2027	114,875
2028	-	229,750	229,750	2028	114,875	2028	114,875
2029		229,750	229,750	2029	114,875	2029	114,875
2030		229,750	229,750	2030	114,875	2030	114,875
2031		229,750	229,750	2031	114,875	2031	114,875
2032		229,750	229,750	2032	114,875	2032	114,875
2033		229,750	229,750	2033	114,875	2033	114,875
2034	510,000	217,000	727,000	2034	114,875	2034	102,125
2035	950,000	180,500	1,130,500	2035	102,125	2035	78,375
2036	995,000	131,875	1,126,875	2036	78,375	2036	53,500
2037	1,045,000	80,875	1,125,875	2037	53,500	2037	27,375
2038	1,095,000	27,375	1,122,375	2038	27,375	2038	-
	<u>\$ 8,730,000</u>	<u>\$ 5,747,700</u>	<u>\$ 14,477,700</u>		<u>\$ 2,979,975</u>		<u>\$ 2,767,725</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2008B  
 December 31, 2015

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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
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>\$ 2,160,000</u>	<u>\$ 541,248</u>	<u>\$ 2,701,248</u>		<u>\$ 297,624</u>		<u>\$ 243,624</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2009  
 December 31, 2015

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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
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>\$ 3,825,000</u>	<u>\$ 295,777</u>	<u>\$ 4,120,777</u>		<u>\$ 182,651</u>		<u>\$ 113,126</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2010A  
 December 31, 2015

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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
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>\$ 5,145,000</u>	<u>\$ 1,094,325</u>	<u>\$ 6,239,325</u>		<u>\$ 604,150</u>		<u>\$ 490,175</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2010B  
 December 31, 2015

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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
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>\$ 4,570,000</u>	<u>\$ 671,600</u>	<u>\$ 5,241,600</u>		<u>\$ 380,900</u>		<u>\$ 290,700</u>



VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Bonds, Series 2012 Roads  
 December 31, 2015

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2016	590,000	660,868	1,250,868	2016	334,859	2016	326,009
2017	605,000	642,944	1,247,944	2017	326,010	2017	316,934
2018	625,000	624,494	1,249,494	2018	316,935	2018	307,559
2019	640,000	605,519	1,245,519	2019	307,560	2019	297,959
2020	660,000	586,019	1,246,019	2020	297,960	2020	288,059
2021	680,000	565,919	1,245,919	2021	288,060	2021	277,859
2022	700,000	545,218	1,245,218	2022	277,859	2022	267,359
2023	720,000	523,918	1,243,918	2023	267,359	2023	256,559
2024	745,000	501,943	1,246,943	2024	256,559	2024	245,384
2025	765,000	479,293	1,244,293	2025	245,384	2025	233,909
2026	790,000	455,475	1,245,475	2026	233,909	2026	221,566
2027	815,000	429,888	1,244,888	2027	221,566	2027	208,322
2028	840,000	402,994	1,242,994	2028	208,322	2028	194,672
2029	870,000	374,663	1,244,663	2029	194,672	2029	179,991
2030	895,000	344,878	1,239,878	2030	179,991	2030	164,887
2031	925,000	313,587	1,238,587	2031	164,887	2031	148,700
2032	960,000	280,600	1,240,600	2032	148,700	2032	131,900
2033	995,000	243,900	1,238,900	2033	131,900	2033	112,000
2034	1,035,000	203,300	1,238,300	2034	112,000	2034	91,300
2035	1,075,000	161,100	1,236,100	2035	91,300	2035	69,800
2036	1,120,000	117,200	1,237,200	2036	69,800	2036	47,400
2037	1,160,000	71,600	1,231,600	2037	47,400	2037	24,200
2038	1,210,000	24,200	1,234,200	2038	24,200	2038	-
	<u>\$ 19,420,000</u>	<u>\$ 9,159,520</u>	<u>\$ 28,579,520</u>		<u>\$ 4,747,192</u>		<u>\$ 4,412,328</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Bonds, Series 2012 Water  
 December 31, 2015

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2016	400,000	271,400	671,400	2016	138,700	2016	132,700
2017	415,000	259,175	674,175	2017	132,700	2017	126,475
2018	425,000	246,575	671,575	2018	126,475	2018	120,100
2019	440,000	233,600	673,600	2019	120,100	2019	113,500
2020	450,000	220,250	670,250	2020	113,500	2020	106,750
2021	465,000	206,525	671,525	2021	106,750	2021	99,775
2022	480,000	192,350	672,350	2022	99,775	2022	92,575
2023	495,000	177,725	672,725	2023	92,575	2023	85,150
2024	510,000	162,650	672,650	2024	85,150	2024	77,500
2025	525,000	147,125	672,125	2025	77,500	2025	69,625
2026	540,000	130,812	670,812	2026	69,625	2026	61,187
2027	555,000	113,356	668,356	2027	61,187	2027	52,169
2028	575,000	94,994	669,994	2028	52,169	2028	42,825
2029	590,000	75,694	665,694	2029	42,825	2029	32,869
2030	610,000	55,444	665,444	2030	32,869	2030	22,575
2031	635,000	34,038	669,038	2031	22,575	2031	11,463
2032	655,000	11,462	666,462	2032	11,462	2032	-
	<u>\$ 8,765,000</u>	<u>\$ 2,633,175</u>	<u>\$ 11,398,175</u>		<u>\$ 1,385,937</u>		<u>\$ 1,247,238</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2013  
 December 31, 2015

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2016	615,000	8,487	623,487	2016	5,658	2016	2,829
2017	615,000	2,829	617,829	2017	2,829	2017	-
	<u>\$ 1,230,000</u>	<u>\$ 11,316</u>	<u>\$ 1,241,316</u>		<u>\$ 8,487</u>		<u>\$ 2,829</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2013A  
 December 31, 2015

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2016	1,380,000	157,850	1,537,850	2016	85,825	2016	72,025
2017	1,500,000	121,550	1,621,550	2017	72,025	2017	49,525
2018	1,715,000	81,900	1,796,900	2018	49,525	2018	32,375
2019	1,775,000	42,563	1,817,563	2019	32,375	2019	10,188
2020	815,000	10,187	825,187	2020	10,187	2020	
	<u>\$ 7,185,000</u>	<u>\$ 414,050</u>	<u>\$ 7,599,050</u>		<u>\$ 249,937</u>		<u>\$ 164,113</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2014A  
 December 31, 2015

Date of Issue	August 19, 2014
Date of Maturity	January 1, 2028
Authorized Issue	\$6,725,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.50%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	Portion that Refunded 2007 FS#2 Bonds

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2016	40,000	190,075	230,075	2016	95,238	2016	94,837
2017	480,000	184,875	664,875	2017	94,838	2017	90,037
2018	485,000	175,225	660,225	2018	90,038	2018	85,187
2019	500,000	165,375	665,375	2019	85,188	2019	80,187
2020	510,000	152,725	662,725	2020	80,188	2020	72,537
2021	515,000	137,350	652,350	2021	72,538	2021	64,812
2022	540,000	121,525	661,525	2022	64,813	2022	56,712
2023	560,000	105,025	665,025	2023	56,713	2023	48,312
2024	575,000	88,000	663,000	2024	48,313	2024	39,687
2025	595,000	70,450	665,450	2025	39,688	2025	30,762
2026	610,000	52,375	662,375	2026	30,763	2026	21,612
2027	630,000	32,988	662,988	2027	21,613	2027	11,375
2028	650,000	11,375	661,375	2028	11,375	2028	-
	<u>\$ 6,690,000</u>	<u>\$ 1,487,363</u>	<u>\$ 8,177,363</u>		<u>\$ 791,306</u>		<u>\$ 696,057</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2014B  
 December 31, 2015

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Date of Issue	August 19, 2014
Date of Maturity	January 1, 2029
Authorized Issue	\$2,935,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.00%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	Portion that Refunded 2008A Bonds for Stormwater Improvements

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2016	25,000	92,200	117,200	2016	46,225	2016	45,975
2017	25,000	91,700	116,700	2017	45,975	2017	45,725
2018	30,000	91,150	121,150	2018	45,725	2018	45,425
2019	30,000	90,550	120,550	2019	45,425	2019	45,125
2020	30,000	89,800	119,800	2020	45,125	2020	44,675
2021	30,000	88,900	118,900	2021	44,675	2021	44,225
2022	30,000	88,000	118,000	2022	44,225	2022	43,775
2023	30,000	87,100	117,100	2023	43,775	2023	43,325
2024	30,000	86,200	116,200	2024	43,325	2024	42,875
2025	615,000	76,525	691,525	2025	42,875	2025	33,650
2026	630,000	57,850	687,850	2026	33,650	2026	24,200
2027	650,000	37,837	687,837	2026	24,200	2026	13,637
2028	665,000	15,638	680,638	2027	13,638	2027	2,000
2029	100,000	2,000	102,000	2028	2,000	2028	-
	<u>\$ 2,920,000</u>	<u>\$ 995,450</u>	<u>\$ 3,915,450</u>		<u>\$ 520,838</u>		<u>\$ 474,612</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Bonds, Series 2015A  
 December 31, 2015

Date of Issue	April 15, 2015
Date of Maturity	January 1, 2035
Authorized Issue	\$5,000,000
Denomination of Bonds	\$5,000
Interest Rates	2% to 3.5%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To fund Water projects

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2016	235,000	175,441	410,441	2016	104,391	2016	71,050
2017	200,000	140,100	340,100	2017	71,050	2017	69,050
2018	200,000	136,100	336,100	2018	69,050	2018	67,050
2019	205,000	132,050	337,050	2019	67,050	2019	65,000
2020	210,000	127,900	337,900	2020	65,000	2020	62,900
2021	215,000	123,650	338,650	2021	62,900	2021	60,750
2022	220,000	119,300	339,300	2022	60,750	2022	58,550
2023	225,000	113,725	338,725	2023	58,550	2023	55,175
2024	230,000	106,900	336,900	2024	55,175	2024	51,725
2025	235,000	99,925	334,925	2025	51,725	2025	48,200
2026	245,000	92,725	337,725	2026	48,200	2026	44,525
2027	250,000	85,300	335,300	2027	44,525	2027	40,775
2028	260,000	77,000	337,000	2028	40,775	2028	36,225
2029	265,000	67,813	332,813	2029	36,225	2029	31,588
2030	275,000	58,362	333,362	2030	31,587	2030	26,775
2031	285,000	48,563	333,563	2031	26,775	2031	21,788
2032	295,000	38,412	333,412	2032	21,787	2032	16,625
2033	305,000	27,913	332,913	2033	16,625	2033	11,288
2034	315,000	17,062	332,062	2034	11,287	2034	5,775
2035	330,000	5,775	335,775	2035	5,775	2035	
Total	<u>\$ 5,000,000</u>	<u>\$ 1,794,016</u>	<u>\$ 6,794,016</u>		<u>\$ 949,202</u>		<u>\$ 844,814</u>

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2015B  
 December 31, 2015

Date of Issue	April 15, 2015
Date of Maturity	January 01, 2034
Authorized Issue	\$4,535,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.5%
Interest Dates	January 1 and July 1
Principal Maturity Dates	January 1
Payable At	The Northern Trust Company
Purpose of Issuance	To refund a portion of 2008 Stormwater bonds

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Debt Service			Interest Due On			
	Principal	Interest	Totals	January 1	Amount	July 1	Amount
2016	65,000	187,375	252,375	2016	110,400	2016	76,975
2017	20,000	153,750	173,750	2017	76,975	2017	76,775
2018	20,000	153,350	173,350	2018	76,775	2018	76,575
2019	20,000	152,950	172,950	2019	76,575	2019	76,375
2020	20,000	152,550	172,550	2020	76,375	2020	76,175
2021	20,000	152,150	172,150	2021	76,175	2021	75,975
2022	25,000	151,700	176,700	2022	75,975	2022	75,725
2023	25,000	151,075	176,075	2023	75,725	2023	75,350
2024	25,000	150,325	175,325	2024	75,350	2024	74,975
2025	25,000	149,575	174,575	2025	74,975	2025	74,600
2026	25,000	148,825	173,825	2026	74,600	2026	74,225
2027	25,000	148,075	173,075	2027	74,225	2027	73,850
2028	25,000	147,263	172,263	2028	73,850	2028	73,413
2029	620,000	135,975	755,975	2029	73,412	2029	62,563
2030	760,000	111,825	871,825	2030	62,562	2030	49,263
2031	790,000	84,700	874,700	2031	49,262	2031	35,438
2032	820,000	56,525	876,525	2032	35,437	2032	21,088
2033	845,000	27,387	872,387	2033	21,087	2033	6,300
2034	360,000	6,300	366,300	2034	6,300	2034	-
<b>Total</b>	<b>\$ 4,535,000</b>	<b>\$ 2,421,675</b>	<b>\$ 6,956,675</b>		<b>\$ 1,266,035</b>		<b>\$ 1,155,640</b>



## SECTION 8

### STATISTICAL SECTION (Unaudited)

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>
<p><b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.</p>	8-1 - 8-5
<p><b>Revenue Capacity</b> These schedules contain information to help the reader assess significant local revenue sources, the property tax and sales tax.</p>	8-6 - 8-11
<p><b>Debt Capacity</b> 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.</p>	8-12 - 8-14
<p><b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.</p>	8-15 - 8-16
<p><b>Operating Information</b> 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.</p>	8-17 - 18-19

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

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

	2006	2006(A)	2007	2008	2009	2010	2011	2012	2013	2014	2015
									as restated for pensions		
<b>Governmental Activities</b>											
Net investment in capital assets	\$ 61,598	\$ 65,925	\$ 66,275	\$ 70,743	\$ 66,960	\$ 64,610	\$ 69,272	\$ 67,608	\$ 70,277	\$ 71,753	\$ 80,121
Restricted	3,697	3,847	4,007	35,838	31,785	4,795	6,051	6,806	7,473	8,127	10,516
Unrestricted	15,822	17,532	19,581	(13,944)	(9,618)	24,820	25,138	27,814	16,372	(58,519)	(66,851)
<b>Total Governmental Activities</b>	<b>81,117</b>	<b>87,304</b>	<b>89,863</b>	<b>92,637</b>	<b>89,127</b>	<b>94,225</b>	<b>100,461</b>	<b>102,228</b>	<b>94,122</b>	<b>21,361</b>	<b>23,786</b>
<b>Business-type Activities</b>											
Net investment in capital assets	25,370	25,213	25,279	29,197	32,272	32,691	32,663	32,169	33,734	38,495	37,868
Unrestricted	5,724	4,424	7,746	4,911	1,545	1,304	2,192	3,861	13,469	11,116	15,140
<b>Total Business-type Activities</b>	<b>31,094</b>	<b>29,637</b>	<b>33,025</b>	<b>34,108</b>	<b>33,817</b>	<b>33,995</b>	<b>34,855</b>	<b>36,030</b>	<b>47,203</b>	<b>49,611</b>	<b>53,008</b>
<b>Primary Government</b>											
Net investment in capital assets	86,968	91,137	91,554	99,939	99,232	97,301	101,935	99,777	104,010	110,248	117,989
Restricted	3,697	3,847	4,007	35,838	31,785	4,795	6,051	6,806	7,472	8,127	10,516
Unrestricted	21,546	21,956	27,327	(9,033)	(8,073)	26,124	27,330	31,675	29,842	(47,403)	(51,711)
<b>Total Primary Government</b>	<b>\$ 112,211</b>	<b>\$ 116,940</b>	<b>\$ 122,888</b>	<b>\$ 126,744</b>	<b>\$ 122,944</b>	<b>\$ 128,220</b>	<b>\$ 135,316</b>	<b>\$ 138,258</b>	<b>\$ 141,324</b>	<b>\$ 70,972</b>	<b>\$ 76,794</b>

Notes

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

2013 and prior years have not been restated for the implementation of GASB 68.

Data Source

Audited Financial Statements

VILLAGE OF DOWNERS GROVE, ILLINOIS  
CHANGE IN NET POSITION (in thousands)  
Last Ten Years

	2006	2006(A)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>											
<b>Governmental Activities</b>											
General government	\$ 4,418	\$ 4,263	\$ 5,637	\$ 6,360	\$ 4,841	\$ 5,362	\$ 5,971	\$ 6,222	\$ 6,573	\$ 6,980	\$ 6,688
Public works	9,669	8,362	11,041	13,561	15,701	11,855	13,867	18,272	13,409	13,992	11,319
Community development	1,686	2,469	4,200	3,229	2,805	2,539	2,458	2,635	2,996	2,681	3,067
Public safety	23,057	17,740	26,588	28,591	27,635	26,768	27,317	27,663	28,747	30,271	33,749
Community services	4,149	2,125	2,991	2,036	1,882	836	745	756	773	799	737
Interest and fiscal charges	1,836	1,283	2,010	2,349	2,956	2,774	2,514	2,735	2,691	1,898	1,650
<b>Total Governmental Activities Expenses</b>	<b>44,815</b>	<b>36,242</b>	<b>52,467</b>	<b>56,126</b>	<b>55,820</b>	<b>50,134</b>	<b>52,872</b>	<b>58,283</b>	<b>55,189</b>	<b>56,621</b>	<b>57,210</b>
<b>Business-type Activities</b>											
Waterworks	8,626	5,813	7,863	6,777	7,710	8,248	8,765	11,256	11,726	12,752	14,157
Parking	884	292	977	940	946	847	966	952	945	1,045	994
Stormwater Utility	-	-	-	-	-	-	-	-	5,285	2,667	3,266
<b>Total Business-type Activities Expenses</b>	<b>9,510</b>	<b>6,105</b>	<b>8,840</b>	<b>7,717</b>	<b>8,656</b>	<b>9,095</b>	<b>9,731</b>	<b>12,208</b>	<b>17,956</b>	<b>16,464</b>	<b>18,417</b>
<b>Total Primary Government Expenses</b>	<b>54,325</b>	<b>42,347</b>	<b>61,307</b>	<b>63,843</b>	<b>64,476</b>	<b>59,229</b>	<b>62,603</b>	<b>70,491</b>	<b>73,145</b>	<b>73,085</b>	<b>75,627</b>
<b>Program Revenues</b>											
<b>Governmental Activities</b>											
<b>Charges for Services</b>											
General government	1,006	2,152	1,577	1,793	2,052	1,576	1,567	1,614	1,643	1,679	1,576
Public works	372	181	249	174	192	220	383	292	313	139	108
Community development	1,831	1,272	2,107	1,334	955	1,123	1,187	1,546	1,339	1,477	1,548
Public safety	2,533	1,941	2,181	2,728	2,506	2,606	2,655	2,793	3,434	2,920	2,854
Community services	878	863	825	1,045	1,059	793	848	883	914	979	1,003
Operating Grants and Contributions	1,552	1,198	1,898	1,844	374	206	617	1,073	1,020	969	702
Capital Grants and Contributions	428	249	1,216	2,810	1,582	1,611	2,976	2,010	1,405	1,731	1,228
<b>Total Governmental Activities Program Revenues</b>	<b>8,600</b>	<b>7,856</b>	<b>10,053</b>	<b>11,728</b>	<b>8,720</b>	<b>8,135</b>	<b>10,233</b>	<b>10,211</b>	<b>10,068</b>	<b>9,894</b>	<b>9,019</b>
<b>Business-type Activities</b>											
<b>Charges for Services</b>											
Waterworks	8,696	5,440	7,799	7,372	7,473	8,143	9,475	12,271	13,197	13,787	15,153
Parking	1,013	699	1,289	1,209	1,242	1,287	1,298	1,265	1,425	1,469	1,579
Stormwater Utility	-	-	-	-	-	-	-	-	3,375	3,853	3,771
Operating Grants and Contributions	179	268	1	47	120	47	47	47	47	47	47
Capital Grants and Contributions	-	-	-	130	-	30	10	80	(10)	1	1,493
<b>Total Business-type Activities Program Revenues</b>	<b>9,888</b>	<b>6,407</b>	<b>9,089</b>	<b>8,758</b>	<b>8,835</b>	<b>9,507</b>	<b>10,830</b>	<b>13,663</b>	<b>18,034</b>	<b>19,157</b>	<b>22,043</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 18,488</b>	<b>\$ 14,263</b>	<b>\$ 19,142</b>	<b>\$ 20,486</b>	<b>\$ 17,555</b>	<b>\$ 17,642</b>	<b>\$ 21,063</b>	<b>\$ 23,874</b>	<b>\$ 28,102</b>	<b>\$ 29,051</b>	<b>\$ 31,062</b>

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

	2006	2006(A)	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Revenue (Expense)											
Governmental activities	\$ (36,215)	\$ (28,386)	\$ (42,414)	\$ (44,398)	\$ (47,100)	\$ (41,999)	\$ (42,639)	\$ (48,072)	\$ (45,121)	\$ (46,727)	\$ (48,191)
Business-type activities	378	302	249	1,041	180	412	1,099	1,455	78	2,693	3,626
<b>Total Primary Government Net Revenue (Expense)</b>	<b>(35,837)</b>	<b>(28,084)</b>	<b>(42,165)</b>	<b>(43,357)</b>	<b>(46,920)</b>	<b>(41,587)</b>	<b>(41,540)</b>	<b>(46,617)</b>	<b>(45,043)</b>	<b>(44,034)</b>	<b>(44,565)</b>
General Revenues and Other Changes in Net Position											
Governmental Activities											
Taxes											
Property	10,237	10,648	10,868	14,079	14,819	16,609	17,298	17,208	15,088	15,775	15,632
Sales	16,716	12,627	17,549	16,917	16,330	17,374	18,560	19,019	19,762	20,961	21,898
Utility	6,268	3,798	6,269	7,541	6,371	6,001	6,209	6,366	5,841	5,711	5,635
Income	3,769	2,672	4,313	4,612	3,960	3,835	3,787	4,203	4,558	4,580	5,200
Other	2,867	1,254	2,496	2,588	2,127	2,285	2,330	2,434	2,569	1,836	1,771
Investment earnings	814	888	1,730	1,222	1,073	737	416	234	203	(287)	180
Miscellaneous	18	92	43	7	38	-	24	74	18	-	-
Special items	(4,684)	1,261	-	-	-	-	-	-	-	-	-
Transfers	181	1,930	178	208	570	256	250	300	(11,024)	300	300
<b>Total Governmental Activities</b>	<b>36,186</b>	<b>35,170</b>	<b>43,446</b>	<b>47,174</b>	<b>45,288</b>	<b>47,097</b>	<b>48,874</b>	<b>49,838</b>	<b>37,015</b>	<b>48,876</b>	<b>50,616</b>
Business-type Activities											
Investment earnings	203	170	304	250	99	22	10	21	70	57	71
Miscellaneous	-	-	3,013	-	-	-	-	-	-	-	-
Transfers	(181)	(1,930)	(178)	(208)	(570)	(256)	(250)	(300)	11,024	(300)	(300)
<b>Total Business-type Activities</b>	<b>22</b>	<b>(1,760)</b>	<b>3,139</b>	<b>42</b>	<b>(471)</b>	<b>(234)</b>	<b>(240)</b>	<b>(279)</b>	<b>11,094</b>	<b>(243)</b>	<b>(229)</b>
<b>Total Primary Government</b>	<b>36,208</b>	<b>33,410</b>	<b>46,585</b>	<b>47,216</b>	<b>44,817</b>	<b>46,863</b>	<b>48,634</b>	<b>49,559</b>	<b>48,109</b>	<b>48,633</b>	<b>50,387</b>
Change in net position											
Governmental activities	(29)	6,784	1,031	2,774	(1,813)	5,098	6,235	1,766	(8,106)	2,149	2,425
Business-type activities	400	(1,457)	3,388	1,083	(291)	178	859	1,176	11,172	2,450	3,397
<b>Total Primary Government Change in Net Position</b>	<b>\$ 371</b>	<b>\$ 5,327</b>	<b>\$ 4,419</b>	<b>\$ 3,857</b>	<b>\$ (2,104)</b>	<b>\$ 5,276</b>	<b>\$ 7,094</b>	<b>\$ 2,942</b>	<b>\$ 3,066</b>	<b>\$ 4,599</b>	<b>\$ 5,822</b>

Notes

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

Data Source

Audited Financial Statements

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

	2006	2006(A)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>											
Reserved	\$ 194	\$ 99	\$ 89	\$ 89	\$ 66	\$ 2,026	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	17,858	18,530	16,962	15,688	15,377	13,656	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	2,043	2,009	2,574	48	39
Restricted	-	-	-	-	-	-	-	-	-	-	163
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	15,141	17,193	17,858	17,165	18,498
<b>Total General Fund</b>	<b>18,052</b>	<b>18,629</b>	<b>17,051</b>	<b>15,776</b>	<b>15,443</b>	<b>15,682</b>	<b>17,184</b>	<b>19,202</b>	<b>20,432</b>	<b>17,213</b>	<b>18,700</b>
Reserved	5,493	5,741	5,908	-	-	-	-	-	-	-	-
Unreserved, reported in											
Debt Service Funds	-	-	-	714	856	259	-	-	-	-	-
Special Revenue Funds	(2,476)	(871)	(1,284)	1,681	1,275	2,850	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	1,227	445	5,524	31,668	27,701	23,031	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	6,051	22,243	15,251	8,127	10,353
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	19,534	21,335	8,917	9,430	3,042
Unassigned	-	-	-	-	-	-	(1,922)	(1,905)	(1,840)	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 4,244</b>	<b>\$ 5,315</b>	<b>\$ 10,148</b>	<b>\$ 34,063</b>	<b>\$ 29,832</b>	<b>\$ 26,140</b>	<b>\$ 23,663</b>	<b>\$ 41,673</b>	<b>\$ 22,328</b>	<b>\$ 17,557</b>	<b>\$ 13,395</b>
<b>Total Governmental Funds</b>	<b>\$ 22,296</b>	<b>\$ 23,944</b>	<b>\$ 27,199</b>	<b>\$ 49,839</b>	<b>\$ 45,275</b>	<b>\$ 41,822</b>	<b>\$ 40,847</b>	<b>\$ 60,875</b>	<b>\$ 42,760</b>	<b>\$ 34,770</b>	<b>\$ 32,095</b>

Notes

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

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

Data Source

Audited Financial Statements

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

	2006	2006(A)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>											
Sales tax	\$ 16,716	\$ 12,627	\$ 17,549	\$ 16,917	\$ 16,330	\$ 17,374	\$ 18,559	\$ 19,019	\$ 19,762	\$ 20,961	\$ 21,898
Property tax	10,237	10,648	10,868	14,079	14,819	16,609	17,298	17,209	15,088	15,775	15,632
Utility tax	6,268	3,798	6,269	7,541	6,371	6,001	6,209	6,367	5,841	5,711	5,635
Income tax	3,769	2,672	4,313	4,612	3,960	3,835	3,787	4,203	4,558	4,580	5,200
Other taxes	1,917	1,434	2,839	2,586	2,127	2,284	2,331	2,434	2,569	1,836	1,771
Licenses and permits	2,036	1,326	2,091	1,345	1,148	1,439	1,518	1,863	1,731	1,689	1,769
Intergovernmental	2,821	1,224	2,098	3,184	1,748	1,754	3,513	2,907	2,422	2,696	1,930
Charges for services & fees	3,737	3,071	4,123	4,065	4,565	3,773	4,096	4,276	4,868	4,593	4,660
Fines & forfeitures	871	637	676	1,264	1,246	1,106	1,027	988	1,044	911	660
Investment income	814	792	1,569	1,222	1,073	737	416	234	203	(287)	180
Miscellaneous	104	114	99	1,469	207	63	79	176	3	5	-
<b>Total revenues</b>	<b>49,290</b>	<b>38,343</b>	<b>52,494</b>	<b>58,286</b>	<b>53,595</b>	<b>54,976</b>	<b>58,833</b>	<b>59,676</b>	<b>58,089</b>	<b>58,470</b>	<b>59,335</b>
<b>Expenditures</b>											
General government	4,474	3,649	5,027	6,008	4,536	4,662	5,296	5,646	5,884	8,108	5,887
Public works	7,693	7,135	8,920	9,934	10,881	7,816	8,902	8,805	8,102	8,446	7,456
Community development	1,689	2,009	3,842	2,745	2,344	2,158	2,109	2,329	2,687	2,372	2,695
Public safety	23,139	17,252	25,060	26,053	25,518	26,826	27,244	27,970	28,621	29,392	31,172
Community services	3,475	1,758	3,042	1,966	1,831	865	750	750	767	794	708
Capital outlay	1,659	2,031	10,216	11,095	9,433	8,347	7,939	12,571	9,384	11,112	7,771
Debt service											
Principal	668	4,518	765	1,000	1,245	4,810	5,140	4,865	12,750	4,630	4,865
Interest and fiscal charges	1,809	950	70	2,198	2,854	3,175	2,502	2,372	2,661	1,993	1,756
<b>Total expenditures</b>	<b>44,606</b>	<b>39,302</b>	<b>56,942</b>	<b>60,999</b>	<b>58,642</b>	<b>58,660</b>	<b>59,882</b>	<b>65,308</b>	<b>70,856</b>	<b>66,847</b>	<b>62,310</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>4,684</b>	<b>(959)</b>	<b>(4,448)</b>	<b>(2,713)</b>	<b>(5,047)</b>	<b>(3,684)</b>	<b>(1,049)</b>	<b>(5,632)</b>	<b>(12,767)</b>	<b>(8,377)</b>	<b>(2,975)</b>
<b>Other Financing Sources (Uses)</b>											
Transfers in	1,184	5,278	410	2,067	4,755	7,260	7,442	7,102	6,797	8,722	6,921
Transfers out	(1,003)	(3,348)	(30)	(2,109)	(4,435)	(7,204)	(7,392)	(7,002)	(20,755)	(8,422)	(6,621)
Issuance of debt	-	-	-	28,900	9,030	10,955	-	25,000	8,360	6,725	-
Payment to the refunded bond escrow agent	-	-	-	(3,992)	(9,144)	(11,790)	-	-	-	(6,888)	-
Bond issue premium	-	-	-	481	239	1,009	-	284	233	249	-
Proceeds from disposal of capital assets	49	1,275	-	7	38	-	24	277	18	-	-
<b>Total other financing sources (uses)</b>	<b>230</b>	<b>3,205</b>	<b>380</b>	<b>25,354</b>	<b>483</b>	<b>230</b>	<b>74</b>	<b>25,661</b>	<b>(5,347)</b>	<b>386</b>	<b>300</b>
<b>Net Change in Fund Balances</b>	<b>\$ 4,914</b>	<b>\$ 2,246</b>	<b>\$ (4,068)</b>	<b>\$ 22,641</b>	<b>\$ (4,564)</b>	<b>\$ (3,454)</b>	<b>\$ (975)</b>	<b>\$ 20,029</b>	<b>\$ (18,114)</b>	<b>\$ (7,991)</b>	<b>\$ (2,675)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.80%</b>	<b>14.82%</b>	<b>1.86%</b>	<b>6.27%</b>	<b>7.94%</b>	<b>15.21%</b>	<b>14.28%</b>	<b>13.02%</b>	<b>24.16%</b>	<b>11.28%</b>	<b>11.54%</b>

Notes

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

Data Source

Audited Financial Statements

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

Levy Year	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Assessed Value as a % of Market
2006	1,624,870,481	526,745,115	71,259,570	2,222,875,166	0.38	6,668,625,498	33.33%
2007	1,801,439,088	539,361,723	72,243,603	2,413,044,414	0.46	7,239,133,242	33.33%
2008	1,928,792,310	542,102,539	76,659,327	2,547,554,176	0.44	7,642,662,528	33.33%
2009	1,938,204,827	535,619,097	76,008,514	2,549,832,438	0.50	7,649,497,314	33.33%
2010	1,831,191,815	503,177,630	71,922,788	2,406,292,233	0.56	7,218,876,699	33.33%
2011	1,702,783,589	498,605,787	68,214,898	2,269,604,274	0.58	6,808,812,822	33.33%
2012	1,608,931,001	467,319,340	65,562,355	2,141,812,696	0.52	6,425,438,088	33.33%
2013	1,546,924,741	434,267,904	61,357,602	2,042,550,247	0.57	6,127,650,741	33.33%
2014	1,553,364,667	430,761,743	61,395,006	2,045,521,416	0.56	6,136,564,248	33.33%
2015	1,642,853,974	458,391,227	62,480,383	2,163,725,584	0.58	6,491,176,752	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, ILLINOIS  
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 Last Ten Levy Years

Tax Levy Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Village Direct Rates</b>										
Corporate	0.1156	0.1146	0.1068	0.1264	0.1601	0.1697	0.1414	0.1482	0.1470	0.1399
Firefighter's Pension	0.0712	0.0427	0.0626	0.0785	0.0925	0.0945	0.1059	0.1221	0.1151	0.1317
Police Pension	0.0496	0.0479	0.0501	0.0676	0.0790	0.0698	0.0917	0.1140	0.1117	0.1244
Debt Service	0.0335	0.0330	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.1100	0.1158	0.1138	0.1137	0.1205	0.1277	0.1354	0.1419	0.1417	0.1339
Stormwater	0.0000	0.1090	0.1090	0.1090	0.1104	0.1170	0.0000	0.0000	0.0000	0.0000
Capital							0.0458	0.0481	0.0490	0.0454
<b>Total Direct Rate</b>	<b>0.3799</b>	<b>0.4630</b>	<b>0.4423</b>	<b>0.4952</b>	<b>0.5625</b>	<b>0.5787</b>	<b>0.5202</b>	<b>0.5743</b>	<b>0.5645</b>	<b>0.5753</b>
<b>Overlapping Rates</b>										
Library District	0.1870	0.1795	0.1773	0.1832	0.1966	0.2136	0.2324	0.2502	0.2612	0.2407
Downers Grove Park District	0.3062	0.2932	0.2781	0.2699	0.2900	0.3077	0.3434	0.3691	0.3765	0.3624
Downers Grove Sanitary District	0.0316	0.0303	0.0301	0.0305	0.0336	0.0363	0.0405	0.0436	0.0448	0.0434
Special Service Area #1	0.0573	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Special Service Area #2	1.5000	1.4161	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Special Service Area #3	0.3379	0.3315	0.3140	0.3151	0.3366	0.3345	0.0000	0.0000	0.0000	0.0000
Special Service Area #6								0.2950	0.2680	0.2430
Downers Grove Township	0.0268	0.0256	0.0254	0.0256	0.0281	0.0307	0.0343	0.0368	0.0378	0.0368
Downers Grove Township Road	0.0401	0.0382	0.0379	0.0382	0.0420	0.0439	0.0512	0.0549	0.0564	0.0550
DuPage County	0.1713	0.1651	0.1557	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971
DuPage County Forest Preserve	0.1303	0.1187	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622
Dupage Airport Authority	0.0183	0.0170	0.0160	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188
College of DuPage	0.1929	0.1888	0.1858	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786
Grade School District No. 58	1.6523	1.5816	1.5713	1.6304	1.6991	1.8851	2.0981	2.2613	2.3051	2.2175
High School District No. 99	1.4884	1.4269	1.4214	1.4679	1.6105	1.7271	1.9209	2.0729	2.1079	2.0666

Data Source

Office of the County Clerk

Per \$100 of assessed value



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

Taxpayer	2015			2005		
	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Village Taxable Assessed Value
Hamilton Partners	\$ 33,038,897	1	1.53	\$ 51,411,454	1	2.92
BRE COH IL LLC	17,943,050	2	0.83			
PTA - K 225	13,235,060	3	0.61			
Bristol Club LP	12,847,810	4	0.59			
LSREF4 Turtle LLC	11,737,210	5	0.54			
PBH Prentiss Creek LLC	11,440,220	6	0.53			
James Campbell Co LLC	10,463,730	7	0.48			
MJH Downers Grove LLC	9,849,750	8	0.46			
Adventus US Realty 9 LP	9,715,650	9	0.45			
Grove Residential LLC	9,553,310	10	0.44			
Federal Realty Investment			-	8,388,900	4	0.48
Alter Asset Management			-	12,494,751	3	0.71
Arun Enterprises			-	5,697,460	10	0.32
Wells Reit II - Opus			-	8,196,420	5	0.47
Robin Realty			-	8,121,960	6	0.46
Duke Realty Corp			-	30,090,840	2	1.71
1st Health Group Corp			-	6,589,640	7	0.37
Prestiss Creek LTD Partners			-	6,377,850	8	0.36
Fulcrum Woodland LLC			-	6,319,820	9	0.36
Total	<u>\$ 139,824,687</u>			<u>\$ 143,689,095</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, ILLINOIS  
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			
2006	8,679	8,679	100%	63	8,706	100%
2007	11,148	11,116	99.71%	38	11,154	100%
2008	11,133	11,133	100%	-	11,133	100%
2009	12,478	12,478	100%	-	12,478	100%
2010	13,376	13,376	100%	-	13,376	100%
2011	12,983	12,983	100%	-	12,983	100%
2012	11,007	11,007	100%	-	11,007	100%
2013	11,590	11,590	100%	-	11,590	100%
2014	11,410	11,410	100%	-	11,410	100%
2015	12,304	*	*	*	*	*

Note

\* First installment of property taxes due June 1, 2016  
Excludes library

Data Source

Office of the County Clerk

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General merchandise	\$ 55,103	\$ 47,422	\$ 45,551	\$ 45,421	\$ 45,838	\$ 46,226	\$ 46,460	\$ 44,477	\$ 44,570	\$ 44,612
Food	105,643	108,625	108,175	117,287	119,168	117,780	116,207	122,457	134,094	143,285
Drinking and eating places	124,178	124,257	120,557	117,822	119,328	125,270	128,369	132,809	137,168	143,236
Apparel	24,913	23,659	25,415	26,835	26,010	25,538	24,759	24,595	29,118	29,393
Furniture and H.H. and radio	184,146	175,640	149,089	131,925	140,830	129,562	123,362	118,549	102,900	129,848
Lumber, building hardware	89,762	86,289	72,964	56,650	51,722	52,924	51,282	60,109	56,928	60,716
Automobile and filling stations	350,137	330,411	302,593	241,735	243,306	255,657	287,058	314,197	328,130	326,191
Drugs and miscellaneous retail	252,614	262,424	225,512	229,575	220,676	234,131	242,003	252,471	269,609	256,501
Agriculture and all others	121,891	131,947	122,317	99,973	111,240	111,100	124,306	130,917	128,014	147,793
Manufacturers	19,147	20,027	20,785	19,192	13,263	15,852	13,029	11,706	10,474	10,725
<b>TOTAL</b>	<b>\$ 1,327,534</b>	<b>\$ 1,310,701</b>	<b>\$ 1,192,958</b>	<b>\$ 1,086,415</b>	<b>\$ 1,091,381</b>	<b>\$ 1,114,040</b>	<b>\$ 1,156,835</b>	<b>\$ 1,212,287</b>	<b>\$ 1,241,005</b>	<b>\$ 1,292,300</b>

Data Source

Illinois Department of Revenue

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

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Year	Village Direct Rate	Total Sales Tax Rate
2006	1.50%	7.25%
2007	1.50%	7.25%
2008	1.75%	8.00%
2009	1.75%	8.00%
2010	2.00%	8.25%
2011	2.00%	8.25%
2012	2.00%	8.25%
2013	2.00%	8.25%
2014	2.00%	8.25%
2015	2.00%	8.25%

Data Source

Village and County Records

VILLAGE OF DOWNERS GROVE, ILLINOIS  
RATIOS OF OUTSTANDING DEBT BY TYPE (in thousands)  
Last Ten 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				
2006	43,145	18	2,650	4,788	50,601	3.26%	1,602.31	
2006(A)	38,638	-	2,650	4,788	46,076	2.97%	1,459.02	
2007	47,221	-	2,250	4,788	54,259	3.47%	1,718.14	
2008	71,691	-	1,835	4,788	78,314	5.00%	2,479.86	
2009	70,662	-	1,405	4,788	76,855	4.90%	2,433.66	
2010	66,418	-	955	4,788	72,161	3.59%	1,716.16	
2011	61,132	-	485	-	61,617	3.06%	1,465.40	
2012	81,400	-	10,149	-	91,549	4.47%	2,177.25	
2013	60,201	-	26,204	-	86,405	4.16%	2,054.91	
2014	55,783	-	25,818	-	81,601	3.79%	1,884.46	
2015	50,737	-	30,758	-	81,495	3.85%	1,915.82	

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 8-15 for personal income and population data.

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Taxable Assessed Value of Property*	Per Capita
2006	45,795	263	45,532	2.05%	1,441.80
2006(A)	41,288	949	40,339	1.81%	1,277.36
2007	49,471	877	48,594	2.01%	1,538.76
2008	73,526	714	72,812	2.86%	2,305.64
2009	72,067	856	71,211	2.79%	2,254.94
2010	67,373	259	67,114	2.79%	1,596.13
2011	61,617	747	60,870	2.68%	1,447.63
2012	91,549	549	91,000	4.25%	2,164.19
2013	86,405	387	86,018	4.21%	2,045.71
2014	81,601	411	81,190	3.97%	1,874.97
2015	81,495	419	81,076	3.75%	1,905.97

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 8-6 for property value data.

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (in thousands)  
 December 31, 2015

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	\$ 50,737	100.00%	\$ 50,737
DuPage County	247,964	6.40%	15,870
DuPage County Forest Preserve	205,697	6.40%	13,165
DuPage Water Commission	-	7.09%	-
Downers Grove Park District	15,351	99.63%	15,294
Downers Grove Public Library	615	100.00%	615
<b>Schools</b>			
<b>Grade School</b>			
District No. 44	9,653	4.78%	461
District No. 58	11,930	81.50%	9,723
District No. 61	6,070	11.04%	670
District No. 66	1,810	3.86%	70
District No. 68	1,135	5.51%	63
<b>High School</b>			
District No. 87	53,815	1.03%	554
District No. 99	32,346	52.37%	16,940
<b>Unit School District</b>			
District No. 201	5,075	0.56%	28
District No. 202	6,775	5.16%	350
<b>Total Overlapping</b>	<u>598,236</u>		<u>73,803</u>
<b>Total Direct and Overlapping</b>	<u>\$ 648,973</u>		<u>\$ 124,540</u>

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

Data Source

Each applicable overlapping government

VILLAGE OF DOWNERS GROVE, ILLINOIS  
 DEMOGRAPHIC AND ECONOMIC INFORMATION  
 Last Ten Years

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Calendar Year	(1) Population	Total Personal Income	(1) Per Capita Personal Income	(2) Unemployment Rate
2006	49,094	1,550,388,520	31,580	4.1%
2007	49,543	1,564,517,486	31,580	4.9%
2008	49,573	1,565,515,340	31,580	7.1%
2009	49,681	1,568,925,980	31,580	10.6%
2010	47,833	2,011,281,984	42,048	9.4%
2011	47,833	2,011,281,984	42,048	8.5%
2012	48,665	2,046,265,920	42,048	7.5%
2013	49,399	2,077,129,152	42,048	6.6%
2014	49,670	2,150,810,340	43,302	4.4%
2015	49,715	2,114,776,670	42,538	4.4%

Data Source

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

(2) Bureau of Labor Statistics



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

Employer	2015			2008		
	Rank	% of Total City Population	# of Employees	Rank	% of Total City Population	# of Employees
Advocate Good Samaritan Hospital	1	5.43%	2,700	1	5.10%	2,525
GCA Services	2	3.02%	1,500	2	3.03%	1500
Sara Lee Corporation				4	1.61%	800
University Subscription Services/ Unique Mailing Svc Inc.	3	2.11%	1,050	3	2.02%	1000
Midwestern University	4	2.01%	1,000	3	2.02%	1000
Hub Group, Inc				10	0.61%	300
DeVry Inc.	5	1.71%	850			
First Health Group Corp				5	1.41%	700
Acxiom/May & Speh Inc.	6	1.41%	700	4	1.61%	800
Aramark Servicemaster				4	1.61%	800
First Health Group Corp.	7	1.21%	600	5	1.41%	700
State Farm	7	1.21%	600			
FTD Inc.	8	1.01%	500	7	1.01%	500
Ambitech Engineering Corp.	8	1.01%	500			
RR Donnelly and Sons Co				6	1.06%	527
Downers Grove South High School				8	0.81%	400
Downers Grove North High School				9	0.66%	325
Advocate Health Care	9	0.85%	420			
HMOS of Blue Cross Blue Shied of Ill	9	0.85%	420			
Dover Corporation	10	0.81%	400			
Pepperidge Farm, Inc.	11	0.75%	375			
Havi Global Solutions, LLC	12	0.70%	350			
JP Morgan Chase	13	0.60%	300			

Data Source

Downers Grove Economic Development Corporation

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

Program #	Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government											
111	Clerk's Office	1.75	2.00	2.50	2.50	2.50	2.75	2.75	2.75	2.75	2.75
121	Manager's Office	5.00	7.50	7.60	6.60	4.60	5.60	4.60	4.60	5.00	6.00
131	Legal	2.75	3.00	3.75	3.75	3.00	3.50	3.75	3.75	4.00	4.00
142	Building services	8.75	8.75	9.25	9.25	8.25	8.00	8.00	8.25	8.25	8.25
151	Human resources	2.00	4.50	4.50	4.50	3.50	3.50	3.60	3.60	3.00	3.00
171	Information services	8.50	9.00	8.75	8.00	8.00	8.00	8.00	8.50	8.50	8.50
200	Finance	12.70	12.70	13.18	13.18	12.18	12.18	12.20	12.20	12.20	12.00
300	Public Works										
	Public works administrative	5.00	6.00	5.00	5.00	5.50	5.50	6.00	5.35	5.35	5.75
	Engineering/Stormwater	11.00	16.00	13.00	14.00	12.00	12.00	15.00	16.00	17.00	10.50
	Forestry and grounds	8.50	7.00	7.00	6.00	10.75	6.00	6.00	7.00	7.00	8.50
	Streets	32.50	30.15	36.00	30.75	26.00	26.00	22.50	23.50	23.50	24.10
	Water	12.00	11.00	10.00	12.00	10.00	11.00	10.00	10.50	10.50	14.25
	Fleet	7.50	7.00	7.50	10.00	10.00	7.50	10.00	10.00	10.00	6.85
Community Development											
411	Planning	5.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00
421	Economic Development	-	-	-	-	-	-	-	-	-	-
411	Code services	13.25	19.50	17.50	15.50	13.50	12.50	12.50	12.50	13.50	11.50
Public Safety											
600	Police										
	Officers	78.00	81.00	81.00	81.00	79.00	74.00	74.00	74.00	74.00	74.00
	Civilians	23.58	23.40	23.60	23.60	20.60	19.60	19.60	19.60	19.60	19.60
	Voc	15.00	17.00	16.00	16.00	15.00	17.00	17.00	17.00	17.00	17.00
700	Fire										
	Firefighters and officers	75.00	81.00	82.00	79.00	77.00	77.00	77.00	77.00	77.00	77.00
	Civilians	10.00	9.50	9.75	9.75	8.75	8.00	7.00	6.50	6.50	6.50
Community Services											
821	Counseling and social services	3.35	4.35	3.90	3.90	1.00	1.00	-	-	-	-
823	Alcohol and tobacco control	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	-
840	Public information	2.50	3.25	3.25	2.25	1.75	2.25	3.25	3.25	3.00	3.25
841	Cable television	4.25	4.50	4.50	3.75	3.75	3.00	3.00	3.00	3.00	3.00
864	Tourism and events	-	3.00	3.00	3.00	1.00	-	-	-	-	-
Grand Total		348.13	373.35	374.78	366.53	340.88	329.13	329.00	332.10	332.90	329.30

VILLAGE OF DOWNERS GROVE, ILLINOIS  
OPERATING INDICATORS  
Last Nine Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety									
Police									
Physical arrests	1,936	1,632	1,922	1,881	1,743	1,792	1,491	1,342	1,190
Parking violations	10,427	10,427	7,830	8,743	10,002	6,530	9,144	2,387	8,686
Traffic violations	11,133	11,335	12,235	11,811	10,684	10,898	10,811	9,406	9,454
Fire									
EMS calls	3,542	3,736	2,605	2,350	2,253	3,599	2,307	3,561	3,994
Fire calls	2,086	2,075	2,399	3,064	3,383	5,696	3,585	2,332	1,858
Fires extinguished	95	71	39	47	62	71	77	76	51
Community Development									
Permits issued	1,160	1,545	1,339	1,634	1,861	1,853	2,097	2,154	2,056
Inspections conducted	3,648	3,850	2,677	2,932	3,335	4,414	3,668	4,317	4,452
Water									
Water main breaks	87	70	62	67	78	81	77	85	55
Water pumped (gallons)	2,078,808,000	1,972,314,000	1,940,962,000	1,919,117,000	1,926,075,800	2,044,068,000	1,831,568,000	1,775,020,000	1,753,318,000
Average daily consumption	5,695,364	5,403,600	5,317,704	5,257,855	5,276,920	5,600,000	5,017,000	4,863,000	4,800,000
Peak daily consumption	10,761,000	8,403,000	7,358,000	8,974,000	9,465,000	9,003,000	7,615,000	6,699,000	7,242,000

Data Source

Village budget office

VILLAGE OF DOWNERS GROVE, ILLINOIS  
CAPITAL ASSETS STATISTICS  
Last Eight Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015
General Government								
Vehicles	7	7	8	8	8	7	9	7
Community Development								
Vehicles	7	7	5	5	5	5	5	5
Public Safety								
Police								
Stations	1	1	1	1	1	1	1	1
Vehicles/Equipment	53	49	48	43	43	44	43	44
Fire								
Fire stations	4	4	4	4	4	4	4	4
Vehicles/Equipment	35	35	36	34	34	33	33	34
Public Works								
Traffic signals	60	67	66	66	64	64	64	64
Vehicles/Equipment	86	84	81	84	84	82	80	83
Buses	7	7	7	6	6	1	1	-
Water								
Water mains (miles)	207	207	213	215	207	208	233	217
Fire hydrants	2,881	3,053	3,183	3,145	3,180	3,126	3,280	2,776
Vehicles/Equipment	10	10	11	10	10	9	9	9

Data Source

Various village departments

Prior year information is unavailable

The Village will obtain this information going forward